



# CITY OF SANTA ANA

## **City Council Meeting Date**

August 29, 2023

## **Subject**

Rent Stabilization and Just Cause Eviction Ordinance Amendments

## **Councilmember-Requested Item Title**

Discuss and consider directing the City Manager to prepare an ordinance for City Council's consideration to amend the City of Santa Ana's Rent Stabilization and Just Cause Eviction Ordinance to require supermajority approval of the total number of Councilmembers for certain future amendments to the ordinance.

## **Discussion**

After many years of painstaking advocacy by residents, the City of Santa Ana's Rent Stabilization Ordinance ("RSO")<sup>1</sup> and Just Cause Eviction Ordinance ("JCEO")<sup>2</sup> were adopted in fall 2021, and amended in fall 2022,<sup>3</sup> as the first city-wide rent stabilization ordinance in Orange County. Since its adoption, the City of Santa Ana has adopted a \$100 annual Rental Registry fee<sup>4</sup> to establish a Rental Registry, support a Rental Board, and hire staff to support programs implementing the provisions of the RSO and JCEO.

Since its adoption, rent stabilization ordinances have been contemplated and adopted throughout the United States. Most recently, the White House lauded Santa Ana's Rental Registry as a model for supporting renters who are increasingly facing evictions, homelessness, and displacement due to skyrocketing rents.<sup>5</sup>

The RSO is one tool in Santa Ana's toolbox to help address the housing crisis. Rent stabilization

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<sup>1</sup> Ordinance No. NS-3009.

<sup>2</sup> Ordinance No. NS-3010.

<sup>3</sup> Ordinance No. NS-3027.

<sup>4</sup> Resolution No. 2023-031 (adopted June 6, 2023).

<sup>5</sup> The White House, "White House Fact Sheet: Biden-Harris Administration Takes Action to Protect Renters," accessed July 27, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/27/fact-sheet-biden-harris-administration-takes-action-to-protect-renters/#:~:text=Santa%20Ana's%20new%20rental%20registry,and%20supports%20to%20qualified%20household> S.

does just that—it stabilizes residents, their families, and the communities in which they live. Homeowners have “mortgage control” in the form of 1978’s Proposition 13, which prohibits the government from increasing property taxes more than 1% of a property’s market value at the time of acquisition per year and limited the growth of a home’s taxable value to 2% a year.<sup>6</sup> Renters make up approximately 55% of Santa Ana residents,<sup>7</sup> many of whom have lived in the same unit for decades, and they deserve the same stability as homeowners. Most recently, a group of 32 economist signed a joint letter to the Federal Housing Finance Agency in support of rent stabilization.<sup>8</sup>

The JCEO is one other tool in the City’s toolbox that addresses the housing crisis and helps to alleviate one of the causes of homelessness. The JCEO helps to ensure that tenants who timely pay their rents and who comply with provisions of their rental agreement are not unfair evicted. In particular, the JCEO provides that tenants who are evicted for no-fault just cause receive some assistance relocating.

Exhibit A to this Council Requested Item Memorandum is an Ordinance Amending the City of Santa Ana Rent Stabilization and Just Cause Eviction Ordinance. It would require a supermajority of the total number of Councilmembers (five out of seven) to adopt an amendment to the RSO and JCEO relating to:

1. The RSO’s repeal;
2. The JCEO’s repeal;
3. Increasing the maximum allowable annual rent increase above 3% per year or 100% of the Consumer Price Index (as defined in the RSO) or whichever is lower;
4. Dissolution of the Rental Registry and/or the Rental Registry fee;
5. Dissolution of the Rental Board;
6. Removal or amendment of circumstances established as no-fault just cause for purposes of eviction; and/or
7. Changes to the RSO which may have the same or substantially similar results as items 1-6 listed above.

The amendments to the RSO and JCEO as evidenced in the attached Exhibit A are crucial for ensuring the continuity and longevity of these protections.

**Submitted By**

- Councilmember Thai Viet Phan

**Attachment**

- Exhibit A - An Ordinance of the City Council of the City of Santa Ana Amending Article XIX of Chapter 8 of the Santa Ana Municipal Code Pertaining to the Rent Stabilization and Just Cause Eviction Ordinances

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<sup>6</sup> Matt Levin, “What is Prop 13?” accessed August 17, 2023, <https://projects.scpr.org/prop-13/history/>.

<sup>7</sup> See United States Census Bureau, QuickFacts, accessed August 17, 2023, <https://www.census.gov/quickfacts/fact/table/santaanacitycalifornia/HSG445221#HSG445221>.

<sup>8</sup> Letter re Tenant Protections for Enterprise-Backed Multifamily Properties Request for Input (July 28, 2023), [https://peoplesaction.org/wp-content/uploads/2023/07/Economist-Sign-on-Letter\\_-FHFA-RFI-Response-1.pdf](https://peoplesaction.org/wp-content/uploads/2023/07/Economist-Sign-on-Letter_-FHFA-RFI-Response-1.pdf).