

ORDINANCE NO. 2018-04

AN INTERIM EMERGENCY ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF SANTA CRUZ REQUIRING JUST CAUSE FOR  
TENANT EVICTIONS WITHIN THE CITY

THE CITY COUNCIL OF THE CITY OF SANTA CRUZ hereby ordains 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. The City currently does not regulate rental amounts, rent increases, or evictions from residential housing.
- H. Residents of the City have announced plans to place a just cause for eviction and rent stabilization measure on the ballot to go before the voters at the General Municipal Election in November of 2018.
- I. If adopted by the voters, the measure is estimated to affect 22-24 percent of the City's housing stock, or about 5,100-5,800 rental units.
- J. The City Council finds and determines that in light of the announcement to place a rent stabilization measure on the November 2018 ballot, landlords of rent control eligible properties will have an immediate incentive to serve notices to raise rents or terminate certain tenancies without cause, thereby displacing many tenants in the City who, because of a critically low

vacancy rate, will be compelled to find housing elsewhere and at higher rents.

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. This interim Ordinance requires that landlords have a just cause for terminating tenancies during the moratorium period.

**SECTION 2. Definitions.**

A. City Council. The Santa Cruz City Council.

B. Housing Services. Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades, and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, the right to have pets, and any other benefit, privilege, or facility connected with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.

C. 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.

D. Moratorium Period. The period of time between the effective date of this Ordinance and its automatic expiration upon the City Council's certification of the November 2018 election results if the rent stabilization measure is not approved by a majority of the voters or, if the rent stabilization measure is approved by a majority of the voters, until the effective date of the rent stabilization measure approved by the voters or, if a just cause for eviction and rent stabilization measure is not placed on the ballot for November 2018, on September 1, 2018.

E. Notice to Terminate a Tenancy. Any notice required under state law or this Ordinance for a Landlord to lawfully cause a Tenant to vacate a Rental Unit.

F. Notice to Quit. A notice specifically required by California Code of Civil Procedure section 1161 for a Landlord to lawfully cause a Tenant to vacate a Rental Unit.

G. Property. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

H. Rental Housing Agreement. An oral, written, or implied agreement between a Landlord and a Tenant for use or occupancy of a Rental Unit and Housing Services.

I. Rental Unit. A building, structure, or part thereof, or land appurtenances thereto, or any other rental property rented or offered for rent for residential purposes and Housing Services.

J. 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.

K. Written Notice to Cease. Refers to a written notice provided by a Landlord that gives a Tenant an opportunity to cure an alleged violation or problem. Any Written Notice to Cease must:

1. Provide the Tenant a reasonable time to cure the alleged violation or problem;
2. Inform the Tenant that the failure to cure the alleged violation or problem may result in the initiation of eviction proceedings;
3. Inform the Tenant of the right to request a reasonable accommodation; and
4. Include a statement of the reasons for the Written Notice to Cease with sufficient detail to allow a reasonable person to cure the alleged violation or problem.

**SECTION 3. Just Cause Eviction Protections During the Moratorium Period.**

A. During the Moratorium Period, no Landlord shall take action to terminate any lawful tenancy, including but not limited to, making a demand for possession of a Rental Unit, threatening to terminate a tenancy orally or in writing, serving any Notice to Quit or other Notice to Terminate a Tenancy, or bringing any action to recover possession, or be granted recovery of possession of a Rental Unit unless at least one of the following conditions exists. This prohibition on impermissible evictions is intended to apply to the fullest extent permitted by law to all Notices to Terminate a Tenancy and Notices to Quit that were served on a Tenancy prior to the effective date of this Ordinance.

1. Failure to Pay Rent. The Tenant has failed to pay the Rent to which the Landlord is legally entitled under the Rental Housing Agreement, this Ordinance, or any other state or local law.
2. Breach of Lease. The Tenant has continued, after the Landlord has served the Tenant with Written Notice to Cease, to substantially violate any of the material terms of the Rental Housing Agreement, except the obligation to surrender possession on proper notice as required by law, and provided that such terms are reasonable and legal and have been accepted in writing by the Tenant.
  - a. Notwithstanding any contrary provision of this Section, a Landlord shall not take any action to terminate a tenancy as a result of the addition to the Rental Unit of a Tenant's family member, such as a child, foster child, stepchild, ward, parent, grandchild, grandparent, brother, sister, or spouse or partner, so long as the number of occupants does not exceed the

maximum number of occupants permissible under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code 17922.

3. Nuisance. The Tenant has continued, after the Landlord has served the Tenant with a Written Notice to Cease, to commit or expressly permit a nuisance in, or cause substantial damage to the Rental Unit or to the unit's appurtenances, or to the common areas of the Property containing the Rental Unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the Property.
4. Illegal Activity. The Tenant is using, or permitting a Rental Unit or the common areas of the Property containing the Rental Unit to be used for any illegal purpose. The term "illegal purpose" as used in this subsection does not include the use of housing accommodations lacking a legal approved use or which have been cited for occupancy or other housing code violations.
5. Failure to Give Access. The Tenant has continued to refuse, after the Landlord has served the Tenant with a Written Notice to Cease, to grant the Landlord reasonable access to the Rental Unit as required by state or local law.
6. Necessary and Substantial Repairs Requiring Temporary Vacancy. The Landlord, after having obtained all necessary permits from the City, and having provided written notice to the Tenant, seeks to undertake substantial repairs that are necessary to bring the Rental Unit into compliance with applicable codes and laws affecting the health and safety of tenants of the building, provided that:
  - a. The repairs necessitate that the Tenant vacate the Rental Unit because the work will render the Rental Unit uninhabitable for a period of not less than (30) days; and
  - b. The Landlord gives advance notice to the Tenant of the Tenant's right of return to reoccupy the Rental Unit upon completion of the repairs at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit, or Tenant's right of first refusal to any comparable vacant Rental Unit owned by the Landlord at the same Rent, if such comparable unit exists.
7. Owner Move-In. The Landlord seeks, after providing written notice to the Tenant, to recover possession of the Rental Unit in good faith for use and occupancy as a primary residence by the Landlord, or the Landlord's close relative such as a child, foster child, stepchild, ward, parent, grandchild, grandparent, brother, sister, or spouse or partner.
  - a. This provision may be invoked only if the Landlord seeking to recover possession of the Rental Unit is a natural person and has at least a fifty

(50) percent recorded ownership interest in the Property.

- b. No eviction may take place under this provision if the same Landlord or enumerated relative already occupies a unit on the Property, or a vacancy already exists on the Property.
- c. Any Notice to Terminate a Tenancy pursuant to this provision shall contain the name, address, and relationship to the Landlord of the person intended to occupy the Rental Unit.
- d. The Landlord or enumerated relative must intend in good faith, to move into the Rental Unit within sixty (60) days after the Tenant vacates the unit, and occupy the Rental Unit as a primary residence for at least thirty-six (36) consecutive months.
- e. If the Landlord or enumerated relative specified on the notice terminating the tenancy fails to occupy the Rental Unit within sixty (60) days after the Tenant vacates, the Landlord shall offer the Rental Unit to the Tenant who vacated it at the same Rent in effect when the Tenant vacated.
- f. A Landlord may not evict a Tenant under this provision if the Tenant:
  - i. Has resided in the Rental Unit for at least five (5) years; or
  - ii. The Tenant is at least sixty-two (62) years old, or is disabled pursuant to Government Code Section 12955.3, or is certified as being terminally ill by the Tenant's treating physician; and
  - iii. Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption herein if the Landlord or enumerated relative who will occupy the Rental Unit also meets the age or disability criteria for this exemption and no other units are available.

8. Withdrawal of the Rental Unit Permanently from the Rental Market. The Landlord seeks in good faith to recover possession to withdraw all Rental Units of an entire Property from the rental housing market. Tenants affected by this provision shall be entitled to a minimum of 120-day notice, or a notice of not less than one (1) year in the case of Tenants defined as seniors or disabled under Government Code Section 12955.3.

B. No Landlord shall take action to terminate a tenancy or otherwise recover possession of a Rental Unit in retaliation for a Tenant reporting violations of this Ordinance, or for exercising rights granted under this Ordinance or any other local, state, or federal law.

C. Any notice purporting to terminate a tenancy on any of the bases specified in this

Ordinance must state with specificity the basis on which the Landlord seeks to terminate the tenancy.

D. In any action brought to recover possession of a Rental Unit, the Landlord shall allege compliance with this Ordinance.

E. A Landlord's failure to comply with any requirements of this Ordinance, including without limitation, the failure to serve any required notices, is a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

F. Exemptions. A Rental Unit which constitutes the Landlord's sole rental property and the following categories of Rental Units shall be exempt from the requirements of this Ordinance, if the Landlord lives on site in: the same residence; a duplex; or a single-family residence with an accessory dwelling unit.

#### **SECTION 4. Enforcement Procedures**

The City, at its sole discretion, may choose to enforce the provisions of this ordinance through administrative fines and any other administrative procedure set forth in Chapter 4 of the Municipal Code, as amended. Violations of the provisions of this ordinance may be subject to fines of up to \$4,000. The City's decision to pursue or not pursue enforcement of any kind shall not affect a tenant's rights to pursue civil remedies.

#### **SECTION 5. Civil Remedies.**

A 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 or any regulations promulgated hereunder including that the Landlord has demanded, accepted, received, retained a payment or payments in excess of the lawful Rent, failed to maintain a Rental Unit in compliance with applicable health and safety and building codes, including but not limited to Civil Code Sections 1941.1 et seq. and Health and Safety Code Sections 17920.3 and 17920.10, or decreased Housing Services. In a civil suit, a Landlord found to violate this Ordinance shall be liable to the Tenant for all actual damages, including but not limited to the damages described in this Section. A prevailing Tenant in a civil action brought to enforce this Ordinance shall be awarded 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 6. 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 shall not affect the validity of the remaining portions of this ordinance.

#### **SECTION 7. Effective Date and Expiration Date.**

This ordinance shall take effect immediately following its adoption. If there is no just cause for eviction and rent stabilization measure or other similar measure placed on the ballot for the November 6, 2018 General Municipal Election, this Ordinance shall terminate on September 1, 2018. If a just cause for eviction and rent stabilization measure or other similar measure is placed on the ballot for the November 6, 2018 General Municipal Election and is not approved by a majority of the voters, this ordinance shall terminate upon the City Council's certification of election results for the November 6, 2018 General Municipal Election. In the event that a just cause for eviction and rent stabilization measure or other similar measure is approved by a majority of the voters at the November 6, 2018 General Municipal Election, this Ordinance shall terminate upon the effective date of the just cause for eviction and rent stabilization measure.

**SECTION 8. 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 13<sup>th</sup> day of February, 2018, by the following vote:

AYES: Councilmembers Krohn, Chase, Brown. Noroyan; Vice Mayor Watkins.

NOES: Councilmember Mathews; Mayor Terrazas.

ABSENT: None.

DISQUALIFIED: None.

APPROVED:

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David Terrazas, Mayor

ATTEST: \_\_\_\_\_

Bonnie Bush, Interim City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2018-04 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

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City Clerk Administrator