

ORDINANCE NO.

AN INTERIM EMERGENCY ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF SANTA CRUZ PROHIBITING NO-FAULT EVICTIONS THROUGH
DECEMBER 31, 2019 WITHIN THE CITY

BE IT ORDAINED By the City of Santa Cruz as follows:

SECTION 1. Findings.

- A. Pursuant to Article XI, Section 7 of the California Constitution, the City of Santa Cruz ("City") may make and enforce all regulations and ordinances using its police powers.
- B. The City has one of the least affordable housing markets in California and the United States, which exacerbates the City's shortage of decent, safe, affordable, and sanitary rental housing.
- C. Renters occupy about 56 percent of the City's housing stock and 67.5 percent of renters are cost burdened under the federal definition, meaning they spend more than 30 percent of their income on housing.
- D. Through the City's Fall 2017 Community Outreach on Housing, the City received extensive public testimony about the exorbitant costs and scarcity of rental units.
- E. Given the housing cost burden faced by many City residents, excessive rental increases threaten the public health, safety, and welfare of City residents, including seniors, those on fixed incomes, those with low and moderate income levels, and those with other special needs to the extent that such persons may be forced to choose between paying rent and providing food, clothing, and medical care for themselves and their families.
- F. Housing insecurity and excessive rent increases could result in homelessness and displacement of low-income families.
- G. On October 8, 2019, California Governor Gavin Newsom signed into law the Tenant Protection Act of 2019, Assembly Bill 1482 ("AB 1482"), an act adding and repealing Sections 1946.2, 1947.12, and 1947.13 of the California Civil Code, effective beginning January 1, 2020, which prohibits evictions without "just cause" and owners of specified residential rental property from increasing rents each year more than 5 percent plus the percentage change in the cost of living or 10 percent, whichever is lower.
- H. AB 1482 will provide renter protections to households in the City of Santa Cruz beyond that offered by the City's Large Rent Increase Ordinance.
- I. According to testimony provided to the City Council at the meetings of October 8, 2019 and October 22, 2019, in advance of the implementation of AB 1482, no-fault eviction notices and threats of eviction have surged.

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J. The City Council wishes to protect renters from no-fault evictions through December 31, 2019, in advance of AB 1482's effective date, to prevent further homelessness and displacement.

K. Based upon the above-described facts and circumstances, and for these same reasons, the City Council finds that this ordinance is necessary as an emergency measure for preserving the public peace, health and safety, and therefore that it may be introduced and adopted at one and the same meeting, and shall take effect immediately upon its adoption.

L. It is the intent of City Council that this ordinance mirror AB 1482 in effect and interpretation. To that end, it is the intent of City Council that this ordinance apply only to tenancies impacted by AB 1482.

SECTION 2. Chapter 21.07 – JUST CAUSE EVICTION is added to the City of Santa Cruz Municipal Code to read as follows:

“Chapter 21.07

JUST CAUSE EVICTION

21.07.010 DEFINITIONS.

The following words and phrases, whenever used in this article, shall be construed as defined in this section.

A. City Council. The Santa Cruz City Council.

B. Landlord. An owner of record, lessor, sublessor, or any other person, entity or non-natural person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

C. Property. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership that are subject to AB 1482.

D. Rent. All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for use or occupancy of a Rental Unit and Housing Services under a Rental Housing Agreement.

E. Tenant. A Tenant, subtenant, lessee, sublessee, or a person entitled under the terms of a Rental Housing Agreement to the use or occupancy of a Rental Unit.

21.07.020 PROHIBITION AGAINST EVICTIONS WITHOUT JUST CAUSE

A. Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential

real property shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this subdivision shall only apply if either of the following are satisfied:

1. All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.
 2. One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.
- B. For purposes of this section, “just cause” includes either of the following:
1. At-fault just cause, which is any of the following:
 - a. Default in the payment of rent.
 - b. A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
 - c. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - d. Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - e. The tenant had a written lease that terminated on or after January 1, 2020, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.
 - f. Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.
 - g. Assigning or subletting the premises in violation of the tenant’s lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - h. The tenant’s refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of this code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.
 - i. Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - j. The employee, agent, or licensee’s failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.
 - k. When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in

Section 1946 of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

2. No-fault just cause, which includes any of the following:

- a.
 - i. Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.
 - ii. For leases entered into on or after September 1, 2019, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (e) of paragraph (1).
- b. Withdrawal of the residential real property from the rental market.
- c.
 - i. The owner complying with any of the following:
 - a. An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.
 - b. An order issued by a government agency or court to vacate the residential real property.
 - c. A local ordinance that necessitates vacating the residential real property.
 - ii. If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be entitled to relocation assistance as outlined in paragraph (c) of subdivision (4).
- d.
 - i. Intent to demolish or to substantially remodel the residential real property.
 - ii. For purposes of this subparagraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based

paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation.

3. Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.
4.
 - a. For a tenancy for which just cause is required to terminate the tenancy under subdivision (A), if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (B), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:
 - i. Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph (c).
 - ii. Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.
 - b. If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in subparagraph (ii) of paragraph (a), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.
 - c.
 - i. The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.
 - ii. If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.

- iii. The relocation assistance or rent waiver required by this subdivision shall be credited against any other relocation assistance required by any other law.
- d. An owner's failure to strictly comply with this subdivision shall render the notice of termination void.
- 5. This section shall not apply to properties deemed exempt in AB1482, including the following types of residential real properties or residential circumstances:
 - a. Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940.
 - b. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
 - c. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
 - d. Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.
 - e. Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.
 - f. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.
 - g. Housing that has been issued a certificate of occupancy within the previous 15 years.
 - h. Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
 - i. The owner is not any of the following:
 - a. A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
 - b. A corporation.
 - c. A limited liability company in which at least one member is a corporation.
 - ii.
 - a. The tenants have been provided written notice that the residential property is exempt from this section using the following statement: "This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the

Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation.”

- b. For a tenancy existing before September 1, 2019, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.
- c. For any tenancy commenced or renewed on or after September 1, 2019, the notice required under clause (i) must be provided in the rental agreement.
- d. Addition of a provision containing the notice required under clause (a) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (e) of paragraph (1) of subdivision (B).
- i. Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

21.07.030 CIVIL REMEDIES.

Failure by a landlord to comply with the terms of this Ordinance shall be an affirmative defense to any unlawful detainer action pending or filed on or after its effective date. In addition, tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Ordinance. In a civil suit, a landlord found to violate this Ordinance shall be liable to the tenant for all actual damages, as well as an award of reasonable attorneys' fees and costs. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.”

SECTION 3. Severability.

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision

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shall not affect the validity of the remaining portions of this ordinance.

SECTION 4. Effective Date and Expiration Date.

[Alt. 1: This ordinance shall take effect immediately upon its adoption provided, however, that it shall apply retroactively to any tenant in possession on its effective date who received or receives a notice of eviction issued on or after September 1, 2019, and shall automatically expire at midnight on December 31, 2019. This ordinance shall also not apply to any tenancy where the eviction lawsuit has already been adjudicated as of the effective date.]

[Alt. 2: This ordinance shall take effect immediately upon its adoption provided, however, that it shall apply retroactively to any tenant in possession on its effective date who received or receives a notice of eviction issued on or after September 1, 2019. This ordinance shall also not apply to any tenancy where the eviction lawsuit has already been adjudicated as of the effective date.]

SECTION 5. Environmental Determination.

The City Council finds that the adoption and implementation of this Ordinance are exempt from the provisions of the California Environmental Quality Act under section 15061(b)(3) in that the City Council finds there is no possibility that the implementation of this Ordinance may have significant effects on the environment.

PASSED FOR FINAL ADOPTION as an emergency ordinance this 29th day of October, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Martine Watkins, Mayor

ATTEST: _____
City Clerk Administrator

This is to certify that the above
and foregoing document is the
original of Ordinance No. 2019-____
and that it has been published or
posted in accordance with the
Charter of the City of Santa Cruz.

City Clerk Administrator