CITY OF SANTA BARBARA

# Council Agenda Report

**Agenda Date:** October 27, 2026

**To:** Mayor and Councilmembers

**From:** City Administrator's Office

**Subject:** Amendments to Chapter 26.50 of the Santa Barbara Municipal Code Relating to Just Cause for Residential Evictions [Ordinance Introduction]

## Recommendation:

That Council introduce and subsequently adopt, by reading of title only, an ordinance of the Council of the City of Santa Barbara Amending the Santa Barbara Municipal Code by Amendment of Sections 26.50.020, 26.50.030, 26.50.055, 26.50.070 and 26.50.100 and Addition of Sections 26.50.071, 26.50.072, 26.50.110, 26.50.120, 26.50.130, and 26.50.140 Relating to Just Cause for Residential Evictions.

## Executive Summary

On June 10, 2026, the City released for public review a limited set of "clean up" amendments to the City's Just Cause Ordinance, Santa Barbara Municipal Code (SBMC) Chapter 26.50. That draft (referenced hereafter as the "June Draft") was narrow in scope. It transferred certain filing responsibilities to the City Administrator's Office, corrected a State law citation, added protections for elderly and disabled tenants when an owner withdraws a rent-controlled property from the rental market under the State Ellis Act, required owners to disclose tenant rights when a property is sold, and required recordation of certain notices against the property.

Following the 30-day public comment period and Council's direction on July 28, 2026, the City Attorney's Office prepared a substantially expanded ordinance, dated October 8, 2026 (the "Introduction Draft"). The Introduction Draft retains nearly all of the June Draft amendments, but it also makes several significant new policy changes that members of the public have not previously seen in ordinance form.

This report is intended to serve as a guide for Council and the public in reviewing the Introduction Draft. It explains what has changed, why the change matters, and how each new provision relates to existing State law and to the City's adopted Residential Rent Stabilization Ordinance (SBMC Chapter 26.90).

## Discussion

Chapter 26.50 of the Santa Barbara Municipal Code (SBMC) establishes the circumstances under which a residential tenant may be evicted. The Chapter builds on the statewide Tenant Protection Act of 2019 (Civil Code Section 1946.2), which permits local governments to adopt just cause protections that are more protective of tenants than State law. Chapter 26.50 divides lawful evictions into two categories. *At-fault* just cause covers circumstances arising from the tenant's conduct, such as nonpayment of rent or a breach of the lease. *No-fault* just cause covers circumstances in which the owner seeks possession for reasons unrelated to the tenant's conduct, such as owner move-in, withdrawal of the property from the rental market, compliance with a government order, or a substantial remodel. Tenants evicted on a no-fault basis are entitled to relocation assistance and, in many cases, a right to return.

On June 10, 2026, staff released a Public Review Draft titled "Clean Up Amendments to Section 26.50.100 – Ellis Act and other Amendments." As its title suggests, the June Draft was framed primarily as a technical and administrative update. It amended two existing sections (26.50.070 and 26.50.100) and added two new sections (26.50.110 and 26.50.120). The June Draft was released alongside the Public Review Draft of the Rent Stabilization Ordinance and was the subject of a separate section of the staff report noting that the Just Cause amendments would be revised and adopted after the Rent Stabilization Ordinance.

The June Draft was circulated for a 30-day public comment period and comments received were compiled into a matrix of proposed amendments. On July 28, 2026, staff reported the comments to Council and Council directed staff to incorporate amendments 1 through 32 and 48 through 52 into the Just Cause Ordinance. The City Attorney's Office then prepared a draft reflecting that direction, which has been refined into the Introduction Draft attached to this report.

### *Provisions Carried Forward without Substantive Change*

Each of the core elements of the June Draft have been retained in the Introduction Draft with refinements as described below.

### *A. Transfer of the Filing Responsibilities to the Office of Housing and Community Vitality*

The June Draft amended the definition of "Just Cause" in Section 26.50.070 so that notices of termination for withdrawal of a unit from the rental market would be filed with the City Administrator's Office, Office of Housing and Community Vitality, rather than the Community Development Department. The Introduction Draft carries this change forward and extends it to a second filing requirement: the construction expert's opinion and related tenant notices for a substantial remodel. The Introduction Draft also replaces references to "landlord" in the at-fault definition with "owner", for consistency with the rest of the Chapter.

### *B. Protections for Elderly and Disabled Tenants under the Ellis Act (§ 26.50.100 (D))*

The heart of the June Draft was a new subsection D to section 26.50.100, which governs an owner's withdrawal of all rental units on a property from the rental market under the State Ellis Act. Subsection D requires the owner of a rent-controlled unit to file a confidential statement with the City listing each unit, its tenants, and its rent and it extends the termination date to one year for a tenant who is at least 62 years of age or disabled and who has lived in the unit for at least one year. The Introduction Draft retains these protections with three refinements.

First, the June Draft applied subsection D to units subject to "any City ordinance controlling or establishing a system of control on the price" of rental housing. The Introduction Draft replaces this general description with a specific reference to units subject to SBMC Chapter 26.90, the adopted Residential Rent Stabilization Ordinance. Second, the Introduction Draft resolves inconsistent references to where this statement should be submitted and is now the Office of Housing and Community Vitality. Third, the requirement that the notice of termination describe the elderly and disabled tenant's rights, which was a separate paragraph in the June Draft, now appears as a subparagraph 2.e. but the substance of the requirement is unchanged.

### *C. Disclosure of Tenant Rights Before and After Sale (§ 26.50.110)*

Both drafts add a new Section 26.50.110 requiring the seller of a property containing covered rental units to disclose that tenants cannot be evicted or have their rental

agreements materially changed solely because the property is being sold; that tenants may be evicted only for just cause; that showings to prospective buyers are governed by Civil Code Section 1954; and that tenants are generally not required to sign estoppel certificates and should seek legal advice before doing so. The buyer must make a similar disclosure within 30 days after acquiring title. This section is substantively unchanged from the June Draft.

### *D. Recordation of Notices Against the Property (§ 26.50.120)*

Both drafts add a new Section 26.50.120. When a tenant is evicted on a no-fault basis and holds the right of first refusal to re-rent, the owner must record a notice with the County Recorder describing the property, the dates of the right of first refusal, and the owner of record. When an owner files a notice of termination to withdraw a property from the rental market, the City is directed to record a notice of the resulting five-year restriction on rental use. Recording these notices ensures that future buyers and lenders have notice of the tenant's rights and the use restriction.

## *Most Significant Amendments in the Introduction Draft*

The following amendments did not appear in the June Draft. They are presented in the order in which they appear in the Introduction Draft.

### *A. Coordination of Relocation Assistance with Zoning Displacement Benefits (§ 26.50.020 (D))*

Section 1 of the Introduction Draft adds a new Subsection D to Section 26.50.020 which governs relocation assistance payments for no-fault evictions. If a tenant is eligible both for relocation assistance under Chapter 26.50 and for displacement assistance under Chapter 28.89 of Chapter 30.190, the owner must pay the greater of the two amounts, rather than both.

Chapter 28.89 and 30.190 are in the City's zoning codes and provide displacement assistance in connection with certain development projects. This amendment to the Introduction Draft is important because without a coordination rule, an owner could be required to pay overlapping benefits for the same displacement, or there could be uncertainty about which benefit controls. The new subsection makes clear that the tenant receives the more generous of the two, but not both.

### *B. Expanded Coverage: Deletion of Three Exemptions (§ 26.50.030)*

Section 2 of the Introduction Draft deletes the current exemptions from Chapter 26.50. These exemptions currently track the exemptions in the State Tenant Protection Act. As updated, the following categories of rental housing would become subject to the City's just cause protections for the first time:

- **Owner-occupied duplexes**. Current subsection F exempts a property containing two units in a single structure where the owner lived in one unit at the start of the tenancy and continues to live there. Under the Introduction Draft, tenants in the non-owner unit of such a duplex would be covered. Owner-occupied, single-family homes in which the owner rents out no more than two units or bedrooms, including accessory dwelling units, remain exempt under subsection E, as do units in which the tenant shares a kitchen or bathroom with a resident owner under subsection D.

- **Newer housing**. Current subsection G exempts housing that received a certificate of occupancy within the previous 15 years. Under the Introduction Draft, tenants in newer buildings would receive the same just cause protections as tenants in older buildings.

- **Single-family homes and condominiums owned by individuals**. Current subsection H exempts a unit that may be sold separately from any other unit (such as a single-family home or condominium), provided the owner is not a real estate investment trust, a corporation, or a limited liability company with a corporate member, and provided the tenant received a specified written notice of exemption. Under the Introduction Draft, this exemption, along with its notice requirements, would be eliminated.

The existing exemption for deed-restricted and subsidized affordable housing is retained without substantive change.

These are among the most significant changes in the Introduction Draft because they expand the universe of rental housing covered by Chapter 26.50. It means that tenants in these units could be evicted only for one of the just cause reasons listed in Section 26.50.070 and would be entitled to relocation assistance and the other no-fault protections of the Chapter.

### *C. Re-Rental Price following a Substantial Remodel (§ 26.50.055)*

Section 26.50.055 gives a tenant evicted on a no-fault basis a two-year right of first refusal to re-rent the unit. Under current law, when the tenant returns after a substantial remodel, the rent may be increased by no more than 5% plus the change in the cost of living, or 10%, whichever is lower. Section 3 of the Introduction Draft preserves this formula for units that are *not* subject to Chapter 26.90 and adds a new paragraph (C.4) for units that *are* subject to Chapter 26.90. For those units, the returning tenant's rent is limited to the rent in effect at the time of the termination notice plus any increases approved under Chapter 26.90. A new paragraph (C.5) clarifies that, in all other cases, the rent is under Civil Code Section 1954.53 or under the new Ellis Act rent provisions of section 26.50.100(D) or (E), as applicable.

For rent-stabilized units, the Introduction Draft routes any rent increase associated with a remodel through the Chapter 26.90 process, including capital improvement approvals, rather than allowing an automatic increase of up to 10% upon the tenant's return. This aligns the Just Cause Ordinance with the adopted Rent Stabilization Ordinance and avoids two inconsistent rent-setting mechanisms for the same unit.

### *D. Owner Move-in: Longer Occupancy Requirement and New Definition of Primary Residence (§ 26.50.070)*

Section 4 of the Introduction Draft amends the owner move-in ground for no-fault eviction. Under current law and the June Draft, the owner or a qualifying family member must move in within 90 days after the tenant vacates and live in the unit as a primary residence for at least 12 consecutive months. The Introduction Draft increases the required occupancy period to 36 consecutive months. If the owner or family member fails to meet this requirement, the owner must offer the unit back to the displaced tenant at the prior rent and terms and reimburse reasonable moving expenses, as under current law.

Section 5 adds a new definition of "primary residence" to Section 26.50.070. A primary residence is the individual's "usual place of return." The definition lists factors that indicate primary residence such as where the person carries on basic living activities, where the person is registered to vote, and where utilities are billed. Temporary absences for military service, hospitalization, vacation, family emergency, employment, education, and similar reasons do not defeat primary residence. For an *owner's* primary

residence, the property must be held by the individual, not by a limited liability company, limited partnership, or other corporate structure. A unit held in a living trust may qualify if the trust beneficiary meets the criteria and the owner provides the City with the name and addresses of all beneficiaries.

It is important to highlight that the 36-month requirement is three times the 12-month period in State law and is intended to discourage use of owner move-in evictions as a short-term means of recovering a unit and re-renting it at a higher rent. The new definition gives owners, tenants, and the courts a common standard for determining whether the owner or relative actually lives in the unit, which has historically been the most frequently disputed issue in owner move-in cases.

### *E. Elimination of Demolition as a No-Fault Ground; Capital Improvement Plan Required for Substantial Remodel (§ 26.50.070 and § 26.50.072 (B))*

Under the current law and June Draft, an owner may evict a tenant on a no-fault basis in order to "totally demolish or to substantially remodel" the unit. Section 4 of the Introduction Draft deletes the words "to totally demolish or" so that a substantial remodel remains a ground for no-fault eviction, but demolition, standing alone, does not. In addition, before evicting for a substantial remodel, the owner must now obtain not only the necessary building permits but also an approved capital improvement plan under Section 26.90.100. The capital improvement plan requirement adds City review of the scope and necessity of the proposed work before a tenant is displaced.

Consequently, under the Introduction Draft, an owner who intends to demolish rental housing would generally need to proceed by withdrawing units on the property from the rental market, which carries its own notice periods, elderly and disabled tenant protections, and re-rental restrictions.

### *F. New Limits on At-Fault Evictions (§ 26.50.071)*

Section 7 of the Introduction Draft adds an entirely new Section 26.50.071 establishing substantive standards that apply to four of the at-fault grounds for eviction. The section expressly states that it does not alter procedures for an unlawful detainer action under the Code of Civil Procedure.

- **Nonpayment of rent**. Rent is in default only if the owner is entitled to it under the rental agreement and applicable law; amounts the tenant has lawfully withheld because of the owner's failure to maintain a habitable unit or other breach are not in default. An owner may not evict for nonpayment unless the paid amount equals at least one full month's rent. It is a defense to an eviction for nonpayment if the owner impeded payment by refusing to accept rent from a third party on the tenant's behalf, refusing to provide a W-9 or other documentation needed for the tenant to obtain rental assistance, or denying access to a previously authorized payment method.

- **Breach of material term of the lease**. The lease term must be lawful, reasonable, and plainly stated in a rental agreement signed by the tenant. If a new term is added after the tenancy begins, the owner must tell the tenant in writing that accepting the new term is not required to continue the tenancy, unless the term is required by law, in which case the owner must identify the legal requirement. To establish a violation, the owner must show that the breach caused substantial actual injury to the owner or other residents and that the tenant's conduct was unreasonable. Before starting an eviction, the owner must serve a written notice describing the violation in enough detail for the tenant to comply, demand a cure, and allow a reasonable opportunity to cure.

- **Nuisance**. An arrest on the property, a past criminal conviction, being the victim of a crime, or contacting the police or emergency services is not, by itself, evidence of a nuisance. Conduct resulting from a tenant's status as a victim of domestic violence, sexual assault, stalking, human trafficking, elder abuse, or another crime is not evidence of a nuisance unless the conduct is the tenant's own and would otherwise constitute a nuisance under applicable law.

- **Waste**. Before evicting for waste (damage to the property), the owner must serve a written notice describing the condition, demand a cure, and allow a reasonable opportunity to cure. The tenant may cure by stopping the conduct and either restoring the property to a habitable condition or paying the owner the reasonable cost of restoration as agreed by the parties.

These standards are intended to ensure that at-fault evictions are reserved for meaningful violations, that tenants have a fair chance to correct problems before losing their housing, and that tenants are not penalized for seeking help from emergency services or for being

victims of crime. For owners, the section establishes the threshold showings that will be required in any unlawful detainer action brought on these grounds.

## *G. New Limits on No-Fault Evictions (§ 26.50.072)*

Section 8 of the Introduction Draft adds a new Section 26.50.072 with two principal limitations on owner move-in evictions, in addition to the capital improvement plan requirement for substantial remodels discussed above.

- **One owner move-in per property**. Once an owner has recovered a unit for occupancy by the owner or a qualifying relative, the owner may not recover any other unit on the same property for that purpose. This limitation does not prevent the owner from withdrawing all units from the rental market in good faith under Section 26.50.100.

- **School-year defense**. It is a complete defense to an owner move-in eviction if the eviction would, during the school year, displace a child under 18, a tenant who has a custodial or family relationship with a child under 18 who lives with the tenant at least part time, or a tenant who is a teacher or administrator employed by a public or private school, college, or university. The school year is defined as approximately nine to ten months, generally from mid-August to mid-June. The tenant bears the burden of producing evidence of the school year and of the defense.

The one-per-property rule prevents owner move-in from being used serially to empty a multi-unit building. The school-year defense is intended to avoid disruption to children's schooling and to retain educators in the community. The defense affects the timing of an owner move-in eviction, not the owner's ultimate right to occupy the unit.

## *H. Expanded Ellis Act Re-Rental Protections (§ 26.50.100 (E))*

Section 9 of the Introduction Draft adds a new subsection E to Section 26.50.100. Like subsection D, it applies only to units subject to Chapter 26.90. It establishes the consequences of an owner who has withdrawn a rent-stabilized unit from the rental market and later returns it to rental use. The provisions closely follow the framework the State legislature has authorized local governments to adopt in Government Code Section 7060.2.

- **Rent upon re-rental within five years**. Any tenancy that begins within five years after the owner files a notice of intent to withdraw (whether or not the withdrawal

is completed) or within five years after the unit is withdrawn must be offered at the lawful rent in effect when the notice was filed, plus the annual adjustments allowed under Section 26.90.040.

- **Re-rental within two years**. If a unit is offered for rent within two years of withdrawal, the owner is liable to the displaced tenant for actual and punitive damages, and the City Attorney may bring a civil action for punitive damages. Actions must be brought within three years of the withdrawal. The owner must also first offer the unit to the displaced tenant, if the tenant asked for such an offer in writing within 30 days of displacement.

- **Right of first offer for ten years**. If a unit is offered for rent within ten years of withdrawal, the owner must first offer it to the displaced tenant, if the tenant requests the offer within 30 days after the owner notifies the City of its intent to re-rent. An owner who fails to do so is liable for punitive damages of up to six months' rent.

- **Replacement of demolished units**. If rental units are demolished and new rental units are constructed on the same property and offered for rent within five years of withdrawal, the new units must be offered at the rent paid when the prior tenancy was terminated and are thereafter subject to Chapter 26.90, notwithstanding any exemption in that Chapter for new construction.

These provisions are designed to ensure that the Ellis Act is used, as the State legislature intended, by owners who genuinely intend to leave the rental business, and not as a means of removing tenants and resetting rents. For property not subject to Chapter 26.90, the existing five-year ban on residential rental use continues to apply.

## *I. Notices to Tenants in English and Spanish (§ 26.50.130)*

Section 12 of the Introduction Draft adds a new Section 26.50.130. Whenever Chapter 26.50 or other applicable law requires an owner to give notice to a tenant or prospective tenant, the notice must be in writing in English or Spanish, or in another language that the owner knows or reasonably should know the tenant understands. This provision reflects the language needs of the City's renter population and helps ensure that tenants understand notices that affect their housing.

### *J. Temporary Relocation Benefits for Short-Term Displacement (§ 26.50.140)*

Section 13 of the Introduction Draft adds a new Section 26.50.140 addressing a gap in current law: tenants who must leave their unit for fewer than 30 days for maintenance, repairs, or capital improvements, but who are not being evicted. The owner must give written notice of the dates and times of the work. The tenant may elect either to receive daily payments of $150 per household for lodging and $30 per occupant for meals, while continuing to pay rent, or to forgo the payments and pay no rent until returning to the unit. If the displacement last longer than the owner's notice stated, the owner must pay for the additional days weekly in advance. The payment amount adjusts annually with the Consumer Price Index (CPI) and the City will publish the updated amounts each year.

This section also preserves the tenant's right to request a reasonable accommodation for a disability during renovations, requires temporary relocation whenever the work is reasonably expected to expose the tenant to toxic or hazardous materials such as lead-based paint or asbestos, and addresses temporary disruptions of major building systems during weekday business hours. The section does not apply to work performed under a capital improvement plan under Section 26.90.100 which would be governed by the Rent Stabilization Ordinance.

## Next Steps

Following Council's introduction of the Ordinance, it would return for adoption at a subsequent meeting and would take effect 30 days after adoption. Staff will coordinate implementation with the operational buildout of the Rent Stabilization Program, including development of public-facing notice templates, filing procedures for the Office of Housing and Community Vitality, and annual publication of the temporary relocation payment amounts required by section 26.50.140.

## Budget/Financial Information

The Introduction Draft assigns new administrative responsibilities to the City Administrator's Office, Office of Housing and Community Vitality, including receipt of withdrawal notices and confidential statements, receipt of capital improvement plan and remodel documentation, recordation of use restrictions with the County Recorder, and annual publication of relocation payment amounts. Staff anticipates that these functions can be absorbed within the staffing and resources proposed for the Rent Stabilization Program but will return to Council if there is

a burden on existing staffing capacity and additional financial resources are needed through a fee adjustment or a General Fund appropriation request.

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