

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: *Nuisance Enforcement Unit*
DATE: July 6, 2004

2004 JUN 24 PM 5:51

Re: REPORT AND POSSIBLE ACTION ON AB 2523 THAT WOULD REQUIRE CITY ATTORNEY TO ISSUE NUISANCE EVICTION NOTICES, LIMIT RECOVERY OF ATTORNEY'S FEES PAYABLE BY LANDLORDS TO CITY, AND REQUIRE RESPONSE TO NOTICES IN 30 DAYS

SUMMARY

The City currently is one of the cities included in pending legislation (AB 2523) that would amend the state's pilot program for drug nuisance eviction. That legislation requires that the City Attorney perform certain functions that the City's Nuisance Eviction Ordinance assigns to the City Administrator. The City has been unsuccessful in seeking amendments to the legislation that would allow the City flexibility in its administrative procedures. The purpose of this report is to ask the Council to decide whether it wishes to remain in the legislation. The legislation gives the City more enforcement powers than it would have if it does not participate in the legislation.

This report is to update the City Council on the status of Assembly Bill (AB) 2523 (Frommer – Los Angeles), and request direction on our continued inclusion within AB 2523.

AB 2523 would incorporate Oakland into the state's pilot drug nuisance eviction program (Health and Safety Code Section 11571.1). (The current version of AB 2523 is attached.) Being part of the state pilot program would give Oakland additional powers in drug nuisance evictions related to the sale of controlled substances:

- 1) The power to evict the tenant, if the landlord refuses to act.
- 2) The court could order a partial eviction even if the parties do not agree. A partial eviction occurs when only the offending tenant and or guest are barred from maintaining residence on the premises or visiting the premises.
- 3) AB 2523 in its current form would require changes in Oakland's Nuisance Eviction Ordinance if Oakland were to use its provisions. The principal difference between Health and Safety Code section 11571.1 and the NEO is that under state law the City Attorney and not the City Administrator must issue notices requiring landlords to evict drug dealing tenants. To implement the NEO with the additional state powers, the City Council would have to revise the NEO to give the City Attorney the authority to issue notices

Item: 5-6
Rules Committee
July 1, 2004

The key differences between the NEO and Health and Safety Code section 11571.1 are:

NEO WITHOUT AB 2523:	AB 2523 CHANGES NEO TO:
<p>City Administrator granted authority to issue notices for all NEO crimes, including the sale of controlled substances.</p>	<p>The City Attorney and not the City Administrator must issue notices requiring landlords to evict drug dealing tenants. <i>NOTE: the authority to order evictions for all other NEO offenses would remain under the City Administrator's Office.</i></p>
<p>If a landlord refuses to act, or fails to act due to negligence, the city will assess monetary penalties under the Public Nuisance Ordinance (PNO) for maintaining a nuisance, until nuisance is abated.</p>	<p>In addition to PNO penalties AB2523 grants the City the power to evict the tenant, for sale of controlled substances, if the landlord refuses to act. <i>NOTE: This only applies to evictions ordered for sale of controlled substances, all other NEO offenses would still be subject to PNO penalties.</i></p>
<p>A partial eviction can be accomplished through a settlement agreement signed by owner, tenant, and Case Manager.</p>	<p>The court could order a partial eviction even if the parties do not agree. <i>NOTE: This only applies to evictions ordered for sale of controlled substances, all other offenses still subject to settlement agreement.</i></p>
<p>Owners given 25 days to respond with eviction action, request review of records, partial eviction or settlement agreement.</p>	<p>Owners given 30 days to respond.</p>
<p>Tenants given 15 days to respond to eviction order with request for settlement agreement partial eviction, request review of records, or a request for reconsideration of the eviction order.</p>	<p>State law requires a specific notice for tenants that are similar to, but not the same as NEO's.</p>
<p>The City can recover full costs related to voluntary assignment of evictions by Landlords to the City attorney's Office.</p>	<p>City can only charge landlords \$600 for handling evictions on their behalf when the landlord voluntarily assigns the eviction to the City.</p>
<p>NEO requires less extensive reports back to Council on ordinance implementation.</p>	<p>State law requires significant reporting requirements to the state Judicial Council</p>

Item: S-6
 Rules Committee
 July 1, 2004

FISCAL IMPACT

If the City Council decides to remain within AB 2523, it would have certain fiscal impact on the Office of the City Attorney. Staff would return at a later date determine the costs of these new functions for the Office of the City Attorney.

BACKGROUND

On April 6, 2004, the City Council adopted the Nuisance Eviction Ordinance (NEO) requiring landlords to evict tenants engaged in certain illegal nuisance activities. NEO authorized the Case Manager to issue the notices to evict, required the landlord to pay the full cost of any evictions taken over by the City Attorney, and permitted the landlord 25 days to commence an eviction. The decision to have the Case Manager issue notices to evict instead of the City Attorney was originally made so that coordination of nuisance abatement would be put in one place, with the Case Manager. Nuisance citations are regarded as administrative actions that do not require City Attorney approval.

When the City Council was originally asked to consider whether to seek Oakland's inclusion in Health and Safety Code section 11571.1, the City Council was advised that there were differences in the way section 11571.1 worked and the way the NEO worked, and that the state legislation would need to be changed to conform to Oakland's program. See attached March 16, 2004 report. The important differences were the state law requirement for the City Attorney to issue notices to evict and the \$600 limitation on attorney fee recovery when the landlord assigns eviction to the City Attorney. Health and Safety Code section 11571.1 also required landlords to respond to notices to evict within 15 days, while the NEO permits 25 days.

In recognition of these differences, the Council's resolution supporting Oakland's inclusion in AB 2523 authorized staff to seek amendments to the bill to permit Oakland the flexibility to operate its drug nuisance eviction program as set up under NEO. Despite efforts to change the state law to conform to Oakland's NEO, the state legislature has, thus far, not been willing to allow flexibility in 11571.1 to permit Oakland to operate its drug nuisance program as it chooses. The only amendment accepted was to extend the landlord response date to 30 days. AB 2523 still requires the City Attorney to issue notices for eviction, recovery of attorney's fees from landlords remain limited to \$600¹, and extends the pilot program to include Oakland and San Diego.

¹ This attorney fee recovery limitation only applies to the circumstance where the landlord voluntarily assigns the eviction litigation to the City. Where the City takes over the eviction because the landlord failed to pursue it, the City can recover full attorney's fees.

It is important to note that other cities, such as Buena Park and Costa Mesa, have similar nuisance eviction laws, but are not part of the state's pilot program. These cities give the Police Chief the authority to issue the notices to evict in similar circumstances.

AB 2523 could pass the legislature soon; the City Council will have to decide whether to continue to remain in AB 2523. If the City Council elects to remain in the state drug nuisance eviction pilot program, Council would have to amend NEO to conform to 11571.1.

SUSTAINABLE OPPORTUNITIES

Economic: This ordinance will impact the quality and value of Oakland residential neighborhoods by reducing and eliminating the number of nuisance crimes that negatively impact and influence the neighborhoods.

Environmental: Improved safety in the neighborhoods should lead to increasing our residential environmental conditions.

Social Equity: All residents of Oakland deserve to live in safe and beautiful neighborhoods; remaining in the Assembly Bill will assist in achieving such conditions.

DISABILITY AND SENIOR CITIZEN ACCESS

Improving quality of life in our neighborhoods will improve the quality of life for those disabled or senior citizens residing within them.

RECOMMENDATION AND RATIONALE

We recommend remaining in AB 2523, as it affords the City the additional enforcement tool. Conforming to the state pilot program will allow the City to move forward on evictions even if the owner is uncooperative.

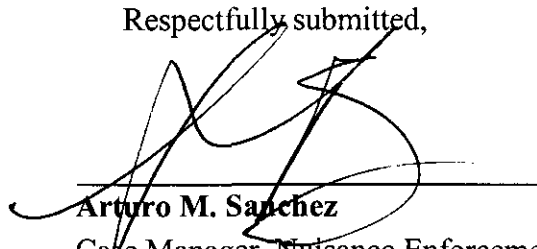
ACTION REQUESTED OF THE CITY COUNCIL

If the City Council determines Oakland should remain in AB 2523, it should direct staff and the Office of the City Attorney to return with proposed changes to the NEO and a report on the fiscal implications of such a change.

ALTERNATIVE RECOMMENDATION(S)

If the City Council determines Oakland should withdraw from the bill, it should pass a motion seeking withdrawal and direct staff to communicate to AB 2523's author, Assemblymember Frommer the City's desire to be excluded from the bill.

Respectfully submitted,



Arturo M. Sanchez
Case Manager, Nuisance Enforcement Unit

APPROVED AND FORWARDED TO THE
RULES COMMITTEE:



Office of the City Administrator

Item: S-6
Rules Committee
July 1, 2004

AMENDED IN SENATE JUNE 14, 2004
AMENDED IN ASSEMBLY APRIL 14, 2004
AMENDED IN ASSEMBLY MARCH 23, 2004
CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2523

Introduced by Assembly Member Frommer

February 20, 2004

An act to amend Section 11571.1 of the Health and Safety Code, relating to controlled substances.

LEGISLATIVE COUNSEL'S DIGEST

AB 2523, as amended, Frommer. Controlled substances: unlawful detainer.

Existing law, scheduled to be repealed by its own terms on January 1, 2005, provides that the city prosecutor or city attorney of specified judicial districts in the County of Los Angeles may file, in the name of the people, an action for unlawful detainer against any tenant who is unlawfully engaged in specified controlled substance offenses, as specified. Existing law requires the city attorney and city prosecutor to report annually to the Judicial Council information on these unlawful detainer actions, as specified.

This bill would provide for the law to continue until January 1, 2010, *revise notice and reporting elements of the program*, and expand the program to include actions by city prosecutors or city attorneys in courts in Alameda County *and San Diego County* that have jurisdiction over unlawful detainer actions involving real property situated in ~~the City of Oakland~~ *specified cities in those counties*.

This bill would contain legislative findings as to the necessity of a special statute.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11571.1 of the Health and Safety Code
2 is amended to read:

3 11571.1. (a) To effectuate the purposes of this article, the city
4 prosecutor or city attorney may file, in the name of the people, an
5 action for unlawful detainer against any person who is in violation
6 of the nuisance or illegal purpose provisions of subdivision 4 of
7 Section 1161 of the Code of Civil Procedure, with respect to a
8 controlled substance purpose. In filing this action, *which shall be*
9 *based upon an arrest report or on another action or report by a*
10 *regulatory or law enforcement agency*, the city prosecutor or city
11 attorney shall utilize the procedures set forth in Chapter 4
12 (commencing with Section 1159) of Title 3 of Part 3 of the Code
13 of Civil Procedure, except that in cases filed under this section, the
14 following also shall apply:

15 (1) (A) Prior to filing an action pursuant to this section, the city
16 prosecutor or city attorney shall give ~~15-calendar~~ *30-calendar*
17 days' written notice to the owner, requiring the owner to file an
18 action for the removal of the person who is in violation of the
19 nuisance or illegal purpose provisions of subdivision 4 of Section
20 1161 of the Code of Civil Procedure with respect to a controlled
21 substance purpose. ~~This~~

22 (B) *This* notice shall include sufficient documentation
23 establishing a violation of the nuisance or illegal purpose
24 provisions of subdivision 4 of Section 1161 of the Code of Civil
25 Procedure and shall be served upon the owner and the tenant in
26 accordance with subdivision (e) of this section. ~~The~~

27 (C) *The notice to the tenant shall also include on the bottom of*
28 *its front page, in at least 14-point bold type, the following:*

29 *"Notice to Tenant: This notice is not a notice of eviction.*
30 *However, you should know that an eviction action may soon be*
31 *filed in court against you for suspected drug activity, as described*
32 *above. You should call (insert name and telephone number of the*



1 city attorney or prosecutor pursuing the action) or legal aid to stop
2 the eviction action if any of the following is applicable:

- 3 (i) You are not the person named in this notice.
- 4 (ii) The person named in the notice does not live with you.
- 5 (iii) The person named in the notice has permanently moved.
- 6 (iv) You do not know the person named in the notice.
- 7 (v) You have any other legal defense or legal reason to stop the
8 eviction action.

9 A list of legal assistance providers is attached to this notice.
10 Some provide free legal help if you are eligible.”

11 (D) The owner shall, within ~~15-calendar~~ 30-calendar days of
12 the mailing of the written notice, either provide the city prosecutor
13 or city attorney with all relevant information pertaining to the
14 unlawful detainer case, or provide a written explanation setting
15 forth any safety-related reasons for noncompliance, and an
16 assignment to the city prosecutor or city attorney of the right to
17 bring an unlawful detainer action against the tenant. ~~The~~

18 (E) The assignment shall be on a form provided by the city
19 prosecutor or city attorney and may contain a provision for costs
20 of investigation, discovery, and reasonable attorney’s fees, in an
21 amount not to exceed six hundred dollars (\$600). ~~If~~

22 (F) If the city prosecutor or city attorney accepts the
23 assignment of the right of the owner to bring the unlawful detainer
24 action, the owner shall retain all other rights and duties, including
25 the handling of the tenant’s personal property, following issuance
26 of the writ of possession and its delivery to and execution by the
27 appropriate agency.

28 (2) Upon the failure of the owner to file an action pursuant to
29 this section, or to respond to the city prosecutor or city attorney as
30 provided in paragraph (1), or having filed an action, if the owner
31 fails to prosecute it diligently and in good faith, the city prosecutor
32 or city attorney may file and prosecute the action, and join the
33 owner as a defendant in the action. This action shall have
34 precedence over any similar proceeding thereafter brought by the
35 owner, or to one previously brought by the owner and not
36 prosecuted diligently and in good faith. Service of the summons
37 and complaint upon the defendant owner shall be in accordance
38 with Sections 415.10, 415.20, 415.30, 415.40, and 415.50 of the
39 Code of Civil Procedure.

1 (3) If a jury or court finds the defendant tenant guilty of
2 unlawful detainer in a case filed pursuant to paragraph (2), the city
3 prosecutor or city attorney may be awarded costs, including the
4 costs of investigation and discovery and reasonable attorney's
5 fees. These costs shall be assessed against the defendant owner, to
6 whom notice was directed pursuant to paragraph (1), and once an
7 abstract of judgment is recorded, it shall constitute a lien on the
8 subject real property.

9 (4) Nothing in this article shall prevent a local governing body
10 from adopting and enforcing laws, consistent with this article
11 relating to drug abatement. Where local laws duplicate or
12 supplement this article, this article shall be construed as providing
13 alternative remedies and not preempting the field.

14 (5) Nothing in this article shall prevent a tenant from receiving
15 relief against a forfeiture of a lease pursuant to Section 1179 of the
16 Code of Civil Procedure.

17 (b) In any proceeding brought under this section, the court may,
18 upon a showing of good cause, issue a partial eviction ordering the
19 removal of any person, including, but not limited to, members of
20 the tenant's household if the court finds that the person has
21 engaged in the activities described in subdivision (a). Persons
22 removed pursuant to this section may be permanently barred from
23 returning to or reentering any portion of the entire premises. The
24 court may further order as an express condition of the tenancy that
25 the remaining tenants shall not give permission to or invite any
26 person who has been removed pursuant to this subdivision to
27 return to or reenter any portion of the entire premises.

28 (c) For the purposes of this section, "controlled substance
29 purpose" means the manufacture, cultivation, importation into the
30 state, transportation, possession, possession for sale, sale,
31 furnishing, administering, or giving away, or providing a place to
32 use or fortification of a place involving, cocaine, phencyclidine,
33 heroin, methamphetamine, or any other controlled substance, in a
34 violation of subdivision (a) of Section 11350, Section 11351,
35 11351.5, 11352, or 11359, subdivision (a) of Section 11360, or
36 Section 11366, 11366.6, 11377, 11378, 11378.5, 11379, 11379.5,
37 11379.6, or 11383, if the offense occurs on the subject real
38 property and is documented by the observations of a peace officer.

39 (d) Notwithstanding subdivision (b) of Section 68097.2 of the
40 Government Code, a public entity may waive all or part of the costs



1 incurred in furnishing the testimony of a peace officer in an
2 unlawful detainer action brought pursuant to this section.

3 (e) The notice and documentation described in paragraph (1) of
4 subdivision (a) shall be given in writing and may be given either
5 by personal delivery or by deposit in the United States mail in a
6 sealed envelope, postage prepaid, addressed to the owner at the
7 address known to the public entity giving the notice, or as shown
8 on the last equalized assessment roll, if not known. Separate notice
9 *of not less than 30 calendar days* and documentation shall be
10 provided to the tenant in accordance with this subdivision. Service
11 by mail shall be deemed to be completed at the time of deposit in
12 the United States mail. Proof of giving the notice may be made by
13 a declaration signed under penalty of perjury by any employee of
14 the public entity which shows service in conformity with this
15 section.

16 (f) This section shall only apply to the following courts:

17 ~~(1) In the County of Los Angeles:~~

18 ~~(A) Central District, downtown courthouse.~~

19 ~~(B) Northwest District, Van Nuys branch.~~

20 ~~(C) West District, West Los Angeles branch.~~

21 ~~(D) Southeast District.~~

22 ~~(E) South District, Long Beach.~~

23 ~~(2)~~

24 *(1) In the County of Los Angeles, any court having jurisdiction*
25 *over unlawful detainer cases involving real property situated in the*
26 *City of Los Angeles or in the City of Long Beach.*

27 *(2) In the County of San Diego, any court having jurisdiction*
28 *over unlawful detainer cases involving real property situated in the*
29 *City of San Diego.*

30 *(3) In the County of Alameda, any court with jurisdiction over*
31 *unlawful detainer cases involving real property situated in the City*
32 *of Oakland.*

33 (g) (1) The city attorney and city prosecutor *of each*
34 *participating jurisdiction* shall provide to the Judicial Council the
35 following information:

36 (A) The number of notices provided pursuant to paragraph (1)
37 of subdivision (a).

38 (B) The number of cases filed by an owner, upon notice.

39 (C) The number of assignments executed by owners to the city
40 attorney or city prosecutor.



- 1 (D) The number of three-day ~~or 30-day~~, 30-day, or 60-day
- 2 notices issued by the city attorney or city prosecutor.
- 3 (E) The number of cases filed by the city attorney or city
- 4 prosecutor.
- 5 (F) The number of times that an owner is joined as a defendant
- 6 pursuant to this section.
- 7 (G) As to each case filed by an owner, the city attorney, or the
- 8 city prosecutor, the following information:
 - 9 (i) The number of judgments *ordering an eviction or partial*
 - 10 *eviction* (specify whether default, stipulated, or following trial).
 - 11 (ii) *The number of cases, listed by separate categories, in which*
 - 12 *the case was withdrawn or in which the tenant prevailed.*
 - 13 (iii) The number of other dispositions (specify disposition).
 - 14 ~~(iii)~~
 - 15 (iv) The number of defendants represented by counsel.
 - 16 ~~(iv)~~
 - 17 (v) Whether the case was a trial by the court or a trial by a jury.
 - 18 ~~(v)~~
 - 19 (vi) Whether an appeal was taken, and, if so, the result of the
 - 20 appeal.
 - 21 (vi) The number of cases in which partial eviction was
 - 22 requested, and the number of cases in which the court ordered a
 - 23 partial eviction.
- 24 (H) As to each case in which a notice was issued, but no case
- 25 was filed, the following information:
 - 26 (i) The number of instances in which a tenant voluntarily
 - 27 vacated the unit.
 - 28 (ii) The number of instances in which a tenant vacated a unit
 - 29 prior to the providing of the notice.
 - 30 (iii) *The number of cases in which the notice provided pursuant*
 - 31 *to subdivision (a) was erroneously sent to the tenant. (List reasons,*
 - 32 *if known, for the erroneously sent notice, such as reliance on*
 - 33 *information on the suspected controlled substance law violator's*
 - 34 *name or address that was incorrect; clerical error; or any other*
 - 35 *reason)*
 - 36 (iv) The number of other resolutions (specify resolution).
- 37 ~~(2) (A) Except as provided in subparagraph (B), information~~
- 38 (2) (A) Information compiled pursuant to this section shall be
- 39 reported annually to the Judicial Council on or before January 30
- 40 of each year.



1 ~~(B) Notwithstanding subparagraph (A), the city prosecutor and~~
2 ~~city attorney of the judicial districts specified in paragraph (1) of~~
3 ~~subdivision (f) in the County of Los Angeles shall report~~
4 ~~information to the Judicial Council only twice on an annual basis,~~
5 ~~once by January 30, 2005, and once by January 30, 2006.~~

6 ~~(C)~~
7 (B) The Judicial Council shall thereafter submit a brief report
8 to the Senate and Assembly Judiciary Committees once on or
9 before March 30, 2006, and once on or before January 31, 2009,
10 before April 15, 2007, and once on or before April 15, 2009,
11 summarizing the information collected pursuant to this section and
12 evaluating the merits of the pilot ~~program~~ programs established by
13 this section.

14 (h) This section shall remain in effect only until January 1,
15 2010, and as of that date is repealed unless a later enacted statute
16 deletes or extends that date.

17 SEC. 2. The Legislature finds and declares that a special law
18 is necessary and that a general law cannot be made applicable
19 within the meaning of Section 16 of Article IV of the California
20 Constitution because of the unique circumstances surrounding the
21 drug problem in the jurisdictions specified in the bill. The facts
22 constituting the special circumstances that distinguish these court
23 jurisdictions in Los Angeles, *San Diego*, and Alameda Counties
24 from other jurisdictions are the severity of the drug trafficking
25 problem and the widespread use of rental housing to facilitate drug
26 trafficking.

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CITY OF OAKLAND



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March 16, 2004

**President Ignacio De La Fuente and
Members of the City Council**
Oakland, California

Subject: Nuisance Eviction Ordinance

President De La Fuente and Councilmembers:

I. PURPOSE OF THE REPORT

This supplemental report is an informational report to address amendments to the proposed Nuisance Eviction Ordinance ("NEO") contained in the Third Revised Nuisance Eviction Ordinance. The City Attorney's Office is not making recommendations on the item, but is providing the City Council with additional background information.

II. INTRODUCTION

At its February 17, 2004 meeting, the City Council passed NEO as presented on a first reading. However, NEO's primary sponsor, Councilmember Reid asked that the City Attorney's Office look into some possible modifications to NEO that might address some concerns raised by tenants at the Council meeting and some Councilmembers. The CAO prepared revisions that are contained in a Third Revised NEO that address some of the tenant concerns. Below we provide some background and comment on these proposed revisions.

III. SUMMARY OF NEO REVISIONS IN THE THIRD REVISED VERSION:

- The City's notice to the tenant is enhanced to provide more information to the tenant about NEO, procedures under NEO, a summary of the evidence, and the availability of the evidence. 8.23.100 F.4.
- The evidence against the tenant will be made available to the tenant on the same basis as it is available to the landlord. 8.23.100 F.5.
- The tenant can request the City reconsider its decision based on additional conflicting or exculpatory evidence. 8.23.100 F.6.

5-6
RULES & LEGISLATION
CMT JUN 29 2004

Item: ~~16.1 and 16.2~~
City Council
March 16, 2004

- The time for a landlord to begin an eviction is extended to 25 days to permit the tenant time to request the City reconsider its decision to issue the notice to the landlord to evict the tenant. 8.23.100 F.2.
- If the landlord knew or should have known of conflicting or exculpatory additional evidence and failed to notify the City, the landlord's conduct in pursuing the eviction could be determined to be wrongful in a subsequent suit by a tenant who prevails in the unlawful detainer. 8.23.100 L.
- The issue of what costs can be passed on to tenants is sent to the Rent Adjustment Board for its consideration of regulations: to limit passing through fees and penalties as Housing Service Costs for rent increase justification; and to consider how to address the costs of evictions as Housing Service Costs. Section 2.
- The City Manager reports back to the Public Safety Committee in August of each year. Section 3.
- Some minor wording changes were made and are reflected in a comparison version of NEO in the Council packet.

IV. DISCUSSION OF ISSUES RAISED AT FEBRUARY 17, 200 COUNCIL MEETING

A. Tenant Issues.

Tenants expressed some concerns about the rights of tenants subject to eviction under NEO. As compared with an eviction for illegal activities under the Just Cause for Eviction Ordinance (Measure EE), tenants have more advantages under NEO. Under NEO, tenants have all the rights and procedures available to them under Measure EE and state law, plus additional rights and procedures available under NEO.

Measure EE	NEO
<ul style="list-style-type: none"> • Under Measure EE and state law, a landlord is only required to give a tenant a 3-day notice to quit the premises. 	<ul style="list-style-type: none"> • Under NEO, the Tenant gets a notice from the City up to 25 days in advance of getting a 3-day notice.
<ul style="list-style-type: none"> • Under Measure EE, the 3-day notice is only required to state the basis for the eviction and that advice is available from the Rent Adjustment Program. 	<ul style="list-style-type: none"> • Under NEO, the tenant gets more information on procedures under NEO., a summary of the evidence, the availability of the evidence, and the availability of a partial eviction in addition to the requirements of a notice under Measure EE.
<ul style="list-style-type: none"> • Under Measure EE and state law, tenants get access to the landlord's case through discovery after an unlawful detainer is filed. 	<ul style="list-style-type: none"> • Under NEO, a Tenant can request the City's evidence in advance of an unlawful detainer being filed.

Item: ~~16.1 and 16.2~~
 City Council
 March 16, 2004

<ul style="list-style-type: none"> • Under Measure EE and state law, the City does not evaluate evidence prior to an eviction. 	<ul style="list-style-type: none"> • Under NEO, the City evaluates the evidence against the tenant in advance of the eviction and the tenant can seek reconsideration of the notice based on new information.
<ul style="list-style-type: none"> • Under Measure EE and state law, a tenant does not have a right to a partial eviction or be permitted to remain in tenancy when a minor commits the offense. 	<ul style="list-style-type: none"> • Under NEO, a tenant can seek a settlement where the offending tenant is evicted and the remaining tenants stay in place or where a minor tenant is the offending tenant and the entire tenant household can remain in place.

Other parts of eviction procedures are the same under Measure EE/state law and NEO:

- The standard of proof is the same—preponderance of the evidence.
- The burden for proving the case is the same—it is the landlord's burden.
- The type of evidence required to evict is the same (the City's notice to the landlord to evict the tenant is not evidence).
- Neither the landlord nor the tenant is entitled to attorney's fees unless the rental agreement for the rental unit contains an attorney's fee provision (Measure EE does not provide for attorney's fees for the prevailing tenant or prevailing party).
- A tenant may recover damages against a landlord for a wrongful eviction, if the landlord's conduct in bringing the eviction is wrongful. (Even if a landlord loses an unlawful detainer action, the landlord's conduct in evicting a tenant likely would not be "wrongful" if the City compelled the landlord to evict under NEO).

In sum, a tenant who is being evicted through the NEO procedures has significant advantages over a tenant who is evicted for the same conduct under Measure EE and state law.

B. Attorney's Fees for Prevailing Tenants.

Measure EE does not provide for attorney's fees for a prevailing tenant or prevailing party in an unlawful detainer. Unless the rental agreement between the landlord and tenant provides for attorney's fees or some other statutory right to attorney's fees applies in the litigation, a prevailing tenant cannot recover attorney's fees in the unlawful detainer action. The only other theory under which a tenant might be able to recover attorney's fees is damages in a wrongful eviction suit under Measure EE or at common law. In this respect, an eviction under NEO is no different than any other eviction under Measure EE.

Item: ~~16. Nemo 16.2~~
 City Council
 March 16, 2004

The Third Revision to NEO contains a modification that permits a landlord's conduct to be considered wrongful if the landlord fails to notify the City when the landlord has contrary evidence. This modification may create more interest in attorneys to represent tenants in evictions because it may permit a wrongful eviction claim in this limited circumstances. The only other options would involve City funding of eviction defenses or paying prevailing tenant's attorney's fees directly.

C. Eviction costs under the Rent Adjustment Ordinance.

Under the Rent Adjustment Ordinance, eviction costs would be considered "Housing Service Costs." Housing Service Costs are operating expenses. Such costs are not passed through separately to tenants (as compared with Capital Improvements that are separately passed through). Housing Service Costs are not apportioned among the individual units based on which units are affected (again unlike Capital Improvements that are applied to the benefited units). Housing Service Costs are considered as part of rent increase calculations only in two instances:

- Housing Service Cost Rent Increase. When a landlord claims a rent increase on the basis that the landlord's total housing services costs increased more than the amount covered by the annual CPI Rent Adjustment. In this case, all the Housing Service Costs, including the costs pertaining to any evictions are considered together for the two year comparison. Costs are not separated out and passed through separately.
- Debt Service Rent Increase. When a landlord claims a rent increase based on a sale of the property and an increased debt service. In this case, all the landlord's Housing Service Costs are added to a percentage of the landlord's new debt service costs and compared to the existing rent structure to see if the landlord needs a rent in order to break even on a cash flow basis. Again no individual cost is segregated out for a pass through.

According to the Rent Adjustment Program, Housing Service Costs and Debt Service Costs are utilized as justifications for rent increases less frequently than any other grounds. The City should carefully consider removing specific landlord costs, such as eviction costs, from the Housing Service Costs calculations. Cities are required to permit landlords the opportunity to receive a fair return on their real property investment under rent control laws. Evictions are a routine expense for landlords; except for the fees and penalties that can be assessed under NEO, the landlord's costs for illegal activity evictions are part of a landlord's business expenses. Removing specific landlord expenses from the Housing Service Costs calculation could impact landlords' ability to receive a fair return.

Item: ~~16.1 and 16.2~~
City Council
March 16, 2004

For this reason, the City Council and Rent Adjustment Program should carefully consider removing specific landlord costs from increased Housing Service Cost calculations before acting on the matter.

For the reasons discussed above, the City Attorney's Office recommends that the Council refer the issue of eviction costs to the Rent Adjustment Program so that this issue can be addressed in the regulations. If the Council wishes to declare that certain costs are not Housing Service Costs, it should exclude only the fees and penalties assessed against landlords from Housing Service Costs. The landlord could have "avoided" those costs by taking the action to evict the tenant on his/her own without *investigation and prompting by the City; such costs therefore are "avoidable" and the City would be justified in not permitting a landlord to pass such costs on to a tenant.*

D. Rent Adjustment Program Notice.

The Rent Adjustment Ordinance requires that a landlord give a tenant two types of program notices:

- A notice at the commencement of the tenancy that gives the tenant general rent program information; and
- A more limited notice at the time of each rent increase that reminds the tenant of the right to contest rent increases and the time-frame in which to do so.

NEO requires inclusion of language regarding NEO in the notice the landlord is required to provide at the commencement of tenancy --the notice in which general program information is transmitted to the tenant. The landlord is not required to include information on NEO in the rent increase notice. Tenant comments seem to confuse these two notices; the notices are not the same. Requiring a separate notice for NEO information, as tenants suggest, would put an additional, unnecessary burden on the Rent Program and landlords. Moreover, requiring an additional notice would also require a companion enforcement mechanism to ensure tenants get the notice; otherwise the requirement for a separate NEO notice might be meaningless. For these reasons, the Council should retain the requirement for adding information on NEO to the Rent Program notice at the commencement of tenancy.

E. City Liability Under NEO.

Some Councilmembers raised questions about the City's potential liability under NEO. The most likely lawsuit would be filed against the City by a tenant who prevails in an unlawful detainer that a landlord initiated based on the City's notice to evict. The City is not likely to be liable for issuing notices to landlords to evict tenants under NEO. Los Angeles has not been sued for issuing an eviction notice in the five years it has operated

Item: ~~16.1 and 16.2~~
~~City Council~~
~~March 16, 2004~~

its nuisance eviction program. However, as with any law enforcement action, we cannot state for certainty that the City might not incur some liability

A city is generally not liable under state law for the acts or omissions when its employees are not liable. California Government Code §§ 8.15.2(b). City employees are not liable for their actions in various circumstances set out in the California Government Code. Several sections of the state Government Code that provide immunity for city employees might be applicable to actions under NEO.

- City employees are not liable when taking discretionary actions. Cal. Gov. Code § 820.2. Under NEO, the Case Manager is exercising discretion in deciding whether or not to issue a notice to evict.
- City employees are not liable when instituting or prosecuting any judicial or administrative action within the scope of employment, even if the employee acts with malice and without probable cause. Cal. Gov. Code § 821.6. This includes the investigation that takes place before the official action. *Javor v. Taggart*, 98 Cal.App.4th (2nd Dist. 2002). A notice under NEO could be regarded as the triggering event for the landlord instituting an unlawful detainer against the tenant and the City's investigation and issuing of the notice should be immune.
- Cities are not liable for making negligent property inspections for compliance with or violations of health and safety or other laws. Cal. Gov. Code § 816.6. NEO's purpose is to enforce health and safety laws.

If a tenant evicted pursuant to NEO was wrongfully arrested and the City had liability for the wrongful arrest under state law or federal civil rights laws, the tenant might claim additional damages for the eviction. Even if liability is not absolutely ruled out by the immunities discussed above, in issuing a notice to evict under NEO, the City could argue that it is acting in the capacity similar to that of a prosecutor and has a qualified immunity from liability for the eviction similar to that of prosecutors and judges. See e.g. *Smiddy v. Varney*, 665 F.2d. 261 (9th Cir. 1981).¹ Similarly, cities are not liable for malicious prosecutions under state law. *Asgari v. City of Los Angeles*, 15 Cal.4th 744 (1997)(citing to Cal. Gov. Code § 821.6).

In cases where the evidence of the tenant's culpability may be more questionable, the City has the option of not issuing the notice to evict, or waiting until a criminal complaint is filed against the tenant. The City also could receive better assurance of the tenant's culpability if a court issues a subpoena in the case, which means the court found probable cause that the tenant engaged in the unlawful activity. Damages flowing from a

¹ This rule applies except where the arresting officers acted with malice or disregard of the arrested person's rights. *Smiddy* at 267.

Item: ~~16. Land 16.2~~
City Council
March 16, 2004

questionable arrest cease with the filing of a criminal complaint. *County of Los Angeles v. Superior Court*, 78 Cal.App.4th 212 (2nd Dist. 2000).

Additionally, the amended version of NEO gives the tenant an opportunity to ask the City to reconsider its issuance of the notice to evict. This would give City the opportunity to rescind/withdraw the notice if City learns of information that contradicts the City's evidence or exculpates the tenant.³

In sum, the City should not have significant risk of liability in carrying out NEO. Although there is no case evaluating a program like NEO, the City's risk should be minimal.

V. STATUS OF STATE LEGISLATION.

At its meeting of February 3, 2004, the City Council authorized the City's Director of Intergovernmental Affairs to seek Oakland's inclusion in the Los Angeles drug nuisance eviction program authorized by state law. California Health and Safety Code § 11571.1. Assemblymember Frommer introduced AB 2523 which includes Oakland in Section 1157.1 (a copy of the bill is attached to the resolution asking seeking the Council support for the bill). As previously discussed with the City Council, Oakland's inclusion in the LA program would benefit the City by allowing the City to take over an eviction when the landlord fails or refuses to do so, and would make partial evictions easier. However, Section 11571.1 has some detrimental provisions:

- Section 11571.1 requires landlords to commence an eviction in 15 days after the City's notice, NEO permits 25 days
- It limits the City's attorney's fees payable by a landlord to \$600 when the landlord voluntarily turns an eviction over to the City for safety-related reasons, NEO requires the landlord to pay all the City; and
- It authorizes the City Attorney to take the actions on behalf of the City, including issuing the notices to evict, under NEO, the City Manager issues the notices.

Because of the differences between Section 11571.1 and NEO, the Director of Intergovernmental Affairs, in conjunction with the City Attorney's Office and LA will seek to amend the bill to allow each covered city to develop its eviction program according to its individual needs and constituencies. If the state legislature does not make the changes we request, the City can assess whether it wants to continue to be included in the legislation.

³ A further check on the City's potential liability would be for the City Attorney's Office to sign off on the eviction notices along with the City Manager's Office; however, the City Council did not fund a City Attorney position for NEO.


Item: ~~16. Lead 16.2~~
City Council
March 16, 2004

City Council
Re: Nuisance Eviction Ordinance
March 16, 2004
Page 8

NEO is crafted so that the actions of the City are within the ambit of the City's authority to address nuisances and, thus, do not require further state legislation. If Oakland is included in Section 11571.1 as it is currently written, some changes to NEO might be necessary.

The CAO prepared a resolution in support of AB 2523 for the Council's consideration.

Respectfully submitted,


for JOHN A. RUSSO
City Attorney

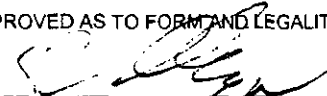
Attorney assigned: Richard Illgen

Item: ~~16.1 and 16.2~~
City Council
March 16, 2004

FILED
OFFICE OF THE CITY CLERK
OAKLAND

ON MAR 11 PM 1:46
INTRODUCED BY COUNCILMEMBER _____

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION SUPPORTING ASSEMBLY BILL 2523 THAT WOULD INCLUDE OAKLAND IN CALIFORNIA HEALTH AND SAFETY CODE SECTION 11571.1 AUTHORIZING THE CITY OF OAKLAND TO PARTICIPATE IN A PROGRAM OF EVICTING TENANTS ENGAGED IN UNLAWFUL DRUG- RELATED ACTIVITIES

WHEREAS, California Health and Safety Code Section 11571.1 authorized the City of Los Angeles and some other cities in the Los Angeles area to participate in a pilot program involving the eviction of tenants engaged in illegal drug-related activities on the premises where they reside; and

WHEREAS, on February 17, 2004, the City Council passed on first reading the Nuisance Eviction Ordinance that in part involves the eviction of tenants engaged in illegal drug-related activities on the premises where they reside, and

WHEREAS, if Oakland were included in California Health and Safety Code Section 11571.1, Oakland would be able to evict tenants involved in unlawful drug-related activities if the landlord failed or refused to do so, and Oakland's inclusion in the state would also facilitate partial evictions where only the specific individual in the tenant household engaged in the illegal activity would be evicted; and

WHEREAS, on February 3, 2004, the City Council authorized the Director of Intergovernmental Affairs to pursue state legislation to include Oakland in California *Health and Safety Code Section 11571.1*; and

WHEREAS, Assembly Bill 2523 was introduced by Assemblymember Frommer which would make the drug nuisance eviction program authorized by California Health and Safety Code Section 11571.1 permanent and no longer just a pilot program, and would include Oakland in the program; and

WHEREAS, some changes in California Health and Safety Code Section 11571.1 would be necessary to conform the procedures in that statute to the procedure in the Oakland's Nuisance Eviction Ordinance; now therefore, be it

RESOLVED, that the City Council hereby supports AB 2325;

FURTHER RESOLVED, that the City Council supports amending AB 2325 to permit the cities authorized by California Health and Safety Code Section 11571.1 to participate in the drug nuisance eviction program to develop their own procedures for conducting the eviction activities authorized by the statute.

IN COUNCIL, OAKLAND, CALIFORNIA, _____ 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, BROOKS, NADEL, REID, QUAN, WAN, AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
Of the City of Oakland, California

5-6
RULES & LEGISLATION
CMTE
JUN 29 2004

Item: ~~162~~
City Council
March 16, 2004

FILED
OFFICE OF THE CITY CLERK
OAKLAND

04 JUN 24 PM 4:50

CITY OF OAKLAND



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July 6, 2004

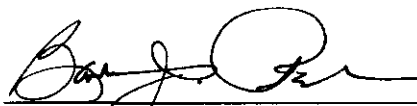
City Council President Ignacio de la Fuente and Members of the City Council:
City Hall
Oakland, California

Subject: REPORT AND POSSIBLE ACTION ON AB 2523 THAT WOULD REQUIRE CITY ATTORNEY TO ISSUE NUISANCE EVICTION NOTICES, LIMIT RECOVERY OF ATTORNEY'S FEES PAYABLE BY LANDLORDS TO CITY, AND REQUIRE RESPONSE TO NOTICES IN 30 DAYS

Dear President de la Fuente and Councilmembers:

The City Council previously designated and funded the City Administrator's Office to administer Oakland's drug nuisance eviction program. As discussed in the City Administrator's report, if Oakland becomes part of the state's pilot program for drug nuisance evictions, the administration of the drug nuisance eviction program would shift to the City Attorney's Office.

Respectfully submitted,

By: 
for JOHN A. RUSSO
City Attorney

5-6

**RULES & LEGISLATION
CMTE**

JUN 29 2004