



Northwest Side Preservation Ordinance Summary of Tenant Rights

Notice of Intent to Sell

- For residential properties of 5 or more units, owners must provide a copy of this form to the tenant association, or to each tenant if no association exists, and to the Department of Housing at least 60 days before listing or offering the property for sale.
- For residential properties of 4 units or fewer, owners must provide a copy of this form at least 30 days prior to listing or offering the property for sale.

Notice of Third-Party Purchase Offer

- If the owner receives and accepts an offer from a third party to purchase the property, the owner must promptly provide notice of the offer to the tenant association, or to each tenant if no association exists. Any third-party purchase agreement is contingent upon the tenants' right of first refusal.

Information Provided to Tenants

- After the owner's notice of intent to sell, the tenants or the tenant association can request the following information from the owner:
 - The most recent rent roll, including each unit number and the monthly rent charged for each unit.
 - A list of vacant units.
 - A statement of the rental property's vacancy rate during the preceding 12 months.
 - The income and expense reports for the 12 months preceding the notice, including capital improvements, real property taxes, other municipal charges, and any fees, fines, or other monies due and owing to a government agency.
 - Any information regarding the rental property's financial condition.
 - Architectural and engineering plans and specifications.
 - A list of any alleged Building Code violations, a list of any litigation regarding the building including alleged Building Code violations, and the status of any Building Code violations closed or addressed over the 12 months preceding the notice.

Tenants' Right of First Refusal

- For properties with 5 or more units, tenants have 90 days from the receipt of the owner's notice to form a tenant association and exercise their right of first refusal. In order to exercise their right of first refusal, tenants must provide written notice of the tenant association's existence and their intent to purchase the property, along with a deposit and other financial assurances, to the owner and DOH.
 - For properties with 5 or more units, the tenant association has 120 days from the date of notifying the owner to conduct due diligence and secure financing, and close on the property.
 - Failure to close on the purchase within the allowed time will result in a waiver of the right of first refusal.
- For properties with 3-4 units, tenants have 30 days from receipt of the owner's notice to exercise their right of first refusal, following the same process of providing written notice, financial assurances, and the deposit.
- For properties with 1-2 rental units, tenants have 15 days from receipt of the owner's notice to exercise their right of first refusal, following the same process of providing written notice, financial assurances, and the deposit. Tenants in properties with 1-2 rental units do not need a tenant association to exercise their right of first refusal.
- For properties with 4 units or fewer, the tenant association has 60 days from the date of notifying the owner to conduct due diligence, secure financing, and close on the property.
 - Failure to close on the purchase within the allowed time will result in a waiver of the right of first refusal.

Tenants May Assign Right of First Refusal to Third Party Representative

- The tenant association, or individual tenant in the case of a rental property with 1 or 2 rental units, may assign their rights to another party whether private or governmental.
- The tenant association shall give the owner written notice within 10 days of entering into such written agreement

Tenants' Obligation

- If the tenant association does not exercise its right of first refusal by the deadline, fails to provide the required assurances and deposits, fails to close on the property or otherwise defaults on the agreement then their right of first refusal is considered waived.
- In this case, the owner may sell the property to the third-party buyer specified in the purchase agreement.
- If the sale to that buyer does not go through for any reason, or if there are changes to the sale price of more than 10%, the tenant association's right of first refusal will be reinstated.

Owner Prohibitions

- The owner shall not request a waiver of this right of first refusal during the notice of intent to sell period.
- The owner may not require the tenant association to pay a deposit of more than 5% of the contract sales price before entering into a contract. The owner must refund the deposit in the event of a good faith failure of the tenant association.

Non- Disturbance of Tenants

- An owner shall not disturb any tenancy, other than for a just cause eviction, during the time periods set forth in these rules.
- If the tenant association waives its right of first refusal and the owner sells the property to a third-party purchaser, then the purchaser shall allow current tenants to remain in their respective dwelling until the longer of six months from the effective date of sale or until each tenant's lease expires.
- The purchaser may relocate such tenants to comparable units with comparable rents in accordance with the ordinance rules.

In the Event of An Owner Violation

- Violations of this ordinance may be fined \$200-\$1000 per day for each offense.
- Each day that a violation continues is a separate offense to which a separate fine will apply.

Remedy

- Any aggrieved party, including but not limited to any tenant or tenant association, owner or authorized representative, or authorized third-party representative, has private right of action and may bring civil suit against the offending party.
- Aggrieved parties may also notify the Department of Housing of the violation of the ordinance for review and referral for administrative relief.