

ORDINANCE NO. 2018-

AN ORDINANCE OF THE CITY OF SANTA CRUZ AMENDING CHAPTER 21.03 OF THE SANTA CRUZ MUNICIPAL CODE PERTAINING TO RELOCATION ASSISTANCE FOR DISPLACED TENANTS

BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

Section 1. Chapter 21.03—RELOCATION ASSISTANCE FOR DISPLACED TENANTS of the Santa Cruz Municipal Code is hereby amended to read as follows:

“Chapter 21.03

RELOCATION ASSISTANCE FOR DISPLACED TENANTS

21.03.010 INTENT AND PURPOSE.

The City Council finds that tenants who are required to vacate structures rented for residential purposes due to unsafe or hazardous living conditions, or due to illegal use of the structure as a residence, or tenants who relocate due to a large rent increase, oftentimes confront difficulties in finding temporary housing while said structure is being repaired, and/or difficulties in finding other permanent affordable housing. Further, said difficulties create a financial hardship for said tenants. The City Council also finds that property owners who do not maintain rental properties and who allow said structures to become unsafe or hazardous should bear responsibility for the hardship their actions create for said tenants. Therefore, the City Council finds and declares it necessary to enact this chapter to protect the public health, safety and welfare. Nothing herein shall limit or preclude other remedies available to tenants under the law.

21.03.020 DEFINITIONS.

For purposes of this chapter, the following words and phrases, whenever used, shall be construed as defined in this section:

- (a) “Large rent increase” shall mean a rent increase of more than ten-percent (10%) in one year or cumulatively more than 15.5-percent in any two consecutive years (e.g., 15.5-percent includes compound interest for a maximum ten-percent increase in one year followed by a five-percent increase in the following year but would not allow for consecutive 7.5-percent annual increases, as this would exceed 15.5-percent over a two-year period).
- (b) “Relocation assistance” shall mean a relocation payment and the right of first refusal to reoccupy a residential structure, as defined in this section.
- (c) “Relocation payment” shall mean:

- (1) For tenants who are required to vacate structures rented for residential purposes due to unsafe or hazardous living conditions, or due to illegal use of the structure as a residence, the immediate payment of three months’ fair market value rent for a unit of comparable size, as

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established by the most current Federal Department of Housing and Urban Development schedule of fair market rents, or three months of the tenant's actual rent at the time of relocation, whichever is greater, or other arrangements of equal benefit which are agreeable to the tenant as evidenced by a written agreement between the tenant and the property owner. Such agreement shall at a minimum contain each of the following components:

- (A) The names of the current occupants of the unit being vacated, and an indication of who is considered the head of household therein;
- (B) The address and the number of the unit from which the tenant is being displaced;
- (C) A statement indicating the amount of relocation payment to which the tenant is entitled, according to the most current Federal Department of Housing and Urban Development schedule of fair market rent for the size of the subject unit;
- (D) A statement that the tenant has waived the right to such relocation payment, and describing what, if any, alternative arrangements of equal benefit the landlord has agreed to provide the tenant, which is acceptable to the tenant in lieu of relocation payment; and
- (E) The address, if known, of the location to which the tenant plans to move.

(2) Where a tenant is required to vacate a structure with less than thirty days' notice, relocation payment shall also include the immediate payment of one additional month's fair market value rent for a unit of comparable size, as established by the most current Federal Department of Housing and Urban Development schedule of fair market rents, or the provision of alternative, safe and legal housing for thirty days after the tenant vacates, whichever the tenant prefers.

(3) For tenants who relocate due to a large rent increase, the immediate payment of two months of the tenant's actual rent, prior to the large rent increase, at the time of relocation or sooner if applicable pursuant to Section 21.03.030(a)(2), or other arrangements of equal benefit which are agreeable to the tenant as evidenced by a written agreement between the tenant and the property owner. Such agreement shall at a minimum contain each of the following components:

- (A) The names of the current occupants of the unit being vacated, and an indication of who is considered the head of household therein;
- (B) The address and the number of the unit from which the tenant is being displaced;
- (C) A statement indicating the amount of relocation payment to which the tenant is entitled, according to the most current lease or rental agreement;

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(D) A statement that the tenant has waived the right to such relocation payment, and describing what, if any, alternative arrangements of equal benefit the landlord has agreed to provide the tenant, which is acceptable to the tenant in lieu of relocation payment; and

(E) The address, if known, of the location to which the tenant plans to move.

(4) “Immediate payment” of any relocation payment shall mean payment delivered to the tenant prior to the time the tenant vacates the unit.

(5) A relocation payment shall be a separate requirement and obligation payable to a tenant in addition to the refund of any security deposit pursuant to California Civil Code Section 1950.5 or the payment of interest accrued on said security deposit pursuant to Chapter 21.02 of this code.

(d) “Right of first refusal” shall mean the right of a tenant to reoccupy a residential structure on the site formerly occupied by said tenant, once the residential structure is repaired and becomes habitable, or once housing is redeveloped on the site.

21.03.030 RELOCATION ASSISTANCE REQUIREMENTS.

(a) Relocation Payment Due. The owner of any structure rented for residential purposes shall provide directly to each tenant a relocation payment as defined in Section 21.03.020 as follows:

(1) Within one week of the notice to vacate or prior to the time the tenant vacates the unit, whichever comes first, for any notice of eviction or other order requiring a tenant to vacate any structure rented for residential purposes due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence, or

(2) Within thirty calendar days after a tenant gives the owner notice of intent to vacate due to a large rent increase, or prior to the time the tenant vacates the unit, whichever comes first. The tenant shall provide such notice of intent to vacate no later than sixty days after the effective date of such increase. If such notice is not given by tenant within sixty days of effective date of rent increase, the tenant is understood to have accepted such increase and is no longer eligible to claim relocation assistance from the property owner.

(b) Proof of Compliance. In order to provide proof of compliance by the property owner with the relocation payment requirements due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence, a copy of the check or money order provided to the tenant, and a receipt signed by the tenant, or a copy of the written agreement executed by the property owner and the tenant providing for and describing alternative arrangements, shall be provided to the code compliance specialist of the city of Santa Cruz department of planning and community development within five days of the date that the unit is vacated by the tenant.

(c) Right of First Refusal. Any tenant evicted or required to vacate any residential structure due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence shall

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be given the right of first refusal to reoccupy a residential structure on the site once said structure becomes habitable, or once housing is redeveloped on the site.

- (1) The owner of said structure shall, at the time the tenant vacates, provide written notice advising the tenant of the right of first refusal. Said notice shall include a current address and telephone number which can be used by the tenant to contact the owner.
- (2) It shall be the tenant's responsibility to provide the owner of said structure with contact information consisting of the tenant's current address and/or telephone number to be used for future notification, and to provide updated contact information to the owner upon change of said information.
- (3) Thereafter, when said structure, or a redeveloped structure on the same site, becomes habitable, the property owner shall give written notice to the tenant advising said tenant that the structure is ready for occupancy. Said written notice shall be made by certified mail, return receipt requested.
- (4) If the property owner cannot locate a previous tenant after two attempts over a period of two weeks, the property owner shall be deemed to have complied with the right of first refusal provision of this chapter, and the tenant's right of first refusal shall thereafter be forfeited.

21.03.040 EXCEPTIONS.

- (a) Any tenant evicted or required to vacate as a result of unsafe or hazardous living conditions or illegal use, who is then in default of rent (except tenants withholding rent pursuant to state law for correction of unsafe or hazardous conditions), who refuses to vacate after the timely payment of the relocation payment, or who has caused or substantially contributed to the condition(s) giving rise to the abatement, shall not be entitled to receive relocation assistance from the property owner.
- (b) Property owners are not required to provide relocation assistance to any tenant evicted or required to vacate a residential structure that becomes unsafe or hazardous due to recent events that are beyond the control of the property owner.
- (c) For tenants who relocate due to a large rent increase, tenant shall provide such notice of intent to vacate no later than sixty days after the effective date of such increase. If such notice is not given by tenant within sixty days of effective date of rent increase, tenant is understood to have accepted such increase and is no longer eligible to claim relocation assistance from the property owner.

21.03.050 RENT INCREASES DURING REPAIRS.

- (a) In those cases where the owner has been issued a notice and order by the city to repair or remedy unsafe or hazardous living conditions or illegal use of residential rental property and where said repairs or remediation do not require the relocation of tenants, thereby allowing tenants to remain in residence while said repairs are undertaken, it shall be unlawful for a property owner to increase the amount of rent for any structure rented for residential purposes

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during the time that repairs are being made pursuant to the city notice and order requiring said repairs. No rent increase shall thereafter be levied until the city has issued a notice of correction verifying the fact that said repairs or remediation have been completed.

(b) In those cases where a notice and order has been issued to a property owner by the city to repair or remedy unsafe or hazardous living conditions or illegal use of residential rental property, and where said notice and order has been issued by the city within 90 days of a rent increase levied by the property owner upon the tenants of the property, and where said repairs or remediation do not require the relocation of the tenants, thereby allowing tenants to remain in residence while said repairs are undertaken, the property owner shall be required to roll back rents to the rates of rent charged by the landlord prior to the subject rent increase. In addition, all excess rents collected by the property owner between the date of the rent increase and the date of the notice and order shall be refunded to the tenants. Thereafter, it shall be unlawful for the property owner to increase the amount of rent during the time that said repairs and remediation are being made pursuant to the subject notice and order requiring said repairs and no rent increase shall be levied until the city has issued a notice of correction verifying the fact that said repairs or remediation have been completed.

21.03.060 VIOLATION AND PENALTY.

Any violation of this chapter shall be deemed an infraction for the first offense. Any subsequent violation occurring within six months from the first offense shall be deemed a misdemeanor. In addition to any other available remedies and penalties, said offense(s) shall be subject to the remedies and penalties provided for in Title 4 of this code. In accordance with this code with Section 4.12.030, an administrative civil penalty of up to two thousand five hundred dollars per day may be assessed for each day during which a property owner or manager fails to provide relocation assistance required by Section 21.03.030 following issuance of a written order or notice of violation by the city. Nothing herein shall limit the right of a tenant to enforce the obligations provided herein by civil action or by any other legal remedy which may be available to said tenant.

21.03.070 PRIVATE RIGHT OF ACTION.

Any person whose rights pursuant to this chapter have been violated shall have the right to file an action for injunctive relief and/or damages. Whoever is found to have violated this chapter shall be subject to appropriate injunctive relief and shall be liable for damages, costs and reasonable attorney's fees. Treble damages shall be awarded for willful failure to comply with the payment obligation established by this chapter. Any action pursuant to this section shall be a civil matter and adjudicated through civil court.

Section 2. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid, that holding shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of

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the fact any one or more sections, subsections, sentences, clauses or phrases might be declared unconstitutional or invalid.

Section 3. This ordinance shall be in force and take effect immediately upon certification of the failure of the November 2018 “Santa Cruz Rent Control and Tenant Protection Act” ballot initiative to obtain votes required for its passage. Should said ballot initiative pass, this ordinance shall be null and void, and existing Municipal Code provisions related to this chapter shall remain in full force and effect.

Section 4. Future changes to 21.03.020(c)(3) related to the number of months of rent a tenant is due and 21.03.030(a) related to the rent increase percentages may be adopted by Council resolution.

PASSED FOR PUBLICATION this 11th day of September, 2018 by the following vote:

AYES:
NOES:
ABSENT:
DISQUALIFIED:

APPROVED: ss/David Terrazas, Mayor

ATTEST: ss/Bonnie Bush, Interim City Clerk Administrator

PASSED FOR FINAL ADOPTION this __ day of __, 2018 by the following vote:

AYES:
NOES:
ABSENT:
DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

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

City Clerk