

1- RENT REVIEW PROGRAM ORDINANCE DRAFT

TASK FORCE TEMPLATE

EXHIBIT A

Chapter xxxx

RENT REVIEW

Short Title.

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

Definitions

- A. “**Base Rent**” means the rent paid to the landlord for occupancy of the residential property required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase. **Base rent excludes/includes** pass through costs and ancillary costs paid separately to the landlord for parking, storage, utilities, water, garbage or any other similar fee or charge associated with a residential property.
- B. “City” means the City of Albany.
- C. “City Manager” means the City Manager of the City of Albany, or his or her designated representative.
- D. “Director” means the Director of the Community Development Department of the City of Albany, or his or her designated representative.
- E. “Council” means the City Council of Albany.
- F. “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.
- G. “Party” means a person who participates in the rent review program of this chapter or his or her agent or representative.
- H. “Rent” means a fixed periodic compensation paid by a tenant at fixed intervals to a landlord for the possession and use of residential property as defined by the rental agreement between the landlord and tenant. **Rent excludes/includes** pass through costs and ancillary costs paid separately to the landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with a residential property.

I. "Rent Increase" means any upward adjustment of the rent from the base rent amount.

J. "Rent Review Officer" means the officer designated by the Director to conduct mediation pursuant to Section xxxx(E).

K. "Residential Property" means any housing unit offered for rent or lease in the City. Mobile homes are subject to this Chapter only if tenant rents the mobile housing unit itself. Residential property shall exclude any housing unit that is subject to a recorded regulatory agreement that requires that the housing unit be rented to a tenant at specified income levels as defined by the regulatory agreement.

L. "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.

Notice of Availability of Rent Review

A. **Notice of Availability of Rent Review Required.** In addition to the notice of a rent increase by Civil Code Section 827(b), and in 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 xxxx(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 xxxx(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 mailed to the tenant at the address of the tenant's residential property. Service by mail shall be presumed complete within five (5) calendar 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 substantively 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%). Under Chapter xx of the City of Albany Municipal Code, a landlord must, at the same time as a notice of a rent increase, provide this notice to 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. However, if you have received notice of a rent increase that: 1) will increase your rent more than XX above the base rent you paid last month; or 2) follows one or more prior rent increases in the past year where the combined rent increase are more than XX than the base rent paid prior to the first rent increase over the past year, you may request rent review, which includes conciliation and mediation, of your rent increase. Such a request must be submitted in writing within fifteen (15) calendar days of your receiving notice of the rent increase or post marked with fifteen (15) calendar days of receipt if mailed. You must submit a copy of the notice of rent increase at the same time you submit the rent review request. For more information regarding the rent review procedure, *please visit [www](#)*.

Rent Review

A. **Request for rent review.** A tenant may seek rent review when the proposed rent increase: 1) raises the rent to an amount more than XX than the base rent; or 2) follows a prior rent increase or rent increases in the previous twelve-month period where the combined rent increases are more than XX than the base rent paid prior to the first rent increase of the twelve-month period. The tenant seeking rent review must submit the request in writing to the Director and the request must be received by the Director, or post marked (if submitted by mail), within fifteen (15) calendar days of the tenant's receipt of the notice of rent increase. The request must include a copy of the landlord's notice of rent increase.

B. **Conciliation and Mediation.** The rent review shall consist of conciliation pursuant to Section xxx(D) and, if required, mediation pursuant to Section xxx(D). After determining that a proposed rent increase meets the criteria for initiation of rent review set forth in Section xxx(A) above, the Director shall attempt to contact the landlord to initiate conciliation procedures pursuant to Section xxx(D)(1) below.

C. **Impact on Rent Increase.** 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.

D. **Conciliation.**

1. **Duration of Conciliation.** After the Director contacts the landlord pursuant to Section xxx(B), the Director shall provide the landlord with a copy of the tenant's rent review request form and the landlord shall respond to acknowledge the rent review request either orally

or in writing within fifteen (15) calendar days. Failure of the landlord to respond to the Direction within fifteen (15) calendar days, absent a finding of good cause by the Direction, shall void the rent increase. Good cause for failure to respond shall include, but not be limited to, XXXXXX. The Director shall attempt conciliation, which may include peer-to-peer counseling, of the rent increase for a period not to exceed XXXX days following acknowledgement of the rent review request by the landlord.

2. **Participation.** The landlord and tenant shall participate in conciliation and shall provide relevant information, exchange proposals, reasonably consider proposals by opposite parties and engage in discussion(s) regarding the rent increase and issues related to the rent increase. One or more tenants affected by a common rent increase may simultaneously participate in the same conciliation proceeding with consent of the landlord.

3. **Failure to participate.** Failure of the tenant to participate in conciliation of the rent increase at issue shall bar the tenant from seeking mediation pursuant to Section xxx(E) and shall bar the tenant from seeking any further remedies under this Chapter for such rent increase. Failure of the landlord to participate in conciliation shall void the rent increase.

4. **Agreement During Conciliation.** If the parties agree to a resolution during conciliation, they may formalize the agreement in a standard form signed by both parties. The City shall not be a party to such an agreement, nor shall the City assume any responsibility for enforcement of its terms.

5. **Failure to Resolve.** If the parties do not resolve the rent dispute during conciliation, the Director shall inform the parties that the conciliation process has concluded and the tenant shall be entitled to seek mediation, pursuant to Section xxx(E), within seven (7) calendar days. Failure of the tenant to seek mediation shall bar the tenant from pursuing any further remedies under this Chapter for the rent increase at issue.

E. **Mediation.**

1. **Notice and date.** Upon request for mediation, the mediation shall be scheduled and held before the rent review officer within sixty (60) calendar days of the Director's receipt of the rent review request, or as soon thereafter as the mediation may be scheduled.

2. **Factors.** The rent review officer will afford the landlord and the tenant an opportunity to explain their respective positions at the mediation of a rent dispute. After hearing from both parties, and taking into consideration such factors as the hardship to the tenant, the frequency and amount of prior rent increase, 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 the rent review officer in determining a fair resolution of the dispute, the rent review officer will make a recommendation to the parties for the resolution of their dispute. One or more tenants affected by a common rent

increase may elect to simultaneously participate in the same mediation proceeding with consent of the landlord.

3. **Agreement.** If the parties agree to a resolution proposed by the rent review officer they may formalize the agreement in a standard form signed by both parties. Neither the City nor the rent review officer shall be a party to such an agreement, nor shall the City or rent review officer assume any responsibility for enforcement of its term.

4. **Failure to Appear.** If the tenant requesting rent review appears at a mediation, but the landlord who has been given notice of the mediation as required by Section 5.55.040(E)(1) fails to appear before the rent review officer without good cause, 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 xxx(E)(1) fails to appear for the mediation without good cause, or if both the tenant and landlord fail to appear without good cause, the rent review officer shall dismiss the case and the tenant will be barred from subsequently challenging such increase pursuant to this chapter. Good cause for failure to appear shall include, but not be limited to XXXX. If either party fails to appear for good cause, the mediation shall be rescheduled as soon as reasonably possible.

F. **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.

Miscellaneous

A. **Annual Review.** The 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.**

2-DRAFT KEY ELEMENTS RENT REVIEW PROGRAM – TASK FORCE TEMPLATE

ELEMENT	ALBANY	SEJC	APRA	DHWG
Base Rent	Includes rent paid for occupancy of the residential property and includes/excludes pass through costs and ancillary costs paid separately to the landlord for parking, storage, utilities, water, garbage or any other similar fee			
Residential Property eligible	Any housing unit offered for rent or lease in the city, mobile homes if tenant rents the mobile housing unit			
Notice of availability of rent review to tenant by landlord in 3 predominant language spoken in the city (made available by city)	At the same time as the notice of a rent increase			
Consequence for not providing notice of availability of rent review	Rent increase is void			
Content of notice	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			

2-DRAFT KEY ELEMENTS RENT REVIEW PROGRAM – TASK FORCE TEMPLATE

	class mail, postage pre-paid. Service by mail shall be presumed complete within five (5) days of mailing.			
Trigger for Rent Review	Rent increase over XXX above the base rent or exceeding more than 1 rent increase within a 12-month period if the combined rent increases are more than XX of the base rent paid prior to the first rent increase over the past year.			
# days to file a request for rent review upon receiving a notice of a rent increase	15 calendar days of the tenant's receipt of the notice a rent increase			
Documents tenant needs to include with request	Copy of notice to increase with rent review request			
# days for landlord response	15 calendar days of the landlord's receipt of a tenant's rent review request form			
Rent review request Impact on rent increase	No delay on effective date of 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			

2-DRAFT KEY ELEMENTS RENT REVIEW PROGRAM – TASK FORCE TEMPLATE

	effectively reimburse rent increases paid by the tenant.			
Consequence to landlord for failure to respond or participate	Rent increase is void			
Consequence to tenant for failure to respond or participate	Barred from seeking mediation and further remedies for such increase			
administration of program	provided by outside agency like ECHO			
Conciliation	Provided by outside agency like ECHO			
Failure to resolve during conciliation – timeline for tenant to seek mediation	7 calendar days			
Mediation conducted by	Professional mediator			
Mediation timeline	Within 60 calendar days of the CD's receipt of the rent review request			
Factors considered during mediation	hardship to the tenant, the frequency and amount of prior rent increase, the landlord's mortgage payments and other costs associated with owning and maintaining the property, the landlord's interest in earning a reasonable rate			

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	of return and any other factors that may assist the rent review officer in determining a fair resolution of the dispute			
Good cause for failure to appear				
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.			
Registration and fee requirements for each rental units to defray program cost				
Annual review to Council	Yes			