

ORDINANCE NO. 2663 (N.C.S.)

AN ORDINANCE OF THE CITY OF SALINAS ADDING ARTICLE I TO CHAPTER 17 OF THE SALINAS MUNICIPAL CODE TO REQUIRE REGISTRATION OF ALL RESIDENTIAL RENTAL PROPERTIES WITHIN THE CITY OF SALINAS

City Attorney Impartial Analysis

This Ordinance incorporates a requirement into the Salinas Municipal Code that all residential rental properties be registered with the City of Salinas and provide certain information including information identifying the owner and information describing the rental unit.. This Ordinance applies to all residential rental properties including single-family and multi-family, as well as non-owner-occupied Accessory Dwelling Units (ADUs). Vacant, on-market, units will also require registration in anticipation of imminent occupancy. Subsidized residential rental units/affordable deed restricted units, owner-occupied ADUs, and mobile home spaces are exempt. An annual registration fee would be required to fund the program.

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Salinas ("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 to do so; and

WHEREAS, the City, with direction from the City Council, has developed goals, objectives, policies, and action programs that directly address the City's housing needs; and

WHEREAS, according to the Monterey County Analysis of Impediments of Fair Housing Choice, published in 2019, 54.9 percent of Salinas residents are renters and an essential part of our community; and

WHEREAS, on December 4, 2018, the National Resource Network presented the Salinas Ten-Year Plan to the City Council, providing a series of recommendations designed to allow the City to maintain long-term fiscal solvency, maintain its key services, and address the housing affordability crisis; and

WHEREAS, one recommendation contained in the Salinas Ten-Year Plan is to establish a feasibility study for a residential rental registry and inspection program; and

WHEREAS, the City adopted the FY 2020 – FY 2024 Consolidated Plan ("CP") for housing in August 2020, and indicated in the CP that engaging in "Fair Housing and tenant/landlord activities" was of high priority to the City; and

WHEREAS, the City does not currently track residential rents, and there is no current source for obtaining that information specific to the City, making it difficult to ascertain the effect of rents and housing conditions on the potential displacement of residents; and

WHEREAS, the City Council directed City Staff to conduct a study session on November 27, 2018, to gather the perspective and information necessary to address housing conditions and housing affordability in the City; and

WHEREAS, on January 26, 2019, the City Council directed staff to prepare an ordinance for City Council consideration that would require owners of residential rental properties to provide the City with basic annual information regarding Residential Rental Units, including optional information; and

WHEREAS, the City through a series of 22 meetings has made diligent efforts to engage, collaborate and solicit input from community stakeholders regarding the Residential Rental Registry Program; and

WHEREAS, on January 18, 2022, staff presented a proposed rental registration model, and Council directed staff to draft an ordinance based on the proposed model; and

WHEREAS, City staff will continue to collaborate with a variety of stakeholders, including landlords and tenants, to identify potential program services and opportunities to collect data; and

WHEREAS, the City Council finds and determines that the Residential Rental Registry Ordinance codified in Article I of Chapter 17 of the Salinas Municipal Code is adopted pursuant to the City's police power authority to protect the public health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALINAS AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

SECTION 2. Amendment of Chapter 17 of the Municipal Code. Chapter 17 of the Salinas Municipal Code is hereby amended to add Article I, "Residential Rental Registry" to read as follows:

CHAPTER 17 – HOUSING

ARTICLE I – Residential Rental Registration

Section 17-01.01 – Findings and Purpose

a) Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between Landlords and Tenants in order to increase, certainty, stability and fairness within the rental market.

2. The City finds that this Ordinance requires only the registration of Residential Rental Units and the collection of fees associated with the registry.
3. The Ordinance codified in this Article is being adopted pursuant to the City's police power authority to protect the public health, safety and welfare.

b) Purpose.

The purpose of this Article is to adopt regulations for Landlords to register their residential rental units and provide related information to the City on an annual basis. The registration process will allow the City to collect, monitor and analyze the characteristics of the residential rental units and actual rents in Salinas. Collected data will be presented in an annual report to the City Council. The registration fees collected pursuant to this Article will be used to provide services, including referrals to mediation and legal services, education opportunities, and landlord/tenant resources, to Landlords and Tenants in the City. This Article supports the City's housing goals and protects public health, safety, and welfare for the residents of Salinas. This Article and its implementation are intended to protect the privacy of individual Tenants and the proprietary information of Landlords, the public release of which could result in a competitive disadvantage.

Section 17-01.02 – Definitions

- a) **Business License** means the license required of Landlords pursuant to Salinas Municipal Code Chapter 19 – Licenses.
- b) **City** means the City of Salinas.
- c) **Department** shall mean the Community Development Department of the City of Salinas.
- d) **Effective Date** of this Article shall be May 4, 2023.
- e) **Community Development Director** means the director of the Community Development Department of the City of Salinas or their designee. A designated representative may include City staff and/or a Party or organization contracted by the City to provide the necessary services to implement the procedures contained in this Chapter.
- f) **Landlord** means an owner, lessor, or sublessors who receives or is entitled to receive Rent for the use and occupancy of any Residential Rental Unit or portion thereof, and includes any legal entity or other individuals, employees, agents, contractors, and subcontractors that comprise or represent the Landlord.
- g) **Rent** means a fixed period for compensation paid by a Tenant at fixed intervals to a Landlord for the possession and use of a Residential Rental Unit as defined by the rental agreement between the Landlord and the Tenant. Rent excludes pass-through costs and

ancillary costs paid separately to the Landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with the Residential Rental Unit.

- h) **Residential Rental Registry Fees** means the fee required to be paid by a Landlord pursuant to Section 17-01.04.
- i) **Residential Rental Registry Information** means the information required to be submitted to the City by the Landlord pursuant to this Article.
- j) **Residential Rental Unit** means a habitable structure offered for Rent and used as a place of permanent or customary and usual abode of a Tenant. Residential Rental Units include a single-family residence, an accessory dwelling unit, a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Residential Rental Unit shall not include:
 - 1. Unpermitted conversions of garage, sheds or other accessory structures.
 - 2. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care, and bed and breakfasts as those terms are defined in Division 2 of Article I of Chapter 37 of the Salinas Municipal Code.
- k) **Tenant** means any renter, tenant, subtenant, lessee or sublessee of a Residential Rental Unit, or any group of renters, tenants, subtenants, lessees, or sublessees of a Residential Rental Unit, or any other person entitle to the use of occupancy of such Residential Rental Unit, or any successor of any of the foregoing.

Section 17-01.03 – Registration of Residential Rental Units

- a) **Initial Registration.** A Landlord must register every Residential Rental Unit that is subject to the provisions of this Article within forty-five (45) calendar days of the Effective Date of this Ordinance. Registration must be completed using forms provided by the City. The forms provided by the City shall include a secure internet website with an interface for submitting the information required by this Article. Registration is complete only when all required information has been provided to the City and all outstanding fees and penalties, if applicable, have been paid. Upon completion of the initial registration of a Residential Rental Unit, the City shall issue a registration statement which shall include the renewal date for the registration of the applicable Units. The City may issue a citation and impose a late penalty should a Landlord fail to register their Residential Rental Units within forty-five (45) calendar days of the Effective Date of this Article.
- b) **Renewal.** Unless a registration statement provides otherwise, registration of Residential Rental Units shall expire on June 30 of the same year when registration statement was issued. Registration of Residential Rental Units shall be renewed annually between July 1 and July 31, or by the date stated on the registration statement. Registration statements shall expire annually on June 30 or the date on the registration statement. The City may

issue a citation and impose a late penalty should a Landlord fail to register their Residential Rental Units by July 31.

- c) Residential Rental Registry Information. At minimum, the following information below shall be provided as part of initial and renewal registration of a Residential Rental Unit. Failure to provide information required or providing false information shall be a violation of the Salinas Municipal Code, chargeable as a misdemeanor or infraction.
1. The name, mailing address, phone number and email of the Landlord;
 2. The street address and/or Assessor's Parcel Number (APN) of each Residential Rental Unit for rent or lease;
 3. The number of bedrooms and bathrooms in each Rental Unit, including square footage, for rent or lease;
 4. The Business License number, where applicable, to each Residential Rental Unit; and
 5. If applicable, the name, address, phone number and email of Property Manager

Additionally, landlords will be asked to provide the following optional information:

- a) The current amount of the monthly rent charged for each Residential Rental Unit, identifying whether the monthly rent includes specified utilities (water/sewer, refuse/recycle, natural gas, electricity, etc.);
 - b) The occupancy status of each Residential Rental Unit (e.g., vacant or occupied);
 - c) Whether or not the unit's monthly rent is subsidized (e.g. housing voucher or another subsidy).
- d) Termination of Exemption. When a Residential Rental Unit that was exempt from this Article becomes governed by this Article, the Landlord must register the Residential Rental Unit with the City within forty-five (45) calendar days after the City provides notice that the exemption has ended.
- e) Registration Amendment. A Landlord shall notify the City if there is a change to the registration information for any Residential Rental Unit. A Landlord shall contact the City within forty-five (45) calendar days of change in a Residential Rental Unit's ownership or management, or a change in the owner's or manager's contact information.
- f) Administrative Regulations. The Community Development Director may promulgate administrative regulations and operational procedures to implement the provisions of this Article.

g) Collecting and Keeping Confidential Residential Rental Registry Information.

1. The City Council recognizes that the Residential Rental Registry Information, if publicly disclosed, could reveal the rent that a Tenant pays for a Residential Rental Unit or proprietary information of a Landlord could create a competitive disadvantage for every Landlord required to comply with this Article.

The City Council also recognizes that the Public Records Act (Government Code §§ 6250, et seq.) generally requires that the City make available to the public information in its possession that relates to the conduct of the public's business. The Public Records Act contains a number of exceptions intended to protect the privacy of individuals and the proprietary information of businesses that is in the City's possession only because of a legal requirement to provide it to the City in connection with a regulatory program. Subject to Section 17-01.03(g)(4).

City Council declares that the Residential Rental Registry Information shall be received in confidence, and that the public interest in nondisclosure of the Residential Rental Registry Information clearly outweighs the public interest in disclosure. Notwithstanding the foregoing, this Section 17-01.03(g) identifies limited Residential Rental Registry Information that shall be made available to the public.

2. The City Council anticipates that Residential Rental Registry Information will be kept in a secure database. The database containing Residential Rental Registry Information shall be created and maintained such that it can generate reports containing only the following, individually or in combination:
 - a) the number of Residential Rental Units per building expressed as a range of the number of Residential Rental Units per building;
 - b) the number and type of rooms in a Residential Rental Unit, with the Rental Units grouped by number of bedrooms and not listed individually;
 - c) the size of Residential Rental Units, expressed in square feet;
 - d) the Rent for Residential Rental Units, classified only by size of Residential Rental Units in square feet and number and type of rooms;
 - e) average Rent for Residential Rental Units by size of Residential Rental Units in square feet or number of rooms for any period of time covered by the Residential Rental Registry Information; or
 - f) the average length of occupancy or vacancy of Rental Units, classified only by size of Rental Units in square feet or number and type of rooms.

The Residential Rental Registry Information listed in this paragraph shall be the only Residential Rental Registry Information released in response to a request made under the Public Records Act. The City will not disclose Residential Rental Registry Information for Residential Rental Units in a manner that identifies the building in which they are located or the Rent for any individual Rental Unit. Residential Rental Registry Information shall not include identifying information regarding an individual Tenant or Landlord.

3. The Community Development Director may generate additional reports from the Residential Rental Registry Information database for the purposes of this Article. Such reports shall be released to the public only if kept in the normal course of City business and only after redacting any Residential Rental Registry Information that would improperly intrude into personal privacy of Tenants or reveal Landlord proprietary information that could result in a competitive disadvantage.
4. The Community Development Director, in consultation with the City Attorney, may authorize the release of other Residential Rental Registry Information that would be otherwise confidential if they determine that the release is legally required or the public interest in disclosure would clearly outweigh the public interest in nondisclosure.

Section 17-01.04 – Rental Registry Fees

- a) Rental Registry Fees. Each Landlord shall pay the required Residential Rental Registry Fee as set forth in Resolution No. 22622. The fees established in Resolution No. 22622 shall be integrated into the City's Schedule of Fees and Charges for City Services by resolution, as required by Chapter 11B of the Salinas Municipal Code.

The Residential Rental Registry Fee shall be imposed annually for each rental property owned by the Landlord. The Residential Rental Registry Fees required by this section are in addition to and not in lieu of any general business license tax that might be required by Chapter 19 of the Salinas Municipal Code. The fees shall be used to defray the reasonable costs associated with the implementation and administration of this Article, including costs of maintenance of a residential rental registry database, enforcement of the registration required by this Article, outreach, education, and other related services as deemed appropriate by the Community Development Director pursuant to Section 17-01.05 of this Article.

- b) Late Fees; Penalties. A Landlord's failure to pay the annual Residential Rental Registration Fees required by this section shall result in the City taking the following actions:

1. Issue a delinquency notice to the landlord that provides up to forty-five (45) calendar days to pay the amount due.

2. If not paid within forty-five (45) calendar days following the issuance of the delinquency notice, the City shall assess a penalty of ten (10) percent of the Residential Rental Registry Fee, due and payable with the compliance fee on the first day of the month following the due date provided in the delinquency notice.
3. For every forty-five (45) calendar days thereafter that the Residential Rental Registry Fees remain unpaid, the City shall assess a penalty of ten (10) percent of the Rental Registry Fee. If the Rental Registry Fees remain unpaid within one-hundred eighty (180) calendar days following the issuance of the delinquency notice, the Landlord shall be subject to a citation described in Division 1 (Administrative Citations) of Article 5 of Chapter 1 of the Salinas Municipal Code.

The City may collect any past due Residential Rental Registry Fees and late payment penalties by use of all available legal means, including, but not limited to, means available for the collection of judgments, liens, and actions for recovery of money. The City also may recover its collection costs.

- c) Residential Rental Registry Fees Pass-Through. A Landlord may not recover any portion of the Residential Rental Registry late fees, or any associated late penalties, from Tenant(s).
- d) Exemptions. This section shall not apply to the following Residential Rental Units:
 1. *Subsidized Residential Rental Units*. One hundred percent of Residential Rental Units in the housing developments are restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable to persons and families or 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. *Accessory Dwelling Units*. Legal accessory dwelling units, junior accessory dwelling units, and secondary dwelling units, if the primary dwelling is owner-occupied. If the primary dwelling is presently or has previously been held out for rental, then both units are subject to this Section 17-01.04.
 3. *Mobile Home Spaces*. A lot or space of land in a Mobile Home Park where a Mobile Home is or may be located. Mobile Home and Mobile Home Park shall have the same meaning as the definitions of "mobile home" defined in Section 798.3 of the Civil Code and "mobile home park" defined in Section 798.4 of the Civil Code, respectively, as those sections may be amended from time to time, or their successor code sections.

Section 17-01.05 – Provision of Services

- a) In addition to being used for the administration and enforcement of the residential rental registration requirement, the Residential Rental Registry Fees provided for in Section 17-01.04 of this Article shall be used by the Community Development Director for the provision of services to Landlords and Tenants in the City. These services may include, without limitation, the following:
 1. Website content to landlord/tenant services and resources;
 2. Referrals to landlord/tenant resources which may include dispute resolution services through website content and a dedicated phone line and email;
 3. Education and outreach to landlords and tenants, such as handouts, mailings and webinars, about rights and obligations; and
 4. Any other services for Landlords and Tenants as deemed appropriate by the Community Development Director.
- b) Notwithstanding paragraph (a), nothing in this Section 17-01.05 is intended to authorize the Community Development Director to establish a rental housing inspection program or to provide rental housing inspection services without the prior approval of the Council.

Section 17-01.06 – Miscellaneous

- a) Annual Review. The Community Development Director shall annually prepare a report to the Council assessing the effectiveness of the program established under this Article and may recommend changes.
- b) Business License. All Landlords shall possess a Business License, as required by Salinas Municipal Code Chapter 19 for any Residential Rental Unit subject to the provisions of this Article. Submission of Residential Rental Registry Information shall be a prerequisite to a complete application for a Business License required by Section 19-9 of Chapter 19 of the Salinas Municipal Code.

Section 17-01.07 – Enforcement

- a) Any person violating any provision or failing to comply with any of the requirements of this Article shall be deemed guilty of a misdemeanor or an infraction and may be subject to the penalties prescribed in Section 1-01.08 of the Salinas Municipal Code.
- b) In addition to an Administrative Remedy or penalties available to the City, in law or equity, the City may enforce the terms of this Article through the administrative citation procedures provided in Division 1 (Administrative Citations) of Article 5 of Chapter 1 of the Salinas Municipal Code.

- c) The City Attorney may bring a civil action to seek redress for any violation(s) under this Article on behalf of the City. In any such relief, the City shall recover all civil penalties prescribed in Division 1 (Administrative Citations) of Article 5 of Chapter 1 of the Salinas Municipal Code, and any other relief the court deems proper.

SECTION 3. Compliance with the California Environmental Quality Act. Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act ("CEQA") Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

SECTION 4. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5. Publication. Prior to the expiration of fifteen (15) calendar days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

SECTION 6. Effective Date. This Ordinance shall take effect and be enforced thirty (30) calendar days after the date of its adoption.

PASSED AND ADOPTED on April 4, 2023, by the following vote:

AYES: Councilmembers: Osornio, Gonzalez, Barrera, Sandoval, Rocha, McShane and Mayor Craig

NOES: None

ABSENT: None

ABSTAIN: None

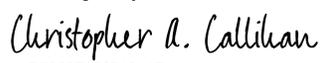
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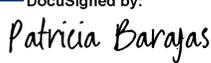
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Christopher A. Callihan, City Attorney

ATTEST:

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Patricia M. Barajas, City Clerk