President's Message

Betty Jeppesen, President SBRPA

Santa Barbara City Council

Just Cause Ordinance

When you read this, the Santa Barbara City Council will have had its first reading of these proposed amendments to the Just Cause Ordinance which are different from and in addition to the Rent Stabilization Ordinance.

Here are some highlights. Please look to page 43 for the highlighted portions of the Ordinance proposals."

- You cannot begin an eviction process (3-day notice to pay rent or quit) unless the rent has been unpaid for ONE FULL MONTH.
- You have to prove that you are entitled to that rent. So, if the tenant is claiming habitability issues, you have to prove that there are none.
- You cannot evict to move in a close relative if that would result in a child under 18 being displaced during a school year.
- You cannot evict to move in a close relative if that would result in the displacement of a teacher at a school.
- You cannot evict to take the unit off the market except with the extension of ONE FULL YEAR if a senior asks for it.
- You cannot re-rent for 10 years or you are subject to penalties.
- The exemptions for single family homes, condos and owner occupied units renting out no more than two units including an ADU or Junior ADU from paying relocation fees ARE GONE.

Are they getting to you yet? Will landlords come out and speak against this now? What will it take? It is always a handful of us representing landlords and a **ROOM FULL of tenants** who get in the Council's face and say **DO THE RIGHT THING** according to what they think it the right thing.

Please take a look at the highlighted portions of what I have put together.

Thank you.

Betty

Betty L. Jeppesen
SBRPA President

This is a continuation of the President's Message

Dear Members,

The Santa Barbara City Council agenda for next Tuesday, October 20th, has just been released.

Unbelievably, the City Council intends to REMOVE the following exemptions from having to pay relocation assistance payments for Just Cause, No Fault evictions:

[Deleted] F. A property containing two separate dwelling units within a single structure 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, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

G. Housing that has been issued a certificate of occupancy within the previous 15 years.

H. A rental unit that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

1. 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.

2. 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 the effective date of this chapter, the notice required under subsection (H)(2)(a) of this section may, but is not required to, be provided in the rental agreement.

c. For any tenancy commenced or renewed on or after the effective date of this chapter, the notice required under subparagraph a. must be provided in the rental agreement.

d. Addition of a provision containing the notice required under subsection (H)(2)(a) to any new or renewed rental agreement or fixed-term lease constitutes similar other terms for the purposes of Section 26.50.070(B)(1)(e). [End Deleted]

So, all of these units that did not have to pay relocation assistance fees are now SUBJECT to these fees.

There is also the addition of the following exemptions INSTEAD:

"[New Language] F [End New Language]. 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. This exception does not apply to tenancies assisted by Section 8 Housing Choice Vouchers where the housing is not otherwise restricted by deed, regulatory restriction contained in an agreement with a government agency, or recorded document or agreement requiring the owner to offer housing at below market rent."

In the section that allows a former tenant the right to rerent for two years following an eviction for remodel, the rent is now the rent at the time the notice of termination was given plus only the amount allowed under the new section 26.90 or as set by Civil Code section 1954.53 or Section 26.50.100 (D) or (E).

The reporting to the Community Development Department is replaced by a new department called City Administrator's Office, Office of Housing and Community Vitality.

"Owner" under the code is now defined as California Civil Code section 1946.2(b)(2)(A)(viii)(II) definition which is: "Owner" means any of the following:

(ia) An owner who is a natural person that has at least a 25-percent recorded ownership interest in the property.

(ib) An owner who is a natural person who has any recorded ownership interest in the property if 100 percent of the recorded ownership is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

(ic) An owner who is a natural person whose recorded interest in the property is owned through a limited liability company or partnership.

26.50.071. Substantive Limitations on At-fault Just Cause Evictions

A. The following substantive limitations apply to at-fault just cause evictions under Section 26.50.070 for default in the payment of rent:

1. Rent may be in default only if the owner is entitled to payment of the rent amount under the rental agreement executed by the owner and tenant and applicable law. Rent is not in default as to any amount that a tenant has lawfully withheld for the owner's breach of the rental agreement, failure to provide a habitable rental unit, or failure to perform any obligation imposed on the owner under applicable law.

2. An owner shall not evict a tenant for default in the payment of rent unless the amount of rent past due and unpaid is equivalent to one full month's rent under the rental agreement executed by the tenant and owner.

3. In any action to recover possession of a rental unit under Section 26.50.070 for default in the payment of rent, it shall be a defense that the owner impeded the tenant's effort to pay rent by refusing to accept rent that a third party paid on behalf of the tenant, refusing to provide a W-9 form or other necessary documentation for the tenant to receive rental assistance from a government agency, non-profit organization, or other third party, or denied access to any payment method authorized at or immediately prior to the time of the issuance of any notice to pay rent or quit.

B. The following substantive limitations apply to at-fault just cause evictions under Section 26.50.070 for breach of a material term of the lease:

1. The material term breached must be lawful, reasonable, and plainly stated in the rental agreement signed by the tenant. When a material term is added to a rental agreement after the initial creation of the tenancy the owner must inform the tenant in writing that acceptance of the new term is not mandatory for continuation of the tenancy unless the new term is required by law. If the new term is required by law, the owner must notify the tenant in writing of the specific legal requirement mandating the new or changed term.

2. To establish a substantial violation of a material term of the tenancy, the owner must demonstrate all of the following:

a. that the violation caused substantial actual injury to the owner or to other residents;

b. that the tenant's conduct was unreasonable; and

c. the term complies with paragraph 1 of this Subsection.

There is also new language under the eviction for the breach of a material term of the agreement as follows;

"26.50.071. Substantive Limitations on At-fault Just Cause Evictions

A. The following substantive limitations apply to at-fault just cause evictions under Section 26.50.070 for default in the payment of rent:

1. Rent may be in default only if the owner is entitled to payment of the rent amount under the rental agreement executed by the owner and tenant and applicable law. Rent is not in default as to any amount that a tenant has lawfully withheld for the owner's breach of the rental agreement, failure to provide a habitable rental unit, or failure to perform any obligation imposed on the owner under applicable law.

2. An owner shall not evict a tenant for default in the payment of rent unless the amount of rent past due and unpaid is equivalent to one full month's rent under the rental agreement executed by the tenant and owner.

3. In any action to recover possession of a rental unit under Section 26.50.070 for default in the payment of rent, it shall be a defense that the owner impeded the tenant's effort to pay rent by refusing to accept rent that a third party paid on behalf of the tenant, refusing to provide a W-9 form or other necessary documentation for the tenant to receive rental assistance from a government agency, non-profit organization, or other third party, or denied access to any payment method authorized at or immediately prior to the time of the issuance of any notice to pay rent or quit.

B. The following substantive limitations apply to at-fault just cause evictions under Section 26.50.070 for breach of a material term of the lease:

1. The material term breached must be lawful, reasonable, and plainly stated in the rental agreement signed by the tenant. When a material term is added to a rental agreement after the initial creation of the tenancy the owner must inform the tenant in writing that acceptance of the new term is not mandatory for continuation of the tenancy unless the new term is required by law. If the new term is required by law, the owner must notify the tenant in writing of the specific legal requirement mandating the new or changed term.

2. To establish a substantial violation of a material term of the tenancy, the owner must demonstrate all of the following:

a. that the violation caused substantial actual injury to the owner or to other residents;

b. that the tenant's conduct was unreasonable; and

c. the term complies with paragraph 1 of this Subsection.

3. Before commencing to evict a tenant for breach of a material term of rental agreement, the owner must serve the tenant a written notice of the violation, demand that the violation be cured, and give the tenant a reasonable opportunity to cure the violation. The written notice must inform the tenant that a failure to cure may result in the initiation of eviction proceedings. The written notice must contain a brief statement of the facts upon which the owner is relying and sufficient details of the violation to allow the tenant to reasonably comply with the demand to cure.

C. The fact that a tenant has been arrested not on the property, convicted of a crime in the past, been the victim of a crime, or contacted the police or other emergency services, in and of itself, is not evidence of nuisance for purposes of an eviction under Section 26.50.070 for maintaining, committing, or permitting the maintenance or commission of a nuisance. Conduct that is the result of the status of a tenant as a victim of domestic violence, sexual assault, stalking, human trafficking, elder abuse, or another crime against the tenant shall not be evidence of a nuisance under Section 26.50.070 unless the conduct is by the tenant and would otherwise constitute a nuisance under applicable law.

D. Before commencing to evict a tenant for committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure, an owner must serve the tenant a written notice of the conditions alleged to constitute waste, demand that the tenant cure the condition, and give the tenant a reasonable opportunity to cure the violation. A tenant may cure the condition by ceasing the conduct giving rise to the condition and restoring the property to a habitable condition or paying the owner the reasonable cost of restoring the property to a habitable condition as agreed by the tenant and owner.

E. Nothing in this Section shall be construed to alter the procedure for filing an action for recovering possession of a rental unit under Part 3, Title 3, Chapter 4 of the California Code of Civil Procedure. [End New Language] 3. Before commencing to evict a tenant for breach of a material term of rental agreement, the owner must serve the tenant a written notice of the violation, demand that the violation be cured, and give the tenant a reasonable opportunity to cure the violation. The written notice must inform the tenant that a failure to cure may result in the initiation of eviction proceedings. The written notice must contain a brief statement of the facts upon which the owner is relying and sufficient details of the violation to allow the tenant to reasonably comply with the demand to cure.

F. The fact that a tenant has been arrested not on the property, convicted of a crime in the past, been the victim of a crime, or contacted the police or other emergency services, in and of itself, is not evidence of nuisance for purposes of an eviction under Section 26.50.070 for maintaining, committing, or permitting the maintenance or commission of a nuisance. Conduct that is the result of the status of a tenant as a victim of domestic violence, sexual assault, stalking, human trafficking, elder abuse, or another crime against the tenant shall not be evidence of a nuisance under Section 26.50.070 unless the conduct is by the tenant and would otherwise constitute a nuisance under applicable law.

G. Before commencing to evict a tenant for committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure, an owner must serve the tenant a written notice of the conditions alleged to constitute waste, demand that the tenant cure the condition, and give the tenant a reasonable opportunity to cure the violation. A tenant may cure the condition by ceasing the conduct giving rise to the condition and restoring the property to a habitable condition or paying the owner the reasonable cost of restoring the property to a habitable condition as agreed by the tenant and owner.

H. Nothing in this Section shall be construed to alter the procedure for filing an action for recovering possession of a rental unit under Part 3, Title 3, Chapter 4 of the California Code of Civil Procedure. [End New Language]"

New language concerning a family member moving in:

"26.50.072. Substantive Limitations on No-fault Just Cause Evictions

A. The following substantive limitations apply to no-fault just cause evictions under Section 26.50.070 for use and occupancy of a rental unit by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents (collectively referred to as "owner's use" in this Subdivision).

1. Once an owner has recovered possession of a rental unit for owner's use, the owner may not recover possession of any other rental unit on the property for the same purpose. This subsection does not prevent an owner in good faith from permanently withdrawing rental units from the rental market.

2. It shall be a complete defense to an action to recover possession for owner's use if the action would result in any of the following during a school year:

a. The displacement from the unit of a child under the age of 18;

b. The displacement from the unit of a tenant that has a custodial or family relationship with a child under the age of 18 and the child lives with the tenant on a regular basis at least part time during the school year; or

c. The displacement of a tenant who is a teacher or administrator employed by public or private, elementary, middle, or high school, junior college, college, or university. School year means a period of approximately 9 – 10 months, generally between the period from mid-August to mid-June. The tenant shall have the burden of producing evidence of the applicable school year and of the application of this defense.

B. Before commencing to evict a tenant to substantially remodel a rental unit, the owner shall comply with the requirements for a capital improvement plan under Section 26.50.110 of this Code.

C. Nothing in this Section shall be construed to alter the procedure for filing an action for recovering possession of a rental unit under Part 3, Title 3, Chapter 4 of the California Code of Civil Procedure. [End New Language]"

Concerning the removal of rental property from the market, the following language is now added:

"D. This subsection applies to rental units subject to Chapter 26.90 of this Code. The owner of a rental unit subject to Chapter 26.90 must comply with the following additional requirements:

1. When the owner gives notice of termination under subdivision B, the owner must also file a separate statement, under penalty of perjury, of the number of rental units on the property, the street address and unit designation of the rental units, the name or names of the tenants of each rental unit according to address and unit

designation, and the rent applicable to each rental unit according to address and unit designation. The statement must be filed with the City Administrator's Office, Office of Housing and Community Vitality on the same day that notice is given to the tenants. The statement shall be separate from the notice of termination and shall be treated as confidential information by the City for purposes of the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The City shall, to the extent required by the preceding sentence, be considered an "agency," as defined by subdivision (d) of Section 1798.3 of the Civil Code.

2. If a tenant is at least 62 years of age or disabled, and has lived in the rental unit for at least one year prior to the date of delivery to the City of the notice of termination, then the date of termination for the rental unit shall be extended to one year after the date of delivery to the City of that notice and the supplemental statement required by paragraph 1 of this subsection, provided that the tenant or lessee gives written notice of their entitlement to an extension to the owner within 60 days of the date of delivery to the City of the notice of termination. In that situation, the following provisions shall apply:

a. The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the City of the notice of termination, subject to any adjustments otherwise available under Chapter 26.90.

b. No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.

c. The owner may elect to extend the tenancy on any other unit on the property to coincide with the termination date of the rental unit extended under this paragraph 2, subject to subparagraphs a. and b.

d. Within 30 days of the notification by the tenant to the owner of their entitlement to an extension, the owner shall give written notice to the City of the claim that the tenant is entitled to stay in their accommodations or unit within the accommodations for one year after date of delivery to the City of the notice of termination.

e. The notice of termination to a tenant of a rental unit shall contain a statement of the rights and responsibilities under this paragraph 2.

E. This subsection applies to rental units subject to Chapter 26.90 of this Code.

1. For all tenancies commenced during either (a) the five-year period after any notice of intent to withdraw the rental unit is filed with the City, whether or not the notice of intent is rescinded or the withdrawal of the accommodations is completed pursuant to the notice of intent or (b) the five-year period after the rental unit is withdrawn from the rental market, the rental unit shall be offered and rented or leased at the lawful rent in effect at the time any notice of intent to withdraw the accommodations is filed with the City, plus annual adjustments available under Section 26.90.040. This paragraph shall prevail over any conflicting provision of law authorizing the owner to establish the rental rate upon the initial hiring of the accommodations.

2. If a rental unit is offered again for rent or lease for residential purposes within two years of the date the rental unit was withdrawn from the rental market, the following shall apply:

a. The owner of the rental unit shall be liable to any tenant who was displaced from the property by that action for actual and punitive damages. Any action by a tenant pursuant to this paragraph shall be brought within three years of the withdrawal of the rental unit from rent or lease. However, nothing in this paragraph precludes a tenant from pursuing any alternative remedy available under the law.

b. The City Attorney may institute a civil proceeding against the owner for punitive damages for displacement of tenants in violation of this paragraph. Any action pursuant to this paragraph shall be brought within three years of the withdrawal of the Rental Unit from rent or lease.

c. Any owner who offers a rental unit for rent or lease shall first offer the unit for rent or lease to any tenant displaced from that unit by the withdrawal pursuant to this chapter, if the tenant has advised the owner in writing within 30 days of the displacement of the tenant's desire to consider an offer to renew the tenancy and has furnished the owner with an address to which that offer is to be directed. The tenant or former tenant may advise the owner at any time during the eligibility of a change of address to which an offer is to be directed. If the tenant has advised the owner pursuant to this subdivision of a desire to consider an offer to renew the tenancy, then the owner shall offer to reinstitute a rental agreement or lease on terms permitted by law, including this subsection to that displaced tenant. This offer shall be deposited in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant the address furnished to the owner as provided in this subdivision, and shall describe the terms of the offer. The displaced tenant shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

3. An owner who offers a rental unit again for rent or lease within 10 years from the date on which it is withdrawn shall first offer the unit to any tenant displaced from that unit by the withdrawal, if that tenant requests the offer in writing within 30 days after the owner has notified the City of an intention to offer the rental unit again for residential rent or lease. The owner of the rental unit shall be liable to any tenant who was displaced by that action for failure to comply with this paragraph, for punitive damages in an amount which does not exceed the contract rent for six months, and the payment of which shall not be construed to extinguish the owner's obligation to comply with this Subsection.

4. When one or more rental units are demolished, any newly constructed rental unit on the same property offered for rent within five years of the date the demolished rental unit or units were withdrawn from the rental market, the newly constructed rental unit or units shall be offered at the rent that was paid at the time the prior tenancy was terminated, notwithstanding any conflicting provision of law authorizing the owner to establish the rental rate upon the initial hiring of rental units, and thereafter subject to the provisions of Chapter 26.90 notwithstanding any exemption in that Chapter for newly constructed rental units. [End New Language]

Section 10.

Chapter 26.50 of Title 26 of the Santa Barbara Municipal Code is amended by the addition of Section 26.50.110 to read as follows:

[New Language] **26.50.110 Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to Chapter 26.50**

A. Before property containing rental units subject to this Chapter may be sold, the owner/seller shall disclose to tenants of the property the rights of tenants during and after the sale of the property. This disclosure must be in writing and include:

1. A statement in bold type of at least 12 points that tenants cannot be evicted or asked to move solely because a property is being sold or solely because a new owner has purchased the property.

2. A statement that in bold type of at least 12 points that eviction of any qualified tenants of the property at the time of the sale may be evicted only for just cause as provided in Chapter 26.50 of this Code.

3. A statement in bold type of at least 12 points that the rental agreements of tenants cannot be materially changed solely because a property is being sold or solely because a new owner has purchased that property.

4. A statement that the owner's right to show units to prospective buyers is governed by California Civil Code section 1954, including a statement that tenants must receive notice as provided by Section 1954, and a statement that a showing must be conducted during normal business hours unless the tenant consents to an entry at another time.

5. A statement that tenants are not required to complete or sign any estoppel certificates or estoppel agreements, except as required by law or by that tenant's rental agreement. The statement shall further inform tenants that tenant rights may be affected by an estoppel certificate or agreement and that the tenants should seek legal advice before completing or signing an estoppel certificate or agreement.

B. Within 30 days of acquiring title to rental units subject to this Chapter, the new purchaser/owner shall disclose to tenants of the property the rights of tenants following this sale of the property. This disclosure shall be in writing and shall include:

1. A statement in bold type of at least 12 points that tenants cannot be evicted or asked to move solely because a new owner has purchased that property.

2. A statement in bold type of at least 12 points that the rental agreements of tenants cannot be materially changed solely because a new owner has purchased that property.

3. A statement that in bold type of at least 12 points that eviction of any qualified tenants of the property at the time of the sale remain may be evicted only for just cause as provided in Chapter 26,50 of this Code. [End New Language]

Section 11.

Chapter 26.50 of Title 26 of the Santa Barbara Municipal Code is amended by the addition of Section 26.50.120 to read as follows:

"[New Language] **26.50.120 Recordation of Notice of Restriction on Real Property**

A. Upon eviction of a tenant for a no-fault just cause eviction for which the tenant has a right of first refusal to re-rent under Section 26.50.055 or subsections (b)(2)(A)(vi) and (b)(2)(D)(iv) of Civil Code Section 1946.2 as adopted by Section 2 of Chapter 290 of 2023 California Statutes, the owner shall record a notice with the county recorder that specifically describes the real property where the rental unit or units are located, the dates applicable to the right of first refusal, and the name of the owner of record of the real property. The notice shall be indexed in the grantor-grantee index.

B. Upon receipt of notice of termination for withdrawal of property from the rental market, the City Administrator, Office of Housing and Community Vitality, is authorized and directed to file a notice with the county recorder that specifically describes the real property where the rental unit or units are located, the restriction on use of the real property for residential rental purposes under Section 26.50.100, subsection C, the duration of the restriction on use, and the name of the owner of record of the real property. The notice shall be indexed in the grantor-grantee index. [End New Language]"

IF YOU DISAGREE WITH THESE CHANGES, PLEASE WRITE, CALL OR GO TO THE CITY COUNCIL MEETING ON TUESDAY, OCTOBER 27TH THE WEEK AFTER NEXT AND MAKE YOUR VOICES HEARD.

Betty L. Jeppesen

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President SBRPA