Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY
Meeting Location: Council Chambers, 305 West Third Street
April 13, 2022

Special Council Meeting - 6:00 PM
Zoom details to call-in for public comment during a meeting:

1. **Dial Phone Number: (888) 475-4499**
2. **Enter Meeting ID: 869 1611 1855**
3. **Passcode: 501573**

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom calling in steps listed above. Once the Mayor calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room.
The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak by no later than 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** no later than 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the City Council prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. To provide public comment during the meeting dial (888) 475-4499 and enter the Meeting ID and Passcode listed above as the Zoom details for this meeting. When the Mayor announces the particular item on the agenda you want to speak on, press *9 to raise your hand while in the zoom waiting room. Once called on, press *6 to unmute your phone.
   b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public shall have three minutes to register or otherwise be recognized for the purpose of providing public comment. During this three-minute time period, public comments may be taken and the City Council or staff may discuss the item being considered or briefly respond to public comments.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Presentation / Council Discussion / Public Comment)

Detailed participation instructions can be found at www.oxnard.org/city-meetings.

* The City has filed pre-election and post-election lawsuits regarding the validity of Measure M.

A. ROLL CALL, POSTING OF AGENDA
THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council

B. OPENING CEREMONIES (6:00 PM)
Pledge of allegiance to the flag of the United States.

C. REPORTS

1. Housing Department
SUBJECT: Introduction of a Just Cause Eviction & Tenant Protection Ordinance and a Rent Stabilization Ordinance.
RECOMMENDATION: That the City Council:

1. Introduce for first reading by title only and waiving further reading of an ordinance adding Article I to Chapter 27 of the Oxnard City Code that is entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE I TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING JUST CAUSE EVICTIONS AND OTHER TENANT PROTECTIONS"

2. Introduce for first reading by title only and waiving further reading of an ordinance adding Article II to Chapter 27 of the Oxnard City Code that is entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE II TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING RENT STABILIZATION REGULATIONS INCLUDING PROHIBITING RESIDENTIAL REAL PROPERTY RENTAL RATE INCREASES THAT EXCEED FIVE PERCENT (5%) ANNUALLY"

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/92nZisJ5Lso
Legislative Body: City Council
Contact: Emilio Ramirez, (805) 385-8094

D. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. C.1

DATE: April 13, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Introduction of a Just Cause Eviction & Tenant Protection Ordinance and a Rent Stabilization Ordinance.

RECOMMENDATION

That the City Council:

1. Introduce for first reading by title only and waiving further reading of an ordinance adding Article I to Chapter 27 of the Oxnard City Code that is entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE I TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING JUST CAUSE EVICTIONS AND OTHER TENANT PROTECTIONS"

2. Introduce for first reading by title only and waiving further reading of an ordinance adding Article II to Chapter 27 of the Oxnard City Code that is entitled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE II TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING RENT STABILIZATION REGULATIONS INCLUDING PROHIBITING RESIDENTIAL REAL PROPERTY RENTAL RATE INCREASES THAT EXCEED FIVE PERCENT (5%) ANNUALLY"

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/92nZisJ5Lso

BACKGROUND

Over the past two years, the Community Services, Public Safety and Housing & Development Committee and the City Council have heard multiple discussions regarding rent stabilization and tenant protection strategies. Most recently, on February 9, 2022, the Oxnard City Council considered two draft ordinances regarding rent stabilization and just cause evictions and tenant protections. City Council directed staff to finalize both ordinances and present them for City Council introduction and adoption. Specifically at the February 9, 2022 meeting, Council directed that the following items be included in the ordinances:

1. Tenant relocation assistance for no-fault just cause evictions equal to (i) two months of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy, or (ii) $5,000, whichever is greater.

2. Annual rent adjustment of not more than five percent;

3. Both ordinances are set to expire on December 31, 2030.

4. Fair Return Petition for Rent Increase shall be determined by the City Manager, not a board.

Following the February 9, 2022 hearing, City staff renumbered the code sections within the ordinances for better clarity and made minor updates to the ordinances for better clarity. Staff shared the updated ordinances with stakeholders for feedback.

Staff incorporated the following changes, based on stakeholder feedback, into the ordinances being presented to the City Council:

1. Modified the definitions of "Owner" and "Tenancy" in Section 27-8 of the Just Cause Ordinance.

2. Modified Section 27-23 of the Rent Stabilization Ordinance, requiring the City Manager to send Fair Rate of Return Petition decisions to the Owner(s), applicable tenants and their designated representative(s).

3. Removed the following from the list of City Manager considerations as part of the Fair Rate of Return Petition process:

   a. "The rent is lawfully charged for comparable residential real property or mobile home spaces in the city." Section 27-23(C)(2)

   b. "Any existing written lease lawfully entered into between the owner and the affected tenant(s)." Section 27-23(C)(11)

4. Re-established that written notices provided pursuant to Section 27-26(A) shall be given "in a form prescribed by the City."

5. In Section 27-29, clarified that Owners pay the rent stabilization fee.

Staff heard from landlords that these ordinances provide more tenant protections than state law requires. State law requires these ordinances to be more protective than state law if they are to supersede state law. For instance, the ordinances trigger tenant protections after 30 days of tenancy as opposed to 12 months as required by state law.

The February 9, 2022, October 19, 2021 and September 14, 2021 staff reports are attached and should be read in conjunction with this report.

Attached are both draft ordinances for introduction by the City Council.

STRATEGIC PRIORITIES

This agenda item supports the Quality-of-Life strategy. The purpose of the Quality-of-Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promote safe neighborhoods, encourage community engagement, and support our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

If the ordinances are approved as drafted staff estimates an annual cost of approximately $1,200,000 required for a fully burdened staff and office operations to administer The Program, inclusive of education programs. Staff will return to City Council to establish a Program Fee(s), which will off-set the annual cost to administer The Program. In the Fiscal Year 22-23 Budget approximately $300,000 will be requested for a staff person and contracting for marketing, education and public outreach.

COMMITTEE OUTCOME

Per the direction of the City Council on February 9, 2022 and October 19, 2021, this item is being presented directly to the City Council. The Committee previously heard public comment at their September 14, 2021 meeting.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. September 14, 2021 Committee Staff Report
2. October 19, 2021 City Council Staff Report
3. February 9, 2022 City Council Staff Report
4. PowerPoint Presentation
5. Rent Stabilization Ordinance
6. Just Cause Eviction and Tenant Protection Ordinance

CITY OF OXNARD CALIFORNIA

HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.4

DATE: September 14, 2021

TO: Housing and Economic Development Committee

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: A Review of Rent Control and Tenant Protection Strategies (0/15/30)

RECOMMENDATION

That the Housing and Economic Development Committee conduct a study session on Rent Control and Tenant Protection Strategies.

Please click the following link to view the required Measure M pre-recorded presentation videos: https://youtu.be/ahhQSt1FSZ4 and https://youtu.be/tecvgLGQ9Gk

BACKGROUND

EXECUTIVE SUMMARY:

Oxnard residents have expressed serious concern over significant rent increases in recent years, and have demanded “rent control”. Rent Control already exists statewide per 2020’s Assembly Bill 1482 Tenant Protection Act (discussed below). The first problem with it is that people are not aware of it. Second, there is no clear, easy way to enforce it.

Staff believes there is value in seeking to enforce the Tenant Protection Act because it offers opportunities to address substandard housing, wrongful evictions, and illegal rent increases. However, an additional rent control policy will most likely be ineffective to close the affordability gap, which is the primary problem with housing costs for many of Oxnard’s residents. Rent control slows the rate of rent increases but it will not decrease the cost of housing.

This report discusses the various causes that have led to the reality that the average resident cannot afford the cost of housing. Essentially, wages and income have remained relatively stagnant in Oxnard while housing prices, including rent, have increased exponentially. This has led to a variety of social ills including substandard housing, overcrowding, unaffordable rents and, in some cases, homelessness. Landlords who illegally increase rents exacerbate the problem.

The report also discusses the history of rent control and its effectiveness to cure some of these social ills. Staff also reviews the current state of legislation in California, including the Costa Hawkins Act and the Ellis Act, which significantly preempt new rent control policy beyond the existing Tenant Protection Act enacted by the State of California in 2020.

Additionally, staff recommends companion efforts seeking to close the gap between wages and housing costs including the development of new affordable housing and training of our workforce so our community can become more employable and competitive in the labor market.

BACKGROUND:

In early September 2020 the Central Coast Alliance United for A Sustainable Economy (CAUSE), presented a need for rent control in Oxnard during public comment at a City Council meeting. Several community residents expressed concerns about rising rents and asked for local rent control.

CAUSE organized and hosted two community meetings and listening sessions (April 2021 and May 2021) offering the community a forum to express their opinions on rent control. CAUSE summarized the major areas of concerns as:

1. Affordability where the initial rent was too high and yearly increases are unaffordable (wages cannot keep up with the large annual rent increases).
2. Unsafe/unhealthy housing and harassment from landlords.
3. Difficulties when trying to find housing (financial, discrimination).
4. Tenants don't know where to send their complaints or what their rights are. They would like to make the complaints anonymously.
5. Strong focus on rent control as immediate relief from the housing crisis.

City staff participated as a listener on the two community meetings. A significant portion of the comments and concerns expressed by the tenants indicate **activity that is already illegal based on AB 1482 and the need is enforcement.** Some of those concerns included overcrowding, rent gouging, rent increases, illegal evictions and substandard housing conditions.

Following these community discussions CAUSE continues to advocate for rent control in Oxnard with an online petition at https://actionnetwork.org/letters/rent-control-for-oxnard?source=direct_link&.

CAUSE has also produced a PowerPoint and video for review in coordination with this item. The video presentation is attached.

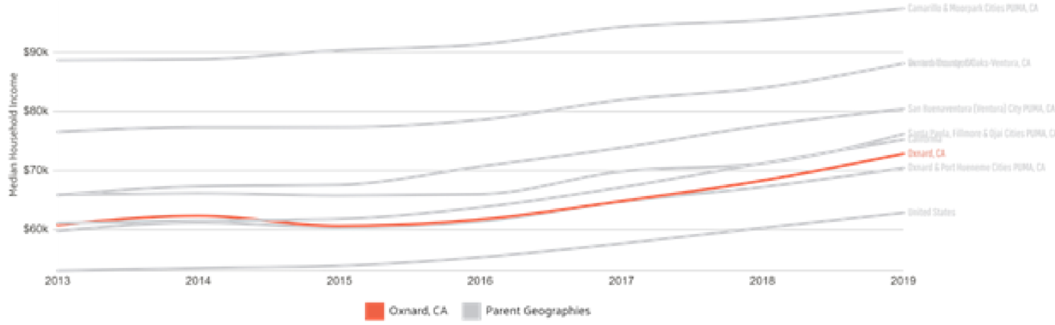
DESCRIBING THE PROBLEM:

The housing affordability gap in the City of Oxnard is significant where residents earning the median income cannot afford the prevailing rents or to acquire a home at the median home price. Such a condition leads to overcrowding, substandard living conditions, and, some cases, homelessness. The contributing factors to the housing affordability gap include:

1. Income
2. Housing Prices
3. Total Housing Units Available
4. Owner vs Rental Rates
5. Age of Units
6. Vacancy Rate

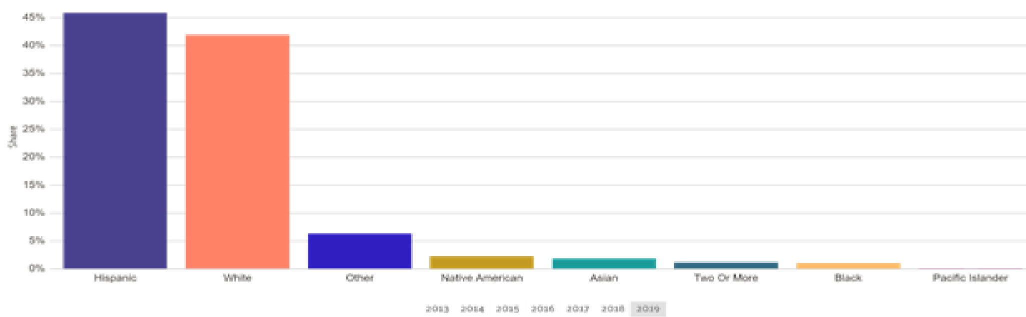
Income:

Oxnard has 98,652 workers living within its borders who work across thirteen major industrial sectors. Households in Oxnard have a median annual income of $72,843, which is below both the State median income of $80,440 and the Ventura County median income of $92,236. In some cases, the median income in Oxnard is substantially lower than its neighboring cities such as $109,378 in Thousand Oaks as shown in the graph presented below.



Source: https://datausa.io/profile/geo/oxnard-ca

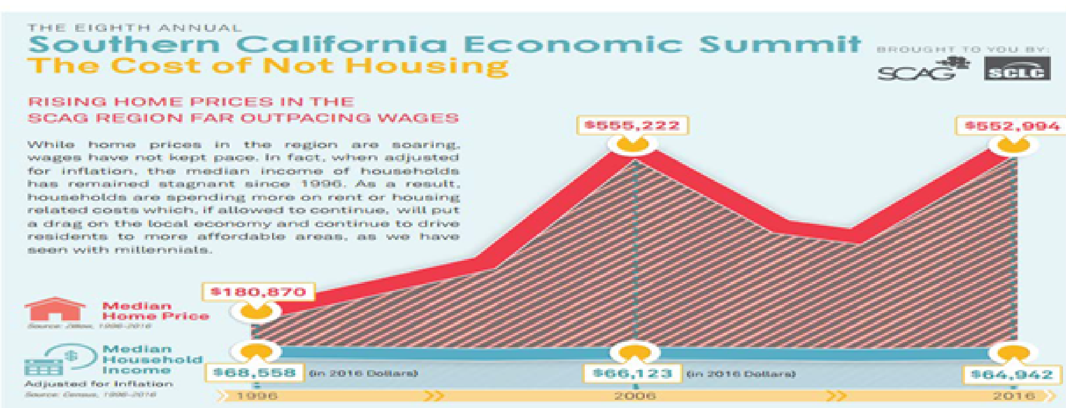
The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who classifies as impoverished. If a family's total income is less than the family's threshold, then that family and every individual in it is considered to be living in poverty. The 2018 poverty income for a family of four is $26,695. In Oxnard, 13.8% of the population live below the poverty line, a number that is higher than the national average of 12.3%.



Source: https://datausa.io/profile/geo/oxnard-ca

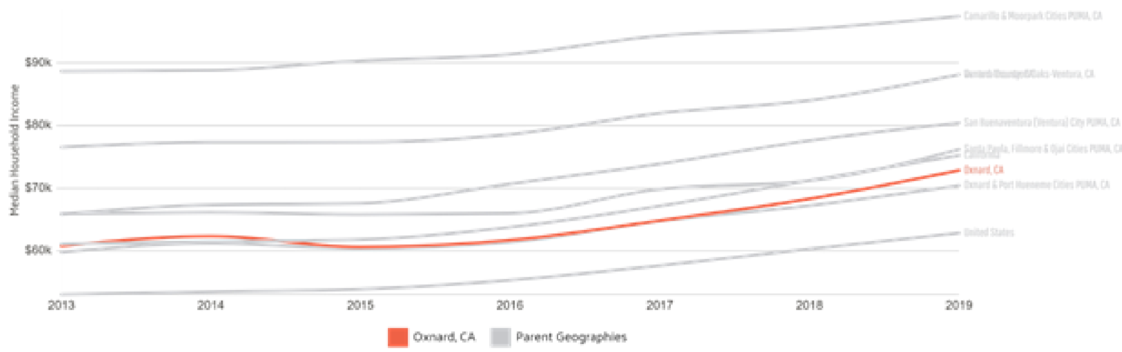
Housing Prices:

Between 1996 and 2016, median home sales prices in the SCAG region increased 206% from $180,870 to $552,994. During the same time period the median income decreased by $3,616 when adjusted to 2016 dollars.

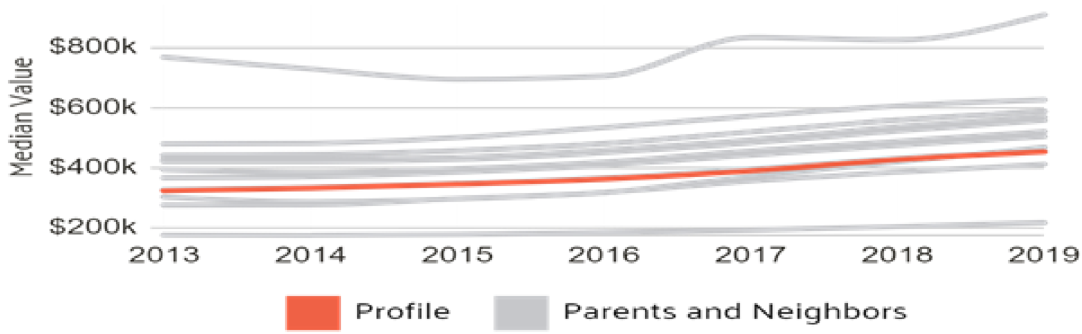


Source: Census, 1996-2016

While in Oxnard the median home increased by 40.2% in just six years from $323,700 in 2013 to $453,900 in 2019. During the same period the Oxnard median family income grew at a disproportionate rate of 19.8% from $60,784 in 2013 to $72,843 in 2019.



[Source: https://datausa.io/profile/geo/oxnard-ca](https://datausa.io/profile/geo/oxnard-ca)



[Source: https://datausa.io/profile/geo/oxnard-ca](https://datausa.io/profile/geo/oxnard-ca)

The increase in the cost of housing in Oxnard can significantly be attributed to new development over the past twenty years. New communities such Seabridge, River Park and Victoria Estates are contributors to the income versus cost gap expressed above where a three bedroom home over those three communities range from $700,000 to $2,000,000.

The two-bedroom average rent in Oxnard has steadily increased by eighteen percent over the past three years from $1,823 to $2,155, which indicates that households with the median income of $72,843 cannot afford the average rent.

Additionally, the low two-bedroom rent is $1,225 indicating that a family of four living in poverty cannot afford the low two-bedroom rent.

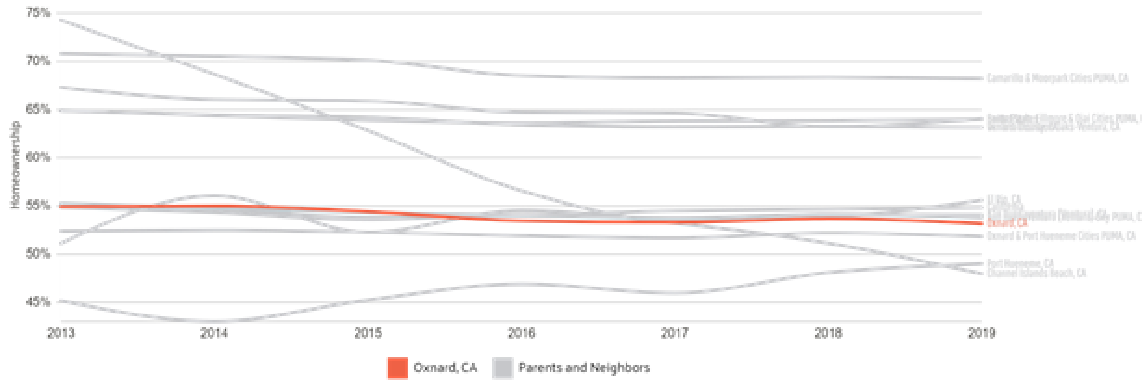
	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Average Monthly Rent [1]	$1,502	$1,621	$2,028	$2,652
Monthly Utility Deduction	181	181	181	276
Annual Housing Costs	20,196	21,624	26,508	35,136
Percent of Income Spent on Rent	30%	30%	30%	30%
Annual Household Income Required	**$67,320**	**$72,080**	**$88,360**	**$117,120**

1) July 2019 Ventura County Apartment Market Survey, Dyer Sheehan Group

Total Housing Units & Ownership vs Rental:

Oxnard's housing stock consists of 51,460 total units, 27,631 of which are owner-occupied and 23,829 of which are renter-occupied.

In 2019, 53.2% of the housing units in Oxnard, CA were occupied by their owner. This percentage declined from the previous year's rate of 53.7%. This percentage of owner-occupation is lower than the national average of 64.1%. This chart shows the ownership percentage in Oxnard compared to the County of Ventura and neighboring geographies.



Source: https://datausa.io/profile/geo/oxnard-ca

Housing Production and the Age of the Units:

Examining the age of the current housing stock is one way to understand how historical development patterns contribute to a city's form. The time period where the highest share of Oxnard's housing units was built is between 1970 and 1979. In contrast the most significant population growth occurred from 2000 to 2020 when Oxnard grew at a rate of 1% per year compared to the region of 0.7% per year. The preliminary 2020 census estimates the current Oxnard population to be 211,791.

Source: https://datausa.io/profile/geo/oxnard-ca

Vacancy Rate

The American Community Survey estimated the 2019 vacancy rate in Oxnard to be 4.1%, which is down from 5.0% in 2010. However, the vacancy rate has increased from a low point of 0.9% in 2017. The current vacancy rates are mid-range of those in the region, which is as low as 3.5% in the City of Thousand and high as 5.1% in the City of San Buenaventura.

A vacancy rate of 5.0% is not low compared to the statewide rate of 4.1% and indicates that there should be sufficient available units to meet the local demand. However, the vacancy rate of units affordable to the low-income population remains an unknown factor.

RESULT OF THE PROBLEM:

The growing gap between increasing housing costs and stagnant wages means that there are many residents in Oxnard who cannot afford the housing costs. In 2019, Food Share of Ventura County estimated that 69% of households had to choose between food and utilities, and 66% had to choose between food and medical care. After making these choices, many Oxnard residents eventually find themselves unable to pay rent, which can lead to increased overcrowding and even homelessness. In Oxnard, 2,355 owner-occupied and 6,839 renter-occupied households had more than 1.0 occupants per room, which meets the California state definition for overcrowding. 425 owner-occupied households and 2,500 renter-occupied households had more than 1.5 occupants per room, which meets the California state definition of severe overcrowding.

FRAMEWORK AND EXISTING LAWS AFFECTING TENANT PROTECTION STRATEGIES AND RENT CONTROL:

In summary there are three existing laws that greatly impact rent control and tenant protection measures in California which will be described further in this report:

- 1985 Ellis Act
- 1995 Costa Hawkins Rental Housing Act
- 2019 Tenant Protection Act

What is Rent Control?

Rent control is part of a system of rent regulation, administered by a court or a public authority, which limits the changes that can be made in the price of renting a house or other real property. Modern rent controls are intended to protect tenants in privately owned residential properties from excessive rent increases by mandating gradual rent increases, while at the same time ensuring that landlords receive a return on their investment that is deemed fair by the controlling authority, which might, or might not be a legislature. Rent Control slows the rate of rent increases but it will not decrease the cost of housing. Rent control laws are used in approximately forty countries, although they often vary from one country to another, and may vary from one jurisdiction to another within some countries.

Historically, there have been two types of rent control - vacancy control (where the rent level of a unit is controlled irrespective of whether the tenant remains in the unit or not) and vacancy decontrol (where the rent level is controlled only while the existing tenant remains in the unit). The Costa Hawkins Act outlawed vacancy control provisions.

Economists suggest that some forms of rent control regulations create housing stock shortages and exacerbate scarcity in the housing market by discouraging private investment in the rental market. Many economists suggest housing subsidies as a way to make housing more affordable to renters without distorting the housing market as much as rent control, but expanding the existing subsidy programs would require sharp increases in government spending. In a 1992 stratified, random survey of 464 US economists, economics graduate students, and members of the American public, 93% "generally agreed" or "agreed with provisos" that "A ceiling on rents reduces the quantity and quality of housing available."

See the “Case Study” section of this report for additional information on the outcomes of rent control.

The Ellis Act; 1985

The Ellis Act was enacted by the State Legislature in 1985. The Ellis Act prohibits any public entity from requiring apartment owners to continue offering their dwellings for rent or lease. The Ellis Act also defines the criteria under which the owners of apartments that are subject to rent control ordinances can remove the dwellings from the rental inventory.

Local entities are permitted to place various restrictions on the landlord's process of going out of business. For instance, cities may require landlords to file a "notice of intent to withdraw," provide the city with information about the tenancy (such as names of tenants, dates of commencement, and rental rates). Cities may require the payment of relocation assistance "to mitigate any adverse impact on persons displaced" or an extension of the termination date of tenancies from the standard 120 days to a full year from the commencement of the withdrawal process if tenants claim to be at least 62 or disabled.

The Costa Hawkins Rental Housing Act; 1995

In 1995, California approved and enacted the Costa Hawkins Rental Housing Act, which sought to protect the rights of landlords and their continued ability to develop housing. The Costa Hawkins Rental Housing Act preempted rent control for multi-family units built after February 1995 as well as separately alienable units including single family homes and condominiums. The Costa Hawkins Rental Housing Act also prohibits vacancy control. However, the Costa Hawkins Rental Housing Act does not fully bar local rent control and allows local jurisdictions to set annual limits on rent increases on multifamily apartment units built before 1995 while an existing tenant continues to live in the unit.

Several attempts to overhaul or repeal the Costa Hawkins Rental Housing Act have failed including the recently proposed Proposition 21, the Rental Affordability Act, which would have re-empowered local jurisdictions to adopt new rental control ordinances. The Rental Affordability Act proposed to modify the three main limitations of Costa-Hawkins. Specifically, cities and counties:

1) would have been able to apply rent control to most housing that is more than fifteen years old (this did not include single-family homes owned by people with two or fewer properties).
2) could have limited how much a landlord can increase rents when a new renter moves in.
3) cities and counties would have been able to apply rent control to most housing that is more than fifteen years old.

Proposition 21, the Rental Affordable Act, was not authorized by the California electorate.

The Tenant Protection Act (AB 1482); 2020 - 2030

California adopted a new statewide rent control policy known as the Tenant Protection Act or Assembly Bill 1482. The Tenant Protection Act became effective in January 2020 and expires in January 2030.
The Tenant Protect Act applies to rental units that were built more than fifteen years ago and are not a hotel, owned by a nonprofit, student dormitories, a duplex where the landlord lives in one of the units, deed restricted or a single-family home not owned by a corporation.

The Tenant Protection Act affects tenants in two main ways. First, AB 1482 limits rent increase and second imposes “Just Cause” protection to existing tenants. Rent increases are limits as follows:

1. Rent cannot be increased more than 5% plus local consumer price index or 10% maximum
2. Rent can only be increased two times within any given twelve-month period
3. A master tenant cannot sublease at a higher rental rate
4. In order to raise rent, landlords must provide written notice
5. There is no vacancy control

The Tenant Protection Act also requires Just Cause eviction protection to tenants if all the tenants of a rental unit have lived there for twelve months or longer. The Tenant Protection Act permits “at fault” and “no fault” evictions.

No fault evictions exist where the tenant is not at fault for the eviction and requires relocation assistance payments from the landlord equal to one month of rent. The landlord must pay the relocation assistance within fifteen calendar days of serving the eviction notice. If agreed to in writing, the landlord can waive the final month of rent instead of paying the relocation fee. If a tenant receives a relocation payment but does not vacate, the landlord can recover the payment in court.

An eviction at the fault of the tenant is also permitted by the Tenant Protection Act after notice and an opportunity to cure. An “at fault” eviction does not require relocation assistance. At fault evictions are permitted with notice and opportunity to cure and can include:

1. Failure to pay rent
2. Violating the lease
3. Committing a nuisance

4. Damaging the property
5. Tenant refuses to sign a lease extension or renewal with similar terms
6. Criminal activity at the unit
7. Subletting contrary to the lease
8. Refusal to let the landlord enter the unit to make repairs
9. Using the property for unlawful purposes
10. Failing to vacate after tenant is terminated as an employee
11. The tenant fails to vacate after providing written notice of their intent to vacate

The Tenant Protection Act protects no fault evictions for tenants that have lived in the unit for at least twelve months. No fault evictions require relocation assistance equal to one month of rent.
The Tenant Protection Act does not contain an explicit grant of authority to local governments to enforce its provisions.

CASE STUDIES

Santa Monica:

Santa Monica voters adopted rent control in April 1979 as an amendment to the City Charter in response to a shortage of housing units, low vacancy rates, and rapidly rising rents. Santa Monica's Rent Control Ordinance was intended to alleviate the hardship of the housing shortage and rapidly rising rents by establishing a Rent Control Board empowered to regulate rentals in the City of Santa Monica. Santa Monica's Rent Control Ordinance was amended by Santa Monica voters in 1984, 2002 and 2010.

Santa Monica's Rent Control Ordinance primarily applies to properties and units that were used as a residential rental prior to April 1979. The total number of controlled units does not change significantly from year to year, but does fluctuate as units are granted exemptions or removal permits, exemptions previously granted units lapse, and units are withdrawn from, or returned to, the rental market pursuant to the state Ellis Act. Santa Monica Rent Control Board records indicate there were 27,429 controlled rental units in Santa Monica as of December 31, 2020.

Santa Monica's Rent Control Ordinance provides for an elected Rent Control Board to ensure that rents are at a fair level by requiring landlords to justify any rents in excess of the approved "Maximum Allowable Rent", giving tenants an opportunity to contest any rent increase, provide reasonable protection to tenants by controlling removal of rent controlled units from the housing market, and by requiring just cause for any eviction from a controlled rental unit. The Rent Control Board is supported by Rent Control Agency staff, including hearing examiners and inspectors, to assist them in performing their function and fulfill their obligations under the City's Rent Control Ordinance. The Rent Control Ordinance gives the Rent Control Board the authority to charge landlords a registration fee of up to $288 per controlled unit, to finance the operations of the Rent Control Agency. **Currently, Santa Monica's Rent Control Agency has a staff of approximately twenty-four employees and the Board consists of up to five elected board members.**

Services provided by the Santa Monica Rent Control Agency are provided exclusively for tenants and landlords of rent-controlled units and include the following services:

1. Providing information for all rent-controlled properties
2. Advising how much rent may be collected for any rent-controlled unit
3. Resolving disputes and providing mediation services for owners and tenants regarding rent overcharges, property maintenance and amenities
4. Conducting hearings regarding individual rent increases and decreases
5. Providing referrals to other services and resources in the community
6. Adjusting rents for new tenancies as mandated by State law

7. Informing owners and tenants of their rights and responsibilities under the Rent Control Law

In the twenty years following the 1979 enactment of the Rent Control Charter Amendment, rent levels for most controlled units in Santa Monica were based on the rent in effect in 1978 plus annual rent increases allowed for controlled units. Regardless of how many times tenants moved in and out of a unit, the then vacancy control provision mandated that rent levels remained in place between tenancies. That changed with the state Legislature's passage of the Costa-Hawkins Rental Housing Act in 1995. Since January 1, 1999, state-mandated vacancy decontrol has allowed owners to set a new market-rate rent for each new tenancy.

The Santa Monica Rent Control 2020 Annual Report documents the impacts of Costa Hawkins and the Ellis Act on tenant occupied properties in Santa Monica. According to this report, after the implementation of Costa- Hawkins initial rents for new tenancies have risen each year except for a slight downturn after the 2009 recession. During twenty-one years of vacancy decontrol , seventy-three percent (73%) of controlled units have been rented at market-rate at least once. **Only twenty-four percent (24%) of the housing units remain occupied by long-term renters, thus have been able to experience real benefit from rent control.** While twenty-four percent of tenants that are long-term renters in Santa Monica may be reaping the benefits of staying in place, they will likely not find a comparable unit, particularly in Santa Monica, for the below market rate rent they are paying.

According to the Santa Monica Rent Control 2020 Annual Report, in the 35 years since the Ellis Act was enacted, the City of Santa Monica has experienced a net loss of 2,075 units after considering prior rent control units that were returned to the rental market. The small gain in rent-controlled units was not enough to slow the city's deepening housing affordability crisis. That coupled with Ellis Act withdrawals, incentivized by high residential real estate values in the homeownership market, have resulted in **an overall decrease in Santa Monica's housing stock, which can in turn result in higher market rents as there are less units to rent.** In addition, for those landlords that do want to stay in the rental business the Ellis Act creates an incentive for them to cater to wealthier tenants by buying existing tenants out of their leases so that they can lease the units at a higher rent.

The table below shows the availability of controlled rental units in Santa Monica that are affordable at various income levels. The table assumes an affordability standard that no more than thirty percent (30%) of income is used for rent. **Today, less than five percent of the controlled units are rented at an affordable price to low-, very low- and extremely low-income categories.** Moreover, many of these units are affordable because they are on properties that are required by agreements with governmental agencies to provide affordable housing.

Income Category	1998		2020		
Rent Level Affordability	Units	%	Units	%	Change
Extremely Low (30%)	1,849	9.2%	6	0.0%	-99.7%
Very Low (50%)	3,845	19.0%	176	0.6%	-95.4%
Low (60%)	4,860	24.4%	223	1.0%	-95.4%
Low (80%)	6,207	31.3%	582	2.6%	-90.6%
Moderate (110%)	2,406	12.1%	2,364	10.1%	-1.7%
Higher (>110%)	769	3.%	16,585	85.5%	2056.7%

The Santa Monica Rent Control program does not appear to effectively offer the positive public benefit that it sought, having been largely hampered by intervening state legislation. **The collateral effect does not create affordable rents to low-income residents but rather offers below market rents to long term residents.**

Additional case studies:

A 2000 study that compared the border areas of four California cities having vacancy control provisions (Santa Monica, Berkeley, West Hollywood, East Palo Alto) with the border areas of adjoining jurisdictions (two of which allowed vacancy decontrol, including Los Angeles, and two of which had no rent control) showed that existing tenants in the vacancy control cities had lower rents and longer tenure than in the comparison areas. Thus, **the ordinances helped protect the existing tenants and, therefore, increased community stability. However, there were fewer new rental units created in the border areas of the vacancy-controlled cities over the ten-year period.**

A study that compared the effects of local rent control measures (both vacancy control and vacancy decontrol) with other local growth management measures in 490 California cities and counties showed that **rent control was stronger than individual land use restrictions in reducing the number of rental units constructed between 1980 and 1990.** The measures (both rent control and growth management) helped displace new construction from the metropolitan areas to the interiors of the state with low income and minority populations being particularly impacted.

In 1994, San Francisco voters passed a ballot initiative which expanded the city's existing rent control laws to include small multi-unit apartments with four or fewer units, built prior to 1980 (about 30% of the city's rental housing stock at the time). A 2019 study found that San Francisco's rent control laws reduced tenant displacement from rent controlled units in the short-term, but **resulted in landlords removing 30% of the rent-controlled units from the rental market, (by conversion to other product types) which led to a 15% citywide decrease in total rental units, and a 7% increase in citywide rents.**

STAFF RECOMMENDS A MULTIPRONGED APPROACH

While staff recognize that the rents are in-fact unaffordable for the median income family in Oxnard, staff believes that rent control alone will not reach the desired public benefit. Further, the case studies above indicate that the target of affordable housing is often missed by rent control. The reality is **capping the existing rents, which are already too high for the median income family in Oxnard, does not make the rents affordable.**

Capping the rents, and limiting future rental increases, will give people breathing room for future cost of living increases and potentially keep tenants from homelessness or from moving to cheaper suburbs further away from public transit and other neighborhood amenities. However, as is evident in cities with rent control ordinances, such as Santa Monica, **rent control have failed to provide affordable housing** for the majority of renters living in rent-controlled units, while creating negative, unintended consequences including **Ellis Act withdrawals, which in turn lowers the overall number of units available for rent and drives the cost up of the rental units that remain.** The effects of Ellis Act withdrawals and Costa-Hawkins on rent control units is not exclusive to Santa Monica, and therefore, should be considered when contemplating the enactment of a local City Rent Control ordinance.

Rent control ordinances do not consider the income of the actual person that lives in the unit, as rent controlled units are not income restricted units, and as such do not necessarily assist low-income families and individuals who are most in need of affordable housing. In fact, rent controlled units are not likely to be affordable when they are initially offered for rent because initial rents are based on market rents. Rent control units also do not preserve affordability for the majority of renters, as rent control units really primarily benefit tenants that remain in their units over a long-period of time, which is likely to be the minority of renters, as was the case in Santa Monica. Based on these reasons and the underlying contributing factors to the unaffordable costs of housing, rather than rent control, staff recommends the following short and long term efforts:

Short Term Recommendations:

1. **Tenant Rights Education.** Staff can develop an education program to make tenants aware of their rights

under AB 1482. Components of the program could include:

a. Education and outreach
b. Informational notices, complaints, and voluntary compliance
c. Local inventories of covered units and rents
d. Lease requirements and consumer protections
e. Strategic enforcement against bad actors (i.e., B&P Code Section 17200)
f. Local right to counsel and legal assistance funding and programs

This effort will require a significant budget appropriation and recruitment of new professional staff. The scope and scale of this new program has not yet been determined.

2. Local Tenant Protection Act. The City of Sacramento adopted a local tenant protection act similar to the state Tenant Protection Act, except that by its local adoption created an enforcement capacity for itself and added penalties for its violation. The City of Sacramento ordinance and a program summary is attached for your reference. Like Sacramento, Oxnard may consider adopting a version of the State Tenant Protection Act, which offers Oxnard an opportunity to enforce it.

This effort will require a new **<u>significant</u>** budget appropriation and recruitment of new professional staff in both the Housing Department and City Attorney's office. The scope and scale of this new program has not yet been determined.

3. Density Bonus Permit. The City can also continue to increase the City's affordable housing stock via continued compliance with the State's Density Bonus law and the City's existing Density Bonus Ordinance which allows developers and owners to construct more housing units within their development or receive development concessions that would otherwise not be allowed by the local code, in exchange for the developer providing a required number of affordable units.

<u>Long Term Recommendations:</u>

1. **Build new affordable housing.** Building new affordable rental housing ensures long-term affordability, via recorded deed restrictions that require affordable rental properties to remain affordable for the term of the affordable deed restriction which can typically range for up to fifty-five years. Affordable rental housing can range in affordability from units that are affordable to extremely low-income, very low-income, low-income, and moderate-income households without regard to changes in tenancy and subsequent rental increases are based on annual changes in the area median income rather than market demand which can drive the price of rental units up.

2. **Continue to Enforce the Inclusionary Ordinance.** The City's Inclusionary Housing Ordinance, requires that all new residential rental developments with 10 or more units, make 5% the units in the development affordable to very low-income households and 5% of the units affordable to low-income households and requires the units to remain affordable, at the same level of affordability, for twenty years regardless of any change in tenancy or ownership. In addition, rent increases are based on changes in area median income for Ventura County. Owners of new residential developments also have the option of paying an in-lieu fee instead of constructing affordable units, which can be used by the City's Housing Department to issue gap-financing loans to developers that can then leverage those funds to receive other state and federal funding that can in turn be used to develop more affordable rental housing units in the City than would have been required by the owner of the new market-rate development. The City's Inclusionary ordinance also applies to homeownership units and requires that developers and owners of new for sale developments with ten or more units make 10% of the units affordable to households earning up to 80% of the area median income as well as require the owner and developer of the for-sale development to require the buyers of the affordable units to execute a resale restriction that keeps the units affordable for twenty years.

3. **Employee Pipeline.** Oxnard residents will also benefit from the Employee Pipeline program, which is a partnership between the City, Oxnard College, and the Chamber of Commerce, to provide the training and education necessary for people to be qualified for better paying jobs, especially those with health benefits. Oxnard College has created a curriculum program based on input from Oxnard companies to train residents to get the skills they need and guarantee them an interview with Oxnard companies that offer better pay and health benefits.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

There is no financial impact at this time; however, implementation of any of these recommendations would have a cost associated with them. Based on Committee feedback, staff will develop program parameters and the associated impacts to staffing and budget and timelines for the implementation of the recommended efforts.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS
1. ATTACHMENT 1 - PRESENTATION
2. ATTACHMENT 2 - CAUSE Presentation
3. ATTACHMENT 3 - City of Sacramento Tenant Protection Ordinance
4. ATTACHMENT 4 - SACRAMENTO TENANT PROTECTION PROGRAM

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. N.3

DATE: October 19, 2021

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: A Review of Rent Control and Tenant Protection Strategies (0/20/20)

RECOMMENDATION

That the City Council:
1. Conduct a review of potential strategies regarding tenant protection strategies;
2. Give direction to staff on the preferred components of the tenant protection strategies; and
3. Direct staff to return to the City Council for consideration of specific components of the tenant protection strategies.

Please click the following links to view the required Measure M pre-recorded presentation videos:
https://youtu.be/LqZg_0owRRk
https://youtu.be/ahhQSt1FSZ4
https://youtu.be/ouubOuIl2hk
https://youtu.be/tecvgLGQ9Gk

BACKGROUND

Rent Control exists statewide per 2020’s Assembly Bill (AB) 1482 Tenant Protection Act which is discussed extensively in the September 14th Community Services, Public Safety, Housing & Development Committee (“Committee”) staff report titled: “A Review of Rent Control and Tenant Protection Strategies”. The first problem with AB 1482 is that people are not aware of it. Second, there is no clear, easy way to enforce it.

Staff believes there is value in seeking to enforce the Tenant Protection Act because it offers opportunities to address substandard housing, wrongful evictions, and illegal rent increases. However, an additional rent control policy will most likely be ineffective to close the affordability gap, which is the primary problem with housing costs for many of Oxnard’s residents. Rent control slows the rate of rent increases but it will not decrease the cost of housing.

The September 14th staff report and corresponding presentation are Attachments 1 and 2 to this report, and should be read in conjunction with this report. That staff report discusses the various causes that have led to the reality that the average resident cannot afford the cost of housing. Essentially, wages and income have remained relatively stagnant in Oxnard while housing prices, including rent, have increased significantly. This has led to a variety of social ills including substandard housing, overcrowding, unaffordable rents and, in some cases, homelessness. Landlords who illegally increase rents exacerbate the problem.

That report also discusses the history of rent control and its effectiveness to cure some of these social ills. Staff also reviews the current state of legislation in California, including the Costa Hawkins Act and the Ellis Act, which significantly preempt new rent control policy beyond the existing Tenant Protection Act enacted by the State of California in 2020.

At the September 14, 2021 Committee meeting staff was directed to offer the full City Council an opportunity to consider the various tenant protection strategies. Please view the following link for the full agenda item here (https://www.oxnard.org/city-meetings/). The Measure M video associated with the item can be viewed at the following link: videos: https://youtu.be/ahhQSt1FSZ4 and https://youtu.be/tecvgLGQ9Gk

This report serves as:

1. A summary of the discussion at the September 14th Committee meeting.

2. A summary of the additional meetings that have taken place since the September 14th Committee meeting with Central Coast Alliance United for A Sustainable Economy (CAUSE) and the Apartment Association of Greater Los Angeles, Ventura County Coastal Association of Realtors, The California Apartment Association, and West Ventura County Business Alliance ("Housing Providers").

3. Recommendations for tenant protection strategies from CAUSE and the Housing Providers.

4. Repeat of staff recommendations from the September 14th Committee staff report.

BACKGROUND:

Following the Committee meeting on September 14th staff held a meeting with the Housing Providers on September 24th. The meeting included: the Apartment Association of Greater Los Angeles, Ventura County Coastal Association of Realtors, The California Apartment Association, and the West Ventura County Business Alliance.

The City Manager and City Attorney have approached the District Attorney to discuss potentially prosecuting, under the District Attorney's authority, properties with severely deficient housing habitability conditions, as well as exploring options for enforcing the State's Rent Control law. The discussion is just beginning and will continue.

Staff also hosted a joint meeting with CAUSE and the Housing Providers on October 6th. Based on the joint meeting the following areas of common ground between CAUSE and the Housing Providers were found:

1. A need for education for both tenants and landlords on each of their rights and obligations including where the State Tenant Protection Act applies.
2. Empowering access to counsel.
3. Strengthening Code Enforcement efforts against substandard and overcrowded housing conditions.

As a part of this joint meeting, staff asked CAUSE and the Housing Providers to provide statements outlining their proposals for tenant protections strategies. Staff has included those statements verbatim below.

A STATEMENT FROM CAUSE

CAUSE recommends that the City Council direct staff to develop a local rent control ordinance that would provide stronger protections than the Tenants Protection Act (AB 1482) in three ways:

1. An annual cap on rent increases equivalent to the increase in the Consumer Price Index (CPI).

2. A requirement for landlords to pay three (3) months of median market rent to the current tenant as relocation assistance if they wish to conduct a no-fault eviction for an owner-move-in, demolition, or renovation of a unit.

3. The local rent control ordinance should be permanent unless repealed by the city council.

Improving AB 1482 Protections

Under AB 1482, rent stabilization is capped at 5% plus inflation or at 10%, whichever is lower. This high level for allowable rent increases is inadequate to protect vulnerable tenants in Oxnard who are already heavily rent burdened. The latest CPI increase of 4% means tenants are currently facing allowable rent increases of 9%, or $137 for the median rent in Ventura County of $1,519 for a one-bedroom apartment. Particularly in Oxnard's largest industry of agriculture, few tenants can afford rent increases at this level. As the staff report notes, unaffordable rent poses a great challenge to most of the population in Oxnard- extreme rent increases push tenant households to the brink of homelessness and drive food insecurity in the city. Lowering the rent cap to CPI is the only way to provide immediate relief to low-income tenant families in Oxnard facing displacement while local and state leaders pursue long-term solutions to produce more affordable housing. California courts have found that a cap as low as 50% of CPI provides a "fair return" to landlords. Many municipal rent stabilization policies simply cap rents at CPI.

Additionally, under AB 1482, landlords are required to give tenants a reason for their eviction. Just causes such as nonpayment of rent, nuisance to other tenants, damage to property, and illegal activity continue to be legal with zero relocation assistance. However, tenants served "no fault" evictions (owner move-in, substantial remodel, demolishing the rental unit, etc.) receive only one month of relocation assistance from their landlords. Most landlords require first months' rent, last months' rent, security deposit, and application fees upon move-in. Many tenants also pay for temporary storage and other moving costs. These move-in related expenses can easily surpass $4,000, without which the tenant may be forced into homelessness or displacement. One month of relocation assistance would not adequately cover these expenses, so relocation assistance must be strengthened to reflect the realities of the rental market. A three months' relocation assistance is the minimum needed to adequately cover most relocation and move-in costs. In addition, a three month's relocation assistance would discourage Ellis Act evictions in large, multi-unit complexes, preventing negative consequences of rent control cited in the staff report.

Finally, protections afforded by AB 1482 are set to expire in 2030. However, we recommend that tenant protections be permanent. Removal of tenant displacement protections should occur only when the production of affordable rental units is large enough to guarantee naturally occurring affordability.

Addressing Tenant Protections Concerns

Staff expressed concerns about rent stabilization in the city. The major concern stems from the lack of creation of affordable rental units through rent stabilization. CAUSE agrees that rent stabilization will not create new affordable rental units, which could be best accomplished through other policies such as inclusionary housing, an affordable housing overlay, and/or a local housing bond. However, these policies address long-term needs since increasing the supply of housing is a slow process and it takes years for construction to have an impact on the rental market; furthermore, success depends on other cities in the region also working to build affordable housing. In the short-run, the only way to protect tenants from growing rent burdens and displacement is through rent stabilization and other tenant protections. Although rent stabilization covers units rather than tenants based on income level, tenant protections overwhelmingly cover low-income tenants and vulnerable populations. Local tenant protections can only apply to older, for-rent multifamily apartment buildings (those constructed before 1995). Such complexes are primarily found in South Oxnard, along Channel Islands Boulevard, Saviers Road, Hueneme Road, and Ventura Road. Usually, tenants living in these units are low-income essential workers, farmworkers, and immigrants who are disproportionately underserved and who often encounter severe language barriers that inhibit political participation and understanding of their rights as tenants in Oxnard.

Furthermore, staff expressed concern over the overall impact of rent stabilization and tenant protections on the rental market. Existing studies covering the impact of rent stabilization policies conclude that tenants under rent stabilization benefit from housing stability. In one of the most complete studies of San Francisco's rent stabilization policy, Diamond et al. (2019) estimated that residents living in rent-stabilized units since 1994 had saved approximately $3 billion in rent. They conclude that "long term beneficiaries of rent control are between 10 to 20 percent more likely to remain at their 1994 address relative to the control group." However, the study also linked rent stabilization to the loss of some rental units from the housing market as landlords convert apartments into for-sale condominiums. Although CAUSE understands this concern, we believe it is best addressed through requiring stronger relocation assistance payments for condo conversions that both assist displaced tenants and financially discourage landlords from removing units from the rental market. Finally, CAUSE holds that Tenant Protections are only but a first step to address the California Housing Crisis.

We agree with other staff recommendations and hope that the City take steps to implement all the recommended short-term and long-term policies that staff identified below.

A STATEMENT FROM THE HOUSING PROVIDERS

This narrative is submitted jointly by the following organizations: the Apartment Association of Greater Los Angeles, the California Apartment Association, the Ventura County Coastal Association of Realtors, and the West Ventura County Business Alliance. Summarized below is our opposition to local rent control and related measures and recommendations for alternative solutions for the City Council's consideration.

Rent Control Does NOT Equal Affordability

Rent Control does **not** create any new affordable rental housing units. It also does **not** ensure access to affordable rental housing for low-income, very-low income or extremely low-income renters. In fact, it does the **opposite** by preventing those in greatest need from accessing the most affordable existing rental housing. Rent control does **not** consider the income of existing renters or new renters needing housing. As a result, middle-and high-income renters are able to monopolize existing affordable rental housing units even though they are financially able to pay full market rate rents in newer rental buildings with more amenities. A significant number of new rental housing units are being built in Oxnard, including Wagon Wheel, Johnson Road Apartments, Dansk II Apartments, Etting Road Apartments, Cypress Place at Garden City, Las Cortes, G Street Apartments, Portofino Place, Jain Apartments, and Lockwood Senior Apartments. None of these newly built buildings will be subject to Assembly Bill 1482 for at least 15 years or local rent control due to Costa-Hawkins. However, they will provide much needed alternative rental housing for those renters that can afford these new units. As such, Oxnard should be encouraging renters who have the financial means to relocate to these newer units (not discouraging them with rent control) to free up the more affordable older units for those renters that are low, very low and extremely low income.

Further, rent control does not consider family size for existing affordable housing units. Thus, an existing single renter can reside for decades in a 2, 3 or 4 bedroom rental unit, preventing other renters with families who are in need of such units from renting them. Ultimately, rent control rewards a small number of existing renters at the expense of all other renters, including renters with much greater financial needs and family-size needs for affordable rental housing.

Numerous Existing Tenant Protections NOT Fully Implemented

<u>State Level Protections - Tenant Protections Act of 2019</u>

Renters in Oxnard and throughout California are covered by the Tenant Protection Act of 2019, Assembly Bill 1482. These protections were adopted after extensive negotiations with all sides, including renter advocates. They will remain in effect until January 1, 2030 – which is more than **8 years** from now.

This state law went into effect on January 1, 2020 and limits annual rent increases, establishes "Just Cause" eviction requirements and requires relocation fees for no-fault tenancy terminations. Due to the COVID-19 pandemic and statewide eviction moratorium for non-payment of rent, Assembly Bill 832 and its predecessors, Assembly Bill 1482 is only now becoming fully effective. At this time, it is too early to assess the full impact of this comprehensive state law and any evidence to show that it is insufficient for the majority of renters or that additional enforcement mechanisms are needed. Assembly Bill 1482 must be allowed to go into full effect for a reasonable period of time before the City of Oxnard can determine what, if any, additional local ordinances are needed.

<u>Local Tenant Protections - Oxnard's Safe Homes, Safe Families Repeat Offender Program, Health & Safety Ordinances</u>

Oxnard's Safe Homes, Safe Families Repeat Offender Program was specifically designed to address rental housing owners that repeatedly violate health and safety codes by providing substandard housing. Similar to Assembly Bill 1482, this new program has not been fully implemented due to COVID-19 and the inability of code enforcement to enter residences. Now with widely available COVID-19 vaccinations and the repeal of stay-at-home orders, we encourage the City to fully utilize this program to address existing substandard housing problems.

<u>Fair Housing Laws</u>

Federal and state fair housing laws have existed for decades that protect renters against discrimination in housing. However, many renters are not aware of their rights under these laws.

State Level Tenant Financial Resources

CA COVID-19 Rent Relief program

CA COVID-19 Rent Relief program provides funds for 100% of back rent owed as well as up to three (3) months of prospective rent. It also provides funds for utilities. In addition, applying for this program can provide renters with an affirmative defense to evictions based on non-payment of rent.

Solutions

Education

As there are already numerous renter protection laws in existence and many have not been fully implemented due to COVID-19, education and outreach is vital. The City should undertake a broad-based education and marketing campaign for the entire community (including renters, rental housing providers, businesses, and homeowners) on all renter protection laws and the CA COVID-19 Rent Relief program. City staff can provide webinars to the community, the City's website can list information regarding the various renter protection laws and local legal aid societies, the City can include promotional materials in utility billing mailers, and the City could establish a new 800 phone number in English and Spanish to provide more confidentiality to anonymously report complaints, as well as establish an email account as an additional method of reporting complaints.

Local Level Tenant Financial Resources

The City could establish an emergency rental voucher program to provide targeted funding to low, very-low and extremely low-income renters as well as to targeted populations such as farm workers, seniors and the disabled. This would be a far better use of limited City resources versus any type of right to counsel program which would not address the root problem that renters are being evicted in most instances for failure to pay their rent.

Voluntary Rental Housing Mediation Program

A voluntary mediation program enables the amicable resolutions of disputes and misunderstandings between renters and rental housing providers. The strength of such a program is that it is voluntary and completely separate from the court system and law enforcement. As a result, more renters will feel comfortable engaging in such discussions. Also, rental housing providers will be encouraged to engage in such discussions as it will avoid expensive legal costs. Mediations can be conducted by a mixture of City staff and trained volunteers from the community. It would also allow for individualized and creative solutions to problems, including payment plans, trading of services/work, voluntary relocation, etc. Such a program could be a valuable resource to all Oxnard renters, including those renters in single family rental homes, new apartment buildings, and accessory dwelling units.

STAFF RECOMMENDATION (From the September 14th Committee staff report)
Short Term Recommendations:

1. **Tenant Rights Education.** Staff can develop an education program to make tenants aware of their rights under AB 1482. Components of the program could include:

a. Education and outreach

b. Informational notices, complaints, and voluntary compliance

c. Local inventories of covered units and rents

d. Lease requirements and consumer protections

e. Strategic enforcement against bad actors (i.e., B&P Code Section 17200)

f. Local right to counsel and legal assistance funding and programs

This effort will require a significant budget appropriation and recruitment of new professional staff. The scope and scale of this new program has not yet been determined.

2. Local Tenant Protection Act. The City of Sacramento adopted a local tenant protection act similar to the state Tenant Protection Act, except that by its local adoption created an enforcement capacity for itself and added penalties for its violation. A program summary is attached for your reference. City Council may also consider adopting a version of the State Tenant Protection Act (sample draft attached) offering Oxnard an opportunity to enforce it.
This effort will require a significant budget appropriation and recruitment of new professional staff. The scope and scale of this new program has not yet been determined.

3. Density Bonus Permit. The City can also continue to increase the City's affordable housing stock via continued compliance with the State's Density Bonus law and the City's existing Density Bonus Ordinance which allows developers and owners to construct more housing units within their development or receive development concessions that would otherwise not be allowed by the local code, in exchange for the developer providing a required number of affordable units.

Long Term Recommendations:

1. **Build new affordable housing.** Building new affordable rental housing ensures long-term affordability, via recorded deed restrictions that require affordable rental properties to remain affordable for the term of the affordable deed restriction which can typically range for up to fifty-five years. Affordable rental housing can range in affordability from units that are affordable to extremely low-income, very low-income, low-income, and moderate-income households without regard to changes in tenancy and subsequent rental increases are based on annual changes in the area median income rather than market demand which can drive the price of rental units up.

2. **Continue to Enforce the Inclusionary Ordinance.** The City's Inclusionary Housing Ordinance, requires that all new residential rental developments with 10 or more units, make 5% the units in the development affordable to very low-income households and 5% of the units affordable to low-income households and requires the units to remain affordable, at the same level of affordability, for twenty years regardless of any change in tenancy or ownership. In addition, rent increases are based on changes in area median income for Ventura County. Owners of new residential developments also have the option of paying an in-lieu fee instead, which can be used by the City's Housing Department to issue gap-financing loans to developers that can then leverage those funds to receive other state and federal funding that can in turn be used to develop more affordable rental housing units in the City than would have been required by the owner of the new market-rate development. The City's Inclusionary ordinance also applies to homeownership units and requires that developers and owners of new for sale developments with ten or more units make 10% of the units affordable to households earning up to 80% of the area median income as well as require the owner and developer of the for-sale development to require the buyers of the affordable units to execute a resale restriction that keeps the units affordable for twenty years.

3. **Employee Pipeline.** Oxnard residents will also benefit from the Employee Pipeline program, which is a partnership between the City, Oxnard College, and the Chamber of Commerce, to provide the training and education necessary for people to be qualified for better paying jobs, especially those with health benefits. Oxnard College has created a curriculum program based on input from Oxnard companies to train residents to get the skills they need and guarantee them an interview with Oxnard companies that offer better pay and health benefits.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

There is no financial impact at this time, however implementation of any component of these tenant protection strategies will have a cost associated with them. Based on Council feedback staff will develop staffing needs, budgets, and timelines for the recommended components.

COMMITTEE OUTCOME

The Committee heard public comment and presentation from staff. The Committee deferred action or direction and directed staff to present a similar workshop before the City Council.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. September 14, 2021 Committee Staff Report
2. September 14 Commitee Staff Presentation
3. City Council Rent Control Presentation - October 19th
4. CAUSE PRESENTATION

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. C.1

DATE: February 9, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Review of Rent Stabilization and Just Cause Eviction and Tenant Protection Draft Ordinances. (10/30/60)

RECOMMENDATION

That the City Council review the *Rent Stabilization* and *Just Cause Eviction and Tenant Protection* draft ordinances, and provide direction to staff regarding any desired modifications to said ordinances, which will be brought back at a future meeting.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/qcF3rafOaE4

BACKGROUND

On October 19, 2021 and September 14, 2021, staff presented to the City Council and the Community Services, Public Safety, Housing & Development Committee, respectively, overviews of potential tenant protection strategies, including but not limited to, rent control. City Council directed staff to draft and present for Council input and consideration a local tenant protection and rent control ordinance that includes:

1. Tenant protections in both just cause and no cause evictions with relocation benefits compatible to the one month rent equivalent;
2. Annual rent adjustment of not more than five-percent, set to expire December 31, 2030.
3. Local enforcement; and
4. Education program for landlords and tenants.

The October 19th and September 14th staff reports are attached and should be read in conjunction with this report.

DISCUSSION

Staff researched and reviewed thirty-eight different California local government rent stabilization and tenant protection programs and the California Tenant Protection Act (AB 1482) to develop an ordinance responsive to the direction from Council as listed above.

Ultimately, staff enlisted the assistance of Best, Best & Krieger to draft ordinances that closely align with the Council's policy direction while meeting the requirements of the law.

Rent Stabilization Ordinance

The draft Rent Stabilization Ordinance ("RSO") does the following:

1) Prohibits increases in rent on certain residential real property in the city in excess of five percent (5%)

a) This is more restrictive than the Tenant Protection Act which allows for annual rent increases of no more than 5% plus the percentage change in the cost of living for the region in which the property is located, or 10% whichever is lower.

2) Prohibits more than one rent increase in any twelve (12) month period, unless expressly exempt by state law.

a) This is also more protective than the Tenant Protection Act in that the rent increase can only be done once per year;

3) Requires written notice of rent increase consistent with the Tenant Protection Act.

4) Allows a landlord to appeal the rental increase limitation based on a claim for fair rate of return to the City Manager, or designee, which provides more protection than the Tenant Protection Act.

5) Establishes that rent increase restrictions do not apply to housing restricted by deed, certain dormitories, certain residential real property that is alienable separate from the title to any other dwelling unit, units regulated by the City's Mobile Home Rent Stabilization system, transient occupancies, and institutional facilities, which is consistent with the Tenant Protection Act.

6) Makes clear that rent increases shall not be effective where a landlord:

a) Fails to substantially comply with all provisions of the RSO, including but not limited to the failure to provide notices as required; or

b) Fails to maintain the residential real property in compliance with safety and habitability requirements (California Civil Code Sections 1941.1 et seq. and California Health and Safety Code sections 17920.3 and 17920.10); or

c) Fails to make repairs ordered by the City or court of competent jurisdiction.

7) Establishes that violations of any provision of the RSO shall first be punished through the use of a civil citation, prior to prosecution as a misdemeanor, infraction, or civil injunction. As provided in Oxnard City Code Section 1-10, every violation of the ordinance that the city attorney prosecutes as an infraction is punishable as follows: $100 for the first violation, $200 for the second violation within one year, and $500 for the third and every additional violation within one year. Each day that a violation of the ordinance continues will be prosecuted as a new and separate offense.

8) Establishes a fee for those residential units that are subject to the RSO.

9) Sunsets on 31 December 2030.

Just Cause Eviction and Tenant Protection Ordinance

Under the California Tenant Protection Act, landlords are required to give tenants a reason for their eviction. Just causes such as nonpayment of rent, nuisance to other tenants, damage to property, and illegal activity continue to be legal with zero relocation assistance. However, tenants served "no fault" evictions (owner move-in, substantial remodel, demolishing the rental unit, etc.) receive one month of relocation assistance from their landlords if they have lawfully lived in the property for at least 12 months. Per AB 1482 in order to adopt local eviction protections, the City's ordinance must be more protective than state law. The draft Just Cause Eviction and Tenant Protection Ordinance ("TPO") does the following:

1) Requires a landlord to pay relocation benefits to a tenant in the amount of the greater of one month's rent or $2,500, which is greater than the one-month requirement in the Act;

a) Most landlords require first months' rent, last months' rent, security deposit, and application fees upon move-in. Many tenants also pay for temporary storage and other moving costs. These move-in related expenses can easily surpass available savings, without which the tenant may be forced into homelessness or displacement.

b) One month of relocation assistance may not adequately cover these expenses. The TPO relocation assistance is strengthened to a minimum of $2500 to reflect the realities of the rental market and to adequately cover most relocation and move-in costs.

2) Triggers tenant protections after 30 days of tenancy;

a) AB1482 provides for tenant protections after one year of tenancy;

b) The TPO reduces the tenancy for tenant protections to be triggered to 30 days. 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.

3) Applies to tenants that are not covered by the Tenant Protection Act, such as single family homes or units newer than 15 years old;

4) Requires written notice for a no-fault termination including disclosure of the relocation benefit amount, consistent with the Tenant Protection Act; and

5) Sunsets on 31 December 2030.

a) Sunsetting the RSO was clearly directed by Council at their October 19, 2021 meeting, however sunsetting the TOP ordinance was not. Staff is seeking additional direction from the Council on the desire to sunset the TPO consistent with AB1482.

Local Enforcement

Without a local ordinance, the City Attorney's Office does not have the authority to enforce AB 1482 violations. A local ordinance and associated enforcement program provides additional tools to the landlords and tenants. Staff is developing administrative procedures for implementation and enforcement of the ordinances ("The Program"). Staff proposes that the City would enforce the ordinance on a complaint basis.

There is a wide range of staffing associated with the 38 rent stabilization programs that staff researched to develop the RSO and TPO. Based on the draft Oxnard RSO and TPO an enforcement and education program could cost approximately $1.2 million annually once the programs are fully burdened. These costs include the following six staff positions and associated general office administration:

1. Program Manager, Administrative Assistant, Compliance Officer, Hearing Officer, Management Analyst, and a Deputy City Attorney or Paralegal.

2. Based on the final ordinances, staff will refine the program enforcement staffing needs and return to the City Council to establish a program fees to cover staffing, as well as education and outreach, associated with supporting The Program. The intent is to phase in staffing over time, rather than fully stand-up a division at the initiation of the program.

In addition to local enforcement the City Manager has approached the District Attorney's office to explore additional options to address deficient housing habitability and enforcing AB1482. Additional time is needed to explore these options.

Education of Rights and Obligations

Lastly, City Council directed staff to offer education and training of the rights and obligations of both landlords and tenants arising from the draft ordinances. Primary among these target constituencies will be tenant organizations, apartment owners and managers, and associations, advocates and representatives for both tenants and housing providers.

Development of the education campaign and training materials is underway, and will be completed once final ordinances have been adopted.

A comprehensive public Education and Outreach program, which may be implemented by a procured contract partner, which may include the following key elements:

Bilingual Marketing and Program Delivery

All outreach materials, such as flyers and social media posts, will be produced and disseminated in both English and Spanish. When appropriate, use of media and platforms that target non-English speaking sectors of our population may be employed to ensure effective dissemination of accurate information. City administrative and outreach staff, and any outside service providers procured to deliver any services associated with the ordinances will have bilingual capabilities.

Printed & Electronic Materials

Staff proposes printed flyers, posters and electronic materials to be disseminated through target constituencies described above as well as inserted into City utility bills.

Education and Outreach to Target Constituencies

Staff proposes to produce and deliver presentations aimed at the various sectors and constituencies who will be most impacted by the programs. Presentations and training materials will be customized for the two distinct constituencies.

Web Presence

Staff proposes to create and maintain an effective and accurate website presence, in order to ensure that all members of the public, tenants, landlords, and housing providers have access to information on the ordinances and associated procedures. The website will include links to the ordinances and the administrative regulations and procedures, as well as providing downloadable forms when such are required to be used in accordance with the ordinance and adopted regulations. The City of Sacramento website provides a good model for a program website: https://www.cityofsacramento.org/Community-Development/Code-Compliance/Tenant-Protection-Program.

Social Media

Given that the various platforms of social media are a primary avenue for members of the public to access information, social media will be used to promote the program, upcoming presentations, training, and the website.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

Staff estimates an annual cost of approximately $1,200,000 required for a fully burdened staff and office operations to administer The Program, inclusive of education programs, discussed above. Staff anticipates that such an annual cost will not be needed at the initial implementation but may ramp up to this level over time.

Further development and research is needed before returning to Council to adopt an annual fee associated with support and enforcement of each ordinance for The Program. Staff will also return to the City Council to request staffing to support The Programs.

It is estimated that there are approximately 23,829 units that the TPO will apply to. The Rent Stabilization Ordinance would also include the imposition of an annual per unit fee for the cost of such a program. This fee would apply to a subset of these units. In addition, similar to other code compliance violations, fees and penalties for violation of The Program are also anticipated.

COMMITTEE OUTCOME

Per the direction of the City Council on October 19, 2021 this item is being presented directly to the City Council. The Committee previously provided input and heard public comment at their September 14, 2021 meeting.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Sepember 14, 2021 Commitee Staff Report
2. October 19, 2021 City Council Staff Report
3. Draft Just Cause and Tenant Protection Ordinance
4. Draft Rent Stabilization Ordinance
5. Summary Table
6. Presentation

INTRODUCING

Just Cause Eviction and Tenant Protection Ordinance
&
Rent Stabilization Ordinance

Emilio Ramirez, Housing Director
City Council
April 13, 2022

CITY OF OXNARD CALIFORNIA

PREVIOUS PRESENTATIONS

1. The Oxnard Housing Department presented options for tenant protection strategies on September 14, 2021 to the Community Services, Public Safety, Housing & Development Committee, to City Council on October 19, 2021 and to City Council on February 9, 2022

2. The Committee heard public but deferred action and directed staff to present this review to the full City Council and seek direction to staff on the preferred components of the tenant protection strategies

3. The City Council directed that that staff introduce tenant protection and rent stabilization ordinances to Council

DIRECTION FROM CITY COUNCIL

Specifically at the February 9, 2022 meeting, Council directed that the following items be included in the ordinances

1. Tenant relocation assistance for no-fault just cause evictions equal to (i) two months of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy, or (ii) $5,000, whichever is greater.
2. Annual rent adjustment of not more than five percent;
3. Both ordinances to expire on December 31, 2030.
4. Fair Return Petition for Rent Increase shall be determined by the City Manager, not a board.

STAKEHOLDER INPUT

Staff incorporated the following changes, based on stakeholder feedback, into the ordinances being presented to the City Council:

1. Modified the definitions of "Owner" and "Tenancy" in Section 27-8 of the Just Cause Ordinance.
2. Modified Section 27-23 of the Rent Stabilization Ordinance, requiring the City Manager to send Fair Rate of Return Petition decisions to the Owner(s), applicable tenants and their designated representative(s).

STAKEHOLDER INPUT CONTINUED

Staff incorporated the following changes, based on stakeholder feedback, into the ordinances being presented to the City Council:

3. Removed the following from the list of City Manager considerations as part of the Fair Rate of Return Petition process:
   a) "The rent is lawfully charged for comparable residential real property or mobile home spaces in the city." Section 27-23(C)(2)
   b) "Any existing written lease lawfully entered into between the owner and the affected tenant(s)." Section 27-23(C)(11)
4. Re-established that written notices provided pursuant to Section 27-26(A) shall be given "in a form prescribed by the City."
5. In Section 27-29, clarified Owners pay the rent stabilization fee.

STAKEHOLDER INPUT CONTINUED

Staff incorporated the following changes, based on stakeholder feedback, into the ordinances being presented to the City Council:

> Staff heard from landlords that these ordinances provide more tenant protections than state law requires. State law requires these ordinances to be more protective than state law if they are to supersede state law. For instance, the ordinances trigger tenant protections after 30 days of tenancy as opposed to 12 months as required by state law.

JUST CAUSE EVICTION & TENANT PROTECTION

Per AB 1482 in order to adopt local eviction protections, the local ordinance must be MORE protective than state law.

The ordinance includes just cause tenant protections:

1. Requires a landlord to pay relocation benefits to a tenant in the amount of the greater of two month's rent or $5,000;
2. Requires written notice for a no-fault termination including disclosure of the relocation benefit amount; and
3. Imposes a tenant protection program fee to cover the cost to implement the program.
4. Sunsets on December 31, 2030.

RENT STABILIZATION

This ordinance includes the following salient rent stabilization provisions:

1. Rent control regulations apply to the same tenant occupied properties as described in the State Tenant Protection Act, which include rentals within apartment complexes built more than fifteen years ago;
2. Limits the annual rent increases to once per year and for an amount not to exceed 5% of the rent charged in the previous twelve-month period;
3. Allows the base rent to be reset after a tenant turnover;
4. Requires written notice of rent increase;

RENT STABILIZATION CONTINUED

This ordinance includes the following salient rent stabilization provisions:

5. Allows a landlord to appeal the rental increase limitation based on a claim for fair rate of return;
6. Imposes a rent stabilization fee to cover the cost of implementation; and
7. Sunsets on December 31, 2030.

ENFORCEMENT & TENANT AND LANDLORD EDUCATION

Complaint based enforcement

City Council directed staff to offer education and training to landlords and tenants

Such an education and outreach program may include:

1. Bilingual Marketing and Program Delivery
2. Printed & Electronic Materials
3. Education and Outreach to Target Constituencies
4. Web Presence
5. Social Media

FINANCIAL IMPACT

Based on the two Oxnard ordinances an enforcement and education program could costs approximately $1.2 million annually.

1. Six staff positions, to be ramped up over time:
   - Program Manager, Office Support, Compliance Officer, Hearing Officer, Management Analyst, Deputy City Attorney or Paralegal
2. Each ordinance includes the imposition of an annual per unit fee to cover for the cost of such a program.
   - The fees will be established at a later date, under a separate resolution
3. Fees and penalties for violation of The Program, would also offset the cost to administer The Program.
4. In the FY 22-23 budget $300,000 will be requested for a staff person and contracting for marketing, education and public outreach.

RECOMMENDATION

That the City Council:

1. Introduce for first reading by title only and waiving further reading of an ordinance adding Article I to Chapter 27 of the Oxnard City Code that is entitled:

   "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE I TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING JUST CAUSE EVICTIONS AND OTHER TENANT PROTECTIONS"

1. Introduce for first reading by title only and waiving further reading of an ordinance adding Article II to Chapter 27 of the Oxnard City Code that is entitled:

   "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE II TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING RENT STABILIZATION REGULATIONS INCLUDING PROHIBITING RESIDENTIAL REAL PROPERTY RENTAL RATE INCREASES THAT EXCEED FIVE PERCENT (5%) ANNUALLY"

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE II TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING RENT STABILIZATION REGULATIONS INCLUDING PROHIBITING RESIDENTIAL REAL PROPERTY RENTAL RATE INCREASES THAT EXCEED FIVE PERCENT (5%) ANNUALLY

THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

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

A. At the City Council meetings on October 19, 2021, February 9, 2022, and April 13, 2022, the City Council discussed the City of Oxnard's ("Oxnard" or "City") ability to address rent increases on residential real property.

B. The increasing housing rent burden and poverty faced by many residents in the City threatens the health, safety, and welfare of its residents by forcing them to choose between paying rent and providing food, clothing, and medical care for themselves and their families.

C. The average household in the City has a median annual income of $72,843, which is below the State median income ($80,440) and the Ventura County median income ($92,236). The median income in the City is also substantially lower than some of its neighboring cities, such as Thousand Oaks ($109,378). The City's housing stock consists of 51,460 units—27,631 of which are owner-occupied and 23,829 of which are renter-occupied.

D. The U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who classifies as impoverished. According to the Census Bureau, in 2019, the City had a poverty rate of 13.8%--a number that is higher than the national average of 12.3%.

E. Between 1996 and 2016, median home sales prices in the Southern California Association of Governments ("SCAG") region increased 206% from $180,870 to $552,994. During that same period the median income decreased by $3,616 (when adjusted to 2016 dollars). In Oxnard, the median home price increased by 40.2% between 2013-2019 ($323,700 to $453,900). However, during that same period, the median family income in Oxnard grew at a disproportionate rate of 19% ($60,784 to $72,843).

F. The increase in the cost of housing within the City can be attributed to new developments in the past 20 years, such as new communities like Seabridge, RiverPark and Victoria Estates where a three bedroom home ranges from $700,000 to $2,000,000. The two-bedroom average rent in the City has increased by 18% over the past three years from $1,823 to $2,155, which indicates that households with the median income of $72,843 cannot afford or would struggle to afford the average rent. A household with a median income of $72,843 living in a two bedroom unit costing $1,823 per month, would need to spend 30% of their income on housing.

G. In the City, approximately 6,839 renter-occupied households had more than one occupant per room, which meets California's definition for overcrowding. Further, approximately 2,500 renter-occupied households had more than 1.5 occupants per room, which meets California's definition of severe overcrowding.

H. The housing rent burden and poverty faced by many residents in Oxnard threatens the health, safety, and welfare of its residents, particularly when resulting in eviction and displacement. Studies have shown that evictions play an impactful role in the lives of low income renter households and can also contribute to poverty through disruptive effects such as job loss, adverse health effects, and negative consequences for children.

I. Moreover, an eviction can remain on a renter's credit history for at least seven years, impacting one's ability to rent and find employment opportunities.

J. The Costa-Hawkins Rental Housing Act, *California Civil Code* section 1954.50, et seq., limits the applicability of local rent stabilization policies, including prohibiting local jurisdictions from applying rent stabilization to certain residential rental properties. This Ordinance intends to comply with the Costa-Hawkins Rental Housing Act, and all other applicable state and federal laws.

K. Increasing the number of homeless residents in Oxnard, particularly elderly residents who may be in need of medical or other care, could create a public health and safety risk.

L. The economic conditions and recognized housing shortage in Southern California have the potential to detrimentally impact a substantial number of residents in Oxnard, and impose a particular hardship on senior citizens, persons living on fixed incomes, and other vulnerable persons living in Oxnard.

M. The Mobilehome Residency Law ("MRL"), *California Civil Code* sections 798, et seq., expressly authorizes cities to regulate the setting and/or increasing of rents for the use and occupancy of a mobile home space, subject to certain exceptions.

N. Through City Code Chapter 24, Article I, the City previously established a rent stabilization system for mobile home parks, and the City Council desires to leave that system intact.

O. With the exception of City Code Chapter 24, Article I, the City has not previously regulated the setting and increasing of rents for residential real property. Given the concerns discussed herein, the City Council desires to evaluate rent stabilization policies protecting residents outside of mobile home parks from unreasonable rent increases, while ensuring that the owners of residential real property may earn a fair and reasonable return on their property.

P. Pursuant to the City's police power, as granted broadly under Article XI, section 7 of the California Constitution, the 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.

Q. Based on the foregoing facts, and the facts presented to the City Council at the meetings at which this ordinance was introduced and adopted, the City Council finds that allowing owners of residential real property to have unfettered discretion to increase rents would pose a threat to the public health, safety, and welfare, and that a prohibition of rent increases, except as allowed herein, is therefore necessary.

R. The City Council hereby adopts these regulations in order to address the threats set forth below.

1. Absent the adoption of this ordinance, as a result of the economic conditions and recognized housing shortage in Southern California, significant rent increases will impact a substantial number of residents in Oxnard and constitute 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 the City;

2. For the preservation of the public peace, health, and safety, the City Council finds that it is necessary to adopt an ordinance stabilizing rents for all of the reasons set forth in the recitals above, which are hereby incorporated by reference; and

3. Certain aspects of public health, safety, and welfare are not adequately protected by the City's existing mobile home park rent stabilization system both because of that system's limited scope and due to the City's lack of rent stabilization mechanics or controls on residential real property generally, and it is in the interest of the City, owners, residents, and the community as a whole that the City adopt regulations to protect affordable housing within the City, including, but not limited to, rent stabilization regulations applicable to residential real property generally.

S. The direction for this ordinance dated October 19, 2021, February 9, 2022, and April 13, 2022, shall be incorporated herein by this reference, and together with this ordinance, any amendments or supplements, and oral testimony, shall constitute the necessary findings for this ordinance.

T. 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.

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. Chapter 27, Article II, is hereby added to the City Code to read as follows:

"Article II: RENT STABILIZATION

SEC. 27–20. CITATION.

This Article shall be known as the "Rent Stabilization Ordinance."

SEC. 27-21. PROHIBITED INCREASES.

Increases in rent on residential real property in the city of Oxnard in excess of five percent (5%), 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.

SEC. 27–22. REASONABLE RATE OF RETURN.

This ordinance allows for an annual adjustment of residential real property rent of up to five percent (5%). Such an increase is found and determined to provide a just and reasonable return on an owner's property, and has been adopted to encourage good management, reward efficiency, and discourage the flight of capital, as well as to be commensurate with returns on comparable investments, but not so high as to defeat the purpose of curtailing excessive rents and rental increases. Notwithstanding the foregoing, however, any owner of residential real property who contends that the limit on rental increases set forth in Section 27–21 above will prevent the owner from receiving a fair and reasonable return on their property may petition for relief from the cap set forth in section 27–21 pursuant to the procedures set forth in section 27–23.

SEC. 27–23. FAIR RETURN PETITION FOR RENT INCREASE.

(A) An owner of residential real property may petition for a rent increase in excess of that provided in section 27–21 in order to obtain a fair and reasonable return on their property ("Fair Return Petition"). Such Fair Return Petition shall be on an application form prescribed by the City Manager and shall be decided by the City Manager, or their designee ("City Manager"). Owner shall provide a copy of any Fair Return Petition submitted to the city to the applicable tenant(s), and provide City with proof of completing such service to the applicable tenant(s). The tenant(s) will then have thirty (30) days from the date of receiving the Fair Return Petition to reply or provide additional materials to the City in response to the Fair Return Petition. The owner shall bear the burden of establishing that a rate increase in excess of that provided in section 27-21 is necessary to provide the owner with a fair and reasonable return on their property, including by providing an independent financial report and verified financial data demonstrating that without such an increase, they will not realize a fair and reasonable return on their property.

(B) Owner shall be responsible for all costs associated with the City's review of the Fair Return Petition. Upon receipt of a Fair Return Petition, the City Manager shall determine the anticipated costs of review and if the employment of expert(s) will be necessary or appropriate for a proper analysis of the owner's request. If the City Manager so determines, the City Manager shall also determine the anticipated costs of employing such expert(s). The resulting figure shall be communicated to the Owner, and the Fair Return Petition shall not be processed until the owner has paid to the city the estimated cost of the complete analysis. City will provide owner with an invoice of all costs incurred after the review of the Fair Return Petition. Any unused portion of the advance payment for analysis shall be refunded to the owner. If additional funds are required, payment will be required before Owner receives the determination on the Fair Return Petition from the city.

(C) The factors the City Manager may consider in deciding a Fair Return Petition may include, but not be limited to:

(1) Changes in the Consumer Price Index for All Urban Consumers in the Oxnard-Thousand Oaks-Ventura Metropolitan Area published by the Bureau of Labor Statistics.

(2) The length of time since the last determination by the City Manager on a rent increase application, or the last rent increase if no previous rent increase application has been made.

(3) The completion of any capital improvements or rehabilitation work related to the residential real property or mobile home space or spaces specified in the Fair Return Petition, and the cost thereof, including materials, labor, construction interest, permit fees, and other items the City Manager deems appropriate.

(4) Changes in property taxes or other taxes related to the subject residential real property or mobile home park.

(5) Changes in the rent paid by the owner for the lease of the residential real property or land on which the subject mobile home park is located.

6) Changes in the utility charges for the subject residential real property or mobile home park paid by the owner, and the extent, if any, of reimbursement from the tenants.

(7) Changes in reasonable operating and maintenance expenses.

(8) The need for repairs caused by circumstances other than ordinary wear and tear.

(9) The amount and quality of services provided by the owner to the affected tenant(s).

(D) A Fair Return Petition shall be decided by the City Manager within sixty (60) calendar days of the date that the application has been deemed complete, including proof of service of the Fair Return Petition on the applicable tenant(s). The decision shall be emailed and sent by mail, with proof of mailing to the subject property owner, the owner's designated representative(s) for the Fair Return Petition, the applicable tenant(s), and the designated representative of the tenant(s), if any. The decision of the City Manager shall be final and not appealable.

SEC. 27–24. EXEMPTIONS.

(A) Pursuant to the Costa-Hawkins Rental Housing Act, the provisions of this ordinance regulating the amount of rent that a residential real property owner may charge shall not apply to the following: any residential real property that has a certificate of occupancy issued after February 1, 1995 (California Civil Code section 1954.52(a)(1)); and, any other provisions of the Costa-Hawkins Rental Housing Act addressing exemptions, as applicable.

(B) Pursuant to the Tenant Protection Act of 2019, California Civil Code section 1947.12(d), the provisions of this ordinance regulating the amount of rent that a residential real property owner may charge shall not apply to the following:

(1) 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 California 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 California Health and Safety Code or comparable federal statutes.

(2) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

(3) 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 member is a corporation.

(b) At the time the tenancy is created:

i. The tenants have been provided written notice that the residential real property is exempt from this section using the following statement:

> "This property is not subject to the rent limits imposed by Oxnard City Code Chapter 27, Article II 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 a 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.

(4) A property containing two separate dwelling units within a single structure 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, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

(C) The provisions of this ordinance regulating the amount of rent that a residential real property owner may charge shall not apply to the following:

(1) A unit subject to City Code Chapter 24, Article I, the City's Mobile Home Park Rent Stabilization System.

(2) A unit in a hotel, motel, inn, tourist home, or rooming and boarding house which is rented primarily to transient guests for a period of less than 30 days; and other transient occupancies as defined in California Civil Code section 1940, subdivision (b).

(3) A unit in an institutional facility, including a hospital, medical care facility, residential care facility, asylum, group home for seniors or the disabled; a rental unit in a transitional housing program that assists homeless persons as defined in California Civil Code section 1954.12; a convent or monastery owned and operated by a religious organization; and a fraternity or sorority house affiliated with a college or university.

(4) A unit that the owner or the owner's immediate family occupied as their principal place of residence at the beginning of the tenancy so long as the owner or the owner's immediate family continues in occupancy.

SEC. 27–25. RENT INCREASE INEFFECTIVE.

No rent increase shall be effective if the owner:

(A) Fails to substantially comply with all provisions of this article, including but not limited to the failure to provide notices as required; or

(B) Fails to maintain the residential real property in compliance with California Civil Code Sections 1941.1 et seq. and California Health and Safety Code sections 17920.3 and 17920.10; or

(C) Fails to make repairs ordered by the city or court of competent jurisdiction.

SEC. 27–26. NOTICE REQUIREMENTS.

(A) An owner of any residential real property subject to this article shall, on or before the date of commencement of a tenancy, give the tenant a written notice in a form prescribed by the City which must include the following information:

(1) The existence and scope of this Chapter 27, Article II of the City Code; and

(2) The tenant's right to respond to any Fair Return Petition filed with the City by the owner pursuant to section 27-23.

(B) As part of any notice to increase rent, an owner must include:

(1) Notice of the existence of this Chapter 27, Article II of the City Code; and

(2) The tenant's right to respond to any Fair Return Petition filed with the City by the owner pursuant to section 27-23, unless such rent increase is pursuant to an approved Fair Return Petition.

(3) No rent increase shall take effect until the requirements of this article have been met.

(C) When the owner and tenant have entered into a written lease, the owner must give notices to the tenant in the language used in the lease. When the owner and tenant have not entered into a written lease, the owner must give notices to the tenant in the language that the owner and tenant used to negotiate the terms of the tenancy.

SEC. 27–27. DEFINITION OF RENT.

For the purposes of this article, "Rent" means all periodic payments and all nonmonetary consideration, including, but not limited to, the fair market value of goods or services rendered to or for the benefit of the owner under an agreement concerning the use or occupancy of residential real property, including, but not limited to, all payment and consideration demanded or paid for parking, pets, furniture, and subletting.

SEC. 27–28. VIOLATIONS.

(a) It shall be unlawful for any person to violate or fail to comply with any provision of this article. The violation of any provision of this article shall first be punished through the use of a civil citation, prior to prosecution as a misdemeanor, infraction, or civil injunction as provided in City Code section 1-10.

(b) Any owner who intentionally demands, accepts or retains any payment in violation of the provisions of this article shall be liable in a civil action to the tenant from whom such payment is demanded, accepted, or retained for damages in the sum of three times the amount by which the payment demanded, accepted, or retained exceeds the maximum amount which could be lawfully demanded, accepted, or retained together with reasonable attorneys' fees and costs as determined by the court.

SEC. 27–29. FEE ESTABLISHED.

Owners subject to this Ordinance shall pay the rent stabilization fee as established by city council resolution. The rent stabilization program fee is to fund the city's cost to implement and enforce the provisions of this Ordinance.

SEC. 27–30. SUNSET.

This Article shall automatically sunset on December 31, 2030."

Section 4. The City Council finds that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, because 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.

Section 5. If any section, subsection, phrase, or clause of this ordinance is for any reason held to be unconstitutional, such decision 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 each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared invalid or unconstitutional.

Section 6. Within 15 days after passage, the City Clerk shall cause a summary of this ordinance to be published one time in a newspaper of general circulation published and circulated in the City. Ordinance No. _____ was first read on _______, 2022, and finally adopted on ________, 2022, to become effective thirty (30) days thereafter.

Section 7. This ordinance shall become effective thirty (30) days after it is finally adopted. The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Oxnard, State of California, held on the _________ day of ____________, ______, by the following vote:

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AYES:

NOES:

ABSENT:

ABSTAIN:

____
John C. Zaragoza, Mayor

ATTEST:

____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Fischer, City Attorney

ORDINANCE NO. ______

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADDING ARTICLE I TO CHAPTER 27 OF THE OXNARD CITY CODE ESTABLISHING JUST CAUSE EVICTIONS AND OTHER TENANT PROTECTIONS

THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

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

A. At the City Council meetings on October 19, 2021, February 9, 2022, and April 13, 2022, the City Council discussed the City of Oxnard's ("Oxnard" or "City") ability to address just cause evictions and other tenant protections.

B. Housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; increased residential mobility; loss of community; strain on household finances due to the necessity of paying rental application fees and security deposits; stress and anxiety experienced by those displaced; increased commute times and traffic impacts if displaced workers cannot find affordable housing within the city in which they work; and interruption of the education of children in the home.

C. Eviction creates particular hardships for individuals and households of limited means, given the shortage of affordable housing within Oxnard and the region generally.

D. The California State Legislature adopted the Tenant Protection Act of 2019 ("AB 1482"), codified in part in California Civil Code section 1946.2 ("section 1946.2"), which became effective by its own terms on January 1, 2020, and, with certain exceptions, prohibits an owner of residential property from terminating a tenancy without just cause.

E. Under AB 1482, landlords are required to give tenants a reason for their eviction. Just causes such as nonpayment of rent, nuisance to other tenants, damage to property, and illegal activity continue to be legal with zero relocation assistance. However, tenants served "no fault" evictions (owner move-in, substantial remodel, demolishing the rental unit, etc.) receive only one month of relocation assistance from their landlords. Most landlords require first months' rent, last months' rent, security deposit, and application fees upon move-in. Many tenants also pay for temporary storage and other moving costs. These move-in related expenses can easily surpass available savings, without which the tenant may be forced into homelessness or displacement. One month of relocation assistance may not adequately cover these expenses, so relocation assistance must be strengthened to reflect the realities of the rental market. A minimum of $5,000 in relocation assistance is the minimum needed to adequately cover most relocation and move-in costs when the relocation is at no-fault of the tenant.

F. The housing rent burden and poverty faced by many residents in Oxnard threatens the health, safety, and welfare of its residents, particularly when resulting in eviction and displacement. Studies have shown that evictions play an impactful role in the lives of low income renter households and can also contribute to poverty through disruptive effects such as job loss, adverse health effects, and negative consequences for children.

G. Moreover, an eviction can remain on a renter's credit history for at least seven years, impacting one's ability to rent and find employment opportunities.

H. AB 1482 provides that a local ordinance adopted after September 1, 2019, requiring just cause for termination of a residential tenancy shall supersede California Civil Code section 1946.2 only if the ordinance is "more protective" than section 1946.2.

I. In accordance with California Civil Code section 1946.2(g)(1)(B), the City Council finds that the provisions of this Ordinance regulating just cause terminations or tenancies are more protective than California Civil Code section 1946.2 for the following reasons:

1. The just cause for termination of a residential tenancy under this Ordinance is consistent with California Civil Code section 1946.2.

2. This Ordinance provides additional tenant protections that are not prohibited by any other provisions of applicable law in that the ordinance triggers tenant protections after 30 days of tenancy, applies to tenants that are not covered by AB 1482, and requires a minimum of $5,000 in relocation assistance.

J. The City Council finds and determines that regulating the relations between residential landlords and tenants will increase certainty and fairness within the residential rental market in the City and thereby serve the public peace, health, and safety.

K. Pursuant to the City's police power, as granted broadly under Article XI, section 7 of the California Constitution, the Oxnard 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.

L. The City Council hereby adopts these regulations in order to address the threats set forth below.

1. Housing, particularly affordable housing, is difficult to procure in this region, including in Oxnard. Evictions without just cause destabilize the housing market and can result in the loss of affordable housing;

2. For the preservation of the public peace, health, and safety, the City Council finds that it is necessary to adopt an ordinance regulating just cause evictions, for all of the reasons set forth in the recitals above, which are hereby incorporated by reference;

3. Without the imposition of this Ordinance, evictions without just cause may result in the displacement of residential tenants who would be forced to find new housing in an ever-more expensive housing market, and would significantly increase the risk of residential tenants becoming homeless; and

4. There is a threat to the public peace, health, and safety of the City and its community, thereby necessitating the enactment of this Ordinance in order to ensure that tenants are not turned out of their homes without just cause.

M. The direction for this ordinance dated October 19, 2021, February 9, 2022, and April 13, 2022, shall be incorporated herein by this reference, and together with this ordinance, any amendments or supplements, and oral testimony, shall constitute the necessary findings for this ordinance.

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. A new Chapter 27 "Tenant Protection and Rent Stabilization Ordinance" is added to the City Code.

Section 4. A new Article 1 "Evictions and Tenant Protection" is added to Chapter 27 of the City Code to read as follows:

"Article I – JUST CAUSE EVICTIONS AND TENANT PROTECTION

SEC. 27-1. CITATION.

This Article shall be known as the "Just Cause Eviction and Tenant Protection Ordinance."

SEC. 27-2. RESTRICTIONS ON TERMINATION OF TENANCY WITHOUT JUST CAUSE.

Notwithstanding any other law, 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.

For purposes of this Article, “just cause” includes either at-fault just cause or no-fault just cause.

SEC. 27-3. AT-FAULT JUST CAUSE

At-Fault Just Cause includes 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 California 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:

(1) 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 dependent under age 18, or 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.

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.

(2) 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 California Code of Civil Procedure.

(D) Committing waste as described in paragraph (4) of Section 1161 of the California 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. If 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 non-similar duration and/or with non-similar lease provisions, then the cause for eviction will be No-Fault Just Cause under City Code section 27-4 below.

(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 California 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 California Code of Civil Procedure.

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:

(1) The tenant requests permission from the Owner in writing to sublease the residential real property;

(2) The tenant continues to reside in the residential real property as their primary residence;

(3) The sublease replaces one or more departed tenants under the lease on a one-for-one basis; and

(4) 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 California Civil Code, and Sections 13113.7 and 17926.1 of the California Health and Safety Code.

(I) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the California 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 California 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 California 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 California Code of Civil Procedure.

SEC. 27-4. NO-FAULT JUST CAUSE

No-Fault Just Cause includes any of the following:

(A) Intent to occupy the residential real property by the Owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.

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 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 lease provision for the purposes of City Code section 27-3 (E).

(B) Withdrawal of the residential real property from the rental market under, and subject to, the provisions of the Ellis Act.

(C) The Owner complying with an order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.

(1) Exception. 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, then the tenant shall not be entitled to relocation assistance as outlined in Section 27-6(C).

(D) Intent to demolish or to substantially remodel the residential real property.

For purposes of this Section, “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 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.

(1) The Owner shall provide 60 days advance written 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

(2) 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.

SEC. 27-5. JUST CAUSE CURABLE LEASE VIOLATION

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 California 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.

Any written notice to cease or correct must:

(A) Be dated and served upon the tenant, pursuant to at least one 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 City; 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/or circumstance(s) that support the reason(s) for the eviction.

SEC. 27-6. NO-FAULT JUST CAUSE TENANT RELOCATION ASSISTANCE

(A) For a Tenancy for which just cause is required to terminate the Tenancy under this Article, if an Owner of residential real property issues a termination notice based on a no-fault just cause as defined in section 27-4, the Owner shall, regardless of the tenant's income, provide a direct payment to the tenant as described in paragraph C of this Section.

(B) 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 and all other rights pursuant to this section.

(C) The amount of relocation assistance shall be equal to (i) two months of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy, or (ii) $5,000, whichever is greater. Any relocation assistance shall be provided within 15 calendar days of service of the notice.

(1) 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.

(2) The relocation assistance required by this section shall be credited against any other relocation assistance required by any other law.

(D) An Owner's failure to strictly comply with this section shall render the notice of termination void.

SEC. 27-7. EXEMPTIONS

This Article shall not apply to the following types of residential real properties or residential circumstances:

(A) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940 of the California Civil Code, and properties that have obtained a City of Oxnard Short Term Vacation Rental Permit and are operating in compliance with that permit and regularly remitting the required Transit Occupancy Tax demonstrating active use as a vacation rental property.

(B) 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 California 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.

(C) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

(D) Housing accommodations in which the tenant shares a bathroom or kitchen facilities with the Owner who maintains their principal residence at the residential real property.

(E) Single-family Owner-occupied residences, including a residence in which the Owner-occupant rents or leases no more than two bedrooms.

(F) 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.

SEC. 27-8. DEFINITIONS

For the purposes of this Article, the following definitions shall apply:

(A) "Owner" and "residential real property" have the same meaning as those terms are defined in California Civil Code Section 1946.2.

(B) "Tenancy" means the lawful occupation of residential real property, including Accessory Dwelling Units, or mobile home spaces that are not subject to Chapter 24, *Mobile Home Parks*, of the Oxnard City Code, and includes a lease or sublease, as such may be subject to local ordinance.

SEC. 27-9. NOTICES

(A) Notice of existence of this Chapter

The Owner shall post a notice providing information about the existence of this Chapter 27 of the City Code, including protections related to immigration or citizenship status of tenant found under California Civil Code section 1940.35 and California Code of Civil Procedure section 1161.4, as may be amended. Notice must be posted in a conspicuous location on the property. When the Owner and tenant have entered into a written lease, the notice shall be written in the language used in the lease, in addition to English. When the Owner and tenant have not entered into a written lease, the notice shall be written in the language that the Owner and tenant used to negotiate the terms of the Tenancy, in addition to English.

In addition to all other notice requirements specified elsewhere in this Article, the Owner of any residential real property is required to provide written notice to tenants of their rights under this Article as follows:

(1) The notice required by this Article must include the following information:

(a) The existence and scope of this Article of the City Code; and,

(b) The right to relocation assistance in limited circumstances pursuant to Section 27-6.

(2) The Owner must provide tenant with the notice upon serving any

notice of change in terms of Tenancy.

(3) The Owner must provide the notice on or before the commencement of all Tenancies initiated after the effective date of this Chapter.

(B) Notice of termination of Tenancy

When terminating a Tenancy either at-fault or no-fault, an Owner must comply with all of the following:

(1) The Owner must serve a written notice in accordance with California Civil Code sections 1946 through 1946.5, to the tenant that states that, in addition to any information required by federal or State law, the Owner will terminate the Tenancy, and that indicates at least one at-fault or no-fault just cause reason; and

(2) The Owner has not accepted and will not accept rent or any other consideration in return for the continued use of the residential property beyond the term of the terminated Tenancy in compliance with California Civil Code sections 1945 through 1946.5; and

(3) The Owner qualifies the termination as at-fault or no-fault just cause; and

(4) The Owner has submitted to the city, within five (5) days after service of the notice of termination on the tenant, a true and accurate copy of the Owner's written notice of termination, and proof of such service, signed by the Owner under penalty of perjury, on the tenant. The Owner shall maintain proof of service to the city as evidence that the Owner has complied with this section.

(5) When the Owner and tenant have entered into a written lease, the Owner must provide the notice in the language used in the lease, in addition to English. When the Owner and tenant have not entered into a written lease, the Owner must provide the notice in the language that the Owner and tenant used to negotiate the terms of the Tenancy, in addition to English.

(C) Notice as addendum to lease or rental agreement

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) The Owner must provide the notice in the language that the Owner and tenant used to in the lease, in addition to English.

(3) 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.

(4) The notification or lease provision shall be in no less than 12-point type, and shall include the following: “The Oxnard City 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. In addition, Oxnard City Code provides tenants evicted for no-fault just cause with the right to relocation payments. See Chapter 27 of the Oxnard City Code for more information.”

(5) Owners must provide the notice to tenants in writing if the application and lease are processed in writing, electronically if the application or lease are processed electronically, or both if both methods are utilized. The provision of the notice shall be subject to California Civil Code Section 1632.

SEC. 27-10. ADDITIONAL TENANT PROTECTIONS

(A) The city manager may adopt administrative procedures and regulations to implement the provisions of this Ordinance.

(B) Once established by the City Council, all owners with rental units shall pay the tenant protection program fee, as established by city council resolution. The tenant protection program fee is to fund the city’s cost to implement and enforce the provisions of this Ordinance.

(C) It is illegal for an Owner or representative to retaliate against a tenant for lawfully and peaceably exercising their legal rights. No owner may take any action increasing any rental amount, reducing any service, causing the tenant to involuntarily quit the premises, or discriminating against the tenant because of the tenant’s use of any remedy provided by this Ordinance.

(D) Any provision of a rental housing agreement that purports to waive any provision of this Ordinance is void as against public policy.

(E) An owner's failure to comply with any requirement of this Ordinance is an affirmative defense in an unlawful detainer or other action brought by the owner to recover possession of the rental unit.

SEC. 27-11. VIOLATIONS

(A) It shall be unlawful for any person to violate or fail to comply with any provision of this Article. The violation of any provision of this chapter shall first be punished through the use of a civil citation, prior to prosecution as a misdemeanor, infraction, or civil injunction as provided in Oxnard City Code section 1-10.

(B) Any person whose rights pursuant to this Ordinance have been violated shall have the right to file an action for injunctive relief and damages. Whoever is found to have violated this Ordinance shall be subject to appropriate injunctive relief and shall be liable for damages, costs, and reasonable attorney fees. Treble damages shall be awarded for willful failure to comply with the Relocation Payment obligations established by this Ordinance. Any action pursuant to this Ordinance shall be a civil matter and adjudicated through civil court.

SEC. 27-12. SUNSET

This Article shall automatically sunset on December 31, 2030."

Section 5. The City Council finds that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to sections 15060(c)(2), 15060(c)(3) and 15061(b)(3) of the State CEQA Guidelines because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, because 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.

Section 6. The city manager shall, on an annual basis and at any other time that the city manager determines to be appropriate, provide a report that documents the level of landlord compliance with this chapter and other related rental housing matters. At least 60 days prior to the expiration date of this ordinance, the city manager shall provide a report to city council that addresses the status of the rental housing market, including, but not limited to, the affordability and availability of rental units.

Section 7. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this chapter. The City Council declares that it would have adopted this chapter and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

Section 8. Within 15 days after passage, the City Clerk shall cause a summary of this ordinance to be published one time in a newspaper of general circulation published and circulated in the City. Ordinance No. _____ was first read on _______, 2022, and finally adopted on ________, 2022, to become effective thirty (30) days thereafter.

Section 9. This ordinance shall become effective thirty (30) days after it is finally adopted. The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Oxnard, State of California, held on the _________ day of ____________, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
John C. Zaragoza, Mayor

ATTEST:

____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Fischer, City Attorney