



Rent Stabilization Board

## BUYOUT AGREEMENT REQUIREMENTS

Effective April 30, 2016, the City Council enacted Berkeley Municipal Code Section 13.79.050, which affords protections to tenants who are offered buyout agreements by their landlords. These protections apply where a tenant accepts payment in exchange for an agreement to vacate a rental unit protected by the Good Cause for Eviction provisions in Berkeley Municipal Code Section 13.76.130. *The vast majority of rental units are covered by the Good Cause for Eviction provisions, including many rental units that are not rent-controlled.*

This law specifically requires that before making a buyout offer, a landlord must give a tenant a written disclosure of the tenant's rights, including the following:

- the right not to enter into a buyout agreement;
- the right to consult an attorney before signing the agreement;
- the right to rescind the agreement at any time up to 30 days after signing; and
- the right to consult the Rent Stabilization Board regarding the agreement.

The mandatory written disclosure is a document identified as "Buyout Agreement Disclosure Form," a copy of which is attached hereto.

In addition to requiring that owners give tenants the written disclosure, Section 13.79.050 includes provisions regarding the form and content of the buyout agreement itself; namely:

- the buyout agreement must be in writing;
- the agreement must include the following language, in bold letters in at least fourteen-point type, in close proximity to the space reserved for the tenant's signature:

**"You may cancel this agreement in writing at any time before the thirtieth day after all parties have signed this agreement. You have a right not to enter into a buyout agreement. You may choose to consult with an attorney or the Rent Stabilization Board before signing this agreement. The Rent Stabilization Board may have information about other buyout agreements in your neighborhood.";** and

- a buyout agreement that does not satisfy all of the requirements of the law is not effective and may be rescinded by the tenant at any time.

The landlord is required to give the tenant a copy of the buyout agreement at the time the tenant signs it. The landlord must also file any completed, signed buyout agreements with the Rent Stabilization Board no sooner than the thirty-first day after the buyout agreement is signed by all parties, and no later than sixty days thereafter. The Rent Stabilization Board shall make data collected from all buyout agreements available to the public, but no personally-identifying information may be revealed.