

Rent Stabilization and Just Cause for Eviction Guide

Ensuring an economically vital and affordable rental market.



Rent Stabilization Program

City of East Palo Alto

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We are here to help!


This guide is to help landlords and tenants understand the Rent Stabilization & Just Cause for Eviction Ordinance of 2010 for the City of East Palo Alto.

**PLEASE CONTACT US WITH ANY QUESTIONS YOU MAY
HAVE OR TO OBTAIN A PETITION FORM**

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Providing protections to rental residents against excessive rent increases and unjust evictions, while ensuring an economically vital and affordable rental market.

About the City of East Palo Alto Rent Stabilization Board and Program

Just cause for termination of tenancy and regulation of rent increases are among the main protections granted to tenants in East Palo Alto. Both the Rent Stabilization and Eviction for Good Cause Ordinance adopted by the voters in 1988, which still applies to mobile home park spaces, and the Rent Stabilization and Just Cause for Eviction Ordinance adopted by the voters in 2010, which applies to residential units, provide for such protections.

In April 1988...

Voters in East Palo Alto adopted the Rent Stabilization and Eviction for Good Cause Ordinance to protect residential tenants in the City from unreasonable rent increases and to protect tenants from arbitrary, discriminatory or retaliatory evictions; and at the same time to assure landlords the right to a fair return. The 1988 Ordinance continues in effect for the purpose of regulating space rents and providing eviction protections for tenants in mobile home parks.

In June 2010...

79% of East Palo Alto voters passed the City's comprehensive rent stabilization law, known as the Rent Stabilization and Just Cause for Eviction Ordinance of 2010. Similar to the 1988 Ordinance, the purpose of the 2010 Ordinance, which regulates most residential tenancies, is to provide protections for residential tenants in the City from unreasonable rent increases, to protect tenants from arbitrary, discriminatory or retaliatory evictions and to assure landlords the right to a fair return. Beginning on the effective date of this Ordinance in August 2010, this Ordinance governs residential tenancies in the City except for mobile home park space rentals.

In November 2016...

72.5% of East Palo Alto voters amended the 2010 Ordinance by simplifying administrative processes and procedures, defining “maximum allowable rent,” revising the registration fee pass-through, eliminating annual registration requirements, streamlining annual general adjustment calculations, addressing nuisance-based tenancy termination, strengthening informational notice provisions, and authorizing the City Council to revise the Ordinance when in conflict with federal or state law.

In 1995...

California legislature enacted the Costa-Hawkins Rental Housing Act, which suspends rent control following a qualifying vacancy and reinstates it for a new tenancy. (Civil Code section 1954.50, et seq.) For the transition period between January 1, 1996 and December 31, 1998, owners were allowed to set new rents within prescribed limits. Now, under full "vacancy decontrol," owners may set a market rent for most tenancies beginning on or after January 1, 1999. The rent charged a new tenant becomes the Maximum Allowable Rent. Owners must register new rents upon change in tenancy with the Rent Stabilization Board and may increase these rents for a new tenant only by an annual general adjustment or an individual rent adjustment granted through the Board's petition process. The Costa-Hawkins Act, however, does not apply to mobile home park tenancies.

*How much can my rent
be increased each year?*

The Rent Stabilization Board determines the permissible percentage, or Annual General Adjustment (AGA), landlords can raise rents by in regulated rental units. This percentage is based on the consumer pricing index values. Landlords can only increase rents once every 12 months, must be in substantial compliance with the program, have issued a proper 30-day notice to their tenants, and filed a copy of it with the Rent Stabilization Program within 10 days of having issued it. The increase amount cannot be over the Maximum Allowable Rent (MAR) and never more than 10% when the landlord decides to use unused AGAs that have been approved during the life of the tenancy.



*What if my rent was increased
more than the Maximum
Allowable Rent?*

If your rent was increased by more than the percent allowed for any of the program years, tenants may petition for a rent reduction and a refund of any rent they overpaid, **UNLESS** the rent increase is still within the MAR level and never higher than 10%.



Landlords, when increasing rent:

- Annual general adjustments are applied to the Maximum Allowable Rent amount.
- Rent increases may not exceed 10% in any 12-month period. **Housing fees paid to a landlord for regulated services such as parking or utilities are part of the rent.**
- **Any increase in fees for regulated housing services, or any charges for additional services except for the addition of a pet charge that were not included in a tenant's initial rental agreement, are considered rent increases and must conform to the requirements for raising rents.**
- The proper addition of a pet charge is not considered a rent increase.
- The Board does not verify a landlord's eligibility for annual rent increases.
- Tenants should monitor rent increases closely and file a petition with the Board, if warranted, to challenge a landlord's eligibility to raise rents.
- Landlords may raise rents by a lesser amount than the allowed AGA or choose not to raise rents by the AGA in any given year, and in that event, they may apply the unused AGAs for future use to raise a tenant's rent, but never more than 10%.

Certificates of Maximum Allowable Rent

Initial Maximum Allowable Rent Certificates are issued upon Initial Registration of a rental unit and upon occupancy by a new tenant; they are not issued every year. Based on information submitted by landlords, the Rent Stabilization Program Administrator calculates the Maximum Allowable Rent (MAR) and issues a MAR Certificate for the rental unit. A tenant cannot be charged rent (including any fees for regulated housing services) above the MAR for the timeframe specified in the Initial Certificate issued for their unit.

(Landlords and tenants can petition for a hearing to object to the MAR. Objections must be received within 30 days of the issuance of a Certificate of Maximum Allowable Rent)



As a result of the 2016 amendments to the 2010 Ordinance, for any tenancy that began on or before November 8, 2016, landlords are allowed to, one time, add \$9.75 to the MAR. The \$9.75 was the amount that landlords were allowed to collect from their tenants as the tenant's share of the Rent Stabilization Program's registration fee, provided they had given a proper 30-day written notice to the tenants. For any tenancy that began after November 8, 2016, landlords are no longer allowed to pass through half of the registration fees on to their tenants.

Know your rights! You have protections against excessive rent increases and lack of maintenance or services for your rental unit.

If you believe your rental rights have been violated, you can file a petition with the City's Rent Stabilization Program seeking a rent reduction and/or refund of rent already paid.

File Petition A: For a Rent Reduction and Rebate of Rent Ceiling Violation

This petition may be filed by a tenant when rent is being charged over the Maximum Allowable Rent ("MAR").

Tenants can also file Petition A if their landlord failed to properly register their unit or failed to substantially comply with the Ordinance and orders or regulations issued or promulgated under the Ordinance.

File Petition B: For Rent Reduction and Rebate for Housing Service Reduction, Including Maintenance and Breach of Implied Warranty of Habitability

This petition may be filed to seek approval for a rent reduction and a rebate of rent paid when the tenant experiences maintenance problems or reductions in service that have not been corrected in a reasonable time. Landlords must provide units that substantially comply with state and/or local housing, health and safety codes and make corrections when there is deterioration of the rental unit. The amount of rent deduction and rebate, which may be approved by a hearing examiner, is calculated by multiplying the rent paid during the time the problem was not corrected by the percentage by which the tenant's use of and benefit from the unit has been impaired. The landlord should be given a reasonable opportunity to correct the problem before the tenant files a petition.

File Petition C: For Approval to Withhold Rent for Landlord's Failure to Register a Unit with the Rent Stabilization Program

Tenants may contact the Rent Stabilization Program to find out if their rental unit is properly registered and for more information about this provision in the Ordinance.



Are you in danger of being evicted?

East Palo Alto has eviction protections. Under the City's Rent Stabilization and Just Cause for Eviction Ordinance, landlords who seek to evict tenants must do so in compliance with the requirements of the Ordinance. Tenants receiving Three-Day Notices to Quit or Summons and Complaint in an Unlawful Detainer action from their landlord must respond promptly to protect their home. Landlords must file a copy of any issued notices to quit or summons and complaint in an unlawful detainer action with the Board within five days of service on the tenant. To avoid eviction, tenants have to pay rent on time, usually due by the first of the month.

Some of the Just Causes for Eviction Are:

- Failure to pay rent and continued non-payment after service of a 3-Day Notice to Pay or Quit
- Causing or allowing substantial damage beyond wear and tear and refusing to pay the costs to repair the damage.
- Refusing to agree to a new rental agreement upon expiration of the old one, if the new agreement is substantially the same as the old one.
- Being disorderly, and continuing to disturb the peace and quiet of the building or next-door neighbors after written notice to cease.
- Refusing, after written Notice to Cease, to allow the landlord access to the unit as required by State Law.
- Landlord is repairing the building to bring it up to code and cannot do so while the tenant is still living there.
- Landlord is going to demolish the unit.
- Landlord wants to use the unit as his own residence or the residence of one of his/her immediate family members.
- Failure to follow the rules and regulations agreed to in the rental agreement.
- Landlord wants to withdraw the rental units from the rental market.

For help paying rent, contact:

El Concilio of San Mateo County

(650) 330-7432 2396 University Ave., East Palo Alto, CA 94303



For legal services, contact:

Community Legal Services in East Palo Alto

(650) 326-6440 1861 Bay Rd., East Palo Alto, CA 94303

Legal Aid Society of San Mateo County

(650) 517-8911 330 Twin Dolphin Dr., Ste. 123, Redwood City, CA 94065

Stanford Community Law Clinic

(650) 725-9200 2117 University Ave., Ste. A, East Palo Alto, CA 94303

**For more information on the Rent Stabilization
Program, please call us at
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Confidential consultation is available at anyone's request.