

COUNCIL MEETING DATE:

Monday, December 2, 2016

ADDITIONAL CORRESPONDENCE

RECEIVED AFTER COUNCIL PACKET

PREPARATION

**Item 8-1. Next Steps associated with Implementation of a
Rent Review Program**

DO NOT REMOVE

Please return to Eileen Harrington, Administration

Eileen Harrington

To: Eileen Harrington
Subject: FW: Council Communication

From: Douglas Donaldson [<mailto:dougdonaldson@me.com>]
Sent: Sunday, December 04, 2016 9:00 PM
To: Nicole Almaguer <nalmaguer@albanyca.org>
Subject: Council Communication

Hello Nicole,

Please forward this to the City Council members:

Dear Council Members,

I scheduled a dinner meeting on Monday night before I learned that you will be considering the Rent Review proposal at this meeting. Because of this conflict, I am writing, since I will not be able to attend the Council meeting.

I do not favor the Rent Review proposal because I believe that it will do little or nothing to preserve or protect the affordability of rental units in Albany, while it may result in hundreds and hundreds of near term rent increases.

This ordinance, which is focused on regulating landlords proposing the most egregious rent increases, has already created uncertainty and alarm among the entire landlord community, which, as you know, provides housing for 51.7% of Albany's households. Property owners and investors are always alarmed by proposed rent regulations because rent regulations threaten prospective income, which is as important, or more important, than current income, and is the key determinate of rental income property value. So naturally, if rent regulation is on the horizon, every landlord is motivated to raise rents now to establish a higher base from which to build future potential income, thinking that it may be constrained by the City — even when that is not now proposed.

In other words, one unintended consequence of considering the establishment of a Rent Review Board is that you have forced every landlord in Albany to take a look at their rent schedules and think about raising rents. I suspect that if you adopt this ordinance many folks rents will go up; if you don't adopt the ordinance you will greatly reduce your landlord's anxiety levels and avoid a surge of self-protective rent increases.

Pat and I own a duplex in Albany, and our rents are currently around \$1,500/mo. Both tenants are single-parent families. They have children in our schools, like it here and don't want to leave. We don't want them to leave either, and have no intention of raising rents to the escalated current levels (\$2,600/mo. for a 2-bdr. apartment in Alameda County). Our dream/goal when we bought the building many years ago was to have some supplemental retirement income. Thankfully, we have lived long enough to be retired and the building stays rented, so we are happy. In fact, we are proud to be able to provide 2 units of affordable housing. And we wonder why you aren't doing something to reward those landlords, like us, who are providing affordable housing? Isn't that what you want to encourage? At the very least, please add a provision to the ordinance that exempts from Rent Review any rent that is affordable to moderate income households or lower, as defined in the Housing Element. That way those of us who are providing affordable housing will never have to worry about becoming entangled in the rent review process, and you will create an incentive for landlords whose rents are on the cusp of affordability to keep their rents affordable.

I appreciate your consideration of my thoughts, and to summarize, I believe it would be best if you did not adopt this ordinance, but if you do, you should exempt rents affordable to moderate income households or below.

Thank you,

Doug

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