



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: March 11, 2025 and April 8, 2025

11

TO: Board of Supervisors

SUBJECT

ADOPT AN ORDINANCE ADDING TITLE 3, DIVISION 1, CHAPTER 5 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES RELATING TO PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY (3/11/2025 – First Reading; 4/8/25- Second Reading unless ordinance is modified on second reading) (DISTRICTS: ALL)

OVERVIEW

In January 2024, San Diego County experienced devastating rainstorms which resulted in a Major Disaster Declaration by the Biden Administration. During disasters such like the January 2024 floods those impacted by disasters deserve protections during this time of uncertainty to ensure they are not victims of predatory practices. On April 30, 2024 (35), the San Diego County Board of Supervisors (Board) directed the Interim Chief Administrative Officer to explore options to extend the protections of Penal Code section 396 addressing predatory real-state and other exploitative consumer practices after the declaration of an emergency.

Today's item requests the Board to approve the introduction of an ordinance relating to Predatory Practices after the Declaration of an Emergency. If the Board takes action as recommended, then on April 8, 2025, staff recommends the Board adopt the ordinance (second reading). If the proposed ordinance is altered on April 8, 2025, then on that date a subsequent meeting date will be selected for the ordinance's adoption.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

On March 11, 2025

1. Approve the introduction of the Ordinance (first reading):

AN ORDINANCE ADDING TITLE 3, DIVISION 1, CHAPTER 5 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES RELATING TO PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY

If, on March 11, 2025, the Board takes action as recommended in item 1 above, then on April 8, 2025:

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2. Approve the adoption of the Ordinance (second reading):

AN ORDINANCE ADDING TITLE 3, DIVISION 1, CHAPTER 5 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES RELATING TO PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY

EQUITY IMPACT STATEMENT

Adding an ordinance to prevent predatory practices after the declaration of an emergency will demonstrate the County of San Diego’s commitment to supporting communities that are affected by disasters. Today’s recommendations will provide protections to residents who are vulnerable during times of uncertainty.

SUSTAINABILITY IMPACT STATEMENT

The proposed action to add an ordinance Relating to the Predatory Practices after the Declaration of an Emergency aligns with the County of San Diego’s Sustainability Goals by promoting health/well-being, and sustainable economic growth for our community. Residents affected by disasters will have the protections to focus on restoring their living conditions prior to any damage occurred without be victims of unfair, unlawful, or fraudulent business acts.

FISCAL IMPACT

There is no fiscal impact associated with these recommendations. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The rainstorms from January 2024 led to extreme flooding across San Diego County and unfortunately led to immense damage to residents’ property and way of life. More than 1,200 residents were displaced during this disaster last year and fell vulnerable to predatory practices to exploit residents. Exploitative investors and lenders tend to target those in need of financial assistance for rebuilding, repairs, and basic everyday necessities. During a time of uncertainty trying to rebuild after a disaster such practices create additional financial strains during a time of vulnerability.

California Penal Code section 396 (“Penal Code 396”) prohibits excessive and unjustified increases in the prices of essential consumer goods and services under a declared state of emergency or local emergency. The legislation provides protection for consumers of price gouging of good and services that are vital for the health and safety of the community during an emergency. Penal Code 396 also:

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- Declares it unlawful for a person, contractor, business or entity to sell or offer to sell any consumer goods for a price more than 10 percent greater than the price charged by that person for those goods for a period of 30 days after a proclamation of a State Emergency.
- Prohibits for rate increases over 10 percent by owner or operator of a hotel or motel, and increase of rent unless the person can prove the increase is beyond normal maintenance for a period of 30 days upon proclamation of a State Emergency.
- Prohibits a person or business to evict a resident after the proclamation of a State Emergency to offer another person a rental at a greater price than the evicted tenant could be charged.

Although these protections exist, the County of San Diego (County) is committed to protecting the life, health, and safety of all people in San Diego County. During emergencies, disasters, including but not limited to earthquakes, floods, fires, storms, droughts infestation or diseases, pandemic, or epidemic disease outbreaks, or civil disturbances there is heightened potential for price increases during a time of vulnerability.

Along with the protections provided under Penal Code 396, the local County ordinance before the Board for consideration also includes the requirement of just cause for termination of a residential tenancy. This section only takes effect upon the proclamation of a local state of emergency by the Board of Supervisors or authorized official for San Diego County until the seventh day after the date of the proclamation unless the County issues an urgency ordinance addressing evictions on an earlier date. Just cause is defined as requiring showing that there is an imminent health or safety threat. In the absence of just cause no Landlord may lawfully terminate a residential tenancy and are prohibited from engaging in any of the following with respect to a Tenant of a residential unit:

- (1) Serve a notice of termination of tenancy on a Tenant who the Landlord knows, or reasonably should have known, has suffered Economic Loss of any sort caused by the emergency.
- (2) File or serve an unlawful detainer lawsuit, ejectment action, or other action on a Tenant who the Landlord knows, or reasonably should have known, has suffered Economic Loss of any sort caused by the emergency.
- (3) Evict a Tenant or require a Tenant to vacate a residential unit, including by seeking entry of an eviction judgment or by causing or permitting a writ of possession to be executed, where the Landlord knows, or reasonably should know, has suffered Economic Loss of any sort caused by the emergency.
- (4) Take any other action in reliance on a notice of termination of tenancy that expired or attempt to induce a tenant to vacate based on such a notice 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. Any such

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notice of termination of tenancy served or expiring while Section 31.503 is in effect shall be deemed invalid and insufficient to support an action in unlawful detainer.

- (5) Represent to a Tenant who the Landlord knows, or reasonably should know, has suffered Economic Loss of any sort caused by the emergency that the Tenant is required to move out of their unit by law.

The recommendation before the Board is to consider an ordinance amending the San Diego County Code of Regulatory Ordinances related to predatory practices after the declaration of an emergency.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

These actions are aligned with the County of San Diegos 2025-2030 Strategic Plan Initiatives of Community, Justice, Equity and Empower ensuring the Community has far and equitable justice in defense of crimes of abuse and support services for victims.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

ATTACHMENT A- AN ORDINANCE ADDING TITLE 3, DIVISION 1, CHAPTER 5 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES, RELATING TO PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY (Clean Copy)

ATTACHMENT B- AN ORDINANCE ADDING TITLE 3, DIVISION 1, CHAPTER 5 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES, RELATING TO PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY (Informational Copy)

ATTACHMENT C- SUMMARY OF PROPOSED ORDINANCE