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Annual Allowable Rental Adjustment - refers to the limit on the Maximum Allowable Rent increase which a Landlord may charge on any covered Rental Unit each year without an order from a hearing officer.

Buyout Agreement - A written agreement where a Landlord pays a Tenant money or other consideration to vacate a Residential Unit.

Buyout Negotiations - Any discussion or bargaining, whether oral or written. Between a Tenant and a Landlord regarding the possibility of entering into a Buyout Agreement. Buyout Negotiations begin upon the Landlord's initiation of such discussion or bargaining and end at the earliest of the following events: when a Buyout Agreement is executed, when the Tenant vacates their Rental Unit, when the Tenant provides written notice to the Landlord that the Tenant no longer wishes to engage in Buyout Negotiations, or when the Landlord provides written notice to the Tenant that the owner no longer wishes to engage in Buyout Negotiations. A counteroffer by the Tenant does not end Buyout Negotiations.

Capital Improvement - An improvement or repair to a Rental Unit or property that materially adds to the value of the Property, appreciably prolongs the Property's useful life or adapts the Property to a new use, becomes a part of the real property or is permanently affixed to the real property such that its removal would result in material damage to the real property or to the improvement itself, has a useful life or more than one (1) year and that is required to be amortized and depreciated over the useful life of the improvement under the provisions of the Internal Revenue Code and related regulations, and may also include work necessary to comply with applicable local, state, or federal building, health, and safety codes.

Capital Improvement Plan - A detailed proposal submitted to the City Attorney or designee by a Landlord in order to proceed with one or more Capital Improvements, and/or receive a Pass Through.

Controlled Rental Unit - A Rental Unit located within the city of Salinas not specifically exempted by an applicable exemption to this Article.

Disabled - The same meaning as in California Government Code section 12955.3.

Housing Services - All amenities and services related to the use or occupancy of a Rental Unit and common areas that are provided by the Landlord. Housing Services includes without limitation hot and cold water, heat, light, utilities that are paid by the Landlord, painting, elevator service, window shades and screens, refuse removal, janitorial service, maintenance, repairs, replacement, recreational areas (including pools or gyms) kitchen, bath, laundry facilities, furnishings, storage space, parking (including one or more automobiles), employee services, security services, insurance, the payment of property taxes, and any other benefits or privileges permitted to the Tenant by agreement, whether express or implied, including the right to have a specific number of occupants and the right to one-for-one replacement of roommates, regardless of any prohibition against subletting and/or assignment. Housing Services also includes those basic Housing Services required

by California Civil Code section 1941.1. Housing Services includes a proportionate part of services provided to common facilities of the building and Property in which the Rental Unit is contained.

Landlord - An owner, lessor, sublessor, or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or any agent, representative, or successor of any of the foregoing.

Maximum Allowable Rent - The maximum allowable rent which may be charged on any Rental Unit covered by this Article.

Pass Through - Any monetary amount a Landlord is authorized to pass through to, and recover from, one or more Tenants in the form of a surcharge or in addition to Rent, as authorized by an approved Capital Improvement Plan or any other lawful authorization.

Primary Residence - Occupancy which does not require that the individual be physically present in the unit at all times or continuously, but the unit must be the individual's usual place of return. Indicia of primary residence include:

- 1. The individual carries on basic living activities at the subject premises for extended periods;
- 2. The subject premises are listed with other public agencies, including federal, state, and local taxing authorities as their primary residence;
- 3. Utilities are billed to and paid by the individual at the subject premises;
- 4. Homeowner's tax exemption for the individual has not been filed for a different property;
- 5. The occupant is not registered to vote at any other location;
- 6. Ownership must be held in the same name of the individual claiming primary residence and not held by a limited liability company or other corporate structure; and
- 7. Other relevant factors illustrating primary residence.

Property - All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

Recognized Tenant Organization - means any group of tenants residing in rental units in the same building or in different buildings operated by the same management company, agent, or landlord, who choose to be so designated.

Rent - All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement, as defined in this section, concerning the use or occupancy of a Rental Unit and premises, including all payment and consideration demanded or paid for parking, utilities, pets, furniture, subletting, and security deposits for damages and cleaning.

Rental Housing Agreement - An agreement, oral, written, or implied, between a Landlord and Tenant, for use or occupancy of a Rental Unit and for Housing Services.

Rental Housing Fee - The fee described in Section 17-02.13.

Rental Unit - Any building, structure, or part thereof, or land appurtenant thereto, or any other rental Property rented or offered for Rent for residential purposes, together with all Housing Services connected with the use and occupancy of such Property such as common areas and recreational facilities held out for use by the Tenant.

Tenant - A tenant, subtenant, lessee, sublessee, or any other person entitled under the term of a Rental Housing Agreement to the use and the occupancy of any Rental Unit.

Utility Charges - Any charges for gas, electricity, water, cable, or internet.