



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: June 13, 2023

DEPARTMENT: OFFICE OF THE CITY ATTORNEY

FROM: CHRISTOPHER A. CALLIHAN, CITY ATTORNEY

TITLE: SENATE BILL 567; LETTER OF SUPPORT FROM SALINAS CITY COUNCIL

RECOMMENDATION MOTION:

A motion approving a Resolution authorizing submittal of a letter on behalf of the Salinas City Council in support of Senate Bill 567.

EXECUTIVE SUMMARY:

Council members González and Rocha have requested the City Council consider submitting a letter in support of SB 567 (Durazo). SB 567, now through the Senate and ordered to the Assembly, would make a series of revisions to existing statewide protections against eviction without just cause and provides enforcement mechanisms for the violation of statewide restrictions on residential rent increases and statewide protections against specified no fault evictions. A copy of SB 567 is attached to this Report for reference.

DISCUSSION:

The Tenant Protection Act of 2019 (Act) established limitations on the amount that residential landlords can raise the rent each year and times to stop landlords from evicting tenants unless they have a specified legal justification. A main goal of the Act was to shield tenants against sudden, large rent increases and to provide responsible tenants with assurance that they would not ordinarily be uprooted from their homes. According to the legislative analysis, SB 567, if approved by the legislature and signed by the Governor, would ensure that the no fault grounds for eviction established in the Act cannot be easily ignored or abused. SB 567 is intended to close loopholes in the provisions for evictions based on owner move-ins, demolishing or substantially remodeling a unit, or removal of the unit from the rental market. This bill is also intended to provide mechanisms for redress of violations of these eviction provisions and violations of the Act's rent increase limitation provisions.

In specific, SB 567 would accomplish the following:

1. Requires, with respect to the no-fault just cause eviction based on an intent to occupy the residential real property, among other things, that the owner or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents occupy the residential real property for a minimum of 12 continuous months as the person's primary residence, as provided. If the intended occupant fails to occupy the rental unit, as specified, then the owner must offer the unit to the tenant who vacated it at the same rent and lease terms, as specified. This right to return to the unit is not the exclusive remedy available to the tenant in this instance. The bill also allows the tenant to pursue a private right of action pursuant to the new enforcement mechanisms.
2. Requires, with respect to the no-fault just cause related to withdrawal of the residential real property from the rental market, among other things, that all of the rental units at the rental property be withdrawn from the rental market, as prescribed. Requires an owner, before withdrawing all of the rental units at a residential real property, to record a notice with the county recorder that describes the real property, the dates applicable to the constraints, and the name of the owner of record of the real property. Requires the notice to be recorded in the grantor-grantee index.
3. Requires an owner who displaces a tenant in order to substantially remodel a unit to, among other things, provide the tenant with written notice that includes specified information, including a description of the repairs to be completed, the expected duration of the repairs, and a copy of permits necessary to undertake the repairs. Provides that a tenant is not required to vacate the unit on any days where a tenant could continue living in the unit without violating health, safety, and habitability codes and laws. Provides that a tenant has a right to move back into the rental unit, as specified, if repairs are not completed. This move-in right is not the exclusive remedy available to a tenant in this instance. The bill also allows the tenant to pursue a private right of action pursuant to the new enforcement mechanisms.
4. Prescribes new enforcement mechanisms with respect to the provisions described in the bill, including by making an owner who attempts to recover possession of a rental unit in material violation of the provisions of the bill liable to the tenant in a civil action for damages of up to three times the actual damages, including punitive damages. Also authorizes the state and the local government, within whose jurisdiction the rental unit is located, to bring actions for injunctive relief against the landlord, as specified.
5. Provides that a landlord who demands, accepts, receives, or retains any payment of rent in excess of the maximum rent allowed by the Act's rent increase provisions shall be liable in a civil action to the tenant from whom those payments are demanded, accepted, received, or retained for all of the following: reasonable attorney's fees and costs; injunctive relief; damages in the amount by which any payment demanded, accepted, received, or retained exceeds the maximum allowable rent; and upon a showing that the landlord has acted willfully or with oppression, fraud, or malice, a civil penalty of treble the amount by which any payment demanded, accepted, received, or retained exceeds the maximum allowable rent.

6. Provides that a local government within whose jurisdiction the residential real property is located shall have the authority to enforce the Act's rent increase provisions and bring actions for injunctive relief on behalf of the city or county or on behalf of tenants seeking compliance by landlords with the rent increase provisions.

This bill originally sought to decrease the state's maximum annual rent cap increase from ten percent or five percent plus inflation (whichever is lower) to five percent or the simple inflation increase. This provision of the bill was removed during the Senate's review process.

CEQA CONSIDERATION:

The City Council's approval of a Resolution in support of SB 567 is not a project subject to environmental review under the California Environmental Quality Act (CEQA Guidelines section 15061(b)(3)).

STRATEGIC PLAN INITIATIVE:

The City Council's support of SB 567 is consistent with and supports the City Council's Goals of Housing/Affordable Housing and Effective and Culturally Responsive Government (City of Salinas Strategic Plan 2022-2025).

FISCAL AND SUSTAINABILITY IMPACT:

The City Council's approval of a Resolution in support of SB 567 would not have an impact on the City's General Fund.

DEPARTMENTAL COORDINATION

The City Attorney's Office coordinated with the City Clerk and Council members González and Rocha on this Report.

ATTACHMENTS:

Resolution
SB 567

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION AUTHORIZING THE SALINAS CITY COUNCIL TO SUBMIT A
LETTER IN SUPPORT OF SENATE BILL 567 (DURAZO)**

BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the City Council supports the passage of Senate Bill 567 and the submittal of a letter from the City Council to Senator Durazo, and other appropriate State agencies and offices, expressing the City of Salinas's support.

PASSED AND APPROVED this 21st day of March 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk