## NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Sacramento for the purpose of adopting the Sacramento Renter Protection and Community Stabilization Charter Amendment, which will amend the Sacramento City Charter. A statement of the reasons of the proposed action as contemplated in the petition is as follows:

The City of Sacramento does not regulate the amount of rent a landlord may charge, nor does it establish limitations on the termination of tenancies. This measure is a charter amendment that prohibits landlords from evicting a tenant except for specified reasons and limits the amount that landlords can increase the rent.

Certain types of rental units are either fully or partially exempt from regulation under the measure. State law currently exempts single family homes, condominiums, and units constructed after February 1, 1995 from limitations on rent increases.

For all rental units in the City subject to the measure, a landlord may terminate a tenancy only for the reasons specified in the measure. Landlords can continue to terminate a tenancy for reasons such as failure to pay rent, a breach of the lease, or conducting criminal activity in the unit. However, landlords are restricted from terminating a tenancy when the tenant is not at fault, subject to a few exemptions, such as owner move-in and substantial renovations. In the case of these "no-fault" evictions and specified large rent increases that result in displacement, landlords must pay relocation benefits to the displaced tenants. Tenants who are disabled, seniors, or who live with minor children are entitled to increased relocation benefits.

The measure sets base rents for those rental units covered under the measure. The base rent is set at the rent in effect on February 20, 2018. If the tenancy began after this date, the base rent is the rent charged upon initial occupancy. A landlord can raise the rent annually by the percentage increase of the Consumer Price Index.

A Rent Stabilization Board manages the implementation and administration of this measure. An eight-member Board is elected by district and a ninth member is appointed by the Mayor, upon confirmation of the Board. The Board establishes regulations, determines the allowable annual rent adjustment, hears individual rent adjustment petitions and goes to court to enforce the measure. The Board exercises its powers and duties independently from the City Council and City Attorney, except by request.

A landlord can file an Individual Rent Adjustment Petition with the Rent Board to raise the rent more than the annual allowable increase if necessary to provide a fair return on the landlord's investment. The Board will consider the cost of complying with legally mandated improvements, unavoidable increases in maintenance and operating expenses, and property taxes. Rent can also be decreased if the landlord fails to maintain a habitable rental unit or charges unlawful rent. Both tenants and landlords can sue in court to challenge a Board's decision.

Signed by:

[redacted]

**Margarita Maldonado**

[redacted]

[redacted]

**Omega Brewer**

[redacted]

[redacted]

**Michelle Pariset**

[redacted]

Be it enacted by the People of the City of Sacramento:

**Section 1. Title and purpose**

This measure shall be known as the Sacramento Community Stabilization and Fair Rent Charter Amendment. The purpose of this Amendment is to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Sacramento by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair and reasonable return on their investment and guaranteeing fair protections for renters, homeowners, and businesses.

**Section 2. Findings**

The People of Sacramento find and declare as follows:

(a) Housing and economic conditions create a detrimental effect on substantial numbers of renters in the City and are a threat to the public health, safety and welfare, and a particular hardship for senior citizens, persons on fixed incomes, persons with disabilities, families with children, and other vulnerable tenants;

(b) Tenants desire to be free from the fear of eviction motivated by a rental property owner's desire to dramatically increase rents in a hot housing market, and to live in a stable and healthy community;

(c) As published in a January 2018 rental trend report by Apartment List, Inc., a rental market data provider, the City of Sacramento experienced the fastest growing rent in the country in 2017, with average asking rents rising 9.3 percent;

(d) Median rent in Sacramento County, which includes the City of Sacramento, increased 18 percent between 2000 and 2015 while median renter household income decreased 11 percent during the same period, when adjusted for inflation, according to analysis by the California Housing Partnership;

(e) In 2014 almost two-thirds of Sacramento renters households (63 percent or 59,015 Sacramento renter households) had incomes less than 80 percent of the Area Median Income (AMI), the low-income threshold as defined and published by the U.S. Department of Housing and Urban Development;

(f) The City and County of Sacramento's 2013-2019 Consolidated Plan indicated the most common housing problem is that households are cost-burdened, with 2010-14 CHAS data for the City of Sacramento showing 52 percent of renter households overall (47,935 households) paying more than 30 percent of their income toward housing costs, and 28 percent of renter households (26,145 households) in Sacramento are severely cost-burdened, paying more than 50 percent of their income toward rent;

(g) While high rents could impact the finances of all households, the 2010-14 CHAS data for the City of Sacramento show that extremely low income renter households are much more likely than higher-income groups to experience cost burden, with 43 percent of low-income renter households (20,500 households) paying more than 30 percent of their income toward their housing costs, compared to 18 percent of extremely low income ownership households (4,670 households). Additionally, 68 percent of renter households (17,980 households) who pay more than 50 percent of

their income toward housing costs are extremely low income compared to 34 percent of owner households (3,945 households);

(h) According to the Sacramento Area Council of Governments growth projections for 2013 through 2021, 35 percent of all household growth in the City of Sacramento will consist of very low- and low-income households;

(i) According to the U.S. Census Bureau 2012-2016 American Community Survey, a majority, 53 percent, of all units in the City are occupied by renter households, an increase of 27 percent since 2000, and thus, residents are vulnerable to soaring rental prices and are in danger of being displaced from their homes;

(j) According to U.S. Census Bureau 2012-2016 American Community Survey, in 2016, 21 percent of all people in Sacramento and 17 percent of families lived below the poverty level;

(k) Excessive rental increases have resulted in increased homelessness, families living in vehicles, and the displacement of low-income families in the City of Sacramento, with recent sharp increases in rental rates named as one of the key factors in driving the 30 percent growth in individuals experiencing homelessness since 2015 in the 2017 Sacramento County Point in Time Count;

(l) Increasing poverty in Sacramento, decreasing AMI, and increasing rents have created a growing "affordability gap" between incomes and rents demonstrated by a 55 percent increase in cost-burdened renter households between 2000 and 2017, according to National Equity Atlas;

(m) Sacramento is experiencing a jobs/housing imbalance and the housing supply, particularly available rental housing, is not adequate to serve the needs of the community;

(n) The City of Sacramento currently does not regulate rental amounts, rent increases, or evictions from residential housing;

(o) Residents of the City of Sacramento began expressing their concerns to the City Council regarding rising rents and displacement in July 2017. Community groups in Sacramento also began hosting educational forums on rent control and just cause eviction protections in March 2017. It was foreseeable that rent control and just cause eviction protections were being considered in the City of Sacramento, thus making it reasonable to conclude that landlords would increase rents to levels they otherwise would not have in anticipation of imminent regulation;

(p) In the absence of city regulation or rental amounts, rent increases or residential evictions, tenants in the City of Sacramento have expressed that they are being displaced as a result of evictions or their inability to pay excessive rent increases and must relocate, but as a result of the housing shortage are unable to find decent, safe and healthy housing at affordable rent levels; and that some renters attempt to pay requested rent increases, but as a consequence must expend less on other necessities of life, such as food, transit, and healthcare;

(q) Eviction from residential housing imposes adverse impacts on the displaced Tenants, including numerous financial costs, including but not limited to packing costs, moving costs, lost wages due to taking time off work to search for alternative housing, the cost of applying to alternative housing, hotel costs or other temporary housing expenses required until suitable long-term alternative housing is obtained, and the cost a new security deposit;

(r) Eviction or other displacement imposes an especially high burden on school-aged children and their families, including increased absence from school and other educational disruption that can have long-lasting effects; and

(s) Nearly all rental housing requires that prospective tenants pay three months' rent up front in order to secure a lease - generally representing the first month's rent, last month's rent, and security deposit, imposing accumulated relocation expenses on a displaced household frequently in excess of $10,000.00.

**Section 3. Article XX is added to the Charter of the City of Sacramento to read:**

**Article XX.**

**Section 700 Definitions**

Unless further defined elsewhere in this Article, the following words or phrases as used in this Article shall have the following meanings:

(a) *Annual General Adjustment.* The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Article.

(b) *Base Rent.* The Base Rent is the reference point from which the lawful Rent shall be determined and adjusted in accordance with this Article.

(1) Tenancies commencing on or before February 20, 2018. The Base Rent for tenancies that commenced on or before February 20, 2018 shall be the Rent in effect on February 20, 2018.

(2) Tenancies commencing after February 20, 2018. The Base Rent for tenancies that commenced after February 20, 2018 shall be the rental rate charged upon initial occupancy, provided that amount is not a violation of this Article or any provision of state law. The term "initial rental rate" means only the amount of Rent actually paid by the Tenant for the initial term of the tenancy.

(c) *Board.* The term "Board" refers to the Sacramento Rental Housing Board established by this Article.

(d) *Covered Rental Units.* All Rental Units not specifically exempted by this Article.

(e) *City Council.* The term "City Council" refers to the City Council of the City of Sacramento.

(f) *Disabled.* Any person who has a disability, including, but not limited to, any physical or mental disability as defined in California Government Code Section 12926.

(g) *Hearing Officer.* An official appointed by the Board to conduct an investigation or administrative hearing pursuant to this Article.

(h) *Housing Services.* Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit,

privilege or facility connected with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.

(i) *Individual Rent Adjustment.* An adjustment to the otherwise lawful Rent authorized by a Hearing Officer or the Board pursuant to this Article.

(j) *Landlord.* An owner, lessor, sublessor or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

(k) *Petition.* A petition for Individual Rent Adjustment pursuant to this Article.

(l) *Primary Residence.* The occupant's usual place of return. To classify a unit as an occupant's Primary Residence does not require that the occupant be physically present in the unit at all times or continuously, but does require that the unit be the occupant's usual place of return. Factors that are indicative of Primary Residence include but are not limited to:

(1) The occupant carries on basic living activities at the subject premises for extended periods;
(2) The subject premises are listed with public agencies, including but not limited to federal, state and local taxing authorities, as the occupant's primary residence;
(3) Utility Charges and other charges and fees associated with usage of the structure are billed to and paid by the occupant at the subject premises;
(4) The occupant does not file for a homeowner's tax exemption for any different property;
(5) The occupant is not registered to vote at any other location; and
(6) Ownership is held in the name of the occupant claiming Primary Residence and not held by a Limited Liability Corporation or other corporate or business entity structure.

(m) *Property.* All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

(n) *Qualified Tenant.* A Tenant who satisfies any of the following criteria: has attained age 62; is handicapped as defined in California Health & Safety Code Section 50072; is Disabled; or resides with one or more minor children who are legally dependent on the Tenant.

(o) *Recognized Tenant Organization.* Any group of Tenants residing in Rental Units in the same building or in different buildings operated by the same management company, agent or Landlord, and who choose to be so designated. This shall also include any other at-large organization that represents the interest of Tenants.

(p) *Relocation Assistance.* Financial assistance in the amounts set by the Rent Board pursuant to Subsection 702(b).

(q) *Rent.* All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, Utility Charges, pets, furniture, and/or subletting.

(r) *Rental Housing Agreement.* An agreement, oral, written, or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing Services.

(s) *Rental Housing Fee.* The fee described in Subsection 706(n) herein.

(t) *Rental Unit.* Any building, structure, or part thereof, or 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.

(u) *Single-Family Home.* A detached building containing a single residential dwelling unit separately alienable from any other dwelling unit.

(v) *Tenant.* A Tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a Rental Housing Agreement or this Article to the use or occupancy of any Rental Unit.

(w) *Utility Charges.* Any charges for gas, electricity, water, garbage, sewer, telephone, cable, internet, or other service relating to the use and occupancy of a Rental Unit.

(x) *Written Notice to Cease.* A written notice provided by a Landlord that gives a Tenant an opportunity to cure an alleged violation or problem prior to service of a notice to terminate tenancy. Any Written Notice to Cease must:

(1) Provide the Tenant a reasonable period to cure the alleged violation or problem;
(2) Inform the Tenant that failure to cure may result in the initiation of eviction proceedings;
(3) Inform the Tenant of the right to request a reasonable accommodation;
(4) Inform the Tenant of the contact number for the Board; and
(5) Include sufficient details about the conduct underlying the Written Notice to Cease that allow a reasonable person to comply.

**Section 701 Exemptions**

(a) *Fully Exempt (Exempt from Both Rent Stabilization and Just Cause for Eviction).* The following Rental Units are exempt from all provisions of this Article:

(1) 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;
(2) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
(3) Rental Units owned, operated, or managed by a not-for-profit organization pursuant to a tax credit program;
(4) Rental Units which a government unit, agency or authority owns, operates, or manages, or in which government-subsidized Tenants reside, if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control;
(5) Secondary Dwelling Units that are permitted and in compliance with Sacramento City Code Section 17.228.105, if the Property is the Primary Residence of the homeowner.

(6) Rental Units where the tenant shares a bathroom or kitchen with the homeowner, if the unit is the Primary Residence of the homeowner.
(7) Temporary tenancy of single-family homes if the unit is the Primary Residence of the homeowner. The temporary tenant must be provided in writing at the inception of the tenancy: the length of the tenancy, and a statement that the tenancy may be terminated at the end of the temporary tenancy (pursuant to Section 702(a)(8) below). Relocation Assistance shall not be required for temporary tenancies.
(8) Rental Units in Residential Hotels governed by Chapter 18.20 of the Sacramento City Code.

(b) *Partially Exempt (Just Cause for Eviction Applies).* The following Rental Units are exempt from Sections 703, 704, and 705 of this Article (regarding Stabilization of Rents) and from Sections 707 and 708 (regarding Petitions for Individual Rent Adjustment), but are not exempt from Section 702 (Just Cause for Eviction Protections): Rental Units required to be exempt from rent control pursuant to the Costa-Hawkins Rental Housing Act (California Civil Code Section 1954.50 et seq.). Where rent restrictions are permitted by state law, the Rental Board may issue rules and regulations to govern the restrictions on Rental Units identified in this paragraph.

**Section 702 Just cause for eviction protections**

(a) No Landlord shall take action to terminate any tenancy, including but not limited to making a demand for possession of a Rental Unit, threatening to terminate a tenancy orally or in writing, serving any notice to quit or other eviction notice, or bringing any action to recover possession, or be granted recovery of possession of a Rental Unit unless at least one of the following conditions exists:

(1) *Failure to Pay Rent.* The Tenant has failed, after receiving a written Notice to Cease, to pay the Rent, so long as the amount stated does not exceed the Rent which the Landlord is legally entitled under the Rental Housing Agreement, this Article, or state or local law. This condition does not include a failure to pay any separately charged fees.
(2) *Breach of Rental Housing Agreement.* After the Landlord has served the Tenant with Written Notice to Cease, the tenant continues to substantially violate any of the material terms of the Rental Housing Agreement, other than a violation based on:

(A) The obligation to surrender possession upon proper notice; or
(B) The obligation to limit occupancy, provided that the additional Tenant who joins the occupants of the unit thereby exceeding the limits on occupancy set forth in the Rental Housing Agreement is Tenant's child, parent, grandchild, grandparent, brother, or sister, or the partner of such relatives, or as a result of the addition of the spouse or domestic partner of a Tenant, so long as the number of occupants does not exceed the maximum number of occupants as determined under 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code Section 17922; or

(C) A change in the terms of the tenancy that is not the result of an express written agreement signed by both of the parties. The Tenant must knowingly consent, without threat or coercion, to each change in the terms of the tenancy. A Landlord is not required to obtain a Tenant's written consent to a change in the terms of the tenancy if the change in the terms of the tenancy is authorized by this Article, or if the Landlord is required to change the terms of the tenancy pursuant to federal, state, or local law. Nothing in this paragraph shall exempt a Landlord from providing legally required notice of a change in the terms of the tenancy.

(D) Notwithstanding any contrary provision in this section, a Landlord shall not take any action to terminate a tenancy based on a Tenant's sublease of the Rental Unit if all the following requirements are met:

(i) The Tenant continues to reside in the Rental Unit as his, her, or their Primary Residence;

(ii) The sublessee replaces one or more departed Tenants under the Rental Housing Agreement on a one-for-one basis; and

(iii) The Landlord has unreasonably withheld the right to sublease following written request by the Tenant. If the Landlord fails to respond to the Tenant in writing within fourteen (14) days of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Landlord. A Landlord's reasonable refusal of the Tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the Rent to the Landlord. A Landlord's reasonable refusal of the Tenant's written request may be based on, but is not limited to, the ground that the total number of occupants in a Rental Unit exceeds the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code Section 17922.

(3) *Nuisance.* The Tenant has continued, after the Landlord has served the Tenant with a Written Notice to Cease, to commit or expressly permit a nuisance in the Rental Unit, or the common areas of the Property containing the Rental Unit.

(4) *Illegal Use.* The Tenant is using, or permitting a Rental Unit, or the common areas of the Property containing the Rental Unit to be used for any illegal purpose. The term "illegal use" as used in this paragraph includes, but is not limited to, clear and convincing evidence of violations of any of the provisions of Division 10, Chapter 6 (commencing with Section 11350) and Chapter 6.5 (commencing with Section 11400) of the California Health & Safety Code, and does not include the use of housing accommodations lacking a legal approved use or which have been cited for occupancy or other housing code violations.

(5) *Failure to Give Access.* The Tenant has continued to refuse, after the Landlord has served the Tenant with a Written Notice to Cease and without good cause, to grant the Landlord reasonable access to the Rental Unit as required by state or local law. The notice shall inform the Tenant that if they are unable to comply based on a

disability-related reason, they have the right to request a reasonable adjustment or change in the Landlord's policies or practices to accommodate the Tenant's disability.

(6) *Necessary and Substantial Repairs Requiring Temporary Vacancy.* The Landlord, after having obtained all necessary permits from the City, and having provided written notice to the Tenant 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, provided that:

(A) The repairs necessitate that the Tenant vacate the Rental Unit because the work will render the rental unit uninhabitable for a period of not less than thirty (30) days;

(B) The Landlord gives advance notice to the Tenant of the Tenant's right to elect between:

(i) The right of first refusal to any comparable vacant Rental Unit owned by the Landlord at the same Rent, if such comparable vacant unit exists; or

(ii) The first right of return to reoccupy the unit upon completion of the repairs at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit.

(iii) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Subsection 702(b) herein.

(C) In the event the Landlord files a Petition for Individual Rent Adjustment within six (6) months following the completion of the work, the Tenant shall be party to such proceeding as if he or she were still in possession, unless the Landlord shall submit with such application a written waiver by the Tenant of his or her right to reoccupy the premises pursuant to this Subsection.

(7) *Owner Move-In.* The Landlord seeks, after providing written notice to the Tenant, 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.

(A) As used in this paragraph "Landlord," shall only include a Landlord that is a natural person and has at least a fifty percent (50%) recorded ownership interest in the Property.

(B) No eviction may take place under this paragraph if the same Landlord or enumerated relative already occupies a unit on the Property, or if a vacancy already exists on the Property. At all times a Landlord may request a reasonable accommodation if the Landlord or enumerated relative is Disabled and another unit in the City of Sacramento is necessary to accommodate the person's disability.

(C) Any notice terminating tenancy pursuant to this paragraph shall contain the name, address and relationship to the Landlord of the person intended to occupy the Rental Unit.

(D) The Landlord or enumerated relative must intend in good faith to move into the Rental Unit within sixty (60) days after the Tenant vacates and to occupy the Rental Unit as a Primary Residence for at least thirty-six (36) consecutive months. The Board may adopt regulations governing the determination of good faith.

(E) If the Landlord or relative specified on the notice terminating tenancy fails to occupy the Rental Unit within sixty (60) days after the Tenant vacates, the Landlord shall:

(i) Offer the Rental Unit to the Tenant who vacated it at the same Rent in effect when the Tenant vacated; and

(ii) Pay to said Tenant all reasonable expenses incurred in moving to and from the Rental Unit.

(F) A Landlord may not evict a Tenant pursuant to this paragraph if the Tenant (1) has resided in the Rental Unit for at least five (5) years and is either at least sixty-two (62) years old or Disabled; or (2) is certified as being terminally ill by the Tenant's treating physician. Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption herein if the Landlord or enumerated relative who will occupy the Rental Unit also meets the criteria for this exemption and no other units are available.

(8) *Withdrawal of the Unit Permanently from Rental Market.* The Landlord seeks in good faith to recover possession to withdraw all Rental Units of an entire Property from the rental market. The Landlord first must have filed the requisite documents with the Board initiating the procedure for withdrawing Rental Units from rent or lease under California Government Code Section 7060 et seq. and all regulations passed by the Board, with the intention of completing the withdrawal process and going out of the rental business. Tenants shall be entitled to a minimum of 120-day notice or one (1) year in the case Tenants are defined as senior or Disabled. Notice times may be increased by the Board if state law allows additional time for notice.

(9) *Demolition.* The Landlord, having obtained all necessary permits from the City, and having provided written notice to the Tenant, seeks in good faith to recover possession of the Rental Unit to remove the Rental Unit permanently from rental housing use through demolition.

(b) *Relocation Assistance.*

(1) A landlord seeking to recover possession under paragraphs (6) through (9) of subdivision (a) herein shall provide Relocation Assistance to affected Tenant households. The Rent Board shall issue rules and regulations to effectuate this paragraph including but not limited to the procedures for establishing the amount of Relocation Assistance applicable to any given Tenant household, rules for

determining whether a Tenant meets the criteria for a Qualified Tenant, and rules to ensure the reasonably timely payment of any applicable Relocation Assistance.

(2) In no event shall the amount of Relocation Assistance be less than the following amounts:

(A) For Tenant households residing in studio or one bedroom Rental Units, the Relocation Assistance shall be at least $5,500;

(B) For Tenant households residing in two bedroom Rental Units, the Relocation Assistance shall be at least $6,000;

(C) For Tenant households residing in three bedroom Rental Units, the Relocation Assistance shall be at least $6,500; and

(D) For Tenant households residing in Rental Units with four or more bedrooms, the Relocation Assistance Shall be at least $7,000.

(3) Tenant households with at least one Qualified Tenant shall be entitled to an additional payment of at least $1,500.

(4) The Landlord shall notify the affected Tenants of their rights under this subdivision, if any, at the time of service of the notice to quit. One half of the Relocation Assistance shall be paid to Tenant Households who vacate a Rental Unit within 15 days of service of the notice to quit. The remaining one half of Relocation Assistance shall be paid to Tenant households who vacate a Rental Unit no later than the time that they vacate the Rental Unit.

(c) *First Right of Return.* All Tenants whose tenancy is terminated based upon a basis enumerated in Subsections (a)(6)-(9) herein shall have the 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 based upon Subsections (a)(6)-(9) herein.

(d) *Retaliation is Barred.* Notwithstanding the above provisions, no Landlord shall take action to terminate any tenancy or otherwise recover possession of a Rental Unit in retaliation for the Tenant reporting violations of this Article, for exercising rights granted under this Article, or for forming or participating in a Recognized Tenant Organization.

(e) *Notice to Specify Basis for Termination:* Any notice purporting to terminate tenancy on any of the bases specified in this Section must state with specificity the basis on which the Landlord seeks to terminate the tenancy.

(f) *Landlord Compliance with this Article.* In any action brought to recover possession of a Rental Unit, the Landlord shall allege compliance with this Article.

(g) *Filing Termination Notices with Board.* The Landlord shall file with the Board a copy of any notice terminating tenancy within three (3) days after serving the notice on the Tenant.

(h) *Failure to comply.* A Landlord's failure to comply with any requirement of this Article, including without limitation the failure to serve any of the required notices on the Board pursuant to Subsection (g) herein, is a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

**Section 703 Stabilization of rents**

(a) *Rents Stabilized.* Upon the effective date of this Article, no Landlord shall charge Rent for a Covered Rental Unit in an amount that exceeds the sum of the Base Rent plus any lawful Rent increases actually implemented pursuant to this Article.
(b) *Rent Increases Regulated.* No Landlord shall increase Rent for a Covered Rental Unit except as authorized by this Article. Rent increases shall be limited to those imposed pursuant to Section 704 (Annual General Adjustment) and Section 707(a) (Petition for Upward Adjustment—Fair Rate of Return). A Landlord may set the initial Rent for a new tenancy pursuant to 705 (Initial Rents for New Tenancies).
(c) *Security Deposit at Commencement of Tenancy Only.* No Landlord shall increase a security or other deposit originally required from a Tenant as a condition of occupancy of a Rental Unit.

**Section 704. Rent increases pursuant to annual general adjustment**

(a) *Annual General Adjustment.* No later than June 30th each year, the Board shall announce the amount of the Annual General Adjustment, which shall be effective as of September 1st of that year. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Article.

(1) The Annual General Adjustment shall be equal to one hundred percent (100%) of the percentage increase in the Consumer Price Index (All Urban Consumers, West Region or the core based statistical area for the Sacramento region if one is established by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending as of March of the current year. The Annual General Adjustment shall be rounded to the nearest one-tenth of a percent.
(2) Notwithstanding paragraph (1), in no event shall the Annual General Adjustment be less than two percent (2%) or more than five percent (5%).
(3) The Board's first announcement of an Annual General Adjustment shall be made no later than June 30, 2019. Accordingly, the first Rent increase that a Landlord may impose pursuant to this Article shall not take effect prior to September 1, 2019.

(b) *One Rent Increase Per Year.* No more than one Rent increase per twelve-month period may be imposed on a Tenant.
(c) *Notice of Rent Increase Required.* Allowable Rent increases pursuant to the Annual General Adjustment shall become effective only after the Landlord provides written notice to the Tenant in the manner prescribed by law, with at least thirty (30) days' advance written notice.
(d) *Banking of Unimplemented Annual General Adjustments.* A Landlord who refrains from imposing a Rent increase or any portion thereof pursuant to an Annual General Adjustment may accumulate said increase and impose the unimplemented amount in subsequent years. The ability to accumulate and impose unimplemented Rent increases shall not carry over to a successor Landlord in the event of a change in ownership of the

Rental Unit. Any such subsequent Rent increase shall be subject to the limitations of this section, including the 10% limitation in subdivision (e) herein. The Board may issue rules and regulations that modify, restrict, or prohibit the ability of Landlords to impose accumulated increases upon a finding that the banking of Annual General Adjustments causes undue hardship on Tenants, provided that Landlords retain their right to a fair return.

(e) *10% Annual Rent Increase Limit.* The overall Rent increase in any twelve-month period shall not exceed ten percent (10%) of the Rent actually charged to the Tenant. Notwithstanding the foregoing, the overall Rent increase in any twelve-month period may exceed ten-percent (10%) of the Rent actually charged to the Tenant only if that Rent increase is pursuant to a decision of a Hearing Officer or the Board as a result of a Landlord Petition pursuant to Section 707(a) of this Article.

(f) *Conditions Under Which Rent Increase Not Permitted.* No Rent increase shall be effective if the Landlord:

(1) Has failed to substantially comply with all provisions of this Article and all rules and regulations promulgated by the Board; or

(2) Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 et seq. and California Health & Safety Code Sections 17920.3 and 17920.10; or

(3) Has failed to make repairs ordered by a Hearing Officer, the Board, or the City.

**Section 705 Initial rents for new tenancies**

(a) *Setting of Initial Rents Without Restriction.* To the extent required by state law, Landlords may set the initial Rent for new Tenants at the market rate.

(b) *Restrictions on Initial Rent for New Tenancies.* To the maximum extent permitted by state law, the initial Rent for new tenancies shall be subject to the restrictions of this Article. The Board shall issues rules and regulations to govern the restrictions on the initial Rent for new tenancies where such restrictions are permitted by state law.

(c) *Rent Increases After Setting an Initial Rent.* After the Landlord sets an initial Rent pursuant to this Section, the Landlord may only increase the Rent in accordance with this Article. The Landlord may not increase Rent based on banking, cost increases, capital improvements, or other circumstances that arose before the new tenancy began.

**Section 706 Rental Housing Board**

(a) *Composition.* There shall be an elected Rental Housing Board. The Board consists of nine (9) members, eight (8) of which are elected by-district corresponding to the boundaries of City Council districts as set forth in § 22 of Article III of this Charter, and one member appointed by the Mayor, who must be confirmed by the elected members. The Board shall annually elect one of its members to serve as chairperson. Only elected Board Members are eligible to serve as chairperson of the Board.

(b) *Eligibility.* Each elected member of the Board or candidate therefor at the date of candidacy and election or appointment, shall be an elector and a resident in such

member's council district for not less than thirty (30) days preceding the date of candidacy and election or appointment. Each elected member must continue to reside in such council district during the term of office, except that no boundary change under Article XII of this Charter shall disqualify a member from serving the remainder of the term. The term "elector" means a person who qualifies to vote at either a state election or federal election held in the State of California. "Date of candidacy" means the date of filing nomination papers or equivalent declaration of candidacy. The Mayor's appointee must both reside in and be a registered voter in the City of Sacramento. Registered voters signing nomination petitions or voting for an elected Member of the Board must be registered to vote in the Council District. Any person elected or appointed to the Board must make a showing that they are in compliance with this Article and all other local, state and federal laws regulating the provision of housing. This showing must be provided in writing with any necessary documentation and provided on the City of Sacramento website.

(c) *Disclosures, Campaign Finance, and Reporting.* Candidates for the position of Board Member are subject to the same rules and limits set forth for Council Members as defined in Sacramento City Code Chapter 2.13 (Campaign Contribution Limitations) and Chapter 2.14 (Campaign Spending Limits and Public Campaign Financing). Candidates for the position of Board Member and the Mayor's appointee are subject to all State laws requiring the filing of statements of economic interests and, as applicable, campaign disclosure statements by candidates for elective office, elected officeholders, and the committees supporting candidates or elected Board Members.

(d) *Election of Board Members.* Board Members are elected at municipal elections in the same manner as Council Members, as set forth in Article X of this Charter, except that the first Members shall be elected at a special municipal election held within ninety (90) days of the adoption of this Charter Amendment. Members elected at the initial election held within ninety (90) days of the adoption of this Charter Amendment shall take office on the Tuesday following the certification of their election.

(e) *Interim Authority.* The City Council retains its authority to regulate rental rates to the full extent authorized by applicable state law until the first meeting of the Rental Housing Board.

(f) *Term of Office.* Board Members serve a term of four (4) years, or until a successor qualifies. Elected Board Members shall take office on the last regularly scheduled city council meeting in December in the year of their election, and their terms of office shall commence on said date. Board Members may not serve more than two consecutive terms of office. The term of office for Board Members elected at the initial election following the adoption of this Charter Amendment shall be as follows:

(1) The terms of Board Members elected in Council Districts 1, 3, 5, and 7 shall expire in 2022, and shall thereafter be a term of four (4) years.

(2) The terms of Board Members elected in Council Districts 2, 4, 6, and 8 and the Board Member appointed by the Mayor shall expire in 2020, and shall thereafter be a term of four (4) years.

(g) *Powers and Duties.* The Board shall have the following powers and duties:

(1) Set Rents at fair and equitable levels to achieve the purposes of this Article. Notwithstanding any other provision of this Article, the Board shall have the authority to adopt regulations authorizing Rent increases and/or adjustments required by state or federal law.
(2) Establish rules and regulations for administration and enforcement of this Article.
(3) Determine and publicize the Annual General Adjustment pursuant to this Article.
(4) Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Article.
(5) Adjudicate Petitions pursuant to Sections 707 and 708 herein and issue decisions with orders for appropriate relief pursuant to this Article.
(6) Administer oaths and affirmations and subpoena witnesses and relevant documents.
(7) Establish a budget for the reasonable and necessary implementation of the provisions of this Article, including without limitation the hiring of necessary staff, and charge fees as set forth herein in an amount sufficient to support that budget.
(8) Administer the withdrawal process for the removal of Rental Units from the rental housing market pursuant to Subsection 702(a)(8) herein.
(9) Hold public hearings.
(10) Conduct studies, surveys, investigations, and hearings, and obtain information to further the purposes of this Article.
(11) Report periodically to the City Council on the status of Covered Rental Units. Reports shall include (a) a summary of the numbers of termination of tenancy notices served pursuant to Section 702 of this Article, including the bases upon which they were served, (b) a summary of any and all Petitions submitted to and/or decided by a Hearing Officer and/or the Board pursuant to Sections 707 and 708, including the bases on which the Petitions were submitted and the determinations on the Petitions.
(12) Publicize through reasonable and appropriate means the provisions of this Article, including without limitation the rights and responsibilities of Landlords and Tenants.
(13) Establish a schedule of penalties that may be imposed for noncompliance with this Article or with rules and regulations promulgated under this Article.
(14) Pursue civil remedies as provided by this Article in courts of appropriate jurisdiction.
(15) Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a Landlord or Tenant with respect to Covered Rental Units.
(16) Any other duties necessary to administer and enforce this Article.

(h) *Rules and Regulations.* The Board shall issue and follow such rules and regulations as will further the purposes of the Article.
(i) *Meetings.* The Board shall hold regularly scheduled meetings as necessary to ensure the performance of its duties under this Article. All regular and special meetings shall be called and conducted in accordance with state law.
(j) *Quorum.* Five (5) members shall constitute a quorum for the Board.

(k) *Voting.* The affirmative vote of five (5) members of the Board is required for a decision, including on all motions, regulations, and orders of the Board.

(l) *Vacancies.* If a vacancy occurs for an elected Board Member, it will be filled in accordance with Article 3 Section 28 of this Charter. The Mayor shall fill a vacancy in the appointed Board Member within 90 days of the occurrence of the vacancy except the initial appointment which shall be filled within 90 days of the date the election of the initial Board is certified.

(m) *Financing.* The Board shall finance its reasonable and necessary expenses, including without limitation engaging any staff as necessary to ensure implementation of this Article, by charging Landlords an annual Rental Housing Fee as set forth herein, in amounts deemed reasonable by the Board in accordance with applicable law. The Board is also empowered to request and receive funding when and if necessary from any available source including the City for its reasonable and necessary expenses.

(n) *Rental Housing Fee.* All Landlords shall pay a Rental Housing Fee on an annual basis. The first Board convened after the effective date of this Article shall determine the amount of the Rental Housing Fee. The amount of the Rental Housing Fee may differ between Rental Units subject to the entirety of this Article and those that are Partially Exempt. The Board may adjust the amount of the Rental Housing Fee at its discretion to ensure full funding of its reasonable and necessary expenses, in accordance with all applicable law.

(o) *City to Advance Initial Funds.* During the initial implementation of this Article, the City shall advance all necessary funds to ensure the effective implementation of this Article, until the Board has collected Rental Housing Fees sufficient to support the implementation of this Article. The City may seek a reimbursement of any advanced funds from the Board after the Rental Housing Fee has been collected.

(p) *Integrity and Autonomy of* Board. The Board shall be an integral part of the government of the City, but shall exercise its powers and duties under this Article independent from the City Council, City Manager, and City Attorney, except by request of the Board. The Board may request the services of the City Attorney, who shall provide them pursuant to the lawful duties of the office.

(q) *Conforming Regulations.* If any portion of this Article is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Article to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to the matters addressed in this Article.

**Section 707 Petitions for individual rent adjustment—bases**

A Landlord or a Tenant may file a Petition with the Board seeking adjustment, either upward or downward, of the Rent for Covered Rental Units in accordance with the standards set forth in this Section, and using the procedures set forth in Section 708 herein and implementing regulations. A Petition shall be on a form provided by the Board and, if made by the Landlord, shall include a declaration by the Landlord that the Rental Unit complies with all requirements of this Article.

(a) *Petition for Upward Adjustment—Fair Rate of Return:* To effectuate the purposes of this Article and the requirements of law, a Landlord may file a Petition for an upward adjustment of the Rent to ensure a fair and reasonable rate of return. It is the intent of this Article that individual upward adjustments in Rent be granted only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a fair rate of return. The Board shall promulgate regulations to further govern Petitions filed pursuant to this subdivision in accordance with law and the purposes of this Article.

(1) *Prerequisites.* No upward adjustment of Rent shall be authorized by a Hearing Officer or the Board under this subdivision if the Landlord:

(A) Has continued to fail to comply, after order of the Board or other authority, with any provisions of this Article or orders or regulations issued thereunder; or
(B) Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 et seq. and California Health & Safety Code Sections 17920.3 and 17920.10.

(2) *Fair Rate of Return - Factors.* In making any upward adjustment to the Rent based upon a Landlord's Petition to ensure a fair rate of return, the Hearing Officer or Board shall consider relevant factors, including but not limited to, the following:

(A) Increases or decreases in property taxes;
(B) Unavoidable increases or any decreases in maintenance and operating expenses;
(C) The cost of planned or completed capital improvements to the Rental Unit (as distinguished from ordinary repair, replacement, and maintenance), but only where such capital improvements are necessary to bring the Property into compliance or maintain compliance with applicable local codes affecting health and safety, and where such capital improvement costs are properly amortized over the life of the improvements;
(D) Increases or decreases in the number of tenants occupying the Rental Unit, living space, furniture, furnishings, equipment, or other Housing Services provided, or occupancy rules;
(E) Substantial deterioration of the Rental Unit other than as a result of normal wear and tear;
(F) Failure on the part of the Landlord to provide adequate Housing Services, or to comply substantially with applicable state rental housing laws, local housing codes, health and safety codes, or the Rental Housing Agreement; and

(G) The pattern of recent Rent increases or decreases in the Rental Unit during the occupancy of the current Tenant.

(3) *Fair Rate of Return - Factors Excluded.* In making any upward adjustment to the Rent based upon a Landlord's Petition to ensure a fair rate of return, the Hearing Officer or Board shall not consider the following factors as justifying an upward adjustment:

(A) Costs of debt servicing (including but not limited to principal, interest, and fees), other than debt incurred to finance the cost of improvements as described in Subsection 707(a)(2)(C);
(B) Any penalties, fees, or interest assessed or awarded for violation of this or any other law with respect to the Rental Unit;
(C) The costs of capital improvements that are not necessary to bring the property into compliance or maintain compliance with applicable local codes affecting health and safety;
(D) Cost increases, capital improvements, banked Annual General Adjustments, or other circumstances that arose before the current tenancy began; and
(E) Income taxes.

(4) *Effective Date of Individual Rent Adjustment.* Rent increases authorized pursuant to this subdivision shall become effective only after the Landlord provides the Tenant written notice of such Rent increase pursuant to state law.

(b) *Petition for Downward Adjustment — Failure to Maintain Habitable Premises:*

(1) Failure to maintain a Covered Rental Unit in compliance with governing health and safety and building codes, including but not limited to California Civil Code Sections 1941.1 et seq. and California Health & Safety Code Sections 17920.3 and 17920.10, constitutes an increase in Rent. A Tenant may file a Petition with the Board to adjust the Rent downward based on a loss in rental value attributable to the Landlord's failure to maintain the Covered Rental Unit in habitable condition.
(2) A Tenant Petition filed pursuant to this Subsection must specify the conditions alleged to constitute the failure to maintain the Rental Unit in habitable condition and demonstrate that the Landlord was provided with reasonable notice and opportunity to correct the conditions that form the basis for the Petition.

(c) *Petition for Downward Adjustment — Decrease in Housing Services or Maintenance.* A decrease in Housing Services or maintenance, or deterioration of the Rental Unit beyond ordinary wear and tear, without a corresponding reduction in Rent, is considered an increase in Rent. A Tenant may file a Petition to adjust the Rent downward based on a loss in rental value attributable to a decrease in Housing Services or maintenance or deterioration of the Rental Unit. The Petition must specify the circumstances allege to constitute a decrease in Housing Services or maintenance, and demonstrate that the Landlord was provided with reasonable notice and an opportunity to correct in like manner to Petitions filed pursuant to Subsection 707(b)(2) herein.

(d) *Petition for Downward Adjustment — Unlawful Rent:* If a Landlord demands or retains Rent in excess of the lawful Rent pursuant to this Article, a Tenant may file a Petition to adjust the Rent to its lawful level.

**Section 708 Petitions for individual rent adjustment—procedures**

The Board shall promulgate regulations regarding procedures for Petitions filed under this Article. Petitions shall be governed by such regulations and by the provisions of this Section.

(a) *Hearing Officer.* A Hearing Officer appointed by the Board shall conduct a hearing to act upon the Petition, and shall have the power to administer oaths and affirmations, and to render a final decision on the merits of the Petition, subject to the provisions of this Article.
(b) *Notice.* The Board shall notify the Landlord, if the Petition was filed by the Tenant, or the Tenant, if the Petition was filed by the Landlord, of the receipt of such a Petition and provide a copy thereof.
(c) *Time of Hearing.* Each party to a Petition shall receive sufficient advance notice of the bases, theories, and relevant documents to be presented by the other parties, and of the time, date, and place of any hearing regarding the Petition.
(d) *Developing the Record.* The Hearing Officer may require either party to a Petition to provide any books, records, and papers deemed pertinent. If the Hearing Officer finds good cause to believe that a building or other inspection would assist in resolving the issues raised by the Petition, the Hearing Officer may conduct an inspection and/or request the City to conduct an inspection. The Tenant may request the Hearing Officer to order such an inspection prior to the date of the hearing. All documents required under this Subsection shall be made available to the parties involved prior to the hearing.
(e) *Open Hearings.* All hearings conducted pursuant to this Section shall be open to the public.
(f) *Right of Assistance.* All parties to a hearing conducted pursuant to this Section may have assistance in presenting evidence and developing their position from attorneys, legal workers, Recognized Tenant Organization representatives, or any other persons designated by said parties.
(g) *Hearing Record.* The Board shall make available for inspection and copying any official record that shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the reasonable cost of copying. All hearings shall be audio or video recorded, as ordered by the Hearing Officer, and any party to the Petition may receive a copy of the recording upon payment of a reasonable cost.
(h) *Quantum of Proof and Notice of Decision.* No Petition for Individual Rent Adjustment, whether upward or downward, shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to appeal to the Board and/or to judicial review.
(i) *Consolidation.* Whether submitted by a Landlord or Tenant(s), all Petitions pertaining to Rental Units at the same Property may be consolidated for hearing upon a showing of good cause.

(j) *Appeal.* Any person aggrieved by the decision of the Hearing Officer may appeal to the full Board for review. On appeal, the Board shall affirm, reverse, or modify the decision of the Hearing Officer. The decision on appeal shall be based on the hearing record, and the Board shall neither hear nor find facts in addition to those presented to the Hearing Officer.

(k) *Finality of Decision.* The decision of the Hearing Officer shall be the final decision of the Board, unless an aggrieved party has timely sought an appeal to the Board. The decision of the Board on appeal shall be final unless an aggrieved party has timely sought judicial review pursuant to law.

(l) *Time for Decision.* A final decision on any Petition shall be made within a reasonable time. Decisions decreasing Rent shall remain in effect until the Landlord has corrected the defect warranting the decrease. The Board shall, by regulation, establish procedures for making prompt compliance determinations.

(m) *Right to Fair Return Guaranteed.* No provision of this Article shall be applied so as to prohibit the Board from granting an Individual Rent Adjustment that is demonstrated by the Landlord to be necessary to provide the Landlord with a fair rate of return.

**Section 709 Judicial review**

A Landlord or Tenant aggrieved by any action or decision of the Board may seek judicial review pursuant to state law and this Article and its implementing regulations. No action or decision by the Board shall go into effect until any statutory time period for such review has expired.

**Section 710 Non-waivability**

Any provision of a Rental Housing Agreement, whether oral or written, which purports to waive any provision of this Article established for the benefit of the Tenant, shall be deemed to be against public policy and shall be void.

**Section 711 Remedies**

In addition to any other remedies provided by law, Landlords and Tenants covered by this Article shall have the following remedies for violations of this Article.

(a) *Landlord's Demand or Retention of Excessive Rent.* When a Landlord demands, accepts, receives, or retains any payment or payments in excess of the lawful Rent pursuant to this Article and the regulations promulgated hereunder, including in violation of the provisions ensuring compliance with habitability standards and maintenance of Housing Services, the Tenant may file a Petition pursuant to Section 707 or file a civil suit against the Landlord. A Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the lawful Rent shall be liable to the Tenant in the amount by which the payment or payments have exceeded the lawful Rent. In such a case, the Rent shall be adjusted to reflect the lawful Rent pursuant to this Article and its implementing regulations.

(b) *Civil Remedies.* A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Article or the regulations promulgated hereunder, including that the Landlord has demanded, accepted, received, or retained a payment or payments in excess of the lawful Rent. In a civil suit, a Landlord found to violate

this Article shall be liable to the Tenant for all actual damages, including but not limited to the damages described in Subsection (a) herein. A prevailing tenant in a civil action brought to enforce this Article shall be awarded reasonable attorney's fees and costs as determined by the court. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this subdivision.

(c) *Additional Relief for Landlord's Violation of Eviction Rules.* If it is shown that the event which the Landlord claims as grounds to recover possession under paragraphs (6) through (9) of subdivision (a) of Section 702 is not initiated within two (2) months after the Tenant vacates the Rental Unit, or it is shown that the Landlord's claim was false or in bad faith, the Tenant shall be entitled to regain possession of the Rental Unit at same Rent that was lawfully in effect when the Tenant vacated, in addition to the relief described in subdivision (b) above.

(d) *Defense to Action to Recover Possession.* A Landlord's failure to comply with any of the provisions of this Article or regulations promulgated hereunder shall serve as a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit. Any and all violations of this Article by the Landlord shall constitute such an affirmative defense, including but not limited to the demand or retention of payment in excess of the lawful Rent, failure to serve any of the notices required pursuant to this Article on the Tenant or the Board, failure to pay the Rental Housing Fee, and a decrease in Housing Services or maintenance without a corresponding reduction in Rent. It is the intent of this Article to construe this Subsection to the broadest extent permissible under the law to ensure maximum compliance with this Article and avoid unlawful evictions.

(e) *Board or City Attorney Enforcement Action.* If the Tenant fails to bring a civil or administrative action to enforce the Tenant's rights under this Article within one hundred and twenty (120) days after the date of the violation, the Board or the City Attorney may bring such an action or settle the claim on the Tenant's behalf. If the Board or City Attorney brings such an action, the Tenant shall be provided the right to opt in or out of the action. In the case of an opt-in, the Tenant on whose behalf the Board acted is barred from bringing a separate action against the Landlord in regard to the same violation, and the Board or City Attorney shall be entitled to recuperate the costs it incurred from any monetary recovery from the Landlord, with the remainder to go to the Tenant against whom the violation has been committed. In the case of an opt-out, the Tenant shall retain all rights relating to his or her right to private action. The Board or City Attorney may take other such enforcement action as necessary to ensure compliance with this Article.

(f) *Remedies Not Exclusive.* The remedies available in this Article are not exclusive and may be used cumulatively with any other remedies in this Article or otherwise available at law.

(g) *Jurisdiction.* The appropriate court in the jurisdiction in which the Rental Unit is located shall have jurisdiction over all actions brought under this Article.

**Section 712 Injunctive and other civil relief**

The Board, Tenants, and Landlords may seek relief from the appropriate court in the jurisdiction where the affected Rental Unit is located to enforce any provision of this Article or its

implementing regulations or to restrain or enjoin any violation of this Article and of the rules, regulations, orders, and decisions of the Board.

**Section 4. Severability**

If any provision of this measure or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this measure that can be given effect without the invalid provision or application, and to this end the provisions of this measure are declared to be severable. This measure shall be liberally construed to achieve the purposes of this measure and to preserve its validity.

**Section 5. Supersedes**

This measure supersedes any ordinance passed by the City Council covering the subject matter contained in Article XX including the stabilization of rents, just cause for eviction, or the creation of a Sacramento Rental Housing Board after this measure is submitted to the elections official for title and summary until the date it becomes effective.

**Section 6. Duty to Defend**

The City Attorney shall take all steps necessary to zealously defend against any legal challenges to the validity of this measure. If the City Attorney is unable or unwilling to defend, an interested third party may intervene to defend.

**Section 7. Codification**

The City Clerk and the City Attorney shall take all steps necessary to ensure the proper and efficient codification of this measure into the Charter of the City of Sacramento. This authority shall include making any necessary revisions to numbering, revising or substituting any references herein to other provisions of Sacramento or State law, and similar non-substantive items. In exercising this authority, the City Clerk and City Attorney shall not alter the substantive provisions of this measure nor take any action that contradicts express terms and purpose of this measure.

**Section 8. Conflicting Measures**

The measure is intended to be comprehensive. It is the intent of the People that in the event this measure and another measure relating to the stabilization of rents, just cause for eviction, or the creation of a Sacramento Rental Housing Board shall appear on the same City ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

**Section 9. Conflicting Charter Provisions**

Any section or part of any section in this Charter, insofar as it should conflict with this section or with any part thereof, shall be superseded by the contents of this section.

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