

## ORDINANCE NO. 2025-10

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ RESCINDING SANTA CRUZ MUNICIPAL CODE SECTION 21.07.020 PURSUANT TO A SETTLEMENT AGREEMENT THAT PROTECTS TENANTS AT THE ST. GEORGE APARTMENTS

WHEREAS, via Ordinance No. 2024-16 the Santa Cruz City Council added Section 21.07.020 to the Santa Cruz Municipal Code, effective on October 24, 2024; and

WHEREAS, in November 2024, the City was sued in federal court by GVC St. George, LLC (“GVC”), a property owner affected by Section 21.07.020. Among other claims, GVC alleged that Section 21.07.020 violated its right to a fair return on investment. The parties have reached a settlement in the above case, whereby GVC has agreed to provide rent increase protections to impacted tenants in exchange for the City’s repeal of Section 21.07.020; and

WHEREAS, under the terms of the settlement, GVC has agreed to refrain from increasing rents more than 8.8% on impacted tenants that do not receive housing voucher support. The settlement agreement allows larger permissible rent increases for housing units that receive housing voucher support. However, because these tenants’ rents are primarily paid by housing vouchers, the out-of-pocket rental amounts paid by tenants will not significantly increase.

**NOW THEREFORE, BE IT ORDAINED, by the City Council of the City of Santa Cruz as follows:**

**SECTION 1.** Section 21.07.020 “Extending AB 1482 Rent Increase Protections upon Expiration of Rental Restrictions” is hereby rescinded and Section 21.07.030 “Civil Remedies” is hereby recodified as Section 21.07.020. Chapter 21.07 is amended as follows:

#### **“Chapter 21.07**

#### **TENANT PROTECTIONS ABOVE AB 1482 REQUIREMENTS**

##### **21.07.010 EXTENDING AB 1482 PROTECTIONS TO SECTION 8 TENANTS.**

Notwithstanding the language of California Civil Code Section 1946.2(e)(9), the no-fault just cause eviction protections of Section 1946.2 shall be applicable to tenants receiving subsidy through the Section 8 Housing Choice Voucher Program or the Section 8 Project Based Voucher Program. A full month’s rent shall be provided for relocation assistance, including both the tenant’s portion of the payment and the voucher amount. Any rent control protections that Section 8 Housing Choice Voucher holders are afforded by AB 1482 shall also be applied to such Section 8 Housing Choice tenants.

**21.07.020 CIVIL REMEDIES.**

Failure by a landlord to comply with the terms of this chapter shall be an affirmative defense to any unlawful detainer action pending or filed on or after its effective date. In addition, tenant may bring a civil suit in the courts of the state for injunctive relief and damages, alleging that a landlord has violated any of the provisions of this chapter. In a civil suit, a landlord found to violate this chapter shall, in addition to injunctive relief, be liable to the tenant for all actual damages, as well as an award of reasonable attorneys' fees and costs. Additionally, upon a showing that the landlord has acted willfully or with oppression, fraud, or malice, the tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this section."

**SECTION 2.** This ordinance shall take effect and be in force thirty (30) days after final adoption.

PASSED FOR PUBLICATION this 13<sup>th</sup> day of May, 2025, by the following vote:

AYES: Councilmembers Trigueiro, Brunner, Newsome, Golder, O'Hara; Vice Mayor Kalantari-Johnson; Mayor Keeley.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

ORDINANCE NO. 2025-10

PASSED FOR FINAL ADOPTION this 27<sup>th</sup> day of May, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2025-10 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

\_\_\_\_\_  
Bonnie Bush, City Clerk Administrator