



Rent Stabilization Board

SPANISH, CANTONESE AND MANDARIN translations of this letter can be provided, please call (510) 981-7368. Para la traducción en español de esta carta, por favor llame al (510) 981-7368.

November 18, 2011

Re: 2012 Annual General Adjustment Order is 1.6%; 2011 security deposit interest rate is 0.3% for the Berkeley Bank Rate and 0.4% for the Federal Rate.

Dear Berkeley Landlord/Property Manager:

The Berkeley Rent Stabilization Board has published the 2012 Annual General Adjustment (AGA) Order for all qualifying tenancies. Beginning January 1, 2012, this AGA Order adjusts rent ceilings upward by **1.6 %**. For example, if the rent ceiling were \$1,000, the AGA would be \$16.00. The AGA is equal to 65% of the increase in the Bay Area CPI for the last fiscal year in accordance with Berkeley Municipal Code section 13.76.110, adopted by the voters in 2004. The full text of the AGA Order is available on our Web site at www.cityofberkeley.info/rent or at our office.

For your convenience, the apparent 2011 lawful rent ceilings for rent-controlled units and an AGA calculator are available on our Web site. As with past AGA Orders, landlords are not permitted to round increases up to the nearest dollar. We have also provided a sample copy of a Thirty-Day Notice of Rent Increase on the back of this letter.

For AGA eligibility you are required to refund annual interest on tenants' security deposits. **The interest rate to be paid this year is 0.4% unless the account qualifies for the Berkeley bank rate, which is 0.3%.** For your convenience a security deposit interest calculator is available on our Web site. If the account is held in a qualifying Berkeley bank, you must provide the tenant and the Rent Board with the identity of the account using the Rent Board form. This form is available on our Web site and at our office. Please review the "Important Information for Landlords and Tenants" insert included in this envelope for more comprehensive information regarding security deposits and other rent control laws.

Units that had an initial rent set for a new tenancy in 2011 are not eligible for the 2012 AGA.

You are not required to take an AGA increase each year. The increase may be "banked." If you wish to increase the rent to the lawful rent ceiling at a later date, you may do so after proper written notice. State law requires a written thirty-day notice for an increase of 10% or less and a written sixty-day notice for an increase over 10%.

Finally, as a reminder, for tenancies that commenced **before** January 1, 1999, you may pass through a portion of the 2011/2012 registration fee as a general increase (Resolution 11-02). This increase, which may be up to \$4 per month for 12 consecutive months, will not become part of the permanent rent ceiling. Landlords must service notice for the \$4 pass through on or before December 1, 2011 to receive their full pass-through. More information on the pass-through is provided on our Web site.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Kelekian".

Jay Kelekian, Executive Director

2125 Milvia Street, Berkeley, California 94704
TEL: (510) 981-7368 (981-RENT) • TDD: (510) 981-6903 • FAX: (510) 981-4910
E-MAIL: rent@cityofberkeley.info • INTERNET: www.cityofberkeley.info/rent

