

ATTACHMENT DRAFT OUTLINE RENT REVIEW ORDINANCE

Chapter 5.55

RENT REVIEW

5.55.010 Short Title.

This chapter shall be known as the “Rent Review Ordinance.”

5.55.020 Definitions.

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 a residential property required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase.

B. “City” means the City of Union City.

C. “City Manager” means the City Manager of the City of Union City, or his or her designated representative.

D. “Economic & Community Development Director” means the Director of the Economic & Community Development Department of the City of Union City, or his or her designated representative.

E. “Council” means the City Council of the City of Union City.

G. “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.

H. “Party” means a person who participates in the rent review program of this chapter or his or her agent or representative.

I. “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.

J. “Rent Increase” means any upward adjustment of the rent from the base rent amount.

K. “Rent Review Officer/Board” means [TBD].

L. “Residential Property” means any housing unit offered for rent or lease in the City. Mobile homes are subject to this Chapter only if a tenant rents the mobile housing unit itself.

M. “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.

5.55.030 Notice of Availability of Rent Review.

A. 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 notice of any rent increase, the landlord shall also provide notice of the availability of the rent

review procedure established by this chapter. The notice of availability of rent review required by Section 5.55.030(C) shall be provided by the landlord at the time when a landlord provides notice of any rent increase in the three predominant languages spoken in the City. The City Manager or his or her designee shall determine the predominant languages spoken in the City and shall ensure that copies of the notice of availability of rent review required by Section 5.55.030(C) are made available to landlords by the City in those three languages. 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.

B. 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 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.

C. 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 Chapter 5.55 of the Union City Municipal Code, a landlord must at the same time as a notice under California Civil Code section 827(b) and other qualifying rent increases under the Municipal Code, 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 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 [TBD] above the base rent you paid last month; or 2) follows one or more prior rent increases within the past twelve months, you may request rent review mediation. Such a request must be submitted in writing within twenty-one (21) calendar days of your receiving notice of the rent increase or post marked within 21 days of receipt if mailed. You must submit a copy of the notice of rent increase at the same time you submit the mediation request. If you request mediation, you and your landlord will be required to appear before [TBD] for a mediation of your rent dispute. After hearing from you and your landlord the [TBD] will make a non-binding recommendation for resolution of the rent dispute. To request review of your rent increase, please contact the Economic & Community Development Department of the City of Union City, 34009 Alvarado-Niles Road, Union City, California 94587. 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.

5.55.040 Rent Review.

A. Request for Rent Review. A tenant may seek rent review before [TBD] when the proposed rent increase: 1) raises the rent to an amount more than [TBD] than the base rent; or 2) follows a prior rent increase imposed within the previous twelve-month period. The tenant

seeking rent review must submit the request in writing to the Economic & Community Development Director within twenty-one (21) calendar days of the tenant's receipt of a notice of rent increase. The rent review mediation request must be received by the Economic & Community Development Director, or post marked (if submitted by mail) within twenty-one (21) calendar days of receipt of the notice of rent increase. The request must be accompanied by a copy of the landlord's notice of rent increase.

The Economic & Community Development Director shall provide the landlord with a copy of the tenant's rent review request form, which shall be accompanied by a response form. A landlord must submit a completed response form to the Economic & Community Development Director within ten (10) calendar days of the landlord's receipt of a tenant's rent review request form. A rent increase shall be void, and the landlord shall be required to properly re-notice the tenant in accordance with Section 5.55.030 of this Code if the landlord does not submit a rent review response form pursuant to this section. The Economic & Community Development Director shall provide notice of the requirements of this section in a conspicuous location on the rent review response form.

The rent review shall be scheduled before [TBD] within sixty (60) days of the receipt of the request, or as soon thereafter as the rent review 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.

B. Notice to Parties. After determining that a proposed rent increase meets the criteria for initiation of rent review set forth in Section 5.55.040(A) above, the Economic & Community Development Director shall schedule a rent review before [TBD]. The Economic & Community Development Director shall provide the landlord and the tenant notice of the rent review and location at least ten (10) days prior to the mediation. 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 mediation.

C. Rent Review and Determination. At the rent review mediation of a rent dispute, [TBD] 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 [TBD] in determining a fair resolution to the dispute, [TBD] will make a recommendation to the parties for the resolution of their dispute. If the parties agree to a resolution proposed by [TBD] they may formalize the agreement in a standard form signed by both parties. Neither the City nor the [TBD] shall be a party to such an agreement, nor shall the City or [TBD] assume any responsibility for enforcement of its terms.

D. Failure to Appear. If the tenant requesting rent review appears at a noticed mediation, but the landlord who has been given notice of the mediation as required by Section 5.55.040(B) above fails to appear before [TBD], the rent increase shall be void, and the landlord may not take any action to enforce such an invalid rent increase. If a tenant who has been given proper notice of rent review as required by Section 5.55.040(B) of this Code fails to appear for the mediation without good cause, or if both the tenant and landlord fail to appear without good

cause, [TBD] shall dismiss the case and the tenant will be barred from subsequently challenging such increase pursuant to this chapter.

E. 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.

5.55.050 Appeal/Review.

[TBD]

5.50.060 Miscellaneous.

A. Annual Review. The Economic & Community Development Director 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.

B. Property Registration and Fees.

1. A landlord shall register each rental unit within the City. The registration shall be on forms provided by the City and shall include the name and mailing address of the owner or owners of the rental unit as well as any other information deemed necessary by the City.

2. For the sole purpose of reimbursing the City for the reasonable costs of implementing this chapter, the landlord of each rental unit shall pay a fee in an amount to be set by the City for each rental unit.