

## TALKING POINTS AGAINST THE CITY'S CAPITAL IMPROVEMENT PLAN (CIP)

- Why is City Council discussing this plan when we are still in the COVID emergency period? Many renters have lost their jobs and can't pay all of their rent now. Why do you want to increase the financial burden of those who have suffered due to COVID?
- Even if you delay this surcharge-on-rent burden until 1 year after the local emergency ends, we do not know what the financial condition of Alameda renters will be then. When the rent freeze ends, renters will have to pay all the accumulated rent increases that were not allowed during the freeze. The Council needs to assess the situation then, before you add on another obligation for the renters, not pre-judge now that everything will be OK
- Pass-throughs go against the rent control law (Ordinance 3250) that Council just approved in 2019 because they are added on to an annual rent increase. Council rejected a flat 5% increase in rent at that time. Why are you going back to that flat-rate concept and even making it worse by adding on 5% to an annual rent increase allowed by any increase in the Consumer Price Index?
- Pass-throughs also go against the intent in Ordinance 3250 that landlords have to make a case based on "fair rate of return" before they can get an upward adjustment of rent over the allowed annual increase. Pass-throughs don't require landlords to show any such need.
- There is no protection for a tenant when a landlord is already making a high rate of return, a large profit, and doesn't financially need the pass-through, but is just using it to maximize profits.
- Council should be concerned about the increasing income inequality among Alameda residents. Two previous studies commissioned by the city showed that renters' incomes are rising much slower than home-owner's incomes. The pandemic is probably making this situation even worse. Pass-throughs added on to annual rent increases will make this disparity even greater, adding to the landlord's income by sucking up more of the renter's income.
- There is no limit on the number of pass-throughs allowed in a one-year period. This uncertainty for renters will cause housing insecurity and stress.
- Pass-throughs added on to rent increases will increase homelessness and gentrification when low-income renters are priced out of their homes.
- Pass-throughs of capital improvement costs are inherently unfair. The renter pays 100% of the costs but the landlord gets 100% of the tax break.
- Since a capital improvement is defined as an "improvement or repair to a rental property that materially adds to the value of the property," it is unfair that the landlord enjoys the increase in his equity while the renter pays 100% of the cost. If the renter has to pay to increase the value of the property, the renter should get part ownership of the property.