

EXHIBIT A

Chapter 4.37

TENANT RELOCATION ASSISTANCE

Article 1. Purpose

4-37-100 Purpose.

In enacting these regulations the City Council recognizes the need to protect long-term tenants and tenant households in need from the adverse health, safety and economic impacts of displacement. It is the purpose and intent of the City Council to mitigate such impacts on these residents consistent with this Chapter.

Article 2. Definitions

4-37-200 Definitions.

For the purpose of this Chapter, unless otherwise apparent from the context, certain words and phrases used in this Chapter are defined as follows:

(a) **BASE RENT** means the rent for residential property required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase. Base rent shall not include ancillary services including, but not limited, to pet deposits, storage, additional parking or utility pass-throughs.

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

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

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

(e) **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.

(f) **LANDLORD-CAUSED TERMINATION** means a landlord taking action to terminate the tenancy of a tenant occupying residential property. A landlord-caused termination also includes the circumstance where a landlord provides the tenant with a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent, to an amount more than twelve percent (12%) greater than the base rent that was in place at any time during a twelve (12) month period, and the tenant elects to not remain in the residential property. This excludes circumstances where the proposed rent increase is rescinded by the landlord and excludes residential properties where landlords may establish the initial and all subsequent rental rates for a residential property pursuant to California Civil Code Section 1954.52. A landlord-caused termination shall not include the following circumstances:

(1) Failure to pay rent. Tenant failed to pay rent within three days of receiving written notice from the landlord demanding payment in accordance with California Code of Civil Procedure Section 1161.

(2) Breach of rental contract. Tenant violated a material term of the rental agreement with the landlord for occupancy of residential property.

(3) Tenant illegal activities. Tenant has used the residential property for an illegal purpose, including but not limited to, the unlawful distribution of a controlled substance as contemplated by California Civil Code Section 3486, or the unlawful use, manufacture, or possession of weapons and ammunition as contemplated by California Civil Code Section 3485.

(4) Failure to allow landlord access. Tenant failed to allow landlord access to the residential property, after receiving due notice as required by California Civil Code Section 1954.

(5) Residential property uninhabitable without landlord fault. The residential property becomes uninhabitable as a result of the tenant's negligence or willful conduct or as a result of an earthquake, fire, flood or other acts of God.

(6) Termination of employment. The lawful termination of the tenant's employment by the landlord, where such employment was an express condition of, or consideration for, the tenancy pursuant to the rental agreement.

(7) Temporary repairs or renovations. The tenant is temporarily displaced from the residential property due to repairs, remodeling or renovations, where the landlord provides the tenant with alternative housing for the duration of the repairs, remodeling or renovations.

(8) Prior notice of renovations. Landlord notified tenant prior to entering into the rental agreement of the landlord's intent to renovate the residential property within one (1) year of tenant occupying the residential property and the landlord files plans with the City to renovate the residential property at the time the landlord notifies the tenant of termination of tenancy.

(g) **RENT** means the amount of fixed periodic compensation paid by a tenant to a landlord, as defined by the rental agreement between the tenant and landlord, for the possession and use of residential property. Rent shall not include ancillary services including, but not limited to, pet deposits, storage, additional parking or utility pass-throughs.

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

(i) **RENTAL AGREEMENT** means the legal written agreement, including all changes and addenda governing occupancy of the residential property, between landlord and tenant.

(j) **RESIDENTIAL PROPERTY** means any housing unit offered for rent or lease in the City, provided that such housing unit is in a parcel that contains five (5) 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. Residential property shall exclude any housing unit that is subject to a recorded affordable housing regulatory agreement that requires that the housing unit be rented at restricted rents to income qualified tenants as defined by the regulatory agreement.

(k) **SPECIAL-CIRCUMSTANCES HOUSEHOLD** means a tenant or anyone else authorized by the landlord to occupy residential property with any of the following characteristics at the time of notice of a landlord-caused termination:

(1) At least one (1) resident of the residential property is sixty-two (62) years of age or older;

(2) At least one (1) resident of the residential property qualifies as disabled as defined by Title 42, United States Code, No. 423 or handicapped as defined by California Health and Safety Code Section 50072; or

(3) One (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes) reside in the residential property.

(l) **TENANT** means any person having the legal responsibility for the payment of rent for residential property in the City as identified under a valid lease or rental agreement with a landlord.

Article 3. Requirement to provide relocation assistance

4-37-300 Requirement to provide relocation assistance.

No landlord shall effectuate a landlord-caused termination without paying relocation assistance in accordance with this Chapter.

4-37-305 Relocation assistance.

The landlord shall provide relocation assistance, in a total amount not to exceed Ten Thousand Dollars (\$10,000), where required by section 4-37-300, to an eligible tenant in the following amounts:

(a) Three times the most current Fair Market Rents as published annually by the U.S. Department of Housing and Urban Development (“HUD”) for the Oakland-Fremont, California HUD Metro FMR Area in the Federal Register, or three times the monthly rent that the tenant(s) is paying at the time the notice of the landlord-caused termination is delivered, whichever amount is greater.

(b) One Thousand Dollars (\$1,000) for special-circumstances households. A tenant is only entitled to claim a special-circumstances household payment of One Thousand Dollars (\$1,000) per residential property.

4-37-310 Procedures for relocation assistance payment.

The landlord shall pay relocation assistance as follows:

(a) The entire relocation assistance amount shall be paid to the tenant or tenants who executed the rental agreement. If the residential property is occupied by two (2) or more individuals, then relocation assistance shall be paid to the individual entitled to occupy the residential property under the rental agreement; provided, however, if the tenant receives, as part of the termination of tenancy, relocation assistance from a governmental agency, then the amount of that relocation assistance shall operate as a credit against any relocation assistance to be paid to the tenant. Landlord may deduct from the relocation assistance payable any and all past due rent owed by tenant during the twelve months prior to termination of tenancy and may deduct from the relocation assistance any amounts paid by the landlord for any damage, cleaning, key replacement, or other purposes served by a security deposit as defined by the rental agreement, to the extent the security deposit is insufficient to provide the amounts due for such costs. To the extent landlord is required to comply with an enforcement order of the City that requires the payment of relocation benefits pursuant to California Health & Safety Code Section 17975, *et seq.*, then the amount of that relocation benefit shall operate as a credit against any relocation assistance paid or to be paid to a tenant under this Chapter.

(b) After taking into account any adjustments in the amount of the relocation assistance under section 4-37-310(a), the landlord shall pay one half of the relocation assistance no later than five business days following service of the notice to a tenant of landlord-caused termination and one half of the relocation assistance no later than the last day of tenancy for which the landlord has received rent. For landlord-caused terminations where a landlord provides a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent, to an amount more than twelve percent (12%) greater than the base

rent at any time during a twelve (12) month period and the tenant elects to not remain in the residential property, the landlord shall pay one half of the relocation assistance no later than five business days following receipt of written notice that the tenant intends to vacate the residential property and one half of the relocation assistance no later than the last day of tenancy for which the landlord has received rent. If the tenant ultimately fails to vacate the residential property following a landlord-caused termination where a landlord provides a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent, to an amount more than twelve percent (12%) greater than the base rent at any time during a twelve (12) month period, the tenant shall reimburse relocation assistance to the landlord.

(c) Nothing provided herein prohibits a landlord and a tenant from agreeing to relocation assistance different than as provided in this section. A landlord shall not attempt to influence a tenant to agree to relocation assistance different than as provided in this section in bad faith by means of fraud, intimidation, or coercion (including, but not limited to, threats based on immigration status).

4-37-315 Notice of termination and notice of entitlement to relocation assistance.

Landlord shall provide a written notice of termination to all tenants subject to termination of tenancy from a residential property required by State law at least ninety (90) days prior to the date a tenant must vacate the residential property for landlord-caused terminations. Written notice of tenant's entitlement to relocation assistance shall be provided by the landlord at the same time that the landlord provides notice of termination of tenancy from a residential property. For landlord-caused terminations where a landlord provides a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent, to an amount more than twelve percent (12%) greater than the base rent at any time during a twelve (12) month period and the tenant elects to not remain in the residential property, the landlord shall provide a written notice of tenant's entitlement to relocation assistance at the same time that the landlord provides notice of a rent increase. Such notice of entitlement to relocation assistance shall be posted on the door to the residential property and sent certified mail or first class mail, or personally served upon tenant, and shall be provided in the three (3) predominant languages spoken in the City. The City Manager or his designee shall determine the predominant languages spoken in the City.

4-37-320 Text of notice.

The notice of entitlement to relocation assistance shall state:

NOTICE: Under Title 4, Chapter 37 of the San Leandro Municipal Code, a landlord must provide tenants that have occupied residential property under a valid lease or rental agreement with a landlord with ninety (90) days' notice prior to termination of tenancy. At the same time the landlord provides a qualifying tenant with notice of termination of tenancy, the landlord must provide this notice of the tenant's entitlement to relocation assistance. Qualifying tenants are entitled to the following forms of relocation assistance: (a) A relocation fee which shall be the cash equivalent of three times the most current Fair Market Rents as published annually by the U.S. Department of Housing and Urban Development ("HUD") for the Oakland-Fremont, California HUD Metro FMR Area in the Federal Register, or three times the monthly rent that the tenant(s) is paying at the time the notice of the landlord-caused termination is delivered, whichever amount is greater; and (b) One Thousand Dollars (\$1,000) for special-circumstances

households. Special-circumstances households include the following: (1) At least one (1) member is sixty-two (62) years of age or older; (2) At least one (1) member qualifies as disabled as defined by Title 42, United States Code, section 423 or handicapped as defined by California Health and Safety Code Section 50072; or (3) Is a household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes). 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.

The notice of entitlement to relocation assistance for landlord-caused terminations where a landlord provides a proposed rent increase, or proposed rent increases, that raise the rent to an amount more than twelve percent (12%) greater than the base rent during a twelve (12) month period and the tenant elects to not remain in the residential property 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 37 of the San Leandro Municipal Code, a landlord must at the same time as a notice under Civil Code Section 827(b), provide this notice of the tenant's entitlement to relocation assistance. Qualifying tenants are entitled to the following forms of relocation assistance: (a) A relocation fee which shall be the cash equivalent of three times the most current Fair Market Rents as published annually by the U.S. Department of Housing and Urban Development ("HUD") for the Oakland-Fremont, California HUD Metro FMR Area in the Federal Register, or three times the monthly rent that the tenant(s) is paying at the time the notice of the landlord-caused termination is delivered, whichever amount is greater; and (b) One Thousand Dollars (\$1,000) for special-circumstances households. Special-circumstances households include the following: (1) At least one (1) member is sixty-two (62) years of age or older; (2) At least one (1) member qualifies as disabled as defined by Title 42, United States Code, section 423 or handicapped as defined by California Health and Safety Code Section 50072; or (3) Is a household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes). 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.

4-37-325 Retaliation prohibited.

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.

Article 4 Enforcement

4-37-400 Failure to comply.

A landlord's failure to comply with any requirement of this Chapter may be asserted as an affirmative defense in an action brought by the landlord to recover possession of the residential property. Additionally, any attempt to recover possession of a residential property in violation of this Chapter shall render the landlord liable to the tenant for actual and punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The

tenant may also seek injunctive relief and money damages for wrongful eviction and/or failure to pay relocation assistance. A landlord may seek money damages for a tenant's failure to reimburse relocation assistance if the tenant ultimately fails to vacate the residential property following a landlord-caused termination where a landlord provides a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent, to an amount more than twelve percent (12%) greater than the base rent at any time during a twelve (12) month period. The prevailing party in an action for wrongful eviction and/or failure to pay relocation assistance or reimburse relocation assistance shall recover costs and reasonable attorneys' fees.

Article 5. Miscellaneous
4-37-500 Annual Review.

The Community Development Director shall annually prepare a report to the City Council assessing the effectiveness of the relocation assistance program established under this Chapter and recommending changes as may be appropriate.

2829701.1