https://cityofpetaluma.org/residential-tenancy-protections/

In January 2020 California's <u>Tenant Protection Act (TPA)</u> went into effect which significantly changed the rules around renting residential property, including rent stabilization which limits how landlords can raise rent and when they can terminate rental agreements. In October 2022, Petaluma City Council adopted an interim ordinance that provides extended tenant protections, expands the units they apply to (including single family homes), accelerates when the protections take effect for tenants, and establishes remedies for violations. The interim ordinance is set to expire July 1, 2023.

Community outreach took place January - March, 2023, to collect feedback from tenants, landlords, and other community members on what elements of the ordinance they recommend Council amend or retain. Outreach included two stakeholder meetings (both on Jan. 26), two community workshops (February 1 & 4 - view the virtual workshop here), a community survey (February 4-24), as well as a Council workshop (March 6).

Based on the feedback provided, City Council introduced a new ordinance on April 17, 2023 (view the staff report and recording of meeting here.) The second reading of the ordinance was held on May 15, 2023, and adopted ordinance No. 2848 N.C.S. Amending Chapter 6.60 Entitled "Residential Tenancy Protections" of the Petaluma Municipal Code went into effect June 15, 2023.

Both the State of California and the City of Petaluma have adopted new laws that are meant to protect tenants from the termination of their tenancy. These protections are particularly focused on "no cause" termination of tenancy - when the reason for termination is not because of a cause created by the tenant. These "no-cause" terminations can cause hardship for tenants and thus require special noticing and assistance in some cases so that the tenant has the time and help they need to move.

This is a summary meant to help you understand and comply with State of California and City of Petaluma Laws. We are sharing this for your convenience. The rules fall into general categories: 1) tenant rights and termination of tenancy, and 2) rent increases and 3) when noticing tenants is required Petaluma's rules apply to tenant rights and termination of tenancy. The State rules apply to rent increases.

Landlords should review the <u>Petaluma Ordinance here</u>, the <u>CA State Law here</u>, and speak with an attorney or with a representative from Petaluma People Services to be sure you are complying with the new laws as there are more details, definitions, and caveats not included here for brevity.

This list is a summary of all applicable laws. The current State of California rules took effect January 1, 2020. The Petaluma rules took effect October 13, 2022, and expire on March 1,

2023. <u>Subscribe here</u> to be notified about changes to Petaluma laws related to tenant protections.

LINKS FOR NOTICE OF TERMINATION: ENGLISH | ESPAÑOL

When can a landlord terminate Tenancy?

"At Fault" reasons to terminate a tenancy include when a tenant:

- Fails to pay rent
- Breaches rental agreement
- Tenant illegal activity
- Unlawful use of premises
- Fails to cease activities causing nuisance
- Fails to give access to landlord
- Commits waste
- Refusal to enter new lease
- Prohibited assignment, subletting
- Failure to vacate
- Failure to deliver possession

Landlord can terminate a tenancy without cause ("No-Fault") when:

- Owner wants to remove a unit from the rental market Requires Notice 6L
- Owner or family member wants to occupy unit (see exceptions below *Requires Notice* 6M
- Substantial rehabilitation to the unit is needed for health and safety purposes *Requires*Notice 6N
- Government order (habitability etc.) The owner is complying with either an order issued by government agency or court

Landlords terminating tenancy for no-fault terminations must provide relocation assistance

- A direct payment or credit towards payment equal to the lesser of 250% of one month's rent or \$9,000, whichever is less
- First Right of Refusal "No-Fault" terminations require if the unit becomes available within 6 months after the date the unit is vacated, the displaced tenant shall have the first right of refusal

Exceptions:

Tenant Protection Act Exemptions:

- Small property owners that are not a REIT, LLC or Corporation, and own 3
 or fewer units in the city and provide written notice in the rental to
 tenants in the rental agreement that the residential property is exempt
- Transient and tourist occupancies
- Housing accommodations in a nonprofit hospital or medical facilities
- School dormitories
- Temporary tenancy (less than one year)
- Tenant property managers
- Units shared with an owner

LINKS FOR NOTICE OF TENANT RIGHTS - ENGLISH | ESPAÑOL

Landlords must **notify their tenants** about their rights and use the form provided by the City for that purpose:

- Entering, or changing, a lease
- Raising the rent
- Within 30 days of the amended tenant rights ordinance
- Re-renting a withdrawn unit(s) within 6 months of the time the dwelling was withdrawn, and only for no-fault terminations
- When a landlord lists the property for sale
- Within 30 days of acquiring title to the unit or property
- Failure to comply with the noticing requirements of the amended ordinance shall render any notice of rental increase invalid until non-compliance is cured

If the City updates applicable laws – <u>Subscribe Here</u> to be notified.

The following notices *must be submitted to the City:*

- The notice is required when a unit is removed from the rental market
- Notice that the owner intents to return the unit to the residential rental market
- Notice of substantial renovation or intent to demolish.
- Notice of re-renting a withdrawn dwelling unit(s)

Submit forms in person or by mail to: 11 English St, Petaluma, 94952; or by email to: tenantprotections@cityofpetaluma.org.

The City of Petaluma's tenant protection ordinance authorizes tenants to bring civil actions to determine the applicability of the Ordinance to their tenancy. If the tenants prevail in a wrongful eviction action, they may recover their attorneys' fees from the owner.

The City's Ordinance does not address rental increases. However, the California Tenant Protection Act (TPA) does limit rent increases. Under the TPA, annual rent increases are limited

to 5% plus a cost of living adjustment or 10%, whichever is less. <u>This CA guide</u> for tenants and landlords includes all state rules describing these limits.

The TPA exempts the following properties from its rent control protections:

- Housing that has been issued a certificate of occupancy within the past 15 years (this is a rolling date)
- Owner-occupied duplexes
- Student occupants of higher education dormitories
- Residential real property that is alienable separately from the title to any other dwelling unit (i.e., single family homes and townhomes), with certain ownership restrictions (i.e., not owned by a corporation or investment trust);
- Affordable housing; and
- Assisted housing developments.