

Rent Stabilization Program Comparison Research

The Rent Stabilization Study Committee researched six jurisdictions with long standing rent stabilization programs and compared them to the rent stabilization program in Mountain View. This research included Berkeley, East Palo Alto, Oakland, San Francisco, San Jose and Santa Monica.

Takeaways:

- Very few landlord petitions were filed for rent increases in the existing jurisdictions. For example, East Palo Alto had 1 such petition since their ordinance was updated in 2010 and San Francisco had 4 of these petitions in fiscal year 2017. San Jose had the highest number of petitions filed for the last year there was data with a total of 138 petitions filed. They have 44,300 rent stabilized units.
- In the jurisdictions where rents were tracked the majority of rent stabilized units were at market rate due to vacancy decontrol.
 - Santa Monica: 68% of rent stabilized units at market rate in 2016
 - Berkeley reported on average 22% of rent stabilized units turned over per year over the past 5 years and that 11% of units are still occupied by the same tenants that lived there in 1999.
 - In East Palo Alto about 15% of rent stabilized units turn over each year.
- Most rent stabilization programs require significant changes go to the voters.
- Most jurisdictions allowed increases of a certain percentage of CPI amounting to increases of less than 2-3%/year. San Jose has a flat rate of 5% and Mountain View allows an increase of 100% of CPI growth as long as it is between 2-5%.
- Most jurisdictions allowed some form of banking for rent increases but capped the total within any given year at 10% or less. (San Jose does not allow banking and Berkeley allows annual increases to be banked indefinitely and then the landlord can take the sum of those annual increases as long as they give the tenant proper notice.)
- Most jurisdictions tied their fair rate of return to CPI. Only Mountain View used Rental CPI for fair rate of return which is much more volatile.