

MEASURE I

When Proposition 13 passed in California on June 6, 1978, it reduced property taxes for landowners. Nevertheless, contrary to politicians' campaign promises, landlords did not reduce rents. Subsequently, voters in Berkeley passed Measure I (the "Renter Property Tax Relief Ordinance") in November of 1978. The purpose of the ordinance was to ensure that renters, who shared the burdens of the property taxes, receive a fair share of the benefits from tax reductions on rental property. The initiative required landlords to refund 80% of their tax savings by lowering rents.

A base rent level (the equivalent of rents paid on June 6, 1978) was established, and rents were rolled back to this level until December 1978. From January 1979 to December 1979, rents were reduced by 10% of the December 1978 level. Increases were allowed for any unavoidable costs.

Guidelines for the increases were stipulated by the law. Measure I required that the increases reflect unavoidable costs, reduced by the 20% of the property tax savings retained by the owner. The increases were limited to increases in operating costs (including taxes, fees, refinancing, and utility expenses). Increases in "unavoidable costs" also encompassed increased premiums and capital improvements: these improvements must have been made after June 6, 1977 and before the date of the adoption of the ordinance, or they must have been necessary to bring the property up to housing codes.

Measure I applied to all rental units in Berkeley except those which were exempt from taxes, or which were in building of four or less units and were owner-occupied. Measure I expired on December 31, 1979 when the Berkeley City Council instated Ordinance 5212 (the "Temporary Rent Stabilization Ordinance"), which in turn expired upon the passage of Measure D (the "Rent Stabilization and Eviction for Good Cause Ordinance") in June 1980.

For more information and assistance contact

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