



AGENDA
CITY OF SEASIDE
CITY COUNCIL

SPECIAL MEETING
Council Chamber
440 Harcourt Avenue
Wednesday, November 13, 2019
5:30 PM

1. CALL TO ORDER

2. ROLL CALL – ESTABLISHMENT OF QUORUM

Ian N. Oglesby	Mayor
David R. Pacheco	Mayor Pro Tem
Jason Campbell	Council Member
Jon Wizard	Council Member
Alissa Kispersky	Council Member

3. PUBLIC COMMENT

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. BUSINESS ITEMS

A. URGENCY ORDINANCE ADOPTING JUST CAUSE EVICTION PROTECTIONS AND RENTAL RATE LIMITS EFFECTIVE IMMEDIATELY UNTIL DECEMBER 31, 2019

RECOMMENDATION: That the City Council adopt the ordinance.

5. ADJOURNMENT

Next Regularly Scheduled Meeting:
November 21, 2019
7:00 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings. City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Live streamed meeting videos as well as videos of past meetings are available on the City's website at: <http://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas>

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.



CITY OF SEASIDE STAFF REPORT

Item No.: 4.A.

TO: City Council

BY: Craig Malin, City Manager

DATE: November 13, 2019

SUBJECT: URGENCY ORDINANCE ADOPTING JUST CAUSE EVICTION PROTECTIONS AND RENTAL RATE LIMITS EFFECTIVE IMMEDIATELY UNTIL DECEMBER 31, 2019

PURPOSE & RECOMMENDATION

That the City Council adopt the ordinance.

BACKGROUND

On September 11, 2019, California State Assembly Bill 1482 passed the Legislature. On October 8, 2019, the Governor signed the bill into law. AB 1482 is set to limit annual rent increases across the state to 5 percent plus cost of living inflation, or 10 percent, whichever is lower. The bill will also prohibit an owner from terminating a tenancy without just cause if the tenant has lived in a unit for 12 months or more. After AB 1482 becomes effective, the prohibitions on eviction without just cause will go into effect on January 1, 2020 and if rents were increased after March 15, 2019, the rent on January 1, 2020 is reduced to the rent as of March 15, 2019 plus the maximum increase allowed by AB1482.

AB 1482 implements two concurrent protections on applicable units: (1) a cap on rent increases and (2) just cause eviction protection, which includes providing a one-month rent payment for relocation assistance when a landlord terminates a lease through no fault of the tenant. The relocation payment is paid without regard to a tenant's income or other characteristics. A discussion on each of these provisions follows.

Rent Cap

AB 1482 introduces a cap on rent increases that would allow a landlord to raise the rents by 5% per year plus the percentage change in the cost of living, or 10%, whichever is lower. The increase is tied to annual April/April Bay Area Consumer Price

Index(CPI). To provide historical context, staff researched the annual April CPI percentage change for the last four years. In 2018, 2017, 2016, and 2015, the CPI increase was approximately 3.2%, 3.8%, 2.7%, and 2.4%, respectively.

The April 2019 Bay Area CPI increase was 4.0%, which would result in a maximum rent increase of 9.0% once AB 1482 becomes effective.

Just Cause Eviction Protection

AB 1482 includes just cause eviction protections for tenants if they have lived in a unit for 12 months or more. Just cause eviction protection would require a landlord to have a valid reason for terminating a tenancy. Some examples of just cause include non-payment of rent, violation of a lease term, and nuisance.

The just cause eviction protections only apply to tenants who have resided in a unit for 12 months or more: AB 1482 does not apply to tenants who have been residing in the unit for less than 12 months.

Range of Applicable Units

Under AB 1482 certain housing units are not subject to provisions in the law. The just cause protections and the rent cap limitations do not apply to units:

- Issued a certificate of occupancy in the previous 15 years
- Dormitories owned by an educational institution
- Affordable housing restricted by a deed covenant, regulatory agreement or other recorded document
- Single family homes or condominiums provided the owner is not a real estate investment trust, a corporation, or a limited liability company where at least one member is a corporation, so long as the tenants are given notice of the exemption as required by the statute that the just cause protections do not apply to the tenant
- Duplexes where the owner occupied one of the units as the owner's principal residents at the commencement of the tenancy and continues to occupy the property

In addition to the unit types listed above, the following units are exempt from the just cause protections only:

- Transient and tourist hotel occupancies
- Housing in nonprofit hospitals, religious facilities, extended care facility, license care facility for the elderly or an adult residential facility
- Housing where the tenant shares bathroom or kitchen facilities with the owner and the housing is the owner's principal residence
- Owner-occupied homes where the owner rents no more than 2 units or bedrooms, including accessory dwelling units

- Rental units covered by a local just cause ordinance if the ordinance was adopted on or before September 1, 2019, or rental units covered by a local ordinance adopted after September 1, 2019 that is more protective than the provisions of AB1482.

AB 1482 Enforcement

Regarding enforcement of the provisions of AB 1482 the law is unclear and does not specify how enforcement is to occur. It is assumed that tenants will need to enforce the law by way of a private cause of action (enforce by civil action).

AB 1482 Legal Challenge

On October 15, 2019, an anti-rent control group filed a lawsuit in U.S. District Court against California Governor Gavin Newsom and the City of Long Beach. The lawsuit, filed by attorney Paul Beard of Alston & Bird, argues that AB 1482 violates the Takings Clause in the California Constitution, as well as the Fourth, Fifth and Fourteenth Amendments of the U.S. Constitution. Other legal challenges to AB 1482 are rumored as well.

Urgency Ordinance

In order to enact an urgency ordinance, the City Council needs to declare that there is a current and immediate threat to the public peace, health, and safety. Having a verifiable factual basis for this declaration will help position the City to survive a legal challenge. Testimony provided at the Special Council Meeting may be necessary to affirm such a declaration. An urgency ordinance at a Council Meeting in which four Council members are present would require a unanimous vote, and would go into effect immediately.

Current Statewide Tenant Legal Protections

Tenants currently have some state wide legal protections in regards to rent increases or no cause evictions, although, many tenants are not aware of their rights, may not have legal counsel or may not feel comfortable challenging their landlord. For example, regarding notices of termination without cause (no fault evictions), California law gives exact requirements to end a tenancy. If a tenant has lived in the rental unit for over one year and is on a month-to-month lease, then the landlord must give the tenant a written 60-day notice to end the tenancy. The notice must inform the tenant that the tenancy will expire at the end of the notice period and the tenant must move out of the rental unit by that time. The only way a landlord can legally evict a tenant in California

is by going through the courts and winning an eviction lawsuit, also known as an unlawful detainer suit. Even after winning the eviction lawsuit, the landlord must use a sheriff to actually perform the eviction. California law has made it illegal for the landlord to personally remove the tenant from the rental unit.

As described further below, the City Council may choose to adopt interim measures by an urgency ordinance in an effort to provide additional support for tenants until the statewide AB 1482 provisions go into effect on January 1, 2020. Should the Council do so, it is important that tenants are aware of their rights and feel comfortable asserting them.

The City Council may consider the introduction and adoption of the Urgency Ordinance to provide that residential landlords within the City of Seaside may only terminate a tenancy for just cause, unless the property is otherwise exempted from this requirement. Examples of "just cause" under the ordinance would include breach of the lease including failure to pay rent, engaging in criminal activity or other nuisances on the property, a decision by the landlord to take the unit off the rental market or rent the unit to a family member, and other similar circumstances.

Typically, just cause eviction is implemented along side some form of rent stabilization or rent control. AB 1482 provides just cause eviction protection to all units except those excluded from the bill (examples are single family homes unless owned by corporations or REITs, subsidized units and units built in the last 15 years).

Prior to approval of AB 1482, most cities that have adopted a rent stabilization or rent control ordinances have also adopted provisions for just cause eviction protections, such as the cities of Berkeley, Hayward, Mountain View, Oakland, Richmond, San Jose, East Palo Alto, Alameda, and San Francisco. City legal staff has prepared an ordinance consistent with AB 1482 to prohibit eviction without just cause and the ordinance would be effective November 13, 2019 through December 31, 2019. This could help prevent displacement of tenants.

The draft Urgency Ordinance provides for enforcement by way of a private cause of action (enforce by civil action). The proposed ordinance also provides for a one-month relocation assistance payment for any tenant who is evicted for no fault of their own, regardless of the tenant's income, similar to the provisions in AB 1482.

City Urgency Ordinance to Provide for Local Rent Stabilization

In order to reduce potential economic evictions between now and January 1, 2020 when AB 1482 goes into effect, City staff has drafted rent stabilization measures in the Urgency Ordinance in Attachment B that would set rent caps on increases November 13, 2019 through December 31, 2019. The rent stabilization ordinance would establish a 9.0% maximum rent cap. This maximum was established by using the Bay Area CPI

(4.0%) for April 1, 2019 plus 5%. The legislative process that led to AB 1482 allowed for substantial discussion among stakeholders. Adopting an urgency ordinance does not provide for that same opportunity. Staff recognizes that recent rate increases may result in significant hardships for tenants, and recommends that the City inform these tenants of legal services available to them.

To implement rent stabilization for a two month period would be a significant unplanned activity for the City.

The draft rent stabilization measures in the Urgency Ordinance are compliant with the Costa-Hawkins Act and apply to all housing units allowed under that Act. Given the short time frame, staff has not had time to determine what proportion of rental property in Seaside would be affected by the proposed ordinance. Owners of exempt units would be permitted to raise the rent without being subject to the statewide cap. Findings for an urgency ordinance need to be made for the immediate preservation of the public peace, health, or safety, and such findings may be incorporated in the ordinance by reference to testimony at the Special Meeting. Given that Mayor Oglesby is out of town and will not be present, a unanimous vote of the remaining four Council members is necessary to pass the urgency ordinance.

ATTACHMENTS

1. Urgency Ordinance
-

ORDINANCE NO. XXXX

AN URGENCY ORDINANCE OF THE CITY OF SEASIDE

ADOPTING JUST CAUSE EVICTION PROTECTIONS AND RENTAL RATE LIMITS EFFECTIVE IMMEDIATELY UNTIL DECEMBER 31, 2019

WHEREAS, on October 8, 2019, California Governor Gavin Newsom signed into law the Tenant Protection Act of 2019, Assembly Bill 1482 ("AB 1482"), an act adding Sections 1946.2 (Just Cause Eviction) and 1947.12 (Rent Caps), to the California Civil Code, effective beginning January 1, 2020, which will provide eviction protections and limits on rent increases in the State of California; and

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Seaside ("City") has broad authority to maintain the public peace, health and safety of its community and preserve the quality of life for its residents and may make and enforce all regulations and ordinances using its police powers in order to do so; and

WHEREAS, the City has one of the least affordable housing markets in California and the United States, which exacerbates the City's shortage of decent, safe, affordable, and sanitary rental housing; and

WHEREAS, on November 7, 2019, the City Council heard testimony of rents increasing substantially to over 100% increase and the imminent threat of homeless amongst longtime Seaside community residents; and

WHEREAS, given the housing cost burden faced by many City residents, excessive rental increases threaten the public health, safety, and welfare of City residents, including seniors, those on fixed incomes, those with low and moderate income levels, and those with other special needs to the extent that such persons may be forced to choose between paying rent and providing food, clothing, and medical care for themselves and their families; and

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

WHEREAS, eviction creates particular hardships for individuals and households of limited means, given the shortage of housing, particularly

affordable housing, within the City of Seaside and the Monterey Bay regional generally; and

WHEREAS, AB 1492 does not go into effect until January 1, 2020, landlords could seek to evict tenants without cause in order to implement rent increases that would not otherwise be permissible after the effective date; and

WHEREAS, the City Council wishes to prohibit exorbitant rental rate increases as well as evictions without just cause during this transition period and to protect renters from no-fault evictions through December 31, 2019, in advance of AB 1482's effective date, to prevent further homelessness and displacement.

WHEREAS, based upon the above-described facts and circumstances, and for these same reasons, the City Council finds that this ordinance is necessary as an emergency measure for preserving the public peace, health and safety, and therefore that it may be introduced and adopted at one and the same meeting, and shall take effect immediately upon its adoption.

WHEREAS, Government Code section 36937(b) authorizes the adoption of an urgency ordinance to protect the public peace, health or safety where there is a declaration of the facts constituting the urgency and the ordinance is adopted by a four-fifths of the Council; and

WHEREAS, this urgency ordinance would essentially establish the rental protections that will go into effect on January 1, 2020 under AB1482 immediately within the City of Seaside to (1) prohibit an owner of residential property (with specific exceptions) from terminating a tenancy without just cause; and (2) prohibit an owner of residential property from annually increasing rent more than 5% plus the percentage change in the cost of living; and

WHEREAS, an urgency ordinance that is effective immediately is necessary to avoid the immediate threat to the public peace, health and safety as failure to adopt this urgency ordinance could result in the displacement of the City's residents and community members.

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

SECTION 1. Incorporation of Recitals. The City Council hereby finds that all of the foregoing recitals and the staff report present3ed herewith are true and correct and are hereby incorporated and adopted as findings of the City Council as though fully set forth herein.

SECTION 2. Findings. The City Council hereby finds, determines and declares that this urgency ordinance adoption pursuant to Government Code section 36937 is necessary because:

- A. Housing, particularly affordable housing, is difficult to procure in Seaside and the Monterey County Central Coast. The rental increases and evictions without just cause occurring in advance of the effectiveness of AB1482 destabilize the housing market and can result in the loss of affordable housing.
- B. For the immediate preservation of the public peace, health and safety, the City Council finds that it is necessary to adopt an ordinance regulating rental rate increase and just cause evictions, for all of the reasons set forth in the recitals above, which are incorporated hereby reference.
- C. Without the imposition of this urgency ordinance, rental rate increases and evictions without just cause may result in the displacement of residential tenants who would be forced to find new housing in an ever-more expensive housing market before a non-urgency ordinance or AB1492 would become effective and would significantly increase the risk of residential tenants becoming homeless.
- D. There is a current and immediate threat to the public peace, health, and safety of the City and its community due in part to the adoption of AB1482 which increases the risk of tenant displacement prior to the effective date of the bill, thereby necessitating the immediate enactment of this urgency ordinance in order to ensure that tenants are not turned out of their homes without just cause.

SECTION 3. Urgency Need. Based on the foregoing recitals and findings, all of which are deemed true and correct, this ordinance is urgently needed for the immediate preservation of the public peace, health and safety. This urgency ordinance shall take effect immediately upon adoption in accordance with the provisions set forth in Government Code section 36937.

SECTION 4. Just Cause Eviction Protections. The City Council of the City of Seaside hereby adopts to the Just Cause Eviction protections provided in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 5. Rent Rate Limit Provisions. The City Council of the City of Seaside hereby adopts the Rental Rate Limit protections provided in Exhibit B, attached hereto and incorporated herein by reference.

SECTION 6. Enforcement. Failure by a landlord to comply with the terms of this Ordinance shall be an affirmative defense to any unlawful detainer action pending or other action brought by the owner to recover possession of the rental unit. In addition, tenant may bring a civil suit in the courts of the

state alleging that a Landlord has violated any of the provisions of this Ordinance. In a civil suit, a landlord found to violate this Ordinance shall be liable to the tenant for all actual damages, as well as an award of reasonable attorneys' fees and costs. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this Section."

SECTION 7. Severability. If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 8. Effective Date and Expiration Date. This ordinance shall take effect immediately upon its adoption and shall automatically expire at midnight on December 31, 2019. This ordinance shall also not apply to any tenancy where the eviction lawsuit has already been adjudicated as of the effective date. On January 1, 2020, this ordinance shall be repealed and shall be of no further force and effect.

SECTION 9. Environmental Determination.

The City Council finds that the adoption and implementation of this Ordinance are exempt from the provisions of the California Environmental Quality Act under section 15061(b)(3) in that the City Council finds there is no possibility that the implementation of this Ordinance may have significant effects on the environment. The ordinance would apply residential tenant protection measures to existing residential units in Seaside, which is solely an administrative process resulting in no physical change to the environment.

SECTION 10. Publication. The City Clerk is directed to cause this ordinance to be published in the manner required by law.

PASSED FOR FINAL ADOPTION as an emergency ordinance this 13th day of November, 2019, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Ian Oglesby, Mayor

ATTEST:

Lesley Milton, City Clerk

EXHIBIT A
JUST CAUSE EVICTION PROTECTIONS

DEFINITIONS.

The following words and phrases, whenever used in this Exhibit A and Exhibit B, shall be construed as defined in this section.

- A. City Council. The Seaside City Council.
- B. Landlord. An owner of record, lessor, sublessor, or any other person, entity or non-natural person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.
- C. Property. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership that are subject to AB 1482.
- D. Rent. All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for use or occupancy of a Rental Unit and Housing Services under a Rental Housing Agreement.
- E. Tenant. A Tenant, subtenant, lessee, sublessee, or a person entitled under the terms of a Rental Housing Agreement to the use or occupancy of a Rental Unit.

PROHIBITION AGAINST EVICTIONS WITHOUT JUST CAUSE

- A. Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this subdivision shall only apply if either of the following are satisfied:
 - 1. All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.
 - 2. One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.

B. For purposes of this section, "just cause" includes either of the following:

1. At-fault just cause, which is any of the following:
 - a) Default in the payment of rent.
 - b) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
 - c) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - d) Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - e) The tenant had a written lease that terminated on or after January 1, 2020, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.
 - f) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.
 - g) Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - h) The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of this code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.
 - i) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 - j) The employee, agent, or licensee's failure to vacate after their

termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

- k) When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the 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.

2. No-fault just cause, which includes any of the following:

- a)
 - i. Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.
 - ii. For leases entered into on or after September 1, 2019, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (e) of paragraph (1).
- b) Withdrawal of the residential real property from the rental market.
- c)
 - i. The owner complying with any of the following:
 - a) An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.
 - b) An order issued by a government agency or court to vacate the residential real property.
 - c) A local ordinance that necessitates vacating the residential real property.
 - ii. If it is determined by any government agency or court that

the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be entitled to relocation assistance as outlined in paragraph (c) of subdivision (4).

d)

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

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

4.

- a) For a tenancy for which just cause is required to terminate the tenancy under subdivision (A), if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (B), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:
 - i. Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph (c).
 - ii. Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

- b) If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in subparagraph (ii) of paragraph (a), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.
 - c)
 - i. The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.
 - ii. If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.
 - iii. The relocation assistance or rent waiver required by this subdivision shall be credited against any other relocation assistance required by any other law.
 - d) An owner's failure to strictly comply with this subdivision shall render the notice of termination void.
5. This section shall not apply to properties deemed exempt in AB1482, including the following types of residential real properties or residential circumstances:
- a) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940.
 - b) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
 - c) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12,

inclusive, school.

- d) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.
- e) Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.
- f) A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.
- g) Housing that has been issued a certificate of occupancy within the previous 15 years.
- h) Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
 - i) The owner is not any of the following:
 - a) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
 - b) A corporation.
 - c) A limited liability company in which at least one member is a corporation.
 - ii.
 - a) 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. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

- b) For a tenancy existing before September 1, 2019, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.
 - c) For any tenancy commenced or renewed on or after September 1, 2019, the notice required under clause (i) must be provided in the rental agreement.
 - d) Addition of a provision containing the notice required under clause (a) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (e) of paragraph (1) of subdivision (B).
- j) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.
6. Any waiver of the rights under this section shall be void as contrary to public policy.

EXHIBIT B
RENTAL RATE LIMIT PROVISIONS

These rent cap provisions of the urgency ordinance shall be known as the "Rental Rate Limit Provisions"

(a) Subject to subdivision (b), an owner of residential real property shall not increase the gross rental rate for a dwelling or a unit more than 9 percent of the gross rental rate charged for that dwelling or unit prior to the effective date of these Rental Rate Limit Provisions. In determining the gross rental amount pursuant to this section, any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant shall be excluded. The gross per-month rental rate and any owner-offered discounts, incentives, concessions, or credits shall be separately listed and identified in the lease or rental agreement or any amendments to an existing lease or rental agreement.

(b) For a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the residential real property, the owner may establish the initial rental rate not subject to subdivision (a). Subdivision (a) is only applicable to subsequent increases after that initial rental rate has been established.

(c) A tenant of residential real property subject to this section shall not enter into a sublease that results in a total rent for the premises that exceeds the allowable rental rate authorized by subdivision (a). Nothing in this subdivision authorizes a tenant to sublet or assign the tenant's interest where otherwise prohibited.

(d) This section shall not apply to the following residential real properties:

(1) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

(2) Dormitories constructed and maintained in connection with any higher education institution within the state for use and occupancy by students in attendance at the institution.

(3) Housing that has been issued a certificate of occupancy after to February 1, 1995.

(4) Residential real property that is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code, provided that the following applies:

(A) The owner is not any of the following:

- (i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
- (ii) A corporation.
- (iii) A limited liability company in which at least one member is a corporation.

(5) A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

(e) An owner shall provide notice of any increase in the rental rate, pursuant to subdivision (a), to each tenant in accordance with Section 827.

(f) For the purposes of this section, the following definitions shall apply:

(1) "Owner" and "residential real property" shall have the same meaning as those terms are defined in Section 1954.51.

(2) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

(g) (1) This section shall apply to all rent increases subject to subdivision (a) effective on or after November 13, 2019. This section shall become operative November 13, 2019.

(h) Any waiver of the rights under this section shall be void as contrary to public policy.