



City of San Leandro

Meeting Date: December 7, 2015

Staff Report

File Number: 15-655

Agenda Section: ACTION ITEMS

Agenda Number: 10.B.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: Not Applicable

TITLE: Staff Report for a Resolution Approving the Annual Rent Review Program Evaluation for July 2014 - June 2015

SUMMARY AND RECOMMENDATIONS

The Rent Review Program is a useful resource for both landlords and tenants who seek information, facilitation, and compromise on proposed rent increases. The program is utilized by the community to provide a rent dispute forum for tenants and landlords and is applicable to multi-family residential properties of three (3) units or more as well as mobile homes if a tenant rents the mobile housing unit.

Staff recommends that the City Council review and approve the Annual Rent Review Program Evaluation for July 2014 through June 2015.

BACKGROUND

Title IV, Chapter 32, Article 5, section 4-32-500 of the City's Municipal Code requires that an annual review of the Rent Review Program be prepared by the Rent Review Board (Board) for the City Council. Since May 2001, the Rent Review Program has been an integral part of the City's comprehensive housing services. The Rent Review Program has proven to serve as a helpful resource for landlords and tenants that seek information and resolution regarding lawful and reasonable rent increases.

The Board consists of five (5) City Council-appointed positions. The Board composition includes: two (2) tenants, two (2) landlords, and one (1) homeowner representative.

In March 2015, the City amended San Leandro Municipal Code Section 1-3-1400 to permit both landlord rent review board members to reside outside the City of San Leandro. This ensured that the City had a full five-member Rent Review Board.

ECHO Housing is a full service and nonprofit housing counseling organization that provides

fair housing and tenant-landlord counseling services for the City. Since FY 2013-14, due to the elimination of redevelopment agencies which necessitated staff reductions, the City has outsourced the Rent Review Program's administration to ECHO Housing. ECHO Housing staff continue to be instrumental in processing the renters' rent review request applications, communicating with the landlords to obtain their rent review response forms, facilitating the Rent Review Board hearings, and educating both tenants and landlords about the City's Rent Review Ordinance.

Summary of Facts

From July 1, 2014 through June 30, 2015, ECHO Housing and City staff addressed 75 tenant and 20 landlord inquiries for a total of 95 inquiries relating to the City's policies on rent increases and its Rent Review Program, including 65 renters who applied for Rent Review Board hearings. Of these 65 hearing requests:

- 5 (or 8%) cases were ineligible for a rent review hearing;
- 4 (or 6%) cases were scheduled for a hearing (after June 30, 2015);
- 17 (or 26%) cases were settled without a hearing;
- 13 (or 20%) cases were settled prior to a scheduled hearing; and
- 26 (or 40%) cases were heard by the Rent Review Board.

Of the 26 cases heard by the Rent Review Board:

- 12 (or 46%) cases were settled mutually;
- 6 (or 23%) cases were dismissed;
- 7 (or 27%) cases were settled after the rent review process concluded; and
- 1 (or 4%) case was not resolved (tenant did not accept the landlord's negotiated offer)

Proposed Changes to the Rent Review Ordinance

As part of the Rent Review Program Ordinance, the Board must assess the program's effectiveness each year. With rents and Rent Review Board applications rising over the last 15 months, City Council directed staff to re-assess and update the Ordinance, including clarifying and streamlining the application and hearing process. City Council also instructed staff to publicly outreach to local renters and landlords to gain feedback on the existing Ordinance and proposed changes to it. Some of the proposed changes were also based on administration and implementation experiences of both City and ECHO Housing staff.

The Rent Review Board supported the majority of the proposed amendments to the Ordinance, but formally approved specific amendments to the Ordinance that they recommended the City Council adopt.

The Board approved the following four recommendations to the proposed Ordinance amendments:

- 1) Revise the definition of "Base Rent" to include renter's insurance and implementation of the Ratio Utility Billing System and revised the "Required Notice" to include habitability as required by law.

- 2) Raise the \$75 rent increase threshold to \$100.
- 3) Revise the definition of "Residential Property" in order to allow duplexes that are tenant-occupied to be eligible for rent review.
- 4) Prohibit a landlord for raising rents for a period of one year if the landlord does not appear without good cause at a Rent Review Board hearing.

The Board unanimously approved Items 1-3 above, but were split (3 ayes, 2 no) on Item 4. Staff has incorporated Items 1-3 into the final draft Ordinance amendments for City Council review on December 7, 2015 (although the inclusion of renters insurance as base rent under Item 1 was not included because it would be problematic to administer). Staff did not include Item 4 because as the dissenting Board member noted there could be potential litigation to freeze a rent increase for 12 months based on a landlord's non-showing without good cause at a Board hearing. Since the Ordinance was adopted in 2001, there has only been one instance when a landlord failed to appear at his rent review board hearing.

Previous Actions

The Rent Review Ordinance was adopted April 2001. The Municipal Code was amended in March 2002, October 2003, July 2005, and March 2015.

Board/Commission Review and Actions

At its November 17, 2015 Rent Review Board Meeting, the Rent Review Board unanimously approved the Annual Rent Review Program Evaluation, with recommended modifications to the Rent Review Board Ordinance Amendments, and instructed City staff to forward the evaluation to City Council for review and approval.

ATTACHMENT

Attachment to Resolution

- Rent Review Program Evaluation for July 2014 - June 2015

PREPARED BY: Steve Hernandez, Housing Specialist II, Community Development Department



City of San Leandro

Meeting Date: December 7, 2015

Resolution - Council

File Number: 15-656

Agenda Section: ACTION ITEMS

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Cynthia Battenberg
Community Development Director

FINANCE REVIEW: Not Applicable

TITLE: RESOLUTION Approving the Annual Rent Review Program Evaluation for July 2014 - June 2015 (reviews the program pursuant to San Leandro Municipal Code Section 4-32-500)

The City Council of the City of San Leandro does RESOLVE as follows:

That the Annual Rent Review Program Evaluation for July 2014 through June 2015 is hereby approved.

Annual Rent Review Program Evaluation Report (July 2014 – June 2015)

From July 1, 2014 through June 30, 2015, ECHO Housing and City staff addressed 75 tenant and 20 landlord inquiries for a total of 95 inquiries relating to the City's policies on rent increases and its Rent Review Program, including 65 renters who applied for Rent Review Board hearings. Of these 65 hearing requests (see attached "Monthly Status Report of Rent Review Activities" for case details):

- 5 (or 8%) cases were ineligible for a rent review hearing;
- 4 (or 6%) cases were scheduled for a hearing (after June 30, 2015);
- 17 (or 26%) cases were settled without a hearing;
- 13 (or 20%) cases were settled prior to a schedule hearing; and
- 26 (or 40%) cases were heard by the Rent Review Board.

Of the 26 cases heard by the Rent Review Board:

- 12 (or 46%) cases were settled mutually;
- 6 (or 23%) cases were dismissed;
- 7 (or 27%) cases were settled after the rent review process concluded; and
- 1 (or 4%) case was not resolved (tenant did not accept the landlord's negotiated offer)

Table 1: Rent Review Board (RRB) Case Summary (*since 2006*)

Period (June – May)	Cases
2006-2007	1
2007-2008	6
2008-2009	4
2009-2010	0
2010-2011	0
2011-2012	0
2012-2013	3
2013-2014	2
2014-2015	26

ECHO Housing, a full service and nonprofit housing counseling organization that already provides fair housing and tenant-landlord counseling services for the City, continued to assist in the administration of the City's Rent Review Program in fiscal year 2014-2015. ECHO Housing staff was instrumental in processing the rent review hearing request applications, communicating with the landlords to obtain their rent review response forms, facilitating the rent review board hearings, and educating both tenants and landlords about the City's Rent Review Ordinance. The City began contracting with ECHO Housing for the administration of the Rent Review Program in fiscal year 2013-2014 as a result of staff reductions due to the State's elimination of Redevelopment Agencies.

The 95 inquiries in FY 2014-15 (75 tenant and 20 landlord) is a 33% increase from the 71 inquiries (37 tenant and 34 landlord inquiries) received in FY 2013-14.

The average annual rents in the City remain the lowest among Alameda County cities. See Table 2 below.

Table 2: Rent Ranking for Cities in Alameda County

Rank	City	Average Rent*
1	Berkeley	\$3,018
2	Oakland	\$2,807
3	Emeryville	\$2,719
4	Dublin	\$2,494
5	Pleasanton	\$2,454
6	Newark	\$2,373
7	Fremont	\$2,240
8	Union City	\$2,191
9	Alameda	\$2,162
10	Livermore	\$1,942
11	Hayward	\$1,811
12	Castro Valley	\$1,784
13	San Leandro	\$1,513

**2nd Quarter of 2015
 Source: RealFacts*

Rental and vacancy trends are highlighted in Table 3 below. San Leandro’s average rent (for all bedroom sizes) of \$1,513 in the second quarter of 2015 reflects a 10.8% increase from the average annual rent of \$1,366 in the second quarter of 2014. The previous year’s 12.3% average rent level increase was the first time the City experienced a double- increase since the City began tracking the rental housing market trends in 2002. Meanwhile, the 1.5% vacancy rate in San Leandro, which is lower than last year’s 2.1% rate, results in San Leandro having the highest ranked average occupancy rate at 98.5% of the other 12 Alameda County cities.

Table 3: Rental Housing Market Trends in San Leandro

Year	Average Rent	% Annual Change	Vacancy Rate
2002	\$1,090	-8.0%	4.2%
2003	\$1,054	-3.3%	4.6%
2004	\$1,011	-4.1%	4.6%
2005	\$1,011	0.0%	4.7%
2006	\$1,040	2.9%	3.6%
2007	\$1,090	4.8%	3.6%
2008	\$1,154	5.9%	3.1%
2009	\$1,106	-4.2%	5.4%
2010	\$1,086	-1.8%	4.1%
2011	\$1,123	3.4%	2.6%
2012	\$1,189	5.9%	3.0%
2013	\$1,216	2.3%	2.6%
2014	\$1,366	12.3%	2.1%
2015*	\$1,513	10.8%	1.5%

*2nd Quarter of 2015

Source: RealFacts

Table 4 below reflects the average rent for each bedroom size in San Leandro during second quarter (April through June) of 2015. In comparison to the average rent levels in the 2nd quarter of 2014, the rents increased for studio, 1 bedroom/1 bath, 2 bedroom/1 bath, and 3 bedroom townhome (TH) units. However, the average asking rent for 2 bedroom/2 bath units decreased by 1.6%.

Table 4: Average Asking Rent in San Leandro*

Unit Size	2014	2015	% Change
studio	\$1,049	\$1,122	6.9%
1bd 1bth	\$1,251	\$1,390	11.1%
2bd 1bth	\$1,405	\$1,512	7.6%
2bd 2bth	\$1,645	\$1,619	-1.6%
3bd TH	\$2,100	\$2,116	0.8%

*2nd Quarter of 2015

Source: RealFacts

Proposed Changes to the Rent Review Ordinance

In Spring 2015, the City Council directed staff to outreach to the community and prepare amendments to the San Leandro Rent Review Ordinance to respond to the current rental market in San Leandro, modernize and clarify/streamline the Ordinance, and enhance administration of the Rent Review Program.

Based on public feedback from tenants and landlords as well as the Rent Review Program administration experiences of City and ECHO Housing staff, staff prepared draft amendments to the Ordinance for public review. A community meeting was held on August 19th to gather community input. The Rent Review Board has reviewed and provided comments on the proposed Rent Review Ordinance at its August 25th, September 22nd, October 27th, and November 17th Rent Review Board meetings.

The Rent Review Board supported the majority of the proposed amendments to the Ordinance, but formally approved specific amendments to the Ordinance that they recommended the City Council adopt.

The Board approved the following four recommendations to the proposed Ordinance amendments:

- 1) Revise the definition of "Base Rent" to include renter's insurance and implementation of the Ratio Utility Billing System and revised the "Required Notice" to include habitability as required by law.
- 2) Raise the \$75 rent increase threshold to \$100.
- 3) Revise the definition of "Residential Property" in order to allow duplexes that are tenant-occupied to be eligible for rent review.
- 4) Prohibit a landlord for raising rents for a period of one year if the landlord does not appear without good cause at a Rent Review Board hearing.

The Board unanimously approved Items 1-3 above, but were split (3 ayes, 2 no) on Item 4. Staff has incorporated Items 1-3 into the final draft Ordinance amendments for City Council review on December 7, 2015 (although the inclusion of renters insurance as base rent under Item 1 was not included because it would be problematic to administer). Staff did not include Item 4 because as the dissenting Board member noted there could be potential litigation to freeze a rent increase for 12 months based on a landlord's non-showing without good cause at a Board hearing. Since the Ordinance was adopted in 2001, there has only been one instance when a landlord failed to appear at his rent review board hearing.

All comments received, including those provided by the Rent Review Board, will be presented to City Council as part of the final proposed amendments to the Rent Review Board Ordinance on December 7, 2015.

Annual Rent Review Program Evaluation
FY 2014-2015

Attached are the most current proposed amendments to the Rent Review Ordinance.

Monthly Status Report of Rent Review Activities-
For period July 1, 2014 – June 30, 2015

Community Development Department
Housing Services Division

- Mrs. Lewis' Rent Review Board Case (RRB2014-01) was processed, and Godwin Properties re-noticed with the required Rent Review Notice Ordinance language. Mrs. Lewis did not contact the City after receiving her re-noticing.
- Mr. Patton's Rent Review Board Case (RRB2014-02) was processed, and Vasona Management agreed to re-notice with a \$75 rent increase (reduced from \$215).
- Ms. Mwongozi's Rent Review Board Case (RRB2014-03) was mutually resolved prior to the scheduled October 28, 2014 Rent Review Board Hearing (rent increase amount undisclosed).
- Mr. Harris' Rent Review Board Case (RRB2014-04) was heard at the October 28, 2014 Rent Review Board Hearing. The case was closed/resolved when landlord agreed to reduce the rent increase to \$75 (reduced from \$128).
- Ms. Pena's Rent Review Board Case (RRB2014-05) was mutually resolved at the November 25, 2014 Rent Review Board Hearing to a \$75 rent increase (reduced from \$100).
- Ms. Swinney's Rent Review Board Case (RRB2014-06) was closed/resolved when the landlord rescinded the rent increase notice.
- Ms. Rodriguez's Rent Review Board Case (RRB2014-07) was mutually resolved at the November 25, 2014 Rent Review Board Hearing to a \$50 rent increase (reduced from \$100).
- Mr. Martinez's Rent Review Board Case (RRB2014-08) was ineligible to be heard by the Rent Review Board at its November 25, 2014 Hearing because he did not submit a request form after he received his re-noticing.
- Mr. Reyes' Rent Review Board Case (RRB2014-09) was dismissed at the November 25, 2014 Rent Review Board Hearing after Mr. Reyes failed to appear without good cause.
- Ms. Briano's Rent Review Board Case (RRB2014-10) was mutually resolved at the November 25, 2014 Rent Review Board Hearing to a \$75 rent increase (reduced from \$100).
- Ms. Herron's Rent Review Board Case (RRB2014-11) was closed/resolved when Ms. Herron was re-noticed properly with the required Rent Review Notice Ordinance language.
- Ms. Perez's Rent Review Board Case (RRB2014-12) was dismissed at the November 25, 2014 Rent Review Board Hearing after Ms. Perez failed to appear without good cause.

- Mr. Molina's Rent Review Board Case (RRB2014-13) was dismissed at the November 25, 2014 Rent Review Board Hearing after Mr. Molina failed to appear without good cause.
- Ms. Intengan's Rent Review Board Case (RRB2014-14) was closed/resolved when Ms. Intengan was re-noticed properly prior to the November 25, 2014 Rent Review Board Hearing. Landlord agreed to a \$75 rent increase (reduced from \$125).
 - Ms. Lee-Figueroa's Rent Review Board Case (RRB2014-15) was mutually resolved prior to the scheduled November 25, 2014 Rent Review Board Hearing to a \$75 rent increase (reduced from \$100).
 - Ms. Rodarte's Rent Review Board Case (RRB2014-16) was discussed at the November 25, 2014 Rent Review Board Hearing with a determination that Ms. Rodarte needed to be provided with a new 60-day rent increase notice (\$100 rent increase is more than 10%).
 - Mr. Saavedra's Rent Review Board Case (RRB2014-17) was mutually resolved at the November 25, 2014 Rent Review Board Hearing to a \$50 rent increase (reduced from \$100).
 - Ms. Poole's Rent Review Board Case (RRB2014-18) was heard at the November 25, 2014 Rent Review Board Hearing. A Continuance Hearing was heard at the December 16, 2014 Rent Review Board Hearing. Ms. Poole and her landlord did not reach a mutually satisfactory resolution. Ms. Poole's \$140 rent increase will take effect. Ms. Poole and her landlord did eventually come to a mutual resolution.
 - Ms. Rains' Rent Review Board Case (RRB2014-19) was mutually resolved prior to the scheduled November 25, 2014 Rent Review Board Hearing as Ms. Rains indicated she was moving out.
 - Mr. Elias' Rent Review Board Case (RRB2014-20) was ineligible to be reviewed by the Rent Review Board as he submitted his Rent Review Request form past the 15-day requirement.
 - Mr. Ortega's Rent Review Board Case (RRB2014-21) was closed/resolved. Landlord has agreed to re-notice with the required Rent Review Notice Ordinance language. The \$50 rent increase amount is ineligible to be reviewed by the Rent Review Board.
 - Ms. Ludivina Sierra's Rent Review Board Case (RRB2014-22) was heard at the January 27, 2015 Rent Review Board Hearing. A Continuance Hearing was heard on February 24, 2015. Rent increase amount is \$150. Board recommended forwarding the case to City Council for their review. The case was closed without resolution. With help from the Rental Housing Association (RHA), tenant and landlord mutually agreed to a resolution (\$50 rent increase for 1st 4 months; \$150 rent increase beginning the 5th month).
 - Ms. Bernadette Bradford's Rent Review Board Case (RRB2014-23) was heard at the February 24, 2015 Rent Review Board Hearing. Rent increase amount is \$270. Board recommended forwarding the case to City Council for their review. The case was closed without resolution. With help from RHA, tenant and landlord mutually agreed to a resolution (\$245 instead of \$270 rent increase).

- Mr. Robert Heron's Rent Review Board Case (RRB2014-24) was heard at the February 24, 2015 Rent Review Board Hearing. Rent increase amount is \$255. Board recommended forwarding the case to City Council for review. The case was closed without resolution. Landlord offered \$210 instead of \$255 rent increase, but tenant chose to move out.
- Mr. Pheleta Santos' Rent Review Board Case (RRB2014-25) was heard at the February 24, 2015 Rent Review Board Hearing. Rent increase amount is \$255. Board recommended forwarding the case to City Council for review. The case was closed without resolution. With help from RHA, tenant and landlord mutually agreed to a resolution (\$210 instead of \$255 rent increase).
- Mr. Malcolm Jones' Rent Review Board Case (RRB2014-26) was heard at the February 24, 2015 Rent Review Board Hearing. Rent increase amount is \$255. Board recommended forwarding the case to City Council for their review. The case was closed without resolution. With help from RHA, tenant and landlord mutually agreed to a resolution (\$210 instead of \$255 rent increase).
- Ms. Yolanda Garrett's Rent Review Board Case (RRB2014-27) was mutually resolved at the January 27, 2015 Rent Review Board Hearing to a \$90 rent increase (reduced from \$170).
- Mr. Luis Solari's Rent Review Board Case (RRB2014-28) was closed/resolved after he and his landlord negotiated a mutually satisfactory resolution (\$95 instead of \$160 rent increase).
- Ms. Barbara Cope's Rent Review Board Case (RRB2014-29) was closed/resolved after she and her landlord negotiated a mutually satisfactory resolution (\$100 instead of \$138 rent increase).
- Mr. Gregory Bank's Rent Review Board Case (RRB2014-30) was heard at the February 24, 2015 Rent Review Board Hearing. Rent increase amount is \$255. Board recommended forwarding the case to City Council for their review. The case was closed without resolution. With help from RHA, tenant and landlord mutually agreed to a resolution (\$210 instead of \$255 rent increase).
- Mr. Michael Stanley's Rent Review Board Case (RRB2014-31) was closed/resolved after he and his landlord negotiated a mutually satisfactory resolution (\$100 instead of \$142 rent increase).
- Mr. Javier Vega's Rent Review Board Case (RRB2014-32) was dismissed at the March 24th, 2015 Rent Review Board Hearing. The \$400 rent increase amount takes effect after Mr. Vega failed to appear without good cause.
- Ms. Massanda D'Johns Rent Review Board Case (RRB2014-33) was heard at the April 28th RRB Hearing. Rent increase amount is \$160. She and her landlord came to a mutually satisfactory resolution.

- Mr. Leo West's Rent Review Board Case (RRB2014-34) was heard at the March 24th, 2015 Rent Review Board Hearing. The \$145 rent increase was invalidated after landlord notified the City that he would be unable to be present at the hearing due to a plumbing emergency. His landlord has given him a re-notice, and his same \$145 rent increase will be heard at the June 16th, 2015 Rent Review Board Hearing (Special Meeting). The \$145 rent increase was again invalidated after the landlord was not present at the June 16, 2015 hearing.
- Ms. Shafiqah Goins' Rent Review Board Case (RRB2014-36) was heard at the March 24th, 2015 Rent Review Board Hearing. Her \$100 rent increase was upheld by the Board.
- Mr. Marco Oztiz's Rent Review Board Case (RRB2014-37) was heard at the March 24th, 2015 Rent Review Board Hearing. The \$110 rent increase was invalidated after the landlord notified the City that he would be unable to be present at the hearing due to an emergency.
- Ms. Krystal Geeter's Rent Review Board Case (RRB2014-38) was resolved prior to the March 24th, 2015 Rent Review Board Hearing. The \$75 rent increase (her 2nd rent increase in a 12-month period) was rescinded.
- Mr. Carthan Bland's Rent Review Board Case (RRB2014-39) was closed/resolved after he and his landlord negotiated a mutually satisfactory resolution (\$75 instead of \$150 rent increase).
- Mr. Todd Washington's Rent Review Board Case (RRB2014-40) was closed/resolved prior to the April 28th Rent Review Board Hearing after he and his landlord negotiated a mutually satisfactory resolution (\$190 rent increase takes effect while Mr. Washington has his carpet replaced and his unit repainted).
- Mrs. Sonja and Mr. Paul Wright's Rent Review Board Case (RRB2014-41) was closed/resolved prior to the April 28th Rent Review Board Hearing after they and their landlord negotiated a mutually satisfactory resolution (\$250 rent increase takes effect while the unit will be upgraded/repaired).
- Ms. Debbie Bissell's Rent Review Board Case (RRB2014-42) was closed/resolved after she and her landlord negotiated a mutually satisfactory resolution (\$75 instead of \$125 rent increase).
- Ms. Laura Clark's Rent Review Board Case (RRB2014-43) was closed/resolved after she and her landlord negotiated a mutually satisfactory resolution (\$75 instead of \$180 rent increase).
- Mr. Felix Ramirez's Rent Review Board Case (RRB2014-44) was closed/resolved. The \$65 rent increase amount is ineligible to be reviewed by the Rent Review Board.
- Mr. Vincent Hidalgo's Rent Review Board Case (RRB2014-45) was closed/resolved. The \$65 rent increase amount is ineligible to be reviewed by the Rent Review Board.

Annual Rent Review Program Evaluation
FY 2014-2015

- Ms. Ramona Allen's Rent Review Board Case (RRB2014-46) was closed/resolved after she and her landlord negotiated a mutually satisfactory resolution (\$75 instead of \$90 rent increase).
- Ms. Sharon Frasier's Rent Review Board Case (RRB2014-47) was closed/resolved. Ms. Frasier did not pursue a hearing after she was properly re-noticed. Presumably, the rent increase amount of \$120 takes effect.
- Mr. Arthur Topee's Rent Review Board Case (RRB2014-48) was closed/resolved after he and his landlord negotiated a mutually satisfactory resolutions (signed a 3-month lease for the same rent).
- Mr. Evan Camphor's Rent Review Board Case (RRB2014-49) will be heard at the May 26th, 2015 Rent Review Board Hearing. Rent increase amount is \$145 with June 1st effective date.
- Ms. Yuko Sakaguhi's Rent Review Board Case (RRB2014-50) was closed/resolved after she and her landlord negotiated a mutually satisfactory resolution (\$75 instead of \$150 rent increase).
- Ms. Jennie McCullum and Ms. Jeanetta Rhone's Rent Review Board Case (RRB2014-51) was closed/resolved after they and their landlord negotiated a mutually satisfactory resolution (\$130 instead of \$150 rent increase).
- Ms. Laura White's Rent Review Board Case (RRB2014-52) (\$200 rent increase) was closed/resolved prior to the May 26th, 2015 Rent Review Board Hearing. Ms. White moved out.
- Mr. James Mesler's Rent Review Board Case (RRB2015-54) was heard at the June 16th, 2015 Rent Review Board Hearing and again at a July 21st, 2015 Continuance Hearing. The \$250 rent increase took effect on July 1st. No mutually satisfactory resolution was reached between the tenant and landlord as the tenant did not accept the landlord's negotiated offer of a \$170 rent increase rather than a \$250 rent increase.
- Ms. Juanita Parker's Rent Review Board Case (RRB2014-55) was closed/resolved prior to the May 26th, 2015 Rent Review Board Hearing after she and her landlord negotiated a mutually satisfactory resolution (\$75 instead of \$90 rent increase).
- Mr. Michael Smith's Rent Review Board Case (RRB2015-56) was mutually resolved at the May 26th, 2015 Rent Review Board Hearing (\$100 instead of \$195 rent increase).
- Ms. Shayna Rockett and Mr. Darnell Houston's Rent Review Board Case (RRB2015-57) was mutually resolved at the May 26th, 2015 Rent Review Board Hearing (\$75 instead of a \$100 rent increase) and a 6-month lease.

Annual Rent Review Program Evaluation
FY 2014-2015

- Mr. Robert Tracy's Rent Review Board Case (RRB2015-58) was closed/resolved prior to the June 16th, 2015 Rent Review Board Hearing after he and his landlord negotiated a mutually satisfactory resolution (\$90 instead of \$140 rent increase).
- Ms. Felicia Edwards and Mr. Floyd Bell's Rent Review Board Case (RRB2015-59) was mutually resolved at the June 16th, 2015 Rent Review Board Hearing (\$100 instead of a \$195 rent increase).
- Mr. Brahim Tbaili's Rent Review Board Case (RRB2015-60) was closed/resolved prior to the June 16th, 2015 Rent Review Board Hearing after he and his landlord negotiated a mutually satisfactory resolution (\$100 instead of \$150 rent increase).
- Ms. Ashlee Sentman's Rent Review Board Case (RRB2014-61) was closed/resolved after she and her landlord negotiated a mutually satisfactory resolution (\$104 rent increase takes effect while her landlord will address repairs and upgrades to her unit).
- Mr. Daniel Ghebremariam's Rent Review Board Case (RRB2014-62) will be heard at the July 21, 2015 Rent Review Board Hearing (Special Meeting). The \$145 rent increase has an effective date of August 1, 2015. Case was closed/resolved prior to the hearing as he agreed to sign a 1-month lease and move out.
- Ms. Angel William's Rent Review Board Case (RRB2014-63) will be heard at the August 25, 2015 Rent Review Board Hearing. The \$200 rent increase has an effective date of September 1, 2015. (Case was closed/resolved at the August 25th hearing. Resolution: \$150 rent increase and a 6-month lease effective November 1st.)
- Ms. Leah Jones' Rent Review Board Case (RRB2014-64) was closed/resolved after she accepted the \$200 rent increase effective September 1, 2015.
- Ms. Drusilla Peterson's Rent Review Board Case (RRB2014-65) will be heard at the August 25, 2015 Rent Review Board Hearing. The \$200 rent increase has an effective date of September 1, 2015. (Case was closed/resolved at the August 25th hearing. Resolution: \$200 rent increase and a 2-year lease effective November 1st.)
- Ms. Tonia Martin's Rent Review Board Case (RRB2014-66) will be heard at the August 25, 2015 Rent Review Board Hearing. The \$200 rent increase has an effective date of September 1, 2015. (Case was closed/resolved at the August 25th hearing. Resolution: \$200 rent increase and a 12-month lease effective November 1st.)
- Mr. Rigoberto Reyes' Rent Review Board Case (RRB2014-67) will be heard at the August 25, 2015 Rent Review Board Hearing. The \$200 rent increase has an effective date of September 1, 2015. (Case was closed/resolved at the August 25th hearing. Resolution: \$150 rent increase and a 12-month lease effective November 1st.)

EXHIBIT E

CHAPTER 4-32 RENT REVIEW
ARTICLE 1. GENERAL
4-32-100 SHORT TITLE.

This Chapter shall be known as the “Rent Review Ordinance.”

4-32-105 DEFINITIONS.

Unless the context otherwise requires, the terms defined in this Chapter shall have the following meanings:

(a) **BASE RENT** means the rental amount, including any amount paid to the landlord for parking, storage, utilities, water, garbage or any other fee or charge associated with ~~the~~ tenancy residential property required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase. Additionally, base rent ~~could~~ includes costs associated with the initial conversion to a Ratio Utility Billing System.

(b) **BOARD** means the Rent Review Board, as defined in this section.

(c) **CITY** means the City of San Leandro.

(d) **CITY MANAGER** means the City Manager of the City of San Leandro, or his or her designated representative.

(e) **COMMUNITY DEVELOPMENT DIRECTOR** means the Director of the Community Development Department of the City of San Leandro, or his or her designated representative.

(f) **CONSUMER PRICE INDEX (CPI)** means the annually adjusted average consumer price index, which is released by the U.S. Department of Labor – Bureau of Labor Statistics for the San Francisco – Oakland – San Jose Consolidated Metropolitan Statistical Area (CMSA), as adopted by the City of San Leandro for its annual budget.

(g) **COUNCIL** means the City Council of the City of San Leandro.

(h) **LANDLORD** means any person, partnership, corporation, or other business entity offering for rent or lease any residential property in the City. “Landlord” shall include the agent or representative of the landlord, provided that such agent or representative shall have full authority to answer for the landlord and enter into binding agreements on the landlord’s behalf.

(i) **PARTY** means a person who participates in the rent review program of this chapter or his or her agent or representative.

(j) **RATIO UTILITY BILLING SYSTEM** means a billing system paid to a third party that allocates the property’s actual utility bill to the tenant based on an occupant factor, square footage factor, or any other similar factors.

(j~~h~~) **RENT** means a fixed periodic compensation paid by a tenant at fixed intervals to a landlord for the possession and use of residential property, including any amount paid to the landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with the tenancy.

(k~~i~~) **RENT INCREASE** means any upward adjustment of the rent from the base rent amount.

(l~~j~~) **RENT REVIEW BOARD** means the board established under Article 4 of Chapter 1-3 of this Code.

(m~~k~~) **RESIDENTIAL PROPERTY** means any housing unit offered for rent or lease in the City, provided that such housing unit is in a building-parcel that contains three-two or more tenant-occupied housing units, and mobile homes. Mobile homes are subject to this Chapter only if a tenant rents the mobile housing unit itself.

(n~~l~~) **TENANT** means any person having the legal responsibility for the payment of rent for residential property in the City. "Tenant" shall include the agent or representative of the tenant, provided that such agent or representative shall have full authority to answer for the tenant and enter into binding agreements on the tenant's behalf.

ARTICLE 2. NOTICE OF AVAILABILITY OF RENT REVIEW 4-32-200 NOTICE OF AVAILABILITY OF RENT REVIEW REQUIRED.

In addition to the notice of a rent increase required by Civil Code Section 827(b), and at the time when a landlord provides such notice of a rent increase, the landlord shall also provide notice of the availability of the rent review procedure established by this Chapter. Any rent increase accomplished in violation of this Chapter shall be void, and no landlord may take any action to enforce such an invalid rent increase. Any rent increase in violation of this Chapter shall operate as a complete defense to an unlawful detainer action based on failure to pay any illegal rent increase. Any tenant required to pay an illegal rent increase may recover all illegal rent increase amounts actually paid by the tenant.

If a landlord fails to properly notice a tenant pursuant to this Chapter, the landlord must re-notice the tenant in accordance with this section prior to demanding or accepting any increase in rent.

4-32-205 CONTENTS OF NOTICE.

All notices of the availability of rent review shall be in writing, shall provide the name, address and phone number of the landlord and shall be personally delivered to the tenant or posted and mailed to the tenant at the address of the tenant's ~~rental unit~~residential property by first class mail, postage pre-paid. Service by mail shall be presumed complete within five (5) days of mailing. This presumption may be rebutted by the tenant.

4-32-210 TEXT OF NOTICE.

In addition to all other information provided in the notice of the availability of rent review required by this Chapter, each such notice shall state:

NOTICE: Under Civil Code Section 827(b) a landlord must provide a tenant with thirty (30) days notice prior to a rent increase of ten percent (10%) or less and sixty (60) days notice of a rent increase of greater than ten percent (10%). Under Title 4, Chapter 32 of the San Leandro Municipal Code, a landlord must at the same time provide this notice of the City's rent review procedure before demanding or accepting any increase in rent. You are encouraged to contact the owner or manager of your rental unit to discuss ~~the~~ rent increase and or any maintenance or repair work that needs to be done in your rental unit. However, if you have received notice of a rent increase that 1) will increase your rent more than ten percent (10%) above the base rent you paid last month; ~~2) is greater than \$75 per month, or 3) is greater than \$100 per month~~. Beginning on July 1, 2017, and each July 1 thereafter, this threshold for a rent increase that is greater than \$100 shall increase by an amount equal to the prior year's increase, if any, in the Consumer Price Index (CPI), as determined by the United States Department of Labor and adopted by the City of San Leandro for its annual budget. The City shall use the February to February change in the CPI to calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease of this threshold for a rent increase. ~~plus the annual Consumer Price Index (CPI) adjustment adopted by the City, or 3)~~ follows one or more prior rent increases within the past twelve months, you may request that the San Leandro Rent Review Board review the increase. Such a request must be submitted in writing within fifteen (15) calendar days of your receiving notice of the rent increase (or post marked within 15 days of receipt if mailed). You must submit a copy of the Notice of Increase at the same time you submit the Hearing Request. If you request review of the rent increase, you and your landlord will be required to appear before the Board for a hearing on your rent dispute. After hearing from you and your landlord the Board will make a non-binding recommendation for resolution of the rent dispute. To request review of your rent increase, please contact the Board through the Community Development Department of the City of San Leandro, 835 East 14th Street, San Leandro, CA 94577. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

ARTICLE 3. RENT REVIEW

4-32-300 REQUEST FOR RENT REVIEW.

~~Either a landlord or a~~ A tenant may seek to have a rent dispute heard before the Board when the proposed rent increase: 1) raises the rent to an amount more than ten percent (10%) greater than the base rent; ~~2) increases the monthly rent by an amount greater than seventy five dollars (\$75) per month, or 3) increases the monthly rent by an amount greater than \$100 per month~~. Beginning on July 1, 2017, and each July 1 thereafter, this threshold for a rent increase that is greater than \$100 shall increase by an amount equal to the prior year's increase, if any, in the Consumer Price Index, as determined by the United States Department of Labor and adopted by the City of San Leandro for its annual budget. The City shall use the February to February change in the CPI to calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease of this threshold for a rent increase. ~~plus the annual Consumer Price Index (CPI) adjustment adopted by the City or 3)~~ follows a prior rent increase imposed within the previous

twelve-month period. The party-tenant seeking a rent review must submit the hearing request in writing to the Community Development Department Director of the City of San Leandro, 835 East 14th Street, San Leandro, CA 94577, within fifteen (15) calendar days of the tenant's receipt of a notice of rent increase. The hearing request must be received by the Community Development Director, (or post marked (if submitted by mail) within fifteen (15) calendar days of receipt of the notice of rent increase~~such receipt if the request for review is mailed~~). The request must be accompanied by a copy of the Landlord's Notice of Increase.

The Community Development Director shall provide the landlord with a copy of the tenant's rent review hearing request form, which shall be accompanied by a hearing response form. A landlord must submit a completed hearing response form to the Community Development Director within ten (10) calendar days of the landlord's receipt of a tenant's rent review hearing request form. A rent increase shall be void, and the landlord shall be required to properly re-notice the tenant in accordance with Section 4-32-200 of this Code if the landlord does not submit a hearing response form pursuant to this section. The Community Development Director shall provide notice of the requirements of this section in a conspicuous location on the hearing response form.

The hearing shall be scheduled before the Board within ~~fifty-sixty (650)~~ days of the receipt of the hearing request, ~~unless the landlord and the tenant consent to a later date~~ or as soon thereafter as the hearing may be scheduled.

A request for rent review shall not delay the effective date of a rent increase. If appropriate, the parties may enter into a ~~mutual~~ private agreement to delay the effective date of a rent increase or reach any other agreement to effectively reimburse rent increases paid by the tenant.

4-32-305 NOTICE TO PARTIES.

After determining that a proposed rent increase meets the criteria for initiation of rent review set forth in Section 4-32-300 above, the Community Development Director shall schedule a staff facilitation rent review hearing of the rent dispute before the Board. The Community Development Director shall provide the landlord and the tenant notice of the hearing date and location at least ten (10) days prior to the hearing. The notice to the landlord shall encourage him or her to contact the tenant directly to seek a mutually satisfactory resolution of the rent dispute prior to the Board hearing.

4-32-310 HEARING AND DETERMINATION.

At a hearing of a rent dispute, the Board will afford the landlord and the tenant an opportunity to explain their respective positions. After hearing from both parties, and taking into consideration such factors as the hardship to the tenant, the frequency and amount of prior rent increases, the landlord's mortgage payments and other costs associated with owning and maintaining the property, the landlord's interest in earning a reasonable rate of return, and any other factors that may assist the Board in determining a fair resolution to the dispute, the Board will make a recommendation to the parties for the resolution of their dispute. If the parties agree

to a resolution proposed by the Board, they may formalize the agreement in a standard form signed by both parties. Neither the City nor the Board shall be a party to such an agreement, nor shall the City or the Board assume any responsibility for enforcement of its terms.

4-32-315 CONTINUANCE.

If the landlord and tenant are unable to reach a resolution of their dispute during a hearing before the Board, the Board may in its discretion continue the hearing to the next scheduled regular meeting or special meeting of the Board for up to one month and require the parties to return for a second and final Board hearing of their dispute. Whenever the Board continues a hearing of a rent dispute, the Board will provide notice of the continuance to a mailing list of interested organizations that annually submit to the City Clerk a request to be included on such mailing list.

4-32-320 FAILURE TO APPEAR—~~RETALIATORY EVICTION.~~

If the tenant requesting a rent review hearing appears at a noticed Board hearing, but the landlord who has been given notice of the Board hearing as required by Section 4-32-305 above fails to appear before the Board without good cause, the rent increase shall be void, and the landlord may not take any action to enforce such an invalid rent increase. ~~Commencement of eviction proceedings against a tenant for exercising his or her rights under this Chapter shall be considered a retaliatory eviction.~~ If a tenant who has been given proper notice of a Board hearing as required by Section 4-32-305 ~~above of this Code~~ fails to appear before the Board without good cause, or if both the tenant and landlord fail to appear without good cause, the Board shall dismiss the case and the tenant will be barred from subsequently challenging such increase before the Board.

4-32-325 ~~RETALIATORY EVICTION.~~

Commencement of eviction proceedings against a tenant for exercising his or her rights under this Chapter shall be considered a retaliatory eviction. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

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ARTICLE 4. ~~COUNCIL-CITY MANAGER REVIEW~~

4-32-400 REFERRAL TO CITY ~~COUNCILMANAGER~~

If the parties to a rent dispute are unable to mutually agree to a resolution of the dispute before the Board ~~after a first hearing and a second and final continuance hearing, either party may request that~~ the Board ~~may, in its discretion, refer forward~~ the rent dispute ~~for further consideration by~~ to the City ~~Manager for review~~ Council. ~~In its discretion, after either a first or a second hearing, the Board may then request that the Council review the rent dispute.~~ Whenever the Board recommends that the ~~Council-City Manager~~ review a rent dispute, the Board will provide notice of its action to a mailing list of interested organizations that annually submit to the City Clerk a request to be included on such mailing list. In the event that a landlord and tenant

mutually agree to a resolution of their rent dispute prior to review by the City Manager, the rent dispute will no longer be forwarded to the City Manager for review.

4-32-405 CONSIDERATION BY CITY MANAGER.

Upon referral from the Board, the City Manager may request a meeting with the tenant and landlord in an effort to resolve the rent dispute. However, the City Manager shall have no authority to require the tenant and landlord to meet or take any further actions pursuant to this Chapter.

ARTICLE 5. MISCELLANEOUS

4-32-500 ANNUAL REVIEW.

The Board shall annually prepare a report to the Council assessing the effectiveness of the rent review program established under this Chapter and recommending changes as may be appropriate.

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