

**EFFECTIVE DATE
OF ORDINANCE**

Month DD, YYYY

ORDINANCE NO. 2857 N.C.S.

Introduced by: Janice Cader Thompson

Seconded by: Mike Healy

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PETALUMA
AMENDING CHAPTER 6.50 OF THE PETALUMA MUNICIPAL CODE ENTITLED
“MOBILEHOME PARK SPACE RENT STABILIZATION PROGRAM,” AND REPEALING AND
REPLACING THE URGENCY ORDINANCE ADOPTED JUNE 19, 2023 AMENDING SECTION
SECTION 6.50.040(A) OF THE PETALUMA MUNICIPAL CODE**

WHEREAS, in 1994, the City of Petaluma enacted Chapter 6.50 of the Petaluma Municipal Code entitled “Mobilehome Park Space Rent Stabilization Program” (“Regulations”) by adoption of Ordinance No. 1949 N.C.S.¹ (“Ordinance”); and

WHEREAS, the Ordinance contains Section 6.50.010 of the Ordinance, entitled “Findings and Purpose; and

WHEREAS, the findings and purposes enumerated in Subsections 6.50.010(G-O) of the Regulations are still pertinent in Petaluma and are incorporated herein by this reference as support for the ongoing need for mobile home space rent stabilization in Petaluma, and for the need for amendments to the City’s regulations consistent with their purposes; and

WHEREAS, pursuant to Executive Order N-23-20, signed by Governor Newsom, “California faces a severe housing crisis that has made housing unaffordable for too many Californians and, in turn, exacerbated the problem of homelessness;”² 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 costs³; and

WHEREAS, the rental vacancy rate in Petaluma is 1.92%;⁴ 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 County⁵; 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 housing⁶; and

¹ <https://petaluma.municipal.codes/Code/6.50>

² Executive Order N-23-20 <https://www.gov.ca.gov/wp-content/uploads/2020/01/EO-N-23-20-Homelessness-Crisis-01.08.2020.pdf>

³ <https://mtcdrive.app.box.com/s/nei8x775oi5m47mqhu8ctpyyqrioa2v3/file/794789786076>.

⁴ <https://www.rate.com/research/petaluma-ca>

⁵ Id.

⁶ <https://storage.googleapis.com/proudcity/petalumaca/uploads/2019/09/HousingElement.pdf> Appendix A, Page 11

WHEREAS, during the last two years during the COVID-19 pandemic there was a 5% increase in homelessness in Sonoma County⁷; and

WHEREAS, between January 2021 and January 2022, the cost of rental housing in Petaluma rose 14.5%, despite the Tenant Protection Act rent caps and anti-price gouging statutes limiting rent increases to 10%⁸; and

WHEREAS, on September 13, 2021, the City Council declared a shelter crisis in the City of Petaluma due to the lack of affordable and accessible housing in California, Sonoma County and Petaluma, pursuant to Resolution 2021-149 N.C.S.⁹; and

WHEREAS, the recitals enumerated in Resolution 2021-149 N.C.S. are hereby incorporated herein in support of the need for amendments to the City's Regulations; 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, there exists legislation in the State of California known as the Mobilehome Residency Law (Civil Code Sections 798 et seq.) that regulates tenancies of mobilehome owners in mobilehome parks, recognizing the distinction between homeowners in mobile home parks and residents of other rental housing units; and

WHEREAS, mobilehome owners residing in mobilehome parks have made significant investments in residences located on rented or leased property, unlike tenants in apartments or other rental units; and

WHEREAS, the mobility of mobile homes is often limited due to factors such as age and condition, as well as the scarcity of vacant spaces in mobile home parks, making relocation challenging; and

WHEREAS, the process of moving a mobile home can be costly and may result in damage and depreciation of its value, particularly when separating the home from its appurtenances; and

WHEREAS, "Some older homes may not be able to be moved at all due to structural concerns or the fact that parks often will not accept older mobilehomes"¹⁰; and

WHEREAS, "Rents paid by mobilehome residents cover park amenities, park common areas, and maintenance of in-park infrastructure like roads and fences, and, in addition to rents, residents are still responsible for making other payments just like other homeowners, including paying mortgages and taxes, as well as making payments for repairs and maintenance"¹¹; and

WHEREAS, "Many of California's mobilehome owners are seniors, veterans, and families seeking an affordable community environment in which to live"¹²; and

⁷ <https://www.pressdemocrat.com/article/news/sonoma-countys-homeless-population-increased-5-during-pandemic/>

⁸ Napa, Sonoma, Marin, Solano rents jump, burdening tenants, landlords (northbaybusinessjournal.com)

⁹ <https://cityofpetaluma.primegov.com/Portal/viewer?id=24208&type=2>

¹⁰ April 30, Assembly Housing and Community Development, Bill analysis for AB 978
https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB978#

¹¹ Section 1, Subsection (h) of Assembly Bill 978 (2021).
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB978

¹² Id, Subsection (f)

WHEREAS, a state of emergency was declared by the Governor of California on March 4, 2020, in response to the COVID-19 pandemic, leading to severe economic and health impacts, including a peak national unemployment rate of 13% percent¹³; and

WHEREAS, although the COVID-19 pandemic has subsided and unemployment rates have decreased, ongoing financial repercussions from the pandemic continue to affect Petaluma residents, and low income community members in particular; and

WHEREAS, the Consumer Price Index (CPI) for All Urban Consumers has shown annual changes exceeding five percent since May, 2021 and exceeding eight percent from March to September 2022, according to the Bureau of Labor Statistics; and

WHEREAS, the CPI for the San Francisco Bay Area region, although slightly lower than the national average, remains high and significantly above historical averages, as reported by the Bureau of Labor Statistics; and

WHEREAS, the fluctuations in CPI indicate a historic peak in inflation rates over the past forty (40) years;¹⁴ and

WHEREAS, the elevated inflation rates observed in the last one to two (1-2) years are indicative of significantly increased costs associated with essential goods such as food, energy (home heating and gasoline), medical care, apparel, and other necessities for basic human life; and

WHEREAS, the substantial inflation rates adversely affect consumers' purchasing power, particularly impacting individuals with fixed incomes; and

WHEREAS, within the City of Petaluma, there are seven mobile home parks comprising approximately 869 spaces, which play a crucial role in providing affordable housing options; and

WHEREAS, a significant number of mobile home park residents in the City of Petaluma are senior citizens with fixed incomes, qualifying as very-low or low-income individuals according to criteria established by the California Department of Housing and Community Development; and

WHEREAS, numerous residents in Petaluma's mobile home parks face rent burdens, wherein they must allocate more than 30% of their income towards housing expenses; and

WHEREAS, due to these circumstances, the residents of the mobile home parks in the City of Petaluma endure a disproportionate and severe impact caused by high inflation; and

WHEREAS, the recent high CPI and rising costs of living pose financial challenges for residents of mobile home parks in the City of Petaluma; and

WHEREAS, the annual percentage change in the CPI for the San Francisco Bay Area region surpassing three percent (3%) has been infrequent since the enactment of the Ordinance in 1994; and

WHEREAS, the City recognizes the importance of preserving affordability and stability for mobile home park residents, particularly in light of economic uncertainties and increasing expenses; and

¹³ <https://www.bls.gov/opub/mlr/2022/article/us-labor-market-shows-improvement-in-2021-but-the-covid-19-pandemic-continues-to-weigh-on-the-economy.htm#:~:text=The%20recession%20induced%20by%20the,to%20leave%20the%20labor%20force.>

¹⁴ <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

WHEREAS, the unique circumstances of mobile home owners, who have made investments in their homes but do not own the underlying land, warrant special consideration; and

WHEREAS, the City aims to maintain a sufficient supply of affordable housing within its jurisdiction and to prevent the displacement of mobile home park residents; and

WHEREAS, mobilehomes are an excellent option for affordable home ownership for many Californians¹⁵; and

WHEREAS, the limited mobility of mobile homes and the associated costs and difficulties involved in relocation necessitate protective measures; and

WHEREAS, mobilehome owners were not covered by the protection of the Tenant Protection Act of 2019 (Assembly Bill 1482); and

WHEREAS, the City of Santa Rosa and Town of Windsor recently amended their mobilehome rent stabilization ordinances to lower their annual rent increase limits to 4% or 70% of CPI, whichever is lower, and 4% or 75% of CPI, whichever is lower, respectively; and

WHEREAS, other local jurisdictions in California have set annual mobile home space rent increase caps as follows: 4% in Fairfield, 3% in Fremont, or at 50% of CPI in Santa Cruz County, or 60% of CPI in Colton, Lancaster, and San Luis Obispo County¹⁶; and

WHEREAS, it is in the best interest of the City and its residents to enact measures that ensure stability and safeguard the rights of mobile home park residents, while ensuring that mobile home park owners are able to continue to earn a reasonable rate of return on their property; and

WHEREAS, in enacting this ordinance, the City Council is relying on the City's police power and home rule authority pursuant to Article XI, Sections 5 and 7 of the California Constitution to enact and enforce ordinances and regulations for the public peace, morals, and welfare of the City and its residents, as well as the authority in the Mobilehome Residency Law, and other applicable law; and

WHEREAS, this ordinance is intended to ensure stability and fairness in the mobile home rental market within the City of Petaluma during a period marked by historically high inflation rates, to prevent unnecessary homelessness and evictions, and to safeguard the public peace, health, safety, and welfare; and

WHEREAS, eviction-induced displacement disrupts the living conditions of mobile home residents, detrimentally affecting the well-being of both City residents and local businesses by disturbing the social connections and networks that are crucial to the welfare and stability of the community; and

WHEREAS, eviction-induced displacement imposes undue hardships on tenants, including additional relocation expenses and an increased risk of homelessness, especially if due to nonpayment of rent, which often results in minimal or no income to secure alternative housing; and

WHEREAS, housing instability poses a threat to public peace, health, and safety, as eviction from one's home can lead to prolonged homelessness, financial strain caused by rental application fees and security deposits for new housing, and the psychological stress and anxiety experienced by those displaced; and

¹⁵ Section 1, Subsection (e), Assembly Bill 978

¹⁶ <https://mhphoa.com/ca/rso/>

WHEREAS, if residents are unable to meet their rental obligations and face eviction, the local economy is adversely impacted as it results in the departure of employees, leading to a decline in the workforce and potential economic downturn within the City of Petaluma; and

WHEREAS, tenants with high rental costs may have to forego food, medicine, and other necessities to pay for their rent, which negatively impacts their health, safety, and welfare; and

WHEREAS, on June 5, 2023, the City Council conducted a duly and properly noticed public meeting where a workshop was conducted regarding potential amendments to the Regulations, and at that meeting heard, reviewed, and considered public testimony, which is incorporated herein by this reference; and

WHEREAS, on June 19, 2023, the City Council conducted a duly and properly noticed public meeting to take public testimony and consider amendments to the Regulations, the related staff report and all attachments, and oral and written public comments, determined that an urgency ordinance to be effective immediately to adopt reductions in the maximum space rent increases that may be imposed on affected Petaluma mobile home park residents was necessary to avoid the immediate threat to public peace, health, and safety, that may result from mobile home park tenants being made subject to rent increases in excess of what the City's amended regulations would permit, to avoid the displacement and the related negative economic and welfare impacts on the City's residents and community members that otherwise may occur, exacerbating shelter crisis in the City that the City Council declared on September 13, 2021, and adopted an urgency ordinance amending Petaluma Municipal Code Section 6.50.040; and

WHEREAS, on July 10, 2023, the City Council conducted a duly and properly noticed public meeting to take public testimony and consider amendments to the Regulations, the related staff report and all attachments, and oral and written public comments; and

WHEREAS, amending the City's mobile home rent control regulations in Chapter 6.50 of the Petaluma Municipal Code is not a "project" within the meaning of Section 15378 of the California Environmental Quality Act Guidelines, because such amendments constitute administrative activity that has no potential for resulting in physical change in the environment, and, because the City's existing mobilehome rent stabilization regulations resulted from a solely administrative process resulting in no physical changes to the environment, and amendments of the City's mobilehome rent regulations similarly involve no modifications to the physical design, development, or construction of residences or nonresidential structure, and finally, amending Chapter 6.50 of the Petaluma Municipal Code is exempt pursuant to Section 15269(c) of the CEQA Guidelines, as a specific action necessary to prevent or mitigate an emergency, in view of the City Council's action on September 13, 2021, to declare a shelter crisis in the City;

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

Section 1. Recitals Made Findings. The above recitals are hereby declared to be true and correct and hereby incorporated into this ordinance as findings of the City Council.

Section 2. CEQA Finding. Amending the City's mobile home rent control regulations in Chapter 6.50 of the Petaluma Municipal Code is not a "project" within the meaning of Section 15378 of the California Environmental Quality Act Guidelines, because such amendments constitute administrative activity that has no potential for resulting in physical change in the environment. The City's existing mobilehome rent stabilization regulations resulted from a solely administrative process resulting in no physical changes to the environment, and amendments of the City's mobilehome rent regulations similarly involve no modifications to the physical design, development, or construction of residences or nonresidential structures. Additionally, amending Chapter 6.50 of the Petaluma Municipal Code is exempt pursuant to Section 15269(c) of the CEQA Guidelines, as a specific

action necessary to prevent or mitigate an emergency, in view of the City Council’s action on September 13, 2021, to declare a shelter crisis in the City.

Section 3. Amendments to Chapter 6.50 of the Petaluma Municipal Code. Petaluma Municipal Code Chapter 6.50 is hereby amended in accordance with Exhibit A, which is attached hereto and hereby made a part of this Ordinance. The provisions of Chapter 6.50 of the Petaluma Municipal Code in Exhibit shown as strike-through text are hereby deleted, and the provisions of Chapter 6.50 of the Petaluma Municipal Code in Exhibit A shown as underlined text are hereby added. Except as amended by Exhibit A, all provisions of Chapter 6.50 of the Petaluma Municipal Code remain unchanged and continue in full force and effect.

Section 4. Effective Date. This ordinance shall become effective thirty (30) days after the date of its adoption by the City Council in accordance with Article XII, Section 76A of the Petaluma Charter.

Section 5. 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 other otherwise invalid.

Section 6. Repeal and Replacement of Urgency Ordinance Adopted June 19, 2023. Upon this Ordinance taking effect, the urgency ordinance the City Council adopted on June 19, 2023 which amended Section 6.50.040(A) of the Petaluma Municipal Code will be automatically repealed and replaced by this ordinance without further action by the City Council, and the urgency ordinance the City Council adopted on June 19, 2023 will be of no further effect.

Section 7. Posting/Publishing of Notice. The City Clerk is hereby directed to publish or post this Ordinance or a synopsis for the period and in the manner provided by the City Charter and any other applicable law.

INTRODUCED and ordered published and posted this 10th day of July 2023.

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

Ayes:

Noes:

Abstain:

Absent:

Kevin McDonnell, Mayor

ATTEST:

APPROVED AS TO FORM:

Kendall Sawyer, CMC, City Clerk

Eric Danly, City Attorney