

**VOLUNTARY GUIDELINES FOR RESIDENTIAL RENTAL TENANTS, OWNERS &
MANAGERS**
in the
CITY OF PACIFIC GROVE
Updated June 17, 2020

While there may be individual circumstances under which these guidelines cannot be followed, the following voluntary guidelines are submitted for the consideration of residential property managers and owners:

1. Keep rent increases reasonable for your residents. A variety of factors should be considered when determining what is reasonable. These factors include, but are not limited to the following items, which should be considered collectively, not individually:

Maintenance and operating costs	Rent history of tenant
Capital improvements & debt service	Local Area Consumer Price Index (CPI) ¹
Provision of housing services	Period of time resident has lived at the property
Return on investment to property owner	Existing market value of rents for similarly-situated units
Utility costs	

2. Give your residents predictability and the opportunity to plan ahead.
 - a. Provide at least a 60-day notice for all rent adjustments;
 - b. Consider adopting a policy of one annual rent adjustment;
 - c. Consider offering your residents the option of longer-term leases instead of short-term rental agreements.
3. Recognize the value of long-term, stable residents, who pay their rent on time.
 - a. Consider phasing-in the rent adjustment to accommodate a hardship request by a resident;
 - b. If your monthly rent for existing residents is significantly below market-rate, increase rents over an extended period of time, bearing in mind the residents' history at your property, and realizing that rents will increase to market as units turn-over.
4. Attach a sensitively written letter to your notice of rent adjustment.
 - a. Point out any increased operational costs such as taxes, utilities, maintenance, and debt service;
 - b. Highlight upcoming or recent improvements to the property;
 - c. If available, provide information on comparable rents.
5. Be open, available and responsive when residents want to discuss their rent adjustment.
 - a. Be knowledgeable about their rent history at your property;

¹ The City of Pacific Grove uses the San Francisco – Oakland – San Jose Area Index, U.S. Department of Labor, Bureau of Labor Statistics (www.bls.gov)

- b. Be willing to listen to them openly and consider special arrangements, such as a phased-in rent adjustment for hardship cases.
6. Keep your property maintained.
 - a. Provide residents with a method to report repairs, damages or conditions that need to be corrected;
 - b. Attend to all maintenance requests promptly.
7. Embrace voluntary, professional mediation.
 - a. Be responsive if a mediation agency calls;
 - b. Be willing to enter into a mediation discussion.
8. Be sensitive to the fact there may be circumstances that result in residents voluntarily vacating your property.
 - a. If requested, attempt to help them find suitable housing in other units you may own or manage;
 - b. If a resident is forced to break a lease in the middle of a lease term, work with them to quickly fill the unit and minimize the expense to the resident who is leaving;
 - c. As soon as is practical, and within the guidelines prescribed by law, account for and return the resident's security deposit.
9. Consider how your actions concerning adjusting rents may affect public perception of you, your company and the rental housing industry. You are in the business of providing housing, and your residents are your customers. As in any business, you should strive as much as possible to satisfy your customers at all times, which is the foundation for business success.²
10. Ensure that your resident managers are well briefed on your commitment to these guidelines and that they follow through as your on-site emissary.³

² The above voluntary guidelines are suggestions for the property manager and owner's use in their absolute and unqualified discretion. None of the above suggestions are meant to be involuntary, coercive, or in furtherance of violation of any anti-trust, price fixing, or any anti-competition laws.

³ The suggested guidelines are meant to be administered in conjunction with the Code of Ethics established by the National Association of Residential Property Managers (<https://www.narpm.org/code-of-ethics/>) and Renting Best Practices published by the California Apartment Association (<https://caanet.org/>).

Tenant Protection Act

[AB 1482](#) was passed to protect tenants from “just cause” evictions, as well as putting a cap on rent effective January 1st 2020.

What is the rent cap?

Rent cannot be raised more than 5% plus the consumer price index (CPI), and may not exceed a total of 10%. Please see exemptions below.

Example: Rent \$2000 x (5% + 2.9% CPI)

$$\$2000 \times 7.9\% (0.079) = \$158$$

$$\$2000 + \$158 = \$2,158$$

The rent cap for this example would be \$2,158.

Who is exempt from the Tenant Protection Act?

The rent cap does not apply if:

- Housing built in the last 15 years.
- Single family homes/condo's rented out by the owner.
- Duplex where the owner occupies one of the units, but rents out the other.
- Units subject to local rent control measures.
- Dormitories for colleges and k-12 student occupants.

What is considered a “just cause” eviction?

There are two different types of evictions: at fault and no fault.

The law protects tenants from no fault (just cause) evictions which include:

- The landlord or their family wish to move in.
- Court/government agency order that requires tenant to move out.
- Landlord decides to either demolish or make large renovations to the unit. (NOT minor cosmetic repairs)
- Landlord takes all units off market as per the [Ellis Act](#).

What happens if a tenant receives an eviction notice and it is due to no fault reasons?

This only applies to tenant if they have been living there for at least 12 months. If one of the above reasons applies to tenant situation, they are entitled to relocation assistance.

Relocation assistance is a payment from the landlord that is equivalent to one month's rent. A landlord may also choose to not charge the last month of rent, if tenant agrees. Landlord has 15 days from the day they served eviction notice to pay relocation assistance.

What is considered at-fault evictions?

If the reason for tenants eviction happens to be an at fault reason, the tenant is not protected by the Tenant Protection Act, and is not entitled to relocation assistance. At fault evictions include:

- Nonpayment of rent
- Criminal activity

- Violating the lease agreement
- Using property for unlawful purposes
- Committing nuisance
- Damaging property
- Tenant refuses to renew lease that is very similar to one they have previously signed before.

**If possible, landlord must give tenant a chance to correct the violation.

What should a tenant do if they feel they are a victim?

Because the law is enforced through the Superior Court, the tenant should contact an attorney. In many cases, a tenant will have only five days to respond in court.⁴

A statewide hotline has been set up to assist tenants: 1-888-428-7615

Statewide Tenant Advocacy Group include: Tenants Together at <http://www.tenantsaltogether.org/>

Local tenant resources include:

- Housing Resource Center 831-424-9186 or 800-946-1911 (for financial assistance)
- Echo Housing 831-566-8024 or 855-275-3246 or email: contact@echofairhousing.org (for counseling and mediation services)
- [Monterey Superior Court Self-Help Center](#) 831-647-5800 ext. 3005 or email: selfhelpcenter@montereycourts.ca.gov

⁴ Landlords and Tenants are encouraged to read and refer to the publication by the State Of California entitled *CALIFORNIA TENANTS – A Guide to Residential Tenants’ and Landlords’ Rights and Responsibilities*. This publication is no longer at the State of California Department of Consumer Affairs’ homepage at www.dca.ca.gov because it has not been updated with current law. However, it can be found on the City website as a useful general guide at <https://www.cityofpacificgrove.org/sites/default/files/general-documents/resources-renters/catenant.pdf>. Updates will be provided as available. The California Apartment Association also upholds a Resident Bill of Rights at <https://caanet.org/ethics/residents-bill-rights/>.