ORDINANCE NO. 1619

AN ORDINANCE CREATING A NEW CHAPTER 910 TO THE ROSEVILLE CITY CODE, TENANT NOTIFICATION AND NOTICE OF POTENTIAL SALE WITH RESPECT TO LICENSED RENTAL PROPERTIES CONTAINING 5 OR MORE UNITS

The City Council of the City of Roseville does ordain:

Section One. Tenant Notification and Notice of Potential Sale. A new Chapter 910 is inserted into City Code that outlines the following requirements for licensed rental properties.

TENANT NOTIFICATION AND NOTICE OF POTENTIAL SALE WITH RESPECT TO LICENSED RENTAL PROPERTIES

SECTION:

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910.01: Purpose

The purpose of this Chapter is to provide housing stability, protection, and notification to tenants in rental housing during an ownership transition. This Chapter requires notice to both tenants and the City whenever title to licensed rental property containing five or more rental housing units is conveyed or otherwise transferred. Under this Chapter, an owner of a housing building is required to pay resident relocation benefits if the owner takes certain actions during a required three-month tenant notification period, and the resident of the building needs to move as a result of the owner's action(s). In addition, this Chapter requires that when rental properties affordable to lower income households become available for sale, the City must receive notice of the potential sale so that it can make such information available to parties interested in purchasing the property with a goal of keeping rents affordable for lower income households.

910.02: Definitions

The following definitions in this Section apply in Chapter 910. Defined terms remain defined terms, whether or not capitalized.

A. Affordable Housing Building: A multiple-family rental housing building having five or more dwelling units where at least 20 percent of the units rent for an amount that is affordable. Affordable shall mean no more than 30 percent of income to households at or below 80 percent of area median income, as most

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<u>Underline</u> reflects new language

recently determined by the United States Department of Housing and Urban Development for Low Income Housing Tax Credit (LIHTC) purposes, as adjusted for household size and number of bedrooms.

- B. Available for Sale: The earliest implementation of any of the following actions: negotiating to enter into a purchase agreement that includes an affordable housing building, including like-kind property swaps such as a 1031 exchange, advertising the sale of an affordable housing building, entering into a listing agreement to sell an affordable housing building, or posting a sign that an affordable housing building is for sale.
- C. Cause: The tenant or a member of the tenant's household materially violated a term of the lease or rental agreement, or violated an applicable federal, state, or local law or regulation.
- D. Housing Building: A building with five or more rental units.
- E. Housing Unit: A rental unit within a housing building.
- <u>F. Material Change: A change in the terms of a lease that significantly limits or restricts the tenants' use and enjoyment of a housing unit or the housing building.</u>
- G. Rent: A fixed periodical payment made by the tenant to the landlord for occupancy of a housing unit but shall not include additional costs that may be incurred above occupancy of the housing unit such as utilities, garage, storage closets, and the like.
- H. Tenant Notification Period: The period that commences on the date when a written notice of the transfer of ownership of a housing building is sent to each housing unit tenant pursuant to Section 910.04 and ends on the last day of the third full calendar month following the date on which the notice was sent. In no case shall the tenant notification period be less than 90 days.
- I. Transfer of Ownership: Any conveyance of title to an affordable housing building, whether legal or equitable, voluntary or involuntary, resulting in a transfer of control of the building, effective as of the earlier of the date of delivery of the instrument of conveyance or the date the new owner takes possession.

910.03: Notice to the City and Tenant of Proposed Sale of an Affordable Housing Building

A. Notice to the City: Any owner or representative of the owner who intends to make available for sale any affordable housing building shall notify the Community Development Director and Fire Chief of the proposed sale by providing the notice required in this Section. The notice shall be on a form prescribed by the City stating the owner's intent to make available for sale the affordable housing building and which may include, at the City's sole discretion, some or all of the following information:

- 1. Owner's name, phone number, and mailing address;
- 2. Address of the affordable housing building that will be made available for sale;
- 3. Total number of dwelling units in the building; and

4. Number and type (e.g., efficiency, one bedroom, two bedrooms, etc.) of each of the affordable housing dwelling units in the building and the contract rent for every dwelling unit in the building.

The notice shall be mailed or hand delivered to the Community Development Director no later than 90 days prior to the affordable housing building being made available for sale.

B. Notice to Affected Tenants: The notice shall also be delivered directly to all affected tenants and include the following language requirement: "This is important information about your housing. If you do not understand it, have someone translate it for you now, or request a translation from your landlord." This advisory must be stated in the notice in the following languages: English, Spanish, Somali, Karen, and Hmong. This notice shall be delivered to all affected tenants no later than 90 days prior to the affordable housing building being made available for sale. Upon request by the tenant, the owner must provide a written translation of the notice into the tenant's preferred language if the language is listed above.

C. Exclusions: This notice of potential sale requirement shall not apply to the sale or transfer of title of an affordable housing building already subject to federal, state, or local rent or income restrictions that continue to remain in effect after the sale or transfer; or with respect to the sale or transfer of a residential rental building in which the buyer contracts with the City to maintain the property in compliance with the definition of an "affordable housing building" as defined in this Chapter, for a period of no less than 10 years. This exclusion does not apply if local rent or income restrictions will increase yet remain in compliance with the definition of an "affordable housing building" as defined in this Chapter.

910.04: Post Sale Notice

A. Notice to Tenants: Whenever title to property containing any housing building is conveyed or otherwise transferred, as a condition of receipt of a rental license, the new owner must within 30 days after the real estate closing, deliver written notice to each housing unit tenant that the housing building is under new ownership. The notice must include, at a minimum, the following information:

- 1. The name, mailing address, and telephone number of the new owner.
- 2. The following statement: "Roseville City Code provides for a three month tenant notification period to housing unit tenants when new ownership takes control of a property. A tenant may be entitled to relocation assistance from the new owner if, during the three month tenant notification period, the new owner:
 - a. Terminates or does not renew the tenant's rental agreement without cause;
 - b. Raises the rent and the tenant terminates his or her rental agreement due to the rent increase;
 - c. Requires existing tenants to be re-screened or comply with new screening criteria, and the owner or tenant terminates the tenant's lease based on that re-screening or failure to meet those new screening criteria;
 - d. <u>Imposes a material change in the terms of the lease, and the owner or tenant terminates or</u> does not renew the tenant's lease because of those material changes; or

- e. Engages in construction activity at the property that would trigger federal, state, or local law regarding lead paint or asbestos safety unless said activities are conducted by a contractor obtaining the necessary lead and asbestos abatement certifications, the work is conducted in accordance with industry best management practices, and all necessary permits have been obtained from applicable government agencies."
- 3. Whether there will be any rent increase within the three month tenant notification period and, if so, the amount of the rent increase and the date the rent increase will take effect.
- 4. Whether the new owner will require existing housing unit tenants to be re-screened or comply with new screening criteria during the three month tenant notification period and, if so, a copy of the applicable screening criteria.
- 5. Whether the new owner will, without the tenant's consent, impose a material change in the terms of the lease during the three month tenant notification period and, if so, the language of the material change and explanation of its effect.
- 6. Whether the new owner will terminate or not renew rental agreements without cause during the three month tenant notification period and, if so, notice to the affected housing unit tenants whose rental agreements will terminate and the date the rental agreements will terminate.
- 7. Whether the new owner intends to increase rent, require existing tenants to be rescreened to determine compliance with existing or modified residency screening criteria, terminate or not renew housing unit rental agreements, or impose a material change in the terms of the lease without cause within 30 days immediately following the tenant notification period.
- 8. Whether the new owner intends to engage in construction activity at the property that would trigger federal, state, or local law regarding lead paint or asbestos safety.
- 9. The date that the tenant notification period will expire.
- B. Language requirement: Each notice required by this Section shall contain an advisory that reads as follows: "This is important information about your housing. If you do not understand it, have someone translate it for you now, or request a translation from your landlord." This advisory must be stated in the notice in the following languages: English, Spanish, Somali, Karen, and Hmong. Upon written request by a tenant that identifies the tenant's native language, the owner must provide a written translation of the notice in that language.
- C. Notice to the City: The new owner must deliver a copy of the notice required by this Section to the City of Roseville Community Development Department and City of Roseville Fire Department at the same time that the notice is delivered to tenants.
- D. Required tenant notification period: The new owner of a housing building must not terminate or not renew a tenant's rental agreement without cause, raise rent, re-screen existing tenants, or impose a material change to the terms of the lease during the tenant notification period without providing the notices required by this Section.

910.05: Relocation Assistance

A. When Required: A new owner of a housing building must pay relocation assistance to housing unit tenants if, during the three month tenant notification period, the new owner:

- 1. <u>Terminates or does not renew the tenant's rental agreement without cause;</u>
- 2. Raises the rent and the tenant terminates his or her rental agreement due to the rent increase;
- 3. Requires existing tenants to be re-screened or comply with new screening criteria and the owner or tenant terminates the tenant's lease; or
- 4. <u>Imposes a material change in the terms of the lease and the owner or tenant terminates or does</u> not renew the tenant's lease.

B. Amount: Relocation assistance shall be in an amount equal to three months of the monthly rent pursuant to the current lease.

C. When Paid: The new owner shall, when required, pay relocation assistance to the tenant of a housing unit within 30 days after receiving tenant's written notice of termination of the lease or within 30 days after the owner notifies the tenant that the lease will be terminated or not renewed.

910.06: Tenant Complaints

A tenant of a housing unit who believes the new owner has not provided the tenant the notifications required under this Chapter may submit a notice of violation to the City. The purpose of the notice is to inform the City of an alleged violation of this Chapter to assist the City in determining whether to impose an administrative penalty provided for in this Section. The City is not required to take any particular action in response to a notice of violation, and any enforcement action it does take shall be on behalf of the City, not the tenant. Filing a notice of violation does not prohibit the tenant from pursuing any remedy available to the tenant under law.

910.07: Penalty

A. Violations: A violation of this Chapter is subject to any penalties as provided for in Chapter 102 of the City Code. Notwithstanding any provision of Chapter 102 of the City Code, the penalty for a violation of Sections 910.04 or 910.05 shall be the sum of the applicable amount of relocation assistance plus \$500.

B. Number of Offenses: A violation of this Chapter shall constitute a separate offense for each dwelling unit affected.

C. Transfer of Funds: Within 30 days after a person pays the penalty in Section 910.07.A to the City, the City shall pay to the displaced tenant of the housing unit in which the violation occurred an amount equal to the relocation assistance amount specified in Section 910.05.B.

D. Additional Redress: In addition, any tenant aggrieved by a landlord's noncompliance with this Chapter may seek redress in any court of competent jurisdiction to the extent permitted by law.

Section Two. Effective Date. This ordinance amendment to the City Code shall take effect upon passage and publication of the ordinance.

Passed this 24th day of October, 2022.

CITY OF ROSEVILLE

BY:

Daniel J. Roe, Mayor

ATTEST:

BY:

Patrick Trudgeon, City Manager