

**Summary of
Existing Tenant Protections
in the
City of Santa Cruz¹**
(Updated April 9, 2020)

I. AB 1482

- 1) Rent Increase Protection - Civil Code Section 1947.12
 - a) Prohibits an increase in rent over 12-month period of more than the lower of: (1) 5% + CPI; or (2) 10%
 - b) Does not apply to new tenancies (where no tenant has remained in possession over any 12-month period)
 - c) Prohibits tenant sublease that results in total rent for premises exceeding allowable rent under subparagraph a)
 - d) Exclusions
 - (1) Housing restricted by deed, regulatory restriction or agreement w/ govt. agency, or subject to agreement that provides affordable housing subsidies for persons of very low, low or moderate income
 - (2) Dormitories
 - (3) Housing already rent-restricted by local ordinance that restricts increase *at least as much* as provided for in subsection (1), above
 - (4) Housing for which a certificate of occupancy has been issued within the previous 15 years
 - (5) A duplex 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.
 - (6) Single-family residences and condominiums, provided:
 - (A) That owner is not:
 - (i) REIT
 - (ii) Corporation
 - (iii) LLC in which at least one member is a corporation
 - (B) Tenants have been provided notice that the property is exempt as follows:
 - (i) "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 (c)(5) and 1946.2 (e)(7) 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.
 - (C) For tenancy existing before July 1, 2020, notice can be provided in rental agreement, but is not required to be

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- (D) For tenancies commenced *or renewed* after July 1, 2020, notice must be included in rental agreement
- 2) Just Cause Eviction – Civ. Code Section 1946.2
 - a) Applies to tenant that has continuously and lawfully occupied residence for 12 months
 - b) Defines “Just Cause” as:
 - (1) “At-Fault” just cause:
 - (A) Default in rent payment
 - (B) Material breach in term of lease
 - (C) Maintaining, committing or permitting a nuisance
 - (D) Committing waste
 - (E) Refusal to execute new lease of similar duration and terms upon expiration
 - (F) Criminal activity
 - (G) Assigning or sub-letting in violation of terms of lease
 - (H) Refusal to allow inspection after reasonable notice
 - (I) Use of premises for unlawful purpose
 - (J) Upon termination of employment for which residence is provided
 - (K) Refusal to vacate after providing written notice of intent to termination
 - (2) “No-fault” just case
 - (A) Owner-occupancy
 - (i) By owner or spouse, domestic partner, children, grandchildren, parents or grandparents
 - (ii) For leases entered into on or after July 1, 2020, lease must contain language entitling owner to occupy as per (i), above.
 - (B) Withdrawal of unit from rental market
 - (C) To comply with:
 - (i) Government order relating to habitability that necessitates vacation
 - (ii) Order issued by government agency to vacate the property
 - (iii) Local ordinance that necessitates vacating premises
 - (iv) If tenant causes condition triggering need to vacate, tenant shall not be entitled to relocation assistance
 - (D) Intent to demolish or substantially renovate
 - c) For “at-fault” just cause, owner must give notice and opportunity to cure
 - d) For “no-fault” just cause,
 - (1) Owner shall do one of the following
 - (A) Provide one month relocation assistance or rent waiver
 - (B) Waive in writing last month’s rent
 - (2) Notice of termination for “no-fault” just case “shall notify tenant” of right to relocation assistance or rent waiver
 - (3) Relocation assistance must
 - (A) Be equal to amount of rent in effect when notice of tenancy issue;
 - (B) Be provided within 15 days of service of the notice
 - (C) If tenant fails to vacate after expiration of notice to terminate, amount of relocation assistance recoverable as damages
 - (D) Relocation assistance provided “shall be credited” against any other relocation assistance required by any other law

- (4) **Owner’s failure to “strictly comply” with this subdivision d) renders notice of termination void.**
- e) Exemptions
- (1) Hotels and other transient or tourist occupancy
 - (2) Residential care facilities
 - (3) College or other school Dormitories
 - (4) Housing accommodations in which tenant shares bathroom or kitchen with owner
 - (5) Single-family owner-occupied residences in which owner rents or leases no more than two units or bedrooms, including ADUs
 - (6) A duplex in which owner occupied one of the units as principal place of residence at beginning of tenancy, so long as owner continues in occupancy
 - (7) Housing that received a certificate of occupancy within the past 15 years
 - (8) Single-family residences or condominiums, provided that
 - (A) Owner is not:
 - (i) REIT
 - (ii) Corporation
 - (iii) LLC with one member that is a corporation
 - (B) Tenants have been provided:
 - (i) Written notice that the residential property is exempt 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.”
 - (ii) For tenancy existing before July 1, 2020, notice may, but *is not required to be provided in rental agreement*.
 - (iii) For tenancies commenced or renewed on or after July 1, 2020, notice *must be provided in the rental agreement*
 - (9) Housing restricted by deed, regulatory restriction contained in an agreement with government agency, or other recorded document as affordable for persons and families of very low, low, or moderate income, or that is subject to an agreement that provides housing subsidies for very low, low, or moderate income households.
- f) An owner of residential property subject to Section 1946.2 shall provide notice to tenant
- (1) For tenancies commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as written notice signed by tenant;
 - (2) For tenancies existing prior to July 1, 2020, written notice or an addendum to lease or rental agreement shall be provided no later than August 1, 2020;
 - (3) Content of Notice:
 “California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord

must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information.”

g) Section 1946.2 is inapplicable to:

- (1) Rental property subject to a local just cause eviction ordinance on or before September 1, 2019 that is at least as protective than Section 1946.2;
- (2) Rental property subject to local ordinance adopted on or after September 1, 2019 that is *more* protective than Section 1946.2

II. City of Santa Cruz Ordinance No. 2019-23 – Expands upon AB 1482 as follows:

- 1) Extends AB 1482 No-Fault Eviction protections to tenants receiving subsidy through the Section 8 Housing Choice Voucher Program or the Section 8 Project Based Voucher Program
- 2) Requires a full month's rent shall be provided for relocation assistance, including both the tenant's portion of the payment and the voucher amount
- 3) Establishes failure to comply with ordinance an affirmative defense in any unlawful detainer action;
- 4) Makes landlord who violates ordinance liable for actual damages, as well as attorney fees and costs;
- 5) Makes landlord who acts willfully or with oppression, fraud or malice liable for treble damages.

III. City of Santa Cruz Ordinance No. 2018-20 – Large Rent Increase Ordinance

- 1) Defines “large rent increase” as “a rent increase of more than five percent in one year or cumulatively more than seven percent in any two consecutive years (seven percent over two consecutive years includes compound interest; e.g., for a maximum five percent increase in one year followed by a one-and-nine-tenths percent increase in the following year).”
- 2) For tenants who relocate due to a large rent increase, requires payment of two months of the tenant’s actual rent upon the sooner to occur of:
 - a) The time of relocation; or
 - b) Within twenty-one calendar days after a tenant gives the owner notice of intent to vacate due to a large rent increase; or
 - c) Other arrangements of equal benefit which are agreeable to the tenant as evidenced by a written agreement between the tenant and the property owner
- 3) Requires tenants who relocate due to a large increase to give notice of intent to vacate no later than sixty days after effective date of increase.

IV. City of Santa Cruz – Ordinance No. 2020-07 - Emergency Eviction Moratorium Ordinance

- 1) Prohibits evictions for any tenant who can demonstrate that they have received a notice of eviction for failure to pay rent, and that such failure is related to a substantial loss of income or substantial out-of-pocket medical expenses resulting from the 2020 novel coronavirus pandemic or any local, state, or federal government response to the pandemic
- 2) Applies to residential and commercial rentals
- 3) Requires tenant to demonstrate, through documentation or other objectively verifiable means:
 - a) Substantial loss of income from:
 - (1) job loss
 - (2) layoffs
 - (3) a reduction in the number of compensable hours of work

- (4) a store, restaurant, office, or business closure
- (5) a substantial decrease in business income caused by a reduction in opening hours or consumer demand
- (6) the need to miss work to care for a home-bound school-age child or a family member infected with coronavirus; or
- (7) other similarly-caused loss of income that resulted from the pandemic; or
- b) substantial out-of-pocket medical expenses related to the pandemic.
- 4) Encourages landlord and tenant to negotiate payment plans that set a timeline for payment of past-due rent upon expiration of ordinance

V. Governor Newsom Executive Orders

- 1) Executive Order No. N-28-20
 - a) Time limitation set forth in Penal Code Section 396, subd. (f) is waived through May 31, 2020. [See under heading Other State Law, below]
 - b) Suspends any provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions, **but only limitations on evictions when:**
 - (1) The basis for the eviction is nonpayment of rent, or a foreclosure, arising out of a substantial decrease in household or business income (including, but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and
 - (2) The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph (1) was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented.
- 2) Executive Order No. N-37-20
 - a) Extends the time for residential tenant to respond to an eviction lawsuit by 60 days (from the normal 5 court days to respond) if the tenant was current on rent and demonstrates loss of income due to COVID-19
 - b) Suspends execution of writs of possession by sheriff by 60 days if the tenant satisfies the same criteria.

VI. Other State Law

- 1) Penal Code Section 396(e) declares it unlawful to:
 - a) during a declared emergency, to increase residential rents by more than 10 percent.
 - b) Exceptions:
 - (1) If landlord can prove that the increase is directly attributable to additional costs for repairs or additions beyond normal maintenance that were amortized over the rental term that caused the rent to be increased greater than 10 percent;
 - (2) an increase was contractually agreed to by the tenant prior to the proclamation or declaration.
- 2) Cal Pen Code § 396 (f) declares it unlawful to:

- a) evict a residential tenant after the proclamation of a state of emergency declared by the President, Governor, or City Council, and for a period of 30 days following the proclamation or declaration, or any period that the proclamation or declaration is extended by the applicable authority; **and**
 - b) *rent or offer to rent to another person at a rental price greater than the evicted tenant could be charged under this section*].
- 3) California Rules of Court – Emergency Rule 1 (April 6, 2020)²
- a) Issue of summons – A court may not issue a summons on a complaint for unlawful detainer unless the court finds, in its discretion and on the record, that the action is necessary to protect public health and safety.
 - b) Entry of default - A court may not enter a default or a default judgment for restitution in an unlawful detainer action for failure of defendant to appear unless the court finds both of the following:
 - (1) The action is necessary to protect public health and safety; and
 - (2) The defendant has not appeared in the action within the time provided by law, including by any applicable executive order.
 - c) Time for trial - If a defendant has appeared in the action, the court may not set a trial date earlier than 60 days after a request for trial is made unless the court finds that an earlier trial date is necessary to protect public health and safety. Any trial set in an unlawful detainer proceeding as of April 6, 2020 must be continued at least 60 days from the initial date of trial.

VII. County Health Officer’s Shelter In Place (SIP) Order (March 31, 2020)

- 1) Requires service providers that enable residential transactions (real estate brokers, landlords, property managers) to provide residential viewings virtually only or, if a virtual viewing is not feasible, by appointment with no more than two visitors at a time who reside within the same household and one individual showing the unit, except that in-person visits are not allowed when occupant is still residing in the residence.

² To remain in effect until 90 days after Governor Newsom declares that the state of emergency related to the COVID-19 pandemic is lifted, or until amended or repealed by the Judicial Council.