APPROVED AS TO FORM AND LEGALITY

KentQuan

INTRODUCED BY COUNCILMEMBER

CITY ATTORNEY'S OFFICE

REVISED OAKLAND CITY COUNCIL

ORDINANCE NO.

C.M.S.

ORDINANCE AMENDING THE RENT REGISTRY ORDINANCE (ORDINANCE NO. 13695 C.M.S.) TO MODIFY THE INITIAL SUBMISSION DEADLINE FOR RENT REGISTRY REGISTRATION FORMS FROM MARCH 1, 2023 TO JULY 1, 2023

WHEREAS, the City Council adopted Ordinance No. 13695 C.M.S. on June 21, 2022, which amended The Rent Adjustment Ordinance (O.M.C. 8.22.010 et seq) And The Just Cause For Eviction Ordinance (O.M.C. 8.22.300 et seq) to (1) create an annual requirement for residential rental units in which rental property owners of units subject to the Rent Program Service Fee shall be required to report rent and other tenancy information, as set forth in Section 8.22.520, (2) require owners to provide evidence of complying with residential rental registration requirement when filing rent increase petitions or responses to tenant petitions and (3) to provide as a tenant's affirmative defense in an eviction action the property owner's failure to comply with registration requirements outlined in O.M.C. 8.22.510; and

WHEREAS, the Ordinance No. 13695 C.M.S. requires owners of residential rental property to register their rental units' rents for the first time by March 1, 2023, and imposes penalties if owners fail to substantially comply with the registration requirement; and

WHEREAS, a high compliance rate with the rent registration requirement is critical to the establishment of a robust rent registry that will assist the City in its goal of monitoring rents and limiting rent overcharges; and

WHEREAS, the City of Oakland's Rent Adjustment Program is tasked with developing and implementing the rent registration process and conducting initial outreach to Oakland property owners so that they may comply with the rent registration requirements; and

WHEREAS, the Rent Adjustment Program has identified that a modification of the initial registration deadline is necessary to fully develop the online rent registry, add critical staff, conduct widespread outreach, and educate/support Oakland property owners in the rent registration process so as to allow a high rate of compliance with the Ordinance requirements during the first year of implementation; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. Amendment of Section 8.22.510 of Oakland Municipal Code. Section 8.22.510 of the Oakland Municipal Code is amended as set forth below (additions are shown as <u>double underline</u> and deletions are shown as <u>strikethrough</u>).

8.22.510 - Annual registration and reporting obligations

- A. Starting on March 1, 2023, Rental Property Owners of units subject to Section 8.22.500.D shall be required to report certain information about their units to the City, as set forth in Section 8.22.5320. Rental Property Owners shall report the information using a form prepared by the City. The City Administrator may, in addition or in lieu of a paper form, develop an electronic form or a secure internet website for Rental Property Owners to submit the required information. The City Administrator may also develop procedures for tenants to also report information about their units, but in that event reporting by tenants shall be optional rather than required.
- B. Deadline for Submission of Registration Form. <u>For 2023</u>, Rental Property Owners shall complete and submit to the City the registration form prior to the delinquency deadline identified in the fee statement<u>on or before July 1, 2023</u>. For all subsequent years, the deadline shall be March 1.
- C. Failing to Register. A Rental Property Owner of a Covered Unit, as defined in O.M.C. 8.22.020, who fails to substantially comply with the registration requirement, but otherwise qualifies to petition or respond to a petition filed with the Rent Adjustment Program, will forfeit six months of the rent increase sought unless the owner cured the failure to register. A Rental Property Owner may cure the failure to register required by this section and not be subject to a forfeiture of a rent increase if the Rental Property Owner substantially complies with the registration requirement six months prior to serving the rent increase notice on the tenant or, in the case of an owner petition, at least six months prior to filing the petition.

SECTION 2. Amendment of Section 8.22.090 of Oakland Municipal Code. Section 8.22.090 of the Oakland Municipal Code is amended as set forth below (additions are shown as <u>double underline</u> and deletions are shown as <u>strikethrough</u>).

8.22.090 - Petition and response to filing procedures.

- A. Tenant Petitions and Responses.
- 1. Tenant may file a petition regarding any of the following:
 - a. A rent increase was given that is not based on the CPI rent adjustment, banking; and/or a final decision in an owner petition;
 - b. The owner set an initial rent in excess of the amount permitted pursuant to Section 8.22.080 (Rent increases following vacancies);

- c. A rent increase notice failed to comply with the requirements of Subsection 8.22.070H;
- d. The owner failed to give the tenant a notice in compliance with Section 8.22.060 and State law;
- e. The owner decreased housing services to the tenant;
- f. The tenant alleges the covered unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations pursuant to Subsection 8.22.070 D.6;
- g. The owner fails to reduce rent on the month following the expiration of the amortization period for capital improvements, or to pay any interest due on any rent overcharges from the failure to reduce rent for a capital improvement.
- h. The owner noticed a rent increase that exceeds the annual limit as provided in Section 8.22.070 A.2. or that exceeds the rent increase limit of thirty percent (30%) in five (5) years.
- i. The petition is permitted by the Just Cause for Eviction Ordinance (Measure EE) O.M.C. 8.22.300 or its regulations.
- j. The petition is permitted by the Ellis Act Ordinance, O.M.C. 8.22.400, or its regulations.
- k. The tenant contests an exemption from this O.M.C. 8.22, Article I or Article II.
- 1. The tenant claims the owner has received reimbursements for any portion of cost or financing of capital improvements after a capital improvement rent increase has been approved, and has not prorated and refunded such reimbursement.
- m. After a rent increase imposed for an additional occupant as defined by Section 8.22.020, the owner fails to reduce the rent following a decrease in occupancy.
- n. A primary tenant overcharges a subtenant in violation of the regulations. Only a subtenant may file a petition for this reason.
- 2. For a petition contesting a rent increase, the petition must be filed as follows:
 - a. If the owner provided written notice of the existence and scope of this Chapter as required by Section 8.22.060 at the inception of tenancy:
 - i. The petition must be filed within ninety (90) days of the date the owner serves the rent increase notice if the owner provided the RAP notice with the rent increase; or
 - ii. The petition must be filed within one hundred twenty (120) days of the date the owner serves the rent increase if the owner did not provide the RAP notice with the rent increase.
 - b. If the owner did not provide written notice of the existence and scope of this Chapter as required by Section 8.22.060 at the inception of tenancy, within ninety

(90) days of the date the tenant first receives written notice of the existence and scope of this Chapter as required by Section 8.22.060.

- 3. For a petition claiming decreased housing services:
 - a. If the decreased housing is the result of a noticed or discrete change in services provided to the tenant (e.g., removal of parking place, requirement that tenant pay utilities previously paid by owner) the petition must be filed within ninety (90) days of whichever of the following is later:
 - i. The date the tenant is noticed or first becomes aware of the decreased housing service; or
 - ii. The date the tenant first receives written notice of the existence and scope of this Chapter as required by Section 8.22.060.
 - b. If the decreased housing is ongoing (e.g., a leaking roof), the tenant may file a petition at any point but is limited in restitution for ninety (90) days before the petition is filed and to the period of time when the owner knew or should have known about the decreased housing service.
 - 4. In order to file a petition or respond to petition, a tenant, including a subtenant contesting overcharges by a primary tenant, must provide the following at the time of filing the petition or response:
 - a. A completed tenant petition or response on a form prescribed by the rent adjustment program;
 - b. Evidence that the tenant's rent is current or that the tenant is lawfully withholding rent;
 - c. A statement of the services that have been reduced or eliminated, if the tenant claims a decrease in housing services;
 - d. A copy of the applicable citation, if the tenant claims the rent increase need not be paid because the covered unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations pursuant to Section 8.22.070D.6; and
 - e. Proof of service by first-class mail or in person of the tenant petition or response and any supporting documents on the opposing party (owner, subtenant, or primary tenant).
 - 5. A tenant must file a response to an owner's or subtenant's petition within thirty (30) days of service of the petition.
- B. Owner Petitions and Owner Responses to Tenant Petitions.
 - 1. In order for an owner to file a response to a tenant petition or to file a petition seeking a rent increase, the owner must provide the following:
 - a. Evidence of possession of a current City business license;
 - b. Evidence of payment of the rent adjustment program service fee;

- c. i. Evidence of service of written notice of the existence and scope of the rent adjustment program on the tenant in each affected covered unit in the building prior to the petition being filed;
 - ii. After <u>MarchJuly</u> 1, 2023, evidence of registration with the Rent Adjustment Program as provided in O.M.C. 8.22.510 for each affected covered unit in the building prior to the petition or response being filed;
- d. A completed response or petition on a form prescribed by the rent adjustment program;
- e. Documentation supporting the owner's claimed justification(s) for the rent increase or supporting any claim of exemption; and
- f. Proof of service by first-class mail or in person of the owner petition or response and any supporting documents on the tenants of all units affected by the petition. Supporting documents that exceed twenty-five (25) pages are exempt from the service requirement, provided that: (1) the owner petition form must be served by first-class mail or in person; (2) the petition or attachment to the petition must indicate that additional documents are or will be available at the Rent Adjustment Program; and (3) the owner must provide a paper copy of supporting documents to the tenant or the tenant's representative within ten (10) days if a tenant requests a paper copy in the tenant's response.
- 2. An owner must file a response to a tenant's petition within thirty (30) days of the service of the tenant petition.
- 3. Section 8.22.090 B. shall not apply to primary tenant responses to subtenant petitions.

SECTION 3. CEQA. This action is exempt from the California Environmental Quality Act ("CEQA") under the following, each as a separate and independent basis, including but not limited to, the following: CEQA Guideline Section 15378 (regulatory actions), Section 15061 (b) (3) (no significant environmental impact), and Section 15183 (actions consistent with the general plan and zoning).

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 5. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND PRESIDENT FORTUNATO BAS

NOES – ABSENT-ABSTENTION -

ATTEST: ______ ASHA REED City Clerk and Clerk of the Council of the City of Oakland, California

Date of Attestation:

NOTICE AND DIGEST

ORDINANCE AMENDING THE RENT REGISTRY ORDINANCE (ORDINANCE NO. 13695 C.M.S.) TO MODIFY THE INITIAL SUBMISSION DEADLINE FOR RENT REGISTRY REGISTRATION FORMS FROM MARCH 1, 2023 TO JULY 1, 2023

This Ordinance amends the Rent Registry Ordinance to modify the initial submission deadline for rent registry registration forms from March 1, 2023 to July 1, 2023.