

ORDINANCE NO.

AN ORDINANCE RELATING TO TENANT RELOCATION ASSISTANCE

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

Section 1. Chapter 36, Article XIII, 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 low- and 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 provide these residents with advance notice of such actions and mitigate the impact on these residents consistent with this article.

SEC. 36.38.05. Definitions.

a. **Application.** Any 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 four (4) or more rental units by residential households within a one-year period upon notice from the landlord as the result of or to enable any of the following:

1. The landlord seeks to withdraw all rental housing units from the rental housing market as provided in Government Code §7060, *et seq.*;

2. The landlord seeks to recover possession to demolish or otherwise remove a residential rental housing unit from residential rental housing use after having obtained all proper permits from the city, if any such permits are required;

3. The landlord seeks to recover possession to remodel, renovate or rehabilitate the unit(s) resulting in permanent displacement of tenants and the project requires discretionary or ministerial permits from the city;

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; or

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

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; or

4. Temporary displacement due to remodeling or renovations where tenants have been provided with alternative housing on site or nearby.

c. **Eligible residential household.** A displaced residential household provided the annual household income does not exceed eighty (80) percent of the median household income for Santa Clara County as adjusted for household size according to the United States Department of Housing and Urban Development. The presumption of eligibility specified in the preceding sentence shall not apply where the landlord provides evidence of any of the following circumstances:

1. The residential household's occupancy ended due to the expiration of a term lease and the tenancy was not extended by the operation of Civil Code §1945; or

2. The residential household has not paid rent as required by the rental 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; or

3. The residential household received 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.

d. **Landlord.** An owner, lessor or sublessor of property (including any person, firm, corporation or other entity) who receives or is entitled to receive rent for the use of any rental unit, or the agent, representative or successor of any of the foregoing.

e. **Rental unit.** A habitable structure offered for rent and used as a place of permanent or customary and usual abode of a residential household. Rental units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A rental unit shall not include:

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

2. A single-family dwelling, except where four (4) or more dwelling units are located on one (1) lot.

3. A mobile home.

4. Housing accommodation in hotels, motels, inns, tourist homes and boarding or lodging houses.

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

f. **Residential household.** Any person or group of persons entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) with the landlord, including all persons who are considered residents under the civil code.

g. **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, No. 423 or handicapped as defined by California Health and Safety Code §50072; or

3. Is a household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes).

h. **Tenant.** A tenant, subtenant, lessee, sublessee or any other person entitled to use or occupancy of a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

i. **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 ordinance.

SEC. 36.38.10. Requirement to provide relocation assistance.

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

SEC. 36.38.15. Relocation assistance.

The landlord shall provide relocation assistance, where required by Sec. 36.38.10, to eligible residential households in accordance with the following requirements:

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. A sixty (60) day subscription to a rental agency.

c. 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, shall be paid to the eligible household renting a unit.

d. Special-circumstances households will be paid an additional three thousand dollars (\$3,000) per rental unit, and this figure will be adjusted annually for inflation based on the Consumer Price Index for the San Francisco Bay Area.

SEC. 36.38.20. Procedures for assistance payment.

a. **Third-party processing.** The city shall hire a third-party agency to provide tenant relocation assistance. Landlord shall pay the fees for the third-party agency and

shall deposit sufficient funds with the city when an application is filed to cover the estimated cost of the relocation assistance services. The third-party agency shall provide bilingual assistance, as necessary, and hold an informational meeting with tenants, respond to questions, verify current household incomes, disperse checks to eligible households and provide an accounting of dispersed funds to the landlord and city.

b. **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.

c. **Relocation assistance claims.** Tenants requesting relocation assistance must provide the necessary information to the third-party agency who will determine their eligibility for relocation assistance and eligible residential households must complete a claim form. Tenants 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, half 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 half shall be paid when the household vacates the unit.

d. **Payments to eligible residential households.** Relocation assistance is paid per rental unit, not per tenant. If multiple households or individuals occupy a rental unit, relocation assistance shall be paid to the household or individual entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

e. **Verification of payment.** Prior to issuance of demolition permits, building permits or other city permits that would result in the removal of 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.

SEC. 36.38.25. Notice to displaced tenants.

a. **Notice of intent.** No later than thirty (30) days after filing an application, either the landlord or the landlord's agent shall notify each residential household residing on the subject real property that the landlord has filed an application with the

city. The notice shall be sent by regular and certified mail and posted on the door of each rental unit. The landlord must submit evidence of compliance with this section to the city in order for the application to be deemed complete. The landlord shall use a notice of intent form provided by the city that shall contain the following information:

1. The name and address of the current property owner and the project developer;
2. A description of the application(s) being filed and a general time frame for the project approval;
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;
4. Contact information for the third-party agency that will be assisting with the relocation assistance process. This contact information and a brief explanation of the purpose of the notice shall be translated into non-English languages as provided by the city;
5. The residential household's right to receive written notice for each hearing and right to appear and be heard at land use hearing, if applicable; and
6. Other information deemed necessary or desirable by the community development department.

b. **Notice of intent verification.** The landlord or agent of the landlord shall submit to the city a duplicate copy of the notice of intent form given to each residential household and a declaration indicating that each notice was sent by regular and certified mail and posted on the door of the rental unit.

c. **Notice of termination.** Landlord shall provide a written notice of termination to all tenants subject to displacement from a multiple-family rental development at least ninety (90) days prior to the date a tenant must vacate the unit. The date to vacate shall not be prior to the city's determination that the landlord's application is complete unless approved by the community development director and relocation assistance has been paid to the eligible household.

SEC. 36.38.30. Submittal requirements.

a. Concurrent with the filing of an application, the landlord shall provide the community development department with the address number of each unit in the

multiple-family rental development, the monthly rents for those units and the names of every member of the residential household who is a signatory on a written lease or rental agreement for that unit, the household income as shown on the lease or rental agreement and the number of household members included on the lease or rental agreement. Where there is no written lease or rental agreement, the landlord shall provide the name of every person the landlord considers to be a resident under an oral lease or rental agreement.

SEC. 36.38.35. Alternate mitigation.

a. All applications governed by this section shall be required to submit the required information; however, the landlord may also 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.

b. A landlord who is withdrawing residential rental units pursuant to Government Code §7060, *et seq.* may elect to comply with the notice provisions of Government Code §7060.4.

c. Landlord's temporary withdrawal of residential rental units from the market pursuant to Sec. 36.38.10.d shall not be subject to this article for any units where, in the opinion of the community development director, the landlord has offered suitable temporary replacement housing accommodations and compensation.

SEC. 36.38.40. 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. 36.38.45. 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."

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).

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