



## CITY OF SAN JOSÉ, CALIFORNIA

Office of the City Clerk  
200 East Santa Clara Street  
San José, California 95113  
Telephone (408) 535-1260  
FAX (408) 292-6207

City Clerk

STATE OF CALIFORNIA)  
COUNTY OF SANTA CLARA)  
CITY OF SAN JOSE)

I, Toni J. Taber, City Clerk & Ex-Officio Clerk of the Council of and for the City of San Jose, in said County of Santa Clara, and State of California, do hereby certify that “**Ordinance No. 29902**”, the original copy of which is attached hereto, was passed for publication of title on the **18<sup>th</sup> day of April, 2017**, was published in accordance with the provisions of the Charter of the City of San Jose, and was given final reading and adopted on the **25<sup>th</sup> day of April, 2017**, by the following vote:

AYES: ARENAS, CARRASCO, DAVIS, DIEP, JIMENEZ, JONES, KHAMIS, T. NGUYEN, PERALEZ, ROCHA; LICCARDO.

NOES: NONE.

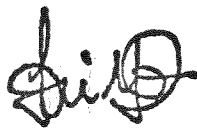
ABSENT: NONE.

DISQUALIFIED: NONE.

VACANT: NONE.

Said Ordinance is effective as of **26<sup>th</sup> day of May, 2017**.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of San Jose, this **26<sup>th</sup> day of April, 2017**.

(SEAL)   
\_\_\_\_\_  
TONI J. TABER, CMC  
CITY CLERK & EX-OFFICIO  
CLERK OF THE CITY COUNCIL

/rmk

**ORDINANCE NO. 29902**

**AN ORDINANCE OF THE CITY OF SAN JOSE  
AMENDING TITLE 17 OF THE SAN JOSE MUNICIPAL  
CODE TO ADD PART 11 TO CHAPTER 17.23  
REGARDING WITHDRAWAL OF RENT STABILIZED  
BUILDINGS FROM THE RENTAL MARKET UNDER THE  
ELLIS ACT**

**WHEREAS**, the City of San José (“City”) has an Apartment Rent Ordinance in Parts 1-9 of Chapter 17.23 of Title 17 of the San José Municipal Code stabilizing residential rents for certain apartments; and

**WHEREAS**, the Ellis Act (California Government Code sections 7060-7060.7) provides owners of rent stabilized properties the right to permanently remove those buildings from the residential rental market; and

**WHEREAS**, the Ellis Act also authorizes cities with rent stabilization ordinances to adopt an ordinance to regulate the process for the removal of such buildings from the rental market and mitigate the impacts of the removal on tenants; and

**WHEREAS**, the City now wishes adopt a local Ellis Act Ordinance to address the removal of rent stabilized properties from the rental market;

**NOW, THEREFORE**, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

Chapter 17.23 of Title 17 of the San José Municipal Code is hereby amended by adding a Part to be numbered and entitled and to read as follows:

**Part 11**  
**Ellis Act Ordinance**

---

**17.23.1100 Title**

This Part shall be known as the “Ellis Act Ordinance.”

**17.23.1110 Policy and Purposes Declaration**

- A. Owners of residential rental property are entitled to certain rights under California Government Code sections 7060 – 7060.7, as amended (the “Ellis Act”). The purposes of this Part 11 are to: (1) set forth the City's requirements for withdrawal of a building containing covered residential rental units from the residential rental market in accordance with the Ellis Act; and (2) mitigate any adverse impact on persons displaced by that withdrawal through the provision of relocation assistance. This Part 11 complements existing state regulation of the landlord-tenant relationship and is intended to provide tenants with the maximum protections under the Ellis Act and to support the City's Apartment Rent Ordinance. This Part 11 does not supersede any state law, or grant or deny any entitlement to the use of real property. The rights and obligations created by this Part 11 for owners of residential rental property and tenants are created pursuant to the City's general police powers to protect the health, welfare, and safety of its residents and are in addition to any rights and obligations under state and federal law and are being adopted pursuant to the provisions of the Ellis Act.
- B. The Ellis Act broadly regulates how property owners may remove any tenants from residential rental units in order for the property owner to withdraw all units in a building from the residential rental market. The sequence of events to remove a tenant, withdraw a building, and subsequent regulation of the property is

summarized in the table below. The table below is provided for information purposes. The provisions of the Ellis Act and this Part shall govern.

Summary of State & Local Ellis Act Removal Provisions

<b>#</b>	<b>Timeline</b>	<b>Activity or Event</b>	<b>Citations</b>
1		Notice of Intent to Withdraw ("Withdrawal Notice") is provided to Tenants (if any) Base Assistance payment is deposited into escrow; fee is paid to City	Gov. §7060.5 SJMC §17.23.1140 SJMC §17.23.1150
2	Within <b>10 Days</b> of delivery of Notice to Tenants	A copy of the Withdrawal Notice is delivered to the Director	Gov. §7060.4 SJMC §17.23.1140
3	Within <b>10 Days</b> of delivery of Notice to City	Owner must record summary memorandum encumbering the property for 10 years within ten (10) days and before sale or transfer to another party	Gov. §7060.3 - .4 SJMC §17.23.1145
4	Within <b>60 Days</b> of delivery of Notice to City	Owner deliver a conformed copy of the recorded summary memorandum to City	SJMC §17.23.1145
5	<b>120 Days</b> from delivery of Notice to the City	Earliest* effective date of withdrawal of a building from the residential rental market ("Withdrawal"); or Earliest date to provide tenant 3-day notice to quit.	Gov. §7060.4 SJMC §17.23.1160
6	<b>1 Year</b> from delivery of Notice to the City	Earliest effective date of Withdrawal if Tenant Household includes an elderly or disabled person.	Gov. §7060.4 SJMC §17.23.1160
7	Within <b>2 Years</b> of Withdrawal	Owner must notify City and former Tenants of intent to return unit to residential rental market; and Tenant displaced by Withdrawal has right to return to the unit under the original lease terms**	Gov. §7060.2 SJMC §17.23.1170
8	Within <b>5 Years</b> of Withdrawal	Owner must notify City of intent to return unit to residential rental market; Tenant displaced by Withdrawal has right to return to the unit; Covered Unit returned to market after Withdrawal remains subject to City Apartment Rent Ordinance; and Any newly constructed unit on site of Covered Unit that is placed in residential rental market is	Gov. §7060.2 SJMC §17.23.1170

		subject to Apartment Rent Ordinance	
9	Within <b>10 Years</b> of Withdrawal	Owner must notify City of intent to return unit to residential rental market; and Tenant displaced by Withdrawal of unit has right to return to the unit	Gov. §7060.2 SJMC §17.23.1170
<p>*Earliest effective Withdrawal date for certain tenant households with minors in school may be extended to sixty days after the conclusion of the school year. (SJMC §17.23.1160.)  **The right to return to a unit under the original lease terms applies to all tenancies created after December 31, 2002; different rules apply for tenancies commenced prior to that date. (Gov. §7060.2(e).)</p>			

**17.23.1120 Definitions**

In addition to the definitions provided in Title 17, Chapter 23, Part 2, for purposes of this Part 11 the following terms are defined as follows:

- A. “Base Assistance” means that portion of the Relocation Assistance provided to all Tenant Households to mitigate any adverse impact on persons displaced from a Covered Unit due to the withdrawal of a building containing the Covered Unit from the residential rental market.
  
- B. “Catastrophically Ill” means having a severe illness requiring prolonged hospitalization or recovery as certified by a physician.
  
- C. “Covered Unit” means all of the following:
  - 1. Rent Stabilized Units, as defined in subsection G of Section 17.23.1130.
  
  - 2. All residential rental dwelling units in a building that contains a residential rental dwelling unit that would be a Rent Stabilized Unit but is temporarily exempt under subsection C of Section 17.23.150 because the unit is owned or operated by any government agency or the rents for the unit are subsidized by any government agency.

- D. "Director" means the Director of the Department of Housing or the Director's designee.
- 
- E. "Notice of Intent to Withdraw" means a City approved form giving notice of an Owner's intent to withdraw a building containing at least one Covered Unit from the residential rental market in accordance with California Government Code sections 7060 – 7060.7, as amended.
- F. "Owner" means the fee owner of property that includes a building that contains at least one Covered Unit, and includes any successor in interest.
- G. "Qualified Assistance" means that portion of the Relocation Assistance provided to mitigate the adverse impact on Tenant Households that are low income, or contain minor children, elderly persons, terminally or catastrophically ill persons and/or disabled persons displaced due to the withdrawal of a building containing the Covered Unit from the residential rental market.
- H. "Relocation Assistance" means the total payments of financial assistance from an Owner to a qualified Tenant Household in accordance with Section 17.23.1150.
- I. "Rent Stabilized Units" means the units subject to the City's Apartment Rent Ordinance provided in Title 17, Chapter 23, which includes rooms or accommodations occupied for thirty (30) days or more in a Guesthouse and units in any Multiple Dwelling building for which a certificate of occupancy was received on or prior to September 7, 1979, as those terms are defined in Sections 20.200.340, 20.200.470, and 20.200.480 of the San José Municipal Code.
- J. "Right to Return" means the obligation of the Owner(s) of a building containing a Covered Unit to honor a request by certain Tenants to receive an offer to return

to and rent a Covered Unit when an Owner returns the Covered Unit to the residential rental market, or, if the Covered Unit has been demolished, the right to rent a replacement Covered Unit, under certain circumstances and terms described in Section 17.23.1170. The Right to Return shall serve as a right of first refusal which must be complied with and specifically described in the Memorandum required under Section 17.23.1145.

- K. "Tenant" means a residential tenant, subtenant, lessee, sublessee, occupant, or any other person entitled by written or oral lease, or by sufferance, to use or occupy a Covered Unit.
- L. "Tenant Household" means one or more Tenant(s) who occupy any individual Covered Unit, including each dependent of any Tenant whose primary residence is the Covered Unit.
- M. "Terminally Ill" means certified by a physician as having a terminal illness.

**17.23.1130 General**

- A. Fees. The City shall establish fees for City-incurred costs which shall be paid by any Owner who exercises the privilege to withdraw Covered Units from rent or lease. The City shall set the fee so as to recover all costs of administering this Part. The fees shall be paid to the City prior to the service of the Notice of Intent to Withdraw on any Tenant. Failure to pay the fees prior to service of the Notice of Intent to Withdraw shall invalidate such notice.
- B. Copies of Forms. Owner shall make copies of notices and forms available if a Tenant indicates the items have been misplaced or lost or are otherwise needed.

- C. **New Tenants During the Withdrawal Process.** If the Owner desires to rent a Covered Unit to a new occupant after delivery of the Notice of Intent to Withdraw, the Owner shall comply with this subsection). Owner shall first comply with all requirements of this Part 11, including but not limited to the delivery of notices to the City and Tenants, and the provision of Relocation Assistance in accordance with Section 17.23.1150 with respect to the unit to be rented. Prior to such rental, Owner shall also provide a Notice of Pending Withdrawal on a City approved form to any new potential occupant of the Covered Unit for acknowledgement. If the Owner complies with this subsection, the new occupant shall not be entitled to Relocation Assistance or other benefits under this Part. If the Owner fails to comply, the new occupant of the Covered Unit shall be entitled to Relocation Assistance under this Part.
- D. **City Approved Forms.** Director may adopt such forms as are necessary or convenient for the administration of this Part 11, subject to review and approval of the City Attorney.
- E. **Every Owner must provide to each Tenant of a Covered Unit a notice of Tenant rights to extend the tenancy on a form specified by the City, which may include contact information for the City and shall include the following statement:**
- “In accordance with the State’s Ellis Act, the City of San José requires landlords to allow certain tenants to extend their tenancy beyond the minimum one hundred twenty (120) day notice period when a landlord intends to withdraw the dwelling unit from the residential rental market. The elderly, disabled, and households with a child enrolled in kindergarten through 12th grade may be eligible for extended tenancies if requested.”
- F. **Withdrawal of less than an entire building is not allowed under this Part.**



G. The City Manager may adopt regulations for the administration of this Part.

H. Notwithstanding any other provision of this Part, this Part shall not apply to properties with a total of no more than three (3) Covered Units.

**17.23.1140 Notices of Intent to Withdraw**

- A. Service on Tenants; Filing Fee. No less than one hundred twenty (120) days prior to the date upon which the building is intended to be withdrawn from the rental market, the Owner shall pay to the City the fee set pursuant to Section 17.23.1130 and personally serve or deliver by first class mail the Notice of Intent to Withdraw to each Tenant. Failure to pay the fee shall invalidate the Notice of Intent to Withdraw.
- B. Service on City. Any Owner seeking to withdraw a building from the residential rental market that contains at least one (1) Covered Unit must deliver to the Director a copy of each Notice of Intent to Withdraw within ten (10) days of service on the Tenants.
- C. Contents. The Notice of Intent to Withdraw shall contain the following statements, under penalty of perjury, stating that the Owner intends to evict in order to remove the building from rental housing use, the address or location of the building and covered unit, the number of covered units to be removed from rental housing use, the names of the tenants of each covered unit, the date on which the covered unit will be withdrawn from rental housing use and the rent applicable to that covered unit. It shall describe the rights of return and the re-control of rents that may apply under this Part 11 and the Tenant's rights to regain possession of the premises and to damages as set forth in Sections 17.23.1170-1190, and such other information reasonably necessary for the City's

administration of this Part 11. The Notice of Intent to Withdraw shall be accompanied by Tenant Qualification Forms, postage prepaid, addressed to the Owner and the Director which form will allow the Tenant Household to qualify for a Qualified Assistance or an option to extend tenancy pursuant to Section 17.23.1160, and to correct erroneous information on the Notice of Withdraw.

- D. Correction. Any Tenant that receives a Notice of Intent to Withdraw may correct or supplement any of the information on the Notice of Intent to Withdraw via written notice delivered to the Director and Owner within thirty (30) days.
- E. The Director shall adopt a form Notice of Intent to Withdraw and provide versions in the other two most commonly spoken languages in San José. Owners must provide the Tenant Household with a completed copy of the Notice of Intent to Withdraw in English and, if requested, a copy of a non-English version.

#### **17.23.1145 Recording of Memorandum**

The Owner shall record a memorandum on a City approved form in the Official Records of Santa Clara County encumbering the property where the Covered Unit is located upon the earlier of: ten (10) days of delivery to the City of the Notice of Intent to Withdraw, or at least one day prior to sale or transfer of any property on which a building containing a Covered Unit to be withdrawn from the residential rental market is located. The memorandum must be executed by the fee owners of the property. The memorandum shall summarize the obligations of the Owner and any successor in interest to the Owner related to the property including the Tenant Right to Return and the Re-Control requirement under this Part 11 and the City's Apartment Rent Ordinance for certain units returned to the residential rental market in accordance with Section 17.23.1180. The summary memorandum must encumber the property for ten (10) years from the effective date of withdrawal of the building containing the Covered Unit from the residential rental market. The Owner shall deliver to the Director a conformed

copy of the recorded memorandum within sixty (60) days of delivery to the City of the Notice of Intent to Withdraw.

**17.23.1150 Relocation Assistance**

- A. Relocation Assistance Benefits. When an Owner withdraws a building containing a Covered Unit from the residential rental market and in connection with the withdrawal causes one (1) or more tenancies to be terminated, the Owner must provide, and each Tenant Household residing in a Covered Unit is entitled to receive from the Owner, notice of and access to an application for all vacant residential rental unit(s) owned by the Owner and located within the City of San José, as well as the following:
1. The Owner must pay and the Tenant Household must receive Relocation Assistance. The Base Assistance required pursuant to subsection C of Section 17.23.1150 must be deposited into escrow at the time of delivery of the Notice of Intent to Withdraw to the Tenants. Any Qualified Assistance due pursuant to clauses (a)-(d) of subsection C.2 of Section 17.23.1150, must be deposited into escrow as soon as the completed Tenant Qualification Form has been verified by the Relocation Specialist and approved by the Director. The Owner is neither responsible for nor liable to divide the Relocation Assistance among the Tenant(s) that comprise a Tenant Household entitled to Relocation Assistance.
  2. Owner must pay to the City a fee for the Relocation Specialist Services as described in subsection E of Section 17.23.1150 which fee shall be collected as part of the filing fee.
  3. Refund of Security Deposit. Owner must refund to Tenant any security deposit paid by the Tenant with any interest due. The Owner may

withhold any properly itemized deductions from the security deposit under California Civil Code Section 1950.5, as amended.

- B. Escrow Account. The Owner must deposit the Relocation Assistance into an escrow account with a San José bank or commercial escrow company and provide for disbursement to the Tenants consistent with this Part. The Tenant Household may obtain the Base Assistance from escrow immediately. The Tenant Household may obtain the Qualified Assistance from escrow on or before the earlier of: the first business day after the Tenant gives a thirty (30) day notice to the Owner under California Civil Code Section 1946.1, as amended, or the last day of tenancy for which the Owner has received rent.
- C. The amount of Relocation Assistance per Covered Unit shall be set by the City Council via resolution and may be based on the number of bedrooms per Covered Unit or such other metric as provided in the resolution. The amount of Relocation Assistance per Covered Unit may thereafter be amended by resolution, and shall be comprised of the following components.
1. Base Assistance for all Tenant Households.
  2. Qualified Assistance for Tenant Households that qualify under one (1) or more of the following categories:
    - (a) Tenant Households that are lower income households, as defined in California Health and Safety Code Section 50079.5, as amended, and annually listed, as adjusted for household size, by the regulations of the State Housing and Community Development Department for the County of Santa Clara.
    - (b) Tenant Households when at least one (1) Tenant is sixty-two (62) years old or older.

(c) Tenant Households when at least one (1) Tenant is a person with a disability, as defined in California Government Code Section 12955.3, as amended, or is terminally or catastrophically ill as evidenced by a physician's determination.

(d) Tenant Households when at least one (1) Tenant has a custodial or family relationship with an individual residing in the Covered Unit who is under the age of eighteen (18) and is enrolled in school in any grade between and including kindergarten through twelfth grade.

3. Special Assistance, in lieu of Base Assistance and Qualified Assistance, for a Tenant Household that accepts an offer of an alternate Rent Stabilized Unit pursuant to Section 17.23.1151.

Each Tenant Household shall receive the Base Assistance payments and may receive one (1) allocation of Qualified Assistance if the Tenant Household is eligible for a category of Qualified Assistance as described in clauses (a)-(d) of subsection C.2 of Section 17.23.1150. Any Tenant Household that is eligible for any of the Qualified Assistance categories identified above must complete a Tenant Qualification Form and provide a copy to the Owner and the City.

D. Annual Adjustment. The amounts set by the City Council via the Resolution shall be adjusted each year as provided in this subsection unless otherwise specified by the City Council in a subsequent resolution. The annual adjustment shall be an increase that is equal to the amounts for each component of the Relocation Assistance multiplied by the percentage increase (if any) in the Consumer Price Index – Rent for all urban consumers for the San Francisco-Oakland-San José area as published by the U.S. Department of Labor Statistics for the twelve (12) month period ending on the last day of February of each year, unless otherwise

specified by the City Council. Amounts shall be rounded to the nearest whole dollar.

---

- E. Relocation Specialist Services. When an Owner withdraws a building containing a Covered Unit from the residential rental market and in connection with the withdrawal causes one or more tenancies to be terminated, the Owner must, pay a fee to the City for provide relocation counseling for the Tenant. The City will contract with a relocation specialist with experience in providing relocation services to tenants in the San José area to provide these services. The relocation specialist shall contact the Tenants to explain the procedures for obtaining assistance under the ordinance. The relocation specialist shall verify Tenant Qualification Forms. The relocation specialist shall provide services including meetings with Tenants on site; providing current information on local vacancies, and assisting each Tenant Household in crafting a relocation plan on a form approved by the City. The relocation specialist must provide services to disabled persons and persons with no or limited English proficiency and ensure relocation assistance, procedures and Tenant's rights are fully explained to those persons.

**17.23.1151 Voluntary Alternative Relocation**

- A. If the Owner is withdrawing a building containing a Covered Unit as defined in subsection G of Section 17.23.1130 then the Owner, at its sole discretion, may offer to relocate the Tenant Household to another Rent Stabilized Unit owned by the Owner ("alternate Rent Stabilized Unit") prior to delivering the first Relocation Assistance payment into escrow, so long as the alternate Rent Stabilized Unit was voluntarily vacated in accordance with the Apartment Rent Ordinance. The terms of the rental agreement for the alternate Rent Stabilized Unit must be substantially similar to a continuance of the tenancy of the initial Rent Stabilized Unit in accordance with California Civil Code Section 1945, including but not

limited to the same monthly Rent as would be due for the initial Rent Stabilized Unit.

- 
- B. The alternate Rent Stabilized Unit offered in accordance with this Section may be accepted by the Tenant Household at the Tenant Household's sole discretion. All Tenants on the existing rental agreement must agree in writing to the rental of the specific alternate Rent Stabilized Unit for the acceptance to be effective. If the written agreement is obtained prior to the Tenant Household's inspection of the alternate Rent Stabilized Unit, it must be contingent on the Tenant Household's inspection of the alternate Rent Stabilized Unit.
- C. If the offer of the alternate Rent Stabilized Unit is not accepted or if it is revoked after inspection of the alternate Rent Stabilized Unit, the Tenant Household shall be entitled to receive all additional Relocation Assistance to which the Tenant Household is entitled pursuant this Part.
- D. The offer by an Owner and acceptance by a Tenant Household pursuant to the terms herein to create a new tenancy in an alternate Rent Stabilized Unit under substantially similar terms as the tenancy in the initial Rent Stabilized Unit is an express waiver by the Owner of any right to vacancy decontrol of the alternate Rent Stabilized Unit as may be conferred state or local law and an express waiver by the Tenant Household to any additional Relocation Assistance payments under subsection C of Section 17.23.1150 beyond the Special Assistance payment. An offer by an Owner to relocate a Tenant Household to an alternate Rent Stabilized Unit and provide Special Assistance shall only fulfill the Owner's duty to provide Relocation Assistance under subsection C of Section 17.23.1150 if the Tenant Household accepts the offer and executes a new rental agreement with terms substantially similar to the terms of tenancy for the initial Rent Stabilized Unit.

- E. If the Tenant Household accepts the offer and executes a new rental agreement with the Owner in accordance with this Section and the Owner provides the Special Assistance, then the Owner shall have no further Relocation Assistance obligation regarding the initial Rent Stabilized Unit under subsection C of Section 17.23.1150.

**17.23.1160 Effective Date of Withdrawal; Extension of Tenancy**

- A. If the Covered Unit is occupied on the date of delivery to the City of the Notice of Intent to Withdraw, then the tenancy may only be terminated for cause as defined in subsection B(2) of Section 17.23.1110 and the Owner may not withdraw the building containing the Covered Unit from the market until one hundred twenty (120) days from the date of delivery to the City in person or by first-class mail of the Notice of Intent to Withdraw.
- B. Notwithstanding subsection (A) of Section 17.23.1160, if at least one (1) Tenant in a Covered Unit to which a Notice of Intent to Withdraw applies is either at least sixty-two (62) years old, disabled (as defined in California Government Code section 12955.3, as amended), terminally ill, or catastrophically ill and if that Tenant has lived in the Covered Unit for at least one (1) year prior to the date of delivery to the City of the Notice of Intent to Withdraw, then the Owner must provide notice of and allow the Tenant to exercise an option to extend the tenancy for one (1) year from the date of delivery to the City of the Notice of Intent to Withdraw.
1. To exercise the option to extend the tenancy for one (1) year from the date of delivery to the City of the Notice of Intent to Withdraw, the qualifying Tenant must give written notice to the Owner of the extension of the tenancy within sixty (60) days of delivery to the City of the Notice of Intent to Withdraw.



2. If the Owner receives a notice of extension of the tenancy, then the Owner must provide notice of the extension of the tenancy to the Director in the monthly report pursuant to Section 17.23.1175.
- C. Notwithstanding subsection (A) of Section 17.23.1160, if at least one (1) Tenant in a Covered Unit to which a Notice of Intent to Withdraw applies has a custodial or family relationship with an individual residing in the Covered Unit who is under the age of eighteen (18) and is enrolled in school in any grade between and including kindergarten through twelfth grade, and if that minor individual has lived in the Covered Unit for at least one (1) year prior to the date of delivery to the City of the Notice of Intent to Withdraw, then the Owner must provide notice of and allow the Tenants to exercise an option to extend the tenancy through the current scholastic year, plus an additional sixty (60) days from the completion of the scholastic year.
1. To exercise the option to extend the tenancy through the scholastic year plus sixty (60) days, the Tenant must give written notice to the Owner of the extension of the tenancy within sixty (60) days of delivery to the City of the Notice of Intent to Withdraw.
  2. If the Owner receives a notice of extension of the tenancy through the scholastic year plus sixty (60) days, then the Owner must provide notice of the extension of the tenancy to the Director in the monthly report pursuant to Section 17.23.1175.

**17.23.1170 Right to Return**

- A. Tenant(s) of Covered Units whose tenancies are terminated in connection with the withdrawal of a building containing the Covered Unit(s) from the residential rental market in accordance with this Part 11, are entitled to receive, and

Owner(s) must deliver to the Tenant Household, on a form approved by the City notice of the Tenant(s) Right to Return to and rent the same unit at the rent determined pursuant to Section 17.23.1180(A) if:

1. The Tenant has provided the Owner a current mailing address and email address at which to receive a notice of the Right to Return; and
  2. An Owner returns the Covered Unit to the residential rental market within five (5) years of the effective date of withdrawal of a building containing the Covered Unit from the residential rental market.
- B. Owner(s) of a building containing a Covered Unit that was withdrawn from the residential rental market within the previous ten (10) years but after the five (5) year period described in subsection A of Section 17.23.1170 must provide one hundred twenty (120) days written notice to the City and Tenant of the intent of the Owner(s) to return the Covered Unit to the residential rental market.
- C. Any Tenant(s) displaced from a Covered Unit in connection with the withdrawal of a building containing a Covered Unit from the residential rental market may request the Right to Return from the Owner(s) within thirty (30) days of receipt by the City of an Owner(s) written notice of intent to return the Covered Unit to the residential rental market. Following the notice required to be given to the City, the City may request that the Owner extend an offer to renew the tenancy to the Tenant. However, nothing in this Section shall be construed to relieve the Owner of the obligation to directly contact the Tenant or former Tenant and to advise the Tenant that the withdrawn Covered Unit is again offered for rent or lease. Notice shall be on a form approved by the City.
- D. The City may create a registry of Tenant contact information for use by Tenants and Owners to facilitate communication regarding a Right to Return, Relocation Assistance, and other topics. Each Owner shall use any information in the

registry, in addition to information provided voluntarily by each Tenant, when complying with Right to Return obligations under subsection A of Section 17.23.1170. The City may attempt to inform any Tenant(s) displaced due to the withdrawal of a building containing a Covered Unit upon receipt by the City of an Owner(s) written notice of intent to return the Covered Unit to the residential rental market.

**17.23.1175 Owner's Reporting Obligations**

- A. Owner shall submit a monthly report to Director during period that commences with the City's receipt of the Notice of Intent to Withdraw and ends with the final termination of tenancy for all Covered Units and completion of Withdrawal under this Part. The report shall be on a City form and shall include information relating to the occupancy of units, any 30 day notices received, request for right to return, and any leasing activity with asking rents.
- B. At least one hundred twenty (120) days before the rental or leasing of any unit in a building being returned to the rental market, Owner shall submit a report to Director regarding compliance with Section 17.23.1170 and Section 17.23.1180 and status of Tenant notification of right to return, and list of Tenants not found/contacted.

**17.23.1180 Re-Control**

- A. If a building containing a Covered Unit is withdrawn from the residential rental market and is returned by an Owner to the residential rental market within five (5) years, then that unit must be offered and rented or leased at the lawful rent in effect at the time the Notice of Intent to Withdraw was delivered to the City, plus any annual adjustments authorized by Title 17, Chapter 23 of this Code. This Section applies regardless of the occupancy status of each Covered Unit when

the building was withdrawn from the residential rental market and regardless of whether a displaced Tenant exercises a Right to Return.

- B. If a building containing a Covered Unit is demolished and new unit(s) are built on the same property and offered for rent or lease within five (5) years of the effective date of withdrawal of the building containing the Covered Unit, each newly constructed rental unit located on the property where the Covered Unit was demolished shall be deemed a Rent Stabilized Unit subject to the Apartment Rent Ordinance, Title 17, Chapter 23 of this Code. The City Council may, by resolution, adopt a rule to exempt some or all of the new units in excess of the number of demolished Covered Units from the requirement for re-control.

#### **17.23.1190 Enforcement**

- A. Criminal Penalty.

Any Owner found by a court of competent jurisdiction to be guilty of a willful violation of subsection A of Section 17.23.1170 shall be subject to up to a \$1000 fine and/or six (6) months in jail.

- B. Civil Enforcement.

1. Any Owner(s) that fail(s) to comply with this Part 11 may be subject to civil proceedings for exemplary damages for displacement of Tenant(s) initiated by the City for actual and exemplary damages, as well as any other alternative remedy available under the law or equity, including without limitation, injunctive relief to prevent termination of a tenancy.
2. Any Owner(s) that fail(s) to comply with the notice requirement defined in subsection A of Section 17.23.1170 if the violation occurs within two (2)

years of the effective date of withdrawal may be subject to civil proceedings for actual, exemplary, and/or punitive damages (in an amount which does not exceed the contract rent for six months) initiated by the City or by any Tenant who would otherwise be entitled to a Right to Return, which action(s) must be brought within three (3) years of withdrawal of the building containing a Covered Unit from the residential rental market.

3. Any Owner(s) that fail(s) to comply with this Part 11 may be subject to civil proceedings for actual and exemplary damages as well as any other alternative remedy available under the law or equity, initiated by any Tenant who would otherwise be entitled to Relocation Assistance. Civil proceedings by any Tenant regarding Relocation Assistance under this Part 11 shall be brought within three (3) years of the withdrawal of the building containing a Covered Unit.
  
4. If an Owner seeks to displace any Tenant(s) from a Covered Unit in a building to be withdrawn from the residential rental market by an unlawful detainer proceeding, the Tenant(s) may appear and answer or demur pursuant to Section 1170 of the California Code of Civil Procedure, as amended, and may assert by way of defense that the Owner has not complied with the applicable provisions of this Part 11 and/or the Ellis Act.

PASSED FOR PUBLICATION of title this 18<sup>th</sup> day of April, 2017, by the following vote:

AYES: ARENAS, CARRASCO, JIMENEZ, T. NGUYEN,  
PERALEZ, ROCHA; LICCARDO.

NOES: JONES, DIEP, DAVIS, KHAMIS.

ABSENT: NONE.

DISQUALIFIED: NONE.



---

SAM LICCARDO  
Mayor

ATTEST:



---

TONI J. TABER, CMC  
City Clerk