

## **CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE CC**

This measure was placed on the ballot by an initiative petition signed by the requisite number of registered voters. It requires a majority vote for passage.

Current law imposes a tax on the gross receipts from the rental of five or more residential units. This measure would place that revenue into a specific account and require that 20% of the proceeds be used for direct rent payments to property owners on tenants' behalf. The measure would require the Finance Department to create rules regarding this program, with input from an oversight committee of nine members, appointed by the Mayor and City Council. The other 80% of the proceeds would go to the City's general fund.

The measure would also amend the Rent Stabilization and Eviction for Good Cause Ordinance, codified in Chapter 13.76 of the Municipal Code, in numerous ways, including the following:

- Modify exemptions from rent control and registration by (1) replacing the exemption for two-unit properties that were owner-occupied on December 31, 1979, with an exemption for all owner-occupied two-unit properties, where the owner of record holds a material interest in the property, and the tenancy was created after December 31, 2024, and (2) exempting properties with multiple ADUs. Additionally, if state law (Costa-Hawkins Act) changes, the measure would exempt owner-occupied single-family homes where the owner owns two or fewer units in Berkeley.
- Remove the Rent Board's authority to carry out powers not enumerated in Chapter 13.76 and the Rent Board's ability to intervene as an interested party in litigation.
- Modify the Rent Board's powers and duties, by requiring a City Auditor audit every three years and by providing that commissioners would no longer be compensated.
- Increase the maximum limit of annual rent increases based upon inflation from 7.0% to 7.1%. The measure would also allow owners and tenants to agree to a rent increase above applicable limits for increased services or amenities.
- Grant the City's Code Enforcement department the sole, exclusive discretion to determine whether a unit has failed to substantially comply with the warranty of habitability and applicable state and local housing laws, in the context of petitions for individual adjustment of rent ceilings.
- Modify certain grounds for eviction by (1) prohibiting non-payment evictions for less than one month of rent, unless the tenant has not paid for more than 90 days; (2) allowing evictions for violations of health codes and city ordinances; and (3) requiring 60 days' notice before eviction for failure to renew a lease.
- Allow tenants in a property to form an association to confer with owners over common issues, if tenants representing two-thirds of the occupied units sign a petition. Owners would need to

confer with associations in good faith, but the Rent Board would not be permitted to further define that obligation.

Measure BB on the 2024 general election ballot is a conflicting measure. If this measure and Measure BB both pass, the measure with more affirmative votes will become law, and the other measure will not.