

LEGISLATIVE DIGEST

[Administrative Code - Disclosure of Costs to Residential Tenants]

Ordinance amending the Administrative Code to require that online listings and lease agreements for residential rental units clearly disclose the total estimated monthly cost of the unit inclusive of rent and any required fees and charges; authorize tenants to terminate their leases early and without penalty if they have not received adequate disclosures of such fees or charges; restrict the ability of landlords to evict or impose late penalties on tenants for the nonpayment of fees or charges that were not adequately disclosed; and delete various obsolete provisions.

Existing Law

Tenants of residential rental units typically pay a monthly rent in exchange for the right to occupy those units. In some cases, landlords also require their tenants to pay additional fees or charges, separate from the rent, on an ongoing basis as a condition of the tenancy. City law does not regulate how landlords must disclose these fees or charges.

Amendments to Current Law

The ordinance would require landlords to clearly disclose the “total estimated monthly cost” of renting out their units, inclusive of the rent and any lawful fees or charges that the tenant would have to pay on an ongoing basis as a condition of the tenancy. Landlords would need to itemize all of the fees and charges, explain how they are calculated, and provide an estimate for any that vary from month-to-month. The disclosures would be required in online listings and in residential leases. If an online listing did not disclose a fee or charge in substantial compliance with the rules in the ordinance, the tenant could terminate the lease at any time without penalty. If a lease did not disclose a fee or charge in substantial compliance with the applicable rules, the tenant could terminate the lease at any time without penalty; and, the landlord could not evict or impose late fees on the tenant for nonpayment of those fees or charges. In requiring disclosure of fees and charges, the ordinance does not authorize landlords to impose fees or charges not permitted by law.

The ordinance also deletes certain provisions of the Rent Ordinance related to evictions and COVID-19. These provisions are obsolete and no longer legally operative.

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