



CITY OF SAN JOSÉ
APARTMENT RENT ORDINANCE (ARO)

ADVISORY COMMITTEE

February 17, 2016, 6:00 PM

San Jose City Hall, City Council Chambers
200 E. Santa Clara Street, San Jose



This meeting will end promptly at 9:00pm

Members of the public who wish to make comments on any item on the Agenda, or any other item related to the City’s Apartment Rent Ordinance may be given up to two (2) minutes, however overall time limits on public comment will apply. Please note that: (1) the Stakeholder Group will only be able to discuss comments to items listed on the Agenda; and (2) the time schedule shown below is approximate and intended only to notify the Committee of the approximate amount of time staff expects each item might take, and items may be heard before or after the times shown.

TIME*	AGENDA ITEM
6:00	(a) Call to Order/Orders of the Day
6:05	(b) Introductions
6:10	(c) Discussion of the preliminary consultant report and case studies of other rent stabilization programs; potential temperature check on alternative standards for Annual Allowable Increase (Housing Staff, Facilitator) ACTION: Potential temperature check on alternative standard for Annual Allowable Increase
8:45	(d) Open Forum
9:00	(e) Adjourn

Next Meeting: *To be Announced*

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City of San Jose Housing Department, 200 E. Santa Clara St., 12th Floor, San Jose, CA 95113 at the same time that the public records are distributed or made available to the legislative body.



To request an accommodation for this meeting or an alternative format for any related printed materials, please contact Ann Grabowski at 408-794-7472 or Ann.Grabowski@sanjoseca.gov or 408-294-9337 (TTY) as soon as possible, but at least three business days before the meeting.

Para residentes que hablan español: Si desea mas información, favor de llamar a Theresa Ramos al 408-975-4475.

Riêng đối với quý vị nói tiếng Việt : Muốn biết thêm chi-tiết, xin vui lòng tiếp xúc với Therese Tran, Đ.T. 408-793-5349.

對於說華語的居民: 請電 408-975-4450 向 Ann Tu 詢問詳細事宜。說粵語的居民則請撥打 408-975-4425 與 Yen Tiet 聯絡。

Para sa mga residente na ang wika ay tagalog: Kung kinakailangan pa ninyo ng inpormasyon, tawagan si Arlene Silverio sa 408-793-5542. Salamat Po.

***You can access the agenda and all attachments electronically at the 2015 Apartment Rent Ordinance Update website at: <http://www.sanjoseca.gov/index.aspx?nid=4744>

**Case Studies of California Cities with
Active Rent Stabilization Programs
Ordered by Population**

City Name: Los Angeles

Ordinance Framework

Type of Ordinance

- Rent Stabilization
- Just Cause
- Rental Dispute Mediation & Arbitration Ordinance

1. How many units are covered by the City's ordinance? **Approximately 600,000**
2. When was the ordinance passed? **4/21/79**
3. When did the program take effect? **5/1/79**
4. What years does it cover? Units built before **11/1978**
5. What was the initial allowable annual increase? **7%**
6. What is the allowable rental increase now? **3%-8% annually, tied to CPI (whole numbers, rounded up), matched increases to initial security deposit remits. 1% automatic increase for utilities paid for by the owners (not including water or gas if master boiler)**
7. Min. time between increases? **12 months**
8. How is the formula set? **100% of CPI-U, unless lower than 3%, then 3%**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through?
Systemic Code Enforcement Fee (annual amount charged monthly), capital improvements (capped at \$55/mo for fixed time period), 50% of annual unit registration fee
11. Is there a citizen review body or Commission that provides oversight to the Ordinance? **Rent Adjustment Commission (ordinance implementation), Hearing Officers (complaints)**
12. What is the dispute-resolution process? **Department has an investigative unit that collects evidence. Hearing officer/examiner makes determination. Rent Adjustment Board hears appeals. Most compliance achieved through education.**

Administrative Framework

1. Type of Registry: **Unit Registry**
2. Does the City actively monitor the ordinance? Y N **Complaint-based**
3. What information is collected from tenants and how often? **N/A**
4. What information is collected from landlords and how often? **Annual registration of units. Bill pay done online**
5. How does the City communicate with tenants and landlords? **Mail**
6. How many staff does the City have to monitor program? **105 FTE, 0.17 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **\$7M, Fees: cost \$24.51 per unit annual, or \$2.04 per unit per month; 50% fee pass-through to tenant**

Other Features:

- **Exceptions to permitted increase:**
 - Capital Improvements pass through at 50%; cannot increase more than \$55/month
 - Rehab pass through at 100%; subject to monthly cap and amortization varies because of cap
 - 10% permanent increase permitted for major systems work (e.g. full on pipe replacement)
 - "just and reasonable" cost recovery when expenses are higher than income
- **Annual Registration:**
 - Database is proprietary; built by 3DI

- Annual unit registration is required
 - Non-compliance makes unit ineligible for annual increase, serves as an eviction defense
- Unit registration does not capture rent information
 - Does capture address, owner, emergency contact, # of units, exemptions
- Online registry
 - Four years into online system, 25% utilization by owners
- Currently exploring moving to a rent registry
 - Projected impact to staffing model: 11 FTE, \$3.50 increase in annual fee
 - Concerns about public records requests and information disputes
- **Just/Good Cause for Eviction:**
 - Restrictions included in RSO section [151.09 - Evictions](#)
 - Ellis Act eviction ordinance were adopted in 2006
 - When owners are filing for an Ellis Act eviction they pay fees that pay for a Relocation consultant for housing search
 - Relocation benefit includes cost of moving and the delta between stabilized and market rents
 - Can be between \$7,500 and \$19,000 per household

Other notes:

Primary Renovation Program: allows cost-recovery rent increases but prohibits rehabilitation evictions and requires relocation assistance to tenants.

Relocation Assistance: In no-fault evictions, landlord must pay relocation money. This mostly (but not exclusively) applies to rent controlled units

Posted notifications of rent controlled status in common area on property.

City Name: **San Francisco**

Ordinance Framework

Type of Ordinance

- Rent Stabilization
- Just Cause
- Rental Dispute Mediation & Arbitration Ordinance

1. How many units are covered by the City's ordinance? **173,000**
2. When was the ordinance passed? **Effective date: June 13, 1979**
3. When did the program take effect? **Effective date: June 13, 1979**
4. What years does it cover? **Units built before 1978**
5. What was the initial allowable annual increase? **7%**
6. What is the allowable rental increase now? **60% of CPI-U with 7% ceiling Current Rate: 1.9%**
7. Min. time between increases? **Annual**
8. How is the formula set? **% of CPI**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through? **Capital Improvements, utilities**
 - a. **Eligible petitions for rent increases: O&M expense increases, special circumstances increase based on rents of comparable units,**
11. Is there a citizen review body or Commission that provides oversight to the Ordinance?

Rent Board

12. What is the dispute-resolution process?
 - a. **Initiation** (tenant files complaint, or either party requests the ADR process)
 - b. **Mediation** (if tenant filed complaint, parties can decline mediation.)
 - i. *(the majority of cases are settled here)*
 - c. **Arbitration** (if mediation didn't work out)
 - d. **Appeal to rent board commission** *(only 10% of cases get this far)*
 - e. **Appeal to city**

Administrative Framework

1. Type of Registry: **No Registry**
2. Does the City actively monitor the ordinance? Y N **Complaint-based**
3. What information is collected from tenants and how often? **None**
4. What information is collected from landlords and how often? **Only collect unit information from petition filings**
5. How does the City communicate with tenants and landlords? **Mail, community partners**
6. How many staff does the City have to monitor program? **31.25 FTE; 0.18 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **FY 15-16 Budget; \$6,942,409; Fee: \$36 per unit annual, or \$3.00 per unit per month**

Monthly petition statistics published on website:

<http://www.sfrb.org/modules/showdocument.aspx?documentid=2933>

Other Features:

- **Annual Increase:**

- Yearly permitted increase at 60% of CPI, with a 7% ceiling (hasn't been relevant recently). Was a 4% floor until 1993
- Staff said that fair return has been an issue recently in SF, particularly given vacancy decontrol. Landlords can also apply for hardship consideration.
- **Pass Throughs:**
 - Recent changes include passthrough and hardship regulations related to soft stories; most changes designed to protect tenants and serve displaced tenants
 - No MNOI calculation: amount passed through and amortization schedule varies, depending on building size.
- **Just/Good Cause for Eviction:**
 - Just cause involves 16 reasons, which include at-fault and no-fault reasons. List below, with most common causes bolded.
 - Requires relocation assistance for no-cause evictions

San Francisco Just Cause for Eviction – Reasons for Lawful Eviction (most common reasons in bold)

1. **Non-payment of rent.**
2. **Violation of a lawful obligation under the lease, i.e. habitual late payment of rent.**
3. **Tenant is creating a nuisance and disturbing other tenants or damaging property.**
4. **Landlord or a family member intends to move into the unit (see owner move-in below).**
5. **Landlord plans to perform capital improvements which require the tenant to temporarily vacate the unit.**
6. The unit is being used for illegal purposes.
7. Tenant refuses to renew a rental agreement that is materially the same. (Note that tenants are not obligated to sign an agreement that is materially different than the one they currently have, no matter how old the original agreement is.)
8. Tenant refuses the landlord access to the rental unit, as required by state or local law.
9. Landlord seeks to sell the unit in accordance with the condominium conversion rules under the SF Subdivision Ordinance.
10. Unapproved subtenant is the only remaining tenant.
11. **Landlord plans to take the building off the market for 10 years.**
12. **Landlord seeks to substantially rehabilitate or completely rebuild the unit.**
13. Landlord plans to demolish or remove permanently the unit from the rental market. (This is often used for illegal units.)
14. Landlord needs to temporarily evict the tenant in order to get rid of lead paint.
15. **The landlord seeks to recover possession in good faith in order to demolish or to otherwise permanently remove the rental unit from housing use in accordance with the terms of a development agreement entered into by the City under Chapter 56 of the San Francisco Administrative Code.**
16. The tenant's Good Samaritan Status (Section 37.2(a)(1)(D)) has expired, and the landlord exercises the right to recover possession by serving a notice of termination of tenancy under this Section 37.9(a)(16) within 60 days after expiration of the Original and any Extended Good Samaritan Status Period.

City Name: **Oakland**

Ordinance Framework

Type of Ordinance

Rent Stabilization

Just Cause – Measure EE, approved by the voters in November 2002, litigated in 2007

Rental Dispute Mediation & Arbitration Ordinance

Also: Tenant Protection Ordinance

1. How many units are covered by the City's ordinance? **Approximately 60-66k**
2. When was the ordinance passed? **1994, amended various times since, most recently 8/1/14**
3. When did the program take effect? **March 1, 1995**
4. What years does it cover? Units built before **1995**
5. What was the initial allowable annual increase? **3%**
6. What is the allowable rental increase now? **1.7%**
7. Min. time between increases? **12 months**
8. How is the formula set? **100% of the CPI-U**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through? **Capital Improvement Pass through**
11. Is there a citizen review body or Commission that provides oversight to the Ordinance? **Housing Residential Rent-Relocation Board**
12. What is the dispute-resolution process?
 - a. **Petition process to the Housing Residential Rent-Relocation Board**
 - b. **Mediation and Arbitration process**

Administrative Framework

1. Type of Registry: **Unit Registry**
2. Does the City actively monitor the ordinance? Y N **Complaint-based**
3. What information is collected from tenants and how often? **No means testing**
4. What information is collected from landlords and how often? **No**
 - a. **Notice to terminate tenancy under just cause but no analysis**
5. How does the City communicate with tenants and landlords? **Website, annual outreach events (streets festivals, tabling) landlord expo, contract with legal agency for legal referrals, mass mailing when ordinance changes to landlords**
6. How many staff does the City have to monitor program? **20 FTE; 0.31 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **\$2.95M; Fee: \$30 annual, or \$2.95 per unit per month**

Other Features:

- **Annual Allowable Increase & Banking**
 - Annual Increase + Banking cannot exceed 10%
 - Banked increases cannot exceed 3x the CPI
- **Administration:**
 - Staff reports an increase in calls for service
 - Soft-story retrofit ordinance which is likely to increase petitions
 - Hearing Board seated by the Mayor
- **Pass-Throughs:**
 - Eliminated Debt Service pass-through in 2014

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City Name: **Berkeley**

Ordinance Framework

Type of Ordinance

Rent Stabilization

Just Cause

Rental Dispute Mediation & Arbitration Ordinance

1. How many units are covered by the City's ordinance? **20,000**
2. When was the ordinance passed? **Temporary ordinance: November 27, 1979 by Council // June 1980 by initiative**
3. When did the program take effect? **June 1980**
4. What years does it cover? Units built before **June 1980**
5. What was the initial allowable annual increase? **Unknown**
6. What is the allowable rental increase now? **65% of CPI-U**
7. Min. time between increases? **12 months**
8. How is the formula set? **65% of CPI-U**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through? **Utilities paid by the owner, registration fees cannot be passed on to tenants. Section 13.76.120 itemizes costs that can cause a rent increase or decrease**
11. Is there a citizen review body or Commission that provides oversight to the Ordinance? **Publicly elected Rent Board**
12. What is the dispute-resolution process? **Rent Counselors provide formal mediation between two willing parties. Separately, Rent Board conducts formal petition-initiated hearings.**

Administrative Framework

1. Type of Registry: **Rent Registry**
2. Does the City actively monitor the ordinance? Y N
3. What information is collected from tenants and how often? **Tenant information is collected during unit registration. Information provided by owner is mailed back out to the tenant for their review.**
4. What information is collected from landlords and how often? **Current contact information of owner, tenant, initial rent amount collected through annual registration**
5. How does the City communicate with tenants and landlords? **Mailing, workshops**
6. How many staff does the City have to monitor program? **22.10 FTE; 1.1 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **\$4.5M annually; Fees: \$213 per unit annual, or \$17.75 per unit per month**

Other Features:

- **Capital Improvements:**
 - Improvements are only allowed to be passed on if not MNOI
 - Pass throughs may only be for permitted work only that appreciably prolongs its useful life or adapts it to new use and has a useful life of more than one year at a direct cost of \$200.00 or more per unit affected, or \$1,500.00, whichever is less.
 - Allowed to meet new Code requirements, but not to remediate disrepair or negligence
 - Improvements should focus on seismic safety and energy efficiency, as well as maintenance of building code compliance

- After approval, the new base rent for the unit will increase 1.042% of the document cost of the improvement to the unit
- Board determines eligibility within 15 days of receipt of petition, Board notifies tenants of eligible petitions
 - Tenants can object within 30 days and request a hearing and subpoena additional information
- **Annual Registration & Database:**
 - Most money is spent on clerical staff
 - Information is sent back to the tenant after it's been processed for validation
 - Database was built by Web Methods
 - Took 5-6 years to refine system after replacing 20 year old system
 - Registry:
 - Name, rate, # of occupants, services, original rent
 - City sends initial questionnaire to landlords of each rent controlled unit, asking about rent and what housing services were included (utilities, parking, etc.)
 - Landlords respond
 - City sent confirmation notice to both landlord and tenant, allowing them to correct any errors
 - Vacancy registration form
 - Re-registration
 - landlords now required to file paperwork within 30 days of a turnover—giving the initial rent (which they're permitted to set at market, per Costa Hawkins) and which services were included in the base rent (parking, utilities, etc.)
 - City then does the same confirmation process outlined above
 - City also sends literature to landlords and tenants yearly, seeking to confirm that they're not charging/being charged more than the max possible for that unit and also to make sure all records are correct
 - Database was built by Web Methods
 - Took 5-6 years to refine system after replacing 20 year old system
- **Dispute Resolution:**
 - Counseling – Mediation – Settlement Discussion – Formal Hearing
 - Staff are trained in mediation
 - Hearing examiners begin hearing cases after 2-3 months of training
 - Dispute resolution process is designed for those who are unrepresented
 - Roughly 120-150 hearings a year, equal # of mediation hearings
- **Just/Good Cause for Eviction:**
 - Notes: "[Good Cause for Eviction](#)" has 11 evictions clauses, many require relocation compensation
 - Majority of evictions are for non payment of rent
 - Relocation assistance for Ellis Act evictions
 - Berkeley has a demolition ordinance as part of their Ellis Act Ordinance which creates zoning protections for the ARO
- **Other:**
 - Ordinance applies to any unit, even if it is unpermitted
 - Security Deposit: interest included upon return of security deposit. Current rate is set at Berkeley Bank Rate (0.1%)

City Name: **Santa Monica**

Ordinance Framework

Type of Ordinance

Rent Stabilization

Just Cause

Rental Dispute Mediation & Arbitration Ordinance

[Annual Report](#)

1. How many units are covered by the City's ordinance? **28,069**
2. When was the ordinance passed? **April 1979**
3. When did the program take effect? **April 1979**
4. What years does it cover? Units built before **April 10, 1979**
5. What was the initial allowable annual increase? **7%**
6. What is the allowable rental increase now? **75% of CPI**
7. Min. time between increases? **12 months**
8. How is the formula set? **75% of the CPI-U**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through? **Local taxes, 50% of registration fees for units in compliance with program**
11. Is there a citizen review body or Commission that provides oversight to the Ordinance?
Publicly elected Rent Control Board
12. What is the dispute-resolution process?
Mediation process similar to SJ. Hearings held during the day (mostly morning), Monday through Friday.

Administrative Framework

1. Type of Registry: **Rent Registry**
2. Does the City actively monitor the ordinance? Y N
3. What information is collected from tenants and how often? **Number of tenants provided through annual registration process; no names collected**
4. What information is collected from landlords and how often? **Registration of the unit within 30 days of having a new tenant. Registration includes rent amount, tenant information, date of new lease**
5. How does the City communicate with tenants and landlords? **Unit certification/MAR registration**
6. How many staff does the City have to monitor program? **25.90 FTE; 0.92 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **\$4,755,170; Fee: \$174.96 per unit annual, or \$14.58 per unit per month; 50% fee pass through to tenant**

Other Features:

- **Annual Registration:**
 - Registration captures tenant information
 - Doesn't track names unless tenant applies for annual registration fee waiver (low-income only; income qualification for fee waiver required)
 - Moving toward web based waiver

- **Capital Improvements:**
 - Amortized over 12 months
 - Permanent increase
 - Costs of improvements made to a specific unit must be recouped by the tenant in the improved unit. Costs cannot be spread over other un-improved units
 - Hearing officer or Board have discretion or reallocate costs based on “fairness”; specifically, whether improved units are vacant or not.
 - More petitions before Costa-Hawkins, almost none since
 - MNOI analysis @ submittal
 - **Units that have received a vacancy increase (vacancy decontrol) within 5 years are ineligible for a rent increase for capital improvements**
 - Owners can have their capital improvement pass-through conditionally approved prior to beginning work
 - Only on expenses intended to occur in the 12 months following Board approval, not for ordinary repairs and maintenance
 - Landlord can petition Board for an upward rent adjustment based on anticipated future expenses for capital improvements.
 - If granted, rent increases are postponed until work is completed and a lease addendum is authorized
 - Landlord authorized to file no more than three requests for addenda authorizing capital improvements, regardless of the number of improvements completed.
 - No O&M or Rehab pass through
- **Just/Good Cause for Eviction:**
 - Covers units not under stabilization
 - 2000 law requires owner to provide notice of eviction to city within 3 days of service
 - warning notices must be provided to tenant
 - failure to do so is an eviction defense
 - warning doesn't serve a purpose without just cause
- **Staffing:**
 - 24 staff to manage between 450 – 500 registration notices per month
 - five seminars for owners
 - 35,000 contacts a year

City Name: **West Hollywood**

Ordinance Framework

Type of Ordinance

- Rent Stabilization
- Just Cause
- Rental Dispute Mediation & Arbitration Ordinance

1. How many units are covered by the City's ordinance? **16,895**
2. When was the ordinance passed? **1985**
3. When did the program take effect? **1985**
4. What years does it cover? Units built before **July 1, 1979**
5. What was the initial allowable annual increase? **5.5%**
6. What is the allowable rental increase now? **0.00% of CPI-U**
7. Min. time between increases? **12 months**
8. How is the formula set? **75% of CPI-U**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through? **50% of registration fee. Capital Improvements**
11. Is there a citizen review body or Commission that provides oversight to the Ordinance? **Rent Commission**
12. What is the dispute-resolution process? **Mediation, Board Hearing**

Administrative Framework

1. Type of Registry: **Unit Registry**
2. Does the City actively monitor the ordinance? Y N
3. What information is collected from tenants and how often? **Tenant information and initial rent is collected with the unit registration**
4. What information is collected from landlords and how often? **Annual Re-registration**
5. How does the City communicate with tenants and landlords? **Mail, newsletters, educational workshops**
6. How many staff does the City have to monitor program? **8.5 FTE; .5 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **\$1.9M; Fees: \$120 per unit annually, or \$10 per month; 50% pass-through of registration fee to tenants**

Other Features:

- **Administration of Ordinance:**
 - 8.5 Staff administer the Program
 - Annual unit registration is verified and signed by tenant
 - Form is a triplicate carbon copy
 - Hard copy mailed to City, copies mailed to owner and tenant
 - Forms are scanned into digital imaging program, data entered into proprietary database by two employees (one employee enters, one checks info)
 - Vacancy notifications required to be sent to the City
 - Re-registration required
 - Non-registration of units is an eviction defense
 - Penalties for non-compliance/not registering:

- Un-registered units are not eligible for rent increases
 - Unit cannot be de-controlled if housing code violations were present at the time of vacancy
 - Unit cannot be de-controlled if no landlord-tenant relationship with last tenant, or tenant lived in unit for less than 6 months
 - Database system is similar to Code Enforcement; work together
 - Database doesn't track rent other than initial rent
 - If tenant has a complaint/allegation of excessive rent increase, presents evidence in mediation/hearing
 - Because no tracking of ongoing rent, no ability to handle banking
 - 1,040 Mediations per year performed by in house mediator
 - ½ solved without hearing
- **Just/Good Cause for Eviction:**
 - Provision covers all rental units in city
 - Most for cause evictions are for non payment of rent and nuisance
 - Relocation fees tied to eviction protections

City Name: **East Palo Alto**

Ordinance Framework

Type of Ordinance

- Rent Stabilization
 Just Cause
 Rental Dispute Mediation & Arbitration Ordinance

1. How many units are covered by the City's ordinance? **2,500**
2. When was the ordinance passed? **Original ordinance: April 1988, New Ordinance: Aug. 8, 2010**
3. When did the program take effect? **New provisions from 2010 Ballot Measure: August 8, 2010**
4. What years does it cover? **Units built after 1988; owner occupied 2 and 3 unit buildings exempted**
5. What was the initial allowable annual increase? **80% of CPI-U**
6. What is the allowable rental increase now? **2%**
7. Min. time between increases? **12 months**
8. How is the formula set? **80% of CPI-U**
9. How often is the formula recalculated? **Annually, tied to CPI index**
10. What fees are passed through? **50% of annual registration fees, capital improvements**
11. Is there a citizen review body or Commission that provides oversight to the Ordinance? **Rent Stabilization Board**
12. What is the dispute-resolution process? **Petition Hearing**

Administrative Framework

1. Type of Registry: **Rent Registry**
2. Does the City actively monitor the ordinance? Y N
3. What information is collected from tenants and how often? **Tenant information is collected during registration**
4. What information is collected from landlords and how often? **Tenant information and reason for vacancy information provided within 30-days of new tenant**
5. How does the City communicate with tenants and landlords? **Mail**
6. How many staff does the City have to monitor program? **2 FTE; .8 staff per 1,000 units**
7. What is the annual budget for administering the program and how is it funded? **\$430k, Fees: \$234 per unit annually, or \$19.50 per unit per month**

Other Features:

- **Annual Increase:**
 - 1985 is the MNOI base year
 - Ordinance includes definition of operating expenses, which includes some legal fees in unlawful detainer cases
 - Banking: Tenants must be notified by February 1st of the year the increase will not be used. No more than 3 banked increases during the tenant's occupancy
 - No increase in rent is permitted if the landlord:
 - Has failed to register all units under the landlord's control with the Rent Stabilization Program (this includes payment of annual fees and submittal of completed registration statements, and payment of any late penalty fees due).

- Has failed to substantially comply with the Rent Stabilization Ordinance and / or orders or regulations issued under the Ordinance), or
 - Has failed to bring the rental unit into compliance with the Warranty of Habitability, or
 - Has failed to make repairs ordered by the City
- **Capital improvements:**
 - Improvements of over \$100/unit must be amortized