

ORDINANCE NO. NS-XXXX

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 TO REQUIRE TWO-THIRDS APPROVAL BY ALL MEMBERS OF THE CITY COUNCIL FOR CERTAIN FUTURE AMENDMENTS

THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of Santa Ana hereby finds, determines, and declares as follows:

- A. At the City Council meetings on September 21, 2021, and October 5, 2021, the City Council discussed the City of Santa Ana's ("Santa Ana" or "City") ability to address rent increases on residential real property and in mobilehome parks wherein hundreds of City residents provided spoken and written comments about their experiences of landlords purporting tenant crimes without proof as justification for evictions, unjust rent increases without a proportional increase in the quality of housing provided, and various quality of life issues as residents, renters, and property owners in Santa Ana.
- B. On October 19, 2021, the City Council adopted Ordinance No. NS- 3009, known as the Rent Stabilization Ordinance ("RSO") and Ordinance No. NS-3010, known as the Just Cause Eviction Ordinance ("JCEO") appearing as Article X, Division 4 and Division 5 in the Santa Ana Municipal Code ("SAMC"). The RSO and JCEO were adopted to regulate rent increases and evictions in certain rental properties and mobilehome spaces in the City of Santa Ana.
- C. The findings in Ordinance No. NS-3009 and Ordinance No. NS-3010 articulate that significant rent increases and housing instability pose a threat to public health, safety and welfare, and a particular hardship for senior citizens, persons living on fixed incomes, and other vulnerable persons living in Santa Ana. These findings are still true and incorporated herein.
- D. Additionally, the City Council adopted Resolution No. 2021-054, directing staff to:
(1) Conduct further study of the additional regulatory framework and infrastructure necessary to implement residential rent stabilization, just cause eviction, and other protections for Santa Ana residents facing housing instability; and, (2) Include the creation and operation of a Rent Board or similar body, a rent registry, and the related costs thereof.

- E. On October 4, 2022, the Santa Ana City Council approved the First Reading of Ordinance No. NS-3027 an Ordinance of the City Council of the City of Santa Ana Amending Article X of Chapter 8 of the Santa Ana Municipal Code and Creating a New Article XIX in Chapter 8 of the Santa Ana Municipal Code Pertaining to the Rent Stabilization and Just Cause Eviction Ordinance.
- F. On October 18, 2022, the City Council adopted Ordinance No. NS-3027 (“the Ordinance”) and incorporated by reference the Request for City Council Action for amendments to these Ordinances dated October 4, 2022 together with the Ordinance, any amendments or supplements, and oral testimony, constituted the necessary findings for the Ordinance. Ordinance No. NS-3027 adopted amendments to the RSO and JCEO to implement efficient and effective program services to rental property owners and tenants and promote long-term sustainability of the programs, which include:
1. Create a Rental Housing Board;
 2. Create a Rental Registry;
 3. Adopt a Rental Registry Fee;
 4. Develop a Work Plan;
 5. Conduct a Fee Study Based on the Work Plan and Staffing Needs;
 6. Expand Compliance Activities;
 7. Create a Capital Improvement Petition and Tenant Petition;
 8. Establish Petition Fees and a Petition Review Process;
 9. Create a Voluntary Mediation Process; and,
 10. Join the Rent Stabilization Consortium.
- G. Since the adoption of the RSO and JCEO, Santa Ana residents have made multiple reports about landlords who have refused to comply with the law relating to rent increase and improper evictions.
- H. Requiring two-thirds approval for changes to certain provisions in Article XIX in Chapter 8 of the Santa Ana Municipal Code pertaining to the Ordinance shall help to provide tenants, landlords, Mobilehome residents, and interested parties with consistency and ongoing stability relating to the implementation of the RSO and JCEO as well as the programs and services related thereto.
- I. Pursuant to the City's police power, as granted broadly under Article XI, section 7 of the California Constitution, and Santa Ana Charter section 200, the Santa Ana City Council has the authority to enact and enforce ordinances and regulations for the public peace, health, and welfare of the City and its residents.
- J. The City Council finds, determines, and declares that the threat to the public health, safety and welfare of the City and its residents necessitates the enactment of the Ordinance amendment.

- K. The Request for City Council Action for amendments to the Ordinance dated October 3, 2023, by this reference, be incorporated herein, and together with this Ordinance, any amendments or supplements, and oral testimony, constitute the necessary findings for this Ordinance amendment.

Section 2. The recitals and statements of fact set forth in the preamble to this Ordinance are true and correct, constitute a substantive part of this Ordinance, and are incorporated herein by this reference.

Section 3. Section 8-3103 of Division 1 (Generally) of Article XIX (Rent Stabilization and Just Cause Eviction Ordinance) of Chapter 8 (Buildings and Structures) of the Santa Ana Municipal Code is hereby amended to read as follows (new language is underlined):

Sec. 8-3103. - Implementing regulations, policies and procedures.

(a) The City Manager or Program Administrator shall have the authority to promulgate regulations, policies and procedures to implement the requirements and fulfill the purposes of this Article. No person shall fail to comply with such regulations, policies and procedures.

(b) The Santa Ana City Council shall not amend this Section without approval by two-thirds (5/7) of all members of the City Council.

Section 4. Section 8-3120 (Restrictions on Termination of Tenancy Without Just Cause) of Division 2 (Just Cause Evictions) of Article XIX (Rent Stabilization and Just Cause Eviction Ordinance) of Chapter 8 (Buildings and Structures) of the Santa Ana Municipal Code is hereby amended to add subsection (k) to read as follows (new language is underlined):

Sec. 8-3120. Restrictions on termination of tenancy without just cause.

(a) After a Tenant has continuously and lawfully occupied a Residential Real Property for thirty (30) days, the Owner of the Residential Real Property shall not terminate the Tenancy without just cause, which shall be stated in the written notice to terminate Tenancy. The provisions of this section related to the termination of Tenants shall not apply to Mobilehomes or Mobilehome Spaces in Mobilehome Parks subject to the termination provisions of the Mobilehome Residency Law, Civil Code section 798.56, as applicable.

1) The Owner shall post a notice on a form prescribed by the City, providing information about the existence of this Division 2 of Article XIX of Chapter 8 of the Santa Ana Municipal Code, including protections related to immigration or citizenship status of Tenant found under Civil Code section 1940.35 and Code of Civil Procedure section

1161.4, as may be amended. Notice must be posted in a conspicuous location on the property. The notice shall be written in the language that the Owner and Tenant used to negotiate the terms of the Tenancy (e.g., Spanish, Chinese, Tagalog, Vietnamese and Korean), as well as English.

2) In addition to all other notice requirements specified elsewhere in this Division, the Owner of any Residential Real Property or Mobilehome Space, is required to provide written notice to Tenants of their rights under this Division as follows:

- A. The notice required by this Division must be on a form prescribed by the City and include the following information:
 - i. The existence and scope of this Division 2 of Article XIX of Chapter 8 of the Santa Ana Municipal Code; and
 - ii. The right to relocation assistance in limited circumstances pursuant to subsection (d)(2) herein.
- B. The Owner must provide Tenant with the notice upon serving any notice of change in terms of Tenancy.
- C. The Owner must provide the notice on or before the commencement of all Tenancies initiated after the effective date of this Division.

(b) For purposes of this section, "just cause" includes either of the following:

1) At-fault just cause, which is any of the following:

- A. Default in the payment of Rent.
 - B. A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation. A "breach of a material term" shall not include:
 - i. The obligation to limit occupancy, provided that the additional occupant who joins the Tenant of the Residential Real Property thereby exceeding the limits on occupancy set forth in the lease is:
 - I. A dependent under age eighteen (18);
- or
- II. A replacement Tenant who moved in after an approved Tenant vacated the

Residential Real Property, so long as the addition does not exceed the Uniform Housing Code.

- i. The Owner shall have the right to approve or deny the prospective additional or replacement Tenant, who is not a minor dependent child, provided that the Owner does not unreasonably withhold approval. If the Owner fails to respond to the Tenant in writing with a description of the reasons for the denial of the request within a reasonable amount of time of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Owner if the lease is for a period of one (1) year or less.
 - ii. A change in the terms of the Tenancy that is not the result of an express written agreement signed by both of the parties. An Owner is not required to obtain a Tenant's written consent to a change in the terms of the Tenancy if the change in the terms of the Tenancy is authorized by this section, or if the Owner is required to change the terms of the Tenancy pursuant to federal, State, or local law. Nothing in this subsection shall exempt an Owner from providing legally required notice of a change in the terms of the Tenancy.
- C. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - D. Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - E. The Tenant had a written lease that terminated on or after the effective date of this Ordinance, and after a written

request or demand from the Owner, the Tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.

- F. Criminal activity by the Tenant on the Residential Real Property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the Residential Real Property, that is directed at any Owner or agent of the Owner of the Residential Real Property or members of Tenant's household or other Tenants of the Residential Real Property. This at-fault, just cause provision shall apply if the Owner has, within a reasonable time, reported the criminal activity to law enforcement. Further, at-fault, just cause eviction of a Tenant under this provision shall only apply to that Tenant who committed the criminal activity described herein. If a Tenant is acquitted or found not guilty of the charges giving rise to eviction, or if charges are not filed against the Tenant within the applicable statute of limitations period, the Tenant shall be offered the right to restore the Tenancy only if the same Residential Real Property is available.
- G. Assigning or subletting the premises in violation of the Tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - i. Notwithstanding any contrary provision in this section, an Owner shall not take any action to terminate a Tenancy based on a Tenant's sublease of the Residential Real Property if all the following requirements are met:
 - I. The Tenant requests permission from the Owner in writing to sublease the Residential Real Property;
 - II. The Tenant continues to reside in the Residential Real Property as their primary residence;
 - III. The sublease replaces one (1) or more departed Tenants under the lease on a one-for-one basis; and
 - IV. The Owner fails to respond to the Tenant in writing within a reasonable amount of time of the receipt of the Tenant's written request. If the Owner fails to respond to the Tenant's written request, the request shall be deemed approved by the Owner if the lease is for a period of one (1) year or less. An Owner's reasonable refusal of the Tenant's written request may be based on, but is not limited to, the ground that

the total number of occupants in a Residential Real Property exceeds the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code or successor provision.

- H. The Tenant's refusal to allow the Owner to enter the Residential Real Property as authorized by Sections 1101.5 and 1954 of the Civil Code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.
 - I. Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - J. The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.
 - K. When the Tenant fails to deliver possession of the Residential Real Property after providing the Owner written notice as provided in Section 1946 of the Civil Code of the Tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the Owner but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.
- 2) No-fault just cause, which includes any of the following:
- A.i. Intent to occupy the Residential Real Property by the Owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.
 - ii. For leases entered into on or after the effective date of this Ordinance, this subsection shall apply only if the Tenant agrees, in writing, to the termination, or if a provision of the lease allows the Owner to terminate the lease if the Owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents unilaterally decides to occupy the Residential Real Property for a period of at least twenty-four (24) months, as affirmed by the Owner in a written affidavit submitted to the City. Addition of a provision allowing the Owner to terminate the lease as described in this clause to a new or renewed Rental Agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1).
 - B. Withdrawal of the Residential Real Property from the rental market for an anticipated period of at least twenty-four (24) months, as affirmed by the Owner in a written affidavit submitted to the City.
 - C. i. The Owner complying with any of the following:
 - I. An order issued by a government agency or court relating to habitability that necessitates vacating the Residential Real

Property.

- II. An order issued by a government agency or court to vacate the Residential Real Property.
- III. A local ordinance that necessitates vacating the Residential Real Property.

ii. If it is determined by any government agency or court that the Tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the Tenant shall not be entitled to relocation assistance as outlined in paragraph (3) of subdivision (d).

D. i. Intent to demolish or to substantially remodel the Residential Real Property.

i.I. The Owner shall provide advance notice to the Tenant of the ability to reoccupy the unit upon completion of the repairs, or if requested by the Tenant, the right of first refusal to any comparable vacant Rental Unit which has been offered at comparable Rent owned by the Owner; and

II. In the event the Owner seeks to rent the remodeled unit within six (6) months following the completion of the remodeling work, the evicted Tenant shall have the right of first refusal to reoccupy and rent the unit, unless the Owner provides a written waiver by the Tenant of their right to reoccupy the premises pursuant to this subsection.

iii. For purposes of this subparagraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, State, and local laws, that cannot be reasonably accomplished in a safe manner with the Tenant in place and that requires the Tenant to vacate the Residential Real Property for at least thirty (30) days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the Residential Real Property vacated, do not qualify as a substantial remodel.

(c) Before an Owner of Residential Real Property issues a notice to terminate a Tenancy for just cause that is a curable lease violation, the Owner shall first give notice of the violation to the Tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the Tenancy.

- 1) Any written notice to cease or correct must:
 - A. Be dated and served upon the Tenant, pursuant to at least one (1) of the methods authorized under California Code of Civil Procedure Section 1162, as may be amended;
 - B. Inform the Tenant that failure to cure may result in the initiation of eviction proceedings;
 - C. Inform the Tenant of the right to request a reasonable accommodation;
 - D. Inform the Tenant of the contact number for the Program Administrator; and
 - E. Include a specific statement of the reasons for the written notice to cease or correct with specific facts to help the Tenant determine the date(s), place(s), witness(es), and circumstance(s) that support the reason(s) for the eviction.
- (d)
 - 1) For a Tenancy for which just cause is required to terminate the Tenancy under subdivision (a), if an Owner of Residential Real Property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (b), the Owner shall, regardless of the Tenant's income, at the Owner's option, do one (1) of the following:
 - A. Assist the Tenant to relocate by providing a direct payment to the Tenant as described in paragraph 3; or
 - B. Waive in writing the payment of Rent for the final three (3) months of the Tenancy, prior to the Rent becoming due.
 - 2) If an Owner issues a notice to terminate a Tenancy for no-fault just cause, the Owner shall notify the Tenant of the Tenant's right to relocation assistance or Rent waiver and all other rights pursuant to this section. If the Owner elects to waive the Rent for the final three (3) month of the Tenancy as provided in subparagraph (B) of paragraph (1), the notice shall state the amount of Rent waived and that no Rent is due for the final three (3) months of the Tenancy.
 - 3)
 - A. The amount of relocation assistance or Rent waiver shall be equal to three (3) months of the Tenant's Rent that was in effect when the Owner issued the notice to terminate the Tenancy. Any relocation assistance shall be provided within fifteen (15) calendar days of service of the notice.
 - B. If a Tenant fails to vacate after the expiration of the notice to terminate the Tenancy, the actual amount of any relocation assistance or Rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.
 - C. The relocation assistance or Rent waiver required by this section shall be credited against any other relocation assistance required by any other law.

- 4) An Owner's failure to strictly comply with this section shall render the notice of termination void.
- (e) This section shall not apply to the following types of residential real properties or residential circumstances:
- 1) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940 of the Civil Code.
 - 2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
 - 3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
 - 4) Housing accommodations in which the Tenant shares bathroom or kitchen facilities with the Owner who maintains their principal residence at the Residential Real Property.
 - 5) Single-family Owner-occupied residences, including a residence in which the Owner-occupant rents or leases no more than two (2) units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.
 - 6) A duplex in which the Owner occupied one (1) 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.
 - 7) Housing that has been issued a certificate of occupancy within the previous fifteen (15) years.
 - 8) Residential Real Property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
 - A. The Owner is not any of the following:
 - i. A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
 - ii. A corporation.
 - iii. A limited liability company in which at least one (1) member is a corporation.
 - B.
 - i. 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 just cause requirements of Santa Ana Municipal Code Chapter 8, Article XIX, Division 2. This property meets the requirements of Santa Ana Municipal Code section 8-3120(e)(8) 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."

- ii. For a Tenancy existing before the effective date of this Ordinance, the notice required under clause (i) may, but is not required to, be provided in the Rental Agreement.
 - iii. For any Tenancy commenced or renewed on or after the effective date of this Ordinance, the notice required under clause (i) must be provided in the Rental Agreement.
 - iv. Addition of a provision containing the notice required under clause (i) to any new or renewed Rental Agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b).
- 9) 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.
- (f) An Owner of Residential Real Property subject to this section shall provide notice to the Tenant as follows:
- 1) For any Tenancy commenced or renewed on or after the effective date of this Ordinance, as an addendum to the lease or Rental Agreement, or as a written notice signed by the Tenant, with a copy provided to the Tenant.
 - 2) For a Tenancy existing prior to the effective date of this Ordinance, by written notice to the Tenant no later than thirty (30) days after the effective date of this Ordinance, or as an addendum to the lease or Rental Agreement.
 - 3) The notification or lease provision shall be in no less than 12-point type, and shall include the following: "The Santa Ana Municipal Code provides that after all of the Tenants have continuously and lawfully occupied the property for at least thirty (30) days, an Owner must provide a statement of cause in any notice to terminate a Tenancy. See Division 2 of Article XIX of Chapter 8 of the Santa Ana Municipal Code for more information."
- (g) It shall be a defense to an action for possession of a Rental Unit under this Division if a trier of fact determines that:
- 1) Both of the following provisions apply:
 - A. The Tenant or Tenant's household member is a victim of an act or acts that constitute domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking if the domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking has been documented by one (1) of the

following:

- i. A temporary restraining order, emergency protective order, or protective order issued within the last one hundred eighty (180) days pursuant to law that protects the Tenant or a household member from domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking; or
 - ii. The Tenant or a member of their household has filed a police report within the previous one hundred eighty (180) days alleging that they are a victim of domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking.
 - B. The notice to vacate is substantially based upon the act or acts constituting domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking against the Tenant or their household member, including, but not limited to, an action for possession based on complaints of noise, disturbances, or repeated presence of police.
 - 2) Notwithstanding this Section, an Owner may terminate the Tenancy if:
 - A. The Tenant or the person protected by a court order or who filed a police report allows the person against whom the protective order has been issued or who was named in the police report as committing an act of domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking, to visit the rental property; or
 - B. The Owner reasonably believes the presence of the person against whom the protective order has been issued or who was named in the police report as having committed an act of domestic violence, elder or dependent adult abuse, sexual assault, human trafficking, or stalking poses a physical threat to other Tenants, guests, invitees, or to a Tenant's right to quiet enjoyment and the Owner previously gave the Tenant a three (3) day written notice to cease and correct this violation.
 - 3) The provisions of this Division shall not supersede any other applicable state laws relating to victims of an act of domestic violence, sexual assault, stalking, human trafficking, abuse of an elder or a dependent adult, or of other specified crimes, as provided for in Civil Code section 1946.7 and Code of Civil Procedure sections 1161.3 and 1174.27.
- (h) It shall be a defense to a no fault just cause action for possession of a Rental Unit under this Division if a person under the age of twenty-one (21) is a resident of the subject Rental Unit, or has a custodial or family relationship with a Tenant in the subject Rental Unit, and who is registered and actively attending any level of school during a specified school term.

- (i) At least sixty (60) days prior to the sale of a Mobilehome Park, the Owner shall provide notice of such proposed sale to the Mobilehome Park residents and prepare a report on the impact of the sale of the Mobilehome Park, including a replacement and relocation plan that adequately mitigates the impact upon the ability of any displaced residents of the Mobilehome Park to be sold to find adequate housing in a Mobilehome Park, as applicable.
- (j) Any waiver of the rights under this section shall be void as contrary to public policy.
- (k) The Santa Ana City Council shall not amend the provisions of subsection (b)(1) regarding at-fault just cause and subsection (b)(2) regarding no-fault just cause, without approval by two-thirds (5/7) of all members of the City Council.

Section 6. Subsection (a) of Section 8-3140 (Prohibited Increases) of Division 3 (Rent Stabilization) of Article XIX (Rent Stabilization and Just Cause Eviction Ordinance) of Chapter 8 (Buildings and Structures) of the Santa Ana Municipal Code is hereby amended to read as follows (new language is underlined):

Section 8-3140 – Prohibited Increases.

- (a) Increases in Rent on Residential Real Property or Mobilehome Spaces in the City of Santa Ana in excess of three percent (3%), or eighty percent (80%) of the change in the Consumer Price Index, whichever is less, and more than one Rent Increase in any twelve (12) month period, are prohibited, unless expressly exempt under the Costa-Hawkins Rental Housing Act codified in *California Civil Code* section 1954.50, et seq., or the Mobilehome Residency Law codified in *California Civil Code* sections 798, et seq. If the change in the Consumer Price Index is negative, no Rent Increase is permitted. The term Consumer Price Index means, at the time of the adjustment calculation completed by the City pursuant to subsection (b), the percentage increase in the United State Consumer Price Index for all Urban Consumers in the Los Angeles-Long Beach-Anaheim Metropolitan Area published by the Bureau of Labor Statistics, not seasonally adjusted, for the most recent twelve (12) month period ending prior to the City’s calculation pursuant to subsection (b). A violation of this section occurs upon the service of notice or demand for a prohibited increase in Rent. The Santa Ana City Council shall not amend this Subsection to allow for increases in Rent on Residential Real Property or Mobilehome Spaces in the City of Santa Ana in excess of three percent (3%), or one hundred percent (100%) of the change in the Consumer Price Index, without approval by two-thirds (5/7) of all members of the City Council.
- (b) No later than June 30 each year, beginning with the year 2022, the City

shall announce the amount of allowable Rent Increase based on subsection (a) herein, which shall be effective as of September 1 of that year.

Section 7. Subsection (l) is added to Section 8-3160 (Rental Registry) of Division 4 (Rental Registry and Rental Registry Fee) of Article XIX (Rent Stabilization and Just Cause Eviction Ordinance) of Chapter 8 (Buildings and Structures) of the Santa Ana Municipal Code as follows:

Sec. 8-3160. Rental registry.

Effective July 1, 2023, or as modified by resolution of the City Council, the City shall create a Rental Registry and all Landlords with Rental Units in the City of Santa Ana shall complete and submit Registration Forms for each Rental Unit pursuant to the following:

- (a) *Initial Registration.* A Landlord must file an initial Registration Form with the City for each Rental Unit that is subject to the provisions of this Article. Registration of a Rental Unit shall not be complete until an Owner has:
 - 1) Completely and accurately provided a Registration Form; and,
 - 2) Paid all fees owed to the City with respect to the Rental Unit including Registration Fees imposed pursuant to this Article.
- (b) *Change of Ownership or Management.*
 - 1) Whenever a change in ownership of a Rental Unit occurs, the Landlord shall provide the City with written notice of the change in ownership, including the date of transfer, and the name, address and contact information of the new Owner, within thirty (30) days of the close of escrow.
 - 2) The new Owner is required to file a Registration Form with the City within sixty (60) days of such change. The new Owner's Registration Form will only be accepted by the City if it is accompanied by a copy of a written notification on a form prescribed by the Program Administrator from the Landlord to all Tenants advising the Tenants of the change in ownership of the building and setting forth the name, address and contact information of the new Owner and of the new Owner's property manager or representative, and a declaration that the new Owner served the written notification on all the Tenants.
 - 3) Registration amendments also shall be required to be filed with the City within sixty (60) days of a change of the property management or authorized agent or if the address of the Owner or authorized agent changes.

- (c) *Re-Registration Following a Vacancy.* A Landlord shall, in the manner described herein, re-register a Rental Unit with the City within thirty (30) days after a vacancy has occurred and the Rental Unit is re-rented.
- (d) *Claim of Exemption.* Any Landlord that is claiming any exemption from this Article must file a claim of exemption with the City. The Landlord shall provide the City, on a form approved by the Program Administrator and accompanied by supporting documentation, a written declaration stating the facts which support the claim of exemption from the provisions of this Article. If the written declaration and supporting documents are not submitted by July 1 of each year for any Rental Unit, that Rental Unit shall be deemed to be subject to the provisions of this Article. If the Board determines that any Unit was incorrectly registered as exempt due to any affirmative misrepresentation by the Owner, the exemption for that Unit may be revoked retroactively, and the Unit will be subject to any applicable enforcement measures.
- (e) *Termination of Exemption.* Any time a Rental Unit that has been exempted under the provisions of this Article loses its exempt status due to termination of the conditions qualifying it for exemption, the Landlord of such Rental Unit is required to file a Registration Form for said Rental Unit within thirty (30) days of the change in status.
- (f) *Annual Requirement.* For the subsequent years after the initial Registration date, each Registration Form and claims of exemption(s) must be annually filed on or before July 1 of each year. The Rental Housing Board may modify the annual registration date.
- (g) *Contents of Registration Form.* The Rental Registration Form shall completely and accurately provide the following information from the Landlord for each Rental Unit as of the date of filing the Registration Form:
 - 1) Address of each Rental Unit including identifying number or letter;
 - 2) Number of bedrooms and bathrooms in the Rental Unit;
 - 3) Name, current address, and contact information of current Owners, authorized representatives and property managers;
 - 4) Date of assumption of ownership by current Owners;
 - 5) Current Rent;
 - 6) Date and amount of last Rent Increase; and
 - 7) Move-in date of current Tenant(s).

The Board and/or Program Administrator may adopt policies and procedures that require additional information to be collected and recorded in Registration Forms in furtherance of the objectives of this Article.

- (h) *Affidavit.* All Rental Registration Forms provided by Landlords in accordance with this Division shall include an affidavit signed by the

Landlord declaring under penalty of perjury that the information provided in the Rental Registration Form is true and correct.

- (i) *Notices.* Any notices or documents required to be provided from a Landlord to a Tenant by this Article or any other federal, state, or local law, including, but not limited to, notice of Rent Increase and notice of eviction, shall be provided to the City through the Rental Registry portal.
- (j) *Proper Registration.* Registration of a Rental Unit shall not be complete until the Landlord has:
 - 1) Paid all fees and penalties owed to the City with respect to the Rental Unit, including the Rental Registry Fee, imposed pursuant to this Article; and
 - 2) Filed a complete and accurate Registration Form for that Rental Unit including all information required by this Division and any policies and procedures adopted by the Board and/or Program Administrator.
- (k) Commencing October 1, 2023, the City may commence enforcement against any Landlord who fails to register a Rental Unit, or provide current and accurate data regarding a Rental Unit, according to this Division. Furthermore, no Landlord shall advertise for rent, demand or accept Rent for a Rental Unit, or evict any Tenant from a Rental Unit, if the Rental Unit Registration is not complete and accurate. In addition, no petition, application, claim or request, and no Rent increases shall take effect for any Rental Unit unless the Landlord has accurately completed the Rental Unit Registration.

(l) The Santa Ana City Council shall not amend the Rental Registry without approval by two-thirds (5/7) of all members of the City Council.

Section 8. Subsection (a) of Section 8-3161 (Rental Registry Fee) of Division 4 (Rental Registry and Rental Registry Fee) of Article XIX (Rent Stabilization and Just Cause Eviction Ordinance) of Chapter 8 (Buildings and Structures) of the Santa Ana Municipal Code is hereby amended to read as follows (new language is underlined):

Effective July 1, 2023, or as modified by resolution of the City Council, an annual Rental Registry Fee shall be imposed on each Rental Unit in the City. All Landlords with Rental Units that are subject to this Article shall pay the Rental Registry Fee as established by the City Council. The Rental Registry Fee is to fund the City's cost to implement, administer, monitor, support, and enforce the provisions of this Article.

- (a) *Amount of Fee.* A Landlord shall pay to the City a Rental Registry Fee for each of the Landlord's Rental Units in the City. The amount of the Fee shall be determined by resolution of the City Council adopted from time to time and set forth in the City's Miscellaneous Fee Schedule. The Fee shall not exceed the amount found by the City Council to be necessary to

administer the provisions of this Article, and the City Council's findings in this regard shall be final. The Santa Ana City Council shall not amend the provisions establishing the Rental Registry Fee without approval by two-thirds (5/7) of all members of the City Council.

- (b) *Deadline for Landlord Payment of Rental Registry Fee.* Annual Rental Registry Fees shall be due and owing on July 1 each year, or within thirty (30) calendar days of any subsequent changes to the Rental Unit.
- (c) *Late Payment.* Any Landlord responsible for paying the Rental Registry Fee who fails to pay the Fee by October 1, or within sixty (60) calendar days of any mid-year due date, will be delinquent and shall, in addition to the Fee, pay additional late charges, penalties of assessments as determined by resolution of the City Council. The amount of Rental Registry Fee and any penalty imposed by the provisions of this Article shall be deemed a debt to the City.
- (d) *Pass Through to Tenants.* After timely payment of the Rental Registry Fee, the Landlord may pass through up to fifty percent (50%) of the Fee to Tenants of the applicable Rental Unit, to be paid by the Tenant in twelve (12) equal monthly installments. The Fee pass-through shall not be considered part of the Rent in calculating any Rent Increase. If a Landlord fails to timely pay the Fee and becomes delinquent, neither the Fee nor any penalties can be passed through to the Tenant. In the event a Tenant paid Registration Fee pass-through costs in excess of that permitted by this Division, the Landlord shall reimburse the Tenant for the Registration Fee pass-through cost overpayment.
 - 1) *No Pass-Through for Subsidized Tenants.* No portion of the Registration Fee may be passed through to Tenants who reside in 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.

Section 9. Subsection (g) is added to Section 8-3180 (Rental Housing Board) of Division 5 (Rental Housing Board) of Article XIX (Rent Stabilization and Just Cause Eviction Ordinance) of Chapter 8 (Buildings and Structures) of the Santa Ana Municipal Code to read as follows (new language is underlined):

Sec. 8-3180. Rental housing board.

There is hereby created and established a Rental Housing Board to perform the functions designated in this Article. The composition of the Board and selection of Board

Members shall be based upon the following:

- (a) *Membership of Board.* The Rental Housing Board shall consist of seven (7) Board Members. Each City Councilmember shall appoint one (1) Board Member, to be approved by the City Council, in an equitable order based upon a random lottery process. The Board Members of the Rental Housing Board shall be comprised of:
 - 1) Three (3) Tenants, including at least one (1) Mobilehome Tenant;
 - 2) Two (2) Landlords; and
 - 3) Two (2) at-large Members with no financial interest in and no ownership of income-generating rental housing.
- (b) *Chairperson.* The Board shall elect annually one (1) of its Members to serve in the capacity as Chairperson.
- (c) *Eligibility.* Residents of the City are eligible to serve as members of the Board.
- (d) *Full Disclosure of Holdings.* Nominees for the position of Board Member shall submit a verified statement listing all of their interests and dealings in real property, including, but not limited to, ownership, sale or management of real property during the previous three (3) years. The Board may promulgate additional regulations.
- (e) *Conflict of Interest.* Board Members shall be subject to the requirements of the California Political Reform Act and other applicable state and local conflict of interest codes. Accordingly, a Board member shall be disqualified from participating in any hearing on an application, petition, or appeal where the Board Member is either the Landlord or a Tenant residing at the subject property, or has any other form of conflict of interest.
- (f) *Training Required.* All Board members shall attend training as designated by the Program Administrator.
- (g) *Amendment of Rental Housing Board.* The Santa Ana City Council shall not amend this Section without approval by two-thirds (5/7) of all members of the City Council.

Section 10. The City Council finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to sections 15060(c)(2) and 15060(c)(3) of the State CEQA Guidelines because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, as there is no possibility it will have a significant effect on the environment and it is not a “project,” as defined in section 15378 of the State CEQA Guidelines. Furthermore, the proposed Ordinance falls within the “common sense” CEQA exemption set forth in CEQA Guidelines section 15061(b)(3), excluding projects where “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.”

Section 11. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Santa Ana hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 12. This Ordinance shall become effective thirty (30) days after its adoption.

Section 13. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be published in the manner prescribed by law.

ADOPTED this _____ day of _____, 2023.

Valerie Amezcua
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney



Laura A. Rossini
Chief Assistant City Attorney

AYES: Councilmembers: _____

NOES: Councilmembers: _____

ABSTAIN: Councilmembers: _____

NOT PRESENT: Councilmembers: _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Jennifer L. Hall, City Clerk, do hereby attest to and certify the attached Ordinance No. NS-XXXX to be the original Ordinance adopted by the City Council of the City of Santa Ana on _____.

Date: _____

City Clerk
City of Santa Ana