

(GENERAL)

COMPTROLLER
FILE NUMBER 289126

OFF

INITIATIVE MEASURE NO. 23 re rent controls;
abandoned in favor of Initiative No. 24.

FILED April 21, 1980

~~SUBMITTED~~ **TIM HILL**
COMPTROLLER AND CITY CLERK

BY G. C. Geisert DEPUTY

ACTION OF THE COUNCIL

REFERRED	TO
REFERRED	TO
REFERRED	TO
REPORTED	DISPOSITION
RE-REFERRED	TO
REPORTED	DISPOSITION

REPORT OF COMMITTEE

Mr. President:

Your.....Committee

to which was referred the within.....

would respectfully report that we have considered the same and respectfully recommend that.....

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

CHAIRMAN

CHAIRMAN

THE CITY OF SEATTLE

LAW DEPARTMENT

MUNICIPAL BUILDING . SEATTLE, WASHINGTON 98104

AREA CODE 206 TELEPHONE 625-2402

DOUGLAS N. JEWETT, CITY ATTORNEY

CITY OF SEATTLE
P.O.

APR 21 1980

CITY COMPTROLLER
AND CITY CLERK

April 18, 1980

Honorable Tim Hill
Comptroller and City Clerk
The City of Seattle

Re: Initiative Measure No. 23 & 24

Dear Mr. Hill:

By letter of April 11, 1980, you forwarded "Initiative No. 23" to the Law Department for preparation of a ballot title. Subsequently, proponents of the initiative prepared a substitute text, correcting certain typographical errors and errors of form brought to their attention and adding a title to the original text. The substitute bill was designated "Initiative No. 24" and was forwarded to the Law Department on April 17, 1980 for preparation of a ballot title.

As we have previously informed you, without objection from the proponents, and in order to avoid confusion between the two texts, the Law Department recommends that you reject Initiative No. 23 for errors in form.

Pursuant to Art. XI IV §1 of the City Charter, Ordinance 103892 and RCW 29.27.050, for Initiative Measure No. 24, we have prepared the following ballot title:

Shall the City regulate residential rent increases through a new board; and restrict certain evictions, condominium sales, and housing demolitions?

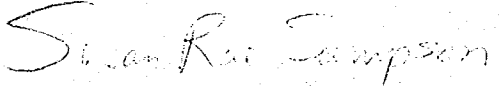
289326

Hon. Tim Hill
April 18, 1980
Page 2

Preparation of this ballot title does not constitute the City Attorney's comment upon the specific terms and provisions of the proposed ballot measure.

Very truly yours,

DOUGLAS N. JEWETT
City Attorney

By 
SUSAN RAE SAMPSON
Assistant

SRS:ne

cc: Renters and Owners Organized
For Fairness (ROOF)
1133 23rd Avenue
Seattle, Washington 98122

12

City of Seattle
OFFICE OF THE COMPTROLLER
101 Municipal Building
Seattle, Washington 98104



Tim Hill
CITY COMPTROLLER

E. J. RICE
CHIEF DEPUTY COMPTROLLER

April 11, 1980

The Honorable Doug Jewett
City Attorney
City of Seattle

*Received
at 2:24pm
4-11-80
BTB*

Sampson

Dear Mr. Jewett:

In accordance with the provisions of Ordinance 103892, transmitted herewith is an Initiative called "a Fair Rent Bill".

Said Initiative Petition was filed as of 11:59 A.M. today, Friday, April 11, 1980, and was designated as Initiative Measure 23.

Section 2 of said ordinance provides, in part, "Upon receipt of such initiative measure, the City Attorney shall prepare and transmit to the City Comptroller, within six (6) business days after the filing of an Initiative Measure with the City Comptroller, a concise statement posed as a question and not to exceed twenty (20) words, bearing the serial number of the measure, which shall be filed by the City Comptroller with the King County Director of Records and Elections.

Very truly yours,

Tim Hill
Comptroller and City Clerk

TH:jg
Enc.
cc: Jerry Geisert
City Clerk's Office

Renters and Owners Organized for Fairness (ROOF)

1133 23rd Avenue, Seattle, WA. 98122 322-6545

April 11, 1980

Mr. Tim Hill, Comptroller
City of Seattle
Municipal Building
Seattle, Washington 98104

Dear Mr. Hill:

Pursuant to the City Charter and Ordinance #103892 as amended by Ordinance #108216, we are submitting a copy of a Fair Rent Bill for filing. This is being filed in anticipation of circulating petitions for signature to place the measure on the November ballot.

We understand that this will be approved or rejected as to form within six days after filing. The organization sponsoring this measure is Renters and Owners Organized For Fairness (ROOF). The Coordinator is Sharon Feigon 1133 23rd Avenue, Seattle, Wn. 98122, phone number 322-6545.

Thank you for your attention to this matter.

Sincerely,
Sharon Feigon
Sharon Feigon
ROOF Coordinator

FILED
CITY OF SEATTLE

'80 APR 11 AM 11:59

COMPTROLLER AND CITY CLERK

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

PART I

Section 1. Purpose.

A growing shortage of housing units in Seattle, caused by demolition of structurally sound housing, conversion of rental units to condominiums, population influx due to the desirability of the Seattle area as a place to live, and the lack of new construction, has resulted in an extremely low vacancy rate in rental housing. These factors, together with speculation in existing units have caused rents to rise so rapidly as to constitute a serious housing problem adversely affecting the lives of a substantial portion of Seattle residents. These conditions endanger the public health and welfare, and especially endanger the health and welfare of the poor, minorities, young families and senior citizens.

This ordinance will address these housing problems in a unified and comprehensive manner, reduce the hardship caused by these serious housing problems, preserve the character of the existing housing stock, assure that rental housing costs are at fair and reasonable levels which allow landlords the opportunity to make a fair and reasonable return on investment, and provide for prompt resolution of disputes.

PART II

Definitions

Section 2.01. Rental unit means any structure, or part thereof, rented or offered for rent for residential use as a single habitable unit, or, which when last occupied, was so rented, together with all land, structures and services connected with such use.

Section 2.02. Controlled rental unit means any rental unit, except a rental unit:

(a) in any convent, monastery, hospital, extended medical or congregate care facility, asylum, or dormitory owned and operated by an educational institution exclusively for the housing of its students and their families;

(b) in a non-profit stock cooperative which is occupied by a shareholder whose share of cooperative stock is substantially equivalent to the share of total building space occupied by the shareholder's unit;

(c) which is governmentally owned, operated or managed, or in which a governmentally subsidized tenant resides, if state or federal laws or regulations exempt that unit from municipal rent control and an actual conflict with the operation of this ordinance exists;

(d) in an owner occupied building or complex of no more than four dwelling units;

(e) in a hotel, motel, inn or tourist home operated primarily for transient guests staying less than thirty days; but once the tenant lawfully resides in the building for more than sixty consecutive days, no exemption from controls may result under this subsection for the unit while it is so occupied;

(f) whose construction is completed, and which is first occupied after the effective date of this ordinance, except for replacement units constructed under Section 8.03(c) of this ordinance; but if a rental unit has been demolished pursuant to a permit applied for after April 11, 1980, but prior to the effective date of this ordinance, or demolished illegally, and new rental units are constructed on land where the demolished unit stood, the landlord may only claim exemption from controls by this subsection for rental units in excess of the number of demolished units;

(g) which is the primary residence of the landlord and is being temporarily rented for a period not to exceed 18 consecutive months, due to the temporary absence of the landlord for that period.

Section 2.03. Services means any benefits, privileges, or facilities connected with the use or occupancy of a rental unit, including a proportionate part of services shared by the tenant in common with others.

Section 2.04. Landlord means any owner, lessor, assignor, sublessor or other person entitled to receive rent, or any agent or successor thereof; but an assignor or sublessor shall not be considered the landlord of a rental unit under this ordinance unless the assignor or sublessor rents out the unit at a greater rate than that lawfully charged by his or her landlord.

Section 2.05. Tenant means any person entitled to the use and occupancy of a rental unit.

Section 2.06. Rent means the periodic consideration, including any periodic bonus, benefit or gratuity, demanded, accepted or retained for, or in connection with, the use or occupancy of a rental unit, including, but not limited to, periodic consideration for parking, utilities, pets, keys, furniture and subletting.

Section 2.07. Rental agreement means any oral, written or implied agreement between a landlord and a tenant for the use and occupancy of a rental unit.

PART III

Rental Housing Board

Section 3.01. Composition and Appointment

(a) There shall be a Rental Housing Board (Board) in the City of Seattle consisting of seven members appointed

by the Mayor and confirmed by the City Council. All members of the Board shall be residents of the City of Seattle. Two shall be landlords, two shall be tenants, and the remaining three neither landlords nor tenants. The non-landlord members shall not be involved in the ownership, management, appraisal, sale, leasing, or financing of real estate, except for their personal use, and such involvement shall result in his or her removal from the Board.

(b) The initial appointments to the Board shall be made by the Mayor no later than January 1, 1980, and such Board members shall act temporarily for a period of sixty days, without confirmation, and for successive sixty day periods thereafter with the approval of the City Council, until the Board's membership has been confirmed by the City Council.

Section 3.02. Term of Office and Vacancy

The Board members shall each serve a term of three years, except that, of the first appointed Board, two shall be appointed to serve an initial term of one year, two shall be appointed to serve an initial term of two years and at least one landlord and one tenant of the remaining three shall be appointed to serve the full three year term. No Board member shall serve more than two consecutive terms. Vacancies on the Board shall be treated as provided in this ordinance and in Article XIX of the City Charter. Within thirty days of the vacancy, the Mayor shall fill it for the remainder of the unexpired term, subject to City Council confirmation.

Section 3.03. Meetings

(a) The Board shall meet as often as necessary, in public, except as provided by law, according to a published schedule. A substantial portion of the meetings shall be on weekends and evenings.

(b) A quorum shall be four members of the Board. The Board members shall be compensated at the rate of \$50.00

per meeting but each Board member shall receive no more than \$3,750.00 annually.

Section 3.04. Financing

The Board shall finance its expenses by charging landlords reasonable annual registration fees per unit and by charging reasonable fees for rent adjustment petitions. Such fees may be adjusted annually according to the needs of the Board. Petition fees may be waived if substantial hardship is shown. The City Council shall appropriate funds to finance the initial establishment of the Board and advance funds for the Board's first year of operation. These funds shall be repaid by the Board.

Section 3.05. Powers and duties

The Board shall have all powers necessary and proper for carrying out the provisions of this ordinance, including, but not limited to:

- (a) hiring of necessary staff for the administration of the ordinance, including hearing examiners to conduct hearings pursuant to this ordinance, to whom it may delegate such powers as are appropriate;
- (b) administration of oaths or affirmations and issuance of subpoenas;
- (c) making such studies, surveys, investigations, and conducting of such hearings as are necessary to carry out its responsibilities;
- (d) promulgating rules and regulations necessary to effectuate the purposes of this ordinance; and
- (e) all duties specified or implied by this ordinance.

PART IV

Rent Stabilization

Section 4.01. Consumer Price Index (CPI) means the Consumer Price Index of All Items for All Urban Consumers in the Seattle-Everett Metropolitan Statistical Area issued

by the United States Department of Labor, Bureau of Labor Statistics. The change in the CPI for a given time period shall be the percentage change between the most recent index issued before the beginning of the time period and the most recent index issued before the end of the time period.

Section 4.02. Base Rent.

Base Rent means rent for a controlled rental unit as of July 1, 1979, plus that percentage amount of the rent equal to one-half of the percentage change in the CPI from July 1, 1979 to February 28, 1981, per the following example:

July 1, 1979 rent	=	\$100.00
July 1, 1979 CPI	=	150
February 28, 1981 CPI	=	165
Percentage increase in CPI	=	10%
One-half of CPI increase	=	5%
Base rent	=	\$105.00

(b) If no rent was in effect on July 1, 1979, the base rent means the rent first in effect after that date, plus a percentage increase, calculated in the same manner as in subsection (a), from the date of the first rent to February 28, 1981.

(c) If the unit becomes a controlled rental unit after February 28, 1981, the base rent means the rent first in effect after that date.

Section 4.03. Temporary Rent Stabilization

Rents, fees and deposits for controlled rental units shall not be increased in any manner, including by reduction in services, between the effective date of this ordinance and February 28, 1981.

Section 4.04. Registration

(a) The landlord of a controlled rental unit shall register it with the Board, on a form provided by the Board,

by February 28, 1981. The initial registration shall include the amount and type of rent, services, fees and deposits in effect currently and as of July 1, 1979, the address of the controlled unit, the name and address of the landlord and tenants, and if the landlord is not a resident of the City of Seattle, the name and address of the local agent designated by the landlord to accept service of process and other legal notices, together with any other information the Board requires for the enforcement of the ordinance. The form shall be accompanied by the registration fee.

(b) Each controlled unit shall be registered annually in accordance with regulations adopted by the Board.

(c) No landlord may obtain a rent adjustment for any controlled unit until it has been registered as required by this ordinance. In the event of a late registration, no rent adjustment may be initiated for sixty days following such late registration.

Section 4.05. Maximum rent

Beginning on March 1, 1981, the maximum rent on any controlled rental unit shall be the base rent, plus any adjustments under this ordinance. No landlord may demand, accept or retain rent in excess of the maximum rent authorized by the ordinance for that unit; however, the parties may agree to a lesser rent.

Section 4.06. Maximum fees and deposits

(a) No fee or deposit not chargeable as of the base rent date may be demanded, accepted or retained by the landlord of a controlled rental unit after the effective date of this ordinance.

(b) From the effective date of this ordinance through February 28, 1981, no landlord of a controlled rental unit

may demand, accept or retain fees or deposits in amounts greater than those lawfully demanded prior to the effective date of the ordinance.

(c) On and after March 1, 1981, no landlord of a controlled rental unit may demand, accept or retain fees or deposits in any amount greater than that chargeable on the base rent date, plus an annual percentage increase equal to that allowed by Section 4.07 of this ordinance.

(d) This section applies to non-periodic fees and deposits. Periodic fees and deposits are considered rent.

(e) Any Board decision on a rent adjustment may adjust the maximum fees and deposits chargeable under this ordinance.

Section 4.07. General Rent Adjustment

(a) After March 1, 1981, the maximum rent may be increased annually to cover past net cost increases by an amount not more than one-half of the percentage increase in the CPI since March 1, 1981, or the date of any other adjustment under this ordinance, whichever is later. Rents may be adjusted under this section only once in twelve months. If a landlord claiming hardship wishes to increase rent by more than the amount allowed in this section, the landlord may request a special rent adjustment under Section 4.08.

(b) Rents may be increased under this section only after the tenant and the Board are given at least thirty days written notice of the increase on a written form specified by the Board, and only after the landlord's compliance with the requirements of the notice. The notice shall contain

- (1) the name and address of the tenant;
- (2) the base rent, current rent, proposed adjustment, plus similar information on fees and deposits;
- (3) the nature and amount of net cost increases;
- (4) the date of registration and the date of last

- adjustment;
- (5) a statement that within ten days of the tenant's written request, the landlord shall make available for inspection and copying, at a reasonable time and place, documentary evidence of the net cost increases;
 - (6) a statement of the tenant's right to petition the Board under Section 4.08 of this ordinance to contest the landlord's **general adjustment** or petition for special adjustment;
 - (7) a statement of the percentage increase in the CPI since the last adjustment of rent under this ordinance, as provided by the Board;
 - (8) a statement that no rent increase is permitted in the absence of substantial compliance with the Seattle Housing Code.

(c) Notices required in Section 4.07(b) shall be given simultaneously to any controlled rental units in the building or complex for which the landlord seeks general adjustments in the coming twelve months. Failure to give such notice shall operate as a waiver of any right to an adjustment within that year for any unit not so notified.

Section 4.08. Special Rent Adjustment and Tenant Challenge to Adjustments

On and
(a) after March 1, 1981, a landlord claiming hardship

may petition the Board for a special rent adjustment when a general adjustment would not allow him or her the opportunity to make a fair and reasonable return on investment.

A tenant may petition the Board to deny any adjustment under Section 4.07 or challenge the landlord's petition under this section. Notice of a petition for a special adjustment by a landlord shall be made in the manner required by Section 4.07, except that the Board may by regulation require the landlord to provide such additional information as may be necessary to determine a fair and reasonable return to the landlord. No landlord may apply for a special adjustment more than once in any twelve month period, except that upon a showing of substantial change in circumstances from the time of the last special adjustment hearing, the Board may, in its discretion, schedule another special adjustment hearing.

A tenant shall file his or her petition to deny a rent adjustment under Section 4.07 within thirty days of receipt of the notice under Section 4.07(b).

(b) In making such an adjustment, the Board shall provide the landlord with the opportunity to make a fair and reasonable return on his or her investment in the building or complex. In making a special rent adjustment, the Board may consider, but is not limited to, the following factors, except as limited by Section 4.10:

- (1) the purposes of this ordinance;
- (2) the amount of property taxes;
- (3) operating, maintenance, utility and financing expenses;
- (4) capital improvements;
- (5) the amount of living space and services;
- (6) the condition of the unit, and the level of compliance with the Seattle Housing Code;
- (7) the extent to which the building is being efficiently operated and managed;
- (8) whether the property has been purchased and is being held as a speculative investment as opposed to a long term cash flow investment;
- (9) income tax shelter benefits accruing to the landlord;
- (10) the frequency and amount of past rent increases imposed by the same landlord and
- (11) any other relevant factors.

The Board need not consider all of the listed factors in each individual rent adjustment, but, on its own motion, or the motion of a party, it shall consider any or all of the listed factors.

(c) All hearings shall be consolidated on a building-wide or complex-wide basis.

Section 4.09. Effective Date of Rent Adjustment

(a) Proposed general adjustments shall not be stayed by a tenant's petition to deny, but if the Board denies any portion of the proposed adjustment, the tenant may deduct the excess rent paid from subsequent rent payments, or recover it by other legal means.

(b) The Board may grant retroactive effect for a special adjustment to the date the adjustment petition was filed upon showing by the landlord of substantial hardship outweighing any hardship to affected tenants. The impact of such a retroactive grant may

be ordered spread over not more than six monthly rental payments.

Section 4.10. Costs not passed on to tenants

The following costs may not be passed on to tenants in any rent adjustment:

(a) increased costs due to refinancing, except to the extent the proceeds of the refinancing were used to make repairs or improvements on the premises or to pay a legally enforceable obligation arising out of the purchase of the premises;

(b) increased financing costs for controlled rental units purchased after the effective date of this ordinance and within three years of the previous sale except as follows: only one-fourth of such increased costs may be taken into account in the first adjustment following such purchase, and additional one-fourth increments may be taken into account in adjustments during the next three years;

(c) costs for which the landlord has been or reasonably expects to be reimbursed by insurance payments or other compensation or fund;

(d) capital improvements not amortized over the useful life of the improvement or luxury capital improvements; **but** any improvement necessary to maintain a fully habitable or energy efficient dwelling shall not be considered a luxury improvement;

(e) fines or penalties, including interest, for violation of this ordinance or any law dealing with the controlled rental unit's operation or late payment of taxes;

(f) depreciation claimed as a federal income tax deduction;

(g) judgments or settlements paid for claims concerning the landlord's willful knowing, /reckless or negligent act or omission;

(h) registration or petition fees under this ordinance;

(i) attorney's fees for evictions in which a tenant has

prevailed;

(j) attorney's fees for other hearings, trials or suits where the landlord does not prevail;

(k) any cost not reasonably related to the operation of the premises;

(l) costs whose payment or amount is commercially unreasonable.

Section 4.11. Rent Increase Stay for Code Violation

(a) The hearing examiner shall stay the effective date of rent adjustment if it is determined at the rent adjustment hearing that there exists on the premises any substantial violation of the Seattle Housing Code. The adjustment shall not take effect until the landlord has filed with the Board a copy of the appropriate certificate of compliance issued by the City of Seattle, and shall not be retroactive.

(b) Notwithstanding the above, the rent adjustment shall be given immediate effect if the hearing examiner finds that

- (1) the code defect was the result of the tenant's willful or negligent act or omission; or,
- (2) the code defect was not the result of the landlord's willful or negligent act or omission, and there exists no other source of funds, available to the landlord within a reasonable time period, to remedy the defect.

Section 4.12. Binding Opinions on Capital Improvements

The Board shall provide by regulation for issuance of binding opinions regarding whether and to what extent the cost of any proposed capital improvement may be passed on to tenants of a controlled rental unit through a rent adjustment. If a hearing is required under these regulations, such hearings shall be governed by Part V of this ordinance.

PART V

Procedure

Section 5.01. Reference to Administrative Code

Except as provided herein, the administrative procedures of the Board shall be consistent with the Administrative Code of the City of Seattle.

Section 5.02. Hearing Examiners

The Board shall delegate to its hearing examiners power to conduct hearings under this ordinance, except where such hearings are specifically delegated to a separate department, and to make all decisions, orders and rulings in such cases.

Section 5.03. Notice of Petition, Public Hearing

The Board shall send a notice to all interested parties of the filing of a petition for a hearing before the Rental Housing Board or hearing examiners appointed by such Board, together with a copy of the petition and the date, time and location of the hearing. All such hearings shall be public.

Section 5.04. Accelerated hearing

Upon a showing of substantial injury requiring an early hearing, the hearing examiner may schedule a hearing to take place within less than twenty days from the date of filing of a petition.

Section 5.05. Quantum of proof

No rent adjustment may be granted nor any opinion issued pursuant to Sections 4.08 or 4.12 unless supported by a preponderance of the evidence.

Section 5.06. Time for decision

The decision on any rent adjustment or other hearing shall be rendered within ninety days of the filing of the petition for a building or complex of six controlled rental units or less, or within one hundred twenty days of the filing of other petitions. A party shall be deemed to have waived any right to obtaining

a decision within the above time limits if he or she has requested delays or continuances in the proceedings or has failed to timely provide testimony or documents necessary to a decision.

Section 5.07. Hearing record

The hearing examiner shall compile an official record of any contested case, which shall include: all exhibits, papers and documents required to be filed or which were accepted into evidence; an electronic recording of the hearing; a statement of materials officially noticed; findings of fact, conclusions of law and the decisions, orders or rulings in the case.

Section 5.08. Notice of decision

The hearing examiner shall immediately mail a copy of any decision to all parties.

Section 5.09. Appeal

Any aggrieved person may appeal final decisions of the hearing examiner to the Board, but decisions shall not be stayed pending appeal. An appeal shall be filed no later than twenty days after notice of the decision. The Board shall delegate the power to decide the appeal to a three member panel of the Board, containing no more than one landlord and one tenant member. The sole record for appeal shall be the record prepared by the hearing examiner, written arguments by the parties and, if the panel desires, oral argument.

In the event that the appeal panel reverses or modifies the decision, the parties shall be restored to the position they would have occupied had the examiner's decision been the same as the panel's. The appeal shall be decided no later than ninety days after its filing.

PART VI
Just Cause Eviction

Section 6.01. Reasons for Eviction

No landlord may evict or threaten to evict any tenant of a controlled rental unit unless:

- (a) the tenant has failed to pay rent lawfully owed;
- (b) the tenant has permitted the unit to be used for any illegal business, permitted a nuisance or committed waste on the premises;
- (c) the tenant has intentionally or negligently caused substantial damage to the premises or allowed any member of or her his/family, invitee, licensee or any person acting under his control to do so;
- (d) the tenant has continued to breach any reasonable rules of tenancy, or duties imposed by law;
- (e) the tenant has created an unreasonable interference with the comfort, safety or enjoyment of the other residents of the same or any nearby building;
- (f) the tenancy was conditioned on employment of the tenant by the landlord and that employment has lawfully terminated;
- (g) the owner seeks in good faith to recover possession for his or her own use or occupancy or for the occupancy of his or her child, parent, grandparent, brother, sister, or parents-in-law, provided that no substantially equivalent unit is vacant and available in the same building;
- (h) the owner of a single-family dwelling has accepted a bona fide offer of purchase for such dwelling from a purchaser who intends to use or occupy such dwelling and who requires eviction of the tenant as a condition of closing the sale;

(i) the landlord, after having obtained all required permits, intends to undertake substantial rehabilitation which cannot be done while the premises are occupied, provided that the landlord notifies the tenant that the tenant shall have the right to reoccupy the unit after rehabilitation is completed;

(j) the landlord, after having obtained all required permits, intends to demolish the unit, or to sell it as a condominium.

This section is intended to provide tenants of controlled units with the substantive affirmative defense that an eviction has been undertaken in the absence of the just causes enumerated above. It is not intended to interfere with the initiation of such an eviction by a landlord. The affected tenant may also bring a civil action for damages under Section 10.02 for violation of this section.

PART VII

Sale of Condominium Units

Section 7.01. Conditions of removal from rental market

No landlord shall remove a controlled rental unit from the rental market by offering it for sale to the public as a condominium unit unless he or she has obtained a certificate of compliance with this part from the Superintendent of Buildings. The Superintendent shall not issue the certificate unless he or she certifies that:

(a) at least one hundred and twenty days before the unit is to be offered for sale to the public, the landlord has delivered to each tenant written notice of intention to sell, a written offer of sale to the tenant, and a statement of the tenant's rights under this part;

- (b) the offer of sale has included on its face a provision that it is conditioned upon tenants in at least fifty percent of the total controlled rental units in the building or complex accepting the offer and depositing a commercially reasonable down payment into an escrow account; and
- (c) tenants in at least fifty percent of the total controlled units have accepted the offer and made the deposit as set forth above. The deposit shall not be provided from funds under the control of the landlord.

Section 7.02. When certificate shall not issue

Notwithstanding the above provisions, the Superintendent of Buildings shall not issue the certificate of compliance if he or she finds that the landlord has, within the previous twelve months, engaged in misrepresentation, or harassment of tenants, illegally raised rents, reduced services or evicted tenants without just cause, for the purpose of preparing for the sale of the units as condominium units.

Section 7.03. Appeal

The issuance or denial of the certificate of compliance shall be subject to review by the Office of Hearing Examiner created by the Administrative Code. No certificate of compliance shall be finally issued until the time for notice of appeal has expired, or if an appeal is taken, until the appeal has been decided in the landlord's favor.

PART VIII

Demolition

Section 8.01. Notice

The owner of a controlled rental unit shall give written notice to all tenants thereof of his or her intent to apply for

a demolition permit for the building in which the unit is located. The notice shall be given at least ninety days prior to filing the application and shall include the following information:

- (a) owner's intent to apply for the demolition permit;
- (b) tenant's right not be evicted without good cause, as set forth in Part VI of this ordinance;
- (c) owner's obligation to offer tenants the right to occupy replacement units, if any are to be built under Section 8.03(c) of this ordinance, before offering the units to the general public;
- (d) owner's obligation to provide relocation assistance to the tenants; and
- (e) tenant's rights of enforcement under this ordinance.

Section 8.02. Permit Application

Any application for such a demolition permit shall be filed with the Superintendent of Buildings and shall include the following:

- (a) copies of written notices given to tenants pursuant to Section 8.01;
- (b) an itemized estimate of the cost required to bring the building up to a decent, safe and sanitary condition by rehabilitation and an itemized estimate of the cost of replacing the building on-site with a residential building which would contain an equal number of comparably-sized controlled rental units, if the owner seeks a finding under Section 8.03(a); and
- (c) all documentation necessary to assess the factors identified in Section 4.08 to determine a fair and

reasonable return, if the owner seeks a finding under Section 8.03(b).

Section 8.03. Conditions for issuance of a permit

The Superintendent of Buildings shall not issue a permit to demolish a building containing one or more controlled rental units unless he or she finds that the owner has complied with the provisions of Sections 8.01 and 8.02 and that any one of the following conditions have been met:

- (a) the owner establishes that the building is not structurally sound, that is, the cost of bringing the building up to a decent, safe and sanitary condition by rehabilitation exceeds the cost of replacing the building on-site with a residential structure containing at least an equal number of comparably-sized controlled rental units;
- (b) the owner establishes that he or she has owned the building for at least three consecutive years prior to the date of application for the permit and is unable to realize a fair and reasonable return on his or her investment in the building; or
- (c) the owner has:
 - (1) signed a contract with the City which includes the following provisions:
 - (A) owner will replace the existing controlled rental units with the same or a greater number of comparably-sized and comparably-priced controlled rental units;
 - (B) replacement units will be located within a two mile radius of the demolition site;
 - (C) replacement units will be completed within two years of the issuance of the demolition

permit;

(D) tenants displaced by the demolition will be offered the right to occupy the replacement units before the units are offered to the public;

(E) the contract shall be binding on subsequent purchasers of the land, enforceable by the City or by any such displaced tenant, and publicly recorded by the owner; and

(2) submitted to the Superintendent of Buildings all plans, permit applications and proof of availability of financing for the replacement units.

Section 8.04. Appeal

The issuance, suspension or denial of the demolition permit or failure to suspend such permit shall be subject to review by the Office of Hearing Examiner, as provided in the Administrative Code. The Superintendent shall not issue the permit until the time for appeal has expired or until any appeal is finally decided in favor of the owner.

Section 8.05. Administration

The Superintendent of Buildings shall adopt, amend or rescind such rules and regulations as are necessary to carry out the duties imposed by this ordinance.

Section 8.06. Relocation assistance.

The owner shall pay relocation assistance of one thousand dollars per controlled rental unit to tenants thereof who have vacated the building after receipt of the notice required by Section 8.01. The owner shall pay the relocation assistance on or before ^{date that} the tenants of a unit vacate the premises. The payment shall be in addition to any

security deposit or other compensation or refund to which the tenants may be entitled. The Superintendent of Buildings shall suspend the permit if he or she has reasonable grounds to believe that any such payment has not been made.

PART IX

Decontrol

Section 9.01. Decontrol

Within two years of the effective date of this ordinance, and on an annual basis thereafter, the Board shall conduct a vacancy survey of a valid sampling of rental units. If two successive annual surveys find a vacancy rate of greater than five percent, and if the Board, after public hearings, finds that the serious housing problems addressed by this ordinance are no longer present to a significant degree, the Board shall recommend to the City Council that this ordinance be repealed.

PART X

Enforcement

Section 10.01. Civil Penalty

A violation of any provision of this ordinance or of any Board regulation, decision or order shall be punishable by a civil penalty of no less than \$100 and no more than \$500. A violation affecting more than one controlled rental unit or concerning more than one payment period shall be considered a separate violation as to each unit and as to each payment period. The penalty shall be paid to the Board.

Section 10.02. Private Civil Remedies

Any landlord who violates this ordinance or any Board regulation, decision or order, shall be liable to any affected tenant in the amount of \$500, or three times the amount of actual damages, whichever is greater, plus costs and a reasonable attorney's fee. A tenant may assert any rights under this ordinance, or under any Board regulation, decision or order, in any answer, set-off, affirmative defense or counterclaim, and may deduct any excess rent previously paid from his or her rent. A tenant may also bring any other civil action to enforce his or her rights under this ordinance, or under any Board regulation, decision or order, in a court of appropriate jurisdiction. Remedies provided in this section are in addition to any other legal or equitable remedies and are not intended to be exclusive.

PART XI

Miscellaneous Provisions

Section 11.01 Sham Transactions

Sham transactions shall be disregarded in determining whether or not a rental unit is controlled, in considering rent adjustments, in finding whether a violation of this ordinance, or of any Board regulation, decision or order, has occurred or in any other appropriate circumstances.

Section 11.02. Waiver of rights

No landlord may impose as a condition of tenancy of a controlled rental unit a waiver of the tenant's rights under this ordinance or under any Board regulation, decision or order, and any such waiver is void and against public policy.

Section 11.03. Interference with exercise of rights

No landlord may restrain, coerce, interfere with, or retaliate against his or her tenants, or any person acting in concert with them, in any lawful exercise, either individually or collectively, of rights under this ordinance, or under any Board regulation, decision or order.

Section 11.04 Severability

If any section, subsection, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such decision shall not effect the validity of the remaining portions thereof.

Section 11.05. Liberal Construction

This ordinance shall be liberally construed to achieve its purpose and preserve its validity.