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## CITY OF SALINAS PUBLIC NOTICE MAXIMUM ALLOWABLE ANNUAL INCREASE FOR MOBILE HOME PARK RENT

This notice serves to inform all mobile home park owners and tenants of recent change and to provide guidance on how future rent increases will be determined under the Rent Stabilization Ordinance (RSO).

On September 24, 2024 the City Council adopted the Rent Stabilization Ordinance that limits rent increases on residential real property to the lesser of 2.75% or 75% of the most recent 12-month increase in the Consumer Price Index for All Urban Consumers (CPI-U), Series Title: All items in West urban, all urban consumers, not seasonally adjusted published by the Bureau of Labor Statistics. Only one rent increase per 12-month period is permitted. Additionally, any reduction in housing services is considered an increase in rent. [Chapter 17-02.-04].

Effective February 1<sup>st</sup>, 2026, mobile home park rent increases will be governed by the <u>Rent Stabilization Ordinance</u> (RSO), which supersedes the previous provisions of Salinas City Code Chapter 17.1 related to mobile home park rent adjustments.

## **Key Changes to Mobile home Park Rent Adjustments**

Please note the following important updates:

- Annual CPI-based rent increase notices will no longer be issued.
- Landlords may increase rent based on the lesser of 2.75% or 75% of the most-recent 12-month increase in the CPI-U.
  - Example of how to calculate using the option the lesser of 75% of the most recent 12-month CPI-U increase:
    - 1. Find CPI-U for current month (e.g., August 2025 = 344.096)
    - 2. Find CPI-U for the same month one year earlier (e.g., August 2024= 333.442)
    - 3. Calculate the 12-month increase:  $(344.1-333.4) / 333.4 \times 100 = 3.2\%$
    - 4. Apply 75%:  $3.2\% \times 0.75 = 2.4\%$
    - 5. Conclusion: in this example, the maximum allowable rent increase would be 2.4% because it's lower than the fixed cap of 2.75%.

Note: The allowed rent increase percentage may vary month to month, rather than being fixed annually.

For questions, please contact the Community Development Department, Housing and Community Development Division at (831) 758-7334.

Posted this <u>14<sup>th</sup></u> day of October 2025.

Alexis Mejia
Assistant City Clerk

cc: Lisa Brinton, Community Development Director Orlando Reyes, Assistant Community Development Director Selina Andrews, Finance Director