



PO BOX 70243 • OAKLAND, CALIFORNIA 94612-2043

Housing & Community Development Department
Rent Adjustment Program

(510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

NOTICE OF CHANGES TO THE RENT ADJUSTMENT ORDINANCE

To Residential Property Owners and Tenants:

Oakland continues to experience a severe housing affordability crisis that threatens the health and welfare of its citizenry. In response, the City Council adopted two recent ordinances that made changes to the Rent Adjustment Program (Ordinance No. 13391 C.M.S.) on July 22, 2016, and on September 20, 2016 (Ordinance No. 13373 C.M.S.)

In addition to the passage of the Ordinances, on November 8, 2016, the voters passed Measure JJ, which further amends the Ordinance.

The significant Ordinance changes are as follows:

OWNER PETITION

Effective February 1, 2017, property owners must petition the Rent Adjustment Program (RAP) for any rent increase over the amount of the Consumer Price Index (CPI) allowable rent increase or one based on prior “banked” rent increases. O.M.C. Section 8.22.065 (A).

Note: The requirement for property owners to file petitions for rent increases was also approved by voters on November 8, 2016 (Measure JJ).

NOTICE REQUIREMENTS

Effective September 21, 2016, at the beginning of a tenancy, the Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice) must be provided to all tenants in English, Spanish and Chinese. (This is not required with the RAP Notice served concurrent with rent increases; that notice must be given in the language in which the owner negotiated the terms of the rental agreement.) O.M.C. Section 8.22.060 (A)(1).

PETITION FILING

1. Effective September 21, 2016, tenants have 90 days to file petitions contesting rent increases if the RAP Notice was served with the rent increase notice or 120 days if no RAP Notice was served with the rent increase notice. However, if the tenants were not served with a RAP Notice at the start of their tenancy, they have 90 days from the date they were first served with a RAP Notice to file a petition contesting any rent increase. O.M.C. Section 8.22.090 (A)(2).

2. Effective September 21, 2016, if the tenants were served with a RAP Notice at any time, they have 90 days from the date they are first given notice of the decrease (or first became aware of the decrease) to file petitions for decreased housing services for discrete changes (e.g., loss of parking space). For ongoing conditions, tenants can file a petition at any point but are limited to restitution for 90 days before their petition is filed. O.M.C. Section 8.22.090 (A)(3).

3. Effective September 21, 2016, if tenants do not receive the RAP notice concurrently with the notice of rent increase or a decrease in services, they have 120 days to file a petition.

CAPITAL IMPROVEMENTS

Enhanced Notice for Capital Improvement Rent Increases: Beginning February 1, 2017, Enhanced Notices to Tenants for Capital Improvements are no longer required (because owners must file petitions to be granted capital improvement rent increases.)

Imputed Financing: Effective September 21, 2016, owners are entitled to claim the imputed cost of borrowing the money used for capital improvements. O.M.C. Section 8.22.020.

Gold Plating: Effective September 21, 2016, owners may be denied capital improvement rent increases for all or part of unnecessarily expensive improvements (e.g., a \$20,000 chandelier in a building lobby). O.M.C. Section 8.22.020.

Amortization Period: Effective September 21, 2016, the amortization period for capital improvements will be based on the useful life of the improvement. O.M.C. Section 8.22.020.

EXEMPTIONS

Exemptions Based on Owner Occupancy: Effective September 21, 2016, for an exemption based upon owner occupancy in a building of 3 units or less, the owner must reside in his or her unit for 2 years before it will be exempt. (This does not apply to owners who moved in prior to August 1, 2016.) O.M.C. Section 8.22.030(D)(1).

Substantial Rehabilitation: Effective September 21, 2016, in order to receive a certificate of exemption based upon substantial rehabilitation for any work done on the unit before September 21, 2016, the owner **MUST** file a petition for a Certification of Exemption by June 30, 2017, or they will lose their right to the exemption. O.M.C. Section 8.22.030 (B)(2)(c).

BALLOT MEASURE JJ

The changes instituted by the passage of Ballot Measure JJ are as follows:

1. Effective November 8, 2016, as to Oakland's **Just Cause for Eviction Ordinance**, the new construction exemption is limited to those buildings for which a certificate of occupancy was issued after December 31, 1995.

Note: This change **does not** apply to the Rent Adjustment Ordinance.