

Tenancy Regulations

CITY COUNCIL WORKSHOP – MARCH 6, 2023

Background

Top 10 Goal

Identified in
Housing Element


Legal Aid model
requested

Directed
Preparation of
Urgency Ordinance

Sunset provided

No Time for
Outreach Prior to
Initial Adoption

Council Direction



Gather data to
quantify issues

Seek community
feedback

Present options

Agenda

History of Tenant Regulations

State and Petaluma Rules

Comparison with Other Jurisdictions

Data Collection

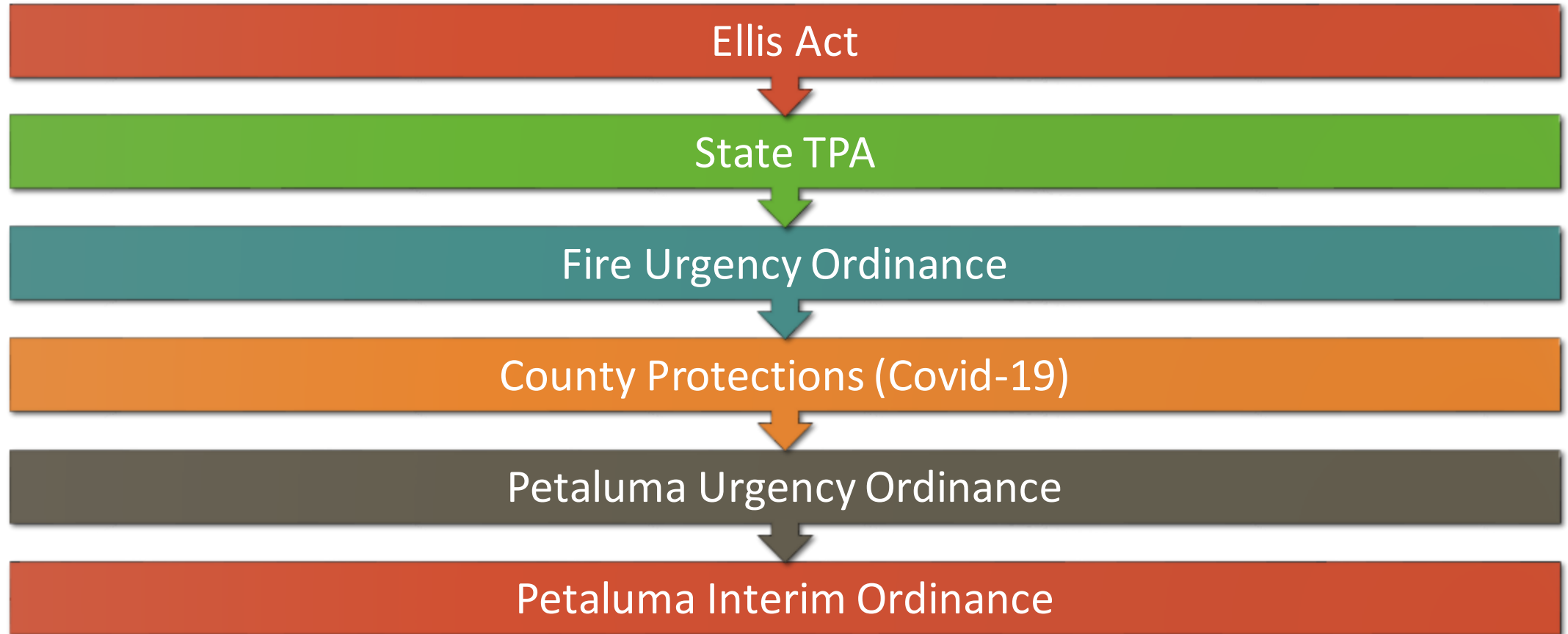
Community Feedback

Options for Consideration

Council & Public Comment

Council Direction

History of Rental Housing Regulations



Tenant Protection Types

PETALUMA ORDINANCE DOES NOT IMPOSE RENT CONTROL

Termination
Limitations

Noticing

Rent Control

Displaced
Tenant
Protections

State of CA Rental Housing Regulations

Ellis Act (1985)

- Protects right to remove property from rental market
- Authorizes local jurisdictions to adopt specified restrictions

CA Tenant Protection Act (2019)

- Limits just causes for tenancy terminations
- Limits rent increases
- Authorizes local jurisdictions to enact more protective rules

Petaluma Interim Ordinance

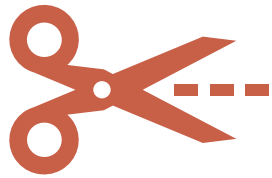
Replaces TPA just
cause regulations

Leaves TPA rent
control intact

Includes
protections in
addition to TPA
protections

Implements Ellis
Act protections

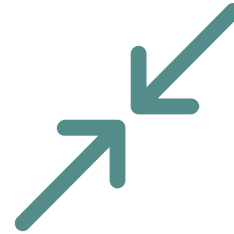
Petaluma Interim Ordinance vs. TPA



Removes
some
exceptions



Applies to
most
tenants
sooner



Eliminates /
changes
some just
causes



Adds
additional
protections

State TPA / Petaluma Ord. / Neighbors

Comparison Jurisdictions Include:

- Marin County, San Rafael, Richmond, Fairfax, Emeryville, E. Palo Alto

Which Units are Protected?

STATE TPA – All units below are excluded

NEWER
w/in 15 yrs

AFFORDABLE
rent / income
restricted

DORMS
schools, hospitals,
churches, care

OWNER
OCCUPIED
shares a
bath/kitchen

OWNER
OCCUPIED
Duplex, ADU

SINGLE
FAMILY
HOMES

HOTELS / SHORT
TERM RENTALS
Less than 30 days

PROPERTY
MGR

Which Units are Protected?

PETALUMA— Orange units included

NEWER
w/in 15 yrs

AFFORDABLE
rent / income
restricted

DORMS
schools, hospitals,
churches, care

OWNER
OCCUPIED
shares a
bath/kitchen

OWNER
OCCUPIED
Duplex, ADU

SINGLE
FAMILY
HOMES

HOTELS / SHORT
TERM RENTALS
Less than 30 days

PROPERTY
MGR

Units Covered

TENANTS PROTECTED



YES



NO

	Newer	Affordable	Govt./ Non Prof. Owned	Dorms	Owner Occupied shared	Single Family	Hotels / Strs	ADUs	Resident Manager	Care Facilities
State of CA										
Petaluma										
Marin County*										
Emeryville										
Richmond										
Fairfax										
San Rafael*										
E. Palo Alto										

*Ordinance only applies to properties with 3 or more units

When do tenants qualify?



1 Day

Marin
Emeryville
Richmond
Fairfax
San Rafael
E Palo Alto

6 Mos

Petaluma
(most
tenants)

12 Mos

State of CA TPA
Petaluma (Owner
Occupied, ADUs)

Allowed Terminations – At Fault

WHEN TENANT IS THE CAUSE – STATE LAW

Failure to pay
rent

Breach of
lease

Causing a
nuisance

Criminal
activity

Using unit for
illegal
purpose

Committing
waste

Subletting
against lease

Refusal to
allow owner
to enter

Tenant fails to
vacate after
intent to leave

Employee fails
to vacate after
termination

Allowed Terminations – At Fault

WHEN TENANT IS THE CAUSE – PETALUMA ORD

*Cannot
refuse \$
from 3rd.
Party*

Failure to pay
rent

Breach of
lease (*only
some terms*)

Causing a
nuisance

Criminal
activity

*Includes
unsanitary
conditions*

*Requires
Conviction*

Using unit for
illegal
purpose

Committing
waste

Subletting
against lease


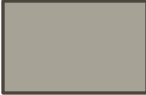
Refusal to
allow owner
to enter

*Not if
related to
domestic
violence,
sexual
assault,
elder
abuse*

Tenant fails to
vacate after
intent

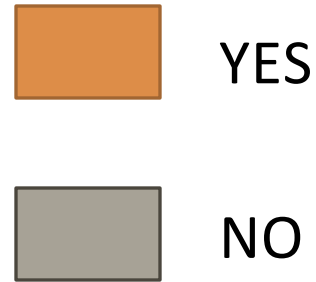
Employee fails
to vacate after
termination

At Fault Grounds to Terminate

-  YES
-  NO

		Failure to Pay	Breach of Lease	Nuisance	Criminal Activity	Illegal Purpose
State of CA						
Petaluma						
Marin County						
Emeryville						
Richmond						
Fairfax						
San Rafael						
E. Palo Alto						

At Fault Grounds to Terminate



	Illegal Purpose	Committing Waste	Prohibited Subletting	Refusing Owner Entry	Refusing to Move w/ Intent	Employee Won't Vacate
State of CA	YES	YES	YES	YES	YES	YES
Petaluma	YES	NO	NO	YES	NO	NO
Marin County	YES	NO	NO	YES	NO	NO
Emeryville	YES	NO	YES	NO	NO	NO
Richmond	NO	NO	NO	YES	NO	NO
Fairfax	NO	NO	NO	YES	NO	NO
San Rafael	NO	NO	NO	YES	NO	NO
E. Palo Alto	NO	YES	NO	YES	NO	NO

Allowed Terminations – "No Fault"

WHEN LANDLORD IS THE CAUSE – STATE LAW

Owner wants to
remove units from
the rental market
(Ellis Act)

Owner or family
member wants to
occupy unit

Substantial
rehabilitation to
the unit is needed

Complying with a
Government or
Court order to
vacate

Relocation =
100% of 1 mo. rent

Allowed Terminations – "No Fault"

WHEN LANDLORD IS THE CAUSE – PETALUMA ORDINANCE

Owner wants to
remove a unit from
the rental market
(Ellis Act)

Owner/family
member wants to
occupy unit*

*(owner must move in w/in
90 days & stay 1 yr)*

If Owner owns
multiple units
and one is
vacant, Owner/
relative cannot
terminate except
to accommodate
a disability

No
termination
during
school year
– teachers /
students

Substantial
rehabilitation to
the unit is needed

Must get
permit
first

Allowed Terminations – "No Fault"

WHEN LANDLORD IS THE CAUSE – PETALUMA ORDINANCE

Complying with a
Government or
Court order to
vacate

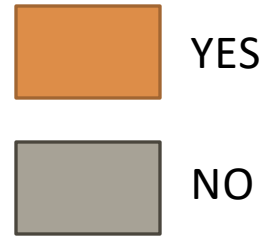


No
termination
during
school year
– teachers /
students

Relocation =
100% of 1 mo. rent

*150% if tenant
is under 18,
over 62, low
income,
disabled,
or long-term
tenant*

No Fault Grounds to Terminate



	Removal from Market	Owner Move In	Substantial Rehab	Court Order	Expiration of Lease
State of CA	YES	YES	YES	YES	NO
Petaluma	YES	YES	YES	NO	NO
Marin County	YES	YES	YES	NO	NO
Emeryville	YES	YES	YES	NO	NO
Richmond	YES	YES	YES	NO	NO
Fairfield	YES	YES	YES	NO	NO
San Rafael	YES	YES	YES	NO	NO
Santa Rosa	YES	YES	YES	NO	YES
E. Palo Alto	YES	YES	YES	YES	NO

Relocation Assistance for No-Fault

None	1 mo rent	2 mo rent	5 mo rent	\$5,000	\$7.5-10k+
<ul style="list-style-type: none">• Marin• San Rafael	<ul style="list-style-type: none">• State• Petaluma (+50% if qualified)• Emeryville (Small)	<ul style="list-style-type: none">• Fairfax (+ \$3k if qualified with annual CPI)	<ul style="list-style-type: none">• Emeryville (large)	<ul style="list-style-type: none">• Richmond (\$4k-\$20k)	<ul style="list-style-type: none">• E Palo Alto

Petaluma – No Fault Additional Protections from TPA

Tenant receives "Right of First Refusal"

- **Withdrawal**- Within 10 years of withdrawal from the rental marketplace, on same terms with TPA adjusted rent for the first five years.
- **Intent to move-in** – If owner or family member fails to occupy within 90 days of termination or fails to reside for 3 consecutive years.
- **Substantial Rehab** - After rehab is complete the tenant has the right to reoccupy the unit.

No-Fault Noticing Requirements

(Ellis Act)

Removal notice must
be recorded &
provided to tenant

Notice of relocation
assistance right

Notice to City if
owner plans to move
in

Notice to City
regarding rehab
plans

Other Protections

PETALUMA ORDINANCE

Notice of Tenant
Rights required

No termination for
tenants exercising
their rights

Civil cause of action

Tenants can recover
attorneys' fees if
they prevail in an
unlawful detainer

City reserves right
to enforce

Noting Requirements

PETALUMA ORDINANCE

English &
Spanish &
language of lease

New / renewal of
lease or rent
increase

Sale of property

Petaluma
Ordinance
changes

Noting Requirements

PETALUMA ORDINANCE – NO FAULT NOTICES

Notice must be
recorded &
provided to tenant

Notice of right to
relocation

Notice to City if
owner plans to
move in

Notice to City
regarding rehab
plans

Community / Stakeholder Feedback

Stakeholder Meetings

- Landlords
- Tenants

Community Information Workshops

- Virtual
- In Person

Public Feedback Through Email & Website

Survey

Partial Overview of Stakeholder Feedback Landlords

Local mom and pops

- Mostly own single-family homes
- Often as retirement investment
- Worry they won't be able to sell
- May sell to avoid regulations
- Rules seem designed for corporate / predatory landlords

Local property managers

- Say most move outs are tenant driven (approx. 80%)
- Remaining primarily for owner move in
- Estimate turnover cost exceeds \$11,000
- Very few evictions – often as a result of extreme problems

Partial Overview of Stakeholder Feedback

Tenants and Tenant Advocates

Local Tenants

- Shared stories of hardship when tenancies terminated
- Shared fears of landlord retaliation if they complain

Tenant Advocates

- Shared data about calls from region
- State that the landlord / tenant contract is not equal
- Point to lack of affordability as major issue

Data Collection - What we know

34.1% of
Petaluma units
are Rental

\$2,381 avg rent 1
bedroom apt.

78% of Petaluma
Housing is Single-
Family

18.8% of
Petaluma Housing
is Multi-Family

Annual evictions
average 86

Annual evictions
decreased during
COVID

Table A11: Housing Tenure in Petaluma and Surrounding Jurisdictions

Jurisdiction	% of Occupied	
	Owner	Renter
Petaluma	65.9%	34.1%
Rohnert Park	54.8%	45.2%
Santa Rosa	54.7%	45.3%
Sonoma	61.0%	39.0%
Sonoma County	62.2%	37.8%
Sources: ABAG Housing Element Data Packet; ACS (2015-2019) 5-Year Estimates		

Table A8: Housing Problems for Lower Income

Household Income and Housing Problem	Seniors	Large Families	Renters
Extremely Low ($\leq 30\%$ AMI)	665	185	1,390
% with any housing problems	57.1%	81.1%	65.7%
% Cost Burden $>30\%$	57.1%	81.1%	65.7%
% Cost Burden $>50\%$	45.9%	73.0%	56.3%
Very Low ($> 30\%$ to $< 50\%$ AMI)	420	70	995
% with any housing problems	72.6%	100.0%	85.4%
% Cost Burden $>30\%$	69.0%	64.3%	80.9%
% Cost Burden $>50\%$	45.2%	21.4%	60.8%
Low Income ($> 50\%$ to $< 80\%$ AMI)	340	205	1,065
% with any housing problems	75.0%	80.5%	77.0%
% Cost Burden $>30\%$	66.2%	75.6%	70.4%
% Cost Burden $>50\%$	33.8%	29.3%	34.3%
Moderate/Above ($>80\%$ AMI)	260	465	4,225
% with any housing problems	67.3%	48.4%	27.9%
% Cost Burden $>30\%$	65.0%	44.1%	25.5%
% Cost Burden $>50\%$	7.3%	2.2%	2.2%
Total Households	1,685	925	7,975
% with any housing problems	66.2%	65.9%	47.3%
% Cost Burden $>30\%$	63.1%	60.0%	44.6%
% Cost Burden $>50\%$	37.3%	23.8%	23.2%
<i>Sources: HUD Comprehensive Housing Affordability Strategy (CHAS); based on ACS (.</i>			

DATA

Table A15: Rental Market – December 2021

Unit Type	Bedrooms	Units Listed	Range	Median	Average
Apartment	1	15	\$2,115-\$2,865	\$2,306	\$2,381
	2	21	\$2,280-\$3,039	\$2,776	\$2,756
	3	See Note Below	\$3,095-\$4,921	\$3,565	\$3,660
Condos	1	2	\$1,900-\$1,950	\$1,925	\$1,925
	2	1	\$2,700	\$2,700	\$2,700
Townhomes	2	2	\$3,200	\$3,200	\$3,200

Note: When these websites were accessed, three-bedroom apartments were not available; however, the price range was available.

Sources: *Apartments.com* and *Rent.com*, accessed December 2021

Eviction Data

(provided by Legal Aid)

	2017	2018	2019	2020	2021	2022 (12-22)	Totals
Petaluma	128	116	105	42	42	83	516
94952	53	38	51	22	21	37	222
94954	75	78	54	20	21	46	294
Sheriff lock outs	63	36	54	12	23	31	219
Legal Aid Client Intake #s			46	51	55	85	Not enough data

Data Collection – What we don't know

How many
Petaluma renters
live in single family
units?

How many
tenancies have
been terminated?

Reasons for
tenancy
terminations?

How TPA has
affected the
market?

How new regs
could affect
future?

Survey

Feb 12 - 24

English /
Spanish

300 printed
copies

Self
reporting

Anonymous
/ unverified

Over 1000
responses

47%
Landlords

36%
Tenants

Several respondents noted that some questions were unclear

Findings

50% of renters agree that Petaluma should have protections

Agreement among landlords / tenants that all TPA At Fault causes should remain

Renters more likely than landlords to want protections prior to 12 months

Renters prefer additional units to be covered – newer, affordable, govt. owned

Findings

Renters prefer relocation of 150% of 1 mo rent or cost

Most landlords and ½ renters did not support right to move back (1 year max)

Most disagree with educator / student protections

Renters agree with noticing of rights; most landlords disagree or are unsure

Renters agree / landlords disagree re attorneys fees for successful plaintiffs

Renters agree that permits should be required before termination for rehab

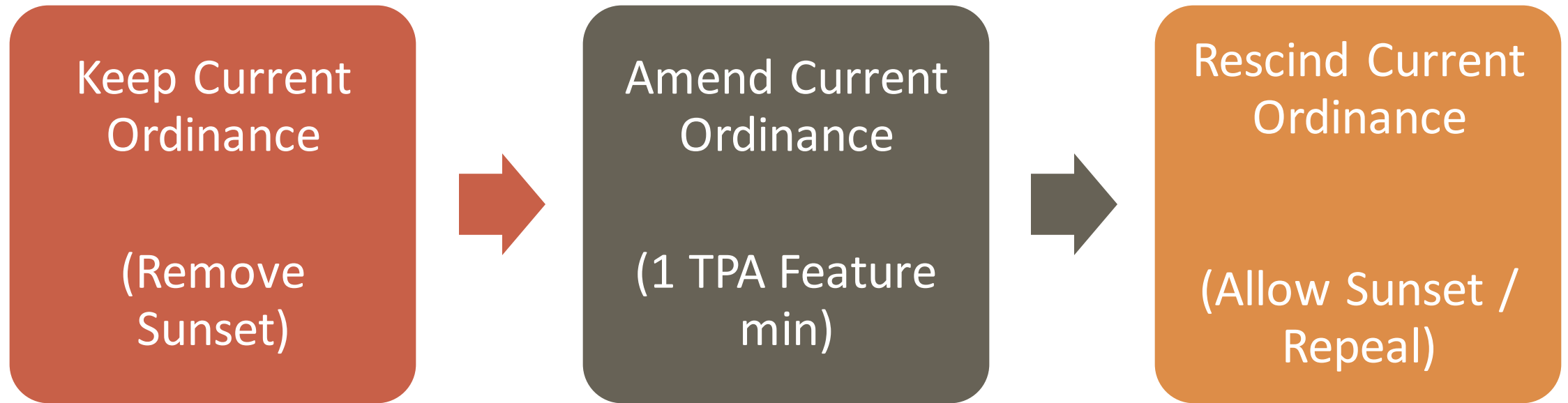
Open ended comments

300+ comments

Rules will cause landlords to remove units from market

Risk of bad tenants and relocation too burdensome

Options for next steps



Options to consider

BASED ON COMMUNITY FEEDBACK



Menu of Options – Community Feedback

Single family units
should be exempt

Units subsidized by
govt. should not
be exempt

Exempt
“temporary
tenancies”
(sabbatical)

Tenants protected
day 1 of tenancy

Mirror the TPA’s
just causes-
“waste” &
“subletting”

Remove “threat of
violent crime” just
cause

Menu of Options – Community Feedback

Add additional just causes for
“Tenant at sufferance” &
“Sale of Property”

Breach of Lease should exempt subletting when # occupants not in violation of lease, family, or State law

Eliminate “unsanitary conditions” as a just cause

Strengthen the Owner Move In Just Cause by only allowing one unit per property

Strengthen “substantial rehab” just cause by allowing tenant to enter agreement at similar unit if available

Eliminate the Ellis Act and reduce the length of owner right of first refusal but maybe increase relocation

Menu of Options – Community Feedback

Increase the
relocation costs for
no-fault

Decrease the
relocation costs for
no-fault

Eliminate the option
of crediting rent in
lieu of relocation
payment

Remove the Educators
and Student year
protections for
OMI/Ellis Act

Eliminate tenant's
ability to recover
attorney's fees if
prevail

Eliminate the City's
authority to enforce
violations of the
ordinance

Potential “Just Cause” Comparisons

	Subleasing Exemption for Breach of Lease	Unsanitary Conditions as part of “Nuisance”	Selling the Property is a Just Cause	Owner Move In Just Cause	Temporary Tenancies Just Cause	Tenant Refuses to Enter a new Substantially Similar Agreement after Expiration
Petaluma		X		X		
TPA				X		
Marin County		X		X		
Emeryville				X		X
Richmond	X			X	X	
Fairfax	X			X	X	
San Rafael		X		X	X	X
East Palo Alto	X			X		X

Potential Enforcement Provisions

	Attorney Fees	Jurisdiction can Enforce
Petaluma	X	X
TPA		
Marin County	X	X
Emeryville	X	X
Richmond	X	
Fairfax	X, but not for unlawful detainers	
San Rafael	X	
East Palo Alto	X	X

Council Questions & Public Comment
