

RESOLUTION 08-04

AUTHORIZATION TO PASS THROUGH TO CERTAIN TENANTS A PORTION OF 2008'S REGISTRATION FEE AS A TEMPORARY GENERAL ADJUSTMENT OF RENT CEILINGS

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, the Rent Stabilization Board operates on the basis of a fiscal year and each year adopts an operational budget after public review and input; and

WHEREAS, Section 123 of Article XVII of the Charter of the City of Berkeley provides that the Rent Stabilization Board shall finance its reasonable expenses by charging landlords annual registration fees in amounts deemed reasonable by the Board; and,

WHEREAS, the Rent Board has reviewed the overall budget priorities for next fiscal year and recommends an overall spending level not to exceed \$3,517,000 for Fiscal Year 2009; and,

WHEREAS, the Executive Director and Rent Stabilization Board believe that recurring annual revenues of \$3,355,000 in FY 2009 will be necessary to meet the Program's operating needs and it will require an annual registration fee of \$170 per unit; and,

WHEREAS, Sections 6.N and 8.K of the Rent Stabilization Ordinance authorize the Rent Board to approve passing a portion of annual registration fees along to tenants as a general rent adjustment; and

WHEREAS, since the adoption of statewide vacancy decontrol, rent levels have been set using two different standards; and

WHEREAS, the Rent Stabilization Board found on May 15, 2006 when it continued to authorize by Resolution 06-03 an increase in the annual registration fee to \$154 per unit, that it would be fair and equitable in view of the purposes of the Rent Ordinance to pass along to tenants part of the increase as a temporary adjustment of rent ceilings; and,

WHEREAS, under vacancy decontrol, owners are expected to take into account past and anticipated future operating cost increases when setting the initial rent for a new tenancy.

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Therefore, increases to the registration fee presumably have been factored in to the rent charged; and

WHEREAS, approximately 25% of the rental units in the City have a tenancy that began prior to January 1, 1999 when vacancy decontrol came completely into effect; and

WHEREAS, the Board has attempted to guarantee that owners of these units continue to receive compensation for actual increased costs such as adjustments to the registration fee; and

WHEREAS, the Rent Stabilization Board finds that it would be fair and equitable in view of the purposes of the Rent Stabilization Ordinance to continue to pass along to certain tenants a portion of the 2008 registration fee as temporary general adjustments of rent ceilings.

NOW THEREFORE BE IT RESOLVED that for each rental unit in which the tenancy began prior to January 1, 1999, for which a full registration fee is paid for Fiscal Year 2009, the landlord may, by serving legal notice pursuant Civil Code section 827, increase the rent by \$1.00 a month for twelve consecutive months, provided, however, that this registration fee partial pass-through shall not be considered part of the permanent rent ceiling for purposes of calculating the 2008 Annual General Adjustment; and,

BE IT FURTHER RESOLVED that this twelve month \$1.00 temporary general adjustment may not be imposed prior to July 1, 2008 and, regardless of when first collected, ends no later than December 31, 2009, unless extended by further Board action; and,

BE IT FURTHER RESOLVED that the authorization granted to landlords by Resolution 06-04 to impose a \$1.00 per month rent increase to pass-through the Fiscal Year 2007 registration

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fee increase is hereby extended for an additional 12 months. This increase is limited to units whose tenancy commenced on or before January 1, 1999 and shall end no later than December 31, 2009, unless extended by further Board action. The maximum increase shall not result in anything greater than a \$2.00 per month pass through. Notice to tenants of any increase shall be on a form provided by the Board or use language approved by the Executive Director.

Dated: May 12, 2008

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

Yes: Blake, Calfee, Chong, Walden, Webster, Arreguin
No: Harrison, Stephens
Abstain: None
Absent: Overman

Jesse Arreguin, Chairperson
Rent Stabilization Board

Attest: _____
Jay Kelekian, Executive Director