

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: November 14, 2018

Final Decision Date Deadline: November 14, 2018

STATEMENT OF THE ISSUE: On September 19, 2018, the Rent Board received a presentation and case study matrix regarding Tenant Buyout Agreements. Subsequently, the Rent Board directed staff to present three policy options, varying in degrees of oversight at the next Board meeting. Staff members have prepared policy options for the Board's consideration and are seeking further direction.

INDICATE APPROPRIATE BODY

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| <input type="checkbox"/> City Council | <input type="checkbox"/> Redevelopment Agency | <input type="checkbox"/> Housing Authority | <input type="checkbox"/> Surplus Property Authority | <input type="checkbox"/> Joint Powers Financing Authority |
| <input type="checkbox"/> Finance Standing Committee | <input type="checkbox"/> Public Safety Public Services Standing Committee | <input type="checkbox"/> Local Reuse Authority | <input checked="" type="checkbox"/> Other: <u>Rent Board</u> | |

ITEM

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|---|--|--|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Regulation | <input checked="" type="checkbox"/> Other: <u>STUDY AND ACTION SESSION</u> |
| <input type="checkbox"/> Contract/Agreement | <input type="checkbox"/> Rent Board As Whole | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | |

RECOMMENDED ACTION: RECEIVE Tenant Buyout Agreement Policy Options and DIRECT staff to (1) present the Rent Board's selected policy option during a study session at a meeting of the City of Richmond City Council and (2) work with City staff to develop a Buyout Agreement Ordinance – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

AGENDA ITEM NO:

H-1.



AGENDA REPORT

DATE: November 14, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Paige Roosa, Deputy Director
Magaly Chavez, Rent Program Services Analyst

SUBJECT: TENANT BUYOUT AGREEMENT POLICY

STATEMENT OF THE ISSUE:

On September 19, 2018, the Rent Board received a presentation and case study matrix regarding Tenant Buyout Agreements. Subsequently, the Rent Board directed staff to present three policy options, varying in degrees of oversight at the next Board meeting. Staff members have prepared policy options for the Board's consideration and are seeking further direction.

RECOMMENDED ACTION:

RECEIVE Tenant Buyout Agreement Policy Options and DIRECT staff to (1) present the Rent Board's selected policy option during a study session at a meeting of the City of Richmond City Council and (2) work with City staff to develop a Buyout Agreement Ordinance – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

FISCAL IMPACT:

While there is no fiscal impact related to this item at this time, the adoption of a Buyout Agreement Policy is anticipated to require additional staff time, depending on the selected policy's administrative requirements.

DISCUSSION:

Background

On September 19, 2018, the Rent Board received a presentation and case study matrix regarding Tenant Buyout Agreements. Subsequently, the Rent Board directed staff to present three policy options, varying in degrees of oversight at the next Board meeting. Staff members have prepared policy options for the Board's consideration and are seeking further direction.

Purpose of Buyout Agreement Policies

Buyout Agreements, also known as “Cash for Keys” Agreements, may be offered by a Landlord to a Tenant to encourage the Tenant to voluntarily vacate the Rental Unit in lieu of the Landlord terminating the tenancy for Just Cause. While a seemingly large sum of money may be enticing to a Tenant, even Buyout Agreements worth tens of thousands of dollars can be recouped by a Landlord retaining ownership and re-renting the unit at market rate or selling the unit vacant. Unlike no-fault evictions, Buyout Agreements in Richmond are currently unregulated, and can enable Landlords to circumvent many of the restrictions that apply when a Landlord executes a no-fault eviction. Furthermore, given the potential for profit, anecdotal evidence from other Bay Area cities suggest that Landlords may employ high-pressure tactics and intimidation to induce Tenants to sign the agreements, including threatening the Tenant with eviction if they do not accept the terms of the Buyout Agreement.

A Buyout Agreement policy could establish certain requirements of Buyout Agreements, such as the requirement to provide specific disclosures to Tenants prior to offering a Buyout, establish minimum monetary amounts that may be offered in exchange for the Tenant’s voluntary vacancy, and may require Landlords to file Buyout Agreements with the Rent Board for monitoring and data collection purposes.

Rent Board Direction

At their meeting on September 19, 2018, Board members directed Rent Program staff to develop policy options that provide a varying degree of regulatory oversight of Buyout interactions, ranging from low-level oversight to high-level oversight.

Based on the direction of the Rent Board, Rent Program staff used the previously presented Case Study Matrix, contained in Attachment 2 and conducted additional research to further narrow down eleven integral factors that determine the degree of regulation for the presented policy options. The presented policy options are derived from the Criteria Matrix of Attachment 1 and 2. Of the eleven identified key factors, Rent Program staff identified four components that should be incorporated into any policy aimed at regulating Buyout Agreements. These components are as follows:

- The Buyout Agreement must be written in the Tenant’s primary language
- The Buyout Agreement policy will cover all properties under “Just Cause”
- The Buyout Agreement policy must contain Anti-Harassment language
- The Tenant will have the right to rescind at any moment, without penalty, if the Buyout Agreement does not comply with the requirements of the regulation.

The remaining six components are more discretionary and impact the degree of regulation. Those individual components selected by the Rent Board to include in a proposed Buyout Agreement Policy will dictate the level of oversight.

ITEM H-1

At this meeting, staff members are seeking specific direction from the Board on the following seven policy questions:

1. Should the Landlord be required to give a Notice of Buyout Rights to the Tenant?
2. Should the Landlord be required to submit a copy of Notice of Buyout Rights to the Rent Board?
3. How many days should the Tenant be given to rescind once the Buyout Agreement is executed?
4. Should there be a minimum payout for a Buyout Agreement?
5. Should the Landlord be required to submit a Buyout Agreement with the Rent Board and if so when?
6. What is the degree of Administrative Enforcement and Duties the Rent Board wishes to adopt?
7. Should there be penalties for violating the Buyout Agreement Policy?

For the Rent Board's consideration, staff members have compiled three policy options based on the aforementioned 11 integral components. These policy options range in degree from low-level oversight to high-level oversight. Please note, these policy options are not static; the Rent Board may mix-and-match different components to create its own policy that is tailored to the needs of Richmond Residents.

Staff Members' Presented Policy Options

Below are the policy options for the Rent Board's consideration:

Option 1: Low Level of Oversight

The main components of Option are as follows:

1. The Landlord must give a Notice of Buyout Rights to the Tenant before the Buyout negotiation begins.
2. A copy of the Notice of Buyout Rights given to the Tenant must be maintained by the Landlord for five years (and is not required to be filed with the Rent Program).
3. The Tenant has 25 days to rescind an executed Buyout Agreement.
4. This policy option has no minimum payout requirement for a Buyout Agreement.
5. The Landlord must file a copy of an executed Buyout Agreement with the Rent Program within 60 days.
6. The Rent Program will maintain a copy of all executed Buyout Agreements.
7. This option does not include penalties for Landlords that fail to conform with the Buyout Agreement Ordinance.

Option 2: Moderate Level of Oversight

1. Prior to engaging in Buyout negotiations, the Landlord must give a Notice of Buyout Rights to the Tenant.
2. If the parties execute a Buyout Agreement, the Landlord must file a copy of the Notice of Buyout Rights with the Rent Program.
3. The Tenant has 30 days to rescind an executed Buyout Agreement.
4. All Buyout Agreements must offer what the Tenant would have received as a Permanent Relocation Payment due to termination of tenancy for Owner Move In, for a two plus bedroom unit as a Qualified Tenant Household.
5. The Landlord must file a copy of an executed Buyout Agreement with the Rent Program within 60 days.
6. The Rent Program will maintain a copy of all executed Buyout Agreements and Notice of Buyout Rights.
7. The Tenant has the right to bring a civil action against the Landlord for actual damages and statutory damages not to exceed \$500 dollars per violation.

Option 3: High Level of Oversight

1. Prior to engaging in Buyout negotiations, the Landlord must give a Notice of Buyout Rights to the Tenant.
2. The Landlord must file a copy of the Notice of Buyout Rights with the Rent Program prior to engaging in Buyout negotiations.
3. The Tenant has 45 days to rescind an executed Buyout Agreement.
4. All Buyout Agreements must offer what the Tenant would have received as a Permanent Relocation Payment due to termination of tenancy for Withdrawal from the Rental Market, for a two plus bedroom unit as a Qualified Tenant Household.
5. The Landlord must file a copy of an executed Buyout Agreement with the Rent Program within 60 days.
6. The Rent Program will (a) maintain a copy of all submitted Buyout Agreements and copies of Notice of Buyout Rights; (b) contact the Tenant identified on a submitted copy of a Notice of Buyout Rights; and (c) maintain a database that may be public, showing data on the compensation amount and neighborhood of Buyout Agreements (consistent with State law).

ITEM H-1

7. The Tenant has the right to bring a civil action against the Landlord for actual damages and statutory damages not to exceed \$ 1,000 dollars per violation.

Anticipated Timeline and Next Steps:

- (1) Staff will present the Rent Board's selected policy option during a study session at a meeting of the Richmond City Council in December 2018 or January 2019.
- (2) Following the study session, it is anticipated Rent Program staff will work with City staff to develop a Buyout Agreement Ordinance.
- (3) Staff will present the Buyout Agreement Ordinance to the City Council for potential adoption.

DOCUMENTS ATTACHED:

Attachment 1 – Tenant Buyout Agreement Case Study Research and Criteria

Attachment 2 - Tenant Buyout Agreement Case Study Matrix

Tenant “Buyout Agreement” Case Study Research And Criteria:

Jurisdiction	Type of Law	Criteria 1: Is there a requirement for the Landlord to give a Notice of Buyout Rights to the Tenant?	Criteria 2: Is there a requirement for the Landlord to submit a copy of Notice of Buyout Rights to the Rent Board?	Criteria 3: How many days does the Tenant have to rescind once the Buyout Agreement is executed?	Criteria 4: Is there a minimum payout for a Buyout Agreement?	Criteria 5: Is there a requirement for the Landlord to submit a Buyout Agreement with the Rent Board?	Criteria 6: Degree of Administrative Enforcement and Duties
BERKELEY	Ordinance adopted by the City Council (Municipal Code Section 13.79.050)	Yes, prior to making a Buyout offer	No, but the Landlord must keep a personal copy for 5 years	30 days	No minimum payout	Yes, the Landlord must submit the Agreement between the 31st to the 60th day the Buyout Agreement was executed	<ol style="list-style-type: none"> 1. The Rent Board retains a copy of all executed Buyout Agreements, maintained by legal staff in a file separate from any other file 2. Information about the amount of Buyout Agreements and neighborhood is made publicly available. The Board collects data from the filed Buyout Agreements, which includes the compensation paid and the neighborhood of the affected unit-- and shall make that data public
SANTA MONICA	Ordinance Adopted by the Santa Monica City Council (Municipal Code Section 4.56.050(b)) and Rent Board Regulation 9011	Yes, prior to making a Buyout offer	No, but the Landlord must keep a personal copy for 5 years	45 days	No minimum payout	Yes, the Landlord must submit the Agreement between the 31st to the 60th day the Buyout Agreement was executed	<ol style="list-style-type: none"> 1. The Rent Board retains a copy of all executed Buyout Agreements, maintained by legal staff in a file separate from any other file 2. Information about the amount of Buyout Agreements and neighborhood is made publicly available. The Board collects data from the filed Buyout Agreements, which includes the compensation paid and the neighborhood of the affected unit-- and shall make that data public
LOS ANGELES	Ordinance adopted by the Los Angeles City Council (Municipal Code Section 151.31)	Yes, prior to making a Buyout offer	Yes, the Landlord must submit a copy within 60 days of the Buyout Agreement being executed	30 days	No minimum payout	Yes, the Landlord must submit the Agreement within 60 days of the Buyout Agreement being executed	<ol style="list-style-type: none"> 1. A copy of the Buyout Agreement and copy of Notice of Buyout Rights is retained by housing and Community Investment Department
OAKLAND	Ordinance adopted by the Oakland City Council (Municipal Code Section 8.22.700)	Yes, prior to making a Buyout offer	No, but the Landlord must keep a personal copy for 5 years and the Landlord is required to submit specific information to the Rent Adjustment Program prior to entering into a Buyout negotiation	25 days, unless both parties agree to no less than 15 days	No less than equal to local, state, or federal law	Yes, the Landlord must submit the Agreement between the 25th to the 45th day the Buyout Agreement was executed	<ol style="list-style-type: none"> 1. A copy of the Buyout Agreement and copy of Notice of Buyout Rights is retained 2. City may make information collected from the Landlord publicly accessible
SAN FRANCISCO	Ordinance adopted by the Board of Supervisors (Section 37.9E of the Administrative Code)	Yes, prior to making a Buyout offer	Yes, the Landlord must submit a copy prior to entering into Buyout negotiations	45 days	No minimum payout	Yes, the Landlord must submit the Agreement between the 46th day and 59th day the Buyout Agreement was executed	<ol style="list-style-type: none"> 1. A copy of the Buyout Agreement and a copy of Notice of Buyout Rights is retained 2. The Rent Board must maintain a public searchable database of all Buyout Agreements 3. The Rent Board must report annually to the Board of Supervisors on the implementation of the Ordinance.
SAN JOSÉ	Ordinance adopted by the San José City Council (Part 7 of Chapter 17.23 of the Municipal Code) and Chapter 14 of the Regulations adopted by the City Council.	Yes, prior to making a Buyout offer.	Yes, the Landlord must submit a copy within 30 days of the Buyout Agreement being executed	45 days	No minimum payout	Yes, the Landlord must submit the Agreement within 30 days of the Buyout Agreement being executed	<ol style="list-style-type: none"> 1. A copy of the Buyout Agreement and a copy of Notice of Buyout Rights is retained

**Draft Tenant “Buyout Agreement”¹ Case Study Research
Actively Enforced Rent Programs:**

Jurisdiction	Type of Law	Applicability	Summary of Major Provisions of Tenant Buyout Law	Degree of Administrative Duties Required by Law (Relative to other case study jurisdictions)
BERKELEY	Ordinance adopted by the City Council (Municipal Code Section 13.79.050)	All units covered by the Good Cause for Eviction provisions in the Berkeley Municipal Code, including units that are exempt from rent control pursuant to State law	<ul style="list-style-type: none"> ➤ Before making a buyout offer, a Landlord must give the Tenant a written disclosure of the Tenant’s rights, on a form produced by the Rent Board. ➤ Tenant’s rights required in disclosure include: the right not to enter into a buyout agreement, the right to consult an attorney before signing the agreement, the right to rescind the agreement at any time up to 30 days after signing the agreement, and the right to consult the Rent Stabilization Board regarding the agreement. ➤ The Landlord must file any completed, signed, buyout agreements with the Rent Stabilization Board no sooner than the 31st day after the agreement is signed and no later than 60 days thereafter. ➤ The Landlord must provide a Tenant with a signed copy of the buyout agreement (if executed). ➤ Any person aggrieved by the landlord’s failure to comply with the Ordinance may bring a civil action against the landlord of the residential rental property for all appropriate relief including damages and costs which she or he may have incurred as a result of the landlord’s failure to comply with the Ordinance. In any action to recover damages resulting from a violation of this Chapter, the prevailing plaintiff(s) shall be entitled to reasonable attorneys’ fees in addition to other costs, and in addition to any liability for damages imposed by law. 	<p><i>MODERATE.</i></p> <p>The Rent Board retains a copy of all executed buyout agreements. The Rent Board’s legal staff maintains all filed buyout agreements in a file separate from any other file. All personally-identifying information is maintained as confidential.</p> <p>Information about the amount of buyout agreements and neighborhood is made publicly available. The Board collects data from filed agreements, including the amount of compensation and neighborhood of the rental unit, and makes that data public.</p>
SANTA MONICA	Ordinance Adopted by the Santa Monica City Council (Municipal Code Section 4.56.050(b)) and Rent Board Regulation 9011	All units covered by the Rent Control Law in the City Charter, including units that are exempt from rent control pursuant to State law	<ul style="list-style-type: none"> ➤ A Landlord must inform a Tenant of certain rights before offering any form of compensation in exchange for a Tenant’s agreement to vacate a rental unit. ➤ Disclosure of rights must be in writing on a form approved by the Rent Board Administrator. ➤ Tenant’s rights required in disclosure include: the right to refuse the agreement and not be retaliated against for doing so, the right to consult a lawyer, and a 30-day right to rescind acceptance of a buyout offer at any time during the 30 days after the Tenant’s acceptance. ➤ The form must also include the amount of relocation fees required by the City’s relocation ordinance, and any other information deemed necessary by the Administrator to effectuate the purpose of Municipal Code Section 4.56.050(b). ➤ The Landlord must file any completed, signed, buyout agreements with the Rent Board no sooner than the 31st day after the agreement is signed and no later than 60 days thereafter. ➤ Tenants shall be provided with a signed copy of the buyout agreement (if executed). ➤ Remedies for violations of the Ordinance include criminal penalties, the right to bring a civil action, as well as additional penalties and monetary awards. Any person who violates or aids or incites another person to violate the Ordinance is liable for each offense for the actual damages suffered by any aggrieved party or for statutory damages in the sum of between one thousand dollars and ten thousand dollars, whichever is greater, and shall be liable for such attorneys’ fees and costs as may be determined by the court in addition thereto. Any violator shall be liable for an additional civil penalty of up to five thousand dollars for each offense committed against a person who is disabled or aged sixty-five or over. The court may also award punitive damages to any plaintiff, including the City, in a proper case as defined by Civil Code Section 3294. The burden of proof for purposes of punitive damages shall be clear and convincing evidence. 	<p><i>MODERATE.</i></p> <p>The Rent Board retains a copy of all executed buyout agreements. The Rent Board’s legal staff maintains all filed buyout agreements in a file separate from any other file. All personally-identifying information is maintained as confidential.</p> <p>Information about the amount of buyout agreements and neighborhood is made publicly available. The Board collects data from filed agreements, including the amount of compensation and neighborhood of the rental unit, and makes that data public.</p>

**Draft Tenant “Buyout Agreement”¹ Case Study Research
Complaint-Driven Rent Programs:**

Jurisdiction	Type of Law	Applicability	Summary of Major Provisions of Tenant Buyout Law	Degree of Administrative Duties Required by Law (Relative to other case study jurisdictions)
LOS ANGELES	Ordinance adopted by the Los Angeles City Council (Municipal Code Section 151.31)	All units covered by the Rent Stabilization Ordinance, including units that are exempt from rent control pursuant to State law	<ul style="list-style-type: none"> ➤ Buyout agreements must be written in the primary language of the Tenant ➤ Landlords must provide specific disclosures to the Tenant about their rights on a City form prior to negotiating a buyout agreement. ➤ Tenant’s rights required in disclosure include: the right to cancel the agreement within 30 days of all parties having signed the agreement, without any obligation or penalty. The required form also includes disclosures regarding the Tenant’s right to reject the offer, the right to consult an attorney or the City, the amount of the City’s relocation payment for no-fault evictions, and the right to rescind the agreement at any time if the buyout agreement does not comply with the requirements set forth in the Municipal Code. ➤ The Landlord must file a copy of the signed and dated Rent Stabilization Ordinance Disclosure Notice and buyout agreement within 60 days of both parties having signed the agreement. ➤ Tenants shall be provided with a signed copy of the buyout agreement (if executed). ➤ Remedies for violations include: Tenant may assert violations as an affirmative defense to an unlawful detainer action; Tenant may also bring a private right of action against a Landlord who violates the Ordinance and recover damages and a penalty of \$500. 	<p>LOW.</p> <p>Copies of executed buyout agreements are retained. The Housing and Community Investment Department must retain a copy of signed agreements.</p>
OAKLAND	Ordinance adopted by the Oakland City Council (Municipal Code Section 8.22.700)	All units covered by the Residential Rental Adjustments and Evictions and Just Cause for Eviction Ordinances, except rental units owned or operated by a public entity	<ul style="list-style-type: none"> ➤ If the Tenant is proficient in Spanish or Chinese and is not proficient in English, the owner shall make a copy of the agreement available in their language of proficiency. ➤ Prior to commencing buyout negotiations, Landlords must provide information to the Rent Adjustment Program, on a form prescribed by the Rent Adjustment Program and signed by the owner under penalty of perjury. The form shall include information such as the address of the property where the Landlord intends to offer a buyout agreement and a list of all dates on which the owner initiated other buyout agreements with any current or prior tenants at the property and the rental units occupied by each Tenant. ➤ Prior to commencing negotiations, Landlords must provide specific disclosures to the Tenant about their rights on a City form prior to negotiating a buyout agreement. The Landlord and Tenant must sign the disclosure form, and a signed copy of the disclosure form must be provided to the Tenant within 3 days of execution. ➤ Tenant’s rights required in disclosure include: the right to refuse to accept the buyout agreement, a statement that the Landlord may not retaliate against the Tenant for refusing to enter into a buyout agreement, the Tenant’s right to consult an attorney before entering into an agreement, a statement that offering payments to a Tenant to vacate more than once in 6 months after the Tenant has notified the Landlord in writing that the Tenant refuses to enter into the buyout agreement shall be considered tenant harassment under the Tenant Protection Ordinance, and a statement that the Tenant may rescind the agreement within 25 days of it having been signed by all parties, unless the parties agree in writing to a short rescission period of not less than 15 days. ➤ Disclosure form required by City must also include the amount of relocation payment for no-fault evictions; a statement that assistance may be obtained by contacting the Rent Adjustment Program; a description of when Tenants have a right to return to their Rental Unit under state or local law; a statement that market rate rents in the area may be significantly higher than the Tenant’s current rent, and therefore the Tenant may wish to check rents for comparable Rental Units before accepting the agreement; a statement that payment pursuant to the buyout agreement may be subject to taxation and that the Tenant should consult the appropriate authorities for more <p align="right">(CONTINUED)</p>	<p>LOW.</p> <p>Copies of executed buyout agreements and retained and the City may make information publicly accessible. The city may make the information included on the disclosure form publically available, except that the city may redact information from the forms, including personal information, to the extent such redaction is consistent with Oakland, state, or federal laws or policy addressing disclosure of documents or information within the city’s possession or control. The city does not warrant that information any party to the move out negotiation or agreement believes to be private will not be released.</p>

**Draft Tenant “Buyout Agreement”¹ Case Study Research
Complaint-Driven Rent Programs:**

			<p>information; a statement that buyout agreements that are submitted to the City may be considered public, but that the City will redact sensitive information consistent with City, state, and federal policies. The form must also include the names of all people authorized to conduct buyout agreements on the owner’s behalf, and any other information required by the Rent Adjustment Program consist with the purpose of the Ordinance.</p> <ul style="list-style-type: none"> ➤ The Landlord must file a copy of the signed and dated Rent Stabilization Ordinance Disclosure Notice and buyout agreement no sooner than the 25th day and no later than the 45th day of both parties having signed the agreement. ➤ The buyout agreement must also contain specific language regarding the Tenant’s rights; next to each statement, there must be a line for the Tenant to initial. ➤ Tenants shall be provided with a signed copy of the buyout agreement (if executed) immediately after execution. ➤ The Ordinance also states that buyout agreements must be for greater than the amount of the relocation payments to which the tenant may be entitled under Oakland, state, or federal law. Move out agreements for less than the amount to which the tenant is entitled in relocation payments constitute a violation of the Ordinance and can be regarded by the tenant as a noncompliant buyout agreement. ➤ Remedies include administrative (e.g. the issuance of administrative citations) and civil remedies. Per the Ordinance, the greater of actual damages or minimum damages of five hundred dollars (\$500.00) per violation shall be awarded for an owner’s failure to comply with the obligations established under this Article. The greater of treble actual damages or minimum damages of one thousand dollars (\$1,000.00) per violation shall be awarded for an owner’s willful failure to comply with the obligations established under the Ordinance), and triple the actual damages suffered by the aggrieved Tenants for an owner’s failure to comply with the requirements of the Ordinance when the Tenant of the affected Rental Unit is elderly, disabled, or catastrophically ill. 	
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**Draft Tenant “Buyout Agreement”¹ Case Study Research
Complaint-Driven Rent Programs:**

Jurisdiction	Type of Law	Applicability	Summary of Major Provisions of Tenant Buyout Law	Degree of Administrative Duties Required by Law (Relative to other case study jurisdictions)
SAN FRANCISCO	Ordinance adopted by the Board of Supervisors (Section 37.9E of the Administrative Code)	All units covered by the Residential Rent Stabilization and Arbitration Ordinance, including units that are exempt from rent control pursuant to State law.	<ul style="list-style-type: none"> ➤ Before making a buyout offer, a Landlord must give the Tenant a written disclosure of the Tenant’s rights, on a form produced by the Rent Board. ➤ Tenant’s rights required in disclosure include: the right not to enter into a buyout agreement, the right to consult an attorney before signing the agreement, the right to rescind the agreement at any time up to 45 days after signing the agreement, a statement that the Tenant may visit the Rent Board for information about other buyout agreements in the Tenant’s neighborhood, a list of Tenant Right’s Organizations and their contact information, a statement that information about tenant’s rights is available at the Rent Board’s office, through its counseling number, and on its website, a statement explaining the legal implications under Section 1396(e)(4) of the Subdivision Code for a Landlord who enters into one or more buyout agreements. If the Landlord is an entity, the disclosure form must also include the names of all people within that entity who will be conducting the buyout negotiations and the names of all people within that entity who will have decision-making authority over the terms of the buyout agreement, and any other information reasonably requested by the Rent Board consistent with the purpose of the Ordinance. ➤ The Landlord must retain a copy of the signed disclosure form for five years, along with a record of the date the Landlord provided the disclosure form to each Tenant. ➤ Prior to making a buyout offer, the Landlord must also provide information to the Rent Board, on a form developed by the Board, including information such as the Landlord’s contact information, the name of each Tenant with whom the Landlord intends to offer a buyout agreement, the address of each rental unit that may be the subject of buyout negotiations. ➤ Buyout agreements must be made in writing and include specific statements regarding the Tenant’s rights to cancel the buyout agreement for up to 45 days after all parties have signed, with information about how to cancel the agreement, and the right to reject the offer. The buyout agreement must also include information about the City’s condominium conversion ordinance and the requirements specific to senior, disabled, or catastrophically ill Tenants. Next to each statement required by the Ordinance to be included in the buyout agreement, there must be space provided for the Tenant to initial. ➤ Buyout agreements that do not meet the requirements of the Ordinance and where the Tenant has not initialed next to each required statement shall be considered ineffective and may be rescinded by the Tenant at any time. ➤ The Landlord must file a copy of the buyout agreement with the Rent Board no sooner than the 46th day after the buyout agreement has been signed by all parties and no later than the 59th day after it has been executed by all parties. ➤ Remedies include the right to bring a civil action against the Landlord for failure to comply with the requirements of the buyout agreement ordinance. The landlord shall be liable for the tenant's damages. In addition, the penalty for a violation of subsection (d) shall be up to \$500. The penalty for a violation of the requirements of the contents of the buyout agreement shall be up to 50% of the tenant's damages. The court shall award reasonable attorneys' fees to any tenant who is the prevailing party in a civil action. Additionally, a Landlord who has violated the requirement to a file a copy of the buyout agreement with the Rent Board shall pay to the City an administrative penalty of up to \$100 per day for each document the landlord failed to file, but in no event shall the landlord's total administrative penalty in a single civil action exceed \$20,000. Any administrative penalties collected shall be deposited in the General Fund of the City and County of San Francisco. The court shall award reasonable attorney's fees and costs to the City Attorney or a nonprofit organization that is the prevailing party in a civil action. A tenant may not bring a civil action and the City Attorney or a nonprofit organization may not bring a civil action more than four years after the date of the alleged violation. 	<p><i>HIGH.</i> Landlords must file a copy of the initial form with the Rent Board. Information on the form that a Landlord must provide to the Rent Board prior to initiating a buyout agreement must be made publicly available, except that the Rent Board shall redact all sensitive information regarding the identity of the Tenants.</p> <p>The Rent Board must maintain a searchable database of all buyout agreements. The Rent Board is required to create a searchable database with information received from filings under subsection (h). The database shall be accessible to the public at the Rent Board's office and shall include a copy of filed buyout agreements. Before posting a copy of any filed buyout agreements on its database, the Rent Board shall redact all information regarding the identity of the tenants.</p> <p>The Rent Board must report annually to the Board of Supervisors on the implementation of the Ordinance. The Rent Board shall provide an annual report to the Board of Supervisors regarding the implementation of the Ordinance. The first report shall be completed by January 31, 2016, and subsequent reports shall be completed by January 31 in subsequent years. The report shall include, but not be limited to, a list of all units that have been the subject of Buyout Agreements that have been reported to the Rent Board. The Rent Board shall post each of these annual reports on its website.</p>

**Draft Tenant “Buyout Agreement”¹ Case Study Research
Complaint-Driven Rent Programs:**

Jurisdiction	Type of Law	Applicability	Summary of Major Provisions of Tenant Buyout Law	Degree of Administrative Duties Required by Law (Relative to other case study jurisdictions)
SAN JOSÉ	Ordinance adopted by the San José City Council (Part 7 of Chapter 17.23 of the Municipal Code) and Chapter 14 of the Regulations adopted by the City Council.	All units covered by the Apartment Rent Ordinance, including units that are exempt from rent control pursuant to State law.	<ul style="list-style-type: none"> ➤ Before making a buyout offer, a Landlord must give the Tenant a written disclosure of the Tenant’s rights, on a form produced by the Rent Board. ➤ Content required in disclosure form includes: a statement that the unit is subject to the Apartment Rent Ordinance and Tenant Protection Ordinance and contact information for the Rent Program, a statement that Tenants may request that the Landlord provide a copy of the proposed buyout agreement in the Tenant’s primary language and a box in which the Tenant can make that request, a statement of the Tenant’s right not to enter into the agreement, a statement explaining that the Tenant has the right to seek an attorney prior to and during negotiations for a buyout agreement and can make a counter offer to the buyout agreement, a statement that the Tenant has a right to cancel any buyout agreement within 45 days of the date of execution of the buyout agreement without penalty, a statement that exercising the right to rescind the agreement after the tenant has moved out of the unit will not entitle the Tenant to move back into the unit, and a statement that the Tenant may be entitled to relocation benefits due to certain terminations of tenancy, and that the tenant may contact the Rent Program for more information. ➤ Buyout agreements must be made in writing and the Tenant may request that the Landlord provide the Tenant with a translated copy of the buyout agreement. The buyout agreement must contain a statement that the Tenant has the right to refuse the buyout agreement, that they may choose to speak with an attorney before signing the agreement, that they may consult the City Housing Department prior to signing the agreement, and that the Tenant may rescind the agreement within 45 days of signing the agreement without penalty, with instructions for cancelling the agreement by sending a signed and dated notice to the Landlord by U.S. mail that the Tenant is cancelling the agreement. ➤ The Landlord must provide a copy of the executed buyout agreement to all Tenant signatories upon execution. ➤ The Tenant has the right to rescind a buyout agreement if (1) less than 45 days have passed since the parties signed the agreement; (2) the Landlord has failed to comply with the buyout offer requirements in the Regulations; or (3) any other circumstances under State and/or Federal law that would permit the rescission of a contractual agreement. ➤ The Landlord must file a copy of the buyout agreement with Rent Program staff within 30 days from the date the Landlord and Tenant signed the agreement. 	<p><i>LOW.</i> Copies of executed buyout agreements are retained. Buyout agreement shall be maintained in a separate file and the City must maintain the Tenant’s personal identifying information as confidential and in a manner consistent with State law. Staff may collect data from the buyout agreements, including, but not limited to, the amount of compensation paid.</p>