

## **RHA SUGGESTED TALKING POINTS**

Charitable acts by their very nature are voluntary. Any time you place “strings on giving” or require donors to wade through a “sea of red tape” you discourage donations. Unfortunately, that is the approach of proposed Ordinance.

### **“Sea of Red Tape” and “Strings on Donating Rent Discounts”**

The City’s Proposed Draft Ordinance requires Oakland landlords to wade through a sea of red tape to qualify for an exemption to rent control. The exemption is not straightforward. Oakland landlords have to comply with several conditions:

- Allow the City to set the below market rent rate for the rental unit.
- Have the City approve the rental agreement with the displaced family
- Agree offer at least a six month lease agreement
- Design a special rental agreement for displaced family that pre-determines what the landlord will charge in market rent after the lease agreement expires.
- Serve a new Notice to the displaced families prior to entering into a rental agreement.

### **Failure to Comply – Lose Exemption to Rent Control & Huge Financial Liability:**

- Landlords who fail to comply with any of these conditions lose the exemption to rent control.
- They would be forced allow displaced families to live in their rental units at a below market rent as long as the families choose to do so.
- Offering a temporary rent discount of \$500 a month could be disastrous for landlords. One mistake would transform the rent discount into a \$6,000 a year loss in rents for every year the displaced families stays in the rental property.

### **Even if you do comply, tenants can extort extra months of rent discounts by filing frivolous petitions with the Rent Adjustment Program.**

- Even if the landlords comply with all rules and conditions, they would still suffer financial repercussions from displaced families filing frivolous petitions with the Rent Adjustment Program.
- All the tenants need to do is accuse landlords of not complying. The Rent Increase automatically held in abeyance for several months while it under review by the Rent Board. Landlords the chances of collecting several thousands of dollars in back rent from hurricane victims are extremely unlikely.

### **Recommend the City Adopt RHA’s Proposal: A straightforward exemption to the Rent Control Ordinance without any conditions or strings:**

- Let the City identify the local, state and federal agencies that can certify families as being displaced by a natural disaster, e.g. FEMA, American Red Cross
- Do not set a time limit: Offer a exemption to the Rent Control Ordinance as long as the Landlord offers a rent discount
- After the Landlord adjusts the rent to a fair market rate THEN re-apply the rent control rules to all future rent increases

