

# **An Ordinance to amend County Code Chapter 44**

*Residential Property-Landlords and Tenants Rights and Duties*

June 27, 2023

# Background and existing law

- Tenants in Isla Vista and Summerland facing termination of tenancies
- Rental vacancy rates are less than 2% across Santa Barbara County
- Santa Barbara County Code Chapter 44 requires relocation assistance equal to three months fair market rent, or \$7,000, whichever is greater
- Santa Barbara County Code Chapter 44 requires “just cause” and requires permits be shown to tenants ahead of substantial remodel and no fault eviction
- California Civil Code §1946.2 requires “just cause” for residential evictions
- State law allows evictions if they are for the purpose of performing a “substantial remodel”
- State law allows local jurisdictions to pass their own “just cause” protections so long as these protections go above and beyond those in State law
- “Preserve Affordable Housing Stock” is a Housing Element Policy first adopted by the Board of Supervisors in 1993

# Loss of Affordable Housing

- Naturally Occurring Affordable Housing (NOAH) is unsubsidized multifamily (5+ unit) rental properties where due to some combination of the location and condition of the building, rents are affordable to low-income households.
- California Housing Partnership research indicates 754 NOAH units in Santa Barbara County have been lost in the past 3 years.
- An additional 2,050 NOAH units are at risk of being lost in the next 2 years.

# Mandatory offer of 1-year residential lease

- Often times lease agreements are offered only on a month-to-month basis, providing less residential stability and certainty for tenants
- The proposed ordinance would require that landlords offer tenants a residential lease, and that said lease be offered for a term of one year or greater. It would not compel a tenant to accept an offer of a lease
- Additionally, it is recommended that the Board direct Community Services Department staff to prepare forms for landlords and tenants to use for their convenience, which shall be posted on the County's website.
- Under the proposed ordinance, this requirement would not apply to:
  - Currently leased units, until they come up for renewal
  - Currently rented units (no existing lease) for 60 days after the effective date of the ordinance, at which point leased must be offered to rental tenants
  - A rental unit occupied by a tenant who subleases to another tenant for less than a year
  - A rental unit where tenancy is a condition of or consideration for employment

# Right of first refusal to re-lease

- The purpose of the right of first refusal is to require that former tenants to be invited back to a rental unit after they have vacated as the result of a notice for a no-fault termination of tenancy.
- Applies to instances in which a landlord takes a unit off-market, such as for “substantial remodel”, for owner/family move-in, or to withdraw the unit from the market.
- California’s Costa-Hawkins Rental Housing Act prohibits local jurisdictions from enacting “vacancy control,” which enshrines a landlord’s ability to set rent to market levels in the event that a unit becomes vacant. The County is not currently authorized to place limits on what a landlord can charge for rent when a unit becomes vacant.

# “Substantial Remodel” Definition

- Performing a “substantial remodel” is a common reason that landlords can rely on to terminate a tenancy
- Chapter 44 states that a “substantial remodel” is not for cosmetic improvements
- Proposed ordinance further clarifies that a “substantial remodel” must be for the primary purpose of bringing the rental unit into compliance with applicable health and safety codes.

# Recommended Actions

- A. Consider the introduction (First Reading) of an Ordinance of the Board of Supervisors of the County of Santa Barbara to amend County Code Chapter 44 to amend Article IV, Just Cause for Residential Evictions; and to add Article V, Mandatory Right of First Refusal and Mandatory Offer of Residential Lease;
- B. Read the title and waive further reading of the Ordinance in full; and
- C. Set a hearing on the Administrative Agenda of July 11, 2023 to consider recommendations, as follows:
  - i. Consider adoption (Second Reading) of an Ordinance of the Board of Supervisors of County of Santa Barbara to amend County Code Chapter 44 to amend Article IV, Just Cause for Residential Evictions; and to add Article V, Mandatory Right of First Refusal and Mandatory Offer of Residential Lease; and
  - ii. Determine that the proposed action does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because it consists of an organizational or administrative activity of government which will not result in direct or indirect physical changes in the environment; and
- D. Direct Community Services Department staff to prepare lease offer rejection forms for landlords and tenants to use, and post them on a County webpage.