



# Public Memorandum on Renter Protections

## Housing & Homelessness Major City Goal Task 3.2(f)

The City of San Luis Obispo (“City”) FY2023-2025 Financial Plan includes a Major City Goal for Housing and Homelessness, including strategic priorities to implement the Homelessness Response Strategic Plan, including task item 3.2.f as follows:

*Continue to develop the City’s Safe Housing Outreach and Education Program, including preparation of a Council Memo on options for protecting renters, including homelessness prevention strategies.*

### **Introduction**

The median rent in San Luis Obispo is \$2,845, which is \$695 more than the national average, and most low-income renters in the City are considered rent burdened (shelter costs exceed 30% of household income) or severely rent burdened (shelter costs exceed 50% of household income)<sup>1,2</sup>. Additionally, many renters do not feel empowered to address potentially unsafe living conditions due to lack of understanding of renter rights or fear of eviction. State law provides some eviction control and rent control protections for tenants, including recent updates effective this year. The City has a local rent stabilization ordinance applicable to mobile homes as well as protections for mobile home park residents upon mobile home park conversion.

This memo intends to address two questions:

1. What protections are currently available to renters in San Luis Obispo?
2. What additional measures are cities such as San Luis Obispo permitted to take to protect renters?

### **Part 1: Existing Protections**

#### ***Eviction Control Under The State Tenant Protection Act***

Under State law, tenants in non-exempted housing (see below) who have lived in a residential unit for 12 months cannot be evicted without “just cause,” which must be stated in a written notice to vacate. This statewide eviction control is one prong of the California Tenant Protection Act (“Tenant Protection Act” or the “Act”) which was adopted in 2019 and codified in

---

<sup>1</sup> <https://www.zillow.com/rental-manager/market-trends/san-luis-obispo-ca/>. This number is based on an average of all bedrooms and all property types within the city.

<sup>2</sup>The asking rental rate increased 3.5% from Q4 2022 to Q4 2023 and renters in San Luis Obispo County must earn \$39.77 per hour (2.5 times the state minimum wage) to afford the average monthly asking rent of \$2,068. Additionally, 83% of extremely low-income households in San Luis Obispo County are paying more than half of their income on housing costs compared to 5% of moderate-income households. [https://chpc.net/wp-content/uploads/2024/05/San-Luis-Obispo\\_Housing\\_Report.pdf](https://chpc.net/wp-content/uploads/2024/05/San-Luis-Obispo_Housing_Report.pdf).

Sections 1946.2<sup>3</sup> and 1947.12<sup>4</sup> of the California Civil Code. Civil Code §1946.2 defines “just cause” as either “at-fault just cause” or “no fault just cause.” The permissible grounds for an at-fault eviction are listed in the statute and include typical violations of lease terms, like failure to pay rent, breach of the lease, unauthorized subletting, and failure to permit lawful entry by landlord. (Civ. Code §1946.2(b)(1).) Permissible grounds for “no fault” evictions include things like the owner’s intent to occupy the rental unit,<sup>5</sup> withdrawal of the unit from the rental market, and intent to demolish or substantially remodel the unit. (Civ. Code §1946(b)(2).) Tenants who are evicted for one of these “no fault” reasons are entitled to relocation assistance from the landlord in the amount of one month’s worth of rent at the rate in effect at the time of eviction.

Tenants and tenant advocates have argued that the Tenant Protection Act inadequately conditions many of the “no fault” grounds for eviction and fails to provide an enforcement mechanism to ensure that landlords are not simply using those grounds as a pretext to unlawfully evict their tenants. However, **recent amendments effective April 1, 2024, add new requirements for no-fault evictions.** Under the new requirements for an “owner move-in” eviction, the owner/eligible relative<sup>6</sup> must be identified in the notice of termination, must move into the rental unit within 90 days after the tenant vacates, and must occupy the rental unit as their primary residence for at least 12 consecutive months. (Civ. Code § 1946.2(b)(2)(A)(i), (v).)

The recent amendments also clarify the definition of a “substantial remodel” and provide additional protection for renters facing eviction for this reason. A “substantial remodel” means work that would require the tenant to vacate the property for at least 30 consecutive days and is either 1) the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or 2) the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws. (Civ. Code §1946.2(b)(2)(D).) The landlord must provide proof of the remodel or demolition to the tenant with the written notice of termination (i.e. permits or a contract with contractor for hazard abatement.) Under the amended law, if the owner fails to perform the demolition or remodel, the tenant has the option to re-rent the unit on the same terms and at the same rental rate in effect when the tenant vacated. The amendments also codify the right of the tenant to express interest in re-renting the unit after the remodel. “Withdrawal of the residential real property from the rental market” as a no-fault basis for eviction is not further defined or conditioned by the recent amendments.

A landlord who “attempts to recover possession of a rental unit” in violation of the Tenant Protection Act’s requirements is liable to the tenant in a civil action (in addition to voidance of the termination notice) and may be required to pay the tenant’s actual damages, reasonable attorney’s fees/costs, and punitive damages if the landlord acted maliciously or fraudulently. (Civ. Code

---

<sup>3</sup>[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=1946.2.&nodeTreePath=8.4.76.3&lawCode=CIV](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1946.2.&nodeTreePath=8.4.76.3&lawCode=CIV)

<sup>4</sup>[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=1947.12.&nodeTreePath=8.4.76.3&lawCode=CIV](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1947.12.&nodeTreePath=8.4.76.3&lawCode=CIV)

<sup>5</sup> For leases entered into on or after July 1, 2020 (or July 1, 2022, if the lease is for a tenancy in a mobile home), the owner move-in basis for eviction is only applicable if the tenant agrees to the termination in writing or if the lease includes a provision allowing for owner/eligible relative move-in termination.

<sup>6</sup> The intended occupant must be the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.

§1946.2(h).)<sup>7</sup> This would require a tenant to sue their landlord in civil court. The City Attorney’s office cannot provide advice or representation for tenants or landlords, but local resources may be available to tenants for these types of lawsuits (see Page 17 of this memo.) Additionally, a landlord’s failure to comply with the notice and termination requirements of the Tenant Protection Act “shall render the written termination notice void” – and the eviction void.

Several types of housing are excluded from the “just cause” requirement; in those tenancies, the landlord may evict the tenant for any reason or no reason (except for an unlawful reason such as discrimination or retaliation, discussed below.) Excluded housing types include single-family owner-occupied residences in which the owner-occupant leases out no more than two units or bedrooms, owner-occupied mobile homes, owner-occupied duplexes, new residences (housing built within last 15 years), and standalone units (e.g., single-family homes and condominiums) owned by real persons, partnerships, or limited liability companies with no corporate members. (Civ. Code §1946.2(e).)

### ***Rent Control Under The Tenant Protection Act***

The second prong of the Tenant Protection Act is rent control. Under this law, a landlord **cannot increase the rent for a covered unit more than the lesser of 10%, or 5% plus the change in cost of living<sup>8</sup>, over any 12-month period. Once a tenant has lived in a unit for 12 months, the rent cannot be increased more than twice per year (and the sum of the increases cannot exceed the maximum annual limit).** As with state law eviction control, several types of housing are excluded from this maximum increase in rent, including new housing (built within the past 15 years) and standalone units owned by real persons or partnerships. (Civ. Code §1947.12(d).)

When a covered unit becomes vacant, the landlord can set the initial rent for the new tenants at market rate or any other amount (a system referred to as “vacancy decontrol”). Subsequent rental increases would be subject to the rent cap.

A landlord who “demands, accepts, receives, or retains any payment of rent” in excess of the Act’s limitations is liable to the tenant in a civil action and may be required to pay actual damages, reasonable attorney’s fees/costs, and punitive damages (up to three times the amount by which the demanded rent exceeds the maximum allowable rent) if the landlord acted maliciously or fraudulently. Additionally, the tenant may be entitled to injunctive relief (e.g., landlord could be required by the court to allow the tenant to remain in the rental unit and pay no more than the legally allowable rent). The Attorney General, and the city attorney or county counsel, may bring an action to enforce the rent control provisions of the Tenant Protection Act. (Civ. Code §1947.12(k).) Additionally, if a landlord unlawfully increases the rent and the tenant refuses to

---

<sup>7</sup> Additionally, the state Attorney General, and the applicable city attorney or county counsel are entitled to seek injunctive relief against a landlord who violates the just cause provisions of the Tenant Protection Act. (Civ. Code §1946.2(h)(2).)

<sup>8</sup> The percentage change is calculated as follows: For rent increases that take effect before August 1 of any calendar year, the percentage change in CPI is between that published in April of the immediately preceding calendar year and the April of the year before that. For rent increases that take effect on or after August 1 of any calendar year, the percentage change in CPI is between the April of that calendar year and the April of the immediately preceding year. (Civ. Code § 1947.12(g)(3).)

pay more than the legally allowed amount, the unlawful increase may serve as a defense to an unlawful detainer (eviction) lawsuit for nonpayment of rent.

### ***Right To Habitability Under Statutory & Decisional State Law***

Within all residential leases is an implied right of habitability. (*Green v. Superior Court* (1974) 10 Cal.3d 616; Civ. Code §1941.) **Landlords must ensure the rental unit maintains certain standard characteristics**, such as effective waterproofing and weather protection of roof and walls, functioning plumbing and gas facilities, hot and cold running water, electrical lighting, common areas kept sanitary and free of garbage and vermin, floors and stairways in good repair, etc. (Civ. Code §1941.1.) Tenants may bring affirmative lawsuits against a landlord for failure to maintain the unit in a habitable condition. Additionally, if a tenant withholds rent because the unit lacks habitability, the tenant may have a defense to an eviction brought for non-payment of that rent. (*See* Civ. Code §1941.1; §1942.) For poor housing conditions which may also constitute a code violation, tenants can [report](#) suspected “substandard rental housing” conditions to the City and a City Code Enforcement Officer can inspect the residence with the lawful tenant’s permission, even if the landlord objects.

### ***Prohibition Against Discrimination & Retaliation Per Fair Employment And Housing Act; California Unruh Civil Rights Act; Fair Housing Act.***

**Under the California Fair Employment and Housing Act (FEHA), it is unlawful for a residential landlord to discriminate** on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information of that person. (California Government Code §12955.<sup>9</sup>) As of January 1, 2020, “source of income” includes federal housing assistance (“section 8”) vouchers, meaning landlords cannot refuse to rent to a tenant because that tenant receives a housing subsidy. (This also means that “no section 8” previously commonly seen on rental unit advertisements is illegal.) **Disability discrimination includes a landlord’s failure or refusal to provide a reasonable accommodation to a tenant with a disability.** (Govt. Code §12927; 2 C.C.R. §12176-12185.) Though FEHA is more protective than the federal Fair Housing Act (FHA), which is enforced by the U.S. Department of Housing and Urban Development, California tenants are also protected by the FHA, as well as the California Unruh Civil Rights Act (protection from discrimination by business establishments.) State law also prohibits landlord harassment of their tenants, including but not limited to harassment because of a tenant’s membership in a protected class. (2 C.C.R. §12120.<sup>10</sup>)

Further, a landlord cannot take adverse action against a tenant in retaliation against the tenant’s lawful exercise of their rights to be free from discrimination and harassment. (2 C.C.R. §12130.) Adverse action is defined broadly and includes things like failing to lease or extend tenancy, increasing rent, reducing services, changing lease terms, failing to make repairs, evicting, and refusing to provide a reasonable accommodation for a disability. (2 C.C.R. §12005(b).)

---

<sup>9</sup> Fair housing laws protect most tenants from discriminatory housing practices, but owners who occupy a dwelling and rent to one other person are not bound by these requirements. (Govt. Code §12927(c)(2).)

<sup>10</sup> C.C.R refers to the [California Code of Regulations](#)

**Under state law effective January 1, 2024, tenants are protected against local ordinances that require landlords to penalize or evict the tenant for the tenant’s alleged unlawful conduct or arrest** (aka, “crime-free housing” ordinances). (AB 1418, Govt. Code §53165.1.) Additionally, local agencies cannot establish a registry of “problem tenants” for the purposes of discouraging landlords from renting to those tenants. AB 1418 does not, however, regulate private action by landlords; landlords may still require criminal background checks of all prospective tenants.<sup>11</sup> The law also does not prevent the City from enforcing City code provisions related to unlawful activity or nuisances on a property, such as violations of City noise ordinances or prohibitions against unruly gatherings. This potentially includes enforcement actions against a landlord when those types of activity occur on a rented property.<sup>12</sup>

The California Civil Rights Department (“CRD”) (formerly the Department of Fair Employment and Housing) is responsible for enforcing California’s fair housing laws. In addition to raising retaliation or discrimination as a defense to an unlawful detainer (eviction) lawsuit, tenants may file a complaint with CRD. CRD will investigate the complaint, which may lead to settlement, prosecution by the CRD, or case closure without prosecution (in which case the tenant has the right to file their own lawsuit).

### ***Rent Reporting For Tenants In Subsidized Housing***

Some landlords of **government-assisted housing developments in California are required to give their tenants the option to have their timely rent payments reported** to consumer reporting agencies in order to improve their credit. (Civil Code §1954.06.) Small developments (less than five units) are not subject to this law. Additionally, landlords of housing developments of between five and fifteen units are not required to offer this service, if the landlord is a real person or a partnership. (Civ. Code §1954.06(j).) Landlords are permitted to charge a fee to the tenant “not to exceed the lesser of the actual cost to the landlord to provide the service or ten dollars (\$10) per month.” (Civ. Code §1954.06(f).) This law does not currently apply to landlords of market-rate units.

As of January 1, 2024, it is also unlawful for landlords, in evaluating a rental application from a tenant who will pay all or some of their rent with a government rent subsidy, to consider the applicant’s credit history as the sole determining factor of the applicant’s ability to pay their portion of the rent. (Govt. Code §12955(o).)

### ***Local Law: Mobile Home Park Rent Stabilization***

Mobile home park tenants in the City of San Luis Obispo are entitled to rent stabilization protection under Municipal Code Chapter 5.44 (the “Mobile Home Park Rent Stabilization

---

<sup>11</sup> State law makes it unlawful for landlords to seek or consider certain types of information, such as arrests that did not lead to a conviction, infractions, and juvenile adjudications. (2 C.C.R. §12269.) Additionally, background check policies cannot have the intent or effect of discriminating against members of a protected class. (2 C.C.R. §12265.)

<sup>12</sup> Govt. Code 53165.1(c)(2)) provides that: "This section does not prohibit a local government from promulgating, enforcing, or implementing an ordinance, rule, policy, program, or regulation that is otherwise consistent with state law."

ordinance” or “MHPRSO.”) Under this ordinance, a mobile home park owner cannot increase, over the period of one year, the base space rent of month-to-month tenancies by more than the percentage change in CPI, or nine percent (whichever is less), as calculated by the formula in SLOMC 5.44.060(B)(1).<sup>13</sup> Additionally, when the ownership of the mobile home changes, the space rent cannot increase by more than ten percent of the prior space rent (“vacancy control”). (SLOMC 5.44.010(F).) The MHPRSO also allows park owners and tenants to file with the City an application for a rent adjustment, which, if objected to, is decided by a hearing officer should the owner and tenant fail to reach an agreement. (SLOMC 5.44.070-5.44.110.) The City Attorney’s office may prosecute violations of the MHPRSO.

### ***Local Law: Mobile Home Park Conversion Ordinance***

In addition to rent stabilization protections, tenants of mobile home parks in the City are entitled to certain protections upon the park owner’s intention to close the park or convert it to another use. (SLOMC Chapter 5.45.) Prior to conversion, a park owner must hire a City-approved relocation specialist to assist in notifying residents of the planned closure/conversion (including a timeline of closure), developing a “conversion impact report” (with resident input), and assisting affected residents in identifying, securing, and moving into alternate housing. The conversion impact report is provided to each park resident and reviewed at a public hearing of the City’s Planning Commission. The Planning Commission will approve, conditionally approve, or reject the conversion impact report and determine the adequacy of the proposed relocation assistance to mitigate the costs of: relocating the mobile home to a comparable park; forfeiting the mobile home (including outstanding mortgage obligations); purchasing an equivalent mobile home and assuming tenancy in a comparable park; or purchasing or assuming tenancy in comparable non-mobile home housing.<sup>14</sup> The Planning Commission may also impose additional conditions to mitigate adverse impacts of the park conversion. (SLOMC 5.45.080.)<sup>15</sup> Residents will not be required to vacate the park unless and until the owner has complied with all conditions and mitigation measures of the approved conversion impact report. (SLOMC 5.45.110.) Additionally, park residents are entitled to a right of first refusal to purchase, lease, or rent housing constructed on the site of the converted park. (SLOMC 5.45.150.)

## **Part 2: Options & Considerations for Additional Renter Protections**

California cities may adopt policies that provide additional renter protections beyond state law discussed above. The following section discusses some ways in which cities are permitted to regulate rental housing at the local level. It is important to note that adoption of any of these policies would require further analysis of the staff and resources required for implementation. Should the City Council move forward with consideration of the implementation of any of the options below, additional study would be necessary to understand the staff and resource needs.

---

<sup>13</sup> See SLOMC 5.44.030 for exemptions.

<sup>14</sup> Park owners may apply for exemption from the obligation to provide relocation assistance. (SLOMC 5.45.090.)

<sup>15</sup> Approval for subsequent development of the property will be conditioned upon the owner’s completion of conditions imposed by the approved conversion impact report. (SLOMC 5.45.110.)

## Executive Summary

Cities <b>may</b> :	Cities <b>cannot</b> :
<ul style="list-style-type: none"> <li>• Further limit or condition the grounds of “just cause” for a residential eviction</li> <li>• Require landlords to offer higher relocation amounts to tenants in “no fault” evictions</li> <li>• Require “just cause” for eviction sooner than 12 months into a residential tenancy</li> <li>• Further limit the maximum annual rent increase on multi-family buildings constructed prior to 1995</li> <li>• Require protections for residential tenants during renovations</li> <li>• Explore implementation of a rental registry</li> <li>• Explore code enforcement options for ensuring safe and habitable rental housing</li> <li>• Expand just cause eviction protection to tenants in single-family homes owned by non-corporate entities (maybe)</li> </ul>	<ul style="list-style-type: none"> <li>• Expand rent control to buildings constructed after 1995</li> <li>• Expand rent control to single-family homes</li> <li>• Expand “just cause” protections to all single-family homes (probably)</li> <li>• Extend the time period for notice and opportunity to cure at-fault grounds for eviction (including non-payment of rent)<sup>16</sup></li> </ul>

### *Expansion of Eviction Control*

As discussed above, state law requires landlords to provide “just cause” for eviction of tenants who have resided in a rental unit for over one year. However, many types of housing are excluded from this protection, and many of the “no-fault” bases for just cause are ambiguously defined. A city may adopt a “just cause” provision that is “more protective” than Civil Code 1946.2, meaning it is consistent with that section and also “further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance amounts, or provides additional tenant protections that are not otherwise prohibited by law.” (Civ. Code §1946.2(g)(1)(A).) The following table provides some examples of how other jurisdictions have expanded eviction control.<sup>17</sup> The resources needed to support expanded eviction control would vary depending on the program that was created.

*Table 1 – Examples of Expanded Eviction Control*

Type of Expanded Protection	Examples
<b>Include more types of protected rental housing</b> (i.e., exempt fewer	<ul style="list-style-type: none"> <li>• Applicable to single-family homes (<a href="#">Oxnard</a>, except for owner-occupied homes)</li> </ul>

<sup>16</sup> *San Francisco Apartment Association, et al. v. City and County of San Francisco* (Sept. 11, 2024) –Cal.Rptr.3d-- (2024 WL 4159951)

<sup>17</sup> For the purposes of comparison, this memo reviewed rent control ordinances passed after September 1, 2019 (effective date of the Tenant Protection Act). See [here](#) for a list of cities in California with rent control ordinances.

types of housing from just cause requirements)	
<b>Defining and/or conditioning the bases for no-fault evictions</b>	<ul style="list-style-type: none"> <li>• <i>Owner/eligible family member move-in</i> <ul style="list-style-type: none"> <li>○ Require affidavit of occupation filed with the City by owner/eligible family member (Oxnard)</li> <li>○ Do not allow eviction on this basis of a tenant who has resided in unit for ten years and is either a) 62 years of age or older or b) disabled, or if tenant is terminally ill (Pomona)</li> </ul> </li> <li>• <i>Removal from rental market</i> <ul style="list-style-type: none"> <li>○ Require compliance with Ellis Act (landlord “goes out of business” by removing all units of multi-unit building from the rental market), including extended notices of termination, greater relocation assistance, and right of first refusal [<i>see footnote 18</i>] (Oxnard, Ojai)</li> </ul> </li> <li>• <i>Substantial remodel</i> <ul style="list-style-type: none"> <li>○ Require demo/remodel to begin within certain amount of time post-eviction</li> <li>○ Offer tenant right of first refusal to re-rent unit after remodel (City of Santa Barbara)</li> <li>○ Only allow this reason for eviction if cost of remodel work is at least 8x monthly rent, multiplied by the number of units, and unit will be uninhabitable for at least 30 days (Pomona)</li> </ul> </li> </ul>
<b>Just cause required earlier than under state law (12 months)</b>	<ul style="list-style-type: none"> <li>• Tenants entitled to just cause protection if they have been in continuous lawful occupation for 30 days (Oxnard, Ojai)</li> </ul>
<b>Increase amount of relocation assistance for no-fault evictions</b>	<ul style="list-style-type: none"> <li>• Greater of two months’ rent or \$5,000 (Oxnard, Ojai)</li> <li>• 2x the rent plus \$1,000 (Pomona)</li> </ul>
<b>Other protections</b>	<ul style="list-style-type: none"> <li>• Require landlord to send a copy of termination notice to City (Pomona)</li> <li>• Landlord cannot collect rent without first providing proof of Rent Registration (Culver City)</li> </ul>

***Expansion of Rent Control***

Cities may also enact a rent control ordinance that “restricts annual increases in the rental rate to an amount less than that provided” by the Tenant Protection Act (Civ. Code § 1947.12(d)(3)), consistent with the Costa-Hawkins Act (discussed below) (Civ. Code § 1954.50 *et seq.*). Introduction of a City rent control ordinance would require a more detailed analysis of rent control law considerations such as reasonable return, petition for “fair return” (exemption from



increase limit), Ellis Act<sup>18</sup> implementations, creation of a local rent control board<sup>19</sup>, and a closer look at when a unit becomes “vacant” for the purposes of vacancy decontrol under the Costa-Hawkins Act.

**Importantly, the Costa-Hawkins Act prohibits cities from adopting rent control/rent stabilization ordinances that limit the allowable rent increases for “alienable” real property (i.e., single family homes and condominiums)<sup>20</sup> or rental units built after February 1, 1995,<sup>21</sup> or that imposes a system of “vacancy control.”<sup>22</sup>** This essentially means that the only units that could be rent-restricted by a *local* rent control ordinance would be multifamily rental housing that was constructed prior to 1995. Costa-Hawkins would also prevent the City from applying rent control provisions to ADUs built after 1995 and those that can be separately conveyed from the primary dwelling.<sup>23</sup>

Since the Tenant Protection Act is silent on Costa-Hawkins, it remains unclear how properties built over fifteen years ago (calendared on a rolling basis), but after February 1, 1995, will be treated. Under the Tenant Protection Act, properties older than 15 years (and which aren’t otherwise exempted) would be subject the Act’s rent cap limitations, but under Costa-Hawkins, no property built after February 1, 1995, can be subject to rent control. This leaves properties built between February 1, 1995, and (at the time of this writing) July 2009 in a grey area that has not yet been considered by the courts. It seems plausible that these properties would be subject to the rent cap limitations of the Tenant Protection Act (lesser of 10% or 5% plus change in CPI), but not subject to a more restrictive rent cap established by a local ordinance.<sup>24</sup>

**If passed, a current [voter initiative](#) on the November 2024 ballot would repeal the Costa-Hawkins Act** and add language to the Civil Code that states: “The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control.” Passage of this initiative would eliminate any limitation on cities’ abilities to enact local rent control. Prior attempts to repeal Costa-Hawkins have been unsuccessful.

The table below provides examples of some California cities’ local rent control ordinances.

---

<sup>18</sup> The Ellis Act is a state law that acknowledges a landlord’s absolute right to “go out of business.” An “Ellis Act” eviction refers to the removal of all units in a multi-dwelling building from the rental market. Cities with rent control ordinances may, under the Ellis Act, provide certain tenant protections, including extended notices of termination, relocation assistance, and right of first refusal (with 5-year rent stabilization) if the units are put back on the rental market. (See Govt. Code 7060 *et seq.*)

<sup>19</sup> Implementation and ongoing administration and legal support for rent control boards can be significant and additional research would be necessary into the costs and structures of other cities that have such boards.

<sup>20</sup> Some exceptions apply to this prohibition. See Civ. Code §1954.52(a)(3).

<sup>21</sup> Civ. Code §1954.52(a)(1).

<sup>22</sup> The Costa-Hawkins Act prohibits local entities from enacting “vacancy control” forms of rent control in most situations. “Vacancy control” refers to a system of rent control that limits the amount of rent increase that can be charged for a unit after a vacancy/tenancy turnover. Exceptions include tenancies terminated without cause (Civ. Code §1946.1) or the tenant vacates because of a unilateral change to the terms of the lease (Civ. Code §827.) These exceptions prevent landlords from evicting otherwise-protected tenants for the purpose of increasing the rent beyond what would be allowed under the local rent control ordinance.

<sup>23</sup> ADUs developed by qualified nonprofits and restricted as affordable housing per Govt. Code §66341 and ADUs established as condominiums under Govt. Code §66342 may be sold separately from the primary dwelling.

<sup>24</sup> The legislative history of the Costa-Hawkins Act [indicates](#) that the law was meant to restrict local control on residential rental caps.

**Table 2 – Rent Control in California Cities**

Oxnard	<ul style="list-style-type: none"> <li>• Maximum annual rent increase is 4%</li> <li>• Landlord can petition for a Fair Return in excess of this limit</li> </ul>
Ojai	<ul style="list-style-type: none"> <li>• 4% maximum increase, up to once per year</li> <li>• Landlord can petition for rent increase above 4%</li> </ul>
<a href="#">Culver City</a>	<ul style="list-style-type: none"> <li>• Max increase is lesser of change in CPI or 5% (but at least 2%), up to once per year</li> <li>• Landlord can petition for greater increase &amp; request up to 50% of cost-recovery from tenants for capital improvements (where required by law or where tenant consents)</li> </ul>
<a href="#">Pomona</a>	<ul style="list-style-type: none"> <li>• Max increase is 4% or change in CPI, whichever is less, up to once per year</li> <li>• Landlord can petition for greater increase</li> </ul>

It is worth noting that in February 2024, the U.S. Supreme Court declined to review a challenge to the constitutionality of New York City’s rent control ordinances. The landlord plaintiffs claimed the rent control ordinances constituted an unconstitutional taking of property. By declining to hear the appeal, the Supreme Court let the ordinances stand. The court’s [statement of denial](#) seems to indicate that a takings challenge would require landlords to show that the city’s regulations actually prevent them from evicting tenants.

Implementation of changes related to the expansion of rent control would require further analysis to understand what additional resources would be required to investigate and enforce alleged violations.

***Tenant Protections During Construction***

Cities may also protect renters whose buildings are undergoing renovations. For example, the City of Beverly Hills requires property owners to submit information about how tenants will be protected during the remodel. This [“means and method plan”](#) process allows property owners to conduct renovations to rental units, without evicting tenants, but requires the property owner to describe the actions that will be undertaken to ensure that tenants are notified about construction, have access to bathroom/kitchen facilities during construction, and are not unreasonably impacted by construction (noise, dust, etc.). In some cases, if the construction takes an extended period of time, or would make the unit uninhabitable, jurisdictions require temporary relocation of tenants during construction (either to another unit on site, or to another unit off-site or hotel room). Implementation of this kind of program in the City would require coordination with building and planning staff, who would be responsible for reviewing this additional component of permit applications for renovations of rental properties, and code enforcement staff, to ensure compliance with tenant protections during construction.

***Expansion of rent reporting election by tenants***

It may be within charter cities' municipal police power to require a broader range of landlords to offer rent reporting for tenants' timely payment of rent. For example, cities could require landlords of multi-unit unsubsidized/market-rate housing to offer this option to their tenants. However, it does not appear that any cities in California that have adopted local rent-reporting requirements. The legislative history of SB 1157/Civil Code 1954.06 reveals that the legislation was modeled after a pilot program conducted in collaboration with eight affordable housing providers. An Assembly Committee [report](#) notes that the bill “would require the landlords of larger-scale developments” – who have “received subsidies from the public in the form of loans, grants, funds, and below market-rate sales and leases” – “to serve the public interest by allowing tenants to build their credit history and gain greater access to mainstream financial services and, ultimately, greater financial security.”

Civil Code §1954.06 requires an evaluation of the impact of the state legislation's rental reporting program by an independent evaluator selected by the Department of Financial Protection and Innovation (DFPI). The report is to include information such as percentage of assisted housing developments in compliance, significant barriers to compliance, estimated number of participants, impact of participation on credit scores, and recommendations for changes to the rental payment reporting process, and is due to the DFPI (and the public) by January 1, 2025. (Civ. Code §1954.06(l).)

### ***Rental Registry***

Some cities with rent control ordinances require landlords subject to the ordinance to register their rental properties and rent prices with the city, as an accountability measure for compliance with the rent caps. Other cities have implemented more robust registries with more information; based on a review of various local rental registries, required information includes ownership information, year housing was built, date of certificate of occupancy, number of bedrooms and bathrooms, cost of rent, and housing services offered (laundry facilities, maintenance, utilities covered, parking, etc.).

Registries vary in terms of the information required of landlords upon registration of a rental unit, depending on the purpose of the registry. Some registries allow cities to simply have an understanding of the jurisdiction's number and location of rental units, whereas others may allow the city to track the cost of rent for each unit, understand tenant turnover, and ensure that rents are not unlawfully increased. The complexity of the rental registry (as well as whether the registry is voluntary or mandatory, annual registry v. registry upon change of tenancy, etc.) correlates with the potential impact to staffing and resource needs of the City should such a program be implemented.

The City, through the Police Department (“PD”), currently utilizes a volunteer rental registration system for property managers. Property owners can submit a Property Management Contact Registration [form](#), which PD uses to notify property managers of noise and disturbance violations. According to PD staff, new owners and owners who have switched property managers do not reliably or consistently update the information on file with PD and while it was used more

consistently in the early 2010s, it seems that recently, property managers, instead, simply check the public log for citations issued to their tenants.

The viability (and advisability) of a rental registry program will depend on how Council intends to use it. Should Council so direct, staff can prepare a more in-depth survey of local rental registries, including metrics like information collected, benefits of the registry, and challenges of maintaining the registry. A voluntary registry would require less resources than a mandatory registry. A registration process that requires annual registration from landlords will require more resources than one that only requires landlords to register units upon change of tenancy. Software programs and improvements would also be required in order to maintain a rental registry.

### ***Rental Housing Inspection Program***

The City [adopted](#) a rental housing inspection program (RHIP) in 2015 which was [dissolved](#) in 2017. The purpose of the RHIP was to “safeguard the public and preserve the city’s neighborhoods and housing stock by ensuring that rental housing units are maintained in a safe and sanitary condition” in accordance with state and local laws and standards (former SLOMC §15.10.010.) Under the RHIP, single-family dwellings, duplexes, and second dwelling units<sup>25</sup> held out for rent were subject to mandatory periodic inspections conducted by code enforcement staff. Owners of rental units subject to the RHIP were required to register with the City and to pay annual registration, inspection, and, if required due to a noted code violation, reinspection fees. The RHIP included a “Self-Certification” program, which allowed owners whose properties passed an initial inspection and were not subject to prior code enforcement activity within the past three years to self-certify for a period of three years at a time (in lieu of regular inspections and the resulting fees.)

The RHIP was terminated based on community feedback (including expressed concerns over reduction of units available for rent and passthrough of inspection fees to tenants, as well as privacy concerns of property owners) and “changed values of the Council since the original adoption of the Program.” Concurrent with RHIP’s dissolution came a [recommendation](#) from staff to utilize a public engagement process when considering proactive enforcement and requested direction from Council on both proactive and complaint-based code enforcement, considering public input and in the wake of the RHIP’s dissolution.

In order to implement the RHIP in 2015, several new staff members were hired including an Administrative Assistant, a Code Enforcement Supervisor, and two Code Enforcement Technician II positions.

In keeping with the goals of the RHIP, an alternative approach may be to create and implement a program that seeks to gain voluntary registration and compliance and emphasizes education. This effort could take many forms including incentivizing landlords to voluntarily register contact information and basic data about rental units, enhancing outreach efforts to both tenants and landlords about habitability standards, or amending the process for enforcement of repeat violations. Other potential programs could include creating a centralized reporting location

---

<sup>25</sup> The City’s Fire Department conducts annual fire and life safety inspections of multi-dwelling properties containing three or more units (SLOMC §3.50.010), so those properties were not included in the RHIP.

for tenants to report complaints about habitability, request move-in or as-needed habitability inspections, and/or register (perhaps anonymously) their residences as rental housing, or a program of mandatory inspections upon sale of a building held out for rent.

Finally, since 2005, the City has performed annual fire and life safety inspections of apartment buildings with three or more units, hotels, motels, bed and breakfast facilities, hostel facilities, senior living facilities, fraternities, sororities, and other congregate residences<sup>26</sup>, in accordance with state law. Property owners found to be in violation of the San Luis Obispo Building Construction and Fire Prevention Code (see SLOMC § 15.02.090) may be issued a Notice of Violation and/or administrative citations and fines.

### **Legal Resources to Renters**

City staff are aware of the requests by renters in the community for legal assistance related to their tenancies. The City Attorney's Office cannot offer legal advice or representation to tenants facing habitability issues, housing discrimination, eviction, or other legal challenges. However, legal resources are available in this community. Such resources include:

- [SLO Legal Assistance Foundation](#): offers legal advice and full-scope representation to income-eligible tenants in SLO County, including defense of unlawful detainer (eviction) actions
- [California Rural Legal Assistance Foundation](#): offers legal advice and representation to eligible tenants in the areas of unlawful detainers, habitability complaints, rental increases, and other landlord/tenant issues
- SLO Superior Court's Eviction [Self-Help](#) information & form preparation program
- [Creative Mediation](#): not legal advice/information, but offers services for informal dispute resolution between landlords and tenants
- [SLOLAWLINE](#): confidential legal hotline and referral program created through San Luis Obispo County Bar Association and the Lawyer Referral and Information Service (LRIS). SLOLAWLINE provides free legal advice and counsel to individuals within the county who cannot afford an attorney.
- Private attorneys: Tenants who can afford to do so may hire an attorney to represent them in landlord/tenant issues. SLO County Bar Association maintains an [attorney directory](#), and the [Lawyer Referral & Information Service \(LRIS\)](#) can connect individuals to private attorneys for a \$25.00 fee, which covers a 30 minute consultation with the attorney.
- [CA Civil Rights Department](#): Tenants can file a complaint of housing discrimination.
- [LawHelpCA.com](#): website maintained by a variety of legal aid associations and the State Bar of California which provides free legal information on a variety of landlord/tenant issues, including evictions, security deposits, housing subsidies, habitable housing, and other tenant rights.

---

<sup>26</sup> <https://www.slocity.org/home/showpublisheddocument/33081/637993661846000000>