

ORDINANCE NO. 1696

**AN ORDINANCE OF THE CITY OF LAGUNA BEACH,
CALIFORNIA, ADDING LAGUNA BEACH MUNICIPAL CODE
CHAPTER 7.90, RESIDENTIAL PROPERTY – NOTICE AND
REPORTING REQUIREMENTS FOR TENANT EVICTIONS, TO
SUPPLEMENT THE STATE OF CALIFORNIA’S TENANT
PROTECTION LAWS**

WHEREAS, California adopted the California Tenant Protection Act of 2019 (“TPA”) in 2019, (Assembly Bill 1482), codified at Civil Code Section 1946.2; and

WHEREAS, the TPA, among other provisions, restricts landlords from evicting tenants except for specific reasons. The TPA prohibits tenancy terminations without "just cause," as defined. The "just cause" bases include tenant at-fault and reasonable no-fault scenarios. Under the TPA, a tenant can be legally evicted if the landlord needs the units vacated to demolish the building or perform a substantial remodel; and

WHEREAS, in 2023, the Laguna Beach Housing and Human Services Committee received complaints that landlords were circumventing the TPA to increase rents, especially the provisions related to evicting tenants for substantial remodels (where the remodel was never completed). This issue has been reported in other jurisdictions throughout the state; and

WHEREAS, Senate Bill 567 (“SB 567”) was introduced in February 2023, signed by the Governor on September 30, 2023, and becomes effective April 1, 2024. SB 567 makes revisions to the TPA, including additional requirements and restrictions for evictions related to substantial remodels and intends to close perceived loopholes, especially those related to the substantial remodel provisions; and

WHEREAS, the legislative history for SB 567 provides that “the rising homelessness crisis has become one of the most urgent humanitarian issues facing our state. The number of Californians facing and becoming homelessness growing exponentially, with the state accounting

for 170,000 unsheltered Californians, more than half of the [United States (U.S.)] unsheltered population.” The legislative history further provides that “numerous examples have arisen of property owners abusing this provision to evict tenants unjustly without actually making any repairs or substantial improvements to the property before seeking new tenants at higher rents than allowed under the Act. Too many tenants are facing unjust evictions, because of loopholes in existing law and because rents are rising at a rate working class Californians simply cannot afford. Although existing law provides for some basic protections from rent-gouging and unjust evictions, it has been proven that there are glaring loopholes in the law that have left too many tenants unprotected from eviction even when in compliance with their lease, and subject to dramatic spikes in rent.”; and

WHEREAS, SB 567 mandates that a landlord now provide copies of building permits with termination notices as proof of intent of a substantial remodel, there is no mechanism to track if owners are complying with the noticing requirements; and

WHEREAS, ensuring that landlords provide the required notification and copies of building permits to help ensure Laguna Beach renters’ tenancy is terminated for only true substantial remodel projects is important to the City’s goals of preserving affordable housing opportunities; and

WHEREAS, the TPA provides that a local ordinance adopted after September 1, 2019, requiring just cause for termination of a residential tenancy shall supersede California Civil Code section 1946.2 only if the ordinance is “more protective” than section 1946.2. In accordance with California Civil Code section 1946.2(g)(1)(B), the City Council finds that the provisions of this Ordinance supplementing notice requirements related to terminations of tenancies are more protective than California Civil Code section 1946.2 for the following reasons:

1. The notice requirement for termination of a residential tenancy under this Ordinance is consistent with California Civil Code section 1946.2.

2. This Ordinance provides additional notice requirements that are not prohibited by any other provisions of applicable law and creates local procedures to track the additional notification requirements through the period of substantial remodel to ensure that the termination of tenancy is authorized under state law; and

WHEREAS, the City Council finds and determines that regulating the relations between residential owners and tenants will increase certainty and fairness within the residential rental market in the City and thereby serve the public peace, health, and safety.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES ORDAIN, as follows:

SECTION 1. A new Chapter 7.90 (Residential Property – Notice and Reporting Requirements for Tenant Evictions) is hereby added to Title 7 of the Laguna Beach Municipal Code to read in its entirety as follows:

7.90.010 Purpose

The purpose of this Chapter is to supplement the provisions of state law governing the rights and duties of owners and tenants of residential property in the City of Laguna Beach and to partially mitigate potential hardships created when residents are forced to seek new housing when an owner seeks to evict a tenant for the purpose of demolishing or substantially remodeling the rental property. The terms used in this ordinance are as defined in Civil Code Section 1946.2.

7.90.020 Definitions

- A. “Substantial remodel” means either of the following that cannot be reasonably accomplished in a safe manner that allows the tenant to remain living in the place and that requires the tenant to vacate the residential real property for at least 30 consecutive days:
 - a. The replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency.
 - b. The abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws.

A tenant is not required to vacate the residential real property on any days where a tenant could continue living in the residential real property without violating health, safety, and

habitability codes and laws. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial remodel. This term, and all others in this ordinance are as defined in California Civil Code section 1946.2 and any corresponding state law provisions governing the hiring of real property.

7.90.030 Notice Requirements for Tenant Evictions

- A. For a Tenancy for which just cause is required to terminate the Tenancy under Tenant Protection Act of 2019 (“AB 1482”), codified in part in California Civil Code section 1946.2 (“section 1946.2”), the following additional requirements apply to any required notice to terminate Tenancy for just cause for intent to demolish or to substantially remodel the residential real property:
 - a. The Owner shall provide a copy of the required notice to terminate tenancy and, if applicable, copies of the permit(s) or signed contract to undertake the work identified in the notice, to the City of Laguna Beach. Owners shall file the documents with the City within three calendar days of the owner serving the notice and/or documents to the tenant. The Owner shall file the notices via the online portal available through the City of Laguna Beach website. If the portal is unavailable, the notices shall be delivered to the City Manager, or designee.
 - b. If the Tenant notifies the Owner of acceptance of offer to re-rent the unit under Civil Code Section 1946.2(b)(2)(D)(iii)(IV) (as such offer to re-rent is required to be included in the subject written notice to terminate a tenancy), the Owner shall provide a copy of the Tenant’s notice to accept the offer to re-rent to the City of Laguna Beach within five days of receiving the notice.
 - c. The Owner of residential real property shall, in the notice to the Tenant, inform the Tenant that a copy of the tenancy termination notice will be provided to the City of Laguna Beach and shall become a publicly searchable record on the City of Laguna Beach’s website.

7.90.040 Penalties

- A. Failure to file the notices with the City shall be an affirmative defense to a cause of action for unlawful detainer.
- B. Failure to file notices with the City shall result in the City withholding inspections for the building permits for substantial remodels.

7.90.050 Nonliability of the City

Neither the enactment of the ordinance codified in this chapter nor the preparation and delivery of any disclosure statement required hereunder shall impose any liability upon the City for any errors or omissions contained in the statement.

7.90.060 Administrative Regulations

The city manager may adopt administrative regulations to implement the provisions of this Ordinance.

SECTION 3. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) in that the proposed amendments are not anticipated to result in a direct or reasonably foreseeable indirect physical change in the environment, nor will the proposed changes have the potential for causing a significant effect on the environment. This ordinance supplements administrative requirements for terminating tenancies under state law and does not address any physical changes to the environment.

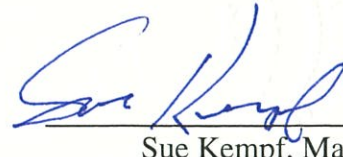
SECTION 4. If any portion of this Ordinance, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Ordinance to the extent it can be given affect, of the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 5. This Ordinance is intended to be of Citywide effect and application. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent shall be and the same are hereby repealed to the extent of such inconsistency and no further.

SECTION 6. The City Clerk of the City of Laguna Beach shall certify to the passage and adoption of this Ordinance and shall cause the same to be published in the manner required by law in the City of Laguna Beach. This Ordinance shall become effective not less than thirty (30) days from and after the date of its adoption by the City Council, and in no event before April 1, 2024, when the provisions of SB 567 become effective.

SECTION 7. Any reference to the TPA, including to California Civil Code section 1946.2, includes any amendments to the state law as may be adopted in the future.

ADOPTED this 12th day of March, 2024.



Sue Kempf, Mayor

ATTEST: 3/13/2024



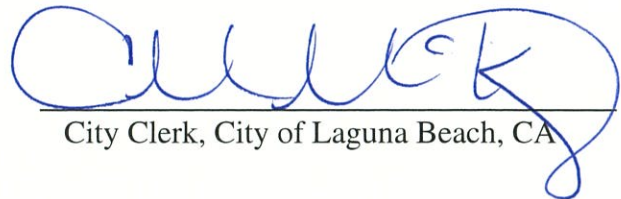
Ann Marie McKay, City Clerk

I, Ann Marie McKay, City Clerk of the City of Laguna Beach, do hereby certify that the foregoing Ordinance No. 1696 was introduced at a regular meeting of the City Council on February 27, 2024, and was finally adopted at a regular meeting of the City Council of said City held on March 12, 2024, by the following vote:

AYES: COUNCILMEMBER(S): Orgill, Weiss, Whalen, Rounaghi, Kempf

NOES: COUNCILMEMBER(S): None

ABSENT: COUNCILMEMBER(S): None



City Clerk, City of Laguna Beach, CA

Sold To:

City Of Laguna Beach-City Clerk - CA11070010
505 Forest Ave
Laguna Beach,CA 92651-2332

Bill To:

City Of Laguna Beach-City Clerk - CA11070010
505 Forest Ave
Laguna Beach,CA 92651-2332

CITY OF LAGUNA BEACH:
ADOPTION OF ORDINANCE NO. 1696
ADDING LAGUNA BEACH MUNICIPAL CODE
CHAPTER 7.90, RESIDENTIAL PROPERTY - NOTICE
AND REPORTING REQUIREMENTS FOR TENANT
EVICTIIONS, TO SUPPLEMENT THE STATE OF
CALIFORNIA'S TENANT PROTECTION LAWS
Ordinance No. 1696 was introduced at the City Council meeting of February 27, 2024, and adopted on March 12, 2024, on the following 5-0 vote: AYES: Orgill, Weiss, Whalen, Rounaghi, Kempf, NOES: None, ABSENT: None.

Full text of Ordinance 1696: The City Council of the City of Laguna Beach does ORDAIN as follows:

A new Chapter 7.90 (Residential Property - Notice and Reporting Requirements for Tenant Evictions) is hereby added to Title 7 of the Laguna Beach Municipal Code to read in its entirety as follows:

7.90.010 Purpose

The purpose of this Chapter is to supplement the provisions of state law governing the rights and duties of owners and tenants of residential property in the City of Laguna Beach and to partially mitigate potential hardships created when residents are forced to seek new housing when an owner seeks to evict a tenant for the purpose of demolishing or substantially remodeling the rental property. The terms used in this ordinance are as defined in Civil Code Section 1946.2.

7.90.020 Definitions

A. "Substantial remodel" means either of the following that cannot be reasonably accomplished in a safe manner that allows the tenant to remain living in the place and that requires the tenant to vacate the residential real property for at least 30 consecutive days:

a. The replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency.

b. The abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws.

A tenant is not required to vacate the residential real property on any days where a tenant could continue living in the residential real property without violating health, safety, and habitability codes and laws. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial remodel. This term, and all others in this ordinance are as defined in California Civil Code section 1946.2 and any corresponding state law provisions governing the hiring of real property.

7.90.030 Notice Requirements for Tenant Evictions

A. For a Tenancy for which just cause is required to terminate the Tenancy under Tenant Protection Act of 2019 ("AB 1482"), codified in part in California Civil Code section 1946.2 ("section 1946.2"), the following additional requirements apply to any required notice to terminate Tenancy for just cause for intent to demolish or to substantially remodel the residential real property:

a. The Owner shall provide a copy of the required notice to terminate tenancy and, if applicable, copies of the permit(s) or signed contract to undertake the work identified in the notice, to the City of Laguna Beach. Owners shall file the documents with the City within three calendar days of the owner serving the notice and/or documents to the tenant. The Owner shall file the notices via the online portal available through the City of Laguna Beach website. If the portal is unavailable, the notices shall be delivered to the City Manager or designee.

b. If the Tenant notifies the Owner of acceptance of offer to re-rent the unit under Civil Code Section 1946.2(b)(2)(D)(iii)(iv) (as such offer to re-rent is required to be included in the subject written notice to terminate a tenancy), the Owner shall provide a copy of the Tenant's notice to accept the offer to re-rent to the City of Laguna Beach within five days of receiving the notice.

c. The Owner of residential real property shall, in the notice to the Tenant, inform the Tenant that a copy of the tenancy termination notice will be provided to the City of Laguna Beach and shall become a publicly searchable record on the City of Laguna Beach's website.

7.90.040 Penalties

A. Failure to file the notices with the City shall be an affirmative defense to a cause of action for unlawful detainer.

B. Failure to file notices with the City shall result in the City withholding inspections for the building permits for substantial remodels.

7.90.050 Nonliability of the City

Neither the enactment of the ordinance codified in this chapter nor the preparation and delivery of any disclosure statement required hereunder shall impose any liability upon the City for any errors or omissions contained in the statement.

7.90.060 Administrative Regulations

The city manager may adopt administrative regulations to implement the provisions of this Ordinance.

Ann Marie McKay, City Clerk