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CITY OF SANTA ANA
COMMUNITY DEVELOPMENT AGENCY
20 Civic Center Plaza M-25
Santa Ana, California 92702
www.santa-ana.org

June 30, 2022

**City of Santa Ana Notice of Allowable Rent Increase Effective
September 1, 2022 Pursuant to Ordinance No. NS-3009**

Dear Santa Ana Residential Property and Mobilehome Park Owners/Managers and Tenants:

On October 19, 2021, the City Council of the City of Santa Ana adopted Ordinance No. NS-3009 prohibiting residential and mobilehome space rental rate increases within a twelve (12) month period from exceeding the lower of three percent (3%), or eighty percent (80%) of the change in the Consumer Price Index. The full Rent Stabilization Ordinance (RSO) in English, Spanish, and Vietnamese can be found on the City's website at: www.santa-ana.org/rso.

Allowable Rent Increase from September 1, 2022 through August 31, 2023

Santa Ana Municipal Code (SAMC) Section 8-1998.1 states that:

- (a) Increases in rent on residential real property or mobilehome spaces in the City of Santa Ana in excess of three percent (3%), or eighty (80%) of the change in the Consumer Price Index, whichever is less, and more than one rent increase in any twelve (12) month period, are prohibited, unless expressly exempt under the Costa-Hawkins Rental Housing Act codified in California Civil Code section 1954.50, et seq., or the Mobilehome Residency Law codified in California Civil Code sections 798, et seq. If the change in the Consumer Price Index is negative, no rent increase is permitted. The term Consumer Price Index means, at the time of the adjustment calculation completed by the City pursuant to subsection (b), the percentage increase in the United States Consumer Price Index for all Urban Consumers in the Los Angeles-Long Beach-Anaheim Metropolitan Area published by the Bureau of Labor Statistics, not seasonally adjusted, for the most recent twelve (12) month period ending prior to the City's calculation pursuant to subsection (b). A

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violation of this section occurs upon the service of notice or demand for a prohibited increase in rent.

- (b) No later than June 30th each year, beginning with the year 2022, the City shall announce the amount of allowable rent increase based on subsection (a) herein, which shall be effective as of September 1st of that year.

This Notice provides the allowable rent increase to be used by property owners for the period beginning September 1, 2022, through August 31, 2023.

According to the United States Department of Labor's Bureau of Labor Statistics, which reports the applicable CPI, the increase in CPI from May 2021 through May 2022 was 8.01% (as indicated in Table 1 below). Since 80% of the change in CPI through May 2022 is 6.41%, which is greater than 3%, **the allowable rent increase for the period effective September 1, 2022, through August 31, 2023, will be 3%.**

Table 1: Allowable Rent Increase Calculation

CPI Index - prior year (May 2021)	[A]	287.620
CPI Index - current year (May 2022)	[B]	310.649
CPI Change	$[C = (B - A) / A]$	8.01%
80% of CPI change	$[D = C \times .8]$	6.41%
Allowable Rent Increase =		
Lesser of 3% or 80% of CPI	$[E = \text{MIN}(.03, D)]$	3.00%

Applying the Allowable Rent Increase

SAMC Section 8-1998.1(a) states that only one rent increase is allowed in a 12-month period, and it cannot exceed the allowable rent increase in effect for that period. Table 2 provides three different situations and how property owners may apply the allowable rent increase, depending on when the property owner applied their last rent increase:

Table 2: Applying Next Allowable Rent Increase

If Last Increase Was:	Then Next Allowable Increase:
Before 11/19/20	- up to 3% - one time - between 11/19/21 and 8/31/22
Between 11/19/20 and 8/31/22	- up to 3% - only one time within 12 months - at least 12 months after last increase
After 9/1/22	- must wait at least 12 mos. after last increase - must wait until next allowable increase amount is announced prior to 6/30/23 and effective 9/1/23

Pursuant to SAMC Section 8-1998.5, no rent increase shall be effective if the property owner: (a) fails to substantially comply with all provisions of the RSO, including but not limited to the failure to provide notices as required (template notices in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean can be found on the City's website at: www.santa-ana.org/rso); or (b) fails to maintain the residential property or mobilehome space in compliance with California law; or (c) fails to make repairs ordered by the City or courts.

If you have any further questions regarding this notice, please contact the undersigned by e-mail at rso@santa-ana.org or call (714) 667-2209.

Sincerely,

Sara Court
Housing Programs Analyst
City of Santa Ana