

From:**Sent:** Thursday, May 16, 2024 4:11 AM**To:** citycouncil <citycouncil@albanyca.org>**Subject:** Tax increases on providers

Dear Mayor and City Council of Albany

I have been informed that you are in the process of approving a tax on rental providers yet you are also wanting rent control for tenants .

What is the purpose of the proposed tax on property owners? Where is the money going ?

Don't you think that many providers will increase tenant rent to pay for the tax? It seems a bit short sighted.

Providers and tenants are a unit - one needs the other so why tax providers and then put restrictions on them with rent control.

As a provider, we have limits to the amount of increase that is allowed . That's seems fair enough.

Back to the drawing board, please

Francene Rizza

Albany apartment owner

Sent from Gmail Mobile

From:
Sent: Thursday, May 16, 2024 10:15 AM
To: citycouncil <citycouncil@albanyca.org>
Subject: Regarding general tax for renters.

Respected sir/madam;

I just learned about the meeting on Monday to discuss adding a targeted tax to renters in Albany for some benefit of the community.

Unfortunately I cannot attend but would have loved to be there to voice how ridiculous this sounds to me.

Firstly; if it's for the community then the community should be aware of it and be taxed in general.

Secondly I think this is just a clever way to raise the money without raising a fuss because if the home owner pay more, obviously the added cost will be reflected in increase rent for the renters. Therefore you are indirectly taxing the community without letting them know— sounds like a scam.

Thirdly, our property taxes are already among the highest in the nation and I think it's ridiculous to think of even raising it further, this is the sole reason why the cost to live in Albany is so high.

I sincerely hope that this does not pass.

Thanks
Sangye
Renter in Albany
Sent from my iPhone

From:

Sent: Thursday, May 16, 2024 4:34 PM

To: citycouncil <citycouncil@albanyca.org>

Subject: Supplemental Business License Special Tax to Fund Tenant and Community Services

Tracking No.: 24-17691

Dear Albany Mayor and Council Members,

I am a resident and rental property owner in Albany. I have reviewed your proposed agenda to draft a ballot measure that, if passed, would tax housing providers to supplement tenant and community services. I oppose such a ballot measure for the following reasons.

The goal of providing support to tenants struggling to meet rent obligations is worthwhile and laudable. It benefits individuals and the community to ensure that all citizens are not left homeless. My issue with the tax proposal is that the cost should be borne by the community at large, not just by housing providers. We can make an analogy to school bond taxes that are shared by the community, not just the families who have students enrolled in our schools. School funding is a shared obligation, and it ultimately benefits all the community to have educated citizens, even if some taxpayers do not have family members who are enrolled in our schools.

My wife and I are retired and own one rental condo. It was an investment made for our retirement. Every year the County Assessor reassess the value of our rental property and our tax liability increases, as do our HOA dues and maintenance costs. We eke out a small profit, but it is not guaranteed if a renter terminates a tenancy or if maintenance work is needed. If we are forced to pay an additional tax, even at .6%, we may be in the hole and will be forced to sell our unit. After a sale, it is unlikely that it will remain on the rental market as the HOA limits the number of units that can be rented (our right to rent was "grandfathered in" many years ago).

I urge you to reconsider the ballot measure. I know other rental providers will be in the same position. If passed, such a ballot measure would very likely reduce the number of rental units in Albany, which is at odds with one of the ballot measure's goals to keep people housed.

Respectfully submitted,

Nancy Roberts

From:**Sent:** Sunday, May 19, 2024 11:46 AM**To:** citycouncil <citycouncil@albanyca.org>**Subject:** public comment for item 10-2 Supplemental Business License Special Tax to Fund Tenant and Community Services

I am glad the city is seeking a way to continue these programs that the agenda documentation says have already had a positive impact for Albany residents in the short amount of time they have been implemented.

My concern is that the tax is levied only on rental providers like myself and not more broadly. Yes, there are precedents for having a larger group vote to tax a small group, eg. "sin" taxes on alcohol, tobacco, etc. and lots of other scenarios. But this rental assistance is more akin to insurance in that many rental providers and renters will never directly benefit from the program but all rental providers (and no renters) would have to pay in.

I'm not an expert on workers compensation insurance but my understanding is that it is similar - the government mandates business owners (here, rental providers) purchase insurance (here, pay a tax) so that if an employee (here, renter) is injured (here, can't pay rent) they can fill out paperwork to tap into those funds. For workers comp, the employer has greater expenses per employee whether or not anyone in the company ever directly benefits from it (which is the nature of insurance). Employers have presumably accordingly lowered pay to employees to be able to afford the gov-mandated benefit for their employees. The analogy for rental providers would be to allow them to pass the cost of this new tax to their tenants. Rental providers can already raise rents but the 5% threshold triggers a rent review so I ask that the city in calculating that 5% threshold to change the policy to allow rental providers to increase rents 5% plus whatever this new tax is per month without triggering a rent review. I don't think many rental providers would raise rents more than 5% given market forces but I think it appropriate to not penalize rental providers for passing on the cost of this new government-mandated fee. An alternative would be to allow rental providers to raise rents 50% of the cost of the tax beyond the 5% trigger thereby effectively splitting the cost of the tax between renter and rental provider. For example for a \$1000/mo rental

unit the 5% trigger is an increase of \$50/mo. Say the new tax is 1% (which is not a proposal but the math is easier) then that tax would be \$10/mo so a rental provider could increase the monthly rent by $\$50 + \$10 = \$60$ without triggering a rent review if the rental provider passes on all of the cost of the tax or $\$50 + \$5 = \$55$ if the rental provider is limited to going beyond the 5% trigger by 50% of the tax.

I am wondering what the proposed inspections will entail. Even for comfortable rental units enjoyed by tenants with no complaints, costs to rental providers to bring old buildings up to code could easily dwarf the cost of the tax depending on what the city is looking for and requiring in its inspections. I ask that this be clarified before a vote is taken by the city council and that rental providers be able to tap into the funds from this new tax to pay a portion of any improvements mandated by these inspections.

Bryan Marten

Albany resident and rental provider of 2 units in Albany

From:

Sent: Sunday, May 19, 2024 3:47 PM

To: citycouncil <citycouncil@albanyca.org>

Subject: Proposed special business license tax, for discussion 4/20/24 council meeting

Honorable Mayor and City Council Members

I am writing to urge you to **not** take action on the proposal to submit a Special Targeted Business License Tax Measure to Albany voters at the November 2024 general election. There are several reasons for my objection to the proposal.

First, it is argued that the proposal needs to be dealt with now due to the pending end of funding for the current equivalent programs funded by ARPA. It seems to me that these programs, considered to be extremely valuable to Albany residents, are too important to be rushed through without proper and complete evaluation. If this requires delaying putting a measure on a general Election Ballot until 2026, it is a small price to pay for making sure it is done right.

Second, the Albany Housing Element adopted February 21, 2023, establishes goals and objectives for implementation during the operative period of the Housing Element. After extensive review by the State, City staff, the City Council, and various citizen groups, it is my belief and understanding that the Housing Element is intended to represent the values and desires of the City of Albany as a whole, as well as to comply with state requirements.

Third, how can a tax measure be presented to the voters for potential ratification when the measure will have **NO** direct financial impact and not be paid by any of them other than a select few? Albany Village (owned by the University of California) as far as I know is exempt from business licensing and taxation, yet all eligible voters living there will be able to vote on this measure while having absolutely no "skin in the game". Might they even be precluded from reaping any of the benefits of the programs proposed? The tax as described will be paid by no more than 844 individuals, not all of whom are able to vote in Albany. Is asking all registered voters in Albany, even those who would not have to pay any of the tax, and many of whom (village residents?) may not even be eligible to receive any of the benefits, to vote on a tax measure that will be paid by only a very few voters right, legal or constitutional?

Fourth, let me state that I am not opposed to the programs being proposed. The programs seem to be valuable, and the intent seems the programs would be beneficial to all of Albany. The program benefits are not unlike the benefits derived from the Fire Department, the Police Department, the public works department, Albany's excellent school system, public parks, libraries, and all the other departments and services within the city. They provide valuable benefits to all residents and businesses in Albany, some directly and some indirectly. They are paid for by essentially all of Albany.

Here is the problem with the special tax as proposed. Unless I read the intent of the proposal incorrectly, it is a tax to fund programs that are considered of value and benefit to Albany, in accordance with the goals and programs spelled out in the adopted Housing Element. The proposal is designed to tax **only** Rental Providers. Yet as stated above, the Housing Element represents the values of everyone in Albany. How is it therefore justified that this tax should be paid only by Rental Providers? It would seem the rational for this should be no different for taxing other businesses for specific purposes. Should grocers be specially taxed to provide groceries to those who have a hard time paying for their groceries? Should lawyers be specially taxed to provide a fund to subsidize those who may have a hard time affording lawyer fees? Should drug stores be specially taxed to subsidize those persons who cannot afford their necessary drugs? Should bicycle mechanics be specially taxed to help those who cannot afford to repair their bicycles? I am sure you get my point.

Part of the argument for the special tax is that any funds for rental assistance would return to the rental provider in the form of rent they might not otherwise receive. As spelled out in the proposal, this part of the funding is only a small part of the total proposal. It is speculative at best. There is no certainty that any of the funds would be used for this particular purpose, though some of it probably would. This scheme is like taking money out of one individual's pocket and then putting it into someone else's pocket. Is this a benefit to the tax payer? Not in the way it is implied in the proposal. Yet the entire tax is levied on just 844 or fewer persons or entities, not all of whom are residents of Albany and therefore not able to vote for or against the proposal. This means that 19,156 residents or more would not pay a dime of the tax. The tax, if approved, would be paid by just that tiny sliver of the Albany population, yet it would be for the benefit of the entire community per the Housing Element. This is inherently unfair. If the Housing Element is applicable to all, then all should pay into its programs. Everyone pays school taxes. Everyone pays for sewer infrastructure. Everyone pays for EMS. Everyone pays for Police and Fire protection. Everyone pays for streets and sidewalks. Everyone pays for public parks. Everyone pays for libraries. So why should fewer than 844 individuals pay for services that will benefit the entire community's goals as presented in the Housing Element.

These programs, if so valuable to the city as a whole, should be paid out of the General Fund. The proposal letter suggests this is not feasible as the

General Fund is for core city services, including large pension liabilities. The proposed programs, which are enumerated in the Housing Element, are intended to be for the ultimate benefit of Albany as a whole, and are therefore core city services. As for the city pension liabilities, rental providers did not create those. I realize the City is always struggling to find room in the budget and funds to pay for necessary and desired programs. Budgets are always stretched to the limit. Yet money is usually found for projects. Sometimes it is possible to find a grant source. Sometimes it is necessary to propose a new tax for all voters to pay, and convince them they should vote yes for the new tax **they** will be responsible for paying. In these cases the city needs to convince the entire voting public that the tax measure is in their best interest, and that they should vote yes when asked. It is the city's job and responsibility to honestly sell the voting public on programs for the public good. If this proposal is good for the city as a whole, as spelled out in the Housing Element, the city needs to convince the entire voting population that it is worth the whole city paying for it.

In the proposal as presented, all of Albany's voters would be asked to vote "yes" for a tax that would only be paid by approximately 4% of Albany's residents, not all of them. This is an easy sell compared to asking them to vote in favor of a tax they would all actually pay.

I trust that you will do the right thing and think this proposal through more thoroughly. It either needs to be a proposal paid by the entire community, or it should be dropped.

Don't do the wrong thing and make just a few people pay for something that should be a General Fund item paid for by everybody.

Sincerely,

Peter Campbell
Albany Resident for more than 50 years

From:
Sent: Monday, May 20, 2024 8:31 AM
To: citycouncil <citycouncil@albanyca.org>
Subject: New Tax increase on Rental Providers

Dear Councilmen and Councilwomen.

I Oppose a tax increase solely on rental providers. The 1-2 percent is very high and will put small rental providers in such monetary constraints we may consider quitting. With already increase in Business fee and registration, increase in PGE and EBMUD Repairs to the building earthquake retrofit, increase in property tax and other services. It's not possible to even to retire.

Decently. That was a dream for myself and partner. Because we cannot in good conscience and market competition ,be able to get rents to even be what it should be.

We shouldn't take full burden of tax for community housing benefit. The expenses of the tax will increase. Our rents not so.

With over hundred new student housing coming on market behind Sprouts That will further take prospective tenants away drive market prices for rent down, and even leave Units vacant. With Covid I had not even raised rents over 4 years. Yet I remodeled and upgraded using money from my personal savings because my unit was vacant over a year to accommodate upgrading period for noise control.

Reality setting in we can't afford to be landlords or in rental housing business anymore.

The burden is too big, expenses are outstripping our ability to provide the community housing.

Thankyou.

Stephanie Lee, Richard Lee,

Jannifer Lee

765 Taft Ave, Albany

Sent from my iPhone

From:

Sent: Monday, May 20, 2024 9:59 AM

To: citycouncil <citycouncil@albanyca.org>

Subject: Supplemental Business License Special Tax to fund tenant and community services

Council Members,

I manage a single-family residential rental house in Albany that has been owned by my family for decades. Please do not go forward with this Supplemental Business License Special Tax which would impose an additional tax only on rental providers in Albany and is very unfair.

Thank you,
Glenn Martin

**J. David Hertzner
35 Ardmore Road
Kensington, CA 94707-1308
Telephone: 510-524-3225**

May 19, 2024

Albany City Council
1000 San Pablo Avenue
Albany, CA 94706

Re: May 20, 2024 - Agenda Item 10-2 (Special Tax on Housing Providers)

Dear Honorable Council Members:

I am a housing provider in Albany and oppose the proposed special tax on housing providers for the following reasons:

1. The goal of the tax is to reduce homelessness and to assist renters who are in financial difficulty. This is a worthy community goal and the cost should be borne by the entire community and not just housing providers. This is a targeted tax that is not fair nor equitable. Grocery store owners are not subject to a special tax to help pay for groceries for those who can not afford to buy groceries. Car repair owners are not subject to a special tax to pay for the cost of car repair for those who cannot afford repairs. Doctors are not subject to a special tax to pay for medical care for those who can not afford it. Taxes for schools are paid by all property owners because education is a community benefit even though only students get the direct benefit. Why should housing providers be treated differently and singled out to pay for a community benefit?
2. It is unfair to put this tax proposal on the Nov., 2024 Ballot this late in the game because it does not give citizens the opportunity to craft an alternative measure that would be a citizen initiative. This ballot proposal should be postponed to the Nov., 2026 election. Council should send this proposal to the recently established Housing Advisory Committee to study alternatives such as: (a) a parcel tax on real property, (b) a city income tax, or (c) the General Fund.
3. The proposed tax would increase the cost of doing business for housing providers and would increase the pressure to raise rents making it more difficult for low income persons to find housing. Providing free legal services for tenants in need would also increase the cost of doing business for housing providers. In cities providing free legal services to tenants, legal aid attorneys routinely threaten to demand jury trials in eviction cases which result in housing providers needing to pay thousands of dollars to get tenants to vacate. (Paying thousands of dollars to tenants is cheaper than jury trials). Thus, the cost of evicting bad tenants soars. The end result is that housing providers will be forced to be more selective in tenant selection.
4. If attorney services are awarded on a needs basis, it is unlikely that housing providers will qualify for any free legal services. Thus the ballot provision that provides free legal services to housing providers is meaningless.

Respectfully submitted. J. David Hertzner