

Thomas Maunder
[REDACTED]
Petaluma, CA 94952
[REDACTED]

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Petaluma City Council
11 English Street
Petaluma, CA 94952

Re: Tenant Protections Ordinance Workshop Points to Consider

- This whole process has been opaque and backwards. This workshop should have occurred a year ago, not now after the law is part of the Municipal Code. Instead of honestly examining the problem, we are simply discussing amendments to a flawed law, which you sold to us as an interim stopgap measure. There is now no way you will allow this law to sunset, because you already gave everything away. You can't take it back without losing face. All we are doing here is rearranging the deck chairs on the Titanic.
- The survey on the city website had a built-in bias. It assumed that there will be a Tenant Protections Ordinance. The only choices presented were about the degree to which restrictions and protections should exceed those of the Tenant Protection Act of 2019. There was no option to choose to let the ordinance expire on July 1, 2023.
- This should not be about landlord versus tenant. It is a generational issue, a class issue, and an income disparity issue. Young people feel locked out of the real estate market. They do not have the opportunities that their predecessors did. The goal of most tenants I talk to is home ownership. Over the years more than a dozen of my renters have moved out because they purchased their first home. It is the best reason in the world to lose a tenant. I encourage them and I celebrate with them. Several tenants have actually thanked me for keeping the rent low, enabling them to save for a down payment. Why aren't we focused on helping tenants become homeowners rather than passing laws to ensure that they remain renters forever?
- Proponents of Just Cause tenant protections complain of renters living in fear. No tenant or landlord should have to live in fear. No one should be afraid to go home; that's why it's called home. During 20 years as a renter I don't recall ever living in fear. Now, as a landlord, I live in fear every time I must select a new tenant to fill a vacancy. What if I choose someone who disrupts the other tenants in the building? What if they refuse to move out? What if they are legally entitled to stay? Tenants' Union advocates complain that landlords have all the power and this ordinance will balance the power. Power should be directly proportional to the amount of skin one has in the game. For half the monthly cost of ownership, a renter is given control of an asset worth hundreds of thousands of dollars with no obligation to perform repairs or maintenance, and the

tenant is free to move out by giving 30-day's notice with no explanation, restrictions, or penalties. Who has the power?

- Picture Petaluma's rental market as a gigantic game of musical chairs and you are the host at the party. The chairs represent the housing supply and the guests represent the renters and prospective renters. Let's say the guests outnumber the chairs by 5%. The tenant protections ordinance only guarantees a few seats are reserved for existing renters in protected classes. When the music stops there are still 5% of the guests without seats. To fix the broken system you must either increase the number of chairs or reduce the number of guests.
- This ordinance casts a wide net without regard for a landlord's financial condition. It makes no distinction between an owner who inherited property free and clear and a recent purchaser who is mortgaged to the hilt and paying high property tax.
- The ordinance makes no provision for the sale of a rental property. Many Petaluma landlords, like me, are over 70 years old. We have worked hard—managing rentals is not easy. The estate plan calls for the sale of the rental, but asking a tenant to move to facilitate a sale is akin to removing the property from the rental market and requires relocation payments to and possible claims from the former tenant for 10 years. This reduces the value of the property, creates uncertainty, and is unfair to the owner and prospective purchaser.
- Vacancies are expensive for a landlord. Not only does one lose 2-3 months rent, but there are often costly cleaning, painting, repairs, and replacements. A first right of refusal to occupy the unit years later for the old rent (even with allowed TPA adjustments) is unreasonable, unfair, and impossible to enforce.
- Moving is a difficult and costly task that no one looks forward to. A tenant who is asked to move because of a no fault termination should absolutely be compensated by the landlord. By the same token, since the landlord is giving "cash for keys" he should be free to issue a no fault termination for any reason with 90 days notice. The relocation assistance must be high enough to compensate the renter and absolve the landlord from any future obligation to re-rent the unit to the displaced tenant as follows:
 - RELOCATION ASSISTANCE for "No Fault" rental terminations:
 - 2 months rent, regardless of reason for termination
 - 1 month rent additional assistance for elderly (over 67), disabled, child under 18
- It is clear that City offices are being overwhelmed with questions (many that they are unequipped or unqualified to answer) regarding the Tenant Protections Ordinance. City staff are referring enquiries to Petaluma People Services and Legal Aid of Sonoma County. A better first step would have been to let the ordinance expire and create a

Rental Mediation Board to hear disputes and make recommendations. The truth is we don't know what the real problems are. Are tenants really living in fear as our colleagues from the Tenant's Union would have us believe? After a year of arbitrating disputes, the Board would have valuable data to make recommendations for a relevant, effective ordinance.

- Though there is so much not to like in this law, I will highlight 3 important recommendations:
 1. For all no-fault evictions, set the relocation assistance payment equal to 2-month's rent, with 3-month's notice, and no option for the tenant to move back in.
 2. Committing waste and Subletting are valid Civil Code grounds for eviction and should remain so.
 3. Establish a Rental Mediation Board to arbitrate landlord/tenant disputes, giving tenants the power to be heard without having to navigate the court system with an attorney. In the process we will gain valuable data regarding where the real problems lie.