Meeting Date: March 11, 2025
Agenda Item No. 12
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March 10, 2025

San Diego County Board of Supervisors
1600 Pacific Highway
San Diego, CA 92101

RE: Item 12 – Opposition to Proposed Ordinance on Predatory Practices Following a Declared Emergency

Dear Members of the Board of Supervisors,

On behalf of the California Apartment Association (CAA), I am writing to express our strong opposition to Item 12, which proposes the addition of Title 3, Division 1, Chapter 5 to the San Diego County Code of Regulatory Ordinances. CAA is the nation's largest statewide rental housing trade association, representing more than 60,000 single-family and multi-family rental housing providers responsible for over two million rental units across California.

While we support efforts to prevent predatory practices during states of emergency, we believe this ordinance is unnecessary and overly broad. California Penal Code 396 already prohibits price gouging and other exploitative actions in emergency situations. This existing law strictly limits price increases on essential goods and services, including housing, to no more than 10% unless justified by increased costs. Violators face misdemeanor charges, fines, and potential civil penalties, ensuring strong consumer protections against unjustified rent increases.

Additionally, this proposed ordinance places an unfair and ambiguous burden on housing providers by requiring them to determine whether a tenant has suffered economic hardship due to an emergency. Best practices, such as those implemented in Los Angeles County, require tenants to provide material evidence of their hardship. However, under the proposed language, landlords could be held liable based on a vague and subjective standard that they "knew or reasonably should have known" of a tenant's economic loss. This standard is overly broad and could lead to unintended consequences, including unjust penalties for landlords acting in good faith.

As written, this ordinance could hinder legal evictions unrelated to an emergency, delaying necessary property management actions. It also risks becoming a tool for challenging any eviction initiated before, during, and after a state of emergency, regardless of whether the tenant was directly impacted. Furthermore, the ordinance inappropriately redefines "just cause" for

evictions, creating inconsistencies with state law. By narrowing the definition of just cause specific to this ordinance, you create a issues with implementation and enforcement.

For these reasons, we urge the Board to reject this ordinance as currently drafted. I welcome the opportunity to discuss this issue further and can be reached at **mwoods@caanet.org**. Thank you for your time and consideration.

Sincerely,

Melanie Woods
Vice President of Local Public Affairs
California Apartment Association

Southern California
Rental Housing Association

March 10, 2025

San Diego County Board of Supervisors
1600 Pacific Highway
San Diego, CA 92101

Sent via Electronic Transmission

RE: Opposition - Item 12: PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY

Dear Supervisors:

On Behalf of the Southern California Rental Housing Association (SCRHA) and our members who include independent rental owners, small and large management companies, and small businesses that provide services to rental housing providers, we are writing to express our opposition to Item 12: PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY.

As the leading organization representing rental housing providers of various types of properties, with varying sized properties and numbers of units, we strongly believe that rental housing stakeholders should be consulted during the drafting process of ordinances that impact housing providers. SCRHA has a long history of supporting balanced regulation that benefits renters while also ensuring that owners and managers can still provide much-needed rental housing. SCRHA takes great pride in being a community partner and works to help government identify unintended consequences via our understanding of the nuances of managing rental housing.

The following outlines the concerns of our organization:

1. **There is no process included in the ordinance for tenants to notify their housing provider of economic loss or hardship.**
   The ordinance defines economic loss but goes on to prohibit numerous actions if "the Landlord (or any person or combination of persons within the definition of Landlord) knows or reasonably should have known has suffered Economic Loss of any sort caused by the emergency." How is a "landlord" to know if a tenant has suffered economic loss?

   The only practical way for a landlord to know a tenant is experiencing a financial hardship is for the tenant to proactively notify their housing provider. For example, the County of Los Angeles recently adopted a law to protect tenants in the aftermath of the fires. However, that ordinance states that tenants are protected from eviction for non-payment of rent if the tenant: *1) Self-certifies in writing, under penalty of perjury, that they are unable to pay Rent due to Direct Financial Impacts related to the County Wildfires, that they are Income Eligible, and that they have begun Income Replacement Efforts; and 2) Provides the aforementioned self-certification to the Landlord, or Landlord's agent, within seven (7) days of each month their Rent is due, or within seven (7) days after the Resolution going into effect for Rent due for the month of February 2025.*

The County of Los Angeles also defines financial impact and limits protections to income qualified residents, ensuring that high-income earners don't benefit from protections designed for the most vulnerable.

"Financial Impact" means a Qualifying Tenant's loss of at least ten percent (10%) of their average monthly household income immediately preceding January 7, 2025, as may be established by pay stubs, payment receipts, letters from employers, or other evidence. Income replaced through unemployment insurance, emergency benefits, or any other source shall be considered when calculating a Qualifying Tenant's Financial Impact.

"Qualifying Tenant" means a residential tenant who resides in a rental unit or rents a mobilehome from a mobilehome owner (collectively, "rental unit") who must:
1. Have resided in their rental unit since before January 7, 2025;
2. Be "Income Eligible," which means their 2024 household income was equal to or less than 150 percent of the Area Median Income as established pursuant to Section 8 of the United States Housing HOA.105191988.14 3 Act of 1937, or as otherwise defined in California Health and Safety Code section 50079.5; and
3. Have begun "Income Replacement Efforts," which means:
a. Enrolling in or applying for a relief program for County Wildfires;
b. Applying for unemployment benefits or other qualifying income assistance program; or
c. Actively seeking employment.

2. Limiting and Troubling Definition of "Just Cause"

Just Cause is defined in the proposed ordinance as *"Imminent health or safety threat" exists when an act or omission by a Tenant creates an immediate and serious threat to a person's health or safety, taking into account (1) any public health or safety risk caused by the eviction, and (2) all other remedies available to the landlord and other occupants of the property, against the nature and degree of health and safety risk posed by the tenant's activity. Acts or omissions of a Tenant responsive to the emergency (including but not limited to acts or omissions regarding leaving a Residential Unit for emergency repairs) shall not constitute an imminent health or safety threat.*

This definition means housing providers must wait to take the necessary steps to remove bad actors. Weighing the threat that exists at the property versus the public threat while considering all other remedies essentially results in a landlord not even being able to serve a notice to comply with a lease. Per state law, housing providers must already give tenants opportunities to cure lease violations. Tenants who were creating problems prior to an emergency declaration will be harder to remove and emboldened by these protections. This is harmful and unfair to neighboring residents.

3. **Interference in the Legal Process**
   As written, the draft ordinance interferes with a legal process already begun prior to the declaration of an emergency. SEC 31.503(d)(3) states that a landlord may not *"Evict a Tenant or require a Tenant to vacate a residential unit, including by seeking the entry of an eviction judgment or by causing or permitting a writ of possession to be executed, where the Landlord (or any person or combination of persons within the definition of Landlord) knows, or reasonably should know, has suffered Economic Loss of any sort caused by the emergency;"*

   By prohibiting such actions, a housing provider who has already spent months, sometimes a year, going through the court's unlawful detainer process will be prohibited from finalizing that process. It is simply unfair to prevent a judgement and/or lockout for a case that began far in advance of any declared emergency. This section also seems to contradict with SEC 31.503(c) which states: "*This section does not apply to any eviction where a fully legally compliant notice of eviction has been served or an unlawful detainer action has been filed prior to the proclamation."* The removal of SEC 31.503(d)(3) would make it clear that a new eviction can't be pursued per SEC 31.503(d)(2) but still allow for preexisting unlawful detainer cases to be completed.

4. **Prohibition of Termination of Tenancy and Nullification of Legally Served Notices**
   The draft ordinance prohibits a housing provider from terminating tenancy during an emergency if a landlord should have known about a tenant's economic loss. However, most terminations of tenancies are for reasons other than non-payment of rent meaning it is even more vital that tenants proactively notify their landlord of economic loss during an emergency. SEC 31.503(d)(4) also impacts notices that expire during the emergency even if they were served months prior. Housing providers who legally served notices before an emergency occurred are now left to restart the process if their notice expires during the protected period. This could mean problematic tenants get extra months of tenancy. For others it could mean they can't move into their own home as planned. Removal of the expiration language would make it clear that new notices can't be served while ensuring housing providers are not penalized for actions that occurred before an emergency.

SCRHA appreciates the County's efforts to protect residents impacted by local emergencies, however, we believe that state law provides ample rent increase and eviction protections. And while the proposed ordinance is limited in time frame, the concerns outlined above still could lead to unintended consequences for housing providers and their rental communities. We respectfully request you vote NO on Item 12.

Sincerely,

Molly L. Kirkland

Molly Kirkland
Director of Public Affairs