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OAKLAND
INTRODUCED BY COUNCILMEMBER
2010 JUL 22 PM 11: 54



CITY ATTORNEY

#### OAKLAND CITY COUNCIL

<b>RESOL</b>	UTION	NO.	C.M.S

RESOLUTION SUBMITTING AMENDMENTS TO THE JUST CAUSE FOR EVICTION ORDINANCE, ON THE CITY COUNCIL'S OWN MOTION, TO THE ELECTORS AT THE NOVEMBER 2, 2010 STATEWIDE GENERAL ELECTION, TO CLARIFY THE ORIGINAL INTENT OF THAT ORDINANCE REGARDING VACATING TENANTS FROM NONCONFORMING (ILLEGAL) RENTAL UNITS AND ADDING ADDITIONAL REQUIREMENTS THERETO, TO SET OUT THE RENT BOARD'S EXISTING IMPLIED REGULATORY AUTHORITY INTO THE ORDINANCE, TO MODIFY THE ORDINANCE TO PERMIT THE CITY COUNCIL TO APPROVE RENT BOARD REGULATIONS, AND TO EXPAND THE CITY COUNCIL'S AUTHORITY TO REVISE THE ORDINANCE IN THE EVENT ANY PROVISION IS PROSPECTIVELY FOUND INVALID BY A COURT OR IS AFFECTED BY STATE LAW; CONSOLIDATING THE ELECTION WITH THE STATEWIDE GENERAL ELECTION; AND DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE NOVEMBER 2, 2010, STATEWIDE GENERAL ELECTION

WHEREAS, the Mayor and the City Council of the City of Oakland seek to better ensure Oakland's rent and eviction laws are clear for all landlords and tenants; and

"MHEREAS, the Oakland's Just Cause for Eviction Ordinance (Measure EE) (the "Ordinance") adopted by the voters in 2002 has been the subject of litigation and, as a result, has created more uncertainty among landlords and tenants regarding how and when tenants can be required to vacate their rental units; and

WHEREAS, in particular, tenants who rent units that landlords have placed illegally on the rental market should be protected against arbitrary eviction and landlords should be required to evict such tenants only as a last resort if the unit cannot be made legal and the way in which these evictions are addressed under the Ordinance should be clarified; and

WHEREAS, the Rent Board has adopted many regulations that clarify and assist both landlords and tenants in understanding and following the Ordinance, and that although the Rent Board's authority to adopt regulations was affirmed in Rental Housing Association of Northern Alameda County v. City of Oakland (2009) 171 Cal.App.4th 741, the Rent Board's regulatory authority continues to be litigated; and

WHEREAS, the Ordinance provides that the City Council can amend the Ordinanceit to add another just cause for eviction if one is added by state law, but the City Council should also have the authority to amend the Ordinance in the event a provision of the Ordinance is challenged and invalidated by a court and the invalidation can be

corrected by an amendment or <u>if</u> new state legislation requires an amendment to the Ordinance; and

**WHEREAS**, litigation and submitting amendments to the voters are costly to the City of Oakland, particularly in times of limited City revenues;

WHEREAS, this action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15061 (b)(3) (General Rule); 15183 (Projects consistent with general plan and zoning); 15301 (Existing Facilities); 15304 (Minor Alterations to Land); and/or 15035 (Minor Alterations in Land Use Limitations), each of which provides a separate and independent basis for CEQA compliance and when viewed collectively, provides an overall basis for CEQA compliance.

## NOW, THEREFORE BE IT RESOLVED:

That the City Council of the City of Oakland does hereby submit to the voters at the November 2, 2010 general election, an Ordinance, that reads as follows:

### PART 1. GENERAL

## Section A. TITLE AND PURPOSE.

- (1) <u>Title</u>. This ordinance may be referred to as the "Just Cause for Eviction Ordinance Amendments of 2010."
- (2) Purpose. The purpose is to amend the Just Cause for Eviction Ordinance (Measure EE and codified at [O.M.C. 8.22.300, et seq.)] (the "Ordinance") to clarify existing Ordinance provisions as to how and when tenants can be removed from noncomforming or illegal rental units and to add additional requirements for such removal, to include in the Ordinance the Housing, Residential Rent and Relocation Board's (the "Rent Board") existing authority to issue regulations for the Ordinance, and to permit the City Council to amend the Ordinance under limited circumstances (in cases of invalidation of provisions or changes in state law).

## Section B. FINDINGS.

- (1) In November 2002 the voters of the City of Oakland passed the Just Cause for Eviction Ordinance (Measure EE and codified O.M.C. 8.22.300, et seq., the "Ordinance") which requires that in order to remove a tenant from a unit covered by the Ordinance, a landlord must a have specified good cause (such as non-payment of rent, violation of the rental agreement, owner move-in);
- (2) The original intent of the Ordinance was that all residential rental units, including those that do not meet zoning requirements, lack a certificate of occupancy, or that otherwise may have been created not in conformity with state or local law requirements, or became nonconforming, would be subject to the Ordinance, unless otherwise specifically exempted; .

- (3) The Ordinance intended that section 6A.10 (units that contain code violations) [O.M.C. 8.22.360.A.10] and section 6A.11 [O.M.C. 8.22.360.A.11] (removing units from the market)[the Ellis Act Section] were intended to address removal of tenants from units with code violations including, if necessary, the permanent vacation or removal of such units from the market;
- (4) Some landlords have been improperly evicting tenants from the noncomforming units that the landlord unlawfully created by using a three-day notice and alleging the tenant was using the premises for an unlawful purpose under Ordinance Section 6A(6) or California Code of Civil Procedure 1161(4), although it was the landlord who created the unlawful unit and put it on the rental market;
- (5) The intent of this measure before the voters is to clarify existing law and add requirements as to how a landlord may vacate a unit when the unit is required to be vacated by City code or zoning enforcement officials;
- (6) The original intent of the <del>Just Cause for Eviction Ordinance</del> was to give the <del>Oakland</del>-Rent Board the authority to adopt general regulations for the Ordinance without the need for City Council approval;
- (7) At various times since the enactment of the Just Cause for Eviction Ordinance, the Rent Board, under its authority to adopt general regulations for the Ordinance, adopted regulations to implement, fill in details, or to clarify provisions of the Ordinance;
- (8) The Rent Board's authority to adopt regulations has been important in clarifying for landlords and tenants as to how the Ordinance functions and how evictions may be carried out, and in addressing issues concerning the validity of provisions of the Ordinance;
- (9) The authority of the Rent Board to adopt general regulations for the Ordinance without the requirement of City Council approval has been affirmed by the Court of Appeal in *Rental Housing Association of Northern California v. City of Oakland* (2009) 171 Cal.App.4th 741 ("*RHA*");
- (10) Despite the *RHA* decision the City of Oakland has been sued over the validity of Rent Board regulations and the Board's regulatory authority;
- (11) It is in the interests of the citizens of Oakland and landlords and tenants that future disputes over how tenants may be required to vacate illegal, non-conforming units be more specifically addressed and to include additional requirements and that the Rent Board's regulatory authority be more specifically set out in the Ordinance to avoid continuing litigation over these issues;
- (12) Currently the City Council has the authority to amend the Ordinance, but only in the event state law requires the addition of new ground for eviction;

- (13) It is in the interests of the City of Oakland and landlords and tenants to expand the City Council's authority to amend the ordinance to correct provisions that may be invalidated by a court (when such correction can be made by amendment) and to address other amendments that may be required by changes in state law;
- (14) Nothing in these amendments is intended to modify or otherwise disturb any existing regulation of the Rent Board except any regulation addressing the permanent removal of a tenant from an illegal or non-conforming rental unit as set forth in this amendment;
- (15) Nothing in these amendments are intended nor shall permit the Rent Board or the City Council to modify the regulations adopted by the Rent Board in the settlement agreement between the Rental Housing Association of Northern Alameda County, Just Cause Oakland, and the City of Oakland in settlement of California Court of Appeals (1st District) No. A114855 (Rental Housing Association of Northern Alameda County v. City of Oakland) except as permitted by that settlement agreement;
- (13)(16) The voters wish to give the City Council the option of setting out procedures under which the Rent Board adopts regulations, including whether and how the City Council may elect to review or approval regulations.

## PART 2. SUBSTANTIVE ORDINANCE AMENDMENTS

The Just Cause for Eviction Ordinance is hereby amended as follows:

Section A. Definitions.

Ordinance Section 2 [O.M.C. 8.22.340] (Definitions) is here by amended as follows:

The following definitions are hereby added to Section 2 [O.M.C. 8.22.340] (Definitions):

"Noncomplying or illegal building or unit" means a building, room, or rental unit which has been found or determined by an authorized enforcement official of the city or other governmental entity to be substandard, blighted, unsafe, a public nuisance, or otherwise not in conformance with applicable state or local zoning, building or housing standards, including but not limited to standards contained in the Oakland Building Maintenance Code, the Oakland Planning Code, the Oakland Municipal Code, and the Uniform Fire Code as adopted by the city, and other technical codes adopted and enforced by the city for existing residential properties, including codes addressing dangerous or hazardous buildings;

"Noncomplying condition" or "noncompliance" means any physical condition or use with respect to the building, or unit, that contributes to a finding or determination that the unit or building is a Noncomplying or illegal building or unit.

"Rules and Regulations" means the rules or regulations adopted by the Rent Board under authority to clarify, implement, fill in details, or otherwise facilitate and enforce the intent and mandate of this Ordinance or any of its specific provisions, such rules and regulations may be adopted by the Rent Board without-requiring-City Council approval and under such requirements and procedures as the City Council may adopt.

The following definition Section 2 [O.M.C. 8.22.340] (Definitions) is hereby revised -to read as follows (added text underlined):

"Rental Unit" (aka Unit, aka Premises) means any unit in any real property, regardless of zoning status or whether the unit has a certificate of occupancy or does not conform to building or other codes intended to protect the health and safety of the unit's occupant(s) or others, including the land appurtenant thereto, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes), 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.

<u>Section B.</u> Ordinance Section 6.A.10 [O.M.C. 8.22.360A.10] is hereby revised and restated to read as follows:

Section 6. Good Cause Required for Eviction.

A. No landlord shall endeavor to recover possession, issue a notice terminating tenancy, or recover possession of a rental unit in the city of Oakland unless the landlord is able to prove the existence of one of the following grounds [existing text]:

[The following subsection is revised and restated]

- 10. The owner of record seeks in good faith to temporarily or permanently vacate a Noncomplying unit or units in a Noncomplying building to cure the noncompliance.
  - a. Temporary Vacation of Unit.
- i. An Owner of Record may give notice to vacate to a tenant The owner of record, after having obtained all necessary permits from the City of Oakland on or before the date upon which notice to vacate is given, seeks in good faith to undertake substantial repairs that cannot be completed while the unit is occupied, and that are necessary either to bring the property into compliance with applicable codes and laws affecting health and safety of tenants of the building, or under an outstanding notice of code violations affecting the health and safety of tenants of the building.
- ii Upon recovery of possession of the rental unit, owner of record shall proceed without unreasonable delay to effect the needed repairs. The tenant shall not be required to vacate pursuant to this section, for a period in excess of three months; provided, however, that such time period may be extended by the Rent Board upon application by the landlord. The Rent Board shall adopt rules and regulations to implement the application procedure.

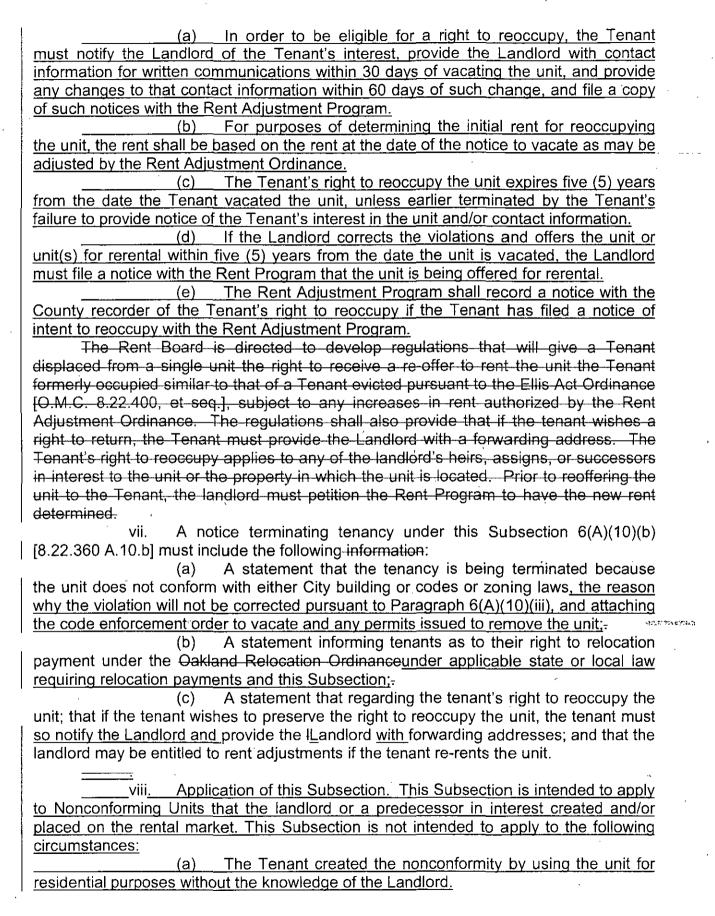
iii. Upon completion of the needed repairs, owner of record shall offer				
tenant the first right to return to the premises at the same rent and pursuant to a rental				
agreement of substantially the same terms, subject to the owner of record's right to				
obtain rent increase for capital improvements consistent with the terms of the Oakland				
Residential Rent Adjustment Ordinance or any successor ordinance.				
ivi. A notice terminating the tenancy to vacate temporarily under this				
subsection 6(a)(10) [8.22.360 a.10] must include, in addition to any other information				
required by this ordinance, the following: information:				
(a) A statement informing tangents as to their right to releastion				
(a)A statement informing tenants as to their right to relocation payment under the Oakland code enforcement-relocation ordinance;				
(b) A statement that "When the needed repairs are completed				
on your unit, the landlord must offer you the opportunity to return to your unit with a				
rental agreement containing the same terms as your original one and with the same rent				
(although landlord may be able to obtain a rent increase under the Oakland Residential				
Rent Arbitration Ordinance [O.M.C. Chapter 8.22, Article I])."				
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c) An estimate of the time required to complete the repairs and				
the date upon which it is expected that the unit will be ready for habitation.				
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iii. The Tenant shall have a defense to the eviction if the landlord has				
paid any relocation required by state law, or City Ordinance requiring payment to the				
tenant for relocation from a Nonconforming Unit, as appropriate, in at least ten (10) days				
prior to the expiration of the notice to vacate, or in accordance with regulations adopted				
by the Rent Board. The Rent Board is directed to supplement this subsection with				
regulations to conform it to the requirements of the relocation ordinances or statutes				
and to address the circumstance in which the tenant will not be timely vacating.				

[The following subsection is added]

b. <u>Permanent Vacation of Nonconforming Unit.</u>

The Owner of Record seeks to permanently vacate a noncomplying unit as a result of an outstanding notice of non-complying conditions (including if the unit or the building in which it is located violates zoning laws). that, if not corrected would require the unit or building to cease to be vacated occupied residentially, if not corrected or an order that the unit-or-the building in which it is located violate zoning laws as set forth in this subsection. If all the units on the property are noncomplying units, then the landlord must use the Ellis Act Ordinance [O.M.C. 822.400, et seq.] to cause the property to be vacated. If less than all the units are noncomplying, then the landlord may use a notice pursuant to Civil Code Section 1946, 1946.1 or any successor statute allowing a landlord to terminate a tenancy without cause with a notice of 30 or 60 days (as appropriate under the statute) and follow the other requirements of this subsection. This section incorporates the original intent of the ordinance.

- The landlord must be under an outstanding order to correct the noncomplying conditions and that requires that, if not corrected, would result in an order to require the landlord to cease residential occupancy of the unit or building. The landlord must make reasonable and good faith efforts to cooperate with code enforcement or zoning officials to see if the housing unit(s) can be preserved. -- including entering into a compliance plan with code enforcement officials. Such efforts may include the following: (a) Entering into a compliance plan with code enforcement officials: (b) Seeking a formal zoning determination. iii After making good faith efforts, the landlord must have determined that: that the noncomplying conditions cannot be corrected due to (a) physical limitations of the unit or property; that-any zoning violations cannot be corrected, including by (b) the granting of a variance or use permit; after having investigated correcting the noncomplying (c) conditions, the landlord in good faith determines that the corrections are financially infeasible or that the landlord is unwilling to commit the financial resources to make the corrections. Prior to issuing a notice terminating to vacate, the landlord must have obtained all necessary permits or approvals to convert the unit(s) to nonresidential use, or to decommission or demolish the unit(s). The Tenant shall have a defense to the eviction if the landlord has paid any relocation required by state law, or City Ordinance requiring payment to the tenant for relocation from a Nonconforming Unit, as appropriate, in at least ten (10) days prior to the expiration of the notice to vacate, or in accordance with regulations adopted by the Rent Board. The Rent Board is directed to supplement this subsection with regulations to conform it to the requirements of the relocation ordinances or statutes, and to address the circumstance in which the tenant will not be timely vacating. The Landlord must pay to the Tenant any relocation benefits required by state or Oakland law in accordance with the following: (a) The Landlord must pay one-half-of-the relocation benefits concurrent with the service of the notice to vacate and the other half when the tenant vacates the unit, unless state law relocation benefits apply and such law requires a different payment schedule: (b) Any relocation payments made pursuant to this section are separate from any refundable deposits the Tenant may have made pursuant to the rental agreement or state law. Payment or acceptance of relocation benefits pursuant to this section do not operate as a waiver of any other rights or claims the tenant may have and cannot be conditioned on such waiver.
  - vi. Tenant Right to Reoccupy. In the event that the Landlord corrects the violations and receives a certificate of occupancy for the unit(s), the Landlord must re-offer the unit any tenant who vacated a unit pursuant to this section except for Tenants displaced under the Ellis Act Ordinance, in which case the Tenant's right to reoccupy is set out in that Ordinance.



- (b) The unit is determined to be an imminent hazard by a code enforcement officer and the officer orders the unit to be immediately vacated.
- (c) The nonconforming conditions were created as a result of the failure of the landlord or predecessor in interest to make timely or necessary repairs or the unit has generally deteriorated, unless the unit has deteriorated such that the unit represents a substantial and serious health and safety risk to the Tenants.
  - c. Forms.

i. The Rent Adjustment Program shall develop forms that Landlords and Tenants may use for providing notices and filings under this Section. Such forms will be "safe harbor" forms that may be used by a Landlord or Tenant at their such persons option.

. . .

[The following subsection is revised and restated.]

B.3. Where a landlord seeks to evict a tenant under a just cause ground specified in Subsections 6(A)(7, 8, 9, or 10) [8.22.360 A.7, 8, 9, or 10], she or he must do so according to the process established in Civil Code § 1946, 1946.1 (or successor provisions providing for 30 or 60 day notice period for a termination of tenancy); where a landlord seeks to evict a tenant under Subsection 6(A)(11) the landlord must do so pursuant to the Ellis Act Ordinance [O.M.C. 8.22.400, et seq]. Where a landlord seeks to evict a tenant for the grounds specified in Subsections 6(A)(1, 2, 3, 4, 5, 6) [8.22.360 A.1, 2, 3, 4, 5, 6], she or he may do so under an appropriate section of state law (either Code of Civil Procedure 1161 or Civil Code 1946, 1946.1 (or their successor provisions) as determined by the landlord.

Section C. Partial Invalidity; Council Authority to Amend Ordinance; Rent Board Regulations.

Section 9 [O.M.C. 8.22.390] is hereby amended to read as follows:

Partial Invalidity or state law change; City Council Authority; Rent Board Regulatory Authority.

A Partial invalidity.

If any provision of this chapter or application thereof is held to be invalid, this invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provisions or applications, and to this end the provisions and applications of this chapter are severable. [existing text]

B. Limited City Council Authority to Amend. The City Council may adopt an ordinance amending this Ordinance to correct any provision held invalid by the judgment of a Court after the date of enactment of this subsection or in the event a change in state law affects the manner in which this Ordinance operates, provided that any such amendment is narrowly tailored to meets the intent of this Ordinance and the provision invalidated affected. The City Council may also adopt an ordinance amending this Ordinance in the event a change in state law affects the manner in which this Ordinance operates. [added text].

Rent Board Regulatory Authority. The Rent Board shall have the authority to adopt general rules and regulations to implement, interpret, fill in details, or to clarify provisions of the this Ordinance, and including such regulatory authority is maybe customarily given to or implied in the powers of similar administrative agencies and is intended to be broad authority, only limited by a direct conflict with the this Ordinance. Additionally, the Rent Board may develop forms and notices to assist landlords and tenants in complying with this Ordinance. Such rules and regulations adopted by the board do not require approval by the City-Council, but at the rent Board's discretion, may refer such regulations to the City Council for review and comment. The City Council may adopt procedures under which the Rent Board adopts regulations, including the option for the Council to approve all or individual regulations prior to their becoming effective. This subsection does not apply to Rent Board regulations for this Ordinance that were adopted by the Rent Board prior to the enactment of this subsection and all such regulations are considered validly adopted under the procedures that existed at the time they were adopted. Any procedures the City Council may adopt pursuant to this subsection shall not override the procedures adopted pursuant to the settlement agreement between the Rental Housing Association of Northern Alameda County, Just Cause Oakland, and the City of Oakland in settlement of California Court of Appeals (1st District) No. A114855 (Rental Housing Association of Northern Alameda County v. City of Oakland) for those regulations adopted pursuant to that settlement. This section incorporates the original intent of the Ordinance. [added text].

**FURTHER RESOLVED:** That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of the Oakland Municipal election with the statewide general election of November 2, 2010, consistent with provisions of State Law; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to November 2, 2010, to file with the Alameda County Clerk certified copies of this resolution; and be it

**FURTHER RESOLVED:** That the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots recitals and measure language to be voted on by the voters of the qualified electors of the City of Oakland; and be it

**FURTHER RESOLVED:** That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, the Government Code and the Elections Code of the State of California; and be it

**FURTHER RESOLVED:** That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

**FURTHER RESOLVED:** That the City Clerk is hereby directed to obtain printing, supplies and services as required by said election; and be it

**FURTHER RESOLVED:** That the City Clerk is hereby authorized to provide such other services and supplies in connection with said election as may be required by the Statutes of the State of California and the Charter of the City of Oakland; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and Chapter 11 of the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance and rebuttals, and said date shall be posted in the Office of the City Clerk; and be it

**FURTHER RESOLVED**: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the 2010 general election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the November 2, 2010, general election, consistent with law; and be it

**FURTHER RESOLVED**: The Environmental Review Officer shall cause to be filed a Notice of Exemption; and be it.

**FURTHER RESOLVED:** That appropriate sections of this Ordinance may be codified into the City of Oakland Municipal Code at the direction of the City Clerk if the measure is adopted by the voters.

IN COUNCIL, OAKLAND, CALIFORNIA	, 2010	
PASSED BY THE FOLLOWING VOTE:		
AYES- BROOKS, DE LA FUENTE, KAPLAN PRESIDENT BRUNNER	, KERNIGHAN, NADEL, QUAN, REID, and	
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ABSTENTION	ATTEST:	
	LATONDA SIMMONS City Clerk and Clerk of the Council Of the City of Oakland, California Date:	