

EXHIBIT A: PROPOSED AMENDED RENT REVIEW ORDINANCE

Note: **underline and bolded** text represents new text; ~~strike through~~ text represents text to be eliminated

CHAPTER 4-32 RENT REVIEW
ARTICLE 1. GENERAL
4-32-100 SHORT TITLE.

This Chapter shall be known as the "Rent Review Ordinance."

4-32-105 DEFINITIONS.

Unless the context otherwise requires, the terms defined in this Chapter shall have the following meanings:

(a) **BASE RENT** means the rental amount, including any amount paid to the landlord for parking, storage, utilities, water, garbage or any other fee or charge associated with ~~the~~ tenancy residential property required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase. Additionally, base rent ~~could~~ includes costs associated with the initial conversion to a Ratio Utility Billing System.

(b) **BOARD** means the Rent Review Board, as defined in this section.

(c) **CITY** means the City of San Leandro.

(d) **CITY MANAGER** means the City Manager of the City of San Leandro, or his or her designated representative.

(e) **COMMUNITY DEVELOPMENT DIRECTOR**, means the Director of the Community Development Department of the City of San Leandro, or his or her designated representative.

(f) **CONSUMER PRICE INDEX (CPI)** means the annually adjusted average consumer price index, which is released by the U.S. Department of Labor – Bureau of Labor Statistics for the San Francisco – Oakland – San Jose Consolidated Metropolitan Statistical Area (CMSA), as adopted by the City of San Leandro for its annual budget.

(g) **COUNCIL** means the City Council of the City of San Leandro.

(h) **LANDLORD** means any person, partnership, corporation, or other business entity offering for rent or lease any residential property in the City. "Landlord" shall include the agent or representative of the landlord, provided that such agent or representative shall have full authority to answer for the landlord and enter into binding agreements on the landlord's behalf.

(i) **PARTY** means a person who participates in the rent review program of this chapter or his or her agent or representative.

(j) **RATIO UTILITY BILLING SYSTEM** means a billing system paid to a third party that allocates the property's actual utility bill to the tenant based on an occupant factor, square footage factor, or any other similar factors.

(k) **RENT** means a fixed periodic compensation paid by a tenant at fixed intervals to a landlord for the possession and use of residential property, including any amount paid to the

landlord for parking, storage, utilities, [water, garbage](#), or any other fee or charge associated with the tenancy.

(k) **RENT INCREASE** means any upward adjustment of the rent from the base rent amount.

(l) **RENT REVIEW BOARD** means the board established under Article 4 of Chapter 1-3 of this Code.

(m) **RESIDENTIAL PROPERTY** means any housing unit offered for rent or lease in the City, provided that such housing unit is in a [building parcel](#) that contains ~~three~~ [two](#) or more [tenant-occupied](#) housing units, and mobile homes. Mobile homes are subject to this Chapter only if a tenant rents the mobile housing unit itself.

(n) **TENANT** means any person having the legal responsibility for the payment of rent for residential property in the City. "Tenant" shall include the agent or representative of the tenant, provided that such agent or representative shall have full authority to answer for the tenant and enter into binding agreements on the tenant's behalf.

ARTICLE 2. NOTICE OF AVAILABILITY OF RENT REVIEW 4-32-200 NOTICE OF AVAILABILITY OF RENT REVIEW REQUIRED.

In addition to the notice of a rent increase required by Civil Code Section 827(b), and at the time when a landlord provides such notice of a rent increase, the landlord shall also provide notice of the availability of the rent review procedure established by this Chapter. Any rent increase accomplished in violation of this Chapter shall be void, and no landlord may take any action to enforce such an invalid rent increase. Any rent increase in violation of this Chapter shall operate as a complete defense to an unlawful detainer action based on failure to pay any illegal rent increase. Any tenant required to pay an illegal rent increase may recover all illegal rent increase amounts actually paid by the tenant.

[If a landlord fails to properly notice a tenant pursuant to this Chapter, the landlord must re-notice the tenant in accordance with this section prior to demanding or accepting any increase in rent.](#)

4-32-205 CONTENTS OF NOTICE.

All notices of the availability of rent review shall be in writing, shall provide the name, address and phone number of the landlord and shall be personally delivered to the tenant or posted and mailed to the tenant at the address of the tenant's ~~rental unit~~ [residential property](#) by first class mail, postage pre-paid. Service by mail shall be presumed complete within five (5) days of mailing. This presumption may be rebutted by the tenant.

4-32-210 TEXT OF NOTICE.

In addition to all other information provided in the notice of the availability of rent review required by this Chapter, each such notice shall state:

NOTICE: Under Civil Code Section 827(b) a landlord must provide a tenant with thirty (30) days notice prior to a rent increase of ten percent (10%) or less and sixty (60) days notice of a rent increase of greater than ten percent (10%). Under Title 4, Chapter 32 of the San Leandro Municipal Code, a landlord must at the same time provide this notice of the City's rent review procedure before demanding or accepting any increase in rent. You are encouraged to contact the owner or manager of your rental unit to discuss ~~the~~ rent increase and or any maintenance or repair work that needs to be done in your rental unit. However, if you have received notice of a rent increase that 1) will increase your rent more than ten percent (10%) above the base rent you paid last month; ~~2) is greater than \$75 per month, or~~ 3) is greater than \$100 per month. Beginning on July 1, 2017, and each July 1 thereafter, this threshold for a rent increase that is greater than \$100 shall increase by an amount equal to the prior year's increase, if any, in the Consumer Price Index (CPI), as determined by the United States Department of Labor and adopted by the City of San Leandro for its annual budget. The City shall use the February to February change in the CPI to calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease of this threshold for a rent increase. ~~plus the annual Consumer Price Index (CPI) adjustment adopted by the City, or~~ 3) follows one or more prior rent increases within the past twelve months, you may request that the San Leandro Rent Review Board review the increase. Such a request must be submitted in writing within fifteen (15) calendar days of your receiving notice of the rent increase (or post marked within 15 days of receipt if mailed). You must submit a copy of the Notice of Increase at the same time you submit the Hearing Request. If you request review of the rent increase, you and your landlord will be required to appear before the Board for a hearing on your rent dispute. After hearing from you and your landlord the Board will make a non-binding recommendation for resolution of the rent dispute. To request review of your rent increase, please contact the Board through the Community Development Department of the City of San Leandro, 835 East 14th Street, San Leandro, CA 94577. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

ARTICLE 3. RENT REVIEW

4-32-300 REQUEST FOR RENT REVIEW.

~~Either a landlord or a~~ A tenant may seek to have a rent dispute heard before the Board when the proposed rent increase: 1) raises the rent to an amount more than ten percent (10%) greater than the base rent; ~~2) increases the monthly rent by an amount greater than seventy five dollars (\$75) per month, or~~ 2) increases the monthly rent by an amount greater than \$100 per month. Beginning on July 1, 2017, and each July 1 thereafter, this threshold for a rent increase that is greater than \$100 shall increase by an amount equal to the prior year's increase, if any, in the Consumer Price Index, as determined by the United States Department of Labor and adopted by the City of San Leandro for its annual budget. The City shall use the February to February change in the CPI to calculate the annual increase, if any. A decrease in the CPI shall not result in a decrease of this threshold for a rent increase. ~~plus the annual Consumer Price Index (CPI) adjustment adopted by the City or~~ 3) follows a prior rent increase imposed within the previous

twelve-month period. The party-tenant seeking a rent review must submit the hearing request in writing to the Community Development Department Director of the City of San Leandro, 835 East 14th Street, San Leandro, CA 94577, within fifteen (15) calendar days of the tenant's receipt of a notice of rent increase. The hearing request must be received by the Community Development Director, (or post marked (if submitted by mail) within fifteen (15) calendar days of receipt of the notice of rent increase~~such receipt if the request for review is mailed~~). The request must be accompanied by a copy of the Landlord's Notice of Increase.

The Community Development Director shall provide the landlord with a copy of the tenant's rent review hearing request form, which shall be accompanied by a hearing response form. A landlord must submit a completed hearing response form to the Community Development Director within ten (10) calendar days of the landlord's receipt of a tenant's rent review hearing request form. A rent increase shall be void, and the landlord shall be required to properly re-notice the tenant in accordance with Section 4-32-200 of this Code if the landlord does not submit a hearing response form pursuant to this section. The Community Development Director shall provide notice of the requirements of this section in a conspicuous location on the hearing response form.

The hearing shall be scheduled before the Board within fifty-sixty (650) days of the receipt of the hearing request, ~~unless the landlord and the tenant consent to a later date~~ or as soon thereafter as the hearing may be scheduled.

A request for rent review shall not delay the effective date of a rent increase. If appropriate, the parties may enter into a mutual private agreement to delay the effective date of a rent increase or reach any other agreement to effectively reimburse rent increases paid by the tenant.

4-32-305 NOTICE TO PARTIES.

After determining that a proposed rent increase meets the criteria for initiation of rent review set forth in Section 4-32-300 above, the Community Development Director shall schedule a staff facilitation rent review hearing of the rent dispute before the Board. The Community Development Director shall provide the landlord and the tenant notice of the hearing date and location at least ten (10) days prior to the hearing. The notice to the landlord shall encourage him or her to contact the tenant directly to seek a mutually satisfactory resolution of the rent dispute prior to the Board hearing.

4-32-310 HEARING AND DETERMINATION.

At a hearing of a rent dispute, the Board will afford the landlord and the tenant an opportunity to explain their respective positions. After hearing from both parties, and taking into consideration such factors as the hardship to the tenant, the frequency and amount of prior rent increases, the landlord's mortgage payments and other costs associated with owning and maintaining the property, the landlord's interest in earning a reasonable rate of return, and any other factors that may assist the Board in determining a fair resolution to the dispute, the Board will make a recommendation to the parties for the resolution of their dispute. If the parties agree

to a resolution proposed by the Board, they may formalize the agreement in a standard form signed by both parties. Neither the City nor the Board shall be a party to such an agreement, nor shall the City or the Board assume any responsibility for enforcement of its terms.

4-32-315 CONTINUANCE.

If the landlord and tenant are unable to reach a resolution of their dispute during a hearing before the Board, the Board may in its discretion continue the hearing to the next scheduled regular meeting or special meeting of the Board for up to one month and require the parties to return for a second and final Board hearing of their dispute. Whenever the Board continues a hearing of a rent dispute, the Board will provide notice of the continuance to a mailing list of interested organizations that annually submit to the City Clerk a request to be included on such mailing list.

4-32-320 FAILURE TO APPEAR—~~RETALIATORY EVICTION.~~

If the tenant requesting a rent review hearing appears at a noticed Board hearing, but the landlord who has been given notice of the Board hearing as required by Section 4-32-305 above fails to appear before the Board without good cause, the rent increase shall be void, and the landlord may not take any action to enforce such an invalid rent increase. ~~Commencement of eviction proceedings against a tenant for exercising his or her rights under this Chapter shall be considered a retaliatory eviction.~~ If a tenant who has been given proper notice of a Board hearing as required by Section 4-32-305 ~~above of this Code~~ fails to appear before the Board without good cause, or if both the tenant and landlord fail to appear without good cause, the Board shall dismiss the case and the tenant will be barred from subsequently challenging such increase before the Board.

4-32-325 ~~RETALIATORY EVICTION.~~

Commencement of eviction proceedings against a tenant for exercising his or her rights under this Chapter shall be considered a retaliatory eviction. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

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ARTICLE 4. ~~COUNCIL-CITY MANAGER REVIEW~~

4-32-400 REFERRAL TO CITY ~~COUNCILMANAGER~~

If the parties to a rent dispute are unable to mutually agree to a resolution of the dispute before the Board after a first hearing and a second and final continuance hearing, either party may request that the Board may, in its discretion, refer forward the rent dispute for further consideration by to the City Manager for review ~~Council. In its discretion, after either a first or a second hearing, the Board may then request that the Council review the rent dispute.~~ Whenever the Board recommends that the Council-City Manager review a rent dispute, the Board will provide notice of its action to a mailing list of interested organizations that annually submit to the City Clerk a request to be included on such mailing list. In the event that a landlord and tenant

mutually agree to a resolution of their rent dispute prior to review by the City Manager, the rent dispute will no longer be forwarded to the City Manager for review.

4-32-405 CONSIDERATION BY CITY MANAGER.

Upon referral from the Board, the City Manager may request a meeting with the tenant and landlord in an effort to resolve the rent dispute. However, the City Manager shall have no authority to require the tenant and landlord to meet or take any further actions pursuant to this Chapter.

ARTICLE 5. MISCELLANEOUS

4-32-500 ANNUAL REVIEW.

The Board shall annually prepare a report to the Council assessing the effectiveness of the rent review program established under this Chapter and recommending changes as may be appropriate.

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