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APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

INTRODUCED BY COUNCILMEMBER FIFE

OAKLAND CITY COUNCIL

ORDINANCE NO. 13693 C.M.S.

AN ORDINANCE AMENDING CHAPTER 8.22 OF THE OAKLAND MUNICIPAL CODE (RESIDENTIAL RENT ADJUSTMENTS AND EVICTIONS) TO (1) MAKE THE ANNUAL PERMISSIBLE RENT INCREASE FOR COVERED UNITS 60% OF THE PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX OR 3%, WHICHEVER IS LOWER AND (2) ALIGN ANNUAL ADJUSTMENT PERIOD WITH STATE LAW

WHEREAS, a growing number of Oakland residents are facing difficulties meeting their housing needs due to economic insecurity, unemployment, and displacement, which has been further exacerbated by the COVID-19 pandemic; and

WHEREAS, 60% of Oakland residents are renters and the vast majority are rent burdened, meaning they pay more than 30% of their income to housing costs; and

WHEREAS, the City of Oakland's Rent Adjustment Ordinance allows an annual rent increase based on the regional Consumer Price Index (CPI) and the current CPI, which will remain in effect until June 30, 2022 is 1.9%¹; and

WHEREAS, the U.S. Bureau of Labor Statistics announced that the CPI-All Items index rose 5.2 percent from February 2021 to February 2022, and the CPI-Less Shelter index jumped 8.3 percent from February 2021 to February 2022;² and

WHEREAS, under the current annual adjustment formula based on the February inflation numbers, Oakland tenants are facing a 6.7% increase starting on July 1, the highest rent increase in decades; and

WHEREAS, between 2000 and 2019, the share of renters that were burdened by the cost of housing in Oakland went from 44% to 51%³; and

WHEREAS, according to the Census Pulse Household Survey, in the SF Bay Area

¹ <https://www.oaklandca.gov/resources/learn-more-about-allowable-rent-increases>

² https://www.bls.gov/regions/west/news-release/2022/consumerpriceindex_sanfrancisco_20220310.htm

³ <https://bayareaequityatlas.org/indicators/housing-burden#/>

11.42% of tenants are not caught up on rent and 28.17% of tenants not caught up on rent also report it is very or somewhat likely that they'll have to leave their homes in the next two months; and

WHEREAS, the City Council finds that reasonable regulation of aspects of the landlord-tenant relationship is necessary to foster constructive communication, maintain an adequate supply of a variety of rental housing options, and protect health, safety, and the general welfare of the public; and

WHEREAS, other cities in California set their annual adjustments to a percentage of the change in the Consumer Price Index. For example, San Francisco limits annual CPI increases to 60 percent of the change in CPI, and Berkeley limits their Annual General Adjustment to 65 percent of the change in CPI; and

WHEREAS, setting the CPI Rent Adjustment to less than 100 percent of the change in CPI is justified because owners' operating expenses do not necessarily increase from year to year at the rate of inflation; and

WHEREAS, the City Council finds that setting the CPI Rent Adjustment at the lower of 60% of the change in the CPI or 3 percent appropriately balances protecting renters from large rent increases and providing owners a fair return; and

WHEREAS, the state legislature adopted the Tenant Protection Act of 2019 that enacted a statewide cap on rent increases to five percent plus the rate of inflation; and

WHEREAS, in July 2020, the City Council set the maximum amount of all rent increases within a twelve-month period, including CPI, banking, and capital improvement, to the lower of the state law rent cap and 10 percent; and

WHEREAS, in August 2020, the state legislature enacted Assembly Bill 3088 that amended the Tenant Protection Act of 2019 to change the effective date of annual rent increase limits to August 1 of each year; and

WHEREAS, the City's current annual rent adjustment period from July 1 to June 30 creates two rent increase periods each year, one from July 1 to July 31 under new local CPI Adjustment and old state law cap, and a second period from August 1 to June 30 once the state law cap is updated for inflation; and

WHEREAS, aligning the City's annual rent adjustment period with state law would ensure that Oakland's CPI rent adjustment would change in August at the same time as the Tenant Protection Act under state law; and

WHEREAS, ensuring that the City's annual adjustment period aligns with state law would reduce confusion and allow the Rent Adjustment Program to present a single set of allowable increases in a twelve-month period; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals: The City Council of the City of Oakland hereby determines that the preceding recitals are true and correct and an integral part of the Council's decision to enact this legislation, and hereby adopts and incorporates them into this Ordinance.

SECTION 2. Amendment of O.M.C. 8.22.070. Section 8.22.070 of the Oakland Municipal Code is hereby repealed and reenacted with amendments as set forth below (additions are shown as double underline and deletions are shown as ~~strikethrough~~):

8.22.070 Rent adjustments for occupied covered units.

This section applies to all rent adjustments for continuously occupied covered units. (Rent increases following vacancies of covered units are governed by Section 8.22.080). Any rent increase for a continuously occupied covered unit must comply with this section.

- A. One Rent Increase Each 12 Months; Exceptions and Limitations.
 1. One Rent Increase Each Twelve (12) Months.
 - a. Except as provided in Paragraph b below, an Owner may increase the rent on a covered unit occupied continuously by the same tenant only once in a 12-month period. If an Owner filed an Owner's Rent Increase petition, the earliest any increase allowed in the Hearing Officer's decision may be effective is the date that a rent increase notice consistent with this Chapter and state law is served on the Tenant after the service date of the decision. Such rent increase cannot take effect earlier than the tenant's anniversary date if the Owner has already increased that tenant's rent within the preceding 12-month period.
 - b. Upon the occurrence of any of the following, an Owner may increase the Rent on a Covered Unit occupied continuously by the same Tenant, even if rent has already been raised during the preceding twelve (12) months:
 - i. If the Owner restores housing services, rent may be restored to the original Rent from the level to which rent had been decreased after a rent decrease awarded in a hearing decision by the RAP for housing services; and/or
 - ii. If, as a result of an appeal to the Rent Board or a writ to the Superior Court, the final decision permits a Rent increase greater than that allowed in the Hearing Officer's decision, the Owner may notice such increase as of the date of the final decision.
 2. In no event may rent for any covered unit increase in any twelve-month period by more than ten percent (10%), or the amount permitted for Oakland rental units subject to California Civil Code 1947.12 (or successor provisions), whichever is lower, for any and all rent increases based on the CPI Rent Adjustment, as set out in O.M.C. 8.22.070 B. (CPI Rent Adjustment), and any justifications pursuant to O.M.C. 8.22.070 C.2. (Rent Increases In Excess of CPI Rent Adjustment) except if required for the owner to obtain a fair return pursuant to O.M.C. 8.22.070 C.1.d.
 3. No series of rent increases in any five-year period can exceed 30 percent for any rent increases based on the CPI Rent Adjustment, as set out in, O.M.C. 8.22.070

B. (CPI Rent Adjustment) and any justifications pursuant to O.M.C. 8.22.070 C.2. (Rent Increases In Excess of CPI Rent Adjustment) except for the following:

- a. A series of rent increases composed solely of CPI Adjustments may exceed the 30 percent limitation;
 - b. Exceeding the 30 percent limitation is required for the owner to obtain a fair return pursuant to O.M.C. 8.22.070C.1.d.
4. If an owner is entitled to a rent increase or increases that cannot be taken because of the Rent increase limitations pursuant to Subsections 2. or 3. above, the owner may defer the start date of the increase to a future period, provided that in the rent increase notice that limits the owner's ability to take the increases, the owner must identify the justification and the amount or percentage of the deferred increase that may be applied in the future.

B. CPI and Banking Rent Adjustments.

1. Effective Date of this Section. An owner may first impose CPI Rent Adjustments pursuant to this section that take effect on or after July 1, 2002.
2. CPI and Banking Rent Adjustment Not Subject to Petition. A Tenant may not petition to contest a rent increase justified in an amount up to and including the CPI Rent Adjustment and/or any Banking Rent increase unless the tenant alleges one or more of the following:
 - a. The owner failed to provide the notice required at the commencement of tenancy and did not cure such failure (Section 8.22.060);
 - b. The owner failed to provide the notice required with a rent increase (Section 8.22.070 H);
 - c. The owner decreased housing services;
 - d. The covered unit has uncured health, safety, fire, or building code violations pursuant to Section 8.22.070 D.6.;
 - e. Any or all of a banking rent increase is not correctly calculated or the Owner is not eligible for a banking rent increase;
 - f. The Rent increase exceeds the limitations set out in Sections 8.22.070 A.2 or A.3;
 - g. The Owner has increased the rent once during the preceding twelve (12) month period without qualifying for an exception pursuant to Section 8.22.070.A.1.
3. Calculation of the CPI Rent Adjustment. Beginning in 2002 until July 31, 2022, the CPI Rent Adjustment is the average of the percentage increase in the CPI— All items and the CPI—Less shelter for the twelve (12) month period starting on March 1 of each calendar year and ending on the last day of February of the following calendar year calculated to the nearest one tenth of one percent. Beginning on August 1, 2022, the CPI Rent Adjustment is (1) sixty percent (60%) of the percentage increase in the CPI—All Items published for April of that calendar year from April of the immediately preceding calendar year calculated to the nearest one tenth of one percent, or (2) three percent (3%), whichever is lower.
4. Effective Date of CPI Rent Adjustments. An owner may notice a rent increase for a CPI Rent Adjustment so that the rent increase is effective during the period from

~~July 1~~August 1 following the Rent Adjustment Program's announcement of the annual CPI Rent Adjustment through ~~June 30~~July 31 of the next year. The rent increase notice must comply with state law and take effect on or after the tenant's anniversary date.

5. Banking. In accordance with rules set out in the regulations, an owner may bank CPI rent adjustments and annual permissible rent adjustments previously authorized by this Chapter and notice a Banking Rent increase concurrent with a CPI Rent Adjustment.
 6. Schedule of Prior Annual Permissible Rent Adjustments. Former annual permissible rent adjustments available under the prior versions of this Chapter:
 - a. May 6, 1980 through October 31, 1983, the annual rate was ten percent.
 - b. November 1, 1983 through September 30, 1986, the annual rate was eight percent.
 - c. October 1, 1986 through February 28, 1995, the annual rate was six percent.
 - d. March 1, 1995 through June 30, 2002, the annual rate was three percent.
- C. Rent Increases in Excess of the CPI Rent Adjustment or Banking.
1. For Rent increases based on grounds other than the CPI Rent Adjustment or Banking, an Owner must first petition the Rent Program and receive approval for the Rent increase before the Rent increase can be imposed. A Rent increase in excess of the CPI Rent Adjustment or a Banking increase must be justified on one or more of the following grounds:
 - a. Capital improvement costs, including financing of capital improvement costs;
 - b. Uninsured repair costs;
 - c. Increased housing service costs;
 - d. The rent increase is necessary to meet constitutional or fair return requirements;
 - e. The rent increase is imposed for an additional occupant, as defined by Section 8.22.020.
 - f. The unlimited rent increase is imposed because the tenant is not residing in the unit as their principal residence.
 2. The amount of rent increase allowable for the grounds listed in Section 8.22.070 C.2. are subject to the limitations set forth in the regulations.
- D. Rent Increase Notices and Operative Dates for Rent Increases.
1. CPI and Banking Increases not subject to a Petition. Rent increase notices for CPI and Banking Rent increases that are not the subject of a Petition shall be operative in accordance with this Chapter and State law.
 2. Owner Petitions.
 - a. An Owner may notice a Rent increase based on a petition after the service date of the decision subject to the limitation of one Rent Increase each twelve (12) months (the effective date of the Rent increase).

- b. Except for any portion of the petitioned-for Rent increase that is based on a CPI Rent or Banking Rent Increase, a Tenant is not required to pay the Rent increase until there is a final decision on the petition pursuant to Section 8.22.070 D.5 (the operative date of the Rent increase). However if the Tenant chooses not to pay the Rent increase, the Tenant owes the increased Rent starting from the effective date of the Rent increase if the final decision upholds the Hearing Officer's decision.
 - c. In a decision by the board or an appeals panel, the decision may (or may direct staff to) calculate the amount due and determine a repayment schedule consistent with the rent board regulations for the Tenant to pay any back Rent due or for the Tenant to receive any rent credits if the Tenant paid a Rent increase that is not upheld on appeal. However, a Hearing Officer shall calculate the amount due if there is a factual dispute regarding such amount.
 - d. If a final decision permits a greater Rent increase than the amount permitted in the Hearing Officer's decision, the Owner may issue another Rent increase notice up to the amount allowed in the final decision, and such additional notice is not subject to the limitation of no more than one Rent increase with in twelve (12) month period.
 - e. If the final decision permits a smaller Rent increase than the amount permitted in the Hearing Officer's decision, the Tenant need only pay the Rent increase based on the amount of the final decision.
3. Tenant Petitions.
- a. While a tenant petition is pending, a tenant must pay when due, pursuant to the rent increase notice, the amount of the rent increase that is equal to the CPI Rent Adjustment unless:
 - i. The tenant's petition claims decreased housing services; or
 - ii. The owner failed to separately state in the rent increase the amount that equals the CPI Rent Adjustment pursuant to Section 8.22.070 H.
 - b. The amount of any noticed rent increase above the CPI Rent Adjustment and Banking that is the subject of a petition is not operative until the decision is final.
4. When a party appeals the decision of a hearing officer, the tenant must continue to pay the amount of the rent adjustment due during the period prior to the issuance of the decision and the remaining amount of the noticed rent increase is not operative until the board has issued its written decision.
5. Final decision. The decision on a petition is final when any one of the following events have occurred:
- a. A hearing officer decision has been issued and the time for appeal has passed without an appeal being filed;
 - b. An appeal decision is issued and the time to file a writ of administrative mandamus has passed without a writ being filed; or
 - c. When a court issues a final decision, including any further court appeals, on any writ of administrative mandamus contesting a Rent Board appeal decision.

6. No part of any noticed rent increase is operative during the period after the tenant has filed a petition and the applicable covered unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations as defined by Section 17920.3 of the California Health and Safety Code, excluding any, violation caused by a disaster or where the owner proves the violation was solely caused by the willful conduct of the tenant. In order for such rent increase to be operative the owner must provide proof that the cited violation has been abated. The owner must then issue a new rent increase notice pursuant to California Civil Code Section 827. The rent increase will be operative in accordance with Section 827. However, if an Owner files a petition for a Rent increase, the Tenant must include the allegation of code violations in the response to the petition for this subsection to be considered.
- E. An owner cannot increase the rent for a covered unit except by following the procedures set out in this Chapter (including the Just Cause for Eviction Ordinance (O.M.C. Chapter 8.22, Article II) and the Ellis Act Ordinance (O.M.C. Chapter 8.22, Article III)) or where Costa-Hawkins allows an owner to set the initial rent for a new tenant without restriction.
 - F. Decreased housing services. A decrease in housing services is considered an increase in rent. A tenant may petition for an adjustment in rent based on a decrease in housing services under standards in the regulations. The tenant's petition must specify the housing services decreased. Where a rent or a rent increase has been reduced for decreased housing services, the rent or rent increase may be restored in accordance with procedures set out in the regulations when the housing services are reinstated.
 - G. Pass-through of Fee. An owner may pass-through one half of the fee to a tenant in accordance with Section 8.22.500G. The allowed fee pass-through shall not be added to the rent to calculate the CPI Rent Adjustment or any other rent adjustment and shall not be considered a rent increase.
 - H. Notice Required to Increase Rent or Change Other Terms of Tenancy.
 1. All Rent Increase Notices. As part of any notice to increase rent or change any terms of tenancy, an owner must include:
 - a. Notice of the existence of this Chapter; and
 - b. The tenant's right to petition against any rent increase in excess of the CPI Rent Adjustment unless such rent increase is pursuant to an approved Petition.
 2. Notices for Rent Increases Based on the CPI Rent Adjustment or Banking. As part of a notice to increase Rent based on the CPI Rent Adjustment or Banking, an Owner must include:
 - a. The amount of the CPI Rent Adjustment; and
 - b. The amount of any Banking increase.
 3. Notices for Rent Increases Based on Owner Petition. As part of a notice to increase rent based on an owner petition, an owner must include a summary of the decision in the form provided by the Rent Adjustment Program pursuant to the following:

- a. The Rent Adjustment Program will provide a summary of any decision, including an appeal decision or final decision with the decision or final decision, which the Owner shall include in a notice of rent increase.
 - b. The Rent Adjustment Program may provide optional, "safe harbor" forms for required notices, unless the ordinance or regulations require use of a specified form.
4. A notice to increase rent must include the information required by Subsection 8.22.070H.1. using the language and in a form prescribed by the Rent Adjustment Program.
 5. A rent increase is not permitted unless the notice meets the requirements of California Civil Code Section 827.
 6. A rent increase is not permitted unless the notice required by this section is provided to the tenant. An owner's failure to provide the notice required by this section invalidates the rent increase or change of terms of tenancy. This remedy is not the exclusive remedy for a violation of this provision.
- I. An owner may terminate the tenancy for nonpayment of rent (California Code of Civil Procedure § 1161(2) (unlawful detainer)) of a tenant who fails to pay the portion of a rent increase that is equal to the CPI Rent Adjustment when the tenant is required to do so by this subsection. In addition to any other defenses to the termination of tenancy the tenant may have, a tenant may defend such termination of tenancy on the basis that:
 1. The owner did not comply with the notice requirements for a rent increase; or
 2. The tenant's petition was based on decreased housing services.

SECTION 3. Amendment of O.M.C. 8.22.020. Section 8.22.020 of the Oakland Municipal Code is hereby repealed and reenacted with amendments as set forth below (additions are shown as double underline and deletions are shown as ~~strike through~~):

8.22.020 Definitions.

As used in this Chapter, Article I:

"1946 Notice" means any notice of termination of tenancy served pursuant to California Civil Code Section 1946. This notice is commonly referred to as a thirty (30) or sixty (60) day notice of termination of tenancy, but the notice period may actually be for a longer or shorter period, depending on the circumstances.

"1946 Termination of Tenancy" means any termination of tenancy pursuant to California Civil Code § 1946.

"Additional occupant" means an occupant whose addition to the unit has increased the total number of occupants above the base occupancy level. The owner may petition to increase the rent by an amount up to five percent (5%) for each additional occupant above the base occupancy level. A rent increase shall not be based on an additional occupant who is the spouse, registered domestic partner, parent, grandparent, child, adopted child, foster child, or grandchild of an existing tenant, or the legal guardian of an existing tenant's child or grandchild who resides

in the unit, or a caretaker/attendant as required for a reasonable accommodation for an occupant with a disability. A rent increase granted under this Section shall be reversed if the number of occupants decreases.

"Anniversary Date" is the date falling one (1) year after the day the tenant was provided with possession of the covered unit or one (1) year after the day the most recent rent adjustment took effect, whichever is later. Following certain vacancies, a subsequent tenant will assume the anniversary date of the previous tenant (Section 8.22.080).

"Appeal Panel" means a three-member panel of Board members authorized to hear appeals of Hearing Officer decisions. Appeal panels must be comprised of one (1) residential rental property owner, one (1) tenant, and one (1) person who is neither a tenant nor a residential rental property owner. Appeal panels may be made up of all regular Board members, all alternates, or a combination of regular Board members and alternates.

"Banking" means any CPI Rent Adjustment (or any rent adjustment formerly known as the Annual Permissible Rent Increase) the owner chooses to delay imposing in part or in full, and which may be imposed at a later date, subject to the restrictions in the regulations.

"Base occupancy level" means the number of tenants occupying the covered unit as principal residence as of June 16, 2020, with the owner's knowledge, or allowed by the lease or rental agreement effective as of June 16, 2020, whichever is greater, except that, for units that had an initial rent established on or after June 17, 2020, "base occupancy level" means the number of tenants allowed by the lease or rental agreement entered into at the beginning of the current tenancy.

"Board" and "Residential Rent Adjustment Board" means the Housing, Residential Rent and Relocation Board.

"Capital Improvements" means those improvements to a covered unit or common areas that materially add to the value of the property and appreciably prolong its useful life or adapt it to new building codes. Those improvements must primarily benefit the tenant rather than the owner. Capital improvement costs that may be passed through to tenants include seventy (70) percent of actual costs, plus imputed financing. Capital improvement costs shall be amortized over the useful life of the improvement as set forth in an amortization schedule developed by the Rent Board. Capital improvements do not include the following as set forth in current and future regulations: correction of serious code violations not created by the tenant; improvements or repairs required because of deferred maintenance; improvements that are greater in character or quality than existing improvements ("gold-plating," "over-improving"), excluding: improvements approved in writing by the tenant, improvements that bring the unit up to current building or housing codes, or the cost of a substantially equivalent replacement; or costs for which a landlord is reimbursed (e.g., insurance, court awarded damages, subsidies, tax credits, and grants).

"Costa-Hawkins" means the California state law known as the Costa-Hawkins Rental Hawkins Act codified at California Civil Code § 1954.50, et seq. (Appendix A to this Chapter contains the text of Costa-Hawkins).

"Covered Unit" means any dwelling unit, including joint living and work quarters, and all housing services located in Oakland and used or occupied in consideration of payment of rent with the exception of those units designated in Section 8.22.030 A. as exempt.

"CPI—All Items" means the Consumer Price Index—All items for all urban consumers for the San Francisco—Oakland—~~San Jose~~Hayward area as published by the U.S. DepartmentBureau of Labor Statistics ~~for the twelve (12) month period ending on the last day of February of each year.~~

"CPI—Less Shelter" means the Consumer Price Index—All items less shelter for all urban consumers for the San Francisco—Oakland—~~San Jose~~Hayward area as published by the U.S. DepartmentBureau of Labor Statistics ~~for the twelve (12) month period ending on the last day of February of each year.~~

"CPI Rent Adjustment" means the maximum rent adjustment (calculated annually according to a formula pursuant to Section 8.22.070 B.3) that an owner may impose within a twelve (12) month period without the tenant being allowed to contest the rent increase, except as provided in Section 8.22.070 B.2. (failure of the owner to give proper notices, decreased housing services, and uncured code violations).

"Ellis Act Ordinance" means the ordinance codified at O.M.C. 8.22.400 (Chapter 8.22, Article III) setting out requirements for withdrawal of residential rental units from the market pursuant to California Government Code § 7060, et seq. (the Ellis Act).

"Fee" means the rent program service fee as set out in O.M.C. 8.22.500 (Chapter 8.22, Article IV).

"Housing services" means all services provided by the owner related to the use or occupancy of a covered unit, including, but not limited to, insurance, repairs, maintenance, painting, utilities, heat, water, elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service, employee services, and any other benefits or privileges permitted the tenant by agreement, whether express or implied, including the right to have a specific number of occupants and the right to one-for-one replacement of roommates, regardless of any prohibition against subletting and/or assignment.

"Just Cause for Eviction Ordinance" means the ordinance adopted by the voters on November 5, 2002 (also known as Measure EE) and codified at O.M.C. 8.22.300 (O.M.C. Chapter 8.22, Article II).

"Mandatory Seismic Capital Improvement" means capital improvements that consist of mandatory seismic retrofitting as required in O.M.C. Chapter 15.27. Allowable adjustments of rents for work required by O.M.C. Chapter 15.27 shall be governed by Article 1, Chapter 8.22.

"Owner" means any owner, lessor or landlord, as defined by state law, of a covered unit that is leased or rented to another, and the representative, agent, or successor of such owner, lessor or landlord.

"Owner of Record" means a natural person, who is an owner of record holding an interest equal to or greater than thirty-three (33) percent in the property, but not including any lessor, sublessor, or agent of the owner of record.

"Regulations" means the Regulations adopted by the Board and approved by the City Council for implementation of this Chapter, Article I (formerly known as "Rules and Procedures") (after regulations are approved, they will be attached to this Chapter as Appendix B).

"Rent" means the total consideration charged or received by an owner in exchange for the use or occupancy of a covered unit including all housing services provided to the tenant.

"Rent Adjustment Program" means the department in the City that administers this Chapter and also includes the Board.

"Security Deposit" means any payment, fee, deposit, or charge, including but not limited to, an advance payment of rent, used or to be used for any purpose, including but not limited to the compensation of an owner for a tenant's default in payment of rent, the repair of damages to the premises caused by the tenant, or the cleaning of the premises upon termination of the tenancy exclusive of normal wear and tear.

"Tenant" means a person entitled, by written or oral agreement to the use or occupancy of any covered unit.

"Uninsured Repairs" means that work done by an owner or tenant to a covered unit or to the common area of the property or structure containing a covered unit which is performed to secure compliance with any state or local law as to repair damage resulting from fire, earthquake, or other casualty or natural disaster, to the extent such repair is not reimbursed by insurance proceeds.

"Voluntary Seismic Capital Improvement" means capital improvements that consist of "seismic strengthening" as defined in O.M.C. Section 15.30.100, but is not required for compliance under Chapter 15.27.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 5. CEQA Compliance. This action is exempt from the California Environmental Quality Act ("CEQA") pursuant to sections of the CEQA Guidelines, taken together and each as a separate and independent basis, including but not limited to: Section 15378 (regulatory actions), Section 15060(c)(2) (no direct or reasonably foreseeable indirect physical change in the environment), Section 15061(b)(3) (no significant environmental impact), and Section 15183 (consistent with the general plan or zoning).

SECTION 6. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

SECTION 7. No Effect on Emergency Ordinance. Nothing in this ordinance is intended to affect, supersede, or replace any protections provided by the Eviction Moratorium Emergency Ordinance (CMS 13589) enacted on March 27, 2020, as modified by Ordinance Nos. 13594 C.M.S. and 13606 C.M.S.

SECTION 8. Application to Existing Notices. The amendments in Section 2 and 3 shall apply to all existing rent increase notices served before the effective date of the ordinance that have an effective date on or after July 1, 2022. Any such rent increases based on the CPI Rent Adjustment that exceed the limitations as set forth in this Ordinance, such as a CPI increase effective between July 1 and July 30, 2022 that exceeds 1.9 percent, shall be void and unenforceable.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 07 2022

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, ~~WATSON~~, KALB, ~~WATSON~~ REID, ~~WATSON~~, THAO AND
PRESIDENT FORTUNATO BAS -5

NOES – *Gallo*
ABSENT – *Chapman*
ABSTENTION *Taylor*

ATTEST: *Asha Reed*
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

Date of Attestation: *June 14, 2022*

NOTICE AND DIGEST

AN ORDINANCE AMENDING CHAPTER 8.22 OF THE OAKLAND MUNICIPAL CODE (RESIDENTIAL RENT ADJUSTMENTS AND EVICTIONS) TO (1) MAKE THE ANNUAL PERMISSIBLE RENT INCREASE FOR COVERED UNITS 60% OF THE PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX OR 3%, WHICHEVER IS LOWER AND (2) ALIGN ANNUAL ADJUSTMENT PERIOD WITH STATE LAW

This Ordinance amends Chapter 8.22 of the Oakland Municipal Code (Residential Rent Adjustments and Evictions) to (1) make the annual permissible rent increase for covered units 60% of the percentage increase in the Consumer Price Index or 3%, whichever is lower and (2) align annual adjustment period with state law.