

**City of Santa Ana
Rent Stabilization Ordinance
Frequently Asked Questions**

What is the City of Santa Ana Rent Stabilization Ordinance (RSO)?

The City's Rent Stabilization Ordinance is a local law that limits rent increases above the allowable limit within a 12-month period for certain residential rental units and mobilehome spaces in the City. The ordinance went into effect on November 19, 2021.

The rent stabilization cap will apply to buildings built on or before February 1, 1995, pursuant to the Costa-Hawkins Rental Housing Act. The rent stabilization cap for mobilehome spaces will apply to mobilehome parks established before 1990 regardless of ownership; however, the RSO will not apply to mobilehomes with long-term leases (over 12 months).

No later than June 30th each year, the City shall announce the amount of allowable rent increase, which shall be effective as of September 1st of that year.

Are there properties that are exempt from the Rent Stabilization Ordinance?

Yes. The following properties are exempt from the Rent Stabilization Ordinance:

- Any residential real property that has a certificate of occupancy issued after February 1, 1995 (California Civil Code section 1954.52(a)(1)); and, any other provisions of the Costa-Hawkins Rental Housing Act addressing exemptions, as applicable.
- Any mobilehome space subject to a long term (more than one year) rental agreement (California Civil Code section 798.17); any newly constructed mobilehome space first offered for rent on or after January 1, 1990 (California Civil Code section 798.45); mobilehomes not being used as a person's primary residence that are not being leased to someone else (California Civil Code section 798.21); and, any other provisions of the Mobilehome Residency Law addressing exemptions, as applicable.
- Transient and tourist hotel occupancy.
- Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, or an adult residential facility.
- Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12 school.
- Single-family owner-occupied residences including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.
- A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

- Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
 - A. The owner is not any of the following:
 - i. A real estate investment trust, as defined in section 856 of the Internal Revenue Code.
 - ii. A corporation.
 - iii. A limited liability company in which at least one member is a corporation.
 - B.
 - i. The tenants have been provided written notice that the residential property is exempt from this section using the following statement: “This property is not subject to the rent limits imposed by Santa Ana Municipal Code section 8-1998.1 and the owner is not any of the following: (1) a real estate investment trust, as defined by section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation.”
 - ii. For a tenancy existing before the effective date of this ordinance the notice required under clause (i) may, but is not required to, be provided in the rental agreement.
 - iii. For a tenancy commenced or renewed on or after the effective date of this ordinance, the notice required under clause (i) must be provided in the rental agreement.
- Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families with very low, low, or moderate income.
- Housing that is subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income.

How much can rent be increased each year?

The RSO limits rent increases to the lower of 3% or 80% of the percent change in the Consumer Price Index (CPI). If the change in the CPI is negative, no rent increase will be permitted that year. However, there may be circumstances where owners may be able to raise tenants’ rent over 3%, but they require City review and approval of a Fair Return Petition from the owner.

Are there exceptions to the allowable rent increase?

Yes. Owners can file a Fair Return Petition to the City to seek an individualized rent increase adjustment if they contend that the rent increase cap will prevent them from receiving a “fair and reasonable return” on their property. However, the City must first review and process the petition to determine if a greater increase is warranted or not.

If an owner files a Fair Return Petition to the City to increase rents above 3%, they are required to submit a copy to impacted tenants and provide the City with proof of

completing that service. Tenants will have 30 days from the date of receiving the petition to reply or provide additional materials to the City in response to the petition.

How is the maximum allowable rent increase calculated?

By June 30th of each year, the City will determine if the maximum allowable rent increase is 3% or a lesser rate based on 80% of the change in the Consumer Price Index (CPI). If the CPI is any less than 3.75% in a given year, then the maximum rent increase will be less than 3%. If the CPI is greater than 3.75%, then the maximum rent increase will be 3%.

As an example, if the percentage increase in the CPI were 2.5%, then the potential maximum allowable rent increase would be calculated by multiplying 2.5% by 80%, resulting in an allowable increase of 2% for that year.

How do I find out if my apartment is rent-stabilized?

Contact us at rso@santa-ana.org or call (714) 667-2209 to speak with one of our representatives to obtain that information.

What is the difference between Rent Control and Rent Stabilization?

In general, rent control locks in rental rates at a specific amount that cannot be increased. Meanwhile, rent stabilization allows for rent increases of a maximum fixed percentage each year.

Is the Rent Stabilization Ordinance the same as "just cause" protections?

No. The Rent Stabilization Ordinance regulates the amount or rate of rent increase that an existing tenant can receive. "Just cause" protections define the reasons that a tenant may be evicted; they do not address the amount of rent, or an owner's ability to increase it. [To learn more about the Just Cause Ordinance in the City of Santa Ana, please click here.](#)

AB 1482, the state's rent cap and Just Cause policy known as the Tenant Protection Act of 2019, became effective January 1, 2020. How does this interact with the City of Santa Ana's Rent Stabilization Ordinance?

The City's local ordinance provides more restrictive protections than those set forth in AB 1482 and therefore must be followed in Santa Ana. In addition, the City's ordinance applies to mobilehome spaces while AB 1482 does not.

AB 1482, with certain exceptions, prohibits an owner of residential property from increasing the gross rental rate for a dwelling or unit by the lower of 10%, or 5% plus the percentage change in the Consumer Price Index (CPI), as defined. For example, if CPI increased by 2.5%, then the statewide allowable rent increase would be 7.5%.

Meanwhile, the City's local ordinance caps the citywide allowable rent increase to the lower of 3%, or 80% of the percent change in the CPI. For example, if CPI increased by 2.5%, then the allowable rent increase in Santa Ana would be 2%.

To learn more about AB 1482 please [click here](#)

What is the Costa Hawkins Act? How does this interact with the City of Santa Ana's Rent Stabilization Ordinance?

The Residential Rent Control Act, also known as the Costa Hawkins Act, became effective January 1, 1996. Costa Hawkins sets limits on the kind of rent control policies cities are able to impose and exempts certain types of residential rental units from rent control ordinances. It also allows landlords to reset the rental rate on rent-controlled rental units when they become vacant or when the last rent-controlled tenant no longer permanently resides at the unit. To learn more please click [here](#)

When can owners raise tenants' rent?

Owners may raise tenants' rent once every 12 months, but not more than the City's annual rent increase limitation (unless the owner's Fair Return Petition is approved by the City). The allowable rent increase will be announced no later than June 30th each year and shall be effective as of September 1st of that year.

I received a rent increase notice before November 19, 2021 for greater than 3%. Was the owner allowed to issue this notice?

Yes. The City's ordinance went into effect on November 19, 2021. Any rent increases that were issued prior to November 19, 2021 are not subject to the ordinance. The RSO would not apply to legally compliant notices of rent increases that were sufficiently provided prior to the effective date of the RSO. However, an owner may not increase the rent more than one time every twelve months. In addition, any rent increases that were issued prior to the City's Ordinance being effective would have been subject to the State of California Tenant Protection Act of 2019 (AB 1482), which became effective January 1, 2020.

If I was issued a rent increase notice prior to November 19, 2021, when is the next time the owner can issue a new rent increase notice?

This depends on when the owner issued the first rent increase notice. More than one rent increase in any twelve (12) month period is prohibited by the ordinance. For example, if the owner issued a rent increase notice on July 1, 2021, then the owner may not issue a new rent increase notice until July 1, 2022. The rent increase notice that was issued on July 1, 2021 was not subject to the ordinance, but the new rent increase effective July 1, 2022 will be subject to the ordinance.

Does an owner need to notify the tenant(s) about the Rent Stabilization Ordinance? If so, how?

An owner must, on or before the date of commencement of a tenancy, give the tenant or mobilehome resident a written notice, in a form prescribed by the City, with information on the existence and scope of the Ordinance and the tenant's right to respond to any petition filed with the City to increase rent above the allowable limit. A rent increase cannot take effect until the notice has been provided.

The owner must give notices to the tenant in the language that the owner and tenant used to negotiate the terms of the tenancy (e.g., English, Spanish, Chinese, Tagalog, Vietnamese, and Korean) as well as English.

Does an owner need to notify the tenant(s) about a rent increase?

Yes. The amount of time that must be given for notifying tenants of rent increases depends on the property type and lease type:

- The required notice is 30 days for any month-to-month tenancy where the rent increase is no more than 10%. The required notice for a rent increase of more than 10% is 90 days.
- The notice for an increase on a fixed-term lease will depend on the notice requirements, if any, in the lease agreement itself.
- Rent increases for mobilehome spaces require a 90-day notice, no matter the percentage of increase.

The owner must give notices to the tenant in the language that the owner and tenant used to negotiate the terms of the tenancy (e.g., English, Spanish, Chinese, Tagalog, Vietnamese, and Korean) as well as English.

What if an owner or tenant has violated the Rent Stabilization Ordinance?

Contact the Rent Stabilization Program at rso@santa-ana.org or (714) 667-2209 to speak with one of our representatives and [learn more](#) about what steps can be taken.

Definitions:

Who is the "Owner"?

Pursuant to Civil Code Section 1954.51, an Owner is any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner, except that this term does not include the owner or operator of a mobilehome park, or the owner of a mobilehome or his or her agent.

What is “residential real property”?

Pursuant to Civil Code Section 1954.51, residential real property is any dwelling or unit that is intended for human habitation.

What is “tenancy”?

Tenancy means the lawful occupation of residential real property or mobilehome space and includes a lease or sublease, as such may be subject to local ordinance pursuant to the terms of the Costa-Hawkins Rental Housing Act, California Civil Code section 1954.50. et seq., and the Mobilehome Residency Law, Civil Code section 798, et seq.

Questions?

Please email us at rso@santa-ana.org or call (714) 667-2209. More information can also be found on our website at www.santa-ana.org/renterprotections.