



TO: Mayor and Councilmembers

FROM: Peter T. Imhof, Planning and Environmental Review Director

CONTACT: Lucy Graham, Senior Housing Analyst

SUBJECT: Consider Adoption of Urgency and Non-Urgency Ordinances for Tenant Protections Adding Chapter 8.19 (Tenant Protections) to Title 8, Health and Safety, of the Goleta Municipal Code

RECOMMENDATION:

- A. Adopt on a four-fifths vote Urgency Ordinance No. 23-__U, entitled “An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, Determining the Ordinance to be Exempt from CEQA, and Declaring the Urgency Thereof;” and
- B. Introduce and conduct first reading (by title only) and waive further reading of Ordinance No. 24-__, entitled “An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, and Determining the Ordinance to be Exempt from CEQA.”

BACKGROUND:

Californians spend a larger share of their income on housing than households in the rest of the nation. While this affects residents at every income level, low-income renter households are the most impacted. Furthermore, a lack of available housing contributes significantly to long work commute times that adversely affect employee recruitment and retention, increase traffic congestion, deteriorate roads and highways, pollute the environment, exacerbate health problems, and strain family dynamics.

In recent years, State and local governments have responded to high housing costs and low housing inventory by enacting laws that aim to facilitate housing production and affordability and to strengthen tenant protections. A number of local governments across California have enacted “anti-displacement” policies and regulations in an effort to protect residents and preserve existing affordable housing. The Tenant Protection Act of 2019 (Assembly Bill [“AB”] 1482; Civil Code Sections 1946.2 and 1947.12) established statewide just-cause eviction protections and rent stabilization for residential tenants, but

it also authorized cities to enact more protective local regulations that supersede state law. In October 2023, the California State Legislature adopted Senate Bill 567 (“SB 567”), amending Civil Code Sections 1946.2 and Section 1947.12 and adding new eviction-notice requirements and enforcement mechanisms to the Tenant Protection Act of 2019. However, the provisions of SB 567 do not take effect until April 1, 2024.

Recent media reports of mass evictions at a large apartment complex in Los Angeles containing 712 units, and at three apartment complexes in Isla Vista, the unincorporated community adjacent to the City of Goleta, comprising a total of 254 units, have underscored the pressing need to strengthen local tenant protections. The latter incident prompted both the City of Santa Barbara and County of Santa Barbara to enact or strengthen tenant-protective regulations that are more stringent than state law. In October 2023, the City received word that residents of a four-unit apartment complex in Goleta were issued unexpected eviction notices following the sale of the building to a new owner. In spite of existing (and pending) tenant protections in state law, there is a current and immediate threat to the public health, safety, and welfare in the City, as renters are at risk of eviction or homelessness unless the City implements additional protections.

The proposed regulations include just-cause requirements for termination of residential tenancy, a mandatory offer of a one-year lease, and a mandatory right of first refusal for tenants in certain circumstances to return to the rental unit they previously vacated. The schedule to adopt the regulations is expedited (via adoption of an urgency ordinance followed by adoption of a non-urgency ordinance) to ensure that City regulations are in place to protect tenants in the city, before the recent changes to state law take effect and beyond when the state provisions are scheduled to expire in 2030.

DISCUSSION:

California Civil Code Section 1946.2 contains the provisions of the Tenant Protection Act of 2019 (“the Act”), which established statewide rent-control and just-cause provisions and authorized local jurisdictions to adopt more protective regulations. Staff is proposing a Tenant Protections Ordinance, provided as Attachments 1 and 2 (Urgency and Non-Urgency), that complements and surpasses the existing tenant protections of Section 1946.2 and the pending amendments to the Act under SB 567. The ordinance amends Title 8 to include a new Chapter 8.19, entitled “Tenant Protections.” This chapter creates new rights and responsibilities for tenants and property owners in the residential rental market.

The ordinance applies to all rental units in the City with certain exceptions. The regulations would not apply to: rental units issued a certificate of occupancy within the previous 15 years, owner-occupied single-family dwellings or duplexes, owner-occupied rental units rented to a tenant for less than a year, subleased rental units with a term of less than a year, rental units included in connection with an employment agreement, transient or tourist hotel rooms, short-term rentals of less than 30 days, housing accommodations related to medical facilities/institutions or schools, or deed-restricted affordable housing. The ordinance also does not apply to rental units where the unit is alienable separate from the title to any other dwelling unit (such as single-family dwellings or condos), as

long as: 1) the owner is not an investment trust, corporation, limited liability company in which one of the members is a corporation, or mobilehome park management company, and 2) the tenants have been given prior written notice that the ordinance and Section 1946.2 do not apply.

More Protective Than State Law

Since its passage in 2019, the Act and its provisions have protected tenants from unrestrained rent increases and unexpected evictions, but tenants across the state have nevertheless been evicted from their rental units for stated reasons that were in compliance with the Act but were exaggerated or never materialized. SB 567 was passed in October 2023 to strengthen the Act with additional just-cause and noticing requirements, such as meeting minimum occupancy requirements after displacing a tenant for owner move-in and providing proof/copies of building permits obtained for substantial remodeling, but the bill will not take effect until April 2024. The tenant protections contained in the ordinance work in concert with the Act and are outlined in subsequent sections.

As authorized by Section 1946.2 and in recognition of the unique housing market conditions in the City, several provisions in the ordinance surpass the protections provided under current or pending state law. The regulations in the ordinance, including those that overlap or supersede state law, are effective upon adoption and permanent unless repealed by Council, whereas the protections under Section 1946.2 are slated to expire in 2030. The ordinance mandates the offer of a one-year lease to renters, defines “substantial remodel” narrowly as it relates to a no-fault just-cause termination of residential tenancy, requires a higher relocation assistance payment than state law, and provides tenants with a right of first refusal after completion of a substantial remodel.

Just Cause for Termination of Residential Tenancy

Residential evictions are disruptive and harmful to households, particularly when they are unexpected or occur through no fault of the tenants. Currently, for tenants who have continuously and lawfully occupied the rental unit for 12 months or more or for tenant households with at least one member who continuously and lawfully occupied the rental unit for 24 months or more, Section 1946.2 requires “just cause” to terminate a residential tenancy but requires minimal information in the notices of termination provided to tenants and lacks penalties if property owners fail to follow through on the stated reason for termination of tenancy.

Just-cause terminations of residential tenancy include both at-fault justifications (such as nonpayment of rent, lease violations, or criminal activity) and no-fault justifications (such as the owner’s intent to occupy the rental unit, to substantially remodel the unit, or to remove the unit from the rental market). The ordinance requires an owner or landlord to cite a just cause for terminating a tenancy and specify whether it is an at-fault or no-fault reason. The written notice of Termination of Residential Tenancy must state the full facts and circumstances of the situation. To qualify as a no-fault just cause, the owner must be seeking, in good faith, to recover possession to withdraw the units from the rental market, to comply with applicable laws/codes, to demolish or substantially remodel the unit, or so that the owner or their family can occupy the unit. To terminate a tenancy in order to

withdraw the unit from the rental market, the owner must intend to permanently cease renting the unit. If the termination is to comply with applicable laws or codes, it must be related to an order issued by a government agency or court or a pursuant to a local ordinance which requires vacating the unit, or related to habitability of the unit which necessitates vacating the unit. If an owner or an owner’s spouse, domestic partner, child, grandchild, parent, or grandparent intends to occupy the unit, the notice of Termination of Residential Tenancy must include the names of the intended occupants, and the tenant may request proof of the intended occupant’s relation to the owner. The intended occupants must occupy the unit within 90 days after the tenant vacates and must live there as their primary residence for a minimum of 12 months. If either of these requirements are not fulfilled, the owner must offer the unit back to the tenant at the same rent and lease terms as when the tenant vacated. If an owner plans to demolish or substantially remodel the unit, the owner must obtain all required permits and include copies of the issued permits with the written notice of termination along with a full statement of the reason for the termination, the type and scope of work to be performed, the reason the work cannot be done with the tenant in place, and an explanation as to why the work requires the tenant to vacate the unit for more than 30 days. In addition, to terminate a tenancy for a substantial remodel, the owner or landlord must, within five (5) calendar days after service of the notice of Termination of Residential Tenancy, provide the Planning and Environmental Review Department a copy of the documents served on the tenant and proof of such service, signed by the owner or landlord under penalty of perjury, on the tenant.

Relocation Assistance

The ordinance requires the payment of relocation assistance when an owner or landlord issues a notice of Termination of Residential Tenancy for no-fault just cause. Along with other required information, the notice of termination must include an explanation regarding the amount, method, and timing of the relocation assistance to be paid. Existing state law provides for relocation payments equal to one (1) month’s rent but allows local jurisdictions to adopt more protective measures. Nearby jurisdictions have adopted a range of relocation payment requirements, as follows:

<i>Jurisdiction</i>	<i>Relocation Assistance Payment Required</i>
County of Santa Barbara	3 months’ FMRs ¹ or \$7,000, whichever is greater
City of Santa Barbara	1 month’s rent + \$1
City of Carpinteria	1 month’s rent + \$1
City of Oxnard	2 months’ rent or \$5,000, whichever is greater
City of Ventura	2 months’ rent

The ordinance specifies that the relocation payment in the City is to be equal to an amount set by the City Council or two (2) months’ rent, whichever is greater. This provision allows the Council to set a higher amount at a later date, if future fiscal analysis or experience indicates an increase is warranted. Relocation assistance payments are to be made within 15 calendar days of issuance of the notice of Termination of Residential Tenancy,

¹ FMRs – Fair Market Rents for the area as determined by the U.S. Department of Housing and Urban Development, pursuant to Section 1437(f)(c)(1) or Title 42 of the United States Code.

and payments must be divided equally among all qualified tenants in the unit. At the owner's discretion, an owner can choose to pay half the required relocation payment within 15 calendar days of termination notice and half no later than the date the tenant vacates the unit. These relocation assistance requirements are for no-fault just cause terminations and are not applicable if the tenant is responsible for the condition(s) triggering an eviction order.

Mandatory Offer of One-Year Lease

Another tenant protection in the ordinance is the requirement for a landlord (as owner, lessee, sublessee, agent, representative, or successor) to offer a one-year lease for new and renewed residential tenancies, other than short-term rentals of 30 days or less. For units currently rented without a written lease, the landlord must offer a one-year lease within 90 days of the effective date of the ordinance. The required offer can be on a form provided by the City or prepared by either the tenant or owner. It is the responsibility of the landlord to show the offer was made, and it is the responsibility of the tenant to show the offer was accepted. If the tenant rejects the offer of a one-year lease, it must be in writing, signed, and dated, after which the tenant and landlord can sign a rental agreement for a term less than one year. The written lease must specify the rental rate for the unit, which may not be modified during the term of the lease. When the lease expires, the landlord must offer a new one-year lease, in compliance with the ordinance. If the landlord does not wish to continue the rental relationship, the tenant must be offered a one-session conciliation meeting using a publicly funded housing mediation service, if available, or a qualified mediator of mutual choice and provided at mutual expense.

Mandatory Right of First Refusal

In cases where an owner or landlord issues a no-fault just-cause notice of Termination of Residential Tenancy to demolish (and rebuild) or substantially remodel the unit, the owner or landlord must provide the tenant with a notice of their Right of First Refusal, which gives the tenant the right to re-occupy the unit once the remodel work is completed, under the same terms and rental rate as when the tenant vacated the unit. Both the Right of First Refusal notice and the subsequent offer to return must be in writing. The offer to return must specify the rental price, proposed lease terms, and any security deposit required. The rental price must be set at no more than the rental rate charged for the unit at the time of the notice of termination plus 5% plus the percentage change in the cost of living from April 1 of the prior year to April 1 of the current year, measured by the Consumer Price Index (CPI), or 10%, whichever is lower.

While it is the responsibility of the owner or landlord to notify the tenant of their Right of First Refusal at the time of the notice of termination and to extend the offer to re-occupy once the unit is again ready to be occupied, it is the responsibility of the tenant to provide the owner or landlord with contact information, including a mailing address, telephone number, and email address. The tenant must submit an acceptance of the offer to re-occupy, in writing and within 30 days of receipt of the offer.

Enforcement and Other Protections

In addition to the tenant protections described above, the ordinance provides other provisions. The City Manager may adopt administrative procedures and regulations

related to implementation of the ordinance. It is illegal for a landlord to retaliate against a tenant for exercising their rights under the ordinance or state law or for filing a complaint with Code Compliance staff. The failure of any landlord to comply with the requirements of the ordinance would render the written notice of termination void and provide a defense to any unlawful detainer action, to any rent increase (in violation of the ordinance), or to an action to recover possession of the unit, and may entitle an aggrieved tenant to actual damages and attorneys' fees and costs. Upon a showing that a landlord acted willfully or with oppression, fraud, or malice, a tenant may be entitled to up to three times actual damages, and punitive damages for the benefit of the tenant could be levied against the owner or landlord. A tenant has the right to file on their own behalf or on behalf of any other affected tenant in cases of violation of the ordinance. The City Attorney is authorized by this ordinance, as well as SB 567, to enforce the provisions of this ordinance through administrative, civil, or criminal action. The City Attorney is also authorized to bring actions for injunctive relief on behalf of the City and will seek recovery of costs, expenses, and attorneys' fees as allowed by law.

Environmental Review

Pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(5), the proposed ordinance does not qualify as a "project" for the purposes of CEQA, because the ordinance does not result in direct or indirect physical changes in the environment. The proposed ordinance does not, by itself, have the potential to cause a significant effect on the environment. As such, the proposed urgency ordinance and non-urgency ordinance are exempt from CEQA review. Draft Notices of Exemption are provided as Attachments 3 and 4.

GOLETA STRATEGIC PLAN:

City-Wide Strategy: Support Economic Vitality.

Strategic Goal: Promote a sustainable local economy.

Strategic Goal: Increase the amount of City property that can be utilized for various community uses and benefits.

Strategic Goal: Support organizations, programs, and policies that facilitate affordable housing for the Goleta workforce.

City-Wide Strategy: Support Community Vitality and Enhanced Recreational Opportunities.

Strategic Goal: Support programs that enhance quality of life in the Goleta community such as recreation, public safety, human services, and cultural arts.

FISCAL IMPACTS:

There is no fiscal impact associated with this item. Existing staff will advise members of the public of protections under the ordinance. Through the City's contract with the Rental Housing Mediation Program (RHMP) of the City of Santa Barbara, mediation staff would assist City residents in tenant-landlord disputes, so long as the City maintains its RHMP

professional services contract. The City Attorney may have increased workload if they were to enforce the ordinance through administrative, civil, or criminal action or bring action for injunctive relief. In such cases, the City Attorney would seek recovery of costs, expenses, and attorneys' fees as allowed by law.

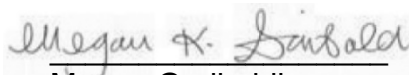
ALTERNATIVES:

The Council could choose to adopt the urgency ordinance proposed by staff and direct staff to make amendments to the non-urgency ordinance which, following adoption, would supplant the provisions of the urgency ordinance. The Council could also choose not to adopt a tenant protections ordinance at this time and instead rely on tenant protections afforded by existing and pending state law.

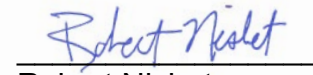
Reviewed By:


Kristine Schmidt
Assistant City Manager

Legal Review By:


Megan Garibaldi
City Attorney

Approved By:


Robert Nisbet
City Manager

ATTACHMENTS:

1. Urgency Ordinance No. 23-__ U, entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, Determining the Ordinance to be Exempt from CEQA, and Declaring the Urgency Thereof"
2. Ordinance No. 24-__, entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, and Determining the Ordinance to be Exempt from CEQA"
3. CEQA Notice of Exemption for Urgency Ordinance
4. CEQA Notice of Exemption for Non-Urgency Ordinance
5. Staff Presentation

Attachment 1

Urgency Ordinance No. 23-__U, entitled “An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, Determining the Ordinance to be Exempt from CEQA, and Declaring the Urgency Thereof”

URGENCY ORDINANCE NO. 23-__U

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, ADDING CHAPTER 8.19, ENTITLED TENANT PROTECTIONS, TO TITLE 8, HEALTH AND SAFETY, OF THE GOLETA MUNICIPAL CODE, DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA, AND DECLARING THE URGENCY THEREOF

WHEREAS decent, safe, and sanitary housing is a human necessity and right; and

WHEREAS there is a shortage of housing units on the South Coast of Santa Barbara County (the “County”) and in the City of Goleta (the “City” or “Goleta”), particularly for households in the moderate- and lower-income categories; and

WHEREAS, according to the most recent data from the US Department of Housing and Urban Development’s Comprehensive Housing Affordability Strategy (CHAS) based on the 2016-2020 American Community Survey (ACS) data, 48% of renter households in the City experience a cost burden of paying more than 30% of their income toward monthly housing costs; and

WHEREAS 71% of the cost-burdened renter households in the City are in the lower-income categories, earning less than 80% of area median income; and

WHEREAS, according to the City of Santa Barbara’s 2023 Rent Survey for the South Coast, the median advertised rental rate for a two-bedroom apartment was \$3,981; and

WHEREAS the vacancy rate is less than 1%, according to 2017-2021 ACS data, making it difficult and expensive to find a housing unit; and

WHEREAS eviction creates particular hardships for individuals and households of limited means, due to the shortage of housing and intense competition for such housing units in Goleta and the County more generally; and

WHEREAS housing instability threatens the public peace, health, and safety as eviction from one’s home can lead to homelessness, increased residential mobility, loss of community, strain on household

finances due to the necessity of paying rental application fees and security deposits, increased stress and anxiety, longer commute times and adverse traffic impacts if displaced workers cannot find affordable housing within the city in which they work, and disruption of the education of children in the home; and

WHEREAS recent high profile headlines highlighting mass termination of tenancies at apartment complexes, sometimes comprising hundreds of units each, in Isla Vista within the County and nearby Los Angeles, have drawn attention to an urgent need to protect tenants at a time of scarce rental inventory and low vacancy rates in the City and County; and

WHEREAS the California State Legislature passed 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, established statewide just cause eviction protections and rent stabilization for residential tenants and authorized cities to enact more protective local regulations; and

WHEREAS, in October 2023, the California State Legislature adopted Senate Bill 567 (“SB 567”), amending sections of California Civil Code Section 1946.2 and Section 1947.12 (“Section 1947.12”) and adding new noticing requirements and enforcement mechanisms to the Tenant Protection Act of 2019, which is scheduled to take effect on April 1, 2024; and

WHEREAS the City wishes to provide stronger and more immediate tenant protections citywide than what is provided in state law, including AB 1482 and SB 567, and enact local regulations to protect renters from displacement and homelessness and thereby promote housing and neighborhood stability; and

WHEREAS City regulations are intended to provide additional tenant protections beyond state law requirements by making permanent the temporary protections provided under AB 1482, which would otherwise expire in 2030; and

WHEREAS, absent City regulations, owners may terminate the tenancy of residential tenants under state law, including AB 1482, without oversight by the City, and the City wishes to exercise greater oversight over such terminations; and

WHEREAS City regulations enacted by this Ordinance are more protective than the provisions of AB 1482 because the City regulations

provide additional protections and specific requirements for the exercise of no-fault just cause terminations of residential tenancies; and

WHEREAS the City Council finds and determines that regulating the relationship between residential landlords and tenants will increase certainty and fairness in the residential rental market, and be consistent with the stricter tenant protections that exist in neighboring localities; and

WHEREAS said tenant protection measures are in line with the City's General Plan policies that support affordable housing, including but not limited to HE 1.4 (Preserve Mobile Home Parks and Facilitate Mobile Home Park Ownership Opportunities), HE 1.5 (Limit Conversion of Rental Housing to Condominiums and Housing Units to Nonresidential Use), and HE 3.1 (Affirmatively Further Fair Housing Opportunities); and

WHEREAS said tenant protection measures are also consistent with existing City regulations aimed at preserving rental stock and affordable housing, such as Goleta Municipal Code (GMC) Chapter 17.29 Demolition, Relocation, and Loss of Dwelling Units; and

WHEREAS, in accordance with California Government Code Section 36937, and in order to protect the public health, safety, and welfare, the City Council also makes the following findings in support of the urgent nature of this Ordinance:

A. The City Council finds that this Urgency Ordinance is enacted in order to protect the public health, safety and welfare by adopting regulations that would assist in protecting residential tenants from the impacts of evictions. Specifically, this Urgency Ordinance helps mitigate the impacts and threats to the public peace, health, and safety that result to tenants and the public from residential evictions, including, among other things, an increase in homelessness (due to the shortage of affordable housing in Goleta and Santa Barbara County), financial household strain (due to the necessity of paying rental application fees and security deposits), loss of community, disruption to families, disruption to childhood education, increased stress and anxiety, and longer commute times and adverse traffic impacts (where workers cannot find affordable housing within the city in which they work), by creating a regulatory mechanism to ensure additional residential tenant protections; and

B. The City Council also finds that this Urgency Ordinance is necessary to promote the immediate preservation of the public welfare, health, and safety by establishing a regulatory mechanism for residential tenant protections that can be effective prior to the winter months, where the impacts of inclement weather can be

dangerous to both unhoused individuals and to the surrounding communities, where, amongst other things, fires are used by persons experiencing homelessness for warmth; and

C. Finally, the City Council further finds that the regulations contained in this Urgency Ordinance are reasonable and beneficial and assure that lawful tenant protections are immediately in place.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

SECTION 2. Environmental Assessment

Pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(5), the proposed Ordinance does not qualify as a "project" for the purposes of CEQA, because the Ordinance does not result in direct or indirect physical changes in the environment. The Ordinance proposed does not, by itself, have the potential to cause a significant effect on the environment because the tenant protections enacted herein do not require or authorize any physical change to the environment. As such, the proposed Ordinance is exempt from CEQA review.

SECTION 3. Tenant Protections

Title 8 of the Goleta Municipal Code, Health and Safety, is amended to add Chapter 8.19, entitled Tenant Protections, to read in its entirety:

Chapter 8.19 Tenant Protections

Sections:

- 8.19.010 Purpose.
- 8.19.020 Applicability.
- 8.19.030 Definitions.
- 8.19.040 Just Cause for Termination of Residential Tenancy.
- 8.19.050 Mandatory Offer of Residential Lease.
- 8.19.060 Mandatory Right of First Refusal.
- 8.19.070 Additional Tenant Protections.
- 8.19.080 Remedies.

8.19.010 Purpose.

The residential rental housing market on the South Coast of Santa Barbara County, including the City of Goleta, has experienced long-term low vacancy rates, partly due to an ongoing housing shortage in the City and on the South Coast generally, resulting in less security and stability in the housing choices of residential tenants due to rapid rent increases or eviction without cause. Evictions and housing instability can lead to increased residential displacement and commute times, loss of community, interrupted education of children, financial strain, and temporary or prolonged homelessness. Procuring rental housing in the City or on the South Coast is difficult, particularly on short notice following eviction or whenever multiple households are evicted at the same time. This ordinance is necessary to protect the public health, safety, and general welfare by reducing the displacement of tenants into a rental housing market which affords them few and expensive options.

8.19.020 Applicability.

This Chapter applies to all Rental Units except:

- A. An Owner-occupied unit that is rented to a Tenant for less than one year.
- B. A Rental Unit occupied by a Tenant under a sublease that has a term less than one year.
- C. A Rental Unit where tenancy is an express condition of, or consideration for, employment under a written rental agreement or contract.
- D. Transient and tourist hotel occupancy as defined in Civil Code Section 1940(b), or Hotels and Motels as defined in Section 17.72.030 of the Goleta Municipal Code.
- E. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
- F. Housing accommodations rented by a medical institution, which are then subleased to a patient or patient's family.
- G. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
- H. Housing accommodations in which the Tenant shares bathroom or kitchen facilities with the Owner, who maintains their principal residence at the Rental Unit.
- I. Single-family Owner-occupied residences, including both of the following: (1) a residence in which the Owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit; or (2) a mobilehome.

- J. 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 to reside there, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.
- K. Housing that has been issued a certificate of occupancy within the previous 15 years, unless the housing is a mobilehome.
- L. 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 extremely low, very low, low, moderate, or above-moderate income up to 200% area median income, as defined in Section 50093 of the Health and Safety Code or Section 17.73.010 of the Goleta Municipal Code.
- M. Residential real property, including a mobilehome, that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
 - 1. 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.
 - iv. Management of a mobilehome park, as defined in Civil Code 798.2.
 - 2. The Tenants have been provided written notice that the residential property is exempt from this section using the following statement:

“This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the Just Cause requirements of Section 1946.2 of the Civil Code or Section 8.19 of the Goleta Municipal Code. This property meets the requirements of Sections 1947.12(d)(5) and 1946.2(e)(8) of the Civil Code and the Owner is not any of the following: (1) a real estate investment trust, as defined in 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.”

- i. For tenancies existing before the effective date of this Chapter, the notice required under this Subsection (2) of this Section may, but is not required to, be provided in the rental agreement.
- ii. For any tenancy commenced or renewed on or after the effective date of this Chapter, the notice required

under this Subsection (2) must be provided in the rental agreement.

- iii. Addition of a provision containing the notice required under Subsection (2) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of Section 8.19.040(B)(5).
- N. Dwelling units in a condominium, community apartment, planned development or stock cooperative, or in a limited equity stock cooperative as defined in the California Business and Professions Code.
- O. Dwelling units acquired by the City of Goleta or any other governmental unit, agency, or authority and intended to be used for a public purpose.
- P. Lawfully operated short-term rentals (for 30 days or less).

8.19.030 Definitions.

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section:

- A. "Intended Occupant" means the Owner of the residential real property or the Owner's spouse, domestic partner, child, grandchild, parent, or grandparent, who intends to occupy the Rental Unit for a minimum of 12 continuous months as that person's primary residence.
- B. "Just Cause" means any of the permissible reasons to issue a notice to terminate residential tenancy, as further described in Sections 8.19.040(B) and 8.19.040(C).
- C. "Landlord" means an owner, lessor, or sublessor, or the agent, representative, or successor of any of the foregoing persons or entities who receives, or is entitled to receive, rent for the use and occupancy of any Rental Unit or portion thereof.
- D. "Owner" means the owner of record for a Rental Unit.
- E. "Percentage change in the cost of living" means the percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index for the region where the residential real property is located, as published by the United States Bureau of Labor Statistics. If a regional index is not available, the California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, shall apply.
- F. "Qualified Tenant" means a Tenant who has continuously and lawfully occupied a Rental Unit for 12 months or who otherwise qualifies as a Tenant meriting Just Cause eviction protection under Civil Code Section 1946.2, Subdivision (a).

- G. "Rent" means the total consideration, including any bonus, benefit, or gratuity, charged or received by a Landlord in exchange for or connection with the use or occupancy of a Rental Unit and any separately charged amenities available to Tenants such as parking, storage, or other similar charges.
- H. "Rent Increase" means any additional rent charged to or paid by a Tenant for a Rental Unit.
- I. "Rental Unit" means any dwelling unit in any real property located within the City, regardless of zoning status, including the land and buildings appurtenant thereto and all housing services, privileges, and facilities, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes).
- J. "Residential Real Property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobilehome park.
- K. "Substantially Remodel" or "Substantial 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 Rental Unit for at least 30 days. To qualify, the Substantial Remodel must be for the primary purpose of bringing the Rental Unit into compliance with applicable health and safety codes. A Substantial Remodel does not include cosmetic improvements, including painting, decorating, minor repairs, routine maintenance, or other work that can be performed safely without having the Rental Unit vacated.
- L. "Tenant" means any renter, tenant, subtenant, lessee, or sublessee, or person entitled by written or oral agreement to occupy a Rental Unit to the exclusion of others.
- M. "Termination of Residential Tenancy" or "Terminate a Residential Tenancy" means, for purposes of this Chapter only, a termination of residential tenancy, as described in California Civil Code Sections 1946 to 1946.2, inclusive.

8.19.040 Just Cause for Termination of Residential Tenancy.

- A. Just Cause Required.
 - 1. Any Termination of Residential Tenancy of a Qualified Tenant requires Just Cause, which must be stated in full in a written notice as required by this Chapter. No Landlord of a Rental Unit shall Terminate a Residential Tenancy of a Qualified Tenant without complying with the requirements of this Chapter.

2. Just Cause includes at-fault Just Cause or no-fault Just Cause as defined in Subsections 8.19.040(B) and 8.19.040(C).

B. At-Fault Just Cause.

At-Fault Just Cause includes any of the following:

1. Default in the payment of Rent.
2. A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
3. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
4. Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
5. The Tenant had a written lease that terminated on or after January 1, 2020, or January 1, 2022, if the lease is for a tenancy in a mobilehome, and, after a written request or demand from the Landlord, 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.
6. Criminal activity by the Tenant on the Rental Unit, including any common areas, or any criminal activity or criminal threat, as defined in Subdivision (a) of Section 422 of the Penal Code, on or off the Rental Unit premises, that is directed at the Landlord for the Rental Unit; provided that criminal activity or criminal threat directed at a Tenant who is a victim of domestic violence shall not be the basis for at-fault or no-fault Just Cause eviction of the Tenant who is a victim of domestic violence.
7. Assigning or subletting the Rental Unit in violation of the Tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
8. The Tenant's refusal to allow the Landlord to enter the Rental Unit as authorized by Section 1101.5 and 1954 of the Civil Code, and Section 13113.7 and 17926.1 of the Health and Safety Code.
9. Using the Rental Unit for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
10. The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

11. When the Tenant fails to deliver possession of the Rental Unit after providing the Landlord written notice as provided in Civil Code Section 1946 of the Tenant's intention to terminate the hiring of the Rental Unit, or makes a written offer to surrender that is accepted in writing by the Landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

C. No-Fault Just Cause.

No-Fault Just Cause includes any of the following:

1. The Owner seeks in good faith to recover possession of the Rental Unit for use and occupancy by the Owner or the Owner's Intended Occupant.
 - i. For leases entered into on or after July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, clause (1) shall apply only if the Tenant agrees, in writing, to the Termination of Residential Tenancy, or if a provision of the lease allows the Owner to terminate the lease, if the Owner, or the Intended Occupant, unilaterally decide(s) to occupy the Rental Unit. Addition of a provision allowing the Landlord to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of Section 8.19.040(B)(5).
 - ii. Subparagraph (1) does not apply if the Intended Occupant occupies a Rental Unit on the property or if a vacancy of a similar unit already exists at the property.
 - iii. The written notice of Termination of Residential Tenancy for a Just Cause pursuant to this subparagraph shall contain the name or names and relationship to the Owner of the Intended Occupant. The written notice shall additionally include notification that the Tenant may request proof that the Intended Occupant is an Owner or related to the Owner as defined herein. The proof shall be provided upon request and may include an operating agreement and other non-public documents.
 - iv. Subparagraph (1) applies only if the Owner or Intended Occupant moves into the Rental Unit within 90 days after the Tenant vacates and occupies the Rental Unit as a primary residence for at least 12 consecutive months.

- a. If the Intended Occupant fails to occupy the Rental Unit within 90 days after the Tenant vacates or fails to occupy the Rental Unit as their primary residence for at least 12 consecutive months, the Owner shall offer the unit to the Tenant who vacated it at the same rent and lease terms in effect at the time the Tenant vacated and shall reimburse the Tenant for reasonable moving expenses incurred in excess of any relocation assistance that was paid to the Tenant in connection with the written notice.
 - b. If the Intended Occupant moves into the Rental Unit within 90 days after the Tenant vacates but dies before having occupied the Rental Unit as a primary residence for 12 months, as required by subclause (iv), this will not be considered a failure to comply with this section or a material violation of this section by the Owner as provided in subdivision 8.19.080.
- 2. The Owner seeks in good faith to recover possession to permanently withdraw the Rental Unit from the rental market in accordance with applicable state law.
- 3. The Owner seeks in good faith to comply with any of the following:
 - i. An order issued by a government agency or court relating to habitability that necessitates vacating the Rental Unit.
 - ii. An order issued by a government agency or court to vacate the Rental Unit.
 - iii. A local ordinance that expressly requires vacating the Rental Unit.
- 4. The Owner seeks in good faith to recover possession to totally demolish or to Substantially Remodel the Rental Unit, provided the Owner has done all of the following:
 - i. Obtained all permits necessary to carry out the demolition or Substantial Remodel from applicable governmental agencies.
 - ii. Given the Tenants an appropriate notice of Termination of Residential Tenancy as required by Section 8.19.040(E), advising the Tenants of the Owner's intent to terminate the tenancy in reliance on this subsection, which must include all of the following information:
 - a. A statement informing the tenant of the Owner's intent to demolish the Rental Unit or

Substantially Remodel the Rental Unit and providing the reason why the work cannot be reasonably accomplished in a safe manner with the Tenant in place and why the work requires the Tenant to vacate the Rental Unit for at least 30 days.

b. The following statement:

"If the Substantial Remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the Landlord must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the Owner at the rental rate that was in effect at the time you vacated. You must notify the Landlord within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the Owner of your acceptance of the offer."

c. A description of the Substantial Remodel to be completed, the approximate expected duration of the Substantial Remodel, or if the property is to be demolished, the expected date by which the property will be demolished, together with one of the following:

I. A copy of the permit or permits required to undertake the substantial remodel or demolition.

II. Only if a notice is issued for the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, and if the remodel does not require any permit, a copy of the signed contract with the contractor hired by the Owner to complete the Substantial Remodel, which reasonably details the work that will be undertaken to abate the hazardous materials.

d. A notification that, in accordance with Section 8.19.060, if the Tenant is interested in

reoccupying the Rental Unit following the Substantial Remodel, the Tenant shall inform the Landlord of the Tenant's interest in reoccupying the Rental Unit following the Substantial Remodel and provide to the Landlord the Tenant's address, telephone number, and email address.

- iii. Filed with the Planning and Environmental Review Department, within five (5) calendar days after service of the notice of Termination of Residential Tenancy, a copy of the documents served on the Tenant 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. The Owner's failure to provide proof of service shall create a rebuttable presumption that the Owner did not comply with this section.

D. Relocation Assistance Payments Required.

1. The Landlord of a Rental Unit who issues a notice of Termination of Residential Tenancy based upon no-fault Just Cause shall, within 15 calendar days after service of the notice, make a relocation assistance payment to each Qualified Tenant in an amount established by resolution of the City Council or two months' Rent that was in effect when the Landlord issued the notice of Termination of Residential Tenancy, whichever is greater.
2. When more than one Qualified Tenant occupies a Rental Unit, the Landlord shall divide the relocation assistance payment equally among the Qualified Tenants and make the divided relocation assistance payment to each Qualified Tenant.
3. The Landlord of the Rental Unit may elect to make one-half of the relocation assistance payment required by this Chapter to each Qualified Tenant within 15 calendar days after service of the notice of Termination of Residential Tenancy, and the remaining one half of the relocation assistance payment to each Qualified Tenant no later than the time that Qualified Tenant surrenders possession of the Rental Unit.
4. If a Qualified Tenant fails to vacate after the expiration of the notice of Termination of Residential Tenancy, the actual amount of any relocation assistance paid to the Qualified Tenant shall be recoverable as damages from that Qualified Tenant.
5. A Qualified Tenant is not entitled to relocation assistance, if any government agency or court determines that the tenant is

at fault for the condition or conditions triggering an eviction order or need to vacate for reasons listed in but not limited to those in Section 8.19.040(B).

6. Any relocation assistance or rent waiver required by State law shall be credited against the relocation assistance payment required by this Chapter, but only to the extent such credit is required by State law.

E. Notice Requirements.

1. The written notice to terminate tenancy shall state in full the facts and circumstances constituting the at-fault Just Cause or no-fault Just Cause for Termination of Residential Tenancy.
2. A written notice of Termination of Residential Tenancy based upon no-fault Just Cause must be provided at least 60 days before the date of termination and must inform each Qualified Tenant of their right to and the amount of a relocation assistance payment required by this Chapter.
3. Before a Landlord of a Rental Unit issues a notice of Termination of Residential Tenancy for Just Cause that is a curable lease violation, the Owner shall first give notice of the violation to each Qualified Tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served in accordance with California law to terminate the tenancy.

8.19.050 Mandatory Offer of Residential Lease.

- A. If a Tenant or prospective Tenant wishes to rent a Rental Unit from a Landlord and if the Landlord wishes to rent the Rental Unit to the Tenant or prospective Tenant, the Landlord must offer to the Tenant or prospective Tenant a written lease which has a minimum term of one year. The offer must be made in writing. The Landlord's signing of a lease which has a minimum term of one year shall be considered an offer in writing.
- B. If the Tenant or prospective Tenant accepts the offer of a written lease which has a minimum term of one year, this acceptance must be in writing, dated, and signed by the Tenant. The Tenant or prospective Tenant's signing of a lease signed by the Landlord, which has a minimum term of one year, will be considered an acceptance. The Tenant shall bear the burden of proving that they accepted the lease offer.
- C. If the Tenant or prospective Tenant rejects the offer for a written lease which has a minimum term of one year, this rejection must be in writing and signed by the Tenant on a dated single-page form which is either:

1. made available through the City's website; or
2. prepared by the Landlord or Tenant to communicate the rejection.

On or after the date the rejection is signed and delivered, the Landlord and Tenant or prospective Tenant may then enter into an agreement that provides for a rental term of less than one year. The Landlord shall have the burden of proving that the lease offer was made to the Tenant and whether the Tenant accepted or rejected the offer.

- D. If the Landlord and Tenant enter into a written lease which has a minimum term of one year, such lease must set the Rent for the Rental Unit at a rate or rates certain, and these rates shall not be otherwise modified during the initial term of such lease.
- E. If both the Landlord and the Tenant wish to continue the rental relationship, upon the expiration of the initial lease which has a minimum term of one year, a lease shall be offered again in accordance with the procedures of this section.
 1. Leases with a term of one year shall be offered annually.
 2. Leases with a term longer than one year shall be renewable at the expiration of each lease period for a minimum term of one year.
 3. A Landlord shall offer annually a written lease with a minimum term of one year to a Tenant who rejected an initial offer of a written lease with a minimum term of one year but who has rented a unit from the Landlord for a period of at least twelve months.
- F. If the Landlord does not wish to continue the rental relationship, then at the time the Landlord delivers notice of such Termination of Residential Tenancy, the Tenant shall be offered a one-session conciliation meeting with the Landlord using a publicly funded housing mediation service, if available, or a qualified mediator of mutual choice and provided at mutual expense. The results of any conciliation meeting shall not be binding unless agreed to by the Landlord and Tenant. A Tenant need not participate in a conciliation meeting. The remedies available under this chapter shall not be affected by a Tenant's inability or refusal to participate in conciliation.
- G. If a Rental Unit is rented subject to a written lease, when the lease in effect for such a unit expires, the ordinance codified in this Section shall then apply. If a Rental Unit is rented without a written lease, within ninety days after the effective date of this Chapter, the Landlord shall offer a written lease to the Tenant in accordance with this Section.

8.19.060 Mandatory Right of First Refusal.

- A. For Termination of Residential Tenancy pursuant to Section 8.19.040(C)(4), the Landlord shall provide the Tenant of the unit at the time of termination a written Right of First Refusal to re-occupy the Rental Unit when it is ready to be occupied, provided the following:
 - 1. The Tenant must provide to the Landlord current contact information, including address, telephone number, and email address, at which to receive a notification related to the Right of First Refusal to re-occupy the unit.
 - 2. When the Rental Unit is ready for occupancy, the Landlord must make an offer to return and rent the Rental Unit under a new rental agreement containing substantially the same terms as the Tenant's most recent rental agreement with the Landlord.
- B. The written offer to re-occupy the unit shall include the rental price, the proposed terms, and any security deposit required. The rental price for the unit shall be set at no more than the total rental rate charged for the unit at the time of the notice of Termination of Residential Tenancy plus 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower. Where applicable, the lease term offered shall be in accordance with Section 8.19.050.
- C. The Tenant must return to the Landlord an affirmative written acceptance of the offer to return to and rent the unit within thirty (30) days of receipt of the offer.

8.19.070 Additional Tenant Protections.

- A. The City Manager may adopt administrative procedures and regulations to implement the provisions of this Chapter.
- B. It is illegal for a Landlord to retaliate against a Tenant for lawfully and peaceably exercising their legal rights, including but not limited to the right to file a complaint with Code Compliance staff at the City or other responsible agency. No Landlord may take any action increasing any Rent, 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 Chapter.
- C. Any provision of a lease or rental housing agreement that purports to waive any provision of this Chapter is void as against public policy.

8.19.080 Remedies.

- A. Failure to comply with any provision of this Chapter shall render void a notice of Termination of Residential Tenancy, and any other notice by a Landlord to terminate a residential tenancy as described in California Civil Code Sections 1946 to 1946.2.
- B. Failure to include all required information in the notices required by this Chapter shall be a defense to any unlawful detainer action.

- C. Failure of a Landlord to comply with any of the provisions of this Chapter shall provide the Tenant with an affirmative defense in any legal action brought by the Landlord to collect Rent Increases made in violation of this Chapter.
- D. Failure of a Landlord to plead and prove compliance with any of the provisions of this Chapter shall provide the Tenant a defense in any action to recover possession of the Rental Unit.
- E. Any violation of this Chapter shall entitle the aggrieved Tenant to:
 - 1. Actual damages according to proof.
 - 2. Attorneys' fees and costs.
 - 3. Upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, up to three times the actual damages. An award may also be entered for punitive damages for the benefit of the Tenant against the Landlord.
 - 4. A Tenant may seek injunctive relief on behalf of Tenant or on behalf of other affected Tenants to enjoin a Landlord's violation of this Chapter.
- F. Remedies provided in this Section are in addition to any other existing legal remedies and not intended to be exclusive.
- G. The City Attorney is authorized to enforce this Chapter through administrative, civil, or criminal action. The City Attorney is further authorized to bring actions for injunctive relief on behalf of the City. The City Attorney shall seek recovery of costs, expenses, and attorneys' fees as allowed by law.

SECTION 4. Severability.

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 5. Certification of City Clerk.

The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accordance with California Government Code section 36933.

SECTION 6. Effective Date and Termination.

This Urgency Ordinance is for the immediate preservation of public peace, health and safety, and therefore shall take effect immediately

pursuant to Government Code Section 36937 and shall continue until it is terminated by the City Council.

INTRODUCED ON the ____ day of _____, 2023.

PASSED, APPROVED, AND ADOPTED this _____day of _____
2023.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MEGAN GARIBALDI
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 23-__ was introduced on _____, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the _____, by the following roll-call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

Attachment 2

Ordinance No. 24-__, entitled “An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, and Determining the Ordinance to be Exempt from CEQA”

ORDINANCE NO. 24-__

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF GOLETA, CALIFORNIA,
ADDING CHAPTER 8.19, ENTITLED TENANT
PROTECTIONS, TO TITLE 8, HEALTH AND
SAFETY, OF THE GOLETA MUNICIPAL
CODE, AND DETERMINING THE
ORDINANCE TO BE EXEMPT FROM CEQA**

WHEREAS decent, safe, and sanitary housing is a human necessity and right; and

WHEREAS there is a shortage of housing units on the South Coast of Santa Barbara County (the “County”) and in the City of Goleta (the “City” or “Goleta”), particularly for households in the moderate- and lower-income categories; and

WHEREAS, according to the most recent data from the US Department of Housing and Urban Development’s Comprehensive Housing Affordability Strategy (CHAS) based on the 2016-2020 American Community Survey (ACS) data, 48% of renter households in the City experience a cost burden of paying more than 30% of their income toward monthly housing costs; and

WHEREAS 71% of the cost-burdened renter households in the City are in the lower-income categories, earning less than 80% of area median income; and

WHEREAS, according to the City of Santa Barbara’s 2023 Rent Survey for the South Coast, the median advertised rental rate for a two-bedroom apartment was \$3,981; and

WHEREAS the vacancy rate is less than 1%, according to 2017-2021 ACS data, making it difficult and expensive to find a housing unit; and

WHEREAS eviction creates particular hardships for individuals and households of limited means, due to the shortage of housing and intense competition for such housing units in Goleta and the County more generally; and

WHEREAS housing instability threatens the public peace, health, and safety as eviction from one’s home can lead to homelessness, increased residential mobility, loss of community, strain on household finances due to the necessity of paying rental application fees and security

deposits, increased stress and anxiety, longer commute times and adverse traffic impacts if displaced workers cannot find affordable housing within the city in which they work, and disruption of the education of children in the home; and

WHEREAS recent high profile headlines highlighting mass termination of tenancies at apartment complexes, sometimes comprising hundreds of units each, in Isla Vista within the County and nearby Los Angeles, have drawn attention to an urgent need to protect tenants at a time of scarce rental inventory and low vacancy rates in the City and County; and

WHEREAS the California State Legislature passed 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, established statewide just cause eviction protections and rent stabilization for residential tenants and authorized cities to enact more protective local regulations; and

WHEREAS, in October 2023, the California State Legislature adopted Senate Bill 567 (“SB 567”), amending sections of California Civil Code Section 1946.2 and Section 1947.12 (“Section 1947.12”) and adding new noticing requirements and enforcement mechanisms to the Tenant Protection Act of 2019, which is scheduled to take effect on April 1, 2024; and

WHEREAS the City wishes to provide stronger and more immediate tenant protections citywide than what is provided in state law, including AB 1482 and SB 567, and enact local regulations to protect renters from displacement and homelessness and thereby promote housing and neighborhood stability; and

WHEREAS City regulations are intended to provide additional tenant protections beyond state law requirements by making permanent the temporary protections provided under AB 1482, which would otherwise expire in 2030; and

WHEREAS, absent City regulations, owners may terminate the tenancy of residential tenants under state law, including AB 1482, without oversight by the City, and the City wishes to exercise greater oversight over such terminations; and

WHEREAS City regulations enacted by this Ordinance are more protective than the provisions of AB 1482 because the City regulations provide additional protections and specific requirements for the exercise of no-fault just cause terminations of residential tenancies; and

WHEREAS the City Council finds and determines that regulating the relationship between residential landlords and tenants will increase certainty and fairness in the residential rental market, and be consistent with the stricter tenant protections that exist in neighboring localities; and

WHEREAS said tenant protection measures are in line with the City's General Plan policies that support affordable housing, including but not limited to HE 1.4 (Preserve Mobile Home Parks and Facilitate Mobile Home Park Ownership Opportunities), HE 1.5 (Limit Conversion of Rental Housing to Condominiums and Housing Units to Nonresidential Use), and HE 3.1 (Affirmatively Further Fair Housing Opportunities); and

WHEREAS said tenant protection measures are also consistent with existing City regulations aimed at preserving rental stock and affordable housing, such as Goleta Municipal Code (GMC) Chapter 17.29 Demolition, Relocation, and Loss of Dwelling Units.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

SECTION 2. Environmental Assessment

Pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(5), the proposed Ordinance does not qualify as a "project" for the purposes of CEQA, because the Ordinance does not result in direct or indirect physical changes in the environment. The Ordinance proposed does not, by itself, have the potential to cause a significant effect on the environment because the tenant protections enacted herein do not require or authorize any physical change to the environment. As such, the proposed Ordinance is exempt from CEQA review.

SECTION 3. Tenant Protections

Title 8 of the Goleta Municipal Code, Health and Safety, is amended to add Chapter 8.19, entitled Tenant Protections, to read in its entirety:

Chapter 8.19 Tenant Protections

Sections:

8.19.010 Purpose.

- 8.19.020 Applicability.
- 8.19.030 Definitions.
- 8.19.040 Just Cause for Termination of Residential Tenancy.
- 8.19.050 Mandatory Offer of Residential Lease.
- 8.19.060 Mandatory Right of First Refusal.
- 8.19.070 Additional Tenant Protections.
- 8.19.080 Remedies.

8.19.010 Purpose.

The residential rental housing market on the South Coast of Santa Barbara County, including the City of Goleta, has experienced long-term low vacancy rates, partly due to an ongoing housing shortage in the City and on the South Coast generally, resulting in less security and stability in the housing choices of residential tenants due to rapid rent increases or eviction without cause. Evictions and housing instability can lead to increased residential displacement and commute times, loss of community, interrupted education of children, financial strain, and temporary or prolonged homelessness. Procuring rental housing in the City or on the South Coast is difficult, particularly on short notice following eviction or whenever multiple households are evicted at the same time. This ordinance is necessary to protect the public health, safety, and general welfare by reducing the displacement of tenants into a rental housing market which affords them few and expensive options.

8.19.020 Applicability.

This Chapter applies to all Rental Units except:

- A. An Owner-occupied unit that is rented to a Tenant for less than one year.
- B. A Rental Unit occupied by a Tenant under a sublease that has a term less than one year.
- C. A Rental Unit where tenancy is an express condition of, or consideration for, employment under a written rental agreement or contract.
- D. Transient and tourist hotel occupancy as defined in Civil Code Section 1940(b), or Hotels and Motels as defined in Section 17.72.030 of the Goleta Municipal Code.
- E. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
- F. Housing accommodations rented by a medical institution, which are then subleased to a patient or patient's family.

- G. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
- H. Housing accommodations in which the Tenant shares bathroom or kitchen facilities with the Owner, who maintains their principal residence at the Rental Unit.
- I. Single-family Owner-occupied residences, including both of the following: (1) a residence in which the Owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit; or (2) a mobilehome.
- J. 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 to reside there, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.
- K. Housing that has been issued a certificate of occupancy within the previous 15 years, unless the housing is a mobilehome.
- L. 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 extremely low, very low, low, moderate, or above-moderate income up to 200% area median income, as defined in Section 50093 of the Health and Safety Code or Section 17.73.010 of the Goleta Municipal Code.
- M. Residential real property, including a mobilehome, that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
 - 1. 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.
 - iv. Management of a mobilehome park, as defined in Civil Code 798.2.
 - 2. The Tenants have been provided written notice that the residential property is exempt from this section using the following statement:

“This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the Just Cause requirements of Section 1946.2 of the Civil Code or Section 8.19 of the Goleta Municipal Code. This property meets the requirements of Sections 1947.12(d)(5) and 1946.2(e)(8) of the Civil Code and the Owner is not any of the following: (1) a real estate investment trust, as defined in 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.”

- i. For tenancies existing before the effective date of this Chapter, the notice required under this Subsection (2) of this Section may, but is not required to, be provided in the rental agreement.
 - ii. For any tenancy commenced or renewed on or after the effective date of this Chapter, the notice required under this Subsection (2) must be provided in the rental agreement.
 - iii. Addition of a provision containing the notice required under Subsection (2) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of Section 8.19.040(B)(5).
- N. Dwelling units in a condominium, community apartment, planned development or stock cooperative, or in a limited equity stock cooperative as defined in the California Business and Professions Code.
- O. Dwelling units acquired by the City of Goleta or any other governmental unit, agency, or authority and intended to be used for a public purpose.
- P. Lawfully operated short-term rentals (for 30 days or less).

8.19.030 Definitions.

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section:

- A. “Intended Occupant” means the Owner of the residential real property or the Owner’s spouse, domestic partner, child, grandchild, parent, or grandparent, who intends to occupy the Rental Unit for a minimum of 12 continuous months as that person’s primary residence.
- B. “Just Cause” means any of the permissible reasons to issue a notice to terminate residential tenancy, as further described in Sections 8.19.040(B) and 8.19.040(C).
- C. “Landlord” means an owner, lessor, or sublessor, or the agent, representative, or successor of any of the foregoing persons or entities who receives, or is entitled to receive, rent for the use and occupancy of any Rental Unit or portion thereof.
- D. “Owner” means the owner of record for a Rental Unit.
- E. “Percentage change in the cost of living” means the percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index for the region where the

residential real property is located, as published by the United States Bureau of Labor Statistics. If a regional index is not available, the California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, shall apply.

- F. "Qualified Tenant" means a Tenant who has continuously and lawfully occupied a Rental Unit for 12 months or who otherwise qualifies as a Tenant meriting Just Cause eviction protection under Civil Code Section 1946.2, Subdivision (a).
- G. "Rent" means the total consideration, including any bonus, benefit, or gratuity, charged or received by a Landlord in exchange for or connection with the use or occupancy of a Rental Unit and any separately charged amenities available to Tenants such as parking, storage, or other similar charges.
- H. "Rent Increase" means any additional rent charged to or paid by a Tenant for a Rental Unit.
- I. "Rental Unit" means any dwelling unit in any real property located within the City, regardless of zoning status, including the land and buildings appurtenant thereto and all housing services, privileges, and facilities, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes).
- J. "Residential Real Property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobilehome park.
- K. "Substantially Remodel" or "Substantial 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 Rental Unit for at least 30 days. To qualify, the Substantial Remodel must be for the primary purpose of bringing the Rental Unit into compliance with applicable health and safety codes. A Substantial Remodel does not include cosmetic improvements, including painting, decorating, minor repairs, routine maintenance, or other work that can be performed safely without having the Rental Unit vacated.
- L. "Tenant" means any renter, tenant, subtenant, lessee, or sublessee, or person entitled by written or oral agreement to occupy a Rental Unit to the exclusion of others.
- M. "Termination of Residential Tenancy" or "Terminate a Residential Tenancy" means, for purposes of this Chapter only, a termination of residential tenancy, as described in California Civil Code Sections 1946 to 1946.2, inclusive.

8.19.040 Just Cause for Termination of Residential Tenancy.

A. Just Cause Required.

1. Any Termination of Residential Tenancy of a Qualified Tenant requires Just Cause, which must be stated in full in a written notice as required by this Chapter. No Landlord of a Rental Unit shall Terminate a Residential Tenancy of a Qualified Tenant without complying with the requirements of this Chapter.
2. Just Cause includes at-fault Just Cause or no-fault Just Cause as defined in Subsections 8.19.040(B) and 8.19.040(C).

B. At-Fault Just Cause.

At-Fault Just Cause includes any of the following:

1. Default in the payment of Rent.
2. A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
3. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
4. Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
5. The Tenant had a written lease that terminated on or after January 1, 2020, or January 1, 2022, if the lease is for a tenancy in a mobilehome, and, after a written request or demand from the Landlord, 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.
6. Criminal activity by the Tenant on the Rental Unit, including any common areas, or any criminal activity or criminal threat, as defined in Subdivision (a) of Section 422 of the Penal Code, on or off the Rental Unit premises, that is directed at the Landlord for the Rental Unit; provided that criminal activity or criminal threat directed at a Tenant who is a victim of domestic violence shall not be the basis for at-fault or no-fault Just Cause eviction of the Tenant who is a victim of domestic violence.
7. Assigning or subletting the Rental Unit in violation of the Tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
8. The Tenant's refusal to allow the Landlord to enter the Rental Unit as authorized by Section 1101.5 and 1954 of the Civil

Code, and Section 13113.7 and 17926.1 of the Health and Safety Code.

9. Using the Rental Unit for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
10. The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.
11. When the Tenant fails to deliver possession of the Rental Unit after providing the Landlord written notice as provided in Civil Code Section 1946 of the Tenant's intention to terminate the hiring of the Rental Unit, or makes a written offer to surrender that is accepted in writing by the Landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

C. No-Fault Just Cause.

No-Fault Just Cause includes any of the following:

1. The Owner seeks in good faith to recover possession of the Rental Unit for use and occupancy by the Owner or the Owner's Intended Occupant.
 - i. For leases entered into on or after July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, clause (1) shall apply only if the Tenant agrees, in writing, to the Termination of Residential Tenancy, or if a provision of the lease allows the Owner to terminate the lease, if the Owner, or the Intended Occupant, unilaterally decide(s) to occupy the Rental Unit. Addition of a provision allowing the Landlord to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of Section 8.19.040(B)(5).
 - ii. Subparagraph (1) does not apply if the Intended Occupant occupies a Rental Unit on the property or if a vacancy of a similar unit already exists at the property.
 - iii. The written notice of Termination of Residential Tenancy for a Just Cause pursuant to this subparagraph shall contain the name or names and relationship to the Owner of the Intended Occupant. The written notice shall additionally include notification that the Tenant may request proof that the Intended Occupant is an Owner or related to the Owner as defined herein. The proof shall be provided upon

- request and may include an operating agreement and other non-public documents.
- iv. Subparagraph (1) applies only if the Owner or Intended Occupant moves into the Rental Unit within 90 days after the Tenant vacates and occupies the Rental Unit as a primary residence for at least 12 consecutive months.
 - a. If the Intended Occupant fails to occupy the Rental Unit within 90 days after the Tenant vacates or fails to occupy the Rental Unit as their primary residence for at least 12 consecutive months, the Owner shall offer the unit to the Tenant who vacated it at the same rent and lease terms in effect at the time the Tenant vacated and shall reimburse the Tenant for reasonable moving expenses incurred in excess of any relocation assistance that was paid to the Tenant in connection with the written notice.
 - b. If the Intended Occupant moves into the Rental Unit within 90 days after the Tenant vacates but dies before having occupied the Rental Unit as a primary residence for 12 months, as required by subclause (iv), this will not be considered a failure to comply with this section or a material violation of this section by the Owner as provided in subdivision 8.19.080.
 2. The Owner seeks in good faith to recover possession to permanently withdraw the Rental Unit from the rental market in accordance with applicable state law.
 3. The Owner seeks in good faith to comply with any of the following:
 - i. An order issued by a government agency or court relating to habitability that necessitates vacating the Rental Unit.
 - ii. An order issued by a government agency or court to vacate the Rental Unit.
 - iii. A local ordinance that expressly requires vacating the Rental Unit.
 4. The Owner seeks in good faith to recover possession to totally demolish or to Substantially Remodel the Rental Unit, provided the Owner has done all of the following:
 - i. Obtained all permits necessary to carry out the demolition or Substantial Remodel from applicable governmental agencies.

ii. Given the Tenants an appropriate notice of Termination of Residential Tenancy as required by Section 8.19.040(E), advising the Tenants of the Owner's intent to terminate the tenancy in reliance on this subsection, which must include all of the following information:

- a. A statement informing the tenant of the Owner's intent to demolish the Rental Unit or Substantially Remodel the Rental Unit and providing the reason why the work cannot be reasonably accomplished in a safe manner with the Tenant in place and why the work requires the Tenant to vacate the Rental Unit for at least 30 days.
- b. The following statement:

"If the Substantial Remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the Landlord must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the Owner at the rental rate that was in effect at the time you vacated. You must notify the Landlord within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the Owner of your acceptance of the offer."

- c. A description of the Substantial Remodel to be completed, the approximate expected duration of the Substantial Remodel, or if the property is to be demolished, the expected date by which the property will be demolished, together with one of the following:
 - I. A copy of the permit or permits required to undertake the substantial remodel or demolition.
 - II. Only if a notice is issued for the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, and if the remodel does not require any permit, a

copy of the signed contract with the contractor hired by the Owner to complete the Substantial Remodel, which reasonably details the work that will be undertaken to abate the hazardous materials.

- d. A notification that, in accordance with Section 8.19.060, if the Tenant is interested in reoccupying the Rental Unit following the Substantial Remodel, the Tenant shall inform the Landlord of the Tenant's interest in reoccupying the Rental Unit following the Substantial Remodel and provide to the Landlord the Tenant's address, telephone number, and email address.
- iii. Filed with the Planning and Environmental Review Department, within five (5) calendar days after service of the notice of Termination of Residential Tenancy, a copy of the documents served on the Tenant 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. The Owner's failure to provide proof of service shall create a rebuttable presumption that the Owner did not comply with this section.

D. Relocation Assistance Payments Required.

1. The Landlord of a Rental Unit who issues a notice of Termination of Residential Tenancy based upon no-fault Just Cause shall, within 15 calendar days after service of the notice, make a relocation assistance payment to each Qualified Tenant in an amount established by resolution of the City Council or two months' Rent that was in effect when the Landlord issued the notice of Termination of Residential Tenancy, whichever is greater.
2. When more than one Qualified Tenant occupies a Rental Unit, the Landlord shall divide the relocation assistance payment equally among the Qualified Tenants and make the divided relocation assistance payment to each Qualified Tenant.
3. The Landlord of the Rental Unit may elect to make one-half of the relocation assistance payment required by this Chapter to each Qualified Tenant within 15 calendar days after service of the notice of Termination of Residential Tenancy, and the remaining one half of the relocation assistance payment to

each Qualified Tenant no later than the time that Qualified Tenant surrenders possession of the Rental Unit.

4. If a Qualified Tenant fails to vacate after the expiration of the notice of Termination of Residential Tenancy, the actual amount of any relocation assistance paid to the Qualified Tenant shall be recoverable as damages from that Qualified Tenant.
5. A Qualified Tenant is not entitled to relocation assistance, if any government agency or court determines that the tenant is at fault for the condition or conditions triggering an eviction order or need to vacate for reasons listed in but not limited to those in Section 8.19.040(B).
6. Any relocation assistance or rent waiver required by State law shall be credited against the relocation assistance payment required by this Chapter, but only to the extent such credit is required by State law.

E. Notice Requirements.

1. The written notice to terminate tenancy shall state in full the facts and circumstances constituting the at-fault Just Cause or no-fault Just Cause for Termination of Residential Tenancy.
2. A written notice of Termination of Residential Tenancy based upon no-fault Just Cause must be provided at least 60 days before the date of termination and must inform each Qualified Tenant of their right to and the amount of a relocation assistance payment required by this Chapter.
3. Before a Landlord of a Rental Unit issues a notice of Termination of Residential Tenancy for Just Cause that is a curable lease violation, the Owner shall first give notice of the violation to each Qualified Tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served in accordance with California law to terminate the tenancy.

8.19.050 Mandatory Offer of Residential Lease.

- A. If a Tenant or prospective Tenant wishes to rent a Rental Unit from a Landlord and if the Landlord wishes to rent the Rental Unit to the Tenant or prospective Tenant, the Landlord must offer to the Tenant or prospective Tenant a written lease which has a minimum term of one year. The offer must be made in writing. The Landlord's signing of a lease which has a minimum term of one year shall be considered an offer in writing.
- B. If the Tenant or prospective Tenant accepts the offer of a written lease which has a minimum term of one year, this acceptance must

be in writing, dated, and signed by the Tenant. The Tenant or prospective Tenant's signing of a lease signed by the Landlord, which has a minimum term of one year, will be considered an acceptance. The Tenant shall bear the burden of proving that they accepted the lease offer.

- C. If the Tenant or prospective Tenant rejects the offer for a written lease which has a minimum term of one year, this rejection must be in writing and signed by the Tenant on a dated single-page form which is either:
 - 1. made available through the City's website; or
 - 2. prepared by the Landlord or Tenant to communicate the rejection.

On or after the date the rejection is signed and delivered, the Landlord and Tenant or prospective Tenant may then enter into an agreement that provides for a rental term of less than one year. The Landlord shall have the burden of proving that the lease offer was made to the Tenant and whether the Tenant accepted or rejected the offer.

- D. If the Landlord and Tenant enter into a written lease which has a minimum term of one year, such lease must set the Rent for the Rental Unit at a rate or rates certain, and these rates shall not be otherwise modified during the initial term of such lease.
- E. If both the Landlord and the Tenant wish to continue the rental relationship, upon the expiration of the initial lease which has a minimum term of one year, a lease shall be offered again in accordance with the procedures of this section.
 - 1. Leases with a term of one year shall be offered annually.
 - 2. Leases with a term longer than one year shall be renewable at the expiration of each lease period for a minimum term of one year.
 - 3. A Landlord shall offer annually a written lease with a minimum term of one year to a Tenant who rejected an initial offer of a written lease with a minimum term of one year but who has rented a unit from the Landlord for a period of at least twelve months.
- F. If the Landlord does not wish to continue the rental relationship, then at the time the Landlord delivers notice of such Termination of Residential Tenancy, the Tenant shall be offered a one-session conciliation meeting with the Landlord using a publicly funded housing mediation service, if available, or a qualified mediator of mutual choice and provided at mutual expense. The results of any conciliation meeting shall not be binding unless agreed to by the Landlord and Tenant. A Tenant need not participate in a conciliation meeting. The remedies available under this chapter shall not be affected by a Tenant's inability or refusal to participate in conciliation.

- G. If a Rental Unit is rented subject to a written lease, when the lease in effect for such a unit expires, the ordinance codified in this Section shall then apply. If a Rental Unit is rented without a written lease, within ninety days after the effective date of this Chapter, the Landlord shall offer a written lease to the Tenant in accordance with this Section.

8.19.060 Mandatory Right of First Refusal.

- A. For Termination of Residential Tenancy pursuant to Section 8.19.040(C)(4), the Landlord shall provide the Tenant of the unit at the time of termination a written Right of First Refusal to re-occupy the Rental Unit when it is ready to be occupied, provided the following:
 - 1. The Tenant must provide to the Landlord current contact information, including address, telephone number, and email address, at which to receive a notification related to the Right of First Refusal to re-occupy the unit.
 - 2. When the Rental Unit is ready for occupancy, the Landlord must make an offer to return and rent the Rental Unit under a new rental agreement containing substantially the same terms as the Tenant's most recent rental agreement with the Landlord.
- B. The written offer to re-occupy the unit shall include the rental price, the proposed terms, and any security deposit required. The rental price for the unit shall be set at no more than the total rental rate charged for the unit at the time of the notice of Termination of Residential Tenancy plus 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower. Where applicable, the lease term offered shall be in accordance with Section 8.19.050.
- C. The Tenant must return to the Landlord an affirmative written acceptance of the offer to return to and rent the unit within thirty (30) days of receipt of the offer.

8.19.070 Additional Tenant Protections.

- A. The City Manager may adopt administrative procedures and regulations to implement the provisions of this Chapter.
- B. It is illegal for a Landlord to retaliate against a Tenant for lawfully and peaceably exercising their legal rights, including but not limited to the right to file a complaint with Code Compliance staff at the City or other responsible agency. No Landlord may take any action increasing any Rent, 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 Chapter.
- C. Any provision of a lease or rental housing agreement that purports to waive any provision of this Chapter is void as against public policy.

8.19.080 Remedies.

- A. Failure to comply with any provision of this Chapter shall render void a notice of Termination of Residential Tenancy, and any other notice by a Landlord to terminate a residential tenancy as described in California Civil Code Sections 1946 to 1946.2.
- B. Failure to include all required information in the notices required by this Chapter shall be a defense to any unlawful detainer action.
- C. Failure of a Landlord to comply with any of the provisions of this Chapter shall provide the Tenant with an affirmative defense in any legal action brought by the Landlord to collect Rent Increases made in violation of this Chapter.
- D. Failure of a Landlord to plead and prove compliance with any of the provisions of this Chapter shall provide the Tenant a defense in any action to recover possession of the Rental Unit.
- E. Any violation of this Chapter shall entitle the aggrieved Tenant to:
 - 1. Actual damages according to proof.
 - 2. Attorneys' fees and costs.
 - 3. Upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, up to three times the actual damages. An award may also be entered for punitive damages for the benefit of the Tenant against the Landlord.
 - 4. A Tenant may seek injunctive relief on behalf of Tenant or on behalf of other affected Tenants to enjoin a Landlord's violation of this Chapter.
- F. Remedies provided in this Section are in addition to any other existing legal remedies and not intended to be exclusive.
- G. The City Attorney is authorized to enforce this Chapter through administrative, civil, or criminal action. The City Attorney is further authorized to bring actions for injunctive relief on behalf of the City. The City Attorney shall seek recovery of costs, expenses, and attorneys' fees as allowed by law.

SECTION 4. Severability.

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 5. Certification of City Clerk.

The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accordance with California Government Code section 36933.

SECTION 6. Effective Date and Termination.

This Ordinance shall take effect on the 31st day following adoption by the City Council.

INTRODUCED ON the ____ day of _____, 2024.

PASSED, APPROVED, AND ADOPTED this _____day of _____
2024.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MEGAN GARIBALDI
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 24-__ was introduced on _____, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the _____, by the following roll-call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

Attachment 3

**CEQA Notice of Exemption
for Urgency Ordinance**

NOTICE OF EXEMPTION (NOE)

To: Office of Planning and Research
P.O. Box 3044, 1400 Tenth St. Rm. 212
Sacramento, CA 95812-3044

From: City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Clerk of the Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101



Subject: Filing of Notice of Exemption

Project Title:

Adoption of Tenant Protections Urgency Ordinance

Project Applicant:

City of Goleta Planning and Environmental Review Department

Project Location (Address and APN):

Citywide

Description of Nature, Purpose, and Beneficiaries of Project:

Adoption of an urgency ordinance entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, Determining the Ordinance to be Exempt from CEQA, and Declaring the Urgency Thereof"

Name of Public Agency Approving the Project:

City Council of the City of Goleta

Name of Person or Agency Carrying Out the Project:

City of Goleta

Exempt Status: *(check one)*

- Ministerial (Sec. 15268)
- Declared Emergency (Sec. 15269 (a))
- Emergency Project (Sec. 15269 (b) (c))
- Categorical Exemption: *(Insert Type(s) and Section Number(s))*
- Other Statutory Exemption: Sec. 15378(b)(5) (not a project), 15061(b)(3) (general rule)

Reason(s) why the project is exempt:

Pursuant to California Environmental Quality Act (Public Resources Code Sections 21000 et seq., "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations Sections 15000 et seq., the "CEQA Guidelines"), the proposed policies and procedures document does not constitute a "project" for the purposes of CEQA because it constitutes an organizational or administrative activity of government that will not result in direct or indirect physical impact on the environment, and it can be seen with certainty to have no possibility for causing a significant effect on the environment (CEQA Guidelines Section 15378(b)(5) and Section 15061(b)(3)).

NOTICE OF EXEMPTION (NOE)

City of Goleta Contact Person, Telephone Number, and Email:

Lucy Graham, Senior Housing Analyst
805-961-7546
lgraham@cityofgoleta.org

Peter Imhof, Director, Planning and Environmental Review Dept.

Date

If filed by the applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?
Yes No

Date received for filing at OPR: _____

Note: Authority cited: Section 21083 and 211110, Public Resources Code
Reference: Sections 21108, 21152.1, Public Resources Code

Attachment 4

**CEQA Notice of Exemption
for Non-Urgency Ordinance**

NOTICE OF EXEMPTION (NOE)

To: Office of Planning and Research
P.O. Box 3044, 1400 Tenth St. Rm. 212
Sacramento, CA 95812-3044

From: City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Clerk of the Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101



Subject: Filing of Notice of Exemption

Project Title:

Adoption of Tenant Protections Ordinance

Project Applicant:

City of Goleta Planning and Environmental Review Department

Project Location (Address and APN):

Citywide

Description of Nature, Purpose, and Beneficiaries of Project:

Adoption of an ordinance entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, and Determining the Ordinance to be Exempt from CEQA"

Name of Public Agency Approving the Project:

City Council of the City of Goleta

Name of Person or Agency Carrying Out the Project:

City of Goleta

Exempt Status: *(check one)*

- Ministerial (Sec. 15268)
- Declared Emergency (Sec. 15269 (a))
- Emergency Project (Sec. 15269 (b) (c))
- Categorical Exemption: *(Insert Type(s) and Section Number(s))*
- Other Statutory Exemption: Sec. 15378(b)(5) (not a project), 15061(b)(3) (general rule)

Reason(s) why the project is exempt:

Pursuant to California Environmental Quality Act (Public Resources Code Sections 21000 et seq., "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations Sections 15000 et seq., the "CEQA Guidelines"), the proposed policies and procedures document does not constitute a "project" for the purposes of CEQA because it constitutes an organizational or administrative activity of government that will not result in direct or indirect physical impact on the environment, and it can be seen with certainty to have no possibility for causing a significant effect on the environment (CEQA Guidelines Section 15378(b)(5) and Section 15061(b)(3)).

NOTICE OF EXEMPTION (NOE)

City of Goleta Contact Person, Telephone Number, and Email:

Lucy Graham, Senior Housing Analyst
805-961-7546
lgraham@cityofgoleta.org

Peter Imhof, Director, Planning and Environmental Review Dept.

Date

If filed by the applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?
Yes No

Date received for filing at OPR: _____

Note: Authority cited: Section 21083 and 211110, Public Resources Code
Reference: Sections 21108, 21152.1, Public Resources Code



Tenant Protections Ordinance (Urgency & Non-Urgency)

City Council
December 19, 2023

Presentation by:
Peter Imhof, PER Director
Lucy Graham, Senior Housing Analyst

Consideration of Adoption of Regulations

- Urgency Ordinance
 - Protect public health/safety/welfare
 - Prevent eviction/displacement/homelessness
 - If adopted, effective immediately & until repealed/replaced
- Non-Urgency Ordinance
 - Introduction/1st reading today
 - 2nd reading at future meeting
 - Would replace the Urgency Ordinance regulations
 - Contains same provisions
 - Provisions could be modified prior to adoption



Recommended Actions

A. Adopt on a four-fifths vote Urgency Ordinance No. 23-__U, entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, Determining the Ordinance to be Exempt from CEQA, and Declaring the Urgency Thereof;" and

B. Introduce and conduct first reading (by title only) and waive further reading of Ordinance No. 24-__, entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, and Determining the Ordinance to be Exempt from CEQA."



BACKGROUND

Housing Trends

- Recent data* on housing in Goleta:
 - 48% City renters are cost burdened by housing
 - Of cost-burdened renters, 71% are low income
 - Of severely cost-burdened renters, 89% are low income
 - <1% vacancy rate
 - Median rental rate for 2-bed unit - \$3,981

*Data from Census, HUD, City of SB Rental Housing Survey



Tenant Protections - Project History

2020

- Jan - Tenant Protection Act of 2019 took effect

2023

- Apr - Tenant protections prioritized in annual work program
- Oct - SB 567 passed to strengthen the Act
- Oct - Goleta residents received eviction notices from new property owner
- Dec - Tenant Protections Ordinances at Council

2024

- Apr - SB 567 will take effect
- Jul - AB 12 takes effect (limits security deposit to 1 mo. rent)



State Legislation

- Tenant Protection Act of 2019
 - Statewide*
 - Rent Limits (5% + CPI** or max. 10% / year)
 - Just Cause needed to terminate tenancy – At Fault or No Fault
 - E.g., nonpayment of rent, owner move-in, substantial remodel
 - No fault just cause requires:
 - 60-day written notice
 - Relocation assistance – 1 mo. rent
 - Allows jurisdictions to enact more protective rules

*CA Civ. Code 1946.2, 1947.12, 1947.13

**Consumer Price Index



State Legislation (cont'd)

- Senate Bill 567
 - Signed Oct 2023
 - Effective Apr 2024
 - Owner/family move-in must:
 - Name intended occupant & relationship
 - Move in within 90 days and stay for 12+ mos.
 - Substantial remodel must:
 - Need tenant to vacate for 30+ days
 - Provide copies of permits
 - If work not completed, tenant can move back





CITY OF GOLETA TENANT PROTECTIONS ORDINANCE

Applicability Exemptions

- Rental unit issued occupancy in last 15 years
- Single-family dwelling, condo, mobilehome where:
 - Owner is not a corp., LLC, or mobilehome park mgmt., AND
 - Tenant is provided written notice of exemption
- Owner-occupied unit:
 - rented for <1 year
 - where tenant shares bathroom/kitchen w/owner
 - rented in part (no more than 2 units/bedrooms)



Applicability Exemptions (cont'd)

- Unit subleased for <1 year
- Hotel/motel or STVR unit
- Unit rented out by hospitals, schools, employers
- Deed-restricted below market rate unit



More Protective Than State Law

- Does not expire in 2030
- Higher relocation assistance
- Substantial remodel must be primarily for health & safety
- Must give PER copy of termination notice for sub. remodel
- Mandatory offer of lease
- Mandatory right of first refusal to re-rent



No-Fault Just Cause for Termination of Residential Tenancy

- In “good faith” requirement
- Withdrawal from market
- Comply with laws/codes
- Owner move-in
- Demolish or Substantial Remodel



Relocation Assistance

- Not required for at-fault terminations
- Required for no-fault terminations: equal to 2 mos. rent
...or amt. set by Council, whichever is greater
- Notice must include relocation amt/method/timing
- Payments must be:
 - Divided equally among qualified tenants
 - Paid within 15 days after termination notice
(or owner can pay 50% within 15 days and 50% at move-out)



Owner Move-in

- Owner (or owner's spouse, domestic partner, child, grandchild, parent, or grandparent) to occupy
- Must move in within 90 days & occupy for 12 mos.
- If not, tenant can move back w/same terms & rent



Substantial Remodel

- Must first obtain all required permits
- Attach copies of permits with Notice of Termination
- Include:
 - full statement of the reason for the termination
 - type and scope of work to be performed
 - reason the work cannot be done with the tenant in place
 - explanation why tenant must vacate for more than 30 days
- Provide PER Dept copy of docs & proof of service
 - Within 5 calendar days



Mandatory Offer of 1-Year Lease

- Landlord must offer 1-year lease for new/renewed tenants
- Tenants w/no lease must be offered lease w/in 90 days
- Tenant can reject – in writing
- Lease must include rental rate for entire term



Mandatory Right of First Refusal (ROFR)

- Notice of Termination must notify tenant of right to return
- After Substantial Remodel, offer to re-rent in writing
 - Must include lease terms & price
 - Price must be no more than previous rent plus 5% + CPI (or 10%)
- Tenant must give owner current address, phone, email
- Tenant must accept in writing w/in 30 days

Additional Ordinance Provisions

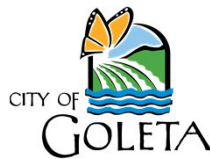
- City Manager can adopt admin procedures
- Illegal for landlord to retaliate against tenant
- Noncompliance renders a Notice void/provides legal defense
- May entitle aggrieved tenant to damages/attorney's fees
- In cases of willful oppression/fraud/malice, up to 3x damages
- Tenant can file for themselves/other tenants



Other Jurisdictions

Other Jurisdictions – Relocation Assistance

Jurisdiction	Relocation Payment Amount
Statewide	1 month's rent
County of Santa Barbara	3 months' FMRs or \$7,000, whichever is greater
City of Santa Barbara	1 month's rent + \$1
City of Carpinteria	1 month's rent + \$1
City of Oxnard	2 months' rent or \$5,000, whichever is greater
City of Ventura	2 months' rent



Other Jurisdictions – Sub. Remodel Notice file w/City

Jurisdiction	Submittal to Planning/Building within 5 days
Statewide	No
County of Santa Barbara	Yes
City of Santa Barbara	Yes
City of Carpinteria	Yes
City of Oxnard	Yes
City of Ventura	No



Other Jurisdictions – Mandatory Lease Offer

Jurisdiction	1-year Lease Offer Required
Statewide	No
County of Santa Barbara	Yes
City of Santa Barbara	Yes
City of Carpinteria	No
City of Oxnard	No
City of Ventura	No



Other Jurisdictions – ROFR

Jurisdiction	Tenant Right to Return After Sub. Remodel	
Statewide	No	SB 567: Tenant can express interest
County of Santa Barbara	Yes	For 2-year period
City of Santa Barbara	No	Under consideration (for 2-year period)
City of Carpinteria	No	
City of Oxnard	No	
City of Ventura	No	



Other Jurisdictions – Rental Rate After Sub. Remodel

Jurisdiction	Rental Rate Upon ROFR Return
Statewide	Unspecified (defaults to Civil Code 1954.53)
County of Santa Barbara	Per Civil Code 1954.53
City of Santa Barbara	5% + CPI or 10%, whichever is greater (under consideration)



QUESTIONS/DISCUSSION

Recommended Actions

A. Adopt on a four-fifths vote Urgency Ordinance No. 23-__U, entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, Determining the Ordinance to be Exempt from CEQA, and Declaring the Urgency Thereof;" and

B. Introduce and conduct first reading (by title only) and waive further reading of Ordinance No. 24-__, entitled "An Ordinance of the City Council of the City of Goleta, California, Adding Chapter 8.19, Entitled Tenant Protections, to Title 8, Health and Safety, of the Goleta Municipal Code, and Determining the Ordinance to be Exempt from CEQA."



Thank you!

December 19, 2023 City Council



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