

Rent Review Subcommittee recommendations

Critical Element	Option 1		Option 2		Comments
	Rent Review		Rent Review		
Administrative Body	<p>A nonprofit housing agency such as ECHO(Eden council for Hope and Opportunity) or Project Sentinel</p>		<p>City Administered through a volunteer Advisory Committee /Rent Review Board appointed by the City Council</p>		<p>The subcommittee believes that Option 2 provides for greater oversight of the process. The City Council would have direct input on the membership of the Board. In addition, the board would be comprised of citizens of Albany who live and have a stake in the well being of our community. The committee would be made up of 2 tenants, 2 landlords and 1 homeowner who is not a landlord. Project Sentinel got high marks from both Fremont and Los Gatos.</p>
What Triggers Use of Rent Review Process?	<p>\$75.00 or 5%, whichever is greater</p>		<p>Any increase above 70% of the increase in the Consumer Price Index for all Urban Consumers</p>		<p>According to the Alameda County Board of Supervisors Community Development Agency the median rent in the City of Albany is \$3,100 per month. This means that looking at a 5% increase is approximately \$150.00 per month. Over a five year period the rent would increase to \$3769 per month very likely causing a financial hardship for the tenant..</p>
Binding vs. Non-binding	<p>Non binding for those units excluded by Costa Hawkins/ binding for all others</p>		<p>Binding only for those units not covered under Costa Hawkins</p>		<p>According to NOLO Press California Tenant's Rights June 2016 edition <i>In a few cities where city councils have felt tenant pressure, but not enough pressure to enact rent control ordinances, so called voluntary rent "guidelines" or landlord-tenant "mediation" services, have been adopted. The chief beneficiaries of these standards and procedures seem to be the landlords.</i> Many tenants felt that without coming out of the process with a binding decision there was</p>

<p>no point in going through the process. Based upon the research of the subcommittee, in some cases the effectiveness of non binding programs may be related to the landlords' concern that a rent control program could replace rent review.</p>	<p>This is consistent with Albany's Housing Element.</p>	<p>Established by California State Legislature in 1995.</p>	<p>We recommend using a formula because the process would be perceived as being more fairly applied.</p>	<p>Without just cause evictions, the landlord can evict tenants at any time for no reason. To have rent review without some kind of just cause for evictions means the landlord can evict a tenant so they can raise the rent to whatever amount they desire. Most local measures include just cause eviction clauses.</p>
<p>Limit on rent increases over what time frame</p>	<p>No more than once every 12 month period unless written agreement</p>	<p>No more than once every 12 month period unless written agreement</p>	<p>Landlord must justify increase under two "pass-through" formulas. One formula looks at maintenance expenses on the property that have increased during the most recent 12 months, when compared to the preceding 12 months. The second formula permits a pass-through of the portion of the debt when the debt service on the property has increased in the most recent 12 month. For both formulas, the increase is prorated for the entire property. (Formulas and work sheets included in appendix A) In addition the formulas would be revised to address financial hardship to the tenant as well as the frequency and amount of increases.</p>	<p>Just cause for evictions would be comprised of : Failure to pay rent, nuisance, after notice continued violation of terms of lease, tenant causes considerable damage to the unit, after written notice continued disturbing of the peace and quiet, after written notice failure to give access to unit, demolition (60 day notice), owner, spouse,</p>
<p>Exemptions for Binding Rent Review under State law</p>	<p>Housing constructed after 1995, single family homes and condominiums that are separate from the title to other dwelling units</p>	<p>Housing constructed after 1995, single family homes and condominiums that are separate from the title to other dwelling units</p>	<p>The criteria considered would be : Financial hardship to the tenant, frequency, amount and presence or absence of prior rent increases, landlord's costs of operation including costs of repairs or maintenance, increases or decreases in housing services, landlords tax credits, and landlord's intent in earning a just and reasonable rate of return</p>	<p>Just cause for evictions would be comprised of : Failure to pay rent, nuisance, after notice continued violation of terms of lease, tenant causes considerable damage to the unit, after written notice continued disturbing of the peace and quiet, after written notice failure to give access to unit, demolition (60 day notice), owner, spouse,</p>
<p>Decision Criteria</p>	<p>No more than once every 12 month period unless written agreement</p>	<p>Housing constructed after 1995, single family homes and condominiums that are separate from the title to other dwelling units</p>	<p>The criteria considered would be : Financial hardship to the tenant, frequency, amount and presence or absence of prior rent increases, landlord's costs of operation including costs of repairs or maintenance, increases or decreases in housing services, landlords tax credits, and landlord's intent in earning a just and reasonable rate of return</p>	<p>Just cause for evictions would be comprised of : Failure to pay rent, nuisance, after notice continued violation of terms of lease, tenant causes considerable damage to the unit, after written notice continued disturbing of the peace and quiet, after written notice failure to give access to unit, demolition (60 day notice), owner, spouse,</p>
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	<p>parent or child wants to occupy unit (60 days notice), tenant engages in illegal activities, withdrawal from the rental market (60 days notice)</p>	<p>parent or child wants to occupy unit (60 days notice), tenant engages in illegal activities, withdrawal from the rental market (60 days notice)</p>	
<p>Retaliation Clause</p>	<p>The landlord may not take any action to terminate a tenancy, reduce any housing services or increase the rent where the intent is to retaliate against the tenant for their assertion or exercise of their rights under the rent review program or under state or federal law.</p>	<p>The landlord may not take any action to terminate a tenancy, reduce any housing services or increase the rent where the intent is to retaliate against the tenant for their assertion or exercise of their rights under the rent review program or under state or federal law.</p>	<p>The tenants must be able to take action under the rent review program without fear of retaliation.</p>
<p>Required Notification of Rent Review Program</p>	<p>Encourage Landlords to give 90 day notice of any rent increase. Landlord must notice tenant of rent review program at time of rent increase and beginning of tenancy.</p>	<p>Encourage Landlords to give 90 day notice of any rent increase. Landlord must notice tenant of rent review program at time of rent increase and beginning of tenancy.</p>	<p>The notification clause is pretty standard in most rent review programs. It provides both the tenant and landlord with a clear understanding of their rights and responsibilities under the rent review program. State law requires a 30 day notice of rent increases of less than 10% and a 60 day notice if the rent increase is greater than 10%. The 90 day notice is a suggestion rather than requirement</p>
<p>Cost to the City</p>	<p>The City of Los Gatos, with a population of 30,000, pays \$32,000 a year to Project Sentinel to run their rent review program.</p>	<p>San Leandro, with a population of 88,000, has one full time employee who spends 30% or less of their time on rent review. Their rent review board is comprised of five volunteers. In addition the City pays ECHO \$25,000 to administer the program.</p>	<p>Either cost seems reasonable but Option 2 is more consistent with our recommendation to create a review committee or board.</p>

Assess Program	Evaluated program every 12 months to determine effectiveness.	Evaluated program every 12 months to determine effectiveness	Recommend revisions to program based on evaluation.
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