

CITY OF ALAMEDA RESOLUTION NO. _____

ADOPTING A PROGRAM FEE FOR THE CITY'S RENT REVIEW,
RENT STABILIZATION AND LIMITATIONS ON EVICTIONS
ORDINANCE, AS AMENDED, AND IMPLEMENTING POLICIES

WHEREAS, on March 1, 2016, the Alameda City Council adopted a Rent Review, Rent Stabilization and Limitations on Evictions Ordinance (Ordinance No. 3148) to protect local tenants from the rapidly increasing cost of rental housing that is the result of rising rents and a tight rental market; and

WHEREAS, Ordinance No. 3148 went into effect March 31, 2016; and

WHEREAS, for fiscal year 2016/2017, the City Council chose to fund the various programs made necessary by Ordinance No. 3148 with General Fund revenues rather than adopt a fee to fund the program in order to gather more data about the program and actual cost to administer the program; and

WHEREAS, Ordinance No. 3148 was amended on June 6, 2017, and those amendments will become effective July 6, 2017; and

WHEREAS, the Alameda City Council has adopted and will adopt various Policies, such as the Capital Improvement Plan Policy, that implements Ordinance No.3148, as amended; and

WHEREAS, on April 4, 2017, the Alameda City Council, in order to consider funding through a fee the administration and implementation of the various programs made necessary by Ordinance No. 3148, as now amended, and its implementing Policies ("the Ordinance/Policies"), authorized staff to conduct a fee study ("the Fee Study") to determine (a) the amount of money that will be necessary to fund for fiscal year 2017/2018 the various programs made necessary by the Ordinance/Policies and (b) the amount of the fee ("the Program Fee") that would need to be imposed on rental property owners in order to fund the various programs; and

WHEREAS, the City contracted with SCI Consulting Group (SCI) to prepare the Fee Study; and

WHEREAS, as part of the Fee Study, SCI worked closely with the Alameda Housing Authority, the City's Finance, and Community Development Departments' staff and the City Attorney's office to understand all of the administrative and enforcement procedures necessary to administer the Ordinance/Policies; and

WHEREAS, the Fee Study demonstrates that the amount of the fee to be imposed on rental property owners is a function of:

- The number of applicable rental units covered by the Ordinance/Policies
- The amount of staffing to administer the programs (e.g. receiving and tracking rent increase notices, scheduling and staffing hearings before the Rent Review Advisory Committee, processing termination of tenancy notices, reviewing Capital Improvement Plans, providing legal advice and support, billing and collection, enforcement activities, etc.)
- Contracted services (e.g. hearing officers, translators, etc.)
- Materials and supplies to support the administration of the Program (including office space and utilities, program software, printing, postage, office equipment, etc.); and

WHEREAS, SCI, by conducting a rigorous analysis of February 2017 Assessor's lien roll data provided by the Alameda County Assessor's office, determined that 14,788 rental units in the City would be subject to the Ordinance/Policies (and hence, subject to a Program Fee); and

WHEREAS, the costs associated with the administration and regulation of the Ordinance/Policies include direct and indirect labor costs, contracted services, and supplies cost and the Fee Study confirms that the tasks and estimated associated labor hours, as developed by the City and the Housing Authority staff, are reasonable and accurate; and

WHEREAS, the Fee Study determined the costs attributable to the Ordinance/Policies are estimated to be \$1,799,712 annually; and

WHEREAS, based on the Fee Study, City staff has recommend that the City Council establish a Program Fee of \$122 per rental unit; and

WHEREAS, the Program Fee would be charged annually to rental property owners on a per rental unit basis and would be paid with the business license fee (for those rental property owners required to pay such fee) and billed July 1 for those rental property owners, for example owners of single family homes that are rented, who currently do not pay a business license fee; and

WHEREAS, the Ordinance as now amended provides that up to fifty percent (50%) of the Program Fee be passed on to the tenant in equal installments over the course of twelve (12) months (or \$5.09 per month), which amount would not be included as rent when calculating the percentage rent increase, as this would be consistent with many other rent control jurisdictions that impose a Program Fee on rental property owners; and

WHEREAS, if this Program Fee were not imposed on rental property owners and their tenants, the City's General Fund would absorb the cost to administer the various programs which would be an unfair burden on taxpayers of the community who neither own rental property nor are renters; and

WHEREAS, for the reasons stated in the agenda report of June 6, 2017, adoption of this resolution is not a project under the California Environmental Quality Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALAMEDA RESOLVES AS FOLLOWS:

Section 1. A Program Fee of \$122 is imposed on every rental property owner in the City of Alameda for each rental unit owned, which Program Fee will be billed to each rental property owner who is required to pay a business license fee by reason of the owner's rental property business and, for those rental property owners who are not required to pay a business license fee by reason of the owner's rental property business, the City shall bill those owners separately.

Section 2. As to the Program Fee of \$122, a landlord may pass on to a tenant up to one half of the Program Fee over a twelve month period (\$5.09/month), which amount shall not be considered rent in the calculation of any rent increase during that twelve-month period.

Section 3. This Program Fee shall be evaluated from time to time and at least once every fiscal year to ensure that the Program Fee reflects the cost to administer the various programs under the Ordinance/Policies. Such fee shall be included in the City wide Master Fee Schedule and be adjusted annually by the Bay Area Consumer Price Index (CPI).

Section 4. This Resolution is effective immediately upon its adoption but it will not be operative until July 1, 2017.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 6th day of June, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Alameda on the 7th day of June, 2017.

Lara Weisiger, City Clerk
City of Alameda

Approved as to form:

Janet C. Kern, City Attorney
City of Alameda