

**APPROVED**  
**MINUTES FOR THE REGULAR CITY COUNCIL MEETING**  
**TUESDAY- -JANUARY 5, 2016- -7:00 P.M.**

Mayor Spencer convened the meeting at 7:12 p.m. and led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

Absent: None.

**AGENDA CHANGES**

None.

**PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS**

(16-003) Presentation by the Oakland International Airport on Anticipated Air Traffic Related to Super Bowl 50.

Allen Tai Planning Services Manager gave a presentation.

Matt Davis, Assistant Aviation Director at Oakland Airport gave a presentation.

**ORAL COMMUNICATIONS, NON-AGENDA**

None.

**CONSENT CALENDAR**

Councilmember Ezzy Ashcraft moved approval of the Consent Calendar.

Vice Mayor Matarrese seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(\*16-004) Minutes of the Special and Regular Meetings Held on December 1, 2015 and the Special Meeting Held on December 4, and 5, 2015. Approved.

(\*16-005) Ratified bills in the amount of \$3,714,460.08.

(\*16-006) Recommendation to Award a Contract in the Amount of \$547,000, and Authorize the City Manager to Approve Contract Changes, if necessary, up to a Ten Percent Contingency in the Amount of \$54,700 for a Total Amount of \$601,700, to Asbestos Management Group of California, Inc. for the Demolition, Clean-up and Disposal of Sixteen Vacant Residential Structures Located at Orion Street, West Tower

Avenue and Stardust Place and Pearl Harbor Road at Alameda Point and Appropriate \$601,700 from the Base Reuse Fund Balance. Accepted.

### REGULAR AGENDA ITEMS

(16-007) Resolution No. 15112, "Appointing John Roderick as a Housing Provider Member of the Rent Review Advisory Committee." Adopted.

Vice Mayor Matarrese moved adoption of the resolution.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote – 5.

(16-008) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Four Year Lease with Five Three-Year Extension Options and Right of First Negotiation to Purchase with Google Inc. for Building 400A Located at 1190 West Tower Avenue at Alameda Point. [In accordance with the California Environmental Quality Act (CEQA), this project is Categorically Exempt under the CEQA Guidelines Section 15301(c) - Existing Facilities.] Introduced.

The Economic Development Division Manager gave a brief presentation.

Councilmember Daysog inquired how many new jobs would be added with the additional space.

The Economic Development Division Manager responded that Google Inc. has proprietary information which they will not make public; staff estimates the amount of new jobs in the space would range from 80 to 150.

Mayor Spencer inquired about the City's charge to create jobs as opposed to housing.

The Economic Development Division Manager responded that the City's focus is to return the former Base to a working area and to create jobs; continued the presentation.

Councilmember Ezzy Ashcraft stated that when the City Council conducted the former Base entitlement process, zoning areas were included for houses; there will be a balance to assure that people can live and work in the same area.

Stated the technology jobs being created exacerbates the trend of increasing rent: Former Councilmember Barbara Thomas, Alameda.

Stated the real problem is creating more housing; one type of tenant should not be pitted against another type: Brian McGuire, Alameda.

Vice Mayor Matarrese stated the Council is not trying to create a technology zone; there

are a variety of jobs; Matson and Power Engineering are trade and waterfront jobs; part of the solution is providing people with jobs; he supports the Google lease.

Councilmember Daysog stated Site A is large enough to accommodate Google; there needs to be a balance.

Councilmember Oddie stated that he welcomes the diversity to Alameda's economy.

Mayor Spencer clarified whether staff is asking Council to approve an issue included in a prior lease.

The Economic Development Division Manager responded each building needs to come to Council for approval.

Mayor Spencer inquired whether the lease includes rights to the first offer, to which the Economic Development Division Manager responded in the affirmative.

Mayor Spencer stated people need higher paying jobs to be able to afford housing; she supports the lease.

Councilmember Ezzy Ashcraft moved approval of the lease to Google Inc. and authorizing the City Manager to execute documents necessary to implement the terms of a four year lease with five three-year extension options and right of first negotiation to purchase with Google Inc. for Building 400A Located at 1190 West Tower Avenue at Alameda Point.

Vice Mayor Matarrese seconded the motion, which carried by unanimous voice vote – 5.

(16-009) Summary title: Consider: 1) Ordinances Concerning Rent Review or Rent Stabilization and Other Tenant Protections, 2) an Urgency Ordinance Extending the Moratorium Concerning Rent Increases and Certain Evictions and 3) Appropriation of Funds.

Conduct Public Hearing and

1) Consider Introduction or Modification of One of the Following Ordinances:

- a) Ordinance Amending Article XIV of Chapter VI of the Alameda Municipal Code Concerning the Review of Rent Increases, Limiting the Grounds for Evictions and Requiring Relocation Assistance for Certain Evictions; or
- b) Ordinance Adding Article XV to Chapter VI of the Alameda Municipal Code Concerning (A) Rent Stabilization for Certain Rental Units (B) Limitations on Evictions and the Payment of Relocation Assistance for all Rental Units and (C) Amendments to Sections of Article XIV of Chapter VI of the Alameda Municipal Code; or
- c) Ordinance Adding Article XV to Chapter VI of the Alameda Municipal Code Concerning (A) Rent Stabilization for Certain Rental Units (B) Limitations on Evictions

and the Payment of Relocation Assistance for all Rental Units and (C) Amendments to Sections of Article XIV of Chapter VI of the Alameda Municipal Code; and

(16-009A) Urgency Ordinance No. 3144, “Extending within the City of Alameda a Temporary (An Additional 60 Day) Moratorium on Rent Increases for Certain Residential Rental Properties and on Evictions from all Residential Rental Properties Except for Just Cause.” [Requires Four Votes]. Adopted; and

(16-009B) Recommendation to Appropriate \$300,000 From the General Fund to Fund a Rent Program Fee Study and to Cover the Cost of City and Housing Authority Staff to Administer the Rent Program Through June 30, 2016.

Prior to the item being called, Mayor Spencer gave an overview of how the meeting would be conducted; the speakers were allowed two minutes to speak.

The Community Development Director gave a Power Point presentation.

Councilmember Daysog inquired, on behalf of renters, whether 8% takes into account the cumulative percent; whether staff has considered alternatives to prevent the cumulative effect if rents are raised 8% every year; whether relocation assistance only comes into play with no cause or no fault evictions; and whether a tenant not able to pay a rent increase and having to relocate would not receive relocation assistance.

The Community Development Director responded Councilmember Daysog is correct; stated a landlord could raise the rent by 8% every year; a number of jurisdictions with rent stabilization have caps; if a tenant cannot afford to pay a rent increase agreed upon by the Rental Review Advisory Committee (RRAC), the tenant would not receive relocation assistance.

Councilmember Daysog stated small landlords have expressed how disadvantaged they are when it comes to absorbing costs; large landlords can absorb costs.

The Community Development Director stated landlords operating within the guidelines of the ordinance could continue to run their business without any penalty.

Councilmember Ezzy Ashcraft inquired what option the tenant would have if they do not want a full year lease.

The Community Development Director responded the tenant is not compelled to agree to the offer.

Councilmember Ezzy Ashcraft inquired whether the relocation assistance benefits include the security deposit, to which the Community Development Director responded the security deposit is required to be refunded under State law and is not included in the relocation benefits.

Councilmember Ezzy Ashcraft inquired whether the program fee being passed to

tenants would be counted towards base rent.

The Community Development Director responded the pass through is not a part of the maximum allowable rent increase.

Councilmember Oddie inquired how the alternative rent review process with binding arbitration fits into the three options listed in the staff report.

The Community Development Director responded the option is not reflected in any of the ordinances; if Council supports the option, staff would draft an ordinance and return to Council.

Councilmember Oddie inquired whether the public had been informed of the option prior to January 5<sup>th</sup>, to which the Community Development Director responded the staff report and attachments were available online 12 days prior to the meeting.

Councilmember Oddie inquired whether anything would stop a landlord from imposing a 25% increase under Option 1, to which the Community Development Director responded in the negative.

Councilmember Oddie inquired whether the limitations regarding terminating tenancy remains at 50%, therefore, a landlord could evict everyone in their building at the end of two years.

The Community Development Director responded that a landlord could do so.

Councilmember Oddie stated at lease renewal, the landlord should give a one year renewal option to act as eviction control.

The Community Development Director stated staff concurs.

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Mayor Spencer called a recess 8:29 p.m. and reconvened the meeting at 8:44 p.m.

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On behalf of the landlords, Don Lindsey and Greg McConnell, Alamedan's for Fair Rent, gave a presentation; stated the issues are: curbing excessive or double digit rent increases, displacement of tenants for financial gain, and reimbursement fees in some instances; stated the City will suffer if owners are penalized by excessive rent stabilization; Alamedan's for Fair Rents oppose just cause evictions because an owner would be prevented from being able to evict tenants who are destroying the quality of life for other tenants.

Councilmember Daysog inquired whether Mr. McConnell's made a comment that evicted tenants should be paid relocation benefits, to which Mr. McConnell responded in the affirmative.

Councilmember Daysog inquired whether Mr. McConnell indicated the EMC survey results were that 71% support the RRAC process with binding arbitration.

Mr. McConnell responded his interpretation of the question was do the citizens support a RRAC that caps at 8% with allowing for more for specific costs; stated the results were 72% yes and 28% no.

On behalf of the renters, Duane Moles provided a handout and gave a presentation; stated Alameda Renters Coalition (ARC) would like to see tenant protections such as: strict just cause control for evictions, no fault evictions for owner move in, and notice to vacate for health and safety reasons or for Ellis Act, not for rehabilitation; tenants should be temporarily relocated, not evicted; rent stabilization should be an annual increase not more than 65% of the Bay Area Consumer Price Index (CPI), not to exceed 4% in any year; relocation payments should be required for no fault evictions; written notice of their rights should be provided to all new tenants upon move in; all rent increases and eviction notices should be filed with the housing board; and security deposits should be placed in a separate interest bearing account and returned with interest.

Landlords:

Barbara Rasmussen, Alameda, expressed concern over demonization of landlords; stated rent control will decrease property values; that she would like to look at other alternatives.

Former Councilmember Barbara Thomas, Alameda, inquired why there is no environmental review report; stated anyone on Council who owns property or is a renter should not vote due to a conflict of interest.

Mike Pucci, Alameda, stated tenants need landlords and landlords need tenants; urged keeping families in their homes; that he does not believe the ordinances are fair.

Irene Hanson stated property owners are being undermined and property values are being reduced; rent control diminishes property values; entitlement and relocation fees are not a part of rental agreements or lease.

Lori Moe stated the ordinances proposed do not addresses her concerns; there are costs involved with renovating older homes.

Lisa Patakas, Alameda, stated that she is a landlord and works very hard to be able to afford to live in Alameda; do not punish all landlords for the despicable actions of a few.

Former Councilmember Karin Lucas, Alameda, stated her properties are on the City's Historical Building Study List; requested the City prepare an Environmental Impact Report to see the impact of rent control; stated many dollars are spent to restore historic homes and buildings.

Christopher Hanson stated rent cannot be raised 50% unless the property is below market rate; questioned how landlords can recover market rate under the cap of rent control; stated an alternative to rent control would be passing a utility tax.

Mayor Spencer requested that the City Attorney comment about the comment that Councilmembers who are renters or landlords should recuse themselves from voting because of a conflict of interest.

The City Attorney stated all Councilmembers either rent or own in the City of Alameda or they could not be members of the City Council; there are exceptions to the conflict of interest rules; all Councilmembers are legitimately able to weigh in on the decision.

Neutral:

Geoffrey Burnaford, Alameda, urged the Council to review the 8% amount, which is a large increase over time; stated that he would like the ordinances to include language that forces the process to be changed or reviewed annually.

Lester Cabral, Alameda, stated that he is against the ordinances; stated the RRAC is all that is needed; rent control does not work in other cities and will not work in Alameda.

Renter:

Lynette Lee, Renewed Hope/Buena Vista United Methodist Church, stated that she supports the moratorium; requested higher relocation fees.

Neutral:

Jed Smith, Alameda, stated that he was evicted from his home for a 66% rent increase; tenants and landlords need to work together to address the situation and the bad landlords; urged intervention by the Council.

Erick Wonzen, Alameda, urged homeowners to rent out extra rooms, garages, and in-law units as a solution to stop the increasing rent.

John Messina, San Jose, stated if landlords are getting less than fair market value, it is Federal law that they be reimbursed.

Debra Arbuckle, Alameda, stated many people have moved out of the County because of large rent increases; urged Council to help the tenants that pay half of their salaries on rent; stated that she agrees with a 5% maximum on rent increases and just cause evictions.

John Scellato, Alameda, stated that he would like tenants and landlords to work together to come to a fair solution for everyone.

Renters:

Bunny Duncan, Alameda, stated that she would like tenants and landlords to fight together for the same goals; she feels landlords are trying to get the best of people.

Steven Clifford, Alameda, stated that he pays 40% of his income on rent; at the time of his retirement, he will not be able to afford to live in Alameda with 8% rent increases.

Carol Kleinmaier, Alameda, stated her rent was raised 28%; moving is very expensive; she was forced to stay and pay the rent increase.

Monty Heying, Alameda, read stories about different tenants in Alameda and how they have been affected by rent increases.

April Squires, Alameda, stated seniors and the disabled on a fixed income cannot afford rent increases.

Jennifer Orsolini, Alameda, stated that she moved to Alameda because she wanted to live in a small town where one does not need to be entitled to live here; Alameda is moving to an entitlement city; urged Council to review the RRAC to determine if it is working.

Nikki Poosch, Alameda, stated that she is a retired renter; her rent increased 8%; she cannot afford 8% every year on social security; she will have to move; increases should be based on CPI.

Kareem and Dylan Williams Alameda, Kareem stated he is raising his family here and would like the City of Alameda to work together; Dylan read a poem entitled Justice.

Eric Strimling, Alameda, stated property management companies have a major stake in rental increases because they get more money; a fair rate of return is rent increasing by the inflation rate.

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(16-010) Mayor Spencer stated a motion is needed to consider the remaining Public Hearing to consider an Ordinance on Commercial Cultivation of Medical Marijuana [paragraph no. 16-012].

Councilmember Ezzy Ashcraft moved approval [of considering the remaining item].

Vice Mayor Matarrese seconded the motion, which carried by unanimous voice vote – 5.

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#### Renters:

Erin Sudido, Bayanihan Youth Group (BYG), stated at school during lunch, students and teachers at Encinal High School signed a banner to show how many people are affected by rent increases; the high rent increases drive away diversity in Alameda.

Crystal Kristal Osorio, BYG, stated just because someone has more money or capital



does not mean they can kick people out of their homes.

Jay Feria, Filipino Advocates for Justice and BYG, stated that he will not have a home to return to if the rent continues to grow.

Sammy Gutierrez, Filipino Advocates for Justice, stated students cannot succeed in school if their basic needs are not being met; students cannot study if they are worried about housing; 8% increases put tenants back in the same situation.

Landlords:

Edward Hirshberg, Oakland, stated insurance and taxes have increased over the years; 8% rent increases are less than the total increases that landlords incur.

John Sullivan, Alameda, stated that he agrees with Councilmember Daysog's proposal regarding rent increases over 10% or no cause evictions; landlords should give tenants options and displaced tenants should be reimbursed.

Lori Moe (on behalf of Karin Miller, Alameda,) inquired whether Council is doing anything about the housing supply and affordable housing; stated the Council has to control expenses; property taxes for landlords have increased.

Renter:

Ken Harris, Alameda, stated 8% increases over 9 years will cause rent to double; there should be a way to handle nuisance tenants and not allow no cause evictions at the same time.

Landlord:

Malcolm Lee stated that he purchased his rental property when the economy was not doing well; he did not raise rents for many years; landlords penalized during the economic downturn should be rewarded during the upturn; insurance and property taxes have increased; landlords cannot recoup big ticket items; that he is against rent control and just cause eviction.

Tony Charvet urged Council to consider that landlords have to pay property taxes, water bills, electric bills, and basic upkeep; stated landlords have a heavy burden.

Daniel Lee stated rent control law is anti-business, anti-small business and anti-small property owner; landlords do not evict rent paying tenants; urged Council to visit the courthouse during an eviction hearing to see the process.

Chunchi Ma, Bay Area Homeowners Network (BAHN), stated a regular eviction for failure to pay rent is difficult, but a just cause eviction is ten times harder.

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(16-011) Mayor Spencer stated a motion is needed to consider the meeting past 11:00 p.m.

Vice Mayor Matarrese moved approval [of continuing the meeting].

Councilmember Ezzy Ashcraft seconded the motion, which carried by unanimous voice vote – 5.

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Landlord:

Robert Schrader urged Council to take their time and think things through; stated Berkeley and Oakland have rent control and rents are 25 to 27% higher than Alameda; Council must provide a method for people to apply for relief from the moratorium.

Rosalinda Fortuna, Alameda, stated small mom and pop landlords should not be treated the same as 20 or more unit buildings; mom and pop landlords do not have large capital reserves.

Katie Braun, Alameda, urged Council to consider the burden to landlords, to exempt owner occupied mom and pops units, and to reconsider Ordinance 3, which does not allow a relative to move into a rental unit; stated her disabled sister needs to move into her rental unit.

Maria Love, Alameda, stated that she owns a historic property in Alameda, which is very expensive to maintain; the ordinance should be based on property size.

Renters:

Helen Gilliland, Alameda, stated as a renter, she does not get tax deductions property owners receive; 8% is too high; rent increases need to be tied to the CPI; urged Council to review just cause evictions.

Joanna Davis, Alameda, stated her rent increased today from \$1,530 to \$1,878; she is fortunate that her landlord is ignorant of Alameda politics and sent notice at the wrong time; teachers are being priced out of the region; an 8% annual increase is much higher than peoples' annual salary increase.

Evan Angus, Alameda Renters Coalition (ARC), stated there needs to be a platform in place to protect tenants; landlords can write off a lot of their expenses; there needs to be a middle ground for landlords and tenants.

Leah Simon-Weisberg, Tenants Together, stated tenants who live in rent control jurisdictions with just cause are not afraid to ask landlords to make repairs; the first two ordinances do not address ways to protect tenants; third ordinance allows protection for tenants; when families cannot afford rents, there is stress on the children; request there not be a sunset; stated if the ordinance is not working, it can be changed.

Catherine Pauling, ARC, stated 8% rent increases quickly escalate rent from \$2,000 to \$2,900 in only five years; there is a financial impact to schools if the children go to

another district; urged Council to create good paying jobs, gather needed data and provide regulations fair to both sides; stated residents have the right to due process.

#### Landlords:

Ken Guteleben, Alameda, stated historic homes and buildings require major financial investment to maintain; rent control will impact a landlord's ability to preserve the architectural heritage; the major housing shortage in the Bay Area is the primary cause of the rent increases; Council should give the restructured RRAC a chance to meet the needs of both tenants and property owners.

Phoebe Yu stated mom and pop landlords put their savings into rental properties for retirement income and do the minor repairs and cleaning; rent control should not be one size fits all; urged Council to work on a fair solution for everyone.

Ross Li, BAHN, stated rent control because will not address the housing problem in Alameda; there is a housing shortage; Council should work on increasing the housing supply, not rent control.

Susan Gao, BAHN, stated rental price is set by the market, not by the landlord; after her full time job, she spends time to maintain her property herself.

Jimmy Feng stated market control is the key point; control housing prices and rents will be low; Bay Area housing is in high demand.

Eric Anders, Alameda, stated rent control will suppress the value of the properties and Alameda will not be able to staff police and fire.

Joshua Howard, California Apartment Association, stated the Bay Area has more jobs than homes; urged Council to provide better education and awareness for renters and property owners on their roles, rights and responsibilities and ensure there is a safe neutral outlet for property owners and residents to discuss their concerns; tenants should be safe from multiple rent increases in a twelve month period; that he supports Ordinance 1.

#### Renters:

Maria Dominguez, ARC, stated the West End is full of a lot of immigrants and low income; urged Council to reject the three ordinances; stated rent increases should be tied to a relevant measure of inflation; urged Council to put an end to no cause evictions, create an elected rent board, provide relocation payments for no fault evictions, and to extend the moratorium and continue working with the ARC to look at real models.

Kerry Abukhalaf, Alameda, stated that she is tired of having to say good bye to her friends and her son's playmates because they cannot afford the rent.

Tom Bendure, Alameda, stated that he received a rent increase notice of 142%; his new

landlord is remodeling the fourplex and will charge 142% over what current rent; he will be homeless in 14 days.

Troy Silva, Alameda, stated renters need to have stability; urged Council to continue the moratorium and just cause evictions; stated the ordinance does work.

John Klein, ARC, submitted information; stated ARC met with staff twice and submitted provisions that would make a good ordinance; none of ARC's proposal is in any of the ordinances; staff should not remove community input; mom and pop landlords needs to be defined.

Landlords:

Nancy Hird, Alameda, stated that she owns four historic homes; the cost to maintain the properties is very expensive; that she is against rent control and would like Council to enforce the RRAC process.

Tad stated demand is high in the Bay Area and finding housing is difficult; rent control would not allow people who leave Alameda the opportunity to come back.

Renters:

Malia Vella, Alameda, stated Alameda needs a holistic solution that will address the housing shortage and protect families; rent control without just cause eviction is meaningless; urged Council to tie rent increases to the CPI.

Brian McGuire, Alameda, stated rent increases should be kept at the CPI; the sunset clause is unacceptable; the community will have to go through this again in four years.

Jon Spangler, Alameda, stated the power balance is unjust and not fair to renters; some landlords raise rents 20 to 35% or 140% without reasonable cause; renters pay their fair share of the property taxes on the buildings that they rent.

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Mayor Spencer called a recess at 12:31 a.m. and reconvened the meeting at 12:41 a.m.

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The City Attorney stated Council could decide to continue the deliberation at the next scheduled meeting or at a special meeting due to the lateness of the hour.

Mayor Spencer stated she would rather proceed tonight.

Vice Mayor Matarrese stated the moratorium expires on January 9<sup>th</sup> so the Council needs to vote on the extension tonight.

Mayor Spencer inquired how landlords would receive relief from the moratorium.

The Assistant City Attorney responded the Council could adopt a procedure that would allow property owners the ability to recover potential losses or inability to receive a fair return; the procedure does not need to be included the extension voted on tonight.

In response to Mayor Spencer's inquiry, the Assistant City Attorney stated a property owner that would like a family member to move in can do so under the moratorium.

Vice Mayor Matarrese moved approval of extending the moratorium [adoption of the urgency ordinance] with [legal] counsel answering questions regarding testimony provided tonight.

Under discussion, Mayor Spencer inquired about the amount of time for the extension, to which Vice Mayor Matarrese responded the time is 60 days as recommended by staff.

Councilmember Oddie seconded the motion, which carried by unanimous voice vote – 5.

Vice Mayor Matarrese stated there is an overarching theme on both sides for fairness; that he would like the mediation process expanded to include eviction issues and a component that monitors the process; every case is different and Option 1 provides a case-by-case approach; filings, results, and reasons for any withdrawals are very valuable information; the RRAC has a track record for working; he would like there to be a balance such that the burden of proof is on the landlord; there should be a process where each side talks to each other face-to-face; there would be a good success rate if the face-to-face approach is the basis of the process; a monitoring and reporting system is needed; a penalty should be imposed for those who break the law; he believes in mediation; the RRAC expansion would be good balance; that he supports Option 1.

Councilmember Ezzy Ashcraft stated the non-binding nature of RRAC does not offer protection to tenants; the RRAC scope includes evictions, but at the end of the day, the decision is still non-binding; unless the RRAC is restructured or there is professional arbitration, the process falls short of the protection that should be given to tenants; there are sharply divided views, but everyone wants to find a fair solution; Council will not be able to fashion an ordinance that pleases everyone; she believes a cap is necessary, but 8% is too high; she would be willing to support a 5% cap similar to the City of Los Gatos; Alameda has older housing stock and providing decent housing is important; landlords need to be able to maintain their buildings; landlords can still petition to increase above the maximum allowable percentage for capital improvements; she favors relocation assistance for no fault evictions; tenants need assistance to find a new place to live; she favors annual review as this will be the first test for Alameda; that she is okay with a sunset provision at the end of 2019.

Councilmember Daysog stated it is time for Council to act to restore fairness; the problem is excessive rents; Council has listened to various sides and hopes to come to a consensus solution; the Renewed Hope survey suggested a 5.7% rate increase,

which is one way of confirming the range of 4-8%; the CPI is an important number which speaks to the 8% threshold; all data points confirm Alameda is on the right track with the 8% range; Alameda is dealing with lasting effects of income inequality; he does not think it is fair to increase rents 8% every year; a cumulative rent increase of not more than 12% over 2 years is a better approach; certain policy remedies could be triggered with the cumulative method; mom and pop landlords play by the rules and their needs should be addressed; there is a role for government to regulate when excesses occur in the free market; the Council's role is to fit solutions to problems; that he favors Ordinance 1 modified, including: 1) there should be just cause for landlords who play by the rules, 2) small mom and pop landlords should be exempt from Ordinance 1, 3) relocation assistance should be offered for tenants who cannot afford the rent increase; 4) he would like to combine proposed Ordinance 1 with Alternative Option 1 to include binding arbitration, and 5) rent increases should be dealt on a cumulative basis.

Councilmember Oddie stated the matter is serious and will impact many people no matter what Council chooses to do; Option 1 does not provide tenants with additional protection, it just shifts the burden onto the landlord to file a request for a rent increase; if the landlord is intent on raising the rent, Option 1 is non-binding; Option 3 has the most tenant protection and limits evictions based on certain causes, which is a protection that does not exist today; Option 2 is the most fair to everyone; Option 2 provides a binding mechanism if an increase is over a certain number; he does not believe every single rent increase will be 8% every year; there needs to be a provision to collect data; returning in a year to compare and fix problems would be helpful; he would like Option 2 changed; the 50% exception for non-just cause evictions should be lowered to 25% as clever landlords will use the loophole; disincentives could be built into Option 2; a capital improvement program to address landlord improvements will come back at subsequent meeting and does not include enough information to be discussed tonight; nothing that the Council decides tonight should prevent a landlord from being able to make improvements; there has to be clear guidelines on the person making the decision in arbitration; the provision for reduction of services is missing from Option 2 and should be included.

Mayor Spencer stated the creation of an ordinance which gives the RRAC more teeth was not included in the report; she would like the process to start with RRAC for all tenants, whether or not they fall under Costa Hawkins; she likes the current composition of the RRAC; cases that do not settle through RRAC should then go through binding arbitration; the goal is to find balance; 30 to 60-days notice is too short for tenants; allowing the landlord to give a six months notice of eviction, whether for no cause or no fault, is reasonable; a landlord giving more notice will not cost them; the landlord could negotiate or go through the RRAC process if less than six months time is needed for an eviction; some tenants may not need six months and would prefer the payment, which should be based on the rent; the additional \$1,500 relocation is offset by six-months notice; the capital improvement plan has to be required in advance if an eviction is due to substantial rehabilitation; establishing a capital improvement plan process is important; she would not support Options 2 or 3 as she considers the options traditional

rent control; Alameda's older housing stock costs more to maintain; she appreciates landlords who have maintained properties under market rents; the CPI should be based on the Bay Area CPI and not on the United States CPI; Alameda should review the City of Gardena's arbitration process for guidance; data is not good because tenants are afraid to go to RRAC in fear of retaliation; changing the burden to landlord for an increase of 8% or more is appropriate; she is not married to 8% because it is not a cap; she does not support registration to get data; if the trigger is reduced to 5% or CPI plus 2%, the data could be compiled when a landlord comes to RRAC to request a rent increase more than 5% or whatever number is agreed upon.

Councilmember Ezzy Ashcraft stated RRAC decisions are non-binding and there is nothing to prevent landlords from still raising rents.

Mayor Spencer stated if the parties do not agree, the next step is binding arbitration with a hearing officer; Alameda could look at what the City of Gardena does for arbitration.

The Assistant City Attorney stated an ordinance would be drafted in such a way that if housing provider did not agree with RRAC, the owner must file a petition to have the matter heard by a hearing officer; a rent increase would be null and void if the landlord does not file the petition.

Mayor Spencer inquired what if the tenant does not agree, to which the Assistant City Attorney responded the tenant would be required to file a petition to have the matter heard by a hearing officer, otherwise the RRAC's decision would be upheld and binding.

Councilmember Ezzy Ashcraft stated she favors registering landlords; registration is one way to collect data and the program fee will help with arbitration costs.

Mayor Spencer stated that she does not want to charge landlords an extra \$200 a year for a program that could be done for free; data could be collected if landlords are required to request a rent increase beyond the trigger amount agreed upon; the concern is excessive rent increases; binding arbitration gives the RRAC teeth, along with built-in penalties which ensures cooperation from outlying landlords; she supports doing annual reviews; and the sunset provision in 2019 is not an issue.

In response to Mayor Spencer's inquiry, the City Attorney stated the Council could modify the ordinance at any time; the sunset provision in 2019 is just a trigger.

Councilmember Ezzy Ashcraft stated a registration process and a fee is necessary to collect data; the program will cost money to administer; cumulative rents are more complex to administer; she does not favor exemptions based on property owner size or age of units; there should not be two classes: those who are protected and those who are not.

In response to Councilmember Oddie's inquiry regarding the differences between Option 2 and Mayor Spencer's proposal, the Assistant City Attorney stated units exempt

under Costa Hawkins would still have the ability to appeal to Council; the Mayor's proposal has a trigger with respect to when the landlord has to file with the RRAC; there is no threshold or number that anyone is bound by or compels arbitration.

Mayor Spencer stated she is looking for something that would eventually be binding.

Councilmember Oddie stated that he is okay with including a RRAC mediation step; staff makes a decision which an elected body reviews; his process would include the hearing officer making the decision, then, the RRAC could serve as a citizen's check; the process would exclude the Council; the current process is backwards; the citizens committee has the first crack in the process and comes up with a recommendation; then, the power is shifted to a staff person, making the arbitration with judicial review instead of RRAC review.

The Assistant City Attorney stated power would not be shifted to a staff person, if the housing provider was not happy with the RRAC recommendation, the remedy would be to file a petition to set up a hearing, or lose the opportunity for the rent increase.

Mayor Spencer clarified the issue would go to an arbitrator, not a staff member; the City of Gardena has a list of arbitrators to choose from or staff could recommend someone.

The Assistant City Attorney stated the arbitrator would be a neutral hearing officer.

Councilmember Oddie inquired who will pay for the arbitration process.

Mayor Spencer responded whichever party does not agree with the RRAC decision would pay.

Councilmember Ezzy Ashcraft stated that she has a problem with the non-agreeable party paying for arbitration.

Councilmember Oddie stated arbitration could cost \$5,000 at a minimum; he does not see how a tenant could afford the bill.

The Community Development Director stated staff recommends a program fee for whichever program is adopted so that costs could be spread across the rental units and anyone can avail themselves of the process; costs could be subsidized depending on the Council's desires; there are a range of costs involved with administering any program.

Councilmember Oddie stated that he has an big issue with someone arbitrating a 1% increase, which is permitted under Berkeley's rent control; he would like further discussion on the just cause eviction issue.



The Assistant City Attorney stated there seems to be Council support for the no cause evictions subject to a limitation percentage, providing relocation assistance, and the new tenant would not pay more than a certain percent above the current tenant.

Councilmember Ezzy Ashcraft inquired whether the Assistant City Attorney means “no fault” instead of “no cause”.

The Assistant City Attorney responded in the negative; stated under the proposed Ordinances 1 and 2, no cause evictions trigger relocation assistance.

Councilmember Daysog stated doing everything possible with regard to just cause evictions for tenants and doing everything possible for mom and pop landlords is important; he likes the idea of movement on the landlord side toward binding arbitration; the administrative costs collected should be focused on a higher threshold than one to two percent increases; the key point is that there is some consensus on binding arbitration; the way relocation assistance is currently identified in Ordinances 1 and 2 is a welcome and important policy step.

Vice Mayor Matarrese stated his preference is to build on the RRAC process, adding as little to the process as possible, but take advantage of its effectiveness; of the 61 total cases mediated by RRAC, five of them made it to Council, indicating there is some success with the current process; the first modification he would like to see is to broaden the scope of the committee to include eviction issues without including a threshold for cause or no cause; either party should have the opportunity to go through a mediation process regarding an eviction; the second is to include professional mediation before the issue is handed over to a community committee for a final decision, which should be included as part of the formal process; there have been a number of cases withdrawn because of informal mediation, which is valuable; he would like to see a robust appeal process incorporated before resorting to a hearing process; the RRAC track record looks good.

The Community Development Director stated staff determined sending the evictions to the RRAC does not serve a purpose since the ordinance enumerates the basis for evictions; staff believes enumerating the basis on which evictions could happen and providing specific reasons in the ordinance that constitute “for cause”, “no cause”, and “no fault” is more efficient; staff is also concerned with the RRAC interfering with the legal process of serving an unlawful detainer.

Vice Mayor Matarrese stated that he would like the RRAC to mediate cases covered by State law to address the issue of the amount of time needed and relocation within the confines of a mediation, not embedded in an ordinance.

The Community Development Director stated there would be nothing left to interpret or decide if relocation benefits are clearly spelled out in the ordinance, which would be more streamlined; the RRAC process has been historically focused on mediating

excessive rent increases and has not addressed other issues such as maintenance, code enforcement, and relocation benefits.

Councilmember Ezzy Ashcraft stated that she agrees with staff's approach on not bringing eviction issues to the RRAC; she likes what is included in Ordinance 2 and 3 regarding payment provisions which give more protection and certainty to tenants; she is hesitant in putting too much weight into statistics; measuring the negative is tough; adding a layer of binding arbitration eliminates fear and uncertainty and would be a good solution to create a level playing field; Council needs to depart from the 8% trigger; she favors the issue of the fee being paid by landlords to help underwrite the cost of arbitration; larger property owners will be bearing the majority of the expense since the fee would be charged per unit.

Mayor Spencer inquired whether the fee could be passed to the tenant, to which Councilmember Oddie responded the proposal allows the landlord to pass half of the annual fee onto the tenant.

Mayor Spencer stated there are a lot of landlords that do not always charge the maximum and costs are passed to the tenant; inquired whether the fee issue should be kept separate.

Councilmember Ezzy Ashcraft responded various cities that were reviewed have pass-through provisions; at the end of the day, the tenants benefit.

Councilmember Oddie stated Council should have further discussion on the best way to pay for the arbitration.

Mayor Spencer inquired whether Council agrees with Vice Mayor Matarrese's recommendation that eviction issues should go to RRAC.

Councilmember Daysog responded that he concurs with staff recommendation of not having eviction issues go to the RRAC and coming up with clear relocation benefits.

Councilmember Oddie inquired whether Vice Mayor Matarrese's proposal was in lieu of a standard relocation fee.

Vice Mayor Matarrese responded 60 days is too short; there should be an extended period of time; details can be resolved by mediation.

Councilmember Oddie stated capital improvements will be addressed separately; a fixed schedule has predictability; landlords could build the amount into their budget if they know the number; the concept of having to go to the RRAC is interesting, but he is not sure what it accomplishes.

Mayor Spencer stated that she would prefer to have a straight six month schedule, not tied to how long the tenant has been in the unit; time versus money could be negotiated

between the landlord and the tenant; she does not think associating the length of the notice to the length of the tenancy is sufficient; people need more time than 60 days to find housing; it is very disruptive to have only 30 or 60 days notice; the landlord should have the option of giving more notice and not having to pay; there are a lot of expenses involved with moving.

Councilmember Oddie stated that he agrees with Mayor Spencer's concept; however, San Jose was told advanced notice is not legal.

In response to Mayor Spencer's inquiry, the Community Development Director stated a 30 or 60 day notice of termination is required under State law, depending on the whether or not the tenant lived in the unit for a year or less; relocation benefits are being proposed, which could be taken as time or money; the ordinance proposes the tenant would get up to four months beyond the 30 or 60-day notice required by law, and for every month opted to take beyond the 30 or 60 days, the relocation cash benefit would be reduced by a month; one month rent equivalency cash benefit for each year; there has been discussion about acknowledging or recognizing long term tenancy; the proposal reflects people's tenure in their units.

Councilmember Ezzy Ashcraft stated having more time to find a place is beneficial, but there will still be moving expenses.

Mayor Spencer stated that she does not think a landlord should give a tenant six months notice and pay thousands of dollars; she would prefer the tenant having the option to choose either more notice or the cash, or some combination thereof.

Councilmember Ezzy Ashcraft stated the relocation expense occurs whether or not the monthly reimbursement occurs.

The Community Development Director stated the moving expense is a separate category from the relocation benefits.

Mayor Spencer stated that she does not think both moving expenses and relocation benefits are needed.

Councilmember Ezzy Ashcraft stated that she does not think six months notice is necessary; landlords often do not know six months in advance that they want to evict; the option to stay in the unit for up to four months is sufficient.

Mayor Spencer said the time frame is four months in addition to the original 30 to 60 day notice.

Councilmember Ezzy Ashcraft stated tenants would be foregoing the monthly relocation compensation for each month they stay.

In response to Councilmember Oddie's inquiry, the Community Development Director stated the tenant would have to indicate what they choose to do once they are served with a 30 or 60 day notice.

Councilmember Oddie stated the vacancy rate is critical on whether or not someone finds a new apartment or not.

Mayor Spencer stated that she would prefer to allow the tenant to choose and work it out with the landlord

Councilmember Daysog stated practical scenarios need to be considered; mom and pop landlords would have difficulty paying relocation expenses.

The Community Development Director stated relocation benefits and eviction protections would cover all rental properties in the City; Costa Hawkins does not have a role or limitations for eviction protection or relocation benefits, it is strictly on setting maximum allowable rent increases.

Councilmember Daysog stated thinking through the issue with regard to small mom and pop landlords is important; small mom and pop landlords could be defined as people with single family homes, duplexes, or triplexes.

The Community Development Director stated relocation benefits are triggered by no cause/no fault evictions; there is no difference in the building size.

In response to Councilmember Oddie's inquiry, the Assistant City Attorney stated the single family tenant who gets a no cause eviction would get relocation benefits, as currently drafted in the ordinance; under Councilmember Daysog's proposal, the single family tenants would not get relocation benefits.

In response to Councilmember Ezzy Ashcraft's inquiry, Councilmember Daysog stated he proposes small mom and pops would be exempt from having to provide relocation assistance because it would be difficult for them to absorb the cost without having the ability to spread it across several units.

The Community Development Director stated single family homes would not have the disincentive of the binding arbitration because they are exempt from rent control; they would still have the RRAC process, mediation and appeal to Council, but the protections are limited because single family homes are exempt from rent control.

Councilmember Oddie inquired whether evictions for single family homes should be sent to the RRAC.

The Community Development Director responded there are the same concerns about the RRAC interfering with the legal process; staff could review the process if Council desires, but it is likely staff will come back with the same concerns.

Councilmember Oddie inquired whether a 20% rent increase for a single family is considered a constructive eviction, to which the Community Development Director responded in the affirmative; stated the issue could be mediated by the RRAC.

Councilmember Ezzy Ashcraft stated that she does not want to see exceptions made for paying relocation assistance; which places some tenants at a disadvantage.

Mayor Spencer concurred with Councilmember Ezzy Ashcraft; stated having more time is more important than cash for a lot of tenants; having the option is important.

In response to Councilmember Oddie's inquiry, Mayor Spencer stated the proposal is based on years of tenancy; she prefers straight time.

Councilmember Ezzy Ashcraft stated giving consideration to longer term tenants is reasonable.

Mayor Spencer stated she would treat all tenants the same because tenants with leases expect to be there longer than a year.

Councilmember Oddie stated a tenant on a month-to-month lease terminated in 30 days could get a windfall.

In response to Councilmember Daysog's inquiry regarding the binding arbitration process, the Community Development Director stated the RRAC would vigorously disagree with the assertion that there were formal or informal guidelines about the 10% rent increases; the RRAC does the mediation case by case.

Councilmember Daysog inquired whether anything indicates having a binding arbitration process would constrain excessive rent increases.

The Community Development Director stated there are two points behind the logic of binding arbitration: 1) having an option for a binding arbitration process may be an incentive; the option would increase the likelihood to agree to a mediation process and the outcome of the mediation; 2) binding arbitration would be an evidentiary proceeding where documents would be submitted; expertise would be required to understand the business model, creating a level of rigor; the two parts could make the arbitration process successful.

In response to Councilmember Daysog, the Community Development Director stated Gardena is a small suburb in Los Angeles County which staff has not reviewed; stated the Mayor might have been referencing Glendale.

Mayor Spencer stated that she was referencing the City of Gardena; Gardena has been doing binding arbitration since 1987; clarified at last night's RRAC meeting, the RRAC stated they do not have a threshold number of 10%.

The Community Development Director stated having a threshold is contrary to the idea of mediation.

Councilmember Oddie inquired whether an arbitrator needs to have criteria and standard guidelines, to which the Community Development Director responded in the affirmative.

The Assistant City Attorney stated there would be similar guidelines for the RRAC as well; evidentiary support at the arbitration would be much more detailed than the informal RRAC mediation process.

Councilmember Oddie inquired whether Council is closer to some type of consensus.

Councilmember Daysog responded that he believes Council is closer to consensus, especially regarding arbitration; noted that he confirmed Mr. McConnell was indicating binding arbitration.

The Community Development Director stated staff could run through the list of items which seem to have consensus.

The Council expressed support for doing so.

The Community Development Director stated for dealing with excessive rent increases, Council would like to work with a modified version of Ordinance 1; a mediation process would be first; then, a binding arbitration piece would follow for eligible units, which are multi-family units built before February 1, 1995.

The Interim City Manager suggested there be a vote on the recommendation.

Mayor Spencer inquired whether mediation means the RRAC process, to which the Community Development Director responded in the affirmative.

Mayor Spencer stated the next step would be the matter could go to binding arbitration.

Councilmember Oddie inquired whether Ordinance 1 or Ordinance 2 would be enhanced or modified regarding rent, to which the Community Development Director responded in the affirmative.

Councilmember Oddie stated there is not consensus on the percentage, whether it would be 8%, 5% or CPI.

The Community Development Director stated staff heard there is a willingness to have a 5% increase be the trigger point.

Councilmember Ezzy Ashcraft clarified the trigger point would be an increases more

than 5%.

Mayor Spencer suggested the number be discussed.

Councilmember Daysog stated the correct number is 6%; provided his justification.

Councilmember Ezzy Ashcraft stated that she would like the trigger point to be anything above 5%.

Vice Mayor Matarrese stated that he is not sure a trigger point is needed; he is more interested in addressing the fear of eviction when there is no cause eviction; that he is fine with the current process for rent review with professional mediation and binding arbitration over a certain threshold.

Mayor Spencer stated the Vice Mayor's proposal is different.

Vice Mayor Matarrese concurred.

Mayor Spencer inquired whether Vice Mayor Matarrese would not use a threshold number and just wants to use the current RRAC process of allowing the tenant to file a complaint with RRAC, to which Vice Mayor Matarrese responded in the affirmative.

Councilmember Oddie stated 5%, 6% and 8% have all been mentioned.

Mayor Spencer stated 8% was included in the proposed ordinance, Councilmember Ezzy Ashcraft suggested anything more than 5%, and Councilmember Daysog stated 6%.

Councilmember Oddie stated tenants are concerned about getting 8% increases every year; that he believes a lower threshold will result in more increases at the threshold; there would probably be more 5% increases if the threshold is set at 5%, than 8% increases if the threshold is set at 8%; he could go with any of the numbers.

Mayor Spencer stated that she would agree to anything above 5%.

Councilmember Oddie stated the matter would be reviewed in a year, so he would agree to above 5%.

Mayor Spencer stated the majority agrees that the landlord would have to go to the RRAC for any increase above 5%.

Councilmember Daysog expressed that he could agree with setting the threshold as anything above 5%.

Councilmember Oddie stated data should be collected on all rent increases; the matter would need to be reviewed if every increase comes in at 5%.

The City Attorney noted the threshold pertains to a RRAC hearing and is not a rent cap.

Councilmember Oddie stated that he thought the threshold is the trigger for binding arbitration.

The Community Development Director responded in the negative; stated landlords would be required to notify the Housing Authority and RRAC that they intend to raise the rents above 5%, which is a landlord driven way to go to the RRAC for mediation; then, if the RRAC makes a recommendation that a party does not like, the matter would go to binding arbitration.

Mayor Spencer stated that she raised the suggestion because tenants have indicated that they are afraid to go to the RRAC; she is suggesting shifting the burden to the landlord, which addresses retaliation; there would not be a cap; instead, landlords would be required to attend the RRAC meeting to explain why they want an increase above 5%.

Councilmember Ezzy Ashcraft stated the further protection would be that the matter can go onto binding arbitration; there would be an incentive to resolve the matter at the RRAC knowing there is an extra step which is binding.

Councilmember Oddie inquired whether there is a possibility that every increase above 5% sent to the RRAC could end up with none of the cases being mediated and all could end up being arbitrated, to which the Community Development Director responded in the affirmative.

Councilmember Oddie stated a database should track every increase to determine if everyone is receiving a 4.99% increase.

Mayor Spencer stated that she would like to resolve whether everyone agrees 5% should be the trigger point; everything above 5% would require the landlord to take the matter to the RRAC.

The City Attorney clarified all increases over 5% would require the landlord to take the case to the RRAC; however, the only cases which could move up to binding arbitration are units subject to Costa Hawkins.

The Community Development Director stated staff has heard consensus on the approach to rent increases; inquired whether landlords should be required to initially offer a one year lease, which is included in Ordinance 1.

Mayor Spencer responded that she agrees; inquired whether everyone is on board.

Councilmember Oddie inquired whether one year leases would be offered subsequently.



The Community Development Director responded Ordinance 1 is drafted to include the offer for new tenants; in place tenants would be offered a one year lease upon notification of a rent increase.

Councilmember Daysog stated that he would not agree based on concerns from housing providers.

The Community Development Director stated the California Apartment Association representative endorsed the requirement and cited Mountain View's ordinance, which goes into effect in a few days.

Councilmember Oddie inquired whether a tenant could decline the offer and agree to something else, such as a 6 month or month-to-month lease.

The Community Development Director responded in the affirmative; stated there would be no penalty for the tenant declining the offer.

In response to Mayor Spencer, the Community Development Director stated Ordinance 1 has a provision that requires a landlord to offer tenants a one year lease one time; the offer would be when new tenants come in or when existing tenants receive a rent increase notice.

In response to Mayor Spencer's inquiry, the Community Development Director stated the offers are different for new tenants versus in place tenants.

Mayor Spencer inquired whether staff is referring to current tenants who do not have a lease, to which the Community Development Director responded in the affirmative.

Mayor Spencer stated that she does not believe the requirement is necessary for current tenants, who have other protections; the requirement is only needed for new tenants.

The Community Development Director stated existing tenants on a month-to-month term might like the opportunity to be offered a one year lease.

Mayor Spencer stated existing tenants would not anticipate getting a one year lease after being month-to-month.

Councilmember Ezzy Ashcraft stated the California Apartment Association representative indicated 12 month leases provide stability; questioned why the City would not avail the opportunity for a one year lease, which is reasonable.

Mayor Spencer requested the two be considered separately; inquired whether there is consensus on offering a new tenant a one year lease.

Councilmembers Ezzy Ashcraft and Oddie agreed.

Mayor Spencer stated that she also agrees.

Councilmember Daysog stated that he also agrees.

The Community Development Director stated one time only, existing tenants would be offered a one year lease the next time their rent is increased.

Councilmember Oddie stated tenants do not have to accept.

Councilmember Ezzy Ashcraft stated it is reasonable.

Councilmember Daysog requested staff to explain the value.

The Community Development Director stated the playing field would be level for new tenants and existing tenants; since the ordinance is just going into place, existing tenants would miss the one time opportunity to be offered a one year lease, which new tenants would receive.

Mayor Spencer noted creating a lease has costs.

Following a brief discussion of evictions, the Community Development Director clarified for in place tenants, the one-time offer of a lease would be done at the time of the first rent increase; noted landlords have indicated that they do not raise all tenants rent at the same time and do not like to have all leases expire at the same time.

Mayor Spencer stated making the one year lease offer to new tenants is part of a new relationship; existing tenants on month-to-month leases being offered the option would tie up the property for a year; inquired why said action would not be a taking.

The Community Development Director responded a landlord doing a rent increase indicates they are interested retaining the tenant; stated offering a one year lease would provide stability and the opportunity for a no cause eviction would be prevented for a year.

Mayor Spencer inquired whether landlords would not do a rent increase if they did not plan on retaining the tenant for another year, to which the Community Development Director responded in the affirmative.

Councilmember Oddie inquired whether rent increases would only be allowed one time per year.

The Community Development Director responded in the affirmative; stated only allowing one increase per year is the next consensus item.

In response to Councilmember Oddie's comment regarding rents already being limited to once per year, the Assistant City Attorney noted the lease that is offered one time might include other provisions.

Councilmember Oddie outlined the lease renewal options he receives from his landlord with a one year lease being the lowest increase; a 6 month lease being slightly higher and month-to-month being the highest increase due to the uncertainty.

The Community Development Director stated a number of properties have the same structure in Alameda, especially larger ones.

Councilmember Daysog stated that he likes the direction Council is moving; the possibilities are being narrowed down; however, there seems to be fuzziness; the direction should be treated as a framework for further refinement.

The Community Development Director concurred; stated the exercise is very helpful to staff because more precision will allow things to advance.

Councilmember Daysog stated staff should take notes and continue to think about the issues more with public input.

Mayor Spencer requested Council to weigh in about whether an existing tenant should be offered a year lease one time at a rent increase.

In response to Councilmember Oddie's inquiry, the Community Development Director stated the requirement is strictly to deal with the ordinance going into effect to have existing tenants be offered the same thing as new tenants; staff could review Mountain View's ordinance and see how in place tenants are being treated.

Councilmember Daysog stated said review would be helpful.

Mayor Spencer stated the Council will not decide tonight and the issue will come back.

Councilmember Oddie concurred; stated that he is sure Council can come to an agreement on the matter at the next meeting.

The Community Development Director stated the next item staff heard consensus on would prevent landlords from raising rents more than one time in a year.

Councilmember Ezzy Ashcraft expressed support.

Mayor Spencer stated there is consensus on said issue.

Councilmember Ezzy Ashcraft inquired whether the vote is five in favor, to which Mayor Spencer responded in the affirmative.

The Community Development Director stated that she is going off the list regarding additional requirements and is going to skip the grounds for eviction and relocation assistance because maybe the monetary penalties and enforcement can be solved; inquired whether there is Council consensus to support monetary penalties and enforcement of the ordinance.

Mayor Spencer and Councilmember Oddie responded in the affirmative.

Mayor Spencer stated said matter will be figured out when the ordinance comes back.

The Community Development Director inquired whether or not there is support for a sunset provision.

Mayor Spencer responded that she wants annual review.

Vice Mayor Matarrese stated annual review is fine; that he is not sure there is a need for the ordinance to include a sunset clause.

Mayor Spencer stated a sunset clause is not needed if there is annual review.

Councilmember Oddie stated an annual review is fine, but he likes the idea of a sunset in case there are unintended consequences.

Mayor Spencer concurred with Councilmember Oddie's suggestion.

Councilmember Ezzy Ashcraft also concurred with Councilmember Oddie; stated new territory is being charted.

Mayor Spencer stated three members are in support of annual review and a sunset clause.

The Community Development Director stated the ordinance will include an annual review and sunset clause; staff is setting aside the recommendations regarding the fee, fee study and appropriation of funds; that she would move on to tackling eviction protections; Ordinance 1 allows for no cause evictions, but is structured to disincentivize doing so solely to increase rents because the maximum rent increase is capped for the new tenant and landlords are required to pay relocation benefits.

Mayor Spencer stated Council has not included a cap and is requiring going to the RRAC instead.

The Community Development Director stated Council could create a cap on the increase for the next tenant as a separate item.

Mayor Spencer stated the landlord representative indicated there is already a Code section regarding the matter; Council could adopt said provision.

The Assistant City Attorney stated Costa Hawkins is silent about whether or not a cap can be done on the amount a landlord can increase the rent for a new tenant.

Mayor Spencer stated the landlord representative indicated Civil Code Section 1946 prevents a new tenant from being charged more than the previous tenant.

The Assistant City Attorney stated there seems to be disagreement about the Civil Code section.

Mayor Spencer stated the landlords made the offer; questioned why the City would not do so.

The Assistant City Attorney stated the representative's application of the section is broader than what he feels comfortable with.

Councilmember Daysog stated the matter should be further researched; the City's legal expert needs to feel comfortable.

The Assistant City Attorney stated there are no cases on the issue; since the matter will be coming back, there can be further discussion about whether or not there needs to be a cap for new tenants.

Mayor Spencer stated that she wants something.

Councilmember Oddie stated there has to be something.

Mayor Spencer stated preventing an increase is a deterrent; no cause evictions cannot be used to double rent for the new tenant.

Vice Mayor Matarrese stated the matter is the root of the problem.

The Community Development Director inquired whether Council wants to allow no cause evictions but require the rent for the new tenant to be exactly the equivalent of the existing tenant.

Mayor Spencer responded the landlord representative stated rent would not be more than the prior tenant's rent.

In response to Councilmember Ezzy Ashcraft's inquiry whether the amount would be the rent paid by the prior tenant plus the allowable maximum, the City Attorney stated the City does not have an allowable maximum at this point.

Mayor Spencer questioned why the City would not leave the amount the same as the prior tenant.

The City Attorney suggested staff could bring the matter back.

Councilmember Daysog inquired whether a tenant would receive relocation assistance if they are required to move out for no cause reasons and later finds out the new tenant is paying more.

The Community Development Director responded said proposal was raised by Alamedans for Fair Rents; stated the staff recommendation is to have tenants evicted for no cause receive relocation assistance regardless of what happens to the next tenant.

Councilmember Ezzy Ashcraft stated Councilmember Daysog might have been thinking about the new tenant receiving some money back for overpaying; staff should refine the matter a little more; that she likes the direction; inquired whether staff could enumerate what the fee would pay when the fee study returns.

The Community Development Director responded in the affirmative.

Councilmember Daysog stated a tenant given a 10% rent increase would go through the RRAC process; inquired whether the tenant would not qualify for relocation assistance if they go through the arbitration process and the outcome is still 10%, but the tenant has to move out because they cannot afford the increase.

The Community Development Director responded in the affirmative.

Councilmember Oddie stated Vice Mayor Matarrese hit the issue on the head; evicting tenants to raise rents to market rate is the problem the City is trying to fix; staff has to come back with something that fixes the problem; new tenants should get something specific, such as the same rent as the previous tenant or a 5% rent increase above the previous tenant.

The Community Development Director stated staff understands and will be as precise as possible.

Mayor Spencer stated staff is doing a great job and should proceed.

The Community Development Director stated staff heard consensus to allow no cause evictions with a huge disincentive; staff will review whether there should be no rent increase or an increase of no more than 5%; everyone supports approving a capital improvement plan for the substantial rehabilitation eviction category; the plan will come back within 45 days with the program components.

Mayor Spencer stated that is correct.

Councilmember Ezzy Ashcraft stated that she agrees with the concept.

The Community Development Director stated Council will have an opportunity to review the components of the plan.

Vice Mayor Matarrese stated there has to be some evidence that substantial work is going to occur; inquired whether staff does not mean every capital plan would be approved by Council.

The Community Development Director responded in the affirmative; stated Council would approve the program requirements; provided examples; stated the number of no cause evictions allowed in one year could have a cap to prevent mass evictions; the ordinance includes a sliding scale; concern has been raised about staff's proposed 50% cap; inquired whether the cap should be changed to 25%.

Councilmember Daysog responded definitely.

Councilmember Ezzy Ashcraft inquired in the case of mass evictions, would landlords be able to raise rents not at all or by the allowable cap, to which the Community Development Director responded in the affirmative.

Councilmember Ezzy Ashcraft stated the City is trying to prevent clearing out buildings unless something such as soft story work has to be done.

The Community Development Director stated tenants could be temporarily relocated while work is completed.

The City Attorney inquired whether or not allowing a rent increase after major capital improvements allows for a fair return on investment.

The Assistant City Attorney responded the capital plan would allow the housing provider to recover costs over a period of time.

The City Attorney clarified there could be a rent increase.

Councilmember Oddie stated there could be an increase in the case of capital improvements, which would be an exception.

The Community Development Director clarified no fault evictions are being addressed, not just cause evictions, which include capital improvements; stated the concern is landlords might find mass evictions more streamlined or cheaper than going through a capital improvement plan.

Mayor Spencer noted tenants will have difficulty relocating while vacancy rates are very low; inquired whether Councilmember Oddie's proposal is to limit mass evictions to 25% per year.

Councilmember Oddie responded in the affirmative.

Mayor Spencer inquired whether everyone agrees.

Councilmember Daysog responded that he is fine with 25%; stated staff should really scrub the figure to ensure it is correct.

Councilmember Oddie noted buildings with one to four units would only be able to evict one unit per year.

The Community Development Director stated relocation benefits are the last component; staff has not heard whether there is support for the proposed ordinance or the Mayor's suggestion that there not be a sliding scale based on the length of tenure.

Councilmember Daysog stated that he would like to account for smaller landlords; figuring out the correct relocation assistance should take smaller landlords into account.

Vice Mayor Matarrese stated that he supports extending the time period; any other benefit should be a matter of mediation.

Mayor Spencer inquired whether Vice Mayor Matarrese would not tie the benefit to length of tenancy, to which Vice Mayor Matarrese responded in the affirmative.

Councilmember Daysog stated when the matter returns, the staff report should address how staff proposes to deal with the issue of small mom and pop landlords paying the relocation benefit; a conclusion might be that not much could be done, but he wants to see that staff thought about the issue.

Councilmember Oddie stated that he is against any special exceptions.

Mayor Spencer inquired whether Councilmember Oddie wants the benefit tied to length of tenancy.

Councilmember Oddie responded if there are not three votes in favor of the staff proposal, but there are three votes of the Mayor's proposal, he would support it; that he does not want any exceptions.

Mayor Spencer stated that she is fine with having no exceptions; she does not want to tie the benefit to length of tenancy and Vice Mayor Matarrese concurred.

Councilmember Ezzy Ashcraft stated that she is in favor of the staff recommendation.

Councilmember Oddie stated that he could go either way.

Mayor Spencer stated tying the benefit to length of tenancy discourages long term tenants because it creates a disincentive to keep long term tenants; landlords would have to pay more if tenants are kept longer; that she wants to treat everyone the same.



Councilmember Oddie stated that he could support doing so if there are not three votes in favor of the staff recommendation.

Councilmember Daysog stated the fair thing is to start off the process by tying the benefit to length of tenancy; however, in several years, there should be a set amount; expressed concern over a tenant being eligible to receive four months' rent after not being there very long.

Mayor Spencer stated the tenant would receive four months' notice so they have more time to find alternative housing or receive money; the issue is really providing longer notice beyond the required 30 and 60 day notices.

Councilmember Ezzy Ashcraft stated the ordinance requires tenants to receive one month rent for each year; expressed concern over landlords paying four months' rent for a tenant who has only lived there one year; stated that she would like to see longer term tenancy encouraged; landlords like good tenants to stay because there is a cost to prepare the unit and find new tenants.

Mayor Spencer requested staff to clarify the matter.

The Community Development Director stated the ordinance includes that the relocation benefit is equal to the value of the tenant's month rent up to a maximum of four months' rent; tenants can exchange the monetary compensation for staying in the unit longer; for example, a 10 year tenant would qualify for a cash equivalent of four months' rent; the tenant could opt to stay two additional months and receive payment for two months, plus \$1,500 for moving expenses; time can be traded for money up to a maximum of four months; staff tied the benefit to the length of tenancy.

Mayor Spencer inquired whether the landlord could offer additional time instead of money.

The Community Development Director responded in the negative; stated the decision is the tenant's choice.

Mayor Spencer suggested that mom and pop landlords be able to choose whether to offer time or money in response to Councilmember Daysog's concern; stated the tenant could choose if under corporate ownership; the relocation assistance could be treated differently based upon ownership.

Councilmember Ezzy Ashcraft noted doing so would treat tenants differently; stated that she would not support doing so.

Councilmember Oddie stated defining mom and pop landlords would be difficult; noted some larger complexes are not owned by corporations.

Mayor Spencer stated maybe the matter needs to come back with a different option.

Councilmember Daysog stated that he would like to help small mom and pop landlords, which could be defined as rental units of six or less; Council needs to recognize the severity of the economics for mom and pop landlords, who are a significant housing provider in town.

The Community Development Director stated relocation benefits would only be paid for no cause and no fault evictions, which are landlord initiated.

Mayor Spencer suggested the two options could be offered when the matter returns to allow more input from the community.

Councilmember Ezzy Ashcraft noted mom and pop landlords might have set aside reserves.

Councilmember Oddie noted smaller buildings could also be owned by corporations.

Councilmember Ezzy Ashcraft stated another jurisdiction defined mom and pop landlords.

The Community Development Director stated buildings with two to four units are the largest percentage of the City's rental housing stock.

Councilmember Oddie stated the majority would be exempted.

Mayor Spencer stated the suggestion is not to exempt the units; it shifts the decision to the landlord about whether to provide time versus money or a combination.

Councilmember Daysog stated that his suggestion is an exemption.

Mayor Spencer inquired where the Council is on length of tenancy.

Councilmember Ezzy Ashcraft responded that she likes what the ordinance says.

Vice Mayor Matarrese stated that he is afraid that tying the benefit to length of tenancy will encourage landlords to get rid of tenants sooner.

Mayor Spencer concurred.

Councilmember Oddie inquired whether the suggestion is to have a flat amount for everybody, to which Mayor Spencer responded in the affirmative.

Councilmember Oddie inquired whether the amount of time would be four months, to which Mayor Spencer responded in the affirmative.

Councilmember Oddie stated that he is fine with the flat amount in order to break the tie vote.

The Assistant City Attorney inquired whether tenants would have to be in the unit for one year to qualify for relocation assistance.

Mayor Spencer responded in the negative; questioned why a landlord would bring in a tenant just to do a no cause or no fault eviction within the first year.

Councilmember Oddie stated within the first year is usually when a landlord finds out if there are issues with the tenant.

Mayor Spencer stated the benefit applies to no cause and no fault evictions.

Vice Mayor Matarrese stated regardless of a tenant living there 6 months or 10 years, finding a new place to live is a hardship; uprooting a family is hard; giving time would not be a hardship; providing money could be a hardship; that he likes the idea of giving four months' notice on top of 60 days; less time can be taken; a payment for a shorter timeframe should be mediated between the tenant and landlord; a byzantine ordinance is being created; it is convoluted and complex; he would prefer a simpler more direct approach of using the current process expanded to include certain eviction deliberations and some teeth or recourse if someone is being abused by the system.

Councilmember Daysog stated there should be clear relocation benefits; any jurisdiction which does relocation benefits provides clarity; expectations should be clear.

Councilmember Oddie stated Council needs to pick an option.

Councilmember Ezzy Ashcraft concurred with Councilmember Daysog; stated predictability is important; requiring relocation benefits would also dis-incentivize evictions.

In response to Mayor Spencer's inquiry, Councilmember Daysog stated that he can live with four months, but would prefer less; he has seen two months plus \$1,500 for moving expenses in other jurisdictions; that he would prefer two or three months; the saving grace is allowing the exchange for time, but the problem is making the decision at the discretion of the renter; the landlord should be involved somehow.

Councilmember Oddie stated the renter is the one who would need the time or the money since they have to find a new place to live.

Councilmember Daysog stated small landlords might not be able to pay four months' rent.

Councilmember Oddie stated the landlord could decide not to evict or find a cause.

Councilmember Daysog stated a landlord might need to have a family member move in for medical reasons.

The Assistant City Attorney stated there is an exception; extension of time does not apply to a family member moving in.

Councilmember Oddie stated Council needs to decide whether or not to do a sliding scale.

Councilmember Ezzy Ashcraft noted the table attached to the staff report shows relocation benefits in other jurisdictions are substantially more and can contain additional charges.

Councilmember Daysog stated that he would prefer to go with the staff recommendation.

Councilmember Ezzy Ashcraft concurred.

Councilmember Oddie stated that he could go either way.

Mayor Spencer stated two Councilmember support the staff recommendation and two do not.

Councilmember Oddie stated that he would support the staff recommendation.

Mayor Spencer stated the relocation benefit would be tied to length of tenancy.

Councilmember Oddie noted the reduced services petition is outstanding, but could come back.

The Community Development Director stated there is a request to analyze the components of the fee; staff would continue to recommend that there be a fee to administer whatever program is adopted; a more in depth analysis can now be completed since staff understands what the program would be.

Councilmember Oddie inquired whether tenants could petition for reduced services.

Councilmember Ezzy Ashcraft stated that she is not inclined to support Ordinance 3 because she thought the provision would be more complicated to administer, especially in the first year; stated the matter could be considered after a year.

Councilmember Oddie stated the matter should be reviewed after the capital improvement plan is addressed; landlords have indicated that they will not spend money to invest in their properties if rent increases are limited; properties will end up with broken heaters, etc.; that he would like the matter to return before one year.

Councilmember Daysog stated that he would have liked to see something regarding mom and pop landlords and just cause eviction; however, we live in a world of compromise; focusing on Ordinance 1, Council began to flush out elements of how to move forward; he is concerned that the economics are not being dealt with seriously enough; more can be figured out over the coming weeks; at least Council is focusing on Ordinance 1.

Mayor Spencer stated at least one email was received regarding changes being made to no longer allow pets.

The Assistant City Attorney stated the issue has been addressed because pets are included in the definition of rent; increasing a pet fee would apply to reaching the threshold.

Mayor Spencer stated that she would like the issue of changes being made to no longer allow pets to return to Council.

The Assistant City Attorney stated perhaps the matter could be considered a reduction in service.

Councilmember Ezzy Ashcraft inquired when the ordinance would return, to which the City Attorney responded staff could draft the new ordinance and bring back the first reading on February 2<sup>nd</sup>.

The Assistant City Attorney suggested the ordinance return at the same time as the capital improvement plan to provide the whole picture.

The City Attorney inquired when the plan would be ready, to which the Community Development Director responded the second meeting in February.

Councilmember Oddie inquired whether the moratorium would have to be extended again.

The Assistant City Attorney responded the moratorium has been extended until March.

The City Attorney stated the Council could extend the moratorium again at said time to allow for a first and second reading and 30 days for the ordinance to become effective.

Mayor Spencer stated that she is fine with doing so; stated staff should take the time needed; inquired whether Council agrees.

After Council expressed consensus, Mayor Spencer stated a majority agrees.

The Community Development Director stated staff will draft the ordinance based on the consensus direction.

In response to Councilmember Oddie's inquiry, the Community Development Director stated staff is going to review Mountain View's ordinance and come back with a recommendation regarding whether or not to offer one year leases for existing tenants when there is a rent increase.

(16-012) Conduct a Public Hearing and Consider Introduction of Ordinance Amending Alameda Municipal Code Section 30-5.15 regarding Medical Marijuana Dispensaries to Define and Prohibit the Commercial Cultivation of Medical Marijuana in the City of Alameda to Protect the City's Jurisdiction Regarding Cultivation, While Preserving the Opportunity to Have a Robust Discussion About Medical Marijuana Cultivation at a Later Date. [The Proposed Amendment is Categorically Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15305, Minor Alternations to Land Use Limitations.] Introduced.

The Planning Director gave a brief presentation.

Councilmember Oddie stated the ordinance prohibits cultivation; the community has not had a discussion; Assembly Bill 21 is on track to pass and be signed by the Governor; that he would prefer the ordinance not take effect if the March 1<sup>st</sup> deadline vanishes; the City could emulate Placer County, which has declared a local preemption, rather than creating a ban.

The City Planner stated agriculture and horticulture are permitted by right in Alameda's residential districts, as well as industrial and commercial; the City would be in a bind if someone made a request tomorrow; Placer County is requiring use permits and has not made a decision about which districts will allow the use; noted the ordinance can be opened back up; stated that he believes the City will start receiving requests.

Vice Mayor moved introduction of the ordinance; stated the matter could be opened back up when the State law is clear; now not the time for a robust discussion.

Councilmember Ezzy Ashcraft seconded the motion, which carried by the following vote: Ayes: Councilmembers Daysog, Ezzy Ashcraft, Matarrese and Mayor Spencer – 4. Noes: Councilmember Oddie – 1.

#### CITY MANAGER COMMUNICATIONS

None.

#### ORAL COMMUNICATIONS, NON-AGENDA

None.

#### COUNCIL REFERRALS

None.

## COUNCIL COMMUNICATIONS

None.

## ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 3:59 a.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

**APPROVED**  
**MINUTES OF THE SPECIAL CITY COUNCIL MEETING**  
**TUESDAY- -JANUARY 5, 2016- -5:33 P.M.**

Mayor Spencer convened the meeting at 5:37 p.m.

Roll Call – Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

[Note: Councilmember Daysog arrived at 5:58 p.m.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(16-001) Conference with Conference with Labor Negotiators (54957.6); City Negotiator: Elizabeth D. Warmerdam; Employee Organizations: International Brotherhood of Electrical Workers, Local 1245 (IBEW), Electric Utility Professional Association of Alameda (EUPA), Alameda City Employees Association (ACEA), Alameda Police Officers Association Non-Sworn Unit (PANS), and Alameda Management and Confidential Employees Association; (MCEA) Under Negotiation: Salaries and terms of employment.

(16-002) Conference with Legal Counsel - Anticipated Litigation; Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code; Number of cases: One (As Defendant - City Exposure to Legal Action). Not heard.

Following the Closed Session, the meeting was reconvened and Mayor Spencer announced that direction was given to staff.

Adjournment

There being no further business, Mayor Spencer adjourned the meeting at 6:26 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.