

**EFFECTIVE DATE
OF ORDINANCE**

Month DD, YYYY

ORDINANCE NO. XXX N.C.S.

Introduced by:

Seconded by:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PETALUMA AMENDING
CHAPTER 6.60 OF THE PETALUMA MUNICIPAL CODE ENTITLED
“RESIDENTIAL TENANCY PROTECTIONS”**

WHEREAS, in 2019, the Legislature passed the Tenant Protection Act (TPA), California Civil Code Sections 1946.2 and 1947.12-1497.13, establishing a statewide system of residential rent control and permissible “just causes” for termination of residential tenancies; and

WHEREAS, Section 1946.2(b)(1) of the TPA recognizes the following as “at-fault” just causes for termination of residential tenancies: default in payment of rent; breach of a material lease term; refusal to execute a lawful lease extension or renewal; tenant criminal activity on the property; assignment or subletting in violation of the lease; refusal to allow the owner to enter the property; using the premises for an unlawful purpose; an employee agent, or licensee’s failure to vacate after termination as an employee, agent or licensee; and failure to deliver possession after providing the owner written notice or after making an offer to surrender that is accepted in writing; and

WHEREAS, Section 1946.2(b)(2) of the TPA recognizes the following as “no-fault” just causes for termination of residential tenancies: intent to occupy the unit by the owner or their spouse, domestic partner, children, grandchildren, parents or grandparents; withdrawal of the unit from the rental market; and the property owner complying with an order issued by a government agency or court or a local ordinance that necessitates vacating the property; and

WHEREAS, the TPA currently will expire on January 1, 2030; and

WHEREAS, to protect tenants from unjust terminations of residential tenancies, the City Council desires to enact protections pursuant to the City’s police power, and the authorization in Section 1946.2(g)(1)(B) of the TPA; and

WHEREAS, Section 1947.12 of the TPA prohibits owners of residential real property, over the course of any 12-month period, from increasing the gross rental rate for dwellings or units more by than 5% plus the percentage change in the cost of living, as defined, or 10%, of the lowest gross rental rate charged for the immediately preceding 12 months (whichever is less), and prohibits owners of residential real property from increasing the gross rental rate for dwelling units in more than 2 increments over a 12-month period for tenants that have remained in occupancy of the unit over a 12-month period, subject to specified requirements and exemptions, including an exemption for specified single family rental units; and

WHEREAS, Section 1946.2 (g)(1)(B)(ii) of the TPA authorizes local tenant protection ordinances that are adopted after September 1, 2019 that are more protective than the TPA to apply in lieu of the TPA; and

WHEREAS, Section 1946.2(g)(1)(B) of the TPA provides that to be more protective than the TPA, local ordinances must: have just causes for termination of residential tenancies consistent with those in Section 1946.2 of the TPA; further limit the reasons for termination of residential tenancies, provide for higher relocation

assistance amounts, or provide additional tenant protections not prohibited by other provisions of law; and include a binding finding that the ordinance is more protective than the provisions of Section 1946.2 of the TPA; and

WHEREAS, there is a shortage of affordable rental housing in the city of Petaluma, because over 1/3 of housing units in Petaluma are occupied by renters, 18.2% of households in Petaluma live in neighborhoods that are susceptible to or experiencing displacement, and 38.7% of Petaluma households live in neighborhoods where low-income households are likely to be excluded due to prohibitive housing costs¹; and

WHEREAS, the rental vacancy rate in Petaluma is 1.9²%; and

WHEREAS, the median rent in Petaluma for one- and two-bedroom units was \$2,527 as of July 2022, the highest median rent in Sonoma County³; and

WHEREAS, 81% of renters in Petaluma with incomes below 80% of area median income are paying more than 30% of their income for housing costs, and this statistic has increased since the adoption of the City's previous Housing Element, when approximately 63% of renters were paying more than 30% of their income for housing⁴; and

WHEREAS, during the last two years during the COVID-19 pandemic there was a 5% increase in homelessness in Sonoma County⁵; and

WHEREAS, between January 2021 and January 2022, the cost of rental housing in Petaluma rose 14.5%, despite the TPA rent caps and anti-price gouging statutes limiting rent increases to 10%⁶; and

WHEREAS, a lack of affordable rental housing can lead to overcrowding, household stress, and homelessness; and

WHEREAS, just cause protections for termination of residential tenancies promote fair housing by reducing the likelihood that the termination of a tenancy is motivated by unlawful discrimination or retaliation, and by protecting existing tenants who are statistically more likely to be members of protected classes than homeowners in Petaluma; and

WHEREAS, a 2018 research project by the California Housing Partnership and U.C. Berkeley's Urban Displacement Project regarding rising housing costs and resegregation showed that displaced households experienced greater housing costs after displacement, whether they moved within the same county, to a new county in the Bay Area, within the region, or out of state⁷; and

WHEREAS, studies have found that families that experience evictions suffer increased material hardship, are more likely to suffer from depression, report worse health for themselves and their children, and report more parenting stress;⁸ and

WHEREAS, the TPA only provides tenant protections for occupancies of one year or more; and

¹ <https://mtcdrive.app.box.com/s/nei8x775oi5m47mqhu8ctpyyqrio2v3/file/794789786076>.

² <https://www.rate.com/research/petaluma-ca>

³ Id.

⁴ <https://storage.googleapis.com/proudcity/petalumaca/uploads/2019/09/HousingElement.pdf> Appendix A, Page 11

⁵ <https://www.pressdemocrat.com/article/news/sonoma-countys-homeless-population-increased-5-during-pandemic/>

⁶ [Napa, Sonoma, Marin, Solano rents jump, burdening tenants, landlords \(northbaybusinessjournal.com\)](https://www.northbaybusinessjournal.com/napa-sonoma-marin-solano-rents-jump-burdening-tenants-landlords/)

⁷ Zuk, M., & Cahnple, K. (2018). Urban Displacement Project. <https://www.urbandisplacement.org/topic/evictions-housing-precarity-risk-model/>

⁸ [Eviction's Fallout: Housing, Hardship, and Heath Matthew Desmond & Rachel Tolbert Kimbro \(2015\) Oxford University Press. https://scholar.harvard.edu/files/mdesmond/files/desmondkimbro.evictions.fallout.sf2015_2.pdf](https://scholar.harvard.edu/files/mdesmond/files/desmondkimbro.evictions.fallout.sf2015_2.pdf)

WHEREAS, Petaluma tenants have little protection against landlords evicting them ostensibly to remove the property from the rental market and re-renting the unit at a higher price; and

WHEREAS, some owners of residential property are dependent on the rental income from tenants for their livelihoods, particularly such property owners that are natural persons rather than corporate entities, and such property owners that live on the same property as a unit that is being rented; and

WHEREAS, at the May 2, 2022 City Council meeting, the City Council identified enactment of tenant protections as one of its top ten priorities for the fiscal year 2022/2023; and

WHEREAS, on September 12, 2022, the City Council adopted Ordinance No. 2823 N.C.S. adding Chapter 6.60 entitled “Residential Tenancy Protections” to the Petaluma Municipal Code; and

WHEREAS, Ordinance 2823 N.C.S. established tenant protections more protective than those provided under the TPA, in accordance with the TPA’s requirements for local tenant protection ordinances; and

WHEREAS, Ordinance 2823 N.C.S. was adopted with a March 1, 2023 sunset date, and when adopting the ordinance, the City Council directed staff to gather input from stakeholders and data regarding the effects of the ordinance, and to return to the City Council with potential amendments to the ordinance; and

WHEREAS, to allow the time necessary for staff to carry out the outreach directed by the City Council, on January 23, 2023, the City Council extended the sunset date of Ordinance 2823 N.C.S. to July 1, 2023; and

WHEREAS, in accordance with the City Council’s direction, staff conducted the following outreach efforts: a stakeholder meeting with Petaluma People Services Center, the City’s fair housing services provider, on January 25, 2023; separate stakeholder meetings with various tenant advocate organizations and property management and real estate organizations and property owners on January 26, 2023; community workshops - one virtual on February 1, 2023, and one in-person on February 4, 2023 - with presentations on Chapter 6.60 tenant protections and potential Council options for amendments; and released a community survey on February 4, 2023 to answer questions and request feedback on the existing Chapter 6.60 protections and options for amendments; and

WHEREAS, on March 6, 2023, the City Council conducted a workshop at a regularly scheduled City Council meeting, regarding the City’s residential tenancy regulations and received public input, as well as information on how the City’s residential tenancy regulations compare with those of other local jurisdictions, and after deliberation, the City Council gave direction to staff regarding proposed amendments to the City’s regulations, including: an exception for owners of two or fewer residential rental units; temporary tenancies; commencing tenant protections at the commencement of the tenancy; preserving the just causes for termination of tenancies in the TPA; eliminating Ellis Act protections; establishing a 6 month right of return for tenants displaced by a no-fault termination; including sale of the property as a no-fault just case for termination, subject to relocation assistance; and increased relocation assistance for no-fault terminations; and directed staff to return with ordinance amendments reflecting the Council direction in April, 2023; and

WHEREAS, at the March 6, 2023 City Council meeting, the City Council also identified tenant protection regulatory options about which the Council requested further information including: exemptions for government subsidized units; exemptions for units that received their certificates of occupancy in that last 15 years; protections for Petaluma teachers and K-12 students; and requiring property owners to permit eligible tenant household members to return to the tenant household subject to Health and Safety Code occupancy requirements; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (“CEQA”), and enactment of this ordinance does not qualify as a “project” within the meaning of Section 15378 of the CEQA Guidelines, because enactment of this ordinance is administrative activity that has no potential for resulting in physical change in the environment, because this ordinance adopts residential tenant protection measures for existing residential units in Petaluma, a solely administrative process resulting in no physical changes to the environment, because this ordinance contains no provisions affecting the physical design, development, or construction of residences or nonresidential structures; and because, in view of the City’s declared Shelter Crisis, amendments to the City’s residential tenancy protections are exempt from CEQA pursuant to Section 15269(c) of the CEQA Guidelines as specific action necessary to prevent or mitigate an emergency; and

WHEREAS, on April 17, 2023, the City Council held a duly noticed public meeting to receive and consider this ordinance, including the accompanying staff report and comments from staff and the public;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Petaluma, as follows:

SECTION 1. Findings. The City Council of the City of Petaluma hereby finds as follows:

1. The above recitals are hereby declared to be true and correct and are incorporated into this ordinance as findings of the City Council.
2. This ordinance is exempt from the requirements of the California Environmental Quality Act (“CEQA”) and enactment of this ordinance does not qualify as a “project” within the meaning of Section 15378 of the CEQA Guidelines, because enactment of this ordinance is administrative activity that has no potential for resulting in physical change in the environment, because this ordinance adopts residential tenant protection measures for existing residential units in Petaluma, a solely administrative process resulting in no physical changes to the environment, and because this ordinance contains no provisions affecting the physical design, development, or construction of residences or nonresidential structures. In view of the City’s declared Shelter Crisis, amendments to the City’s residential tenancy protections are also exempt from CEQA pursuant to Section 15269(c) of the CEQA Guidelines as specific action necessary to prevent or mitigate an emergency.
3. It is in the interest of the entire Petaluma community to provide housing stability through adoption of local protections against arbitrary termination of residential tenancies and to increase certainty and fairness in the residential rental market within the city in order to promote the health, safety, and general welfare of Petaluma residents and property owners.
4. The rights and obligations enumerated in this ordinance of owners of residential rental property and tenants are enacted pursuant to the City’s general police powers in accordance with Article XI, Sections 5 and 7 of the California Constitution, and the authority granted in Government Code Section 1946.2, part of the Tenant Protection Act of 2019 (“the Act”), to protect the health, welfare, and safety of Petaluma residents, and such rights and obligations are in addition to any rights and obligations under existing state and federal law.
5. This ordinance is more protective than the Act in accordance with Section 1946.2(g)(1)(B) of the Act because: the just causes for termination of residential tenancies under this ordinance are consistent with that section, as specified in Section 6.60.050 of this ordinance; this ordinance further limits the just causes for termination of residential tenancies as specified in Section 6.60.050 of this ordinance; this ordinance provides for increased relocation assistance as compared to the Act, as specified in Section 6.60.080 of this ordinance, and this ordinance provides additional tenant protections that are not prohibited by any other provision of law as specified elsewhere this ordinance.

SECTION 2. Chapter 6.60 entitled “Residential Tenancy Protections” of the Petaluma Municipal Code is hereby amended in accordance with the following.

Section 6.60.010, Purpose and intent, is hereby amended to read as follows:

- A. It is the purpose and intent of this chapter to provide housing stability through adoption of local protections against arbitrary terminations of residential tenancies and to increase certainty and fairness in the residential rental market within the city in order to promote the health, safety, and general welfare of Petaluma residents and property owners.
- B. This chapter is enacted to further the purposes of and in partial reliance on the state-wide rent control regulations codified in Civil Code Section 1947.12, part of the Act, and in California Penal Code Section 396 during times of declared emergency. This chapter is intended to exercise the City’s constitutional police power in Article XI, Sections 5 and 7 of the California Constitution and the authority granted in Government Code Section 1946.2, part of the Act.
- C. This chapter is intended to provide tenant protections in addition to those in the Act by: commencing tenant protections sooner than does the Act, regulating residential tenant relocation assistance; prescribing required notice of tenants’ rights under this chapter; and the just causes based on which landlords of rental dwelling units located within the city may terminate specified residential tenancies in the city.
- D. This chapter is also intended to support the interests of residential property owners in: enforcing the lawful terms of their rental agreements; renting their property for temporary tenancies; and exiting the rental housing market, including upon sale of a rental unit.

Section 6.60.020, Definitions, is hereby amended to read as follows:

Terms used in this chapter that are not defined in this section and that are defined in the Act, shall have the same meaning as in the Act, as amended from time to time, and in any successor act. References in this section to the Act and other laws shall include amendments to such laws and any successor laws, and any regulations promulgated under such laws. For the purpose of this chapter, the following words and phrases are defined as follows:

- A. “*Accessory Dwelling Unit*” means an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence in accordance with the definition in Chapter 28 of the zoning ordinance.
- B. “At-fault” just causes for termination means the circumstances listed in Section 6.60.050(B) of this chapter justifying termination of a residential tenancy due to no fault of the tenant.
- C. “*City*” means the City of Petaluma, California, a California municipal corporation and charter city, and/or the area within the territorial limits of the city, as the context requires.
- D. “*City Housing manager*” means the City of Petaluma housing manager or the housing manager’s designee.
- E. “*City Manager*” means the City of Petaluma city manager or the city manager’s designee.
- F. “*Dwelling unit*” means a structure or the part of a structure in the city that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household as defined in Civil Code Section 1940. Dwelling unit does not include mobile homes as defined in Civil Code Section 798.3.
- G. “*Guidelines*” means any written regulations for the administration and implementation of this chapter promulgated by the city manager in accordance with Section 6.60.120 of this chapter.
- H. “*Housing Services*” includes all services provided by a landlord related to the use or occupancy of a dwelling unit, including, but not limited to, insurance, repairs, maintenance, painting, utilities, heat, water, elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service, employee services, and any other benefits or privileges permitted the tenant by agreement, whether express or implied, including the right to a specified number of dwelling occupants and the right to one-for-one replacement of roommates.

- I. *"Junior Accessory Dwelling Unit"* means an accessory dwelling unit that is no more than 500 square feet in size and contained entirely within a single-family residence that meets the requirements of Section 7.035 of the zoning ordinance in accordance with the definition in Chapter 28 of the zoning ordinance.
- J. *"Landlord"* means an owner, lessor, or sublessor who receives or is entitled to receive rent for the use and occupancy of any dwelling unit or portion thereof in the city, or an agent, representative or successor of any of the foregoing.
- K. *"Low income"* means "persons and families of low or moderate income" as that term is defined in Health and Safety Code Section 50093.
- L. *"No-fault"* just causes for termination means the circumstances listed in Section 6.60.050(D) of this chapter justifying termination of a residential tenancy due to no fault of the tenant.
- M. *"Notice of intent to withdraw"* means a City approved form that includes all of the requirements in Section 6.60.070(A)(1) of this chapter giving notice of an owner's intent to withdraw a building containing at least one dwelling unit from the residential rental market.
- N. *"Notice of termination"* means a written notice that includes all of the information listed in Section 6.60.060(A)(1-7) of this chapter.
- O. *"Owner"* means a natural person with at least a 50% recorded ownership interest in a dwelling unit.
- P. *"Relative"* means the child, parent, grandparent, spouse or registered domestic partner of a residential property owner or tenant.
- Q. *"Primary residence"* means a dwelling unit that an owner occupies as a primary residence, as evidenced by the dwelling unit qualifying for a homeowner's property tax exemption.
- R. *"Rent"* means the consideration, including any funds, labor, bonus, benefit, or gratuity, demanded or received by a landlord for or in connection with the use and occupancy of a dwelling unit in the city and the housing services provided therewith, or for the assignment of a rental agreement for a dwelling unit.
- S. *"Temporary tenancy"* means a tenancy in the primary residence of the owner that is less than 12 months in duration pursuant to an agreement specifying a date when the rental agreement will expire and the tenant shall surrender the unit so the owner may re-occupy it as their primary residence.
- T. *"Tenant"* means a person entitled by written or oral agreement, to the use or occupancy of a dwelling unit in the city.
- U. *"Tenant household"* means all tenant(s) who occupy any dwelling unit in the city, and includes tenant relatives whose primary residence is the dwelling unit.
- V. *"Zoning Ordinance"* means the Implementing Zoning Ordinance of the City, Ordinance 2300 N.C.S.

Section 6.60.030, Applicability, is hereby amended to read as follows:

- A. *General application.* Except as provided in subsection B of this section, the provisions of this chapter shall apply to tenants and tenant households on the first day of the term of rental agreements for dwelling units:
 - 1. That contain a separate bathroom, kitchen, and living area in a multifamily or multipurpose dwelling;
 - 2. In single room occupancy residential structures; or
 - 3. In a structure that is being used for residential uses whether or not the residential use is a conforming use permitted under the Zoning Ordinance, that is hired, rented, or leased to a household within the meaning of California Civil Code Section 1940. This includes any dwelling unit that is actually used for residential purposes, including live-work spaces, whether or not the residential use is legally permitted.
- B. *Exceptions.* Notwithstanding subsection A, the provisions of this chapter shall not apply to:
 - 1. *Tenant Protection Act Exceptions.*
 - a. Transient and tourist occupancies as defined in Civil Code Section 1940(b).
 - b. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

- c. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
2. *Small Property Owners.* Residential rental units of property owners that are not a real estate investment trust, as defined in Section 856 of the Internal Revenue Code, or a corporation, or a limited liability company in which at least one member is a corporation, that own 2 or fewer such units in the city, and that have provided written notice to the tenants in the rental agreement that the residential property is exempt from this chapter. The notice must read as follows: “This property is not subject to the rent limits in Section 1947.12 of the Civil Code, and is not subject to the just cause requirements of Section 1946.2 of the Civil Code, and is not subject to the just cause or other requirements of Chapter 6.60 entitled “Residential Tenancy Protections” of the Petaluma Municipal Code. The owner is not a real estate investment trust, as defined in Section 856 of the Internal Revenue Code, or a corporation, or a limited liability company in which at least one member is a corporation, and owns 2 or fewer residential units in Petaluma.”
3. *Temporary Tenancies.* Temporary tenancies as defined in this chapter.
4. *Tenant Property Managers.* Any dwelling unit occupied by a tenant who is employed by a landlord for the purpose of managing the property or by a tenant who is permitted to reside in the dwelling unit in consideration of managing the property.
5. *Units Shared with Owner.* Any dwelling unit in which the owner resides with a tenant or tenant household as the owner’s primary residence and in which the owner shares a bathroom or kitchen with the tenant or tenant household.

Section 6.60.040, Notice of tenant rights, is hereby amended to read as follows:

- A. Landlords must provide to each tenant a current notice of tenant and tenant household rights under this chapter using the form provided by the City for that purpose in accordance with the requirements of this section:
 1. Within thirty calendar days of this chapter taking effect;
 2. When entering a lease or rental agreement;
 3. When renewing a lease or rental agreement;
 4. When providing notice of a rent increase;
 5. Within 30 days of notice by the City that the notice of tenant rights provided by the City has been amended and receipt of the amended city notice or a working link to the amended City notice on the City’s website;
 6. When a landlord lists the property for sale; and
 7. Within 30 days of acquiring title to the unit or property.
- B. Notices provided under this section shall be in English and Spanish, using the current forms provided by the City. If the rental agreement governing a dwelling unit to which this chapter applies is in a language other than English or Spanish, the landlord must provide an accurate translation of the notice of tenant rights provided by the City in the language of the rental agreement, as well as the notice provided by the City.
- C. Failure to comply with the notice requirements in this section shall render any rental increase notice invalid and unenforceable until such non-compliance is cured. Failure to comply with the notice requirements of this section may only be cured by providing notice of tenant rights in accordance with this section.

Section 6.60.050, Requirements for termination of tenancies, is hereby amended to read as follows:

Landlords are prohibited from terminating tenancies to which this chapter applies unless the termination is for an “at-fault” or “no-fault” just cause in accordance with this section, and unless and until the landlord first satisfies the termination prerequisites specified in this section.

- A. *Termination prerequisites.* Before terminating a residential tenancy to which this chapter applies, the landlord must:
 1. Provide a notice of tenant rights in accordance with Section 6.60.040;
 2. Serve a notice of termination in accordance with Section 6.60.060; and

3. Not accept rent or any other consideration in return for the continued use of the dwelling unit beyond the term of the terminated tenancy in accordance with Civil Code Sections 1945, 1946, and 1946.
- B. *At-fault just causes.* The following circumstances with respect to a tenancy to which this chapter applies qualify as at-fault just causes for termination of the tenancy as permitted by this chapter. Nothing in this section shall abrogate the protections afforded to survivors of violence consistent with the California Code of Civil Procedure Section 1161.3, and the Violence Against Women Act, Public Law 102-322, as amended from time to time.
 1. *Failure to pay rent.* The tenant failed to pay rent within three days of receiving written notice from the landlord demanding payment in accordance with subsection 2 of Code of Civil Procedure Section 1161, unless the tenant has withheld rent in accordance with the terms of the rental agreement or applicable local, state, or federal law.
 - a. Tenants may raise as a defense to an unlawful detainer action to recover possession of a unit for failure to pay rent that the landlord refused to accept rent paid on behalf of the tenant by a third party, or is refusing to provide a W-9 form or other necessary documentation for the tenant to receive rental assistance from a government agency, non-profit organization, or other third party.
 2. *Breach of rental agreement.* The tenant has committed a breach of the lease, as described in paragraph (3) of Section 11611 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
 3. *Tenant illegal activity.* Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.
 4. *Unlawful use of Premises.* Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Civil Code.
 5. *Nuisance.* The tenant has maintained, committed or permitted the maintenance or commission of a nuisance as described in Paragraph (4) of Section 1161 of the Code of Civil Procedure.
 6. *Failure to Give Access.* The tenant has refused, without good cause, after landlord has served written notice, to grant landlord reasonable access to the dwelling unit as authorized by Sections 1101.5 and 1954 of the Civil Code, and Section 13113.78 and 17926.1 of the Health and Safety Code.
 7. *Committing Waste.* Tenant has committed waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 8. *Refusal to Enter a New Lease.* Then tenant had a written lease that terminated on or after the effective date of this chapter, and after a written request or demand from the landlord, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this chapter or any other provision of law.
 9. *Prohibited Assignment, Subletting.* Assignment or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
 10. *Failure to Vacate.* The employee, agent or licensee's failure to vacate after their termination as an employee, agent or a license as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.
 11. *Failure to Deliver Possession.* When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Civil Code Section 1946 of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.
- C. *Limitations on Subsection B.*
 1. For purposes of paragraphs 3 – 5 of subsection B of this section, if the member of the tenant household that is responsible for giving cause for termination of the tenancy is not the tenant, the tenant, after receipt of notice of termination in accordance with Section 6.60.060, may cure the violation by

permanently removing the member of the tenant household giving cause for termination, and substantiating such removal to the landlord's reasonable satisfaction.

2. Except as permitted by Code of Civil Procedure Section 1161.3, an act or acts against a tenant or a tenant household member that constitute one of the crimes listed in that section shall not give cause for termination of a tenancy to which this chapter applies. Tenants may raise the protections in Code of Civil Procedure Section 1161.3, where applicable, as an affirmative defense to an action to terminate a tenancy. Landlords shall keep confidential all information that is received in confidence from a tenant or a tenant household member who is a victim of one of the crimes listed in Code of Civil Procedure Section 1161.3, except to the extent that such disclosure is necessary to provide for a reasonable accommodation for the victim, or is otherwise required pursuant to applicable federal, state or local law.

D. *No-fault just causes.* The following circumstances with respect to a tenancy to which this chapter applies qualify as no-fault just causes for termination of the tenancy as permitted by this chapter.

1. *Permanent withdrawal from rental market.* A landlord intends in good faith to withdraw a building containing at least one rental unit from the residential rental market.
2. *Owner or relative to occupy dwelling unit.* Intent to occupy the residential real property by the owner or their relative, but only if a provision of the lease allows the owner to terminate the lease if the owner, or their relative member unilaterally decides to occupy the residential real property.
3. *Intent to demolish or substantially remodel.* Intent to demolish or substantially remodel the residential real property. For purposes of this paragraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial remodeling.
4. *Government order.* The owner complying with any of the following:
 - a. An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.
 - b. An order issued by a government agency or court to vacate the residential real property.
 - c. A local ordinance that necessitates vacating the residential real property.

Section 6.60.060, Notice of termination, is hereby amended to read as follows:

- A. *Contents of notice of termination.* In addition to any information required by federal or state law, each notice of termination of a rental agreement to which this chapter applies must include:
 1. The name and address of the landlord where the landlord will accept service of process;
 2. The location of the dwelling unit subject to the notice;
 3. The date of the notice, which shall be the date the notice was mailed or delivered;
 4. The termination effective date, which shall be the intended final date of occupancy under the tenancy;
 5. The monthly rent applicable to the tenancy upon mailing or delivery of the notice, and, if applicable, the date on which the final monthly rent is due;
 6. The beginning date of the tenancy and monthly rent applicable at that time; and
 7. At least one applicable just cause for termination of the tenancy in accordance with Section 6.60.050.
- B. *Language of notice of termination.* Notices provided under this section shall be in English and Spanish. If the rental agreement governing a dwelling unit to which this chapter applies is in a language other than English or Spanish, the landlord must also provide an accurate translation of the notice of termination in the language of the rental agreement.
- C. *Delivery of notice.* Notice of termination must be delivered to the tenant household in accordance with Civil Code Sections 1946 and 1946.1, as applicable.

- D. *Re-notice.* If a notice of termination for a no-fault just cause is served after adoption but prior to the effective date of this chapter, the landlord shall provide the notice required by this section to the tenant household within 15 calendar days after the effective date of this chapter, or before the previously-served notice of termination expires, whichever occurs first.

Section 6.60.070, Additional notice requirements for no-fault terminations, is hereby retitled and amended to read as follows:

- A. Landlords terminating a tenancy due to permanent withdrawal of the unit from the rental market in accordance with Section 6.60.050(D)(1) must first, in addition to giving notice in accordance with Section 6.60.060, provide the tenant household and the City housing manager notice of intent to withdraw the dwelling unit. The notice of intent to withdraw must:
1. Specify the intended use of the lot where the dwelling unit to be withdrawn is located;
 2. Include a description of the tenant's rights to regain possession of the dwelling unit if the dwelling unit becomes available for residential rent in the six months immediately following the date when the landlord regained possession of the dwelling unit; and
 3. Include a description of the tenant's rights to relocation assistance in accordance with Section 6.60.080 of this chapter.
- B. Landlords terminating a tenancy due to the intent of the owner or owner's relative to occupy the dwelling unit in accordance with Section 6.60.050(D)(2) must first, in addition to giving notice as required by Section 6.60.060: provide notice of the name, address, and relationship to the owner of the individual intending to occupy the dwelling unit.
- C. Landlords terminating a tenancy due to intent to demolish or substantially remodel the unit in accordance with Section 6.60.050(D)(3) must first, in addition to giving notice as required by Section 6.60.060: provide the tenant household and the City Housing Manager a copy of any issued permits for the rehabilitation work and a description of:
1. The nature and scope of the rehabilitation work; and
 2. Why the rehabilitation work requires the tenant to vacate the tenancy.
- D. Landlords terminating any tenancy for a no-fault just cause in accordance with Section 6.60.050(D) must first, in addition to giving notice as required by Section 6.60.060, provide notice using a form provided by the City for that purpose of the tenant's right to relocation assistance in accordance with Section 6.60.080.
- E. Language of additional notice for no-fault termination.* Notices required under this section shall be in English and Spanish. If the rental agreement governing a dwelling unit to which this chapter applies is a language other than English or Spanish, the landlord must also provide an accurate translation of the required notice in the language of the rental agreement.

Section 6.60.080, Relocation assistance for no-fault terminations, is hereby amended to read as follows:

- A. Landlords terminating any tenancy for no-fault just causes in accordance with Section 6.60.050(D) must provide relocation assistance in the form of a direct payment to the tenant equal to the lesser of 250% of one month of rent under the rental agreement in effect at the time of notice of termination of the tenancy or \$11,000.00, as adjusted annually for inflation beginning on the first anniversary of the effective date of this chapter, and continuing every year thereafter.
- B. Relocation assistance required pursuant to this chapter shall be paid within 14 calendar days of service of notice of termination.
- C. If a tenant fails to vacate a dwelling unit after the expiration of a notice to terminate the tenancy that has been lawfully given in accordance with this chapter, the landlord may recover the actual amount of any relocation assistance provided pursuant to this section as damages in an action to recover possession of the dwelling unit.

- D. The relocation assistance required by this section may not be credited against any other relocation assistance required by any other law and shall not operate or be construed to operate as a waiver of any rights a tenant may have under applicable law.
- E. Nothing in this chapter may be construed to prohibit a landlord and tenant from agreeing to relocation assistance in addition to the relocation assistance required pursuant to this section. Landlords and owners of dwelling units to which this chapter applies are prohibited from attempting to convince a tenant to waive the tenant's right to relocation assistance or to accept relocation assistance that is less than that required pursuant to this chapter, and any agreement purporting to waive the tenant's right to relocation assistance or provide relocation assistance that is less than that required pursuant to this chapter shall be void as against public policy.

Section 6.60.090, Re-rental of withdrawn dwelling units, is hereby amended to read as follows.

- A. *Notice to City.* If a dwelling unit to which this chapter applies that was withdrawn from the rental market in accordance with Section 6.60.050(D)(1) is offered again for rent for residential purposes within 6 months of the date the dwelling unit was deemed withdrawn pursuant to this chapter, the owner must first notify the City Housing Manager in writing of the owner's intention to again offer the withdrawn dwelling unit for rent or lease.
- B. *Right of Return and First Right of Refusal.*
 - 1. Tenants to whom this chapter applies that are provided notice of termination of a tenancy for a no-fault just cause in accordance with Section 6.60.050(D)(1) of this chapter may, within 30 days of date of the notice, provide the landlord written notice using the form provided by the City for that purpose of the tenant's desire to consider an offer to renew the tenancy. Tenants who provide the landlord such notice shall have the first right of refusal to return to the dwelling unit if the dwelling unit is returned to the rental market by the landlord or successor landlord within 6 months of the time that the dwelling unit is deemed withdrawn pursuant to this chapter.
 - 2. The offer to rent the withdrawn dwelling unit again shall be deposited by the owner in the United States mail, by registered or certified mail with postage prepaid, addressed to the former tenant at the address furnished to the landlord as provided in this section, and shall describe the terms of the offer to renew the tenancy in accordance with the requirements of this section. The displaced tenant shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery or by deposit in the United States mail by registered or certified mail with postage prepaid. Tenants with a right of first refusal pursuant to this section may advise the landlord or their successor at any time a change of address to which an offer to renew a tenancy should be directed.

Section 6.60.100, Affirmative defense; penalties and remedies, is hereby retitled and amended to read as follows:

- A. *Affirmative defense.* A landlord's failure to comply with the requirements of this chapter shall be an affirmative defense to an unlawful detainer action by landlord. A tenant who prevails in a case for wrongful eviction due to the landlord's non-compliance with this chapter shall recover costs and reasonable attorney's fees.
- B. *Civil liability.* Whenever a landlord attempts to prevent a tenant from acquiring or exercising the tenant's rights under this chapter, or retaliates against a tenant or tenant household for the exercise of their rights under this chapter, or otherwise violates the requirements of this chapter, the tenant, tenant household, or the City may institute a civil proceeding for money damages or injunctive relief, or both. Landlords found to have violated this chapter shall be subject to appropriate injunctive relief and shall be liable for damages, costs and reasonable attorneys' fees, and whatever other relief the court deems appropriate.
- C. *City authorization to enforce this chapter.*
 - 1. The city shall have the right and authority, but not the duty, to enforce the requirements of this chapter by bringing actions for injunctive relief on behalf of the City or tenants or tenant households to which this chapter applies, and by seeking compliance by landlords with the requirements of this chapter through administrative remedies or by citation.

2. The City in its sole discretion may choose to enforce the provisions of this chapter through administrative fines and any other remedies provided in chapters 1.10-1.16 of this code. The City's decision to pursue or not pursue enforcement of any kind shall not affect the rights of tenants or tenant households to whom this chapter applies to pursue civil remedies for violations of this chapter.
- D. *Civil action to determine liability.* Any tenant may bring a civil action to determine the applicability of this chapter to a tenancy.
- E. *Other private rights of action.* Nothing in this chapter shall be deemed to limit the right of a landlord to file an action against a tenant or non-tenant third party for damage to the landlord's property, or to otherwise seek recovery from tenants or third parties as permitted by a lawful rental agreement or applicable provisions of law.
- F. *No Cause of Action against the City.* To the maximum extent permitted by law, nothing in this chapter may be construed to create a cause of action against the city, or a basis for seeking an award of attorney's fees against the City pursuant to the private attorney general's statute in Code of Civil Procedure Section 1021.5, or on any other basis arising from or related to an alleged violation of the requirements of this chapter, and/or based on or related to the City's prosecution or enforcement or alleged failure to prosecute or enforce any such alleged violation, and/or based on or related to the City's implementation or alleged failure to implement the requirements of this chapter.

Section 6.60.120, Disclosure of Rights to Tenants Before and After Sale of Rental Units, is hereby deleted in its entirety.

Section 6.60.130, Administrative Regulations and Forms is hereby renumbered as Section 6.60.120, and otherwise shall continue unmodified and in full force and effect.

Section 6.60.140, Fees for No Fault Terminations, is hereby deleted in its entirety.

SECTION 3. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a court of competent jurisdiction or preempted by state legislation, such decision or legislation shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Petaluma hereby declares that it would have passed and adopted this ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional, unlawful, or otherwise invalid.

SECTION 4. Effective Date and Deletion of Sunset. This ordinance shall become effective thirty (30) days after the date of its adoption by the Petaluma City Council. The sunset date of March 1, 2023, in Ordinance No. 2023 N.C.S., as extended to July 1, 2023 pursuant to Ordinance No. ____ N.C.S adopted on ____, is hereby deleted. Except as amended pursuant to this ordinance, Ordinance No. 2023 N.C.S shall continue in full force and effect unless and until further amended or repealed by the City Council.

SECTION 5. Posting/Publishing of Notice. The City Clerk is hereby directed to publish or post this ordinance or a synopsis for the period and in a manner provided by the City Charter and other applicable law.

INTRODUCED and ordered published and posted this DD day of Month YYYY.

ADOPTED this DD day of Month YYYY by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Recused:

Kevin McDonnell, Mayor

ATTEST:

APPROVED AS TO FORM:

Kendall Sawyer, CMC, City Clerk

Eric Danly, City Attorney