ORDINANCE NO. 2449

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY ADDING A NEW CHAPTER 42A (MINIMUM LEASE TERMS) TO THE REDWOOD CITY CODE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDWOOD CITY DOES ORDAIN AS FOLLOWS:

Section 1. A new Chapter 42A (MINIMUM LEASE TERMS) is hereby added to the Redwood City Municipal Code as provided in Exhibit A, which is attached hereto and incorporated herein by reference. Wording in brackets ([example]) is informational only and is not to be included in the published ordinance.

Section 2. Adoption of this ordinance is not a project within the meaning of the California Environmental Quality Act (CEQA) because the ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15378). Even if adoption of the ordinance were a project, it would be exempt from CEQA because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment (CEQA Guidelines Section 15061(b)(3)).

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

Section 4. The City Clerk shall publish this ordinance in accordance with applicable law.

Section 5. Effective date. This Ordinance shall go into effect on January 1, 2019.

* * * *
Exhibit A

[Chapter 42A is hereby added to the Redwood City Code as follows:]

Chapter 42A

MINIMUM LEASE TERMS FOR RESIDENTIAL RENTAL UNITS

Sections

Section 42A.1 Short Title, Authority and Applicability
Section 42A.2 Purpose
Section 42A.3 Definitions
Section 42A.4 Requirement to Offer Minimum Lease Terms
Section 42A.5 Exemptions
Section 42A.6 Notice of Tenant's Right to Minimum Lease Term
Section 42A.7 Tenant Remedies
Section 42A.8 Enforcement

42A.1 Short Title, Authority, and Applicability

A. This Chapter shall be known and may be cited as the "Minimum Lease Terms Ordinance."

B. The requirements established pursuant to this Chapter are adopted under the authority of California Constitution Article XI, Section 7, which provides: "A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws," and in accordance with the purpose set forth in the ordinance codified in this Chapter.

C. This Chapter shall apply to the extent permitted by the statutes and laws of the State of California.

42A.2 Purpose

The purpose of this Chapter is to:

A. Provide more stability for tenants through the encouragement of longer lease terms;

B. Provide flexibility for the tenant and the landlord (when they can agree on an alternative time-frame for renting the unit);

C. Avoid creating disincentives for accessory dwelling units; and
D. Ensure there are no constraints on landlord raising rents at the end of the lease agreement and each time the lease agreement is renewed.

42A.3 Definitions

The following words and terms as used in this Chapter shall have the meaning respectively ascribed thereto:

A. "Landlord" means an owner, lessor or sublessor, or the agent, representative or successor of any of the foregoing persons who receives, or is entitled to receive, rent for the use and occupancy of any rental unit or portion thereof.

B. "Rent" means the consideration, including any bonus, benefit, or gratuity demanded or received by a landlord or in connection with the use or occupancy of a rental unit.

C. "Rental unit" means a dwelling (as defined by Article 2 of the Redwood City Zoning Ordinance) that is used as rental housing, provided, however, that the term "rental unit" shall not include:

1. A single-family dwelling;
2. Duplexes;
3. Rooms or accommodations in hotels and boardinghouses which are rented to transient guests for a period of less than thirty (30) consecutive days;
4. Housing accommodations in any hospital, skilled nursing, health or care facility, extended-care facility, nonprofit home for the aged;
5. Dwelling units in which housing accommodations are shared by landlord and tenant;
6. Secondary dwelling units;
7. Dwelling units in a condominium, planned unit development or community apartment;
8. Housing accommodations rented by a medical institution which are then subleased to a patient or patient's family;
9. Dwelling units whose rents are controlled or regulated by any government unit, agency or authority, or whose rent is subsidized by any government unit, agency or authority; or
10. Dwelling units acquired by the City or any other governmental unit, agency or authority intended to be used for public purposes.

D. "Tenant" means a person or persons entitled by written or oral agreement to occupy a rental unit to the exclusion of others.

E. "Lease" means a written contract used to make a legal agreement by which money is paid to occupy a residential dwelling unit for a specific period of time.
42A.4 Requirement to Offer Minimum Lease Terms

A. Offer. If a tenant or prospective tenant wishes to rent a rental unit from a landlord and the landlord wishes to rent the rental unit to the tenant or prospective tenant, the landlord must offer to the tenant or prospective tenant a written lease which has a minimum term of one (1) year. Offers must be made in writing. Signing of a lease which has a minimum term of one (1) year shall be considered an offer in writing.

B. Acceptance. If the tenant or prospective tenant accepts the offer of a written lease which has a minimum term of one (1) year, this acceptance must be in writing. Signing a lease which has a minimum term of one (1) year will be considered an acceptance.

C. Rejection. If the tenant or prospective tenant rejects the offer for a written lease which has a minimum term of one (1) year, this rejection must be in writing, and the landlord and tenant or prospective tenant may then enter into an agreement, oral or written, that provides for a rental term of less than one (1) year.

D. Rent. If the landlord and tenant enter into a written lease which has a minimum term of one (1) year, such lease must set the rent for the rental unit at a rate or rates certain and these rates shall not otherwise be modified during the term of such lease.

E. Renewal of Lease. So long as both the landlord and tenant wish to continue the rental relationship, upon the expiration of the initial written lease, or any lease renewal thereafter, which has a minimum term of one (1) year, a lease shall be offered again in accordance with the procedures of subsections A-D above. If, however, either the landlord or tenant does not wish to continue the rental relationship, then there shall be no obligation for the landlord to offer, or for the tenant to accept, any renewal of the lease.

F. Applicability. This section shall not apply to:

1. A unit which is rented on or before the effective date of the ordinance codified in this chapter, provided that, (A) if the unit is rented subject to a written lease, when the lease in effect for such unit expires, the ordinance codified in this chapter shall then apply; and (B) if the unit is rented without a written lease, the landlord shall offer a written lease to the tenant in accordance with this section, at the time of lease renewal; or

2. An owner-occupied unit that is rented to a tenant for less than one (1) year; or

3. A rental unit occupied by a tenant who subleases that unit to another tenant for less than one (1) year; or
4. A rental unit where the tenancy is an express condition of, or consideration for, employment under a written rental agreement or contract or a unit leased to a corporation.

42A.5 Exemptions

The minimum lease terms shall not apply to residential projects consisting of two or fewer dwelling units; housing accommodation in hotels, motels, inns, tourist homes and boarding or lodging houses, condominium, community apartment or stock cooperative, as those terms are defined in California Government Code and Business and Professions Code, units in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities units where rents are regulated, health care facilities, or accessory dwellings created under Article 37 of the Redwood City Zoning Code.

42A.6 Notice of Tenant’s Right to Minimum Lease Term

A. Form. Landlords shall provide all residential rental unit tenants with a notice summarizing the rights afforded by this ordinance. The notification shall be capitalized text in at least twelve (12) points in font size and shall state:

THE REDWOOD CITY CODE PROVIDES YOU WITH THE RIGHT TO MINIMUM LEASE TERMS. LANDLORDS MUST OFFER TENANTS THE OPTION TO ENTER INTO A ONE (1) YEAR WRITTEN LEASE, OR IF THE TENANT DECLINES A ONE YEAR LEASE, A TERM OF LESS THAN ONE YEAR. IT IS THE TENANT’S CHOICE WHETHER TO ENTER INTO SUCH A WRITTEN LEASE WITH A LANDLORD. FURTHER INFORMATION IS AVAILABLE ON THE CITY’S WEBSITE (WWW.REDWOODCITY.ORG).

B. Language. Landlord shall provide this notification in English and Spanish.

C. Manner. Landlord must provide this notice to tenants in writing or electronically if the application and/or lease are processed electronically, or both if both methods are utilized.

42A.7 Tenant Remedies

A. Defense to Action to Recover Possession. Failure of a landlord to comply with any of the provisions of this chapter shall provide the tenant with a defense in any legal action brought by the landlord to recover possession of the rental unit.

B. Defense to Action to Collect Rent. Failure of a landlord to comply with any of the provisions of this chapter shall provide the tenant with a defense in any legal action brought by the landlord to collect rent.
C. Injunctive Relief. A tenant may seek injunctive relief on his or her own behalf and on behalf of other affected tenants to enjoin the landlord's violation of this chapter.

D. Remedies are Nonexclusive. Remedies provided in this section are in addition to any other existing legal remedies and are not intended to be exclusive.

E. Nonwaiver. Any waiver or purported waiver by a tenant of his or her rights under this Chapter prior to the time when such rights may be exercised, except a rejection of a one-year lease offered in accordance with Section 42A.4.C, shall be void as contrary to public policy.

42A.8 Enforcement

A. Offer of a lease with minimum lease terms pursuant to this Chapter is the obligation of the landlord for a residential rental unit. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance.

B. The City Attorney shall be authorized to enforce the provisions of this Chapter by civil action and any other proceeding or method permitted by law.

C. The remedies provided for in this Section shall be cumulative and not exclusive and shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.
ORDINANCE NO. 2449

At a Joint City Council/Successor Agency Board/Public Financing Authority Meeting thereof held on the 23rd day of July, 2018 by the following votes:

AYES, and in favor of the passage and adoption of the foregoing ordinance:

AYES: Aguirre, Borgens, Gee, Howard, Masur, Seybert and Mayor Bain

NOES: None

RECUSED: None

ABSENT: None

__________________________
Ian Alan Bain
Mayor of the City of Redwood City

Attest:

__________________________
Pamela Aguilar
City Clerk of Redwood City

I hereby approve the foregoing Ordinance
This 24th day of July, 2018

__________________________
Ian Alan Bain
Mayor of the City of Redwood City

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MUFF NO. 301