

ORDINANCE NO. XX-XX N.S.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RICHMOND AMENDING
ARTICLE XI OF THE RICHMOND MUNICIPAL CODE TO ESTABLISH A RENT
CONTROL BOARD AND JUST CAUSE REQUIREMENT FOR EVICTIONS

WHEREAS, rents in the City of Richmond (City) and throughout the Bay Area have risen substantially in recent years; and

WHEREAS, there is a shortage of decent, safe, affordable, and sanitary housing in the City; and

WHEREAS, according to the U.S. Census Bureau's 2009-2013 American Community Survey 5-year estimates, 54.9% of renter households in the City pay a gross rent which exceeds 30% of their income and are thus considered to be overpaying on housing costs; and

WHEREAS, according to the U.S. Census Bureau's 2009-2013 American Community Survey 5-year estimates, approximately 82.1% of low-income, renter-occupied households are overpaying on housing costs; and

WHEREAS, according to RealFacts, the average rental asking price for Richmond rental units in six (6) properties with fifty (50) units or more increased 24.3% between 2011-2014; and

WHEREAS, according to the U.S. Census Bureau's 2013 American Community Survey 1-Year Estimates, the median income gap between owner and renter

households in Richmond was \$38,520, with renter households earning substantially less than owner households; and

WHEREAS, the City Council is concerned that rising rents and stagnant or decreasing wages will exacerbate housing cost burdens faced by renters in the City and threaten their displacement in the future; and

WHEREAS, City staff convened stakeholders at community workshops, meetings, and working groups to gather input and feedback in the drafting of a policy for the City; and

WHEREAS, in their research, staff find that the inclusion of a just cause requirement for evictions is a necessary component of rent control ordinances in the State of California; and

WHEREAS, rent control has been adopted in several jurisdictions in California and has long been upheld as constitutional; and

NOW, THEREFORE, BE IT RESOLVED, the City Council does ORDAIN as follows:

SECTION I. Article XI of the Richmond Municipal Code is hereby amended to add a new Chapter to be numbered and to read as follows:

Chapter 11.100

**ESTABLISHMENT OF A RENT CONTROL BOARD AND JUST CAUSE
REQUIREMENT FOR EVICTIONS**

11.100.010 Short title and effective date.

- 11.100.020 Definitions.
- 11.100.030 Permanent Rent Control Board.
- 11.100.040 Maximum allowable rents.
- 11.100.050 Individual and general adjustment of ceilings on allowable rents.
- 11.100.060 Just cause required for eviction.
- 11.100.070 Non-waiverability.
- 11.100.080 Judicial review.
- 11.100.090 Civil remedies.
- 11.100.100 Criminal remedies.
- 11.100.110 Injunctive and other civil relief.
- 11.100.120 Partial invalidity.

11.100.010 **Short title and effective date.**

This ordinance shall be known as the Rent Control and Just Cause for Eviction ordinance. This Chapter shall be effective ~~December 1, 2015~~ January 1, 2016.

11.100.020 **Definitions.**

- A. "Administrative Fee" means the fee levied by the Rent Board and paid by landlords of applicable units to finance all its reasonable and necessary expenses.
- B. "Administrator" means the City Manager of the City of Richmond or his or her designee.
- C. "Board" refers to the Rent Control Board and Interim Board established by this Chapter.
- D. "Commissioners" refer to the members of the Board and Interim Board.
- E. "Controlled Rental Units" are residential rental units in the City of Richmond which are subject to Rent Control, except those units found by the Board to be exempt under one or more of the following provisions:

(1) Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than sixty (60) days.

(2) Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education.

~~(3)~~ Single family homes, condominiums and residential rental units which received a certificate of occupancy after February 1, 1995, Units exempt from rent control pursuant to the Costa-Hawkins Rental Housing Act (Civil Code of Procedure Section 1954.52).

~~(3)~~(4) Units receiving project-based or tenant-based Section 8 subsidy.

~~(4)~~(5) Where a unit is actually used for purposes of providing, on a nonprofit basis, child care or other residential social services in accordance with applicable laws. This exemption shall expire when the use upon which the exemption is based ceases. This exemption shall only apply to units as they become vacant and shall only operate to allow the specified use without the necessity of obtaining a removal permit under this Chapter. This exemption shall not be construed to authorize the eviction of any tenant nor to authorize the charging of rent in excess of that permitted under this Chapter. The Board may adopt regulations to determine whether a unit qualifies for an exemption under this Section.

~~(5)~~(6) Exemptions are not automatic but shall be granted by the Board upon application by the owner pursuant to Board rules, provided that if the

Board does not act upon a completed application for exemption within ninety (90) days of its filing it shall be deemed approved.

- F. "Housing services" include, but are not limited to repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit, privilege or facility connected with the use or occupancy of any rental unit. Services to a rental unit shall include a proportionate part of services provided to common facilities of the building in which the rental unit is contained.
- G. "Interim Period" means the period of time between the effective date of this Chapter and November 2016.
- H. "Interim Board" means an appointed five (5) -member board, the Richmond City Council.
- I. "Landlord" means an owner, lessor, sublessor or any other person entitled to receive rent for the use and occupancy of any rental unit, or an agent, representative or successor of any of the foregoing.
- J. "Rent" means periodic payments and all nonmonetary consideration including but not limited to, the fair market value of goods or services rendered to or for the benefit of the landlord under an agreement concerning the use or occupancy of a rental unit and premises including all payment and consideration demanded or paid for parking, separately metered utilities, pets, furniture, subletting and security deposits for damages and cleaning.

- K. "Rental Housing Agreement" means an agreement, oral, written or implied, between a landlord and tenant for use or occupancy of a rental unit and for housing services.
- L. "Rental units" mean any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for living or dwelling house units, together with all housing services connected with use or occupancy of such property such as common areas and recreational facilities held out for use by the tenant, except those found by the Board to be exempt under one of the following provisions:
- 1) Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than sixty (60) days.
 - 2) Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education.
 - 3) Where a unit is actually used for purposes of providing, on a nonprofit basis, child care or other residential social services in accordance with applicable laws.
- M. "Tenant" means a tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a rental housing agreement to the use or occupancy of any rental unit.
- N. "Recognized Tenant Organization" means any group of tenants residing in controlled rental units in the same building or in different buildings operated by the same management company, agent or landlord, who requests to be so designated.

O. "Rent ceiling" refers to the limit on the maximum allowable rent which a landlord may charge on any controlled rental unit.

P. "Base rent ceiling" means the maximum allowable rent established in Section 11.100.040 of this Chapter.

Q. "Property" means all rental units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

R. "Single Family Home" means a property that has been developed with only one one-family dwelling and any lawful accessory structures, or a lawfully created condominium, stock cooperative or similar unit that is part of a larger residential structure or complex, excepting those condominiums, stock cooperatives, or similar units converted after July 28, 2015 for which no removal permit or vested right determination has been issued by the Board.

R.S. "Property-related Charges" means charges in addition to regular ad valorem taxes that appear on a property tax bill, including wastewater user fees, stormwater fees, voter-approved bonded indebtedness, or special assessments.

11.100.030 **Rent Control Board.**

(a) **Composition.** There shall be in the City of Richmond a Rent Control Board.

The Board shall consist of ~~five~~^{seven} (5~~7~~) elected Commissioners: ~~two (2) Richmond residential rental property owners, two (2) Richmond tenants and three (3) Richmond residents who are neither tenants nor residential property owners.~~ The Board shall elect annually as chairperson one of its members to serve in that capacity. ~~The Board shall appoint three (3) alternate members: one (1) residential rental property owner, one~~

~~(1) tenant and one (1) person who is neither a tenant nor residential rental property owner. Alternate Board members may act at Board meetings in the absence of a regular Board member of the same category.~~

(b) **Eligibility.** Duly qualified electors of the City of Richmond are eligible to serve as Commissioners of the Board.

(c) **Full Disclosure of Holdings.** Candidates for the position of Commissioner shall submit a verified statement listing all of their interests and dealings in real property, including but not limited to its ownership, sale or management, during the previous three (3) years.

(d) **Election of Commissioners.** Commissioners shall be elected at general municipal elections in the same manner as set forth in Article V of the Richmond City Charter, except that during the interim period, the [Interim Board](#)~~City Council~~ shall serve as the Rent Board.

(e) **Term of Office.** Commissioners shall be elected to serve terms of four (4) years, beginning on the first Tuesday following their election. Commissioners shall serve a maximum of two (2) full terms.

(f) **Powers and Duties.** The Board shall have the following powers and duties:

- (1) Publish the annual general adjustment for allowable rent increases of controlled units.
- (2) Establish a base rent ceiling on rents under Section 11.100.040(a) of this Chapter.
- (3) To make individual rent adjustments in accordance with Section 11.100.050 of this Chapter.

- (4) Set rents at fair and equitable levels in order to achieve the intent of this Chapter.
- (5) Make such studies, surveys and investigations, conduct such hearings, and obtain such information as is necessary to carry out its powers and duties.
- (6) Report annually to the City Council of the City of Richmond on the status of controlled rental housing.
- (7) Remove rent controls under Section 11.100.030 (q) of this Chapter.
- (8) Issue permits for removal of controlled rental units from rental housing market under Section 11.100.030 (s) of this Chapter.
- (9) Administer oaths and affirmations and subpoena witnesses.
- (10) Establish rules and regulations for deducting penalties and settling civil claims under Section 11.100.090 of this Chapter.
- (11) Refer violations of this Chapter to appropriate authorities for criminal prosecution.
- (12) Seek injunctive and other civil relief under Section 11.100.110 of this Chapter.
- (13) Charge and collect the administrative fee for all rental units, including penalties for late payments.
- (14) Approve financial hardship exemption applications to waive payment of the administrative fee.

(15) Determine allowable rent increase pass-throughs for sewer or other

~~city-wide fees as necessary.~~ Property-related Charges Fee
increases above the Consumer Price Index as necessary.

(g) **Rules and Regulations.** The Board shall issue and follow such rules and regulations, including those which are contained in this Chapter, as will further the purposes of the Chapter. The Board shall publicize its rules and regulations prior to promulgation in at least one newspaper of general circulation in the City of Richmond. The Board shall hold at least one public hearing to consider the views of interested parties before deciding to decontrol or reimpose control for any class of rental units under Section 11.100.030(q). All rules and regulations, internal staff memoranda, and written correspondence explaining the decisions, orders, and policies of the Board shall be kept in the Board's office and shall be available to the public for inspection and copying. The Board shall publicize this Chapter so that all residents have the opportunity to become informed about their legal rights and duties under Rent Control in the City of Richmond. The Board shall prepare a brochure which fully describes the legal rights and duties of landlords and tenants under Rent Control in the City of Richmond. The brochure will be available to the public, and each tenant of a controlled rental unit shall receive a copy of the brochure from his or her landlord.

(h) **Meetings.** The Board shall hold such regularly scheduled meetings as are necessary to ensure the timely performance of its duties under this Chapter. All regular and special meetings shall be called and conducted in accordance with State law.

(i) **Quorum.** ~~Three~~Four (34) Commissioners shall constitute a quorum for the Board.

(j) **Voting.** The affirmative vote of ~~threefour~~ (34) Commissioners of the Board is required for a decision, including all motions, regulations, and orders of the Board.

(k) **Compensation.** Each Commissioner shall be compensated in an amount equivalent to that paid to Housing Advisory Commission members per Richmond Municipal Code Chapter 3.48.

(l) **Dockets.** The Board shall maintain and keep in its office all hearing dockets.

(m) **Vacancies.** If a vacancy shall occur on the Board, the Board shall within thirty (30) days appoint a qualified person to fill such a vacancy until the following general municipal election when a qualified person shall be elected to serve for the remainder of the term.

(n) **Financing.** The Board shall finance its reasonable and necessary expenses by charging landlords an annual administrative fee in an amount deemed reasonable by the Board. The administrative fee shall be published in the City's fee schedule. No portion of this administrative fee may be passed on to the tenant. The Board is also empowered to request and receive funding when and if necessary from any available source for its reasonable and necessary expenses.

(o) **Recall.** Commissioners may be recalled in accordance with the provisions of Article VIII of the Richmond City Charter.

(p) **Staff.** Hearing examiners shall be employed as necessary to perform its function efficiently in order to fulfill the purpose of this Chapter.

(q) **Decontrol.** If the average annual vacancy rate in any category, classification, or area of controlled rental units exceeds five (5) percent, the Board is empowered, at its

discretion and in order to achieve the objectives of this Article, to remove rent controls from such category, classification or area. The Board may determine such categories, classifications, or areas for purposes of decontrol consistent with the objectives of this Chapter. In determining the vacancy rate for any category, classification or area of controlled rental units, the Board shall consider all available data and shall conduct its own survey. If units are decontrolled pursuant to this Subsection, controls shall be reimposed if the Board finds that the average annual vacancy rate has thereafter fallen below five (5) percent for such category, classification or area.

(r) **Security Deposits.** Any payment or deposit of money the primary function of which is to secure the performance of a rental agreement or any part of such agreement, including an advance payment of rent, shall be placed in an interest bearing account at a federally insured financial institution until such time as it is returned to the tenant or entitled to be used by the landlord. Unless and until the Board enacts regulations directing that the interest on such accounts be paid directly to the tenant, the landlord may either pay such interest directly to the tenant or use it to offset operating expenses, in which case the offset shall be a factor in making individual rent adjustments under Section 11.100.050. The Board may regulate the amount and use of security deposits consistent with the purposes of this Chapter and State law.

(s) **Removal of a Controlled Unit from the Rental Housing Market.** Any landlord who desires to remove a controlled rental unit from the rental housing market by demolition, conversion or other means is required to obtain a permit from the Board prior to such removal from the rental housing market in accordance with rules and regulations promulgated by the Board.

11.100.040 **Maximum allowable rents.**

(a) **Establishment of Base Rent Ceiling.** No landlord shall charge rent for the same tenancy for any controlled rental units in an amount greater than the rent in effect on July 21, 2015~~August 27, 2015~~. The rent in effect on that date is the “Base rent ceiling.” If there was no rent in effect on July 21, 2015~~August 27, 2015~~, the Base rent ceiling shall be the rent that was charged on the first date that rent was charged following July 21, 2015~~August 27, 2015~~. As used in this subsection, the term “initial rental rate” means only the amount of rent actually paid by the tenant for the initial term of the tenancy. The base rent ceiling is the reference point from which the rent ceiling shall be adjusted upward or downward in accordance with Section 11.100.050.

(b) **Posting.** Once the landlord is aware of the permitted annual general adjustment, the landlord shall post it for each unit in a prominent place in or about the affected controlled rental units. The Board may require that other information it deems relevant also be posted.

11.100.050 **Individual and general adjustment of ceilings on allowable rents.**

(a) **Annual General Adjustment.** No later than June 30 each year, the Board shall announce the percentage by which rent ceilings for eligible units will be generally adjusted effective September 1 of that year.

(1) The adjustment shall be equal to one-hundred sixty (~~10060~~) percent of the percentage increase in the Consumer Price Index (All Urban Consumers,

San Francisco – Oakland – San Jose region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve (12) month period ending on March of the current year.

(2) In determining the allowable percentage increase, numbers of .04 and below shall be rounded down to the nearest tenth decimal place and numbers of .05 and above shall be rounded up to the nearest tenth decimal place.

(3) In no event shall the general adjustment be less than zero percent or greater than six (6) percent.

(b) **Petitions.** Upon receipt of a petition by a landlord and/or a tenant, the maximum rent of individual controlled rental units may be adjusted upward or downward in accordance with the procedures set forth elsewhere in this Section. The petition shall be on the form provided by the Board and shall include a declaration by the landlord that the unit meets all requirements of Section 11.100.050 (g). Notwithstanding any other provision of this Section, the Board or hearing examiner may refuse to hold a hearing and/or grant a rent adjustment if an individual hearing has been held and decision made with regard to maximum rent within the previous six (6) months.

(c) **Hearing Procedure.** The Board shall enact rules and regulations governing hearings and appeals of individual adjustment of ceilings on allowable rents which shall include the following:

(1) **Hearing Examiner.** A hearing examiner appointed by the Board shall conduct a hearing to act upon the petition for individual adjustment of ceilings on allowable rents and shall have the power to administer oaths and affirmations.

(2) **Notice.** The Board shall notify the landlord if the petition was filed by the tenant, or the tenant, if the petition was filed by the landlord, of the receipt of such a petition and a copy thereof.

(3) **Time of Hearing.** The hearing officer shall notify all parties, as to the time, date and place of the hearing.

(4) **Records.** The hearing examiner may require either party to a rent adjustment hearing to provide it with any books, records and papers deemed pertinent. The hearing examiner shall conduct a current building inspection and/or request that Code Enforcement conduct a current building inspection if the hearing examiner finds good cause to believe the Board's current information does not reflect the current condition of the controlled rental unit. The tenant may request the hearing examiner to order such an inspection prior to the date of the hearing. All documents required under this Section shall be made available to the parties involved prior to the hearing at the office of the Board. In cases where information filed in a petition for rent ceiling adjustment or in additional submissions filed at the request of the hearing examiner is inadequate or false, no action shall be taken on said petition until the deficiency is remedied.

(5) **Open Hearings.** All rent ceiling adjustment hearings shall be open to the public.

(6) **Right of Assistance.** All parties to a hearing may have assistance in presenting evidence and developing their position from attorneys, legal workers, recognized tenant organization representatives or any other persons designated by said parties.

(7) **Hearing Record.** The Board shall make available for inspection and copying by any person an official record which shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of it, shall be obtainable for the cost of copying. The record of the hearing shall include: all exhibits, papers and documents required to be filed or accepted into evidence during the proceedings; a list of participants present; a summary of all testimony accepted in the proceedings; a statement of all materials officially noticed; all recommended decisions; orders and/or rulings; all final decisions, orders and/or rulings, and the reasons for each final decision, order and/or ruling. Any party may have the proceeding tape recorded or otherwise transcribed at his or her own expense.

(8) **Quantum of Proof and Notice of Decision.** No individual adjustment shall be granted unless supported by the preponderance of the evidence submitted at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to any appeal allowed by the Board and/or to judicial review of the decision pursuant to this Section and Section 11.100.080 of this Chapter.

(9) **Consolidation.** All landlord petitions pertaining to tenants in the same building will be consolidated for hearing, and all petitions filed by tenants occupying the same building shall be consolidated for hearing unless there is a showing of good cause not to consolidate such petitions.

(10) **Appeal.** Any person aggrieved by the decision of the hearing examiner may appeal to the Board. On appeal, the Board shall affirm, reverse or modify the decision of the hearing examiner. The Board may conduct a de novo hearing or may act on the basis of the record before the hearing examiner without holding a hearing.

(11) **Finality of Decision.** The decision of the hearing examiner shall be the final decision of the Board in the event of no appeal to the Board. The decision of the hearing examiner shall not be stayed pending appeal; however, in the event that the Board on appeal reverses or modifies the decision of the hearing examiner, the landlord, in the case of an upward adjustment in rent, or the tenant, in the case of a downward adjustment of rent, shall be ordered to make retroactive payments to restore the parties to the position they would have occupied had the hearing examiner's decision been the same as that of the Board.

(12) **Time for Decision.** The rules and regulations adopted by the Board shall provide for final action on any individual rent adjustment petition within one hundred twenty (120) days, following the date of filing of the individual rent adjustment petition.

(13) **Board Action in Lieu of Reference to Hearing Examiner.** The Board, on its own motion or on the request of any landlord or tenant, may hold a hearing on an individual petition for rent adjustment without the petition first being heard by a hearing examiner.

(14) Decisions decreasing rents shall remain in effect until the Board finds that the landlord has corrected the defect warranting the decrease. The Board shall, by regulation, establish procedures for making prompt compliance determinations. Upon a determination of compliance the landlord shall be entitled to reinstatement of the prior rent level, retroactive to the date that the landlord corrected the defect which warranted the decrease.

(d) In making individual adjustments of the rent ceiling, the Board shall consider the purposes of this Chapter and the requirements of law. In making an individual downward adjustment, the Board may consider decreases in living space, furniture, furnishings, equipment, or services; substantial deterioration of the controlled rental unit other than as a result of ordinary wear and tear; or failure on the part of the landlord to provide adequate housing services or to comply substantially with applicable housing, health and safety codes. In making an individual upward adjustment, the Board may employ as its fair return standard any lawful formula, including but not limited to one based on investment or net operating income. The Board shall consider all factors relevant to the formula it employs. Such factors may include: increases or decreases in operating and maintenance expenses; the extent of utilities paid by the landlord; necessary and reasonable capital improvement of the controlled rental unit as distinguished from normal repair, replacement and maintenance; increases or decreases in living space; furniture, furnishings, equipment, or services; Federal and State income tax benefits; the speculative nature of the investment; whether or not the property was acquired or is held as a long-term or short-term investment; the landlord's rate of return on investment; the landlord's current and base date Net Operating

Income; and any other factor deemed relevant by the Board in providing the landlord a fair return.

(e) No rent increase shall be authorized by this Chapter because a landlord has a negative cash flow as the result of refinancing the controlled rental unit if at the time the landlord refinanced the landlord could reasonably have foreseen a negative cash flow based on the rent schedule then in existence within the one year period following refinancing. This paragraph shall only apply to that portion of the negative cash flow reasonably foreseeable within the one year period following refinancing of the controlled rental unit and shall only apply to controlled rental units refinanced after the date of adoption of this Chapter.

(f) No rent increase shall be authorized by this Chapter because a landlord has a negative cash flow if at the time the landlord acquired the controlled rental unit, the landlord could reasonably have foreseen a negative cash flow based on the rent schedule then in existence within the one-year period following acquisition. This paragraph shall only apply to that portion of the negative cash flow reasonably foreseeable within the one year period following acquisition of controlled rental unit and shall only apply to controlled rental units acquired after the date of adoption of this Article.

(g) No landlord shall increase rent under this Chapter if the landlord:

(1) Has failed to comply with any provision of this Chapter and/or regulations issued thereunder by the Board, including the provisions requiring the payment of the administrative fee.

(2) Has failed to comply substantially with any applicable State or local housing, health or safety law. No landlord shall increase rent unless the notice increasing rent contains a statement in substantially the following form: "The undersigned (landlord) certifies that this unit and common areas are not subject to any uncorrected citation or notices of violation of any State or local housing health, or safety laws issued by any government official or agency." If a landlord fails to comply with this Subsection, the tenant may refuse to pay the improperly noticed increase, may seek administrative or civil remedies under this Chapter, and may raise the landlord's noncompliance as an affirmative defense in any resulting unlawful detainer action.

11.100.060 Just cause required for eviction.

(a) No landlord shall take action to terminate any tenancy including, but not limited to, making a demand for possession of a rental unit, threatening to terminate a tenancy, serving any notice to quit or other eviction notice or bringing any action to recover possession or be granted recovery of possession of a rental unit except on one of the following grounds:

(1) The tenant, after being provided with the written notice required by Sections 1161 and 1162 of the Code of Civil Procedure of the identity and mailing address of the person to whom rent is due, and the amount of rent due, has failed to pay the rent to which the landlord is entitled within three calendar days of after receiving such notice. Notice shall be given to the

tenant in manner prescribed by California Code of Civil Procedure Section 1162.

(2) The tenant has violated a lawful obligation or covenant of the tenancy and has failed to cure such violation after notice, as provided for in Sections 1161 and 1162 of the Code of Civil Procedure within seven calendar days after having received written notice thereof from the landlord, other than a violation based on:

- i. The obligation to surrender possession upon proper notice;
or
- ii. The obligation to limit occupancy when the additional tenant who joins the occupants is a dependent child who joins the existing tenancy of a tenant of record or the sole adult tenant. The landlord has the right to approve or disapprove a prospective additional tenant who is not a minor dependent child, provided that the approval is not unreasonably upheld. Notice shall be given to the tenant in the manner prescribed by California Code of Civil Procedure Section 1162.

(3) The tenant is committing or permitting to exist a nuisance in, or is causing substantial damage to, the rental unit, or the appurtenances thereof, or to the common areas of the rental complex, or is creating a substantial interference with the comfort, safety or enjoyment of the landlord or tenants in the building.

- (4) The tenant is using, or permitting a rental unit, the common areas of the rental unit or rental complex containing the rental unit, to be used for any illegal purpose.
- (5) The tenant, who had a written agreement, or an oral agreement the existence of which is established by written evidence, with the landlord which has terminated, has refused after written request or demand by the landlord to execute, within seven (7) calendar days after that request, a written extension or renewal thereof for a further term and under such terms which are materially the same as in the previous agreement, provided that any such agreement that is executed by the tenant shall terminate thirty (30) days after the date the rental unit is transferred to a purchaser for value. The written request or demand by the landlord shall be given to the tenant in the manner prescribed by California Code of Civil Procedure Section 1162.
- (6) The tenant has, after written notice to cease, refused the landlord access to the rental unit as required by State or local law.
- (7) A person in possession of the rental unit at the end of a lease term, or upon the sale under the power of sale contained in a deed of trust, or foreclosure of a rental unit or the building in which the rental unit is located, is a subtenant not approved by the landlord.
- (8) The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by:

(1) A resident manager, provided that no alternative, comparable vacant unit is available for occupancy by a resident manager; except that where a building has an existing resident manager, the owner may only evict the existing resident manager in order to replace him or her with a new manager.

(2) The landlord or the landlord's spouse, domestic partner, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, children, or parents provided the landlord is a natural person. However, a landlord may use this ground to recover possession for use and occupancy by the landlord, landlord's spouse, domestic partner, child, parent, in laws or grandparents only once for that person in each rental complex of the landlord. For purposes of evictions under this Subsection, a "landlord" shall be defined as a natural person who has at least a fifty (50) percent ownership interest in the property.

(9) The landlord seeks in good faith to recover possession to remove the rental unit permanently from rental housing use pursuant to State law.

(10) The landlord seeks in good faith to recover possession so as to:

(1) Demolish the rental unit; or

(2) Perform work on the building or buildings housing the rental unit or units; and:

a. Such work costs not less than the product of eight (8) times the amount of the monthly rent times the number of rental units upon

which such work is performed. For purposes of this section, the monthly rent shall be the average of the preceding twelve (12) month period; and

- b. The work necessitates the eviction of the tenant because such work will render the rentable unit uninhabitable for a period of not less than thirty (30) calendar days.

(11) The landlord seeks in good faith to recover possession of the rental unit to comply with a government agency's order to vacate, or any other order that necessitates the vacating of the building, housing or rental unit as a result of a violation of the City of Richmond's Municipal Code or any other provision of law.

(12) The landlord seeks in good faith to recover possession of the rental unit to comply with a contractual agreement or government regulation relating to the qualifications of tenancy with a governmental entity, where the tenant is no longer qualified.

(b) In any notice purporting to terminate tenancy the landlord shall state the cause for the termination, and in any action brought to recover possession of a controlled rental unit, the landlord shall allege and prove compliance with this Section. The landlord shall file with the Rent Control Board a copy of any notice terminating tenancy, except a three day notice to pay rent or vacate, within three days after serving the notice on the tenant.

(c) If the termination of tenancy is based on the grounds set forth in subsections (8) (9) (10) or (11) of Section 11.100.060(a), then the landlord shall pay a relocation fee in

the amount of the product of two (2) times the amount of current market-rate rent for the unit plus one thousand dollars (\$1,000).

- i. The fee shall be paid as follows:
 - a. The entire fee shall be paid to a tenant who is the only tenant in the rental unit, but only if the tenant is named in a written lease; or
 - b. If a rental unit is occupied by two (2) or more tenants, then each tenant of the unit shall be paid a pro-rata share of the relocation fee, but only if the tenant is named in a written lease.
- ii. This section shall not apply in any of the following circumstances:
 - a. The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by a resident manager, provided that the resident manager is replacing the existing resident manager in the same unit. For the purposes of this exception, a resident manager shall not include the landlord, or the landlord's spouse, domestic partner, children or parents.
 - b. The landlord seeks in good faith to recover possession of the rental unit in order to comply with a governmental agency's order to vacate the building housing the rental unit due to hazardous conditions caused by a natural disaster or act of God.
 - c. The landlord seeks in good faith to recover possession of the rental unit in order to comply with a governmental agency's order to vacate the building housing the rental unit due to a violation of the City of Richmond's Municipal Code or any other provision of law

where the violation resulted from the tenant's conduct and through no fault of the landlord.

- d. To the extent that the tenant receives, as part of the eviction, relocation assistance from another governmental agency.
 - e. A written lease, other than a month-to-month lease, with an established termination date, has terminated because the term of the lease has expired.
- iii. The landlord shall perform the acts described in this subsection within fifteen (15) days after service of a written notice of termination; provided, however, the landlord may in its sole discretion, elect to pay the monetary relocation benefits to be paid to a tenant pursuant to this subsection to the landlord's attorney or to an escrow account to be disbursed to the tenant upon certification of vacation of the rental unit. The escrow account shall provide for the payment prior to vacation of all or a portion of the monetary relocation benefits for actual relocation expenses incurred or to be incurred by the tenant prior to vacation, including but not limited to security deposits, moving expense deposits and utility connection charges.
- iv. The requirement to pay relocation assistance is applicable to all rental units, regardless of whether the rental unit was created or established in violation of any provision of law.
- v. Nothing in this subsection relieves the landlord from the obligation to provide relocation assistance pursuant to any other provision of local,

state or federal law. If a tenant is entitled to monetary relocation benefits pursuant to any other provision of local, state or federal law, then such monetary benefits shall operate as a credit against monetary benefits required to be paid to the tenant under this subsection.

(d) Failure to comply with any requirement of this Section may be asserted as an affirmative defense in an action brought by the landlord to recover possession of the unit. Additionally, any attempt to recover possession of a unit 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 or the Rent Control Board may seek injunctive relief and money damages for wrongful eviction. The prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

11.100.070 Non-waiverability.

Any provision, whether oral or written, in or pertaining to a rental housing agreement whereby any provision of this Chapter for the benefit of the tenant is waived, shall be deemed to be against public policy and shall be void.

11.100.080 Judicial review.

A landlord or tenant aggrieved by any action or decision of the Board may seek judicial review by appealing to the appropriate court within the jurisdiction.

11.100.090 Civil remedies.

(a) Any landlord who demands, accepts, receives, or retains any payment of rent in excess of the maximum lawful rent, in violation of the provisions of this Chapter or any rule, regulation or order hereunder promulgated, including the provisions ensuring compliance with habitability standards and administrative fee requirements, shall be liable in a civil action to the tenant from whom such payments are demanded, accepted, received or retained, for reasonable attorney's fees and costs as determined by the court, plus damages in the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent. A civil penalty of triple the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent shall be awarded against the landlord upon a showing that the landlord has acted willfully or with oppression, fraud or malice. No administrative remedy need be exhausted prior to filing suit pursuant to this Subsection.

(b) In lieu of filing a civil action, a tenant may file an administrative complaint. The Board shall establish by rule and regulation a hearing procedure similar to that set forth in Section 11.100.050 (c).

(1) The rules and regulations adopted by the Board shall provide for final Board action on any complaint for excess rent within one hundred twenty (120) days following the date of filing of the complaint.

(2) In any administrative hearing under this Section, a landlord who demands, accepts, receives or retains any payment of rent in excess of the maximum lawful rent shall be liable for damages in the amount by which the payment or payments demanded, accepted, received or retained exceeds the maximum lawful rent and may be liable for an additional amount not to exceed five hundred dollars (\$500.00), for costs, expenses incurred in pursuing the hearing remedy, damages and penalties. The tenant shall bear the burden of proving entitlement to the penalty. The tenant may deduct the penalty and award of damages from future rent payments in the manner provided by the Board. An order authorizing rent withholding under this Chapter shall survive the sale or other transfer of the property and shall be binding upon successors of the landlord against whom the order was made. If a tenant authorized to withhold rent under this Chapter vacates the property, the landlord shall pay to such tenant a sum equal to the balance of the rent that the tenant could have withheld.

(c) If the tenant from whom such excessive payment is demanded, accepted, received or retained in violation of the foregoing provisions of this Chapter or any rule or regulation or order hereunder promulgated fails to bring a civil or administrative action

as provided for in Section 11.100.090 (a) and 11.100.090 (b) within one hundred twenty (120) days from the date of occurrence of the violation, the Board may settle the claim arising out of the violation or bring such action. Thereafter, the tenant on whose behalf the Board acted is barred from also bringing an action against the landlord in regard to the same violation for which the Board has made a settlement or brought action. In the event the Board settles said claim, it shall be entitled to retain the costs it incurred in settlement thereof, and the tenant against whom the violation has been committed shall be entitled to the remainder.

(d) The appropriate court in the jurisdiction in which the controlled rental unit affected is located shall have jurisdiction over all actions brought under this Section.

11.100.100 Criminal remedies.

Any landlord violating this Chapter shall be guilty of a misdemeanor and shall be punished in accordance with Section 1.04.100 of the Richmond Municipal Code.

11.100.110 Injunctive and other civil relief.

The Board, and tenants and landlords of controlled units, may seek relief from the appropriate court within the jurisdiction within which the affected controlled rental unit is located to enforce any provision of this Chapter or its implementing regulations or to restrain or enjoin any violation of this Chapter and of the rules, regulations, orders and decisions of the Board.

11.100.120 **Partial invalidity.**

If any provision of this Chapter or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are declared to be severable. This Chapter shall be liberally construed to achieve the purposes of this Chapter and to preserve its validity.

SECTION II. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid, the remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed each section, subsection, paragraph, sentence, clause or phrase of this Ordinance irrespective of the unconstitutionality or invalidity of any section, subsection, paragraph, sentence, clause or phrase.

SECTION III. Effective Date. This ordinance shall take effect thirty (30) days after adoption and the title thereof shall be published once prior to adoption.

First introduced at a regular meeting of the City Council of the City of Richmond held _____. Passed and adopted on _____ by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

Mayor

Approved as to form:

City Attorney