

ORDINANCE NO. 3700 C.S.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MONTEREY

**AMENDING CHAPTER 8, SECTIONS 2.02 AND 2.03 RELATING TO THE RENTAL
INVENTORY PROGRAM'S EXEMPT PROPERTIES REPORTING AND FEE-PASS
THROUGH PROVISIONS**

THE COUNCIL OF THE CITY OF MONTEREY DOES ORDAIN, as follows:

SECTION 1:

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Monterey ("City") has broad authority to maintain the public peace, health and safety of its community and preserve the quality of life for its residents and may make and enforce all regulations and ordinances using its police powers to do so;

WHEREAS, according to the Monterey County Analysis of Impediments of Fair Housing Choice, published in 2019, 65.9 percent of housing units in the City are occupied by renters, who are an essential part of the City's community and workforce;

WHEREAS, beginning January 1, 2024 the City required owners of residential rental properties to provide the City with information annually regarding the character and other information regarding Rental Units, including optional information that could include the rent level of the Rental Units;

WHEREAS, in the rental registry's first year the overall compliance rate was 73% with 1,725 units having been exempted, which means that the data collected currently only provides a picture for roughly 51.6% of the residential rental market;

WHEREAS, the City Council finds and determines the Rental Inventory Ordinance, codified in Chapter 8 of the City Code, is amended pursuant to the City's police power to protect to the public health, safety and welfare; and

WHEREAS, approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act ("CEQA") Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

NOW THEREFORE, the Monterey City Council declares as follows:

SECTION 2: The above recitals are true and correct and are hereby incorporated and adopted as findings of the City Council as fully set forth herein.

SECTION 3: Monterey City Code, Chapter 8, Subsection (A) of Section 2.02 is hereby amended as follows:

"A. Initial Registration. A landlord must register every rental unit that is subject to the provisions of this Article within sixty (60) days of the effective date of the ordinance codified in this Article. All exemptions to the registration requirements of this Article shall expire on June

30, 2025, and landlords shall register every rental unit by July 1, 2025. Landlords shall complete the registration on forms provided by the City. The forms provided by the City may include a secure internet website with an interface for submitting the information required by this Article. Registration is complete only when all required information has been provided to the City and all outstanding fees and penalties, if applicable, have been paid. The City may issue an administrative citation and impose a late penalty should a landlord fail to register their rental unit(s) in compliance with this Article.”

SECTION 4: Monterey City Code, Chapter 8, Subsection (D) of Section 2.02 is hereby deleted and the remaining subsections shall be re-ordered alphabetically.

SECTION 5: Monterey City Code, Chapter 8, Subsections (C) and (D) of Section 2.03 are hereby amended as follows:

“C. Rental Inventory Fees Pass-Through. A Landlord may not recover any portion of the Rental Inventory Fee, including any associated late penalties, from their Tenant(s).

D. Exemptions. This section shall not apply to the following Rental Units:

1. *Subsidized Rental Units*. Rental Units in the housing developments are restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable to persons and families or very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.
2. *Mobile Home Spaces*. A lot or space of land in a Mobile Home Park where a Mobile Home is or may be located. Mobile Home and Mobile Home Park shall have the same meaning as the definitions of "mobilehome" defined in Section 798.3 of the Civil Code and "mobile home park" defined in Section 798.4 of the Civil Code, respectively, as those sections may be amended from time to time, or their successor code sections.
3. *Accessory Dwelling Units*. Legal accessory dwelling units, junior accessory dwelling units, and second dwelling units, if the primary dwelling is owner-occupied. If the primary dwelling is presently or has previously been held out for rental, then both units are subject to this Section 8-2.03.
4. *Owner-Occupied Residences*. Any residential dwelling unit where the Owner of Record occupies the dwelling unit as their Principal Residence, rents out one (1) or more bedrooms in the dwelling unit, and regularly shares in the use of kitchen or bath facilities with the tenants.
5. *Small Property Owner Exemption*. Any Rental Unit of an Owner who owns and manages three (3) or fewer Rental Units within the boundaries of the City.
6. *Termination of Exemption*. When a Rental Unit that was exempt from this section no longer qualifies for the exemption, the Landlord must re-register the Rental Unit with the City within thirty (30) days after the exemption has ended and pay the applicable fee.”

SECTION 6: If any section, subsection, sentence, clause or phrase of this Article is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter.

SECTION 7: All ordinances and parts of ordinances in conflict herewith are hereby repealed.


SECTION 8: This ordinance shall be in full force and effect thirty (30) days from and after its final passage and adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 1st day of April, 2025, by the following vote:


AYES:	3	COUNCILMEMBERS:	Barber, Garcia, Williamson
NOES:	2	COUNCILMEMBERS:	Rasch, Smith
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None

APPROVED:

ATTEST:

Signed by:

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Mayor of said City

DocuSigned by:

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City Clerk thereof