

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CA 94612-2034

Community and Economic Development Agency
Housing and Community Development Division

(510) 238-3721
FAX: (510) 238-3691
TDD: (510) 238-3254

RESIDENTIAL RENT ADJUSTMENT PROGRAM

THE FOLLOWING INFORMATION IS VERY IMPORTANT. PLEASE READ THIS LETTER COMPLETELY

Dear Tenant(s):

The Residential Rent Adjustment Program (RRAP) was created by the Oakland City Council on May 6, 1980 as an effort to preserve decent affordable rental housing, while assuring property owners received a fair return on their investment.

This program limits how much rent for covered units may be increased each year. Covered units includes most apartments, lofts, and some condominiums and houses built before 1983. Once a year, your landlord may increase the rent a certain percentage set by reference to the consumer price index (CPI). That amount is the annual CPI rent increase. If an annual rent increase is higher than that amount, you have the right to file a petition with the RRAP to contest the increase. If your petition meets the minimum requirements discussed below, then your landlord must justify the increase in a Rent Board Proceeding. The annual increases for the past ten years are found in your packet. They are also published online at our web site.

Enclosed please find the RRAP Tenant Petition Packet. The packet includes a copy of Ordinance 12399 C.M.S. (Oakland Municipal Code Chapter 8.22), the Residential Rent Adjustment Program Regulations, and the tenant petition form. This form is to be used to request a hearing. The Petition is the RRAP's primary source of information about your particular matter. Please attach to the petition copies of any documents that you believe will support your case. If the petition is not complete, the RAP will send you one letter requesting that you correct the problem. When the petition is complete, Staff will review it. If you do not correct the problem, you case will be dismissed.

On review, if Staff finds a possible violation of the Ordinance, but an important fact raised by the petition is in dispute, or additional information is needed, your case will be scheduled for a hearing. If no facts needed to make the decision are in dispute, an "Administrative Decision" will be issued. If you are only available for a daytime or night hearing, please indicate that on your petition.

If your rent has been raised in excess of the current annual rate for an occupied unit you may file a petition to see whether your landlord can justify the rent increase on one or more of the following grounds (*These are summaries only*. For complete information, please consult the Oakland Municipal Code, Chapter 8.22 and Rent Adjustment Program Regulations)

1. CAPITAL IMPROVEMENTS: Capital improvements are those improvements or major repairs that materially add to the value of the property and appreciably prolong its useful life or adapt it to new building codes. (Rules & Procedures Section 10.2 & 10.3) If the increase justified by such costs, (as defined in the Oakland Municipal Code and the Rules & Procedures) exceeds the annual rate, an increase greater than the annual rate may be justified.

A pass-through for capital improvements is available only for those improvements that have been completed and paid for within the 24-month period prior to the date of the proposed rent increase. Documentation is required to determine the validity of a claimed capital improvements or uninsured repair expense, like copies of receipts, invoices, bid contracts, copies of canceled checks or other documents showing the costs were incurred and paid for allowed items.

2. INCREASED HOUSING SERVICE COSTS: Housing Service Costs are expenses for services provided by the landlord related to the use or occupancy of a rental unit. In determining whether an increase in housing service costs is a justification for a rent increase in excess of the annual CPI rate, the annual operating expenses related to the property for the most recent two annual periods are compared. Year2 costs must exceed year1 costs, and justify an increase greater than the annual rate presently allowed. The expenses considered include property taxes, business license/taxes, insurance, P.G. & E., water, garbage, maintenance and repairs, managerial costs and other legitimate annual expenses on the property.

For most expenses, documentary evidence is required to determine the validity of a rent increase above the annual allowable percentage based on Increase Housing Costs like copies of receipts or billings for property taxes, business license/taxes, homeowner's or hazard insurance, P.G. & E. costs, water, garbage. For maintenance and repairs and managerial costs, evidence is required to prove costs greater than 8% of the gross income from the property

3. DEBT SERVICE COSTS: An increase in rent based on debt service costs will only be approved only in those cases where the total property income is insufficient to cover the housing service costs and 95% of the debt service costs for mortgages secured by the subject property. Eligible debt service costs are the actual principal and interest applicable to the property.
4. DEFERRED ANNUAL INCREASES: A landlord's may defer or "bank" past annual general adjustments allowed by the Ordinance that were not imposed, or

were not imposed in full, by the landlord. The landlord may defer adjustments for up to ten years. These up to 3 times the current CPI adjustment of deferred increases may be added to the annual rent increase. The landlord must be able to prove the rental history of your tenancy to justify imposing previously deferred increases.

5. OTHER RELEVANT FACTORS: A landlord may submit any factors they believe are relevant to justify a rent increase, except comparable rent data. The Hearing Officer, however, determines the relevance of such data.

A tenant must file a petition within 60 days after being served with a rent increase notice or within 60 days of receiving a Rent Adjustment Program “Notice to Tenants” for the first time, whichever is later. If a tenant does not file a petition on time, the Tenant generally loses the right to contest the increase. One important exception is that tenants may file a petition to contest decreased housing services where the landlord has not given the tenant a notice of the decrease (usually related to conditions like a leaking roof). To petition, a tenant’s rent must be current or be lawfully withheld. Hearings are conducted by a Hearing Officer. Decisions are based on evidence from the owner, tenant and in some cases public records. A tenant must pay all rent increases when due until the tenant files the petition. After a petition is filed, the tenant is only required to pay the amount of the increase equal to CPI Rent Adjustment, if the owner separately states that amount on the rent increase notice. If the owner does not separately state the amount of the rent increase that equals the CPI Rent Adjustment, the tenant need not pay any amount of the rent increase while the Petition is pending. However, if the tenant’s petition is denied, the total amount of the rent, including any increase must be paid for the entire time the petition is pending.

Landlords are required to provide notice of the existence and scope of Chapter 8.22 of the Oakland Municipal Code. This notice is known as a “Notice to Tenants” or “Rent Adjustment Program Notice”. The Notice to Tenants must be given to all tenants at the inception of the tenancy and accompanying each change of terms of tenancy notice. Its purpose is to notify tenants that they have rights under the Rent Adjustment Ordinance and how to enforce those rights. If the Notice to Tenants is not provided, a tenant may file a petition for any rent increase at any time during his/her tenancy. When the notice is provided, the tenant must file a petition within 60 days after receipt of a 30-day notice of a proposed rent increase.

DECREASED HOUSING SERVICES

A decreased housing service is a service that was originally included in the rent and then taken away. Therefore, a decrease in housing services is, effectively, an increase in rent. For example, making the tenant pay for electricity that was originally included in the rent is a decreased housing service. The existence of a serious defect in the unit that decreases the value of the unit, like no heat, is also treated as a decreased housing service.

The burden of proof is on the tenant to prove the value of the service that has been taken away.

It is illegal for the landlord to retaliate or threaten to retaliate against a tenant for exercising his/her rights. If a landlord attempts to recover a rental unit from the date of the original filing of a petition to within six (6) months after the notice of final decision, such recovery will be presumed to be in retaliation against the tenant for the exercise of his/her rights pursuant to RRAP ordinance. Complaints of retaliation must be taken to court.

Any party who is dissatisfied with the decision of the Hearing Officer may file an appeal to the Housing, Residential Rent and Relocation Board within fifteen (20) days after the date of mailing of the final written Staff decision.

If you decide to file the petition, please fill it out as completely as possible to be submitted with the requested documentation and returned to the below address. Any questions should be directed to this office during regular business hours from 8:30 a.m. – 5:00 p.m. Our telephone number is (510) 238-3721.

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Rent Adjustment Program
250 Frank H. Ogawa Plaza, Suite 5313
Oakland, CA 94612

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