



Rent Stabilization Board

MEMORANDUM

DATE: October 17, 2024

TO: Honorable Members of the Berkeley Rent Stabilization Board

FROM: Honorable Members of the LIRA Committee
By: Matt Brown, General Counsel

SUBJECT: 2025 INFLATIONARY ADJUSTMENT OF RELOCATION ASSISTANCE PAYMENTS

Recommendation

That the Board adopt Resolution 24-19 to publish and publicize that, pursuant to Berkeley Municipal Code sections 13.76.130.A.9.h (Owner Move-In), and 13.77.055.A.2 (Ellis Act), the relocation assistance payments set forth in sections 13.76.130.A.9.g. (Owner Move-In) and 13.77.055.A (Ellis Act) shall increase by **3.2%** effective January 1, 2025. The LIRA Committee reviewed this report at its October 10, 2024 meeting.

I. Background

Section 13 of the Rent Stabilization Ordinance, codified at Berkeley Municipal Code (B.M.C.) section 13.76.130.A.9, requires relocation assistance payments by landlords to tenants in the event of an Owner Move-In eviction. Adopted by Berkeley voters in November of 2016, Measure AA amended section 13.76.130.A.9 to both increase the amount of the relocation assistance payments, and to index the payments to inflation. On October 20, 2016, the Berkeley City Council amended the Ellis Act Implementation Ordinance (Chapter 13.77) to require the same relocation assistance payment amounts and the same inflation adjustments.¹

II. Computing Relocation Assistance Payments in Accordance with Berkeley Municipal Code Sections 13.76.130.A.9.h. and 13.77.055.A.2

Beginning in 2018, and effective January 1, 2019, the relocation assistance payment amounts for Owner Move-In evictions may be increased by the percentage increase in the Consumer Price

¹ While B.M.C. Chapter 13.77 was adopted by Council and is not part of the Rent Ordinance, the Ellis Implementation Ordinance specifically provides that the Board shall publish the yearly inflationary increase in the relocation assistance fee. B.M.C. section 13.77.055A.2.

2025 Inflation Adjustment to Relocation Assistance Payments Report

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Index – All Urban Consumers in the San Francisco-Oakland-San Jose Region for the 12-month period ending June 30, of the prior year, as published by the United States Department of Labor. Any increase shall be published by the Board on or before October 31st of each year. The same provisions apply to Ellis Act Relocation Assistance Payments, which “shall” annually increase by the same criteria. (B.M.C. 13.77.055.A.2.)

The Board’s long-standing practice in determining the allowable percentage rent increase, is that numbers of .04 and below shall be rounded down to the nearest tenth decimal place and numbers of .05 and above shall be rounded up to the nearest tenth decimal place.

The U.S. Department of Labor, Bureau of Labor Statistics, has reported that for the twelve-month period ending June 30, 2024, the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose region increased from 340.056 to 351.064, an increase of 11.008 points. Thus, the relevant CPI from June 2023 (340.056) to June 2024 (351.064) has increased by 3.2%.² (See Attachment 1.)

The current relocation assistance payment amounts are \$18,533 for standard relocation and an additional \$6,177 for qualifying tenant households. In accordance with the 3.2% increase in CPI, effective January 1, 2025, the relocation assistance payment amounts set forth in section 13.76.130.A.9.g. (Owner Move-In), are increased to **\$19,126** for the standard relocation payment with an additional **\$6,375** for qualifying tenant households following Board action to approve the attached Resolution. Likewise, the relocation assistance payment amounts set forth in section 13.77.055.A (Ellis Act) shall be **\$19,126** for the standard relocation payment with an additional **\$6,375** for qualifying tenant households following Board action to approve the attached Resolution.

III. Staff Review

Staff has reviewed the Consumer Price Index figures published by the U.S. Department of Labor, Bureau of Labor Statistics and confirms that, pursuant to Berkeley Municipal Code sections 13.76.130.A.9.h (Owner Move-In), and 13.77.055.A.2 (Ellis Act), the 2024 relocation payments are subject to an increase of **3.2%** effective January 1, 2025. The LIRA Committee recommends that the Board adopt Resolution 24-19 to publish the 2025 Relocation Assistance Payment Amounts no later than October 31, 2024, and to direct staff to advise the interested public regarding these changes.

Attachments

1. U.S. Department of Labor, Consumer Price Index, All Urban Consumers (CPI), San Francisco-Oakland-San Jose, CA., All items, June 2020 - June 2024.
2. Proposed Resolution 24-19 Confirming that the 2025 Relocation Assistance Payments for Owner Move-In and Ellis Act Shall Increase by 3.2 Percent Effective January 1, 2025 and Publishing the 2025 Relocation Payment Amounts.

² While the actual difference is 3.2371%, it has been the Board’s practice to base the 65% calculation on the CPI percentage increase rounded to the nearest tenth decimal place.



U.S. BUREAU OF LABOR STATISTICS

Databases, Tables & Calculators by Subject

Data extracted on: September 11, 2024 (11:46:24 AM)

CPI for All Urban Consumers (CPI-U)

Series Id: CUURS49BSAO

Not Seasonally Adjusted

Series Title: All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted**Area:** San Francisco-Oakland-Hayward, CA**Item:** All items**Base Period:** 1982-84=100Download: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419		309.497		311.167		313.265		315.805	309.721	306.724	312.718
2022		320.195		324.878		330.539		328.871		332.062		331.222	327.060	323.408	330.711
2023		337.173		338.496		340.056		340.094		341.219		339.915	339.050	337.689	340.411
2024		345.151		351.247		351.064		349.290						347.857	

12-Month Percent Change

Series Id: CUURS49BSAO

Not Seasonally Adjusted

Series Title: All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted**Area:** San Francisco-Oakland-Hayward, CA**Item:** All items**Base Period:** 1982-84=100Download: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2020		2.9		1.1		1.6		1.6		1.1		2.0	1.7	2.0	1.4
2021		1.6		3.8		3.2		3.7		3.8		4.2	3.2	2.5	3.9
2022		5.2		5.0		6.8		5.7		6.0		4.9	5.6	5.4	5.8
2023		5.3		4.2		2.9		3.4		2.8		2.6	3.7	4.4	2.9
2024		2.4		3.8		3.2		2.7						3.0	

RESOLUTION 24-19**CONFIRMING THAT THE 2025 RELOCATION ASSISTANCE PAYMENTS FOR OWNER MOVE-IN AND ELLIS ACT EVICTIONS SHALL INCREASE BY 3.2 PERCENT EFFECTIVE JANUARY 1, 2025, AND PUBLISHING THE 2025 RELOCATION PAYMENT AMOUNTS**

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, Section 13 of the Rent Stabilization Ordinance, codified as Berkeley Municipal Code section 13.76.130.A.9, provides that effective January 1st of each year, the Relocation Assistance Payments required for Owner Move-In Evictions may be adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose region as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve month period ending the previous June 30; and,

WHEREAS, the Ellis Act Implementation Ordinance, codified as Berkeley Municipal Code Chapter 13.77, provides that effective January 1st of each year, the Relocation Assistance Payments required for Ellis Act evictions shall be adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose region as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve month period ending the previous June 30; and,

WHEREAS, the U.S. Department of Labor, Bureau of Labor Statistics, has reported that the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose region for the twelve-month period ending June 30, 2024, has increased by 3.2 percent from 340.056 to 351.064; and,

WHEREAS, a 3.2 percent increase in the current Owner Move-In and Ellis Act Relocation Assistance Payment Amounts of \$18,533 and an additional \$6,177 for eligible tenant households yields a 2025 Relocation Assistance Payment amount of \$19,126 and an additional \$6,375 for qualifying tenant households; and,

WHEREAS, both Berkeley Municipal Code sections 13.76.130.A.9.h (Owner Move-In) and 13.77.055.A.2 (Ellis Act) mandate that the Rent Board publish any change in the Relocation Payment Amounts no later than October 31st of each year,

NOW, THEREFORE BE IT RESOLVED by the Rent Stabilization Board that the 2025 Relocation Assistance Payments required for Owner Move-In evictions and Ellis Act evictions shall be adjusted upward by 3.2% effective January 1, 2025, and Rent Board staff shall publicize the 2025 Relocation Assistance Payments in a manner reasonably determined to notify all affected persons. A 3.2 percent increase in the current Owner Move-In and Ellis Act Relocation Assistance Payment Amounts of \$18,533 and an additional \$6,177 for eligible tenant households yields a 2025 Relocation Assistance Payment amount of \$19,126 and an additional \$6,375 for qualifying tenant households.

RESOLUTION 24-19

CONFIRMING THAT THE 2025 RELOCATION ASSISTANCE PAYMENTS FOR OWNER MOVE-IN AND ELLIS ACT EVICTIONS SHALL INCREASE BY 3.2 PERCENT EFFECTIVE JANUARY 1, 2025, AND PUBLISHING THE 2025 RELOCATION PAYMENT AMOUNTS (Page 2)

Dated: October 17, 2024

Adopted by the Rent Stabilization Board by the following vote:

YES:

NO:

ABSTAIN:

ABSENT:

Leah Simon-Weisberg, Chairperson
Rent Stabilization Board

Attest: _____
DeSeana Williams, Executive Director