

## RENT CONTROL ORDINANCE REGULATION 25-01

### IMPLEMENTING REGULATIONS FOR RENTAL UNITS THAT ARE NOT EXEMPT UNDER STATE LAW CONCERNING HOW A LANDLORD SHALL ADDRESS A RENT INCREASE NOT IN COMPLIANCE WITH THE RENT CONTROL ORDINANCE AND REIMBURSE THE TENANT FOR OVERPAYMENTS

WHEREAS, on July 16, 2019, the City Council of the City of Alameda adopted an uncodified ordinance (Ordinance 3246) that in part provided that no Landlord shall charge Rent for any Rental Unit not exempt from rent control under State Law in an amount greater than the Base Rent plus the Annual General Adjustment and that the Annual General Adjustment for September 1, 2019, would be 2.8%; and

WHEREAS, Ordinance 3246 became effective August 15, 2019; and

WHEREAS, on September 17, 2019, the City Council of the City of Alameda adopted Ordinance 3250 (beginning at Section 6-58.10 and following of the Alameda Municipal Code), as may be amended from time to time, ("the Rent Ordinance"), restating the revising previous Ordinances concerning rent control, limitations on evictions, and relocation payments to certain tenants; and

WHEREAS, Section 6-58.155, Alameda Municipal Code (all further section references are to the Alameda Municipal Code unless stated otherwise) provides the Program Administrator has the authority to promulgate regulations to implement the requirements and fulfill the purposes of the Rent Ordinance; and

WHEREAS, Section 6-58.15 sets the Annual General Adjustment at seventy (70%) percent of the percentage change in the Consumer Price Index for the twelve (12) month period ending April of each year and rounded to the nearest one-tenth of a percent; provided, however, in no event shall the Annual General Adjustment be more than five (5%) percent nor less than one (1%) percent; and

WHEREAS, Section 6-58.60 provides (as did Ordinance 3246) that no Landlord shall charge Rent for any Rental Unit not exempt under State Law in an amount greater than the Base Rent plus the Annual General Adjustment; and

WHEREAS, on November 19, 2019, the Program Administrator adopted Rent Control Ordinance Regulation 19-01, which established a grace period for Landlords who may have not have been aware of the new provisions of the Rent Ordinance and the Annual General Adjustment, and provided that for a notice of Rent Increases for a Rental Unit not exempt under State Law and served prior to December 1, 2019, that was to take effect after September 1, 2019, and exceeded 2.8% of the Base Rent, the Landlord could rescind that portion of the Rent Increase that exceeded 2.8% and reimburse the Tenant for only the Rent collected above the 2.8%; and

WHEREAS, Rent Control Ordinance Regulation 19-01 provided that a Rent Increase served on or after December 1, 2019, that was to take effect on or after January 1, 2020, that exceeded 2.8% of the Base Rent must be rescinded in its entirety and the Tenant reimbursed

for the full amount of the Rent collected above the Base Rent; and

WHEREAS, a Tenant who has received a notice of a rent Increase may request the Rent Program to review the notice and advise the Landlord and the Tenant whether the notice is in compliance with the Rent Ordinance; and

WHEREAS, Section 6-58.35(I) requires Landlords to submit an annual registration statement for each Rental Unit, including the Rental Unit's current Rent, which may cause the Rent Program to become aware that a Tenant's Rent has been Increased in excess of the Annual General Adjustment; and

WHEREAS, because Rent Increases for Rental Units not exempt under State Law that exceed the Annual General Adjustment are not in compliance with, and are in violation of, the Rent Ordinance, the City could issue to the Landlord who served such a notice an administrative or criminal citation, or could pursue a civil action against the Landlord, including substantial civil penalties; and

WHEREAS, in context of legislation concerning rent control, the City's policy has been to educate and inform the Landlord and Tenant community rather than immediately taking punitive action.

NOW, THEREFORE, under Section 6-58.155, the Rent Program Administrator adopts the following regulations concerning Rental Units not exempt under State Law where a Rent Increase with an effective date on or after September 1, 2019, exceeds the Annual General Adjustment.

1. Definitions. Unless otherwise indicated, words or terms that are capitalized have the same definitions as the words and terms in Section 6-58.15.
2. Purpose. The purpose of this Regulation is to inform the Landlord and the Tenant community how the Rent Program will respond to a notice of Rent Increases where the Rent Increase applies to a Rental Unit not exempt under State Law and exceeds the Annual General Adjustment.
3. Invalid Rent Increase. For the purpose of this Regulation, an Invalid Rent Increase is a Rent Increase, notice of which is served on a Tenant in a Rental Unit not exempt under State Law, and such Rent Increase is not in compliance with the Rent Ordinance, or with the resolutions, policies or regulations concerning the Rent Ordinance, including, but not limited to:
  - A. A Rent Increase that exceeds the Annual General Adjustment (AGA) in effect on the date that the Rent Increase is to take effect, with the exception of a Rent Increase that concurrently imposes prior years' "banked" Annual General Adjustments in accordance with all requirements of Rent Control Ordinance Regulation 20-05.

- B. A Rent Increase that took effect during the temporary moratorium on residential Rent Increases due to the COVID-19 pandemic, i.e. a notice of a Rent Increase served prior to May 1, 2022, that would increase Rent after April 22, 2020.
  - C. A Rent Increase while the Landlord is not eligible to take the Annual General Adjustment for that Rental Unit because the Landlord is out of compliance with the provisions of the Rent Ordinance, or with the resolutions, policies or regulations, concerning the Rent Ordinance, for that Rental Unit or any other Rental Unit on the property, e.g. the Landlord fails to timely submit the Annual Registration Statement, Change in Tenancy, or pay all applicable Program Fees for the property in accordance with Rent Control Ordinance Regulation 20-01.
  - D. A Rent Increase that would increase the Rent more than once in any 12-month period or earlier than 12 months after the inception of the Tenancy.
- 4. Rescission of an Invalid Rent Increase For Which Rent Has Not Been Collected. If a Landlord has not yet collected Rent pursuant to the Invalid Rent Increase, the Landlord shall immediately inform the Tenant and the Rent Program in writing that the Rent Increase is rescinded in its entirety.
  - 5. Rescission and/or Reimbursement of an Invalid Rent Increase For Which Rent Has Been Collected That Increased the Rent Within 12 Months of a Prior Rent Increase or the Inception of the Tenancy. If a Landlord has collected Rent pursuant to an Invalid Rent Increase as in subsection D of Section 3, regardless of the effective date of the Rent Increase, the Landlord must within five business days (a) inform the Tenant in writing that the Rent Increase is rescinded in its entirety and the Rent is reset to the last valid Rent in effect prior to the Invalid Rent Increase and (b) reimburse the Tenant as described in Section 8.
  - 6. Rescission and/or Reimbursement of an Invalid Rent Increase For Which Rent Was Collected on or After April 1, 2025. If a Landlord has collected Rent pursuant to an Invalid Rent Increase with an effective date on or after April 1, 2025, with the exception of a Rent Increase in subsection D of Section 3, the Landlord must within five business days (a) inform the Tenant in writing that the Rent Increase is rescinded in its entirety and the Rent is reset to the last valid Rent in effect prior to the Invalid Rent Increase plus an Increase of no more than the AGA in effect on the date the Invalid Rent Increase took effect and (b) reimburse the Tenant as described in Section 8.
  - 7. Rescission and/or Reimbursement of an Invalid Rent Increase For Which Rent Was Collected Between January 1, 2020, and March 31, 2025. If a Landlord has collected Rent pursuant to an Invalid Rent Increase with an effective date on or after

January 1, 2020, but on or before March 31, 2025, the Landlord must within five business days (a) inform the Tenant in writing that the Rent Increase is rescinded in its entirety and the Rent is reset to the last valid Rent in effect prior to the Invalid Rent Increase and (b) reimburse the Tenant as described in Section 8.

8. Rescission and/or Reimbursement of an Invalid Rent Increase For Which Rent Was Collected on or Before December 31, 2019. If a Landlord has collected Rent pursuant to an Invalid Rent Increase with an effective date on or before December 31, 2019, the Landlord must address the Invalid Rent Increase in accordance with Rent Control Ordinance Regulation 19-01.

9. Reimbursements.

A. If a Landlord has collected rent in excess of the allowed monthly amount to which the Rent has been reset to address an Invalid Rent Increase, the Landlord must within five business days either reimburse the Tenant for the full amount collected in excess of that amount or provide written notice to the Tenant that the Landlord will credit the full amount of the Rent collected in excess of that amount to the Tenant's future rent, beginning with the next month's Rent.

B. The Landlord shall provide to the Rent Program within five business days documentation of the reimbursement or written notice as set forth in subsection A above.

C. A Landlord is required to reimburse a Tenant for only the most recent 36 months of payments made by the Tenant in excess of the allowed monthly amount.

- Example 1. The AGA applicable to allowable Rent Increases on April 1, 2025, is 2.7%. Assume that a Landlord served a Tenant with a 5.0% Rent Increase from \$2,000 to \$2,100 effective April 1, 2025, and the Landlord has collected this Rent (\$2,100) for six months. To address the Invalid Rent Increase, the Landlord must reset the Tenant's rent to no more than \$2,054 (\$2,000 increased by 2.7%). The Tenant paid Rent in excess of this amount by \$46 per month. The Landlord must therefore reimburse or credit the Tenant \$276 ( $\$46 \times 6 = \$276$ ).
- Example 2. Assume the same facts as above, but the Tenant continued to pay the Invalid Rent Increase for 12 months. Furthermore assume that the AGA applicable to allowable Rent Increases on April 1, 2026, is 3.0%; the Landlord served the Tenant with a 3.0% Rent Increase from \$2,100 to \$2,163 effective April 1,

2026; and the Landlord has collected this Rent (\$2,163) for six months. To address the Invalid Rent Increase effective April 1, 2025, and notwithstanding that the April 1, 2026, Rent Increase would have otherwise been permissible, the Landlord must reset the tenant's rent to no more than \$2,054 (\$2,000 increased by 2.7%). The Tenant paid Rent in excess of this amount by \$46 per month for 12 months and \$109 per month for six months. The Landlord must therefore reimburse or credit the Tenant \$1,206 ( $\$46 \times 12 + \$109 \times 6 = \$1,206$ ).

- Example 3. Assume that (a) a Landlord served a Tenant with a 2.7% Rent Increase from \$2,000 to \$2,054 effective May 1, 2022, during the temporary moratorium on Rent Increases, and another 2.7% Rent Increase from \$2,054 to \$2,109.46 effective April 1, 2025, and (b) the Landlord has collected this Rent (\$2109.46) for six months. To address the Invalid Rent Increase effective May 1, 2022, and notwithstanding that the April 1, 2025, Rent Increase was otherwise permissible, the Landlord must reset the Tenant's rent to \$2,000. The Tenant paid Rent in excess of this amount by \$54 per month for 32 months and \$109.46 per month for six months; however, the Landlord is only required to reimburse the Tenant for the last 36 payments. The Landlord must therefore reimburse or credit the Tenant \$2,276.76 ( $\$54 \times 30 + \$109.46 \times 6 = \$2,276.76$ ).
- Example 4. The AGA applicable to allowable Rent Increases was 2.8% on October 1, 2019, and 3.5% on October 1, 2022. Assume that a Landlord served a Tenant with a 5.0% Rent Increase from \$2,000 to \$2,100 effective October 1, 2019, and a 3.5% Rent Increase from \$2,100 to \$2,173.50 effective October 1, 2022, and the Landlord has collected this Rent (\$2,173.50) for 30 months, i.e from October 1, 2022 to March 1, 2025. To address the Invalid Rent Increase effective October 1, 2019, and notwithstanding that the October 1, 2022, Rent Increase was otherwise permissible, the Landlord in accordance with Rent Control Ordinance Regulation 19-01 must reset the Tenant's rent to no more than \$2,056 (\$2,000 increased by 2.8%). The Tenant paid Rent in excess of this amount by \$44 per month for 36 months and \$117.50 per month for 30 months; however, the Landlord is only required to reimburse the Tenant for the last 36 payments. The Landlord must therefore reimburse or credit the Tenant \$3,789 ( $\$44 \times 6 + \$117.50 \times 30 = \$3,789$ ).

10. Rent Increases After a Landlord Has Addressed an Invalid Rent Increase. Once the Landlord has addressed and corrected an Invalid Rent Increase and reimbursed or provided a Rent credit (if either is applicable) to the Tenant, a Landlord may serve notice of a new Rent Increase that complies with the Rent Ordinance and State Law

requirements. Thereafter, no Landlord shall Increase the Rent of such Rental Unit for 12 months, beginning the effective date of the new Rent Increase.

First Adopted: March 12, 2025  
Revised: April 14, 2025

A handwritten signature in cursive script that reads "Bill Chapin".

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Bill Chapin,  
Rent Program Administrator