

OVERVIEW
City of Santa Rosa
Rent Stabilization and Other Tenant Protections Ordinance

For certain rental units in the City, the Santa Rosa City Council adopted Ordinance 4072 on August 30, 2016 establishing rent stabilization and providing for other tenant protections, such as limiting evictions to only where there is “just cause.” A copy of the Ordinance is available [here](#).

A referendum petition was filed challenging the Ordinance. The filing of the referendum petition prevented the rent stabilization and other tenant protection provisions of the Ordinance from taking effect as scheduled. For more information about the referendum petition review process and its impact on the Ordinance, please see [here](#).

To assist tenants and landlords with gaining an understanding of the Ordinance when and if the Ordinance takes effect, we have prepared answers to a number of frequently asked questions (FAQ’s). As can be expected, it is not possible to anticipate or address every question that may arise and, as such, we will revise and expand these FAQ’s periodically in an attempt to be as comprehensive as possible. In addition to the FAQ’s, listed below is an overview of the Ordinance that provides a summary of its most pertinent features.

Program Overview

The Ordinance will be administered by the City of Santa Rosa through its Department of Housing and Community Services. The City Council appropriated funding for equipment, staff and other expenses needed to administer the Ordinance. It is anticipated that if the Ordinance takes effect, the first 90 days will be used primarily to educate landlords and tenants regarding the program and to establish the organizational and administrative structure and procedures to effectively implement the program. As such, during this period City staff will be available to answer questions and provide general assistance. However, because rents cannot be adjusted until January 1, 2017, even if the Ordinance takes effect in 2016, the City will not be processing requests for rent increases based on fair return or capital improvements until after January 1, 2017.

The Information Below Provides a General Summary of the Ordinance. Interested Parties Should Refer to the Ordinance for Specific and Detailed Information.

Rent Stabilization General Overview

- Beginning on the date the Ordinance takes effect and thereafter, for all rental units except those that are exempt from the Ordinance (see next section below), landlords are required to “roll back” or reset rents to an amount no greater than the rental rate that was in effect on January 1, 2016. If a non-exempt rental unit was not rented on January 1, 2016 but was rented before the Ordinance takes effect, the rent must be rolled back to the date the unit

was initially rented. Landlords are *not* required to reimburse or credit tenants for any lawful rent increase that is in place before the Ordinance takes effect.

- Effective January 1, 2017, a landlord may increase a tenant's rent by no more than 3% above the rent that was in effect on January 1, 2016, or above the rent that was in effect when the unit was initially rented if rented after January 1, 2016.
- A landlord may not increase rent more than once in a 12-month period.
- A landlord must provide existing tenants with paper copies of the Ordinance, Policies and informational brochures prepared by the City within 15 days of receipt of the first rent payment following the date the Ordinance takes effect and again on an annual basis. The landlord must secure and retain the tenant's written acknowledgement of receipt of these materials. A landlord must also provide these materials to all prospective tenants.
- A landlord may file a Landlord Petition for Rent Adjustment with the City requesting a rent adjustment of more than 3% in a 12-month period. A landlord may not adjust any rent by more than 3% until, as set forth below, after the Program Administrator or a Hearing Officer has made a final decision on the Landlord Petition for Rent Adjustment.
- Any landlord filing a Landlord Petition for Rent Adjustment must notify the affected tenant(s) of the requested amount of the rent increase at the time that the landlord submits the petition to the City. As part of the petition review process, a tenant(s) will be provided with an opportunity to comment on the landlord's petition.
- A tenant may file a Tenant Petition for a Downward Rent Adjustment with the City for reasons including, but not limited to, an error in the calculation used for a rent increase, a loss of or reduction in housing services, a disagreement about whether the rental unit is exempt from the Ordinance, or a violation of the Ordinance.
- The City Program Administrator will conduct the initial review of a Landlord Petition for Rent Adjustment and/or a Tenant Petition for a Downward Rent Adjustment and will issue a decision on the petition.
- If a landlord or a tenant disagrees with the decision of the City Program Administrator, either may file a Petition for a Rent Dispute Hearing. The City Program Administrator will assign a Hearing Officer to conduct a rent dispute hearing. The decision of the Hearing Officer is final and binding, but subject to judicial review.

Refer to Section 6-90.20 of the City Code for Exemption Details Listed Below.

Rental Units Exempt from the Ordinance

All residential rental units are subject to the Ordinance except any of the following:

- A rental unit that is a single family dwelling where there are no other rental units on the lot.
- A rental unit that is a single family dwelling where the only other rental unit on the lot is a permitted second dwelling unit as defined in Section 20-70.020 of the City Code, also known as an “in law” or “granny unit.”
- A rental unit that is a “duplex.” A “duplex” means two rental units on one lot. Examples of a duplex include an individual building with two rental units, two single family dwellings, or a single family dwelling with a non-permitted “in-law” or “granny unit.”
- A rental unit that is a “triplex” but only if an owner occupies one of the units as his or her principle place of residence. A triplex means three rental units on one lot. Examples of a triplex include an individual building with three rental units, or a single family dwelling and a “duplex.”
- A rental unit in a condominium project, subject to limited exceptions.
- A rental unit that received a certificate of occupancy after February 1, 1995.
- A rental unit that is exempt under other applicable state or federal law.
- A rental unit that a governmental agency owns, subsidizes or regulates except for Section 8 units with tenants’ holding Housing Choice Vouchers.
- Accommodations in hotels, inns, tourist homes, rooming and boarding houses where rooms are occupied by the same tenant for less than 30 consecutive days.
- Commercial units such as office condominiums or commercial storage units.
- Institutional facilities such as hospitals, non-profit homes for the aged, fraternity or sorority houses, or assisted-living facilities.
- Rooms rented to boarders where the landlord occupies the unit as his or her principle residence and shares a kitchen or bath with one or more of the tenants.

Tenant Eviction Protection Summary

The Ordinance establishes that no landlord shall take action to terminate any tenancy (“evict” a tenant) except for specific causes. This type of tenant protection (commonly referred to as “just cause for eviction”) is greater than protections provided under state law which generally allows for terminations “without cause” subject to proper notice and other procedures. The Ordinance, unlike state law, also requires the landlord to pay the tenant a relocation fee when a tenant is evicted for “no fault” or at the end of certain fixed term leases.

For most typical evictions – for example, because of a failure to pay rent or breach of a material term of a lease – the landlord must follow state law procedures to accomplish the evictions. For these evictions, the landlord is not required to notify the City Program Administrator nor pay a relocation fee to an evicted tenant.

The Information Below is a Summary Concerning Termination of Tenancies Please Refer to Section 6-90.125 of the City Code (Termination of Tenancy) for Details.

For most typical evictions – for example, because of a failure to pay rent or breach of a material term of a lease –the landlord must follow state law procedures to accomplish the eviction. The City will not be involved in this process and for the evictions based on the grounds set forth below, a landlord may evict a tenant without notifying the City Program Administrator and without paying a tenant relocation fee:

- Failure to pay rent – A landlord may evict if the tenant has not paid the rent in the amount or within the time required by the tenant’s agreement with the landlord. A landlord may not evict a tenant for failure to pay rent if the rent the landlord is requiring is in excess of the rent amount allowed by the Ordinance.
- Habitual late payment of rent – A landlord may evict where more than five times in any consecutive twelve-month period, the tenant has paid the rent ten or more days late. A late payment includes checks returned because of insufficient funds.
- Violation of the Obligation of Tenancy – A landlord may evict due to a tenant’s continuing violation of a lawful, material and substantial obligation of the tenancy after the landlord has served the tenant with a notice to cease. The landlord need not serve a written notice to cease if the violation is for conduct that is violent or physically threatening to the landlord, other tenants or members of the tenant’s household, guests or neighbors.

A landlord, however, shall not evict a tenant as a result of the tenant’s adding to the household a spouse or domestic partner, a relative (as defined in the Ordinance), or a foster child. Notwithstanding these limitations, a tenant’s household size may not exceed the maximum number of occupants as set forth in Section 503(b) of the State Uniform Housing Code. (The maximum number of occupants is generally defined as two occupants per bedroom plus one other occupant.) Before a landlord takes any action to evict regarding subletting or the number of occupants in the rental unit, the landlord must provide the tenant with written notice of the violation and provide an opportunity for the tenant to cure the violation within 14 days.

- Nuisance – A landlord may evict if the tenant has continued, after being served a written notice to cease, to commit, or expressly permits, a nuisance in the rental unit or the common area.
- Refusal to Renew a Tenancy - A landlord may evict if a tenant refuses to agree to a new lease or a month-to-month rental agreement upon expiration of a prior lease or rental agreement, provided the lease or agreement has substantially the same terms as the prior lease or agreement.

- Failure to Provide Access - A landlord may evict if a tenant has continued to refuse, after the landlord has served the tenant with written notice, to provide the landlord with reasonable access to the unit for inspection, repairs, showing the unit for sale, or other reasons permitted by law.

Other evictions—so called “no fault” evictions – require the landlord to notify the City Program Administrator of the reasons for the eviction and inform the tenant that the tenant is entitled to a relocation fee in the amount then in effect. The Program Administrator will determine if the reasons for the eviction meet the requirements of the Ordinance. If not, the Program Administrator will notify the landlord and the tenant. If the landlord nevertheless proceeds with the eviction by filing an unlawful detainer action, the tenant may use the notice provided by the Program Administrator as evidence in court to oppose the landlord’s effort to evict. The grounds for a “no fault” eviction are:

- Owner or Relative Move-In – A landlord may evict when the landlord seeks in good faith to use the rental unit as the primary residence for the landlord, the landlord’s spouse or domestic partner, the landlord’s relative, (as defined in the Ordinance) or for a resident manager provided the rental building or complex has four or more units. Please refer to Section 6-90.125 (D), City Code, for details.
- Demolition – A landlord may evict when the landlord intends to demolish the rental unit and remove the property permanently from residential rental housing use, or when the landlord intends to demolish the rental unit and immediately construct on the property new residential rental units and a Capital Improvement Plan has been approved by the City Program Administrator under the City’s RS-Capital Improvement Plan Policy. A copy of that Policy may be found [here](#).
- Capital Improvement Plan – In some circumstances, a landlord may evict when a Capital Improvement Plan has been approved by the City Program Administrator as provided in the City’s RS-Capital Improvement Plan Policy. A copy of that Policy may be found [here](#).
- Withdrawal from the Rental Market – A landlord may evict if the City Program Administrator has approved the landlord’s request to withdraw the rental unit permanently from rent or lease in accordance with state law and applicable regulations of the City.
- Compliance with Governmental Order – A landlord may evict when necessary to comply with a governmental order to vacate as a result of violation of the City Code, or other provision of law. As explained below, although the tenant must still vacate, the landlord is not responsible for relocation benefits when the unit is vacated due to a natural disaster. Where a tenant is evicted to allow compliance with a governmental

order, the landlord must offer the tenant the unit at the same rent after the landlord has complied with the governmental order.

Payment of Relocation Fee - If a landlord has evicted a tenant for one of the five reasons above, (i.e., owner or relative move in, demolition, capital improvement plan, withdrawal from market, and/or compliance with governmental order) or at the end of a fixed term lease greater than nine months, the landlord is required to pay the tenant a relocation fee in the amount of three month's rent plus \$1,500. (The \$1,500 amount will be adjusted each January 1 based on the percentage change in the Consumer Price Index.) A landlord is not required, however, to pay a relocation fee when a governmental agency issues an order to vacate the unit due to fire, flood, earthquake or other natural disaster.

Miscellaneous Provisions

- If housing services, such as utilities or parking, are included in the rent, a landlord may not "unbundle" the charges or fees for such services or increase the amount of the fees or charges for these services unless the unbundling is part of a new lease or rental agreement and provided the cost resulting from the unbundling does not cause an increase in rent greater than that allowed under the Ordinance. A landlord must notify the City Program Administrator of the unbundling, what charges or fees have been unbundled and the amount of the increase resulting from the unbundling.
- If a landlord permitted a tenant to have one or more pets, the tenant may continue to have a pet(s) even if the landlord changes the pet policy to prohibit pets or requires a pet deposit in an amount greater than paid initially by the tenant.
- The City also adopted a resolution establishing a Program Fee with the intent to recover 100% of the cost to administer the program. The approved Program Fee for Fiscal Year 2016-17 (July 1, 2016 to June 30, 2017) is \$74 per rental unit but that fee may be adjusted depending on when the Ordinance becomes effective. The landlord will be required to pay the Program Fee to the City, but the landlord may pass on 50% of the Program Fee to the tenant in equal monthly amounts over the year. The City will review the fee annually and this review may result in an adjustment of the fee amount.
- A landlord must inform in writing any property purchaser, prior to purchase, that the rental unit(s) is subject to the Ordinance. The failure of a landlord to comply with this requirement does not excuse a purchaser of a rental unit from its obligations under the Ordinance.