

ORDINANCE NO. 192

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ADDING CHAPTER 5.22 TO TITLE 5 OF THE CANYON LAKE MUNICIPAL CODE ESTABLISHING A SINGLE-FAMILY RESIDENTIAL RENTAL REGISTRATION, INSPECTION AND CRIME-FREE RENTAL HOUSING PROGRAM

WHEREAS, rental homes are responsible for a disproportionate share of code enforcement and police calls for service that necessitates a disproportionate expenditure of public funds for such properties; and

WHEREAS, the City Council hereby determines that illegal activity in the City interferes with the health, safety, quality of life, quiet enjoyment and general welfare of the individuals residing near rental homes and may contribute to a decline in the value of surrounding properties; and

WHEREAS, existing state and local laws have not sufficiently encouraged landlords, particularly absentee landlords, to take reasonable and proactive steps to abate these conditions and to ensure their premises are safe and decent; and

WHEREAS, it is necessary to implement a “Single-Family Residential Rental Registration, Inspection and Crime-Free Rental Housing Program” to alleviate these problems and improve living conditions for renters and protect the general welfare of individuals in affected neighborhoods; and

WHEREAS, the City Council has determined that it is necessary to defray the cost of the Single-Family Residential Rental Registration, Inspection And Crime-Free Rental Housing Program through the imposition of regulatory fees which may be set from time to time by Resolution of the City Council to cover the actual costs of implementing and enforcing the program; and

WHEREAS, the rental and letting of housing is a business and it is necessary and proper to regulate such a business to ensure there is safe and decent housing for persons of all income levels; and

WHEREAS, through the adoption of this Chapter, the City will implement a new program that is rationally related to encourage upkeep of all single-family rental property for the public health, safety, and welfare of the residents of the City of Canyon Lake.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation. All of the foregoing Recitals are true and correct, and the City Council so finds and determines. The Recitals set forth above are incorporated herein, are made findings and determinations of the City Council and are made an operative part of this Ordinance. The findings above are hereby incorporated herein.

SECTION 2. Chapter 5.22 is added to the Canyon Lake Municipal Code to read as follows:

“SINGLE-FAMILY RENTAL PROPERTY REGISTRATION, INSPECTION AND CRIME- FREE RENTAL HOUSING PROGRAM

Sections:

- 5.22.010 – Purpose.
- 5.22.020 – Definitions.
- 5.22.030 – Compliance with Applicable Laws and Regulations.
- 5.22.040 – Rebuttable Presumption.
- 5.22.050 – Local contact representative.
- 5.22.060 – Residential Rental Registration Program.
- 5.22.070 – Inspections.
- 5.22.080 – Inspection Fees.
- 5.22.090 – Appeals.
- 5.22.100 – Self-Certification Program.
- 5.22.110 – Retention of completed Self-Certification Forms.
- 5.22.120 – Complaint-Based Inspections.
- 5.22.130 – Voluntary Inspection Requests.
- 5.22.140 – Enforcement.

Section 5.22.010 – Purpose.

The purpose of this Chapter is to identify Single-Family Residential Rental Dwelling Units in the City of Canyon Lake, to ensure that such units afford tenants a safe and decent place to dwell, and to require rental housing with substandard conditions to meet and maintain minimum building and housing code standards, exterior maintenance standards, and to reduce criminal activity. The City Council has determined that requiring that all Single-Family Residential Rental Dwelling Units be registered with the City and inspected and requiring that landlords use a Crime-Free Rental Housing Addendum, serves these legitimate governmental interests.

Section 5.22.020 – Definitions.

For the purposes of this Chapter, certain words and phrases used in this Chapter are defined as follows:

“Applicable Laws” means and includes all federal, state and local statutes, ordinances and regulations that pertain to the condition, habitability and safety of Dwelling Units and residential property. Applicable Laws include, but are not limited to, the State Housing Law (California Health & Safety Code, Sections 17910 *et. seq.*), (California Health and Safety Code, Sections 11570 *et. seq.*), and the Canyon Lake Municipal Code, including but not limited to Title 8 (Building and Construction), and Title 9 (Planning and Zoning).

“Building Official” means an individual(s) who is designated by the City Manager to conduct inspections under the provisions of this Chapter.

“City” means the City of Canyon Lake and its respective departments thereof.

“Code Enforcement Officer” means an individual(s) who is designated by the City Manager to enforce Applicable Laws.

“Crime Free Lease Addendum” means the lease addendum described in Section 5.22.060.

“Fair Housing Laws” means the federal Fair Housing Act, as amended, (42 U.S.C. Sec. 3601 et seq.), the California Fair Housing and Employment Act (Government Code Sec. 12900 et seq.), and the Unruh Civil Rights Act (Civil Code Sec. 51).

“Local property management company” shall mean an entity that is responsible for the day-to-day maintenance, upkeep and security of the property and is operated by a person who is licensed with the California Department of Real Estate as a real estate broker.

“Local property manager” shall mean a person who is responsible for the day-to-day maintenance, upkeep, and security of the property. The local property manager may be the owner of the property.

“Occupant” or “Tenant” means any person or persons who occupy a rental property, whether as a tenant or permittee of the Owner.

“Owner” or “Property Owner” means a single individual, partnership or joint venture or any entity that has any kind of ownership interest in a rental property whether as an individual, partner, joint venture, stock owner, or ownership interest in some other capacity or the owner’s designee, which may include a local management company. If more than one person or an entity owns the subject real property, owner or property owner refers to each person or entity holding any kind of ownership interest in the property, and the property owners’ obligations in this Chapter are joint and several as to each property owner. Owner shall also mean any person having legal title to real property, including all individuals shown as owners on the last equalized assessment roll of the Riverside County Assessor’s Office, or an Owner’s Authorized Representative.

“Single-Family Residential Rental Property,” “Rental Property” or “Residential Rental Dwelling Unit” means a dwelling unit as defined in the City Planning and Zoning Code, in a single structure, and is occupied or for occupancy by a person(s) other than the owner of the unit and includes the premises on which said rental property is situated and any common areas, including but not limited to parking lots, driveways, landscaping, accessory structures, fences, walls, swimming pools, hot tubs, and spas. For the purpose of this Chapter, the following types of dwelling units or facilities are not considered single-family rental residential rental property:

- (a) Multi-family dwelling housing units as defined in the City Planning and Zoning Code;
- (b) Hotels or motels;
- (c) Accommodations in any hospital, extended care facility, residential care facility, convalescent home, nonprofit home for the aged, or dormitory that is owned and operated by an education institution;
- (d) Mobile home parks.

“This Code” means the City of Canyon Lake Municipal Code.

Section 5.22.030 – Compliance with Applicable Laws and Regulations.

Nothing in this Chapter shall be construed to:

1. Excuse, waive, limit, or modify any requirements or obligations in the Applicable Laws;
2. Authorize or permit the rental of any residential property for a term of less than 30 days;
3. Limit any right of the City to investigate and abate nuisances or to enforce any provisions of the Applicable Laws or any other provision of law; or
4. Conflict with any rights or obligations under the Fair Housing Laws or the Americans with Disabilities Act, as amended.

Section 5.22.040 – Rebuttable Presumption.

For the purpose of this Chapter, if the owner of record has not filed for the homeowner’s property tax exemption for a property, it shall be a rebuttable presumption that the property is a rental property. This presumption can be rebutted by the owner of record providing reasonable documentation to the City that the property is owner occupied or is not being used for rental income.

Section 5.22.050 – Local contact representative.

- (a) For purposes of this Chapter, all Owners of Residential Rental Property shall designate a local contact representative with full authority to act on behalf of the Owner for all purposes under this Chapter, including the acceptance of service of all notices from the City. The owner of Residential Rental Property may act as the local contact representative.
- (b) A local contact representative must establish and maintain, at all times, a local telephone number and a residence or business address within 50 miles of Canyon Lake City Hall. A local contact representative shall be accessible by the City through that local telephone number 24 hours/7 days a week.

Section 5.22.060 – Residential Rental Registration Program.

- (a) **Registration Required.** As a condition of exercising the privilege of renting or leasing a Rental Property to any person and/or entity, the Owner of the Residential Rental Property shall register with the City for a Business License in conformance with all requirements of the Business License regulations identified under Chapter 5.01 of this Code.
- (b) **Contents of Registration and Payment of Fees.** The Registration form shall contain all of the information required under Section 5.01.040 of Chapter 5.01 of this Code and shall be accompanied by payment of the license fee set forth in Chapter 5.01, the inspection fee required under Section 5.22.080 and a certification, signed by the Owner, that he or she will comply with and enforce the Crime-Free Lease Addendum required by this Section 5.22.060.

- (c) **Non-Transferrable.** Registration pursuant to this Chapter is non-transferrable to a new Owner of the Residential Rental Dwelling Unit(s).
- (d) **Failure to Register.** If the Owner of Residential Rental Dwelling(s) fails to register or reregister such units in compliance with this Chapter, the City Manager or their designee shall abate the nuisance by registering or re-registering said units in the name of the owner and set a date and time for initial inspection of said units, and shall send written notification to the Owner that the property has been so registered, advising of the date and time set for inspection, accompanied with a bill for the costs of abating the nuisance by registration/processing fee and the total initial inspection fee for each unit, and include information on the self-certification program.
- (e) **Revocation.** Registration for a Residential Rental Dwelling Unit may be revoked if the City determines that the Owner has violated paragraph (b) of this Section or has failed to pay any required registration, inspection, and/or re-inspection fees, or if the Residential Rental Dwelling Unit has been cited by a City or County employee for, or received written notice from a City or County employee of, a violation of the Applicable Laws, and the Owner has failed to remedy such violation within the period of time specified in the citation or written notice. The City shall provide written notice of the revocation to the Owner, which is appealable pursuant to Section 5.22.090.
- (f) **New Occupant.** The Owner of a Residential Rental Dwelling Unit shall notify the City in writing whenever a new occupant takes possession of the dwelling on forms determined by the City.
- (g) **Crime-Free Lease Addendum.** The Owner of a Residential Rental Dwelling Unit shall include a Crime-Free Lease Addendum in substantially the following form in all rental agreements and leases executed after March 1, 2020.

CRIME - FREE LEASE ADDENDUM

In consideration of the execution or renewal of this lease of the dwelling unit identified in the lease, Owner and Resident agree as follows:

1. Resident, any members of the resident's household or a guest or other person affiliated with the resident agree to live a "crime free lifestyle" and shall not engage in criminal activity, including drug related criminal activity, on or off the said premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in § 102 of the CONTROLLED SUBSTANCE ACT (21 U.S.C. 802)).
2. Resident, any member of the resident's household or a guest or other person affiliated with the resident shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or off the said premises.
3. Resident, any member of the resident's household or a guest or other person, whether or not affiliated with the resident shall not permit the dwelling unit to be used for, or to facilitate criminal activity, including drug-related criminal activity.

4. Resident, any member of the resident's household or a guest, or other person affiliated with the resident shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance as defined in Health and Safety Code § 11350, et seq, at any locations, whether on or off the dwelling unit premises or otherwise.

5. Resident, any member of the resident's household or a guest, or other person affiliated with the resident shall not engage in any illegal activity, including: prostitution as defined in Penal Code § 647(b); criminal street gang activity, as defined in Penal Code § 186.20 et, seq; assault and battery, as prohibited in Penal Code § 240; burglary, as prohibited in Penal Code § 459; the unlawful use and discharge of firearms, as prohibited in Penal Code § 245; sexual offenses, as prohibited in Penal Code § 245; sexual offenses, as prohibited in Penal Code §§ 269 and 288.

6. Resident, any member of the resident's household or a guest, or other person affiliated with the resident shall not engage in any nuisance activity as defined in Civil Code § 3479 and/or any condition declared and deemed by the City Council of the City of Canyon Lake to constitute a nuisance, or any violation of the Canyon Lake Municipal Code

7. VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF TENANCY. A single violation of any of the provisions of this added addendum shall be deemed a serious violation and a material and irreparable non-compliance. It is understood that a single violation shall be good cause for termination of the lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be a preponderance of the evidence.

8. In case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of this addendum shall govern.

9. This lease addendum is incorporated in the lease executed or renewed this day between Owner and Resident.

Section 5.22.070 – Inspections.

(a) **Annual Inspections.** All Residential Rental property located in the City shall be subject to an annual inspection for compliance with Applicable Laws. The anniversary date for annual inspections shall be calculated from the date the Owner received the first Residential Rental Registration pursuant to Chapter 5.01 of this Code.

(b) **Inspection Upon Tenancy Change.** All Residential Rental property shall be subject to a Re-Inspection upon any change in occupants at the property notwithstanding the fact that the property may be subject to the Self-Certification Program or have already undergone an annual inspection.

(c) **Notice of Inspection and Procedures.**

1. After receiving a completed Residential Rental Registration from an Owner or upon receiving notice that a new occupant has taken possession of the dwelling, the City

will conduct an exterior and interior inspection of the Residential Rental Dwelling Unit to identify violations of the Applicable Laws.

2. The notice of inspection shall provide a minimum of 14-days' notice. Notice shall be mailed to the Owner, the local contact representative at their last known address, and occupant. In the case of multiple owners of the same property, notice to any one of the property owners is sufficient notice.
 3. In the event an Owner, local contact representative or tenant in possession of the property refuses to allow access to conduct the inspection, the City Attorney may use all legal remedies permitted by law to cause an inspection to take place.
 4. Should the City be unable to obtain the consent of the Owner, a local property management company or occupant of the Residential Rental Dwelling Unit to conduct an inspection, the City shall withhold or revoke the Owner's Residential Rental Registration until inspection is finalized.
- (d) City Code Enforcement Officers and/or the Building Official will be responsible for conducting the inspections authorized by this Section. The City may request that other City departments and/or Riverside County enforcement agencies participate in the inspection process.
- (e) After completion of the inspection, the City shall send a written report of the inspection to the Owner. The report shall contain:
1. An itemization of any violations of the Applicable Laws identified during the inspection;
 2. The period of time for correcting each of the identified violations;
 3. A statement that the City will re-inspect the Residential Rental Dwelling Unit on the day after the period of time for correction;
 4. The Re-inspection Fee shall be listed with the Re-inspection date and time accompanied by the date to which the said fee is due; and
 5. A statement that if the violations are not corrected within the period of time for correction the City will not issue the Residential Rental Registration Certificate and the City may pursue legal action as authorized under this Chapter to abate such violations.
 6. If no violations are found as a result of the inspection, the inspection report shall state, "No violations found on the date of inspection", and the City shall issue the Residential Rental Registration Certificate to the Owner.
- (f) Annual inspections under this Section 5.22.070 shall be conducted prior to renewal of the Business Registration Certificate required under Chapter 5.01.

Section 5.22.080 – Inspection Fees.

- (a) Fees for the administration and enforcement of the regulatory program established by this Chapter shall be set by resolution of the City Council and shall not exceed the City's actual cost of providing the services. Fees shall include, without limitation, an initial inspection fee, a re-inspection fee, and a fee to file an appeal. Owners are also subject to the Business Registration fees set forth in Chapter 5.01 of this Code.
- (b) The Owner of a Residential Rental Dwelling Unit shall pay an annual inspection fee to the City sufficient to pay the costs of the City's annual inspection pursuant to this Chapter.
- (c) Owners qualified for the Self-Certification Program under Section 5.22.100 shall pay the annual Inspection fee the first year of participation. If an Owner is removed from the Self-Certification Program, he/she shall become subject to annual inspections and annual inspection fees.

Section 5.22.090 – Appeals.

- (a) Any recipient of an administrative citation may contest the citation by the procedures set forth in Chapter 11.26 of this Code.
- (b) Any party to an administrative citation hearing may appeal from an adverse ruling in accordance with the procedures Chapter 11.26 of this Code.

Section 5.22.100 – Self-Certification Program.

- (a) Well-maintained rental property with no outstanding violations of any Applicable Laws may qualify to participate in the Self-Certification Program. Qualifying properties will not be subject to annual inspections; provided that conditions of the rental property do not deteriorate during that time to the point where the rental property would no longer meet eligibility standards for the Self-Certification Program.
- (b) To qualify for the Self-Certification Program, a property owner must:
 - 1. Complete the Self-Certification Program application packet provided by the City; and
 - 2. Pay the annual inspection fee and any other fees required by this Chapter; and
 - 3. Conduct a self-inspection of all exterior and interior site conditions of each rental property or properties for compliance with the requirements of the Self-Certification form provided by the City; and
 - 4. Immediately make any repairs to the Residential Rental unit(s) that are necessary to achieve compliance with the requirements of the Self-Certification form; and
 - 5. Complete the Self-Certification form and certify that conditions at the rental property or properties meet the exterior and interior standards listed on the Self-Certification form.

6. Return the completed Self-Certification form to the City.
- (c) Upon receipt of a completed Self-Certification form the City shall perform an inspection of the rental property. If the City determines that the property is qualified to participate in the Self-Certification Program a certificate of compliance will be issued, and the property owner will not be subject to the annual inspection requirement thereafter. The Owner shall provide a copy of the Self-Certification Program certificate of compliance to the occupants of the corresponding Residential Rental property unit. Recertification in the Self-Certification Program shall be required every year for each Residential Rental Unit.
 - (d) If the City determines that the property is not eligible to participate in the Self-Certification Program, then the residential rental property shall be subject to inspection and the property owner shall be assessed the annual inspection fee as well as any other applicable fees.
 - (e) The City may, from time to time, randomly subject properties in the Self-Certification Program to an annual inspection under Section 5.22.070 to ensure compliance with the program.
 - (f) At all times, the City shall retain the authority to investigate and address any violation of Applicable Laws.
 - (g) Any property owner that fails to maintain a rental property to meet all of the standards listed on the Self-Certification Program's checklist, or is found to have caused to allow conditions, identified in the Crime-Free Addendum to exist, shall immediately be removed from the Self-Certification Program and become subject to annual inspections.
 - (h) It is unlawful for any person to knowingly make a false statement of fact or knowingly omit any information that is required on the Self-Certification form.

Section 5.22.110 – Retention of completed Self-Certification Forms.

- (a) The property's local contact representative shall retain all certificate(s) of compliance for at least three (3) years from the date the certificate of compliance was issued by the City.
- (b) The local contact representative shall produce all certificate(s) of compliance to the City Manager or their designee upon request.

Section 5.22.120 – Complaint-Based Inspections.

Nothing contained in this Chapter shall prevent or restrict the City's authority to inspect any rental property in response to a complaint alleging code violations or violations of Applicable Laws and to pursue all remedies permissible under this Code or Applicable Laws.

Section 5.22.130 – Voluntary Inspection Requests.

Nothing contained in this Chapter shall be construed to prohibit a property owner or occupant from voluntarily requesting an inspection pursuant to this Chapter to determine whether the rental property complies with Applicable Laws.

Section 5.22.140 – Enforcement.

- (a) **Violations Identified During Inspection.** If, after a report of inspection is issued pursuant to Section 5.22.070(d), the Owner fails to correct a violation of the Applicable Laws identified in the report of inspection within the time allowed, the City may issue an administrative citation pursuant to Chapter 11.26 of this Code or may take any other action authorized by law to enforce the provisions of this Code, including, without limitation, a petition to the Superior Court for the appointment of a receiver over the property.
- (b) **Failure to Pay Fees.** Should an Owner fail to timely pay the annual inspection fee or any re-inspection fee, the City is authorized to recover it, plus accrued interest and penalties, utilizing any remedies authorized by law.
- (c) **Strict Liability.** Violations of this Chapter shall be treated as a strict liability offense regardless of intent. Any person, firm and/or corporation that violates any portion of this Chapter shall be subject to prosecution under this Chapter, Chapter 11.26, and/or Section 11570 et. seq. of the California Health and Safety Code (Drug Abatement).
- (d) **Revenue and Taxation Code.** The City may also utilize the provisions of the Revenue and Taxation Code Section 24436.5 to encourage the elimination of substandard conditions in rental housing. The City is also authorized to bring an action under the Business and Professions Code for unfair business practices.
- (e) **Attorneys' Fees.** In an action, administrative proceeding, or special proceeding to abate a violation of this Chapter, the prevailing party may recover Attorneys' fees pursuant to Government Code Section 38773.5. Recovery of Attorneys' fees is limited to those individual actions or proceedings in which the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own Attorneys' fees. An award of Attorneys' fees to a prevailing party shall not exceed the amount of reasonable Attorneys' fees incurred by the City in an action, administrative proceeding, or special proceeding.

SECTION 3. Severability.

If any provision, section, paragraph, sentence or word of this Ordinance is determined or declared invalid by any final court action in a court of competent jurisdiction or if the application of any provision, section, paragraph, sentence or word of this Ordinance is inapplicable to a specific situation by reason of any preemptive state or federal legislation or regulation, the remaining provisions, sections, paragraphs, sentences or words of this Ordinance shall remain in full force and effect.

SECTION 4. CEQA Exemption.

The adoption of this Ordinance and the implementation of the regulatory programs of this Ordinance do not require further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301, in view of the fact that the regulatory programs are hereby enacted, apply to existing structures and buildings and are intended to provide for continuous and appropriate maintenance and protection of such structures and buildings for so long as the structures and buildings may remain unoccupied or vacant.

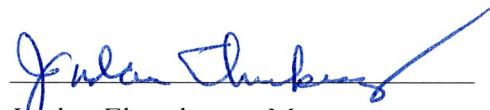
SECTION 5. New Registrations.

For any registration under Section 5.22.060 (a) filed on or before June 30, 2020, the license fee set forth in Chapter 5.01 shall be reduced by fifty percent (50%).

SECTION 6. Effective Date.

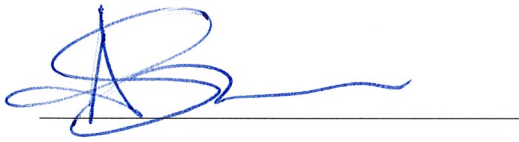
This Ordinance shall become effective 30 days from the date of its adoption.

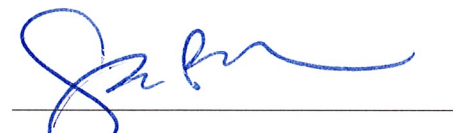
PASSED APPROVED AND ADOPTED this 15th day of January, 2020.


Jordan Ehrenkranz, Mayor

ATTEST:

APPROVED AS TO FORM:


Ana V. Sauseda, Deputy City Clerk


Steven Graham, City Attorney

State of California

County of Riverside) ss

City of Canyon Lake)

CERTIFICATION

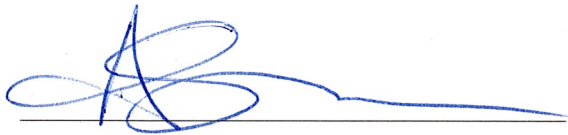
I, ANA V. SAUSEDA, Deputy City Clerk of the City of Canyon Lake, California, DO HEREBY CERTIFY, that the foregoing is a full, true, and correct copy of Ordinance No. 192, introduced at a regular meeting of the City Council on the 4th day of December 2019, and was duly adopted by the City Council of the City of Canyon Lake, California, at a regular meeting held on the 15th day of January 2020, by the following vote:

AYES: Councilmember Bonner, Mayor Pro Tem Castillo, Councilmember Greene, Mayor Ehrenkranz

NOES:

ABSTAIN: Councilmember Smith

ABSENT:



Ana V. Sauseda, Deputy City Clerk