

To: Honorable Chair and Members of the Rent Review Advisory Committee
From: Claudia Young, Housing and Community Development Program Manager
Date: April 6, 2015
Re: Presentation on Proposed Rent Review Ordinance

BACKGROUND

On September 14, 2014, the City Council, to address concerns that members of the community had expressed about the impacts of rising residential rents in Alameda, agreed to a community process in order for the Council to understand better these issues and to determine whether there were strategies that could address these concerns. Alameda resident Jeff Cambra volunteered to facilitate a series of community meetings with various stakeholder groups.

Following those meetings, at the City Council meeting on January 20, 2015, the Alameda Rental Housing Community Discussion Group, representing tenants and housing providers, presented to the Council six broadly worded "discussion points" that the Group had vetted over a period of several months in an effort to address concerns expressed by tenants regarding rent increases and concerns expressed by housing providers that the City not create or impose significant procedural or financial hardships on them. The discussion points are attached as Exhibit 1.

After discussion on these conceptual points, City Council directed staff to draft an Ordinance that would incorporate those concepts and return the item to the City Council for further action. In addition, because the procedures contemplated the continued use of the Council-appointed Rent Review Advisory Committee (RRAC), Council directed that an Ordinance be drafted that would more formally create the Committee by establishing it as one of the Committees in the Municipal Code and that would better define its duties.

Further direction was given to staff to publish the draft ordinance and its recommendation on any further analysis needed regarding the residential rental market in Alameda within 90 days, or by April 23, 2015, for Council action at its May 5, 2015 meeting. Staff was asked to provide the draft ordinance to the community as soon as possible to maximize the opportunity for public review ahead of the May 5 meeting. As part of that effort, staff is presenting the draft ordinance to the RRAC for its review and comment. The draft ordinance is attached as Exhibit 2.

This presentation is for information and discussion only and no action is required. However, if there is consensus among RRAC members about aspects of the draft ordinance, that consensus will be included in the staff report to the City Council.

DISCUSSION

Rent Review Procedures

The draft ordinance carries out Council direction by creating rent review procedures that require notice and participation but would not create a bar to a rent increase unless the housing provider failed to provide the required notice or failed to participate in the rent review process created by the ordinance. The rent review procedures would apply to all residential property (as defined) in the City except housing units the rents of which are regulated by federal law (e.g., Section 8 housing) or by regulatory agreements between a housing provider and the City, the Housing Authority or a State agency (for example, when a public agency, such as the City, has provided a low interest loan to rehabilitate residential property in exchange for which the owner has agreed to rent the property to limited income households for a number of years). It would also not apply to housing units that are rented for fewer than 30 days, e.g., vacation rentals through organizations such as VRBO or AirBnB.

There were a number of items upon which the Discussion Group agreed and that the City Council indicated should be in a draft ordinance. For example, under State law, housing providers must provide 60 days' written notice to tenants if rents are going to be increased by 10% or more, and must provide 30 days' notice if rents are going to be raised by less than 10%. The Discussion Group agreed that a housing provider must provide an additional notice to a tenant concerning the availability of rent review procedures when the housing provider intended to impose a rent increase. That agreement was reflected in Discussion Point #3 (requires that notice of option to participate in a hearing be given in writing with any notice of a rent increase over a specific defined percentage). This concept has been incorporated into the draft ordinance as sections 6-56.3, 6-56.4 and the text of the notice in section 6-56.5. (But note that the specific percentage that would trigger the notice is not resolved as discussed below.)

In addition, the Discussion Group agreed that the notice must provide that it was illegal for a housing provider to retaliate against a tenant for lawfully exercising his or her rights to invoke the rent review process the ordinance would create. That concept was reflected in Discussion Point #4 (retaliation prohibited) and has been incorporated into the draft Ordinance in section 6-56.3 and the text of the notice in section 6-56.5.

One issue, however, on which the Discussion Group was unable to reach consensus was Discussion Point #6 (hearing participation requirement based on an amount or percentage of increase). That is, should the ordinance require a housing provider to provide notice to the tenant that the tenant may invoke the use of the rent review procedures for any rent increase or for only those rent increases that are of a certain percentage or higher, e.g., 5% or higher? Moreover, even if a certain percentage of a rent increase were required to invoke the use of the RRAC, there was not consensus whether there should be an alternative procedure, for example a conciliation procedure administered by a neutral third party, that the ordinance would make available to

tenants, even if the rent increase did not meet the threshold percentage applicable to the RRAC.

Because no consensus was reached on Discussion Point #6, the draft ordinance has alternative provisions, reflected in section 6-56.3, the text of the notice in section 6-56.5, and sections 6-56.6, 6-56.7 and 6-56.9. In one alternative, if the rent increase is some yet to be determined percentage or higher (or if the rent increase is the second increase within 12 months), the housing provider's notice must inform the tenant of the availability of a rent review procedure conducted by the RRAC. In the other alternative, regardless of the percentage of the rent increase, the notice must inform the tenant of the availability of rent review procedures, one conducted by the RRAC (where the increase is some percentage or greater) and the other through a conciliation process involving a neutral third party.

If, under either alternative, the RRAC is to review the matter, the Housing Authority staff or other service provider will schedule a hearing and provide notice to the housing provider and the tenant as to the time and date of the hearing, which will be scheduled at the RRAC's next regularly scheduled meeting. The notice will also encourage the housing provider to contact the tenant directly to seek a mutually satisfactory resolution prior to the hearing. The Discussion Group did agree that the housing provider and the tenant must attend the hearing (Discussion Point #2 [participation in the hearing process required]). That concept is set forth in the draft ordinance in the text of the notice in section 6-56.5 and in section 6-56.10.

Moreover, as provided in Discussion Point #1 (failure to participate in the hearing process in good faith), if the housing provider fails to appear, the rent increase will be void and the housing provider may not seek a further rent increase for 12 months. If the tenant fails to show, or if both the housing provider and the tenant fail to show, the RRAC would take no action and the tenant will be barred from seeking further review of that particular rent increase. That concept is embodied in the draft ordinance in section 6-56.10.

The ordinance contemplates that at the hearing, the RRAC may consider a number of matters such as the financial hardship to the tenant, the frequency and amount of previous rent increases, the housing provider's costs associated with owning and maintaining the property, and the housing provider's interest in earning a reasonable rate of return on the investment. The RRAC will make a recommendation concerning the rent increase. If the parties agree, they will enter into an agreement to that effect. Neither the City nor the RRAC, however, will be a signatory to such agreement nor assume any obligation to enforce the terms of the agreement. If the parties do not reach agreement, that ends the RRAC's role and the process. See section 6-56.9.

Discussion Point #5 (Requirement on postponing effective date of the increase in order to complete the hearing process) the Discussion Group agreed that the rent increase should go into effect if for whatever reason the RRAC is unable to conduct the hearing before the effective date of the rent increase. Section 6-56.8 has been drafted to allow

rent increases to go into effect even if the rent review procedures have not been concluded.

If, under one of the alternatives, there is a conciliation process through a neutral third party for rent increases under a certain percentage, Housing Authority staff will arrange for a conciliation process which could include a meeting with both parties, a phone call to both parties, or just separate phone calls. The neutral third party will encourage the parties to reach a mutually satisfactory resolution. Also as above and depending on the circumstances, both parties must participate in the process and a failure to do so will have the same results as described previously. The neutral third party will consider the same types of items as the RRAC and make a recommendation which the parties may accept. If so, the agreement will be formalized (but the City will not be responsible for enforcing any such agreement). If no agreement is reached, under this alternative, the tenant may nevertheless request the RRAC to review the rent increase. Under this alternative as well, if the effective date of the rent increase occurs before the conciliation process is completed, it will go into effect.

Finally, the Community Development Director will prepare an annual report to the City Council assessing the effectiveness of the rent review procedures and recommending any changes. Section 6-56.11.

Rent Review Advisory Committee

The attached ordinance also carries out Council direction to formalize the Council-appointed Rent Review Advisory Committee by including the Committee in the Municipal Code.

The ordinance creates a five member Committee whose purpose is to review requests from tenants concerning certain rent increases and make recommendations to the tenants and their housing providers concerning such increases. Section 2-23.1. The five members shall be residents of the City, two of whom shall be tenants, two of whom shall be housing providers and one of whom shall be a residential property owner but not a housing provider. Section 2-23.2 a. No person shall serve more than two terms. Section 2-23.2 c. If a person's "status" changes, for example, a tenant member is no longer a tenant, that results in a vacancy and someone else with that "status" would need to be appointed to complete that term of office. Section 2-23.2 e. The duties of the Committee are to hold hearings in response to requests from tenants and, after taking into consideration the matters that were described above, make an advisory recommendation to the parties for resolution of the matter. Section 2-23.4.

RECOMMENDATION

Receive a presentation on the proposed Rent Review Ordinance.

Honorable Chair and
Members of the Rent Review Advisory Committee

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Respectfully submitted,

Debbie Potter
Community Development Director

Exhibits:

1. Discussion Points Prepared by the Community Discussion Group
2. Draft Rent Review Ordinance

EXHIBIT 1

DISCUSSION POINTS PREPARED BY THE COMMUNITY DISCUSSION GROUP

REQUEST

The Alameda Rental Housing Community Discussion Group requests the City Council to direct staff to begin working with the group to evaluate the six provisions currently being commented on by the general public and tenant and housing provider interests.

BACKGROUND

On September 16, 2014, the City Council voted to allow tenants and housing providers to engage in a community based discussion on rental housing issues facilitated by Jeff Cambra. The objective of the community-based discussion as presented to the City Council was described as follows:

Given the complexity of rental housing issues, the broad impacts of any proposed solution or solutions on a diverse stakeholder group, and the emotional connection a person has to their residence regardless of their status as a renter, it is suggested that an interest based community discussion made up of stakeholder groups would serve to bring those directly affected by the issues relating to rental housing together in a joint and cooperative effort to:

- identify the issues that both renters and landlords experience as part of the tenancy,
- prioritize the issues under a scheme developed by the stakeholders, and
- work collaboratively to develop solutions to the prioritized issues drawing on their own experiences, research, and resources available from other jurisdictions and organizations.

The Council requested the group to present an interim report on its progress.

DISCUSSION

The Alameda Rental Housing Community Discussion Project (Project) involved the organization of the City's tenants and housing providers into two general point of view (POV) groups and further dividing each POV into several stakeholder interests within each POV group for the purpose of identifying issues each POV group was experiencing.

Based on individual meetings with the tenant and housing provider community, each POV group identified what they believed were the stakeholder interests.

Tenant POV Stakeholders

Senior residents, persons with disabilities, low income, moderate income, families, tenants with “model” housing providers, and a questionable management practices unrelated to rent increases.

Housing Provider Stakeholders

Owners of specific types of residential property were considered stakeholders within the housing provider POV. The property types included owners of single family homes/condos/townhouses; Victorian conversions, duplexes to 4 unit buildings, 5 to 15 unit buildings, 16 to 99 unit buildings, and complexes with 100 or more units. Rental Housing Management companies are also stakeholders.

The project experienced difficulty in filling all the stakeholder groups on each POV group with representatives for a number of reasons. Within the Tenant POV group, due to the absence of any significant pre-existing organizational structure for tenant interests, it was difficult to contact tenants that would be able to represent the interests of each stakeholder group. Additionally, many potential tenant stakeholder candidates were reluctant to participate in any public meeting for fear of being recognized by their housing provider and having their rents raised or tenancies terminated.

“There is a reason renters are not going to show their faces in public - it is because they do not want their landlord or representatives from the handful of large property rental agencies to see them in public speaking out about their fear of a rent hike or eviction.” The Alamedan, November 13, 2014 *Renters offer their stories at community forum*, Comment by C.

“Tenants won't speak up at Jeff Cambra's public meetings because they don't want to rock the boat in this crazy market and have no protections. I invited 5 friends, 2 who have landlords who raised their rents raised 25%+ this year and all were afraid to come to the meeting. As I quote a friend, “I really want to come, but I'm afraid my landlord may be there and I don't want any problems.” Alameda Renters Coalition Facebook, November 19, 2014, treated as confidential comment.

These situations are being addressed by the formation of the Alameda Renters Coalition – Facebook group that started in September of 2014 and currently has 367 members. Renewed Hope's Tenant Committee has also seen an increase in attendance further expanding the available pool of possible representatives. At this time, these two groups have assumed the role of stakeholder for the Tenant POV group.

The same lack of an existing organizational structure has left a number of stakeholder positions empty in the Housing Providers POV group. The three public meetings have generated a larger group of involved housing providers. The City's rental housing management companies have also provided information and comments.

The Project scheduled three public meetings. The first meeting was a tenant focused event where tenants were allowed to present their concerns to the public. Renewed Hope read comments that were received with requests to remain anonymous. Comments ranged from specific examples of tenants experiencing significant rent increases to examples of maintenance issues and fear of being priced out of the rental market in Alameda due to raising rents.

The second meeting was a housing provider focused meeting where individual property owners described the types of expenses they were facing and that these expenses were increasing due to increased government regulation and voter approved taxes. Owners and managers of the larger properties indicated that their 8 to 10 year return figures were very low and at least one housing provider indicated that their practice was to take reasonable rent increases annually.

Based on the two public meetings and several individual tenant and housing provider meetings, the most pressing issues involved the need for an accurate and reliable data collection point to identify individual situations where a small number housing providers were noticing significant rent increases and developing a method for informing tenants of their ability to have a rent increase case hear by the Rent Review Advisory Committee.

The third meeting held on January 7, 2014 involved the presentation of six discussion points that originated in the public meetings and were reinforced in individual tenant and housing provider POV group meetings. A smaller focus group consisting of both tenant and landlord interests vetted the six provisions. These six points should **not** be considered recommendations to the City Council. The stakeholders are only now commenting on each of them. A more accurate summary of the comments and the views of the stakeholders might be available at the January 20, 2015 City Council meeting.

The six discussion points are:

Discussion Point #1: Failure to participate in the hearing process in good faith.

This discussion point would require a tenant or housing provider who is unable to attend the hearing to send a responsible party to attend the hearing and represent him/her/it. The representative of a tenant or housing provider who attends a meeting of the RRAC without any authority to reasonably consider proposals presented during the mediation process would be considered to not be participating in good faith and this would constitute a violation.

Discussion Point #2: Participation in the hearing process required.

This discussion point would require both the tenant and landlord to attend a RRAC hearing.

If the **housing provider** fails to appear or have a responsible party appear at the

hearing without good cause, the rent increase would be void.

If a **tenant** fails to appear before the Committee without good cause, or if both the tenant and housing provider fail to appear without good cause, the Committee will dismiss the case, and the tenant will be barred from subsequently challenging such increase before the Committee.

The requirement to participate and the associated penalties for failure to participate applies to all parties and all subsequent hearings resulting from the original request for hearing.

Discussion Point #3: Requires that notice of option to participate in a hearing be given in writing with any notice of rent increase over a specific defined percentage.

This discussion point would require the housing provider to provide notice of the availability of the City's rent review procedure with each rent increase over a certain percentage.

The notice would need to be in writing, provide the name, address and phone number of the housing provider, and be personally delivered to the tenant or mailed to the tenant at the address of the tenant's rental unit by first class mail, postage pre-paid.

SUGGESTED TEXT OF NOTICE.

NOTICE: Under Civil Code Section 827(b) a housing provider must provide a tenant with thirty (30) days notice prior to a rent increase of ten percent (10%) or less and sixty (60) days notice of a rent increase of greater than ten percent (10%).

Under Title **X, Chapter **XX** of the Alameda Municipal Code, a housing provider must at the same time provide this notice of the City's rent review procedure before demanding or accepting any increase in rent. If you have received notice of a rent increase that will increase your rent more than **X** percent (**X**%) above the rent you paid last month or the rent increase follows one or more prior rent increases within the past twelve months, you may request the Alameda Rent Review Advisory Committee to review the increase. Before filing a request for review, you should contact the owner or manager of your rental unit to discuss a rent increase.**

A request for rent review must be made in writing within ten (10) days of your receiving notice of the rent increase (or post marked no later than 10(???) days after receipt of the rent increase notice if the request is being mailed). You must submit a copy of the Notice of Increase at the same time you submit the Hearing Request. If you request review of the rent increase, you and your housing provider will be required to appear before the Committee for a hearing on your rent dispute. After hearing from you and your housing provider, the Committee

will make a non-binding recommendation for resolution of the rent dispute. To request review of your rent increase, please contact the Committee through the Alameda Housing Authority, 701 Atlantic Avenue, Alameda, CA 94501 or by calling (510) 747-4300. Under Civil Code Section 1942.5, it is illegal for a housing provider to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

Discussion Point #4: Retaliation Prohibited

This discussion point restates California state law, which provides that it is illegal for a housing provider to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights. Filing an unlawful detainer action (eviction) against a tenant based solely on the action of the tenant for exercising his or her rights under this section within six months of a hearing shall be considered a retaliatory eviction. An unlawful detainer action based solely on the failure to pay a current rent obligation or material violations of a written agreement (lease) will not be presumed to be retaliatory.

Discussion Point #5: Requirement on postponing effective date of the increase in order to complete the hearing process:

The vast majority of the members of the joint committee agreed to a new approach to #5, which said that the joint group wanted to have the City look into an expedited hearing process so that the determination regarding the proposed rent increase could take place prior to the effective date of the increase. The Alameda Housing Authority and the Rent Review Advisory Committee will be directly involved in any discussions regarding an expedited hearing process.

Discussion Point #6: Hearing participation requirement based on an amount or percentage of increase.

This discussion point would require a minimum percentage of a rent increase before a tenant or a housing provider could submit an application for a mediation hearing.

While the six discussion points were the result of presentations at the public meetings and grass roots discussions in the POV groups, it is interesting to note that a number of cities have added provisions to their municipal codes to implement these same six discussion points. The City of San Leandro and the City of Fremont have extensive provisions providing for a non-binding mediation process to resolve tenant/landlord issues. Other jurisdictions that provide non-binding mediation services include the City of San Jose, City of Santa Barbara, City of Goleta, City of Carpinteria, the unincorporated areas of Alameda and Santa Barbara Counties.

EXHIBIT 2
DRAFT RENT REVIEW ORDINANCE

Rent Review Ordinance

Section 1. Article XIII is hereby added to Chapter VI of the Alameda Municipal Code to read as follows:

“Article XIII. Rent Review

6-56.1 Short title and Applicability of the Ordinance.

This ordinance shall be known as the Rent Review Ordinance. It shall apply to all Residential Property in the City except housing units the rents of which are regulated by federal law or by regulatory agreements between a Housing Provider and the City, the Housing Authority of the City of Alameda or any agency of the State of California.

6-56.2 Definitions

Unless the context requires otherwise, the terms defined in this Chapter shall have the following meanings:

- (a) Base Rent. “Base rent” means the rental amount, including any amount paid directly to the Housing Provider for parking, storage, utilities or any other fee or charge associated with the tenancy, that the Tenant is required to pay to the Housing Provider in the month immediately preceding the effective date of the rent increase.
- (b) City. “City” means the City of Alameda.
- (c) Committee. “Committee” means the Rent Review Advisory Committee as defined below.
- (d) Community Development Director. “Community Development Director” means the Director of the Community Development Department of the City of Alameda, or his/her designated representative.
- (e) Council. “Council” means the City Council of the City of Alameda.
- (f) Executive Director. “Executive Director shall mean the Executive Director the Housing Authority of the City of Alameda, or his/her designated representative.
- (g) Housing Authority. “Housing Authority” shall mean the Housing Authority of the City of Alameda.
- (h) Housing Provider. “Housing Provider” means any person, partnership, corporation or other business entity offering for rent or lease any residential property in the City and shall include the agent or representative of the Housing Provider if such agent or representative has the full authority to answer for the Housing Provider and enter into binding agreements on the Housing Provider’s behalf.
- (i) Party. “Party” means a Housing Provider or Tenant who participates in the rent review program of this Chapter.

- (j) Rent. "Rent" means a fixed periodic compensation including any amount paid directly for parking, storage or any other fee or charge associated with the tenancy (other than utilities) that a Tenant pays at fixed intervals to a Housing Provider for the possession and use of property.
- (k) Rent Increase. "Rent increase" means any upward adjustment of the Rent from the Base Rent.
- (l) Rent Review Advisory Committee. "Rent Review Advisory Committee" means the Committee established under Article II of the Alameda Municipal Code.
- (m) Residential Property. "Residential property" means any housing unit, including a mobile home, offered for rent or lease in the City except for (i) housing units the rents of which are regulated by federal law or by regulatory agreements between a Housing Provider and the City, the Housing Authority or any agency of the State of California or (ii) housing units that are rented or leased for 30 days or less.
- (n) Tenant. "Tenant" means any person having the legal responsibility for the payment of Rent for Residential property in the City and shall include the agent or representative of the Tenant if such agent or representative has the full authority to answer for the Tenant and enter into binding agreements on the Tenant's behalf.

6-56.3 Notice of Availability of Review of a Rent Increase

In addition to the notice of rent increase required by Civil Code, section 827(b) and, at the time when a Housing Provider provides such notice to the Tenant, the Housing Provider shall also provide to the Tenant a notice of availability of the rent review procedures established by this Chapter if the proposed Rent Increase is more than [*IN A PERCENTAGE TO BE DETERMINED*] over the Base Rent or if the Rent Increase is within 12 months of the immediately preceding Rent Increase. Any rent increase accomplished in violation of this Ordinance shall be void and no Housing Provider may take action to enforce such an invalid rent increase. Any rent increase in violation of this Ordinance shall operate as a complete defense to an unlawful detainer action based on a Tenant's failure to pay any illegal rent increase.

ALTERNATIVE LANGUAGE

In addition to the notice of rent increase required by Civil Code, section 827(b) and, at the time when a Housing Provider provides such notice to the Tenant, the Housing Provider shall also provide to the Tenant a notice of availability of the rent review procedures established by this Chapter regardless of the percentage of the proposed Rent Increase over the Base Rent or if the Rent Increase is within 12 months of the immediately preceding Rent Increase. Any rent increase accomplished in violation of this Ordinance shall be void and no Housing Provider may take action to enforce such an invalid rent increase. Any rent increase in violation of this Ordinance shall operate as a complete defense to an unlawful detainer action based on a Tenant's failure to pay any illegal rent increase.

6-56.4 Form and Contents of Notice

All notices of the availability of rent review procedures shall be in writing and shall provide the name, address, phone number and email address of the Housing Provider. The Housing Provider shall either personally deliver the notice to the Tenant or shall mail to the Tenant by first class mail, postage pre-paid, the notice, addressed to the Tenant's Residential Property. Service by mail shall be presumed complete five days of mailing but the Tenant may rebut that presumption.

6-56.5 Text of Notice

In addition to all other information provided in the notice of availability of rent review established by this Chapter, each such notice shall state:

NOTICE: Under Civil Code, section 827(b), a Housing Provider must provide a Tenant with 30 days' notice prior to a rent increase of 10% or less and must provide a tenant with 60 days' notice of a rent increase of greater than 10%. Because the Housing Provider proposes a Rent Increase of more than *[IN A PERCENTAGE TO BE DETERMINED]* or because the Housing Provider proposes a Rent Increase within 12 months of the immediately preceding Rent Increase, under Article XIII of Chapter VI of the Alameda Municipal Code, a Housing Provider must at the same time provide this Notice of the availability of the City's rent review procedures before imposing any such Rent Increase.

You may request the Rent Review Advisory Committee to review the increase by submitting the request for review in writing within seven days of your receipt of the notice of Rent Increase by personally delivering or mailing the request to the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, CA 94501, or emailing the request to the Housing Authority of the City of Alameda at _____. You must submit along with your request a copy of the Notice of Rent Increase.

You and your Housing Provider will be required to appear before the Committee for a hearing concerning the Rent Increase. Following the hearing, the Committee will make a non-binding recommendation to you and your Housing Provider concerning your request.

It is illegal for a Housing Provider to retaliate against a Tenant for lawfully and peacefully exercising his or her legal rights including your request for the Committee to review the Rent Increase. Civil Code, Section 1942.5. A Housing Provider's efforts to evict a Tenant within six months of a Tenant's requesting a hearing may be deemed a retaliatory eviction.

[ALTERNATIVE LANGUAGE]

NOTICE: Under Civil Code, section 827(b), a Housing Provider must provide a Tenant with 30 days' notice prior to a rent increase of 10% or less and must provide a tenant with 60 days' notice of rent increase of greater than 10%. Because the Housing Provider proposes a rent increase or because the Housing Provider proposes a rent increase within 12 months of the immediately preceding rent increase, under Article XIII of Chapter VI of the Alameda Municipal Code, a

Housing Provider must at the same time provide this Notice of the availability of the City's rent review procedures before imposing any such rent increase.

If the proposed rent increase is *[IN A PERCENTAGE TO BE DETERMINED]* or greater or if the proposed rent increase is within 12 months of the previous rent increase, you may request the Rent Review Advisory Committee to review the increase by submitting a request for review in writing within seven days of your receipt of the notice of rent increase by personally delivering or mailing the request to the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, CA 94501, or emailing the request to the Housing Authority of the City of Alameda at _____. You must submit along with your request a copy of the Notice of Rent Increase.

If the proposed rent increase is less than *[IN A PERCENTAGE TO BE DETERMINED]*, you may request the Housing Authority of the City of Alameda to arrange for a conciliation procedure whereby a neutral third party will meet with the Housing Provider and you for the purpose of arriving at a mutually agreeable resolution concerning the proposed rent increase.

You and your Housing Provider will be required either to appear before the Committee for a hearing, or to participate in conciliation procedures (for example, a face to face meeting, a phone conference, etc.) concerning the proposed rent increase. Following the hearing or at the conclusion of the conciliation procedure, if you and the Housing Provider cannot otherwise agree, the Committee or the neutral third party will make a non-binding recommendation to you and your Housing Provider concerning your request. If you have participated in the conciliation procedure but you were not able to reach an agreement with your Housing Provider, you may request the Rent Review Advisory Committee to review the increase by notifying the Housing Authority of the City of Alameda within 10 days of the conclusion of the conciliation procedure.

It is illegal for a Housing Provider to retaliate against a Tenant for lawfully and peacefully exercising his or her legal rights including your request for the Committee or a neutral third party to review the rent increase. Civil Code, section 1942.5. A Housing Provider's efforts to evict a Tenant within six months of a Tenant's requesting a hearing or requesting a conciliation procedure may be deemed a retaliatory eviction.

6-56.6 Request for Rent Review

A Tenant may request the Committee to hear a proposed Rent Increase when the Housing Provider proposes to increase the Base Rent by more than *[IN A PERCENTAGE TO BE DETERMINED]* or proposes to increase the Base Rent within 12 months of the immediately preceding Rent Increase.

[Alternative Language: A Tenant may request the Housing Authority to arrange for a conciliation procedure whereby a neutral third party will review and discuss with the Housing Provider and the Tenant the proposed Rent Increase.]

The Tenant requesting review must within seven days of the Tenant's receipt of the notice of Rent Increase either (a) deliver or mail the written request for review to the

Housing Authority or (b) call the Housing Authority and request a review. In either event, the Tenant must submit a copy of the Notice of Rent Increase.

6-56.7 Notice to Parties

After determining the a proposed Rent Increase meets the criteria for the Committee to review the Rent Increase, the Executive Director shall schedule a hearing and provide notice to the Housing Provider and the Tenant of the hearing date, time and location at least seven calendar days prior to the hearing date. The hearing date shall be scheduled at the next regularly scheduled meeting of the Committee (which shall schedule meetings monthly) unless the Housing Provider and Tenant consent to a later date. The notice shall encourage the Housing Provider to contact the Tenant directly to seek a mutually satisfactory resolution of the request prior to the hearing,

[Alternative language: As to a proposed Rent Increase that does not meet the criteria for the Committee to review the Rent Increase, the Executive Director shall arrange for a neutral third party to review and discuss with the Housing Provider and the Tenant the proposed Rent Increase for the purpose of at arriving at a mutually agreeable resolution concerning the proposed Rent Increase. The Executive Director or the neutral third party shall schedule the discussion and provide notice to the Housing Provider and the Tenant of the date, time and location (if applicable) at least seven calendar days prior to the discussion. The discussion date shall be within 21 calendar days of the receipt of the request for review unless the Housing Provider and Tenant consent to a later date. The notice shall encourage the Housing Provider to contact the Tenant directly to seek a mutually satisfactory resolution of the request prior to the discussion date.]

6-56.8 Rent Increase Pending the Hearing

If the effective date of the Rent Increase occurs before the Committee's hearing [or the discussion date], unless the Housing Provider otherwise agrees, the Rent Increase will become effective.

6-56.9 Hearing and Recommendation

At the hearing [or through the conciliation procedures], the Committee [neutral third party] will afford the Housing Provider and the Tenant the opportunity to explain their respective positions. The Committee [neutral third party] will take into consideration such factors as the financial hardship to the Tenant, the frequency and amount of prior Rent Increases, the Housing Provider's costs associated with owning and maintaining the Residential Property, the Housing Provider's interest in earning a reasonable rate of return on the Housing Provider's investment and any other factors that may assist the Committee in determining a fair resolution to the request. The Committee [neutral third party] will make a recommendation to the Parties concerning the Rent Increase. If the Parties agree to the recommendation made by the Committee [neutral third party], they may formalize the agreement in a standard form signed by both Parties. Neither the City nor the Committee [neutral third party] shall be a signatory to such an agreement and neither the City nor the Committee [neutral third party] shall assume any obligation or responsibility to enforce the terms of the agreement.

[ALTERNATIVE LANGUAGE: If after the conciliation procedure has concluded the Housing Provider and Tenant do not reach an agreement, the Tenant may request the Committee to review the Rent Increase by notifying the Housing Authority within seven days of the conclusion of the procedure. The Executive Director will schedule a hearing as set forth in Section 6-56.7.]

6-56.10 A Party's Failure to Appear for the Hearing

If a Tenant appears at a noticed Committee hearing [participates in the conciliation procedure] but the Housing Provider fails to appear [participate] without notifying the Executive Director prior to the hearing [participation date] and providing a good reason for not appearing, the Rent Increase shall be void and the Housing Provider may neither take any action to enforce such Rent Increase nor notice another Rent Increase for one year from the date that the Proposed Rent Increase was to become effective. If the Tenant fails to appear at a noticed Committee hearing [fails to participate in the conciliation procedure] without notifying the Executive Director prior to the hearing [participation date] and providing a good reason for not appearing and the Housing Provider appears, or if both the Tenant and the Housing Provider fail to appear without providing notice to the Executive Director and providing a good reason for not appearing, the Committee [neutral third party] shall take no action on the request and the Tenant will be barred from subsequently seeking further or additional review of the particular Rent Increase.

6-56.11 Annual Review

The Executive Director shall annually prepare a report to the Council assessing the effectiveness of the rent review program established under this Article and recommending changes as appropriate.”

Section 2. Section 2-23 is hereby added to Article II of the Alameda Municipal Code to read as follows:

“Section 2-23 Rent Review Advisory Committee

2-23.1 Rent Review Advisory Committee created; purpose

There is hereby created a committee which shall be known as the Rent Review Advisory Committee (“Committee”) whose purpose is to review requests from tenants concerning certain rent increases and make recommendations to the tenants and their housing providers concerning such increases.

2-23.2 Membership; appointment; term of office; removal; vacancies

- a. The Committee shall consist of five members, all of whom shall at the time of their appointment and continuously during their incumbency be residents of the City. At the time of their appointment, two of the members shall be tenants in the City, two of the members shall be housing providers and one member shall be a residential property owner but not a housing provider.
- b. Upon nomination of the Mayor, the City Council shall appoint such members as are necessary to maintain full membership on the Committee, with terms for all members to begin on July 1 and, as to two members, continuing for two years thereafter until the successor of such member is qualified and appointed and, as

to three members, continuing for four years thereafter until the successor of such member is qualified and appointed.

- c. No person shall be eligible to serve more than two consecutive terms. The initial two year term as to two members referenced in paragraph b above, one of whom shall be a housing provider and one of whom shall be a tenant, shall be deemed one term. Thereafter, any appointment the term of which is two years or less shall not be deemed one term.
- d. A vote of a majority of the Council may remove a member from the Committee.
- e. A vacancy shall occur if a member is no longer a resident of the City, if the member's status as a tenant, housing provider or residential property owner but not a housing provider changes, the member resigns or the Council removes the member. The vacancy shall be filled as provided in paragraph b and the person appointed shall serve the unexpired term of office.

2-23.3 Meetings; officers; voting.

- a. The Committee shall meet as necessary to perform its duties outlined in subsection 2-23.4 but in no case less than monthly if a hearing has been scheduled. The Committee has the power to establish rules for its proceedings. A member's failure to attend 75% of the meetings in a 12 month period shall be grounds for removal by the City Council.
- b. The Committee shall select from its membership a Chairperson and Vice-Chairperson who shall be selected in July of each year and serve a one year term. No member may serve as Chair more than two consecutive terms.
- c. To take any action or to make a Committee recommendation to the housing provider and tenant (which recommendation is advisory only) shall require three votes.

2-23.4 Duties of the Committee

It shall be the duty of the Committee to hold hearings in response to a request for a rent increase review. The Committee will afford the parties involved in the request an opportunity to explain their respective positions. After hearing the parties, and taking into consideration such factors as the financial hardship to the tenant, the frequency and the amount of previous rent increases, the housing provider's deed of trust payments and other costs associated with owning and maintaining the property, the housing provider's expectation of earning a reasonable rate of return on the investment, and any other factors that may assist the Committee in determining a fair resolution of the matter. The Committee will make a recommendation to the parties for resolution of the matter."