

ORDINANCE NO. 6.20

AN ORDINANCE AMENDING ARTICLE XIII OF CHAPTER 36
OF THE MOUNTAIN VIEW CITY CODE
RELATED TO TENANT RELOCATION ASSISTANCE

THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW DOES HEREBY
ORDAIN AS FOLLOWS:

Section 1. Article XIII of Chapter 36 of the Mountain View City Code is hereby
amended to read as follows:

“ARTICLE XIII. - TENANT RELOCATION ASSISTANCE

SEC. 36.38. - Statement of purpose.

The purpose of this article is to help mitigate the adverse health, safety and economic impacts experienced by moderate- to very low-income residents of rental housing who are displaced from their residences due to a demolition of a rental unit, a remodel or redevelopment of a rental unit, a conversion of a residential unit to a condominium unit or a change of use of real property from a residential use to a nonresidential use by requiring the property owner to mitigate the impact on these residents consistent with this article and the Community Stabilization and Fair Rent Act (“CSFRA”).

SEC. 36.38.15. - Definitions.

a. *Application.* An application required to be submitted to the city for discretionary or ministerial approval of a land use change or improvement of real property that will result in a permanent displacement of a residential household.

b. *Displace or displacement.* The vacating of a rental unit covered by the CSFRA or three (3) or more rental units on a parcel for those rental units that are not covered by the CSFRA by residential households within a one (1) year period upon notice from the landlord as the result of or to enable any of the following:

1. The landlord seeks in good faith to recover possession to withdraw all rental housing units of an entire property from the rental housing market as provided in Government Code § 7060, et seq.;

2. The landlord, having obtained all necessary permits from the city, seeks in good faith to recover possession to remove the rental unit permanently from rental housing use through demolition;

3. The landlord, after having obtained all necessary permits from the city, seeks in good faith to undertake substantial repairs that are necessary to bring the rental unit into compliance with applicable codes and laws affecting the health and safety of tenants of the building or otherwise to remodel, renovate or rehabilitate the rental unit which will render the rental unit uninhabitable for a period of not less than thirty (30) days, resulting in the displacement of tenants;

4. The landlord seeks the conversion of a building into a condominium, community apartment or stock cooperative, as those terms are defined in California Government Code and Business and Professions Code;

5. A change of use of real property from a residential use to a nonresidential use that requires a permit from the city;

6. The change from rental to ownership units where the units were rented out for a period of time after being approved for sale; or

7. The landlord seeks to recover possession of the rental unit in good faith for use and occupancy as a primary residence by the landlord, or the landlord's spouse, domestic partner, children, parents or grandparents. For purposes of this section, landlord shall only include a landlord that is a natural person and has at least a fifty (50) percent recorded ownership in the property.

For the purposes of this article, a displacement does not include a vacation of a rental unit as the result of the following:

1. A conversion of any portion of a mobile home park regulated and processed pursuant to Chapter 28 of this code;

2. A landlord's compliance with an enforcement order of the city chief building official for which the property owner has been ordered to pay relocation expenses pursuant to Health and Safety Code § 17975, et seq., or any other state or federal law;

3. A vacation of a rental unit resulting from the damage or destruction of the unit which is caused by a fire or natural disaster;

4. Temporary displacement due to substantial repairs, remodeling, renovations or rehabilitation of rental units which will render the rental unit

uninhabitable for a period of not less than thirty (30) days, in those instances when the landlord provides the tenant and the tenant elects to accept an offer to move to a comparable vacant rental unit owned by the landlord and the same rent where tenants have been provided with alternative housing on-site or nearby; or

5. The residential household has not paid rent as required by the rental housing agreement or was found to have committed an unlawful detainer pursuant to Subdivisions 2, 3, 4 or 5 of § 1161 of the Code of Civil Procedure as evidenced by a final judgment of a court of competent jurisdiction.

c. **Eligible residential household.** A displaced residential household provided the annual household income does not exceed one hundred twenty (120) percent of the median household income for the county as adjusted for household size according to the state department of housing and community development as adjusted annually plus five thousand dollars (\$5,000).

d. **Landlord.** An owner, lessor or sublessor or any other person entitled to receive rent for the use and occupancy of any rental unit, or the agent, representative, predecessor or successor of any of the foregoing.

e. **Property.** All rental units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

f. **Relocation assistance.** Relocation assistance is provided per rental unit, not per tenant. If multiple residential households or individuals occupy a single rental unit, relocation assistance shall be paid to the household or individual entitled to occupy a rental unit under a valid rental housing agreement with the landlord.

1. Relocation assistance shall include all of the following:

(a) A full refund of a tenant's security deposit, except for funds that may be necessary to repair tenant's damage to property in rental units that will be reoccupied prior to undergoing renovation or demolition.

(b) Unlimited access to a subscription service to a rental agency until the earlier of the tenant securing alternative housing or the termination of the tenancy.

(c) Relocation advisory services of the third-party agency, including extended advisory and personalized replacement housing assistance based on a household's preferences, housing budget, preferred location and other requirements, and providing up to five (5) rounds of referrals through analysis of available rental housing, including Internet listings, contact with property management companies,

available affordable housing options including wait-list opportunities and other leads on housing.

(d) The cash equivalent of three (3) months' rent, based on the median monthly rent for a similar-sized unit with the same number of bedrooms and bathrooms as determined by a survey taken at least once a year of apartment rents in Mountain View.

(e) An additional eight thousand dollars (\$8,000) per rental unit for special-circumstances households adjusted annually for inflation based on the consumer price index for the San Francisco Bay Area. The adjustment shall be made at the beginning of the calendar year.

2. For those residential households receiving written notice prior to entering into a written or oral agreement to become a tenant, that an application to convert their rental unit to another use was on file with the city or had already been approved and would result in their displacement, relocation assistance shall only include a sixty (60) day subscription to a rental agency.

3. If tenants are eligible for relocation benefits under state or federal law, tenant's relocation benefits shall be consistent with whichever law provides the greatest level of benefit.

g. **Rental housing agreement.** An agreement, oral or written, or implied, between a landlord and tenant for use or occupancy of a rental unit and for housing services.

h. **Rental unit.** Any building, structure or part thereof, and land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, together with all housing services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the tenant.

Exemptions: For purposes of this article, a rental unit shall not include:

1. Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of fewer than thirty (30) days as defined in Mountain View City Code Sec. 33.1(d).

2. A room or any other portion of any rental unit which is occupied by the landlord or a member of the landlord's immediate family.

3. A single-family dwelling, except where three (3) or more dwelling units are located on one (1) lot.

4. A mobile home.

5. A unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.

i. **Residential household.** Any person or group of persons entitled by a rental housing agreement to use or occupy a rental unit to the exclusion of others.

j. **Special-circumstances households.** An eligible residential household with any of the following characteristics:

1. At least one (1) member is sixty-two (62) years of age or older;

2. At least one (1) member qualifies as disabled as defined by Title 42, United States Code, Section 423 or handicapped as defined by California Health and Safety Code Section 50072; or

3. Is a household with one (1) or more minor children (nineteen (19) years of age or under) who are legally dependent (as determined for federal income tax purposes).

k. **Tenant.** A tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a rental housing agreement to the use or occupancy of any rental unit.

l. **Third-party agency.** Relocation assistance specialist, agency and/or other third-party agency hired by the city and paid for by the landlord to assist with the relocation assistance process set forth in this article.

SEC. 36.38.20. - Requirement to provide relocation assistance.

No landlord shall cause the permanent displacement of residential households without paying relocation assistance to eligible residential households in accordance with the provisions of this article.

SEC. 36.38.25. - Relocation assistance procedure.

a. **Displacement related to development and building permits of three (3) or more rental units within one (1) year.**

1. **Notice of intent.**

(a) **Landlord required to provide notice of intent.** Landlord shall provide a notice of intent on a city preapproved form to residential households residing on the property within thirty (30) days of filing an application for discretionary or ministerial approval of a land use change or improvement of real property by the city that will result in a displacement of a residential household. The notice of intent shall be personally delivered or served by mail, in the manner required by Code of Civil Procedure § 1162. Landlord shall also provide a copy of the notice of intent to the city.

(b) **Contents.** The notice of intent shall contain all of the following information:

(1) The name and address of the current property owner and/or developer of the project on the property;

(2) If applicable, a description of the application(s) being filed and a general time frame for the project approval and the residential household's right to receive written notice for each hearing and right to appear and be heard at the land use hearing;

(3) An explanation of the relocation assistance available to eligible residential households and special-circumstances households, information on eligible residential household incomes and the procedure for submitting claims for relocation assistance; and

(4) Other information deemed necessary or desirable by the city.

(c) **Notice of intent verification.** Within forty-five (45) days of the filing of an application for discretionary or ministerial approval of a land use change or improvement of real property, the landlord or agent of the landlord shall submit to the community development department a duplicate copy of the notice of intent given to each residential household and a declaration indicating that each notice was personally delivered or served by mail, in the manner required by Code of Civil Procedure § 1162.

(d) **Notice to third-party agency.** Landlord shall provide the following information to the third-party agency under penalty of perjury: the address, the number of each rental unit being displaced, monthly rents for those units, the number of

bedrooms and bathrooms of each rental unit, the names of every member of the residential household who is a signatory on the rental housing agreement for the rental unit, the household income as shown on any rental housing agreement-related documents, and the number of household members, including children. Where there is no written rental housing agreement, the landlord shall provide the name of every person the landlord considers to be a resident under an oral rental housing agreement.

2. **Payments escrow account.** The landlord shall open an escrow account and deposit relocation assistance funds into that account no later than thirty (30) days after filing an application that will be used by the third-party agency for relocation assistance payments to eligible residential households. The amount of the deposit shall be determined by the community development department and unused funds shall be returned to the landlord after all relocation assistance has been paid as verified by the third-party agency.

3. **Claim form.** To qualify for relocation assistance, tenants must complete a claim form and provide it to the third-party agency who will determine their eligibility for relocation assistance. Residential households must file a claim before the date to vacate as stated on the notice of termination in order to be eligible for relocation assistance payments. After determination of eligibility, one-half ($\frac{1}{2}$) of the relocation assistance shall be paid to eligible residential households within fifteen (15) days of the date the claim form is submitted to the third-party agency and the remaining one-half ($\frac{1}{2}$) shall be paid when the household secures alternative housing as evidenced by a signed rental agreement or other documentation or vacates the unit, whichever occurs first.

4. **Fees.** The landlord shall pay a fee to the city for the cost of the assistance of the third-party agency to provide relocation assistance pursuant to this article in an amount set by resolution of the city council.

5. **Verification of compliance.** Prior to issuance of demolition permits, building permits or other city permits that would result in the displacement of tenants from a rental unit subject to this article, the city must receive verification from the third-party agency that all eligible residential households who applied and qualified for assistance have received relocation assistance. This verification shall be submitted in a form acceptable to the city.

6. **Notice of termination.**

(a) For the withdrawals of the unit permanently from the rental market, landlord shall provide a written notice of termination to all tenants subject to displacement at least one hundred twenty (120) days or one (1) year in the case tenants are defined as senior or disabled under Government Code Section 12955.3 prior to the

date a tenant must vacate the rental unit pursuant to Government Code Section 7060.4. The date to vacate shall not be prior to the city's determination that the landlord has complied with this article.

(b) For all other displacements, landlord shall provide a written notice of termination to all tenants subject to displacement pursuant to Civil Code Section 1946 and Section 1946.1. The date to vacate shall not be prior to the city's determination that the landlord has complied with this article.

b. Displacement of fewer than three (3) rental units.

1. Notice of termination.

(a) **Landlord required to provide notice of termination.** A landlord who intends to provide a residential household with a notice of termination shall file a copy of such notice to the city within three (3) days after serving the notice on the tenant. The notice shall be personally delivered to the residential households or served by mail, in the manner required by Code of Civil Procedure Section 1162.

(b) **Contents.** The notice of termination must state with specificity the basis on which the landlord seeks to terminate the tenancy and notify the tenants of their rights under this article.

(c) **Third-party agency.** Within five (5) business days of providing copy of a notice of termination to the city, the landlord is required to provide to the third-party agency as identified by the city: address of each rental unit being displaced, the number of bedrooms and bathrooms of each unit, the names of every member of the residential household who is a signatory on the rental housing agreement for the rental unit, the household income as shown on rental housing agreement-related documents, and the number of household members, including children. Where there is no written rental housing agreement, the landlord shall provide the name of every person the landlord considers to be a resident under an oral rental housing agreement.

2. Claim form. To qualify for relocation assistance, tenants must complete a claim form and provide it to the third-party agency before the actual termination date in order to be eligible for relocation assistance payments. The third-party agency will determine their eligibility for relocation assistance. After determination of eligibility, and within fifteen (15) days of the date the claim form is submitted to the third-party agency, the full amount of relocation assistance shall be paid directly by the landlord to the residential household. The third-party agency will confirm issuance of payment by means of an acknowledgement of payment form.

3. **Payment.** Landlord shall directly pay the full amount of relocation assistance as determined by the third-party agency to eligible residential households within fifteen (15) days of the date a tenant submits a claim form and provide proof of payment to the third-party agency.

4. **Verification of compliance.** Within five (5) days of receiving verification from the third-party agency, the city shall review landlord's compliance with this article.

c. **Translation of documents for those with limited English proficiency.**

Documents related to this section regarding relocation assistance that are to be provided to the tenant, including the Notice of Intent, Notice of Termination and claim forms, shall also be provided in Spanish, Chinese and/or Russian, as needed, or other languages as requested that is responsive to the needs of the tenant population who have limited English proficiency and in accordance with this program's language access plan in the administrative guidelines.

SEC. 36.38.30. - First right of return – The Community Stabilization and Fair Rent Act.

a. **Purpose and scope.** The Community Stabilization and Fair Rent Act ("CSFRA") requires a tenant whose tenancy is terminated when a covered rental unit is permanently withdrawn from the residential rental market to have the first right of return to the covered rental unit if that rental unit is returned to the residential rental market by the landlord or successor landlord. The city hereby acts pursuant to Government Code Section 7060, et seq. to establish certain requirements, procedures and mitigations regarding the first right of return when a building containing covered rental units is permanently withdrawn from the residential rental market.

b. **Definitions.** For purposes of Sec. 36.38.30 through 36.38.40, the definitions in the CSFRA shall apply unless otherwise specified.

1. *Accommodations* shall mean either of the following:

(a) The residential rental units in any detached physical structure containing four (4) or more residential rental units.

(b) With respect to a detached physical structure containing three (3) or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in subparagraph (a) above.

2. *Owner* shall mean only the holder of record title having the entire legal and equitable title to the property, or the successor-in-interest thereto. It shall not include the lessor, sublessor, agent or representative of the landlord. It is the intention of these sections to permit only the “owner” as defined herein to have and exercise the privileges and responsibilities set forth in this chapter.

3. *Withdrawal* shall mean the eviction of all tenants from all residential rental units on a particular property through compliance with the requirements of Sec. 36.38.55, et seq.

SEC. 36.38.35. - First right of return – Tenants.

All tenants shall have a first right of return to the rental unit if that rental unit is returned to the market by the landlord or successor landlord. Rent for the rental unit shall be the rent lawfully paid by the tenant at the time the landlord gave notice of termination.

SEC. 36.38.40. - First right of return – Responsibilities concerning permanently withdrawn accommodations.

Any accommodations which have been withdrawn from rent or lease and which were subject to the CSFRA at the time of withdrawal shall be subject to the following conditions and restrictions if said accommodation is again offered for rent or lease:

a. For all tenancies commenced during either of the time periods described in subsections 1. and 2. below, the accommodations shall be offered and rented or leased at the lawful rent in effect at the time any notice of intent to withdraw the accommodations was filed with the city, plus annual adjustments available under the CSFRA:

1. The five (5) year period after any notice of intent to withdraw the accommodations is filed with the city, whether or not the notice of intent is rescinded or the withdrawal of the accommodations is completed pursuant to the notice of intent.

2. The five (5) year period after the accommodations are withdrawn.

3. This subdivision shall prevail over any conflicting provision of law authorizing the landlord to establish the rental rate upon the initial hiring of the accommodations.

4. In the event that the owner fails to comply with this subsection, the owner shall be liable to any affected tenant for punitive damages in an amount which does not exceed the contract rent for six (6) months.

b. If the accommodations are offered again for rent or lease for residential purposes within two (2) years of the date the accommodations were withdrawn from rent or lease, the following provisions shall apply:

1. The owner of the accommodations shall be liable to any tenant or lessee who was displaced from the property by that action for actual and exemplary damages. Any action by a tenant or lessee pursuant to this paragraph shall be brought within three (3) years of the withdrawal of the accommodations from rent or lease. However, nothing in this paragraph precludes a tenant from pursuing any alternative remedy available under the law.

2. The city may institute a civil proceeding against any owner who has again offered accommodations for rent or lease subject to this section, for exemplary damages for displacement of tenants or lessees. Any action by the city pursuant to this paragraph shall be brought within three (3) years of the withdrawal of the accommodations from rent or lease.

3. Any owner who offers accommodations again for rent or lease shall first offer the unit for rent or lease to the tenant or lessee displaced from that unit by the withdrawal, if the tenant has advised the owner in writing within thirty (30) days of the displacement of his or her desire to consider an offer to renew the tenancy and has furnished the owner with an address to which that offer is to be directed. That tenant or former tenant may advise the owner at any time during the period of eligibility for renewed tenancy of any change in address to which the offer is to be directed. The owner shall also notify the city of the owner's intent to again offer the accommodations for rent or lease at the time the tenant is notified.

c. An owner who offers accommodations again for rent or lease within ten (10) years of the date on which they are withdrawn, and which are subject to this subdivision, shall first offer the unit to the tenant or lessee displaced from that unit by the withdrawal, if that tenant or lessee requests the offer in writing within thirty (30) days after the owner has notified the city of an intention to offer the accommodations again for residential rent or lease. A copy of the notice served on the city or its designated agency shall also be mailed by the owner to each tenant at that tenant's last known address.

If the owner offers the accommodations for rent or lease pursuant to this subdivision, and the tenant has advised the owner of a desire to consider an offer to renew the tenancy, then the owner shall offer to reinstitute a rental agreement or lease on terms permitted by law to that displaced tenant.

This offer shall be deposited in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant at the address furnished to the owner as provided in this subsection, and shall describe the terms of the offer. A copy of the notice with proof that it has been mailed to the displaced tenant shall be filed with the city at the time notice is mailed to the tenant. The displaced tenant shall have thirty (30) days from the deposit of the offer in the mail to accept by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

SEC. 36.38.45. - Alternate mitigation.

As an alternative to the required relocation assistance, a landlord may submit an alternate mitigation strategy that meets the goals of this section. An alternate strategy may include, but shall not be limited to, providing other mitigation and concessions to tenants such as permanent relocation of displaced tenants into similar apartments on-site or nearby, ongoing rent concessions or suitable notice and other elements of mitigation that would serve the goals and purposes of this article. With each such alternate submission, the landlord shall provide complete information as determined necessary by the community development director. Alternate mitigation proposals must be approved by the city council.

SEC. 36.38.50. - Administrative regulations.

The community development director may, from time to time, promulgate regulations implementing the provisions of this article, violations of which shall be considered a violation of this section.

SEC. 36.38.55. - Mitigation not exclusive.

Nothing in this section shall be interpreted to interfere with the city's ability and/or obligation to require relocation assistance for displaced tenants who are not covered by this article.

SEC. 36.38.60. - Failure to comply.

A landlord's failure to comply with any requirement in this article, including without the required notices to the city, is a complete affirmative defense in an unlawful detainer or other action brought by the landlord to recover possession of the rental unit.

SEC. 36.38.65. - Recordation of notice.

The city shall record a notice with the County Recorder which shall specifically describe any property subject to Sec. 36.38.40, the dates applicable for the tenant's first right of return pursuant to Sec. 36.38.40 and the name of the landlord."

Section 2. The provisions of this ordinance shall be effective thirty (30) days from and after the date of its adoption.

Section 3. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the other remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional.

Section 4. Pursuant to Section 522 of the Mountain View City Charter, it is ordered that copies of the foregoing proposed ordinance be posted at least two (2) days prior to its adoption in three (3) prominent places in the City and that a single publication be made to the official newspaper of the City of a notice setting forth the title of the ordinance, the date of its introduction, and a list of the places where copies of the proposed ordinance are posted.

Section 5. This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) (the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly).

The foregoing ordinance was regularly introduced at the Regular Meeting of the City Council of the City of Mountain View, duly held on the 12th day of May 2020, and thereafter adopted at the Regular Meeting of said Council, duly held on the 9th day of June 2020, by the following roll call vote:

AYES: Councilmembers Clark, Hicks, Matichak, McAlister, Ramirez, Vice Mayor Kamei, and Mayor Abe-Koga

NOES: None

ABSENT: None

NOT VOTING: None

ATTEST:

APPROVED:

LISA NATUSCH
CITY CLERK

MARGARET ABE-KOGA
MAYOR

Date of Attestation: _____

I do hereby certify that the foregoing ordinance was passed and adopted by the City Council of the City of Mountain View at a Regular Meeting held on the 9th day of June 2020, by the foregoing vote, and was published in the *San Jose Post Record* by reference on the 5th day of June 2020, and posted in three prominent places in said City.

City Clerk
City of Mountain View

TW/5/ORD
842-06-09-20o