

CITY OF SANTA CRUZ INTERIM RENT FREEZE/JUST-CAUSE EVICTION ORDINANCES

Frequently Asked Questions

This guide is intended to assist landlords, tenants, property managers, Realtors, and potential rental property owners understand how the City Council's recently adopted interim rent increase moratorium and just-cause eviction ordinances apply in the City of Santa Cruz. It explains the basic provisions of the Santa Cruz's interim rent control law and certain state laws relating to rental housing.

The information in this guide is not a substitute for legal advice. Specific questions concerning the ordinance's application to your individual circumstances should be directed to your own attorney. The Santa Cruz County Bar Association's Lawyer Referral Service (831-425-4755) can refer you to an experienced attorney for a 30-minute consultation for an administrative fee of \$50.

What is the Rent Freeze/Just-Cause Eviction Ordinance?

On Tuesday, February 13th, the City Council adopted two separate ordinances as emergency measures: a Rent Freeze Ordinance restricting the amount landlords can increase rents for certain types of rental units; and a Just-Cause Eviction Ordinance, restricting the grounds upon which landlords can evict tenants, with certain specified exceptions.

Where can I obtain copies of the Ordinances?

The Rent Freeze and Just Cause Eviction Ordinances are posted on the web page of the Santa Cruz City Clerk, or may be accessed by clicking this link: <http://www.cityofsantacruz.com/government/city-council/publication-of-ordinances/government-city-council-publication-of-ordinances>

When do the Ordinances take effect?

Adopted as "emergency" measures pursuant to the Santa Cruz City Charter, both ordinances took effect immediately upon adoption, i.e., on February 13th, 2018.

How long will the Ordinances remain in effect?

The ordinances were adopted as a temporary measure to preserve the status quo while a citizens' group seeks to qualify an initiative for the November 2018 ballot that would add permanent rent control/just cause eviction restrictions to the Santa Cruz City Charter, and will automatically expire if the initiative fails to qualify for the ballot or pass in the election, or will be replaced by the initiative if it passes.

RENT FREEZE ORDINANCE

What types of rentals are covered by the Rent Freeze Ordinance?

The Rent Freeze Ordinance limits the amount landlords can increase rents for all rental units except the following:

- Single-family residences, condominiums, and townhouses that are separately owned;
- Rental units with an initial certificate of occupancy dated on or after February 1, 1995;
- Hotels, motels, inns, bed and breakfasts and other short-term rentals;

- Hospitals, convents, residential care facilities, dormitories and other group homes;
- Government-owned units, Section 8 subsidized units, and other units exempted by State or Federal Law.

Why aren't all rentals covered by the Rent Freeze Ordinance?

State law (the Costa-Hawkins Rental Housing Act) prohibits cities from enforcing rent increase restrictions on the categories of rental units listed as exempt above.

Does the Rent Freeze Ordinance apply to duplexes and ADUs?

Yes. Accessory dwelling units and duplexes are not exempt from the requirements of the Rent Freeze Ordinance, unless they received an initial certificate of occupancy after February 1, 1995.

What is the effect of the Rent Freeze for a covered unit?

During the moratorium period, landlords may not increase rent for any rental not otherwise exempted by the Ordinance or State law by more than 2%.

What if the landlord already gave notice of a rent increase before the Rent Freeze Ordinance was adopted?

The 2% rent increase restriction applies to all rent increases that *take effect* after the effective date of the Ordinance, regardless of when notice was provided to the tenant. Accordingly, any rent increase that would take effect after February 13, 2018 must be in compliance with the Rent Freeze Ordinance.

My rent was already increased by more than 2% shortly before the Rent Freeze Ordinance was adopted. Can it be increased again within one year of the prior increase?

The Rent Freeze Ordinance only restricts rent increases that take effect *after the Ordinance's effective date*. Accordingly, it could be increased again, up to 2%, during the moratorium period.

How does the Ordinance apply to new tenants?

Under State law, landlords are entitled to set the initial amount at which a rental unit is offered for rent. The Ordinance restricts the amount that landlords may increase rents thereafter.

Are there any exceptions for covered units that are significantly "below market" due to rents not having increased for several years?

A landlord who believes that application of the Ordinance's rental increase moratorium deprives him or her of a "just and reasonable return on their investment" can petition the City Manager for a determination of the amount of rent necessary to provide a just, fair and reasonable return and authorization for an increase to such amount. The City Manager's Office is in the process of developing regulations establishing procedures and standards for such determinations.

JUST CAUSE EVICTION

What does "Just Cause Eviction" mean?

Just cause eviction ordinances protect tenants from arbitrary, discriminatory or retaliatory evictions, while ensuring that landlords can lawfully evict tenants as long as they have a good reason. Just cause

eviction ordinances are a tool for promoting tenant stability, particularly in low vacancy and expensive housing markets where landlords may be tempted to evict tenants in order to obtain higher rents.

What types of rentals are covered by the Just Cause Eviction Ordinance?

The Just Cause Eviction Ordinance applies to all residential rentals, except:

- A rental unit that constitutes the landlord’s sole rental property; and
- The following categories of rental units, *if the landlord resides on-site*:
 - A single-family residence;
 - Duplexes; and
 - A single-family residence with an accessory dwelling unit.

Could you please clarify what constitutes a "landlord’s sole rental property” for purposes of the above-mentioned exemption? Is this based on distinct habitable units that are rented to different individuals, or is this based on the parcel of land owned by the property owner?

The exemption only applies to an individual rental unit that constitutes the landlord’s sole rental property. Accordingly, a property that has more than one rental unit, including a duplex or a single-family residence with an accessory dwelling unit, would not qualify for the exemption.

What are the permissible grounds for eviction under the Just Cause Eviction Ordinance?

Under the Just Cause Eviction Ordinance, the following are the permissible grounds for eviction:

1. Failure to pay rent;
2. Material breach of the terms of a lease or rental agreement;
 - a. Exception. Landlords may not terminate a tenancy as a result of the addition of a family member, such as the child, foster child, parent, sibling or spouse or partner;
3. Committing or permitting the creation of a nuisance or cause substantial damage to a rental unit or common area, or creating a substantial interference with the comfort, safety or enjoyment of any of the other residents of the property;
4. Using or permitting the use of a rental unit for any illegal purpose;
5. Refusing to give a landlord reasonable access to a rental unit after notice;
6. The need to conduct substantial and necessary repairs to the rental unit in order to bring a unit into compliance with applicable codes and laws affecting public health and safety, *provided that*:
 - a. The landlord has obtained all necessary permits from the City for such work;
 - b. The repairs necessitate the tenant’s vacancy from the rental unit for at least thirty days; and
 - c. The landlord notifies the tenant of the right to return and reoccupy the rental unit (or a comparable unit on the same property) upon completion of the repairs *at the same rent paid before the unit was vacated*.
7. The landlord seeks to recover possession of a rental unit for use and occupancy by the landlord or his or her family member, such as a child, foster child, stepchild, parent, grandparent, grandchild, sibling, or spouse or partner, subject to all of the restrictions mentioned below.
8. The landlord seeks in good faith to permanently withdraw *all rental units* of an entire property from the rental housing market.

What are the restrictions on a landlord’s ability to evict a tenant for the purposes of occupying the unit as the landlord’s, or a family member’s, primary residence?

There are several restrictions on a landlord’s using the eviction process to recover a rental unit for the purpose of making it the landlord’s or a family member’s primary residence, including all of the following:

1. The landlord must be a natural person with at least 50% ownership interest in the property.
2. No eviction may take place if the landlord already occupies a unit on the property, or a vacancy exists.
3. The notice to terminate must contain the name, address and relationship to the landlord of the person intended to occupy the unit.
4. The landlord must intend in good faith to occupy the unit within 60 days after the tenant vacates, and to use it as a primary residence for at least 36 months.
5. If the landlord fails to occupy the unit within 60 days after it is vacated, it must be offered back to the tenant who vacated *at the same rent in effect when the tenant vacated*.
6. A landlord cannot evict a tenant for purposes of re-occupying a units as a primary residence if the tenant:
 - a. Has lived there for at least 5 years; **or**
 - b. Is at least 62 years old or is certified as being terminally ill by a treating physician *unless the landlord or relative who will occupy the unit also meet the age or disability criteria for this exemption and no other units are available*.

How much notice is a tenant entitled to receive if evicted for purposes of making a rental unit available for the landlord’s or a relative’s permanent residence?

Under state law, a landlord must give 60 days’ advance written notice if all tenants have lived in the rental unit for a year or more, or 30 days’ notice if any tenant or resident has lived in the rental unit less than one year.

Can I be evicted because my landlord wants to remove my residence from the rental market entirely?

A landlord who seeks in good faith to withdraw all units of an entire property from the rental housing market may do so by providing not less than 120 days’ notice, or 1 year’s notice in the case of tenants defined as seniors or disabled under state law.

I lease a house with two other housemates. Our lease specifies that we are “jointly and severally liable” for the terms of the lease and that no new co-occupant/housemate other than a child born to an original Tenant can take up occupancy without the advance written permission of the Landlord. Do I need the Landlord’s consent to bring on another tenant if one of my housemates moves out?

Yes. The Just Cause Eviction Ordinance does not take precedence over the terms of a lease requiring the landlord’s consent to bring on an additional resident or sub-tenant, *except for a family member, such as a parent, child, sibling or spouse*. Accordingly, a landlord could evict a tenant who attempts to sublease a rental unit in violation of the terms of an existing lease.

ENFORCEMENT

Can I be evicted for reporting a violation of the Rent Freeze or Just Cause Eviction Ordinances?

No. The Ordinances prohibit landlords from evicting or taking any retaliatory action against a tenant who reports a violation.

How will the Ordinances be enforced?

A tenant who believes that a landlord has violated any provision of the Rent Freeze and Just Cause Eviction Ordinances, including accepting payment of rent in excess of the amount authorized by the Rent Freeze Ordinance may bring a civil suit in the Santa Cruz County Superior Court. In a civil suit, a prevailing tenant may recover all damages, plus reasonable attorneys' fees and costs. Additionally, if a court finds that a landlord has acted willfully or with oppression, fraud or malice, the tenant may be entitled to treble (triple) damages. In addition, the City may independently take enforcement action against any violation of the Rent Control or Just Cause Eviction Ordinances.