

CITY OF ALBANY
CITY ATTORNEY’S IMPARTIAL ANALYSIS OF MEASURE " R "

A SUPPLEMENTAL SPECIAL BUSINESS LICENSE TAX ON RESIDENTIAL RENTAL BUSINESSES WITHIN THE CITY OF ALBANY TO FUND TENANT RENTAL ASSISTANCE PROGRAMS, CODE ENFORCEMENT EFFORTS RELATED TO RESIDENTIAL RENTALS, LEGAL ASSISTANCE FOR TENANTS AND LANDLORDS, AND TO SUPPORT RENTAL PROVIDERS

Pursuant to Chapter 5, Article 2 of the Albany Municipal Code, the City imposes a business license tax on various businesses within the City.

On July 15, 2024, the City Council placed Measure “ R ” on the November 5, 2024 General Municipal Election. If approved by Albany voters, Measure “ R ” would add section 5-2.3.5 to the Albany Municipal Code to enact a supplemental special business license tax on the business of renting or leasing residential units in the City, effective January 1, 2025. The tax would be based upon number of units rented and gross receipts as follows:

Categories	Percentage of Gross Receipts
Residential Rental (four units or less)	0.36%
Residential Rental (five units or more)	1%

A “Residential rental” subject to the tax includes operating an apartment house, lodging house, and renting rooms, and/or any building structure, for dwelling, sleeping or non-transient lodging, including, but not limited to, a single-family house, duplex, triplex, townhouse, condominium, accessory dwelling unit, or co-operative.

Certain “residential rentals” would be exempt from the tax:

1. Units owned by a nonprofit affordable housing corporation.
2. Units with rents limited by law, deed restriction or agreements with public agencies, at affordable rates to households at no more than 80% of Area Median Income and whose tenants are income-qualified.
3. Units rented by the City or by City agreement.
4. Units on State University/college property providing housing for its students, faculty or staff.
5. Units on Albany Unified School District property providing housing for its faculty or staff.

Measure “ R ” empowers the City Council to adopt additional exemptions, and to reverse or amend those exemptions.

It is estimated that Measure “ R ” will provide an additional \$475,000 in annual local funding that would be deposited into a special “Rental Assistance and Code Enforcement Fund”. Revenues from this special tax would be solely dedicated to fund the following purposes:

1. Local tenant rental assistance programs to assist qualifying tenants with costs of rent, utilities, security deposits and other reasonable occupancy costs.
2. Code enforcement activities to enhance residential rental unit monitoring and response to address habitability issues and other Code violations.
3. Free or reduced-cost legal services to qualifying tenants and landlords of residential rental units.
4. Support of rental providers to avoid financial hardship.

Measure “**R**” authorizes the City Council to adjust the rate of the tax and to adopt supplemental procedures to implement it, provided the Council does not increase the rate or methodology of this tax beyond what is set forth above.

Pursuant to Article XIIC of the California Constitution (Proposition 218), Measure “**R**” requires 2/3 supermajority approval of Albany voters to pass. If Measure “**R**” does not pass, the special business license tax will not be enacted.

The above statement is an impartial analysis of Measure "R**". If you desire a copy of the Measure, please call the City Clerk's office at (510) 528-5710 and a copy will be mailed at no cost to you.**

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