#### Agenda Item Number: 6

| Agenda Report Reviewed by: |  |
|----------------------------|--|
| City Manager:              |  |

### CITY OF SEBASTOPOL CITY COUNCIL AGENDA ITEM

| Meeting Date:   | September 5, 2023  |  |  |  |  |  |
|-----------------|--|--|--|--|--|--|
| То:             | Honorable Mayor and City Councilmembers  |  |  |  |  |  |
| From:           | Councilmember Maurer   |  |  |  |  |  |
| Subject:        | Informational Item/Presentation on Eviction Process and Potential Protections by |  |  |  |  |  |
|                 | Margaret DeMatteo, Attorney for Legal Aid of Sonoma County                       |  |  |  |  |  |
| Recommendation: | Receive Informational Item   |  |  |  |  |  |
| Funding:        | Currently Budgeted: 🗌 Yes 🗌 No 🗹 Not Applicable                                  |  |  |  |  |  |
|                 |  |  |  |  |  |  |

<u>Account Code</u>: [Fill in Account Number] <u>Costs authorized in City Approved Budget</u>: Yes (Finance Initialed \_\_\_\_\_) No (Finance Exempt)

#### **INTRODUCTION/PURPOSE:**

The item is an Informational Item/Presentation on Eviction Process and Potential Protections by Margaret DeMatteo, Attorney for Legal Aid of Sonoma County.

#### FISCAL IMPACT:

There is no fiscal impact with receipt of this informational item.

#### **PUBLIC COMMENT:**

As of the writing of this staff report, the City has not received any public comment for this agenda item. If staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the agenda item.

#### PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

#### **RECOMMENDATION:**

It is recommended that Council received the informational presentation.

#### Attachments:

Memo

### MEMORANDUM

| DATE: | September 5, 2023   |
|-------|---|
| TO:   | Mayor, Vice Mayor, and City Councilmembers                          |
| FROM: | Margaret DeMatteo, Esq., Legal Aid of Sonoma County                 |
| RE:   | The State of Evictions in Sebastopol and Anti-Displacement Measures |

### I. Introduction

The memorandum is intended to provide a brief background on issues around tenancy and evictions in Sebastopol, followed by a discussion of potential anti-displacement measures for the City Council to consider, such as rent stabilization and other tenant protections.

Legal Aid's Housing Team provides free eviction defense and legal services to low-income renters in Sebastopol and the County. The data used herein was obtained from our internal client database, the Superior Court (total court evictions), and the County Sheriff (total lock outs). We are hopeful that equipped with this data, Sebastopol City Council will be moved to take meaningful action to protect renters and preserve rental housing stock.

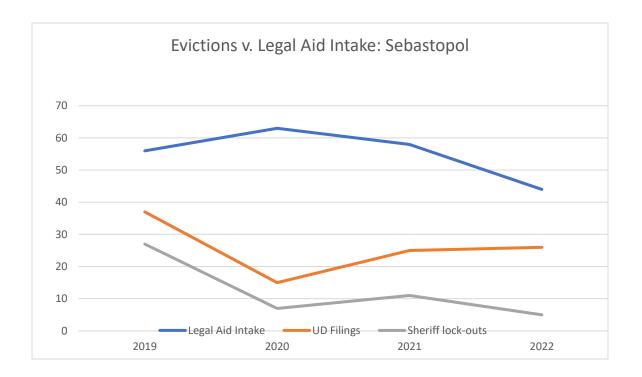
## II. Data on Displacement and Housing Issues Facing Sebastopol Renters

The majority of Sebastopol residents rent their homes...the highest percentage in the County! Though the City of Sebastopol has a smaller population than its neighboring Cities, the same vulnerability to eviction is present.

Tenants have some protection from eviction under the State Tenant Protection Act of 2019, which limits evictions to typical allowable reasons, otherwise known as "just causes." These reasons for eviction can be fault based, such as breach of lease or non-payment, or no-fault based, such as owner move-in, withdrawal from the rental market or substantial renovation. The State protections also cap rent increases at not more than 10% a year.

Many residents in Sebastopol fall within the loopholes of the TPA, which do not protect renters of single-family homes in most circumstances, construction newer than 15 years, subsidized housing or properties where the landlord lives on the premises or in a neighboring duplex. Tenants who fall within the TPA's loopholes can be eviction for any reason, or merely so that a landlord can raise the rent on the next occupying tenant.

Since 2019, Legal Aid has seen more Sebastopol residents than the number of people facing court evictions or sheriff lock outs. This means they are coming in for issues not limited to eviction. See data below.



A court eviction (unlawful detainer or UD) is the legal proceeding that occurs after a tenant receives notice of termination of tenancy, that notice expires and the tenant does not move out. This may be because they could not find other housing, because they lacked mental or physical to vacate, or because they have valid defenses to the eviction which can be raised in court.

A sheriff lock-out occurs when the tenant loses the unlawful detainer and a judgment is entered. It is the most traumatic thing that can happen to a tenant and results in a permanent record that can limit their ability to find future housing.

Luckily, the rate of sheriff lockouts to court evictions is lower in Sebastopol than neighboring jurisdictions with as many as 60% of evictions resulting in a sheriff lock out.

In reviewing the clients served by Legal Aid since 2020, several trends become apparent. The table below contains a summation of the most common reasons Sebastopol residents seek assistance from Legal Aid. Overall:

- In 2022, Legal Aid served 30 households, which included 36 adults and 7 minors.
- In 2021, we served 35 households, which included 49 adults and 9 minors.
- In 2020, we served 36 households, which included 48 adults and 15 minors.
- In 2019, we served 33 households, which included 43 adults and 13 minors.
- In 2018, we served 32 households, which included 42 adults and 10 minors.

| Type of case     | Total (2020-2023) | 2023 | 2022 | 2021 | 2020 |
|------------------|-------------------|------|------|------|------|
| Habitability     | 7                 | 1    | 3    | 1    | 2    |
| Illegal Lock out | 4                 | 3    | 1    | 0    | 0    |
| Harassment       | 6                 | 2    | 2    | 1    | 1    |
| Non-payment      | 16                | 4    | 4    | 1    | 7    |
| Withdrawal       | 22                | 1    | 9    | 11   | 1    |
| Owner move in    | 7                 | 0    | 0    | 5    | 2    |

Withdrawal of a rental unit pursuant to the Ellis Act has been the most common reason for eviction in Sebastopol over the past 3.5 years. This type of eviction removes tenants, usually from their long-term homes, so that a property owner can allegedly go out of the rental business. However, the Ellis Act is known to be abused due to lack of oversight after the tenant vacates. In fact, that abuse was the reason Petaluma City Council first committed to tenant protections, eventually passing a comprehensive "Just Cause Ordinance."

Another reason people seek Legal Aid of Sonoma County's assistance, is due to the improper and sometimes illegal conduct of landlords. Harassment, illegal lock-outs and poor living conditions are all issues that can be modified by education and enforcement mechanisms, such as an anti-harassment ordinance like the one adopted last month in the City of Antioch.

# III. Potential Policies to Prevent Displacement and Preserve Existing Rental Housing Stock

Many local jurisdictions have determined that these state law provisions do not afford an adequate degree of protection to residential tenants in the security of their housing and rental rates and have adopted ordinances that provide additional protections. The following options are a recommended in order to address the vulnerabilities and needs of the large renter community in Sebastopol.

# **Rental Registry**

A Rental Registry, which requires landlords to register their rental units with the City or managing company such as <u>3Di</u>,<sup>1</sup> can provide Sebastopol with the data required to enact meaningful policies to prevent tenant displacement. It can collect data on evictions and identify systemic housing issues in Sebastopol. It can be used to facilitate a proactive rental inspection program to address maintenance and preservation of rental housing. It can also be used to implement eviction protections that prevent displacement of tenants. Implementation of a registry can be affordable and budget neutral.

## **Rent Stabilization and Just Cause Eviction Protections**

Rent Stabilization and Just Cause protections preserve existing non-subsidized affordable housing stock and affirmatively further fair housing. Rent Stabilization policies limit how much a landlord can raise the rent on an existing tenant each year by tying the allowable increase to inflation, thereby maintaining affordability. Just Cause for eviction policies

<sup>&</sup>lt;sup>1</sup> <u>Rental Property Registry – 3Di Systems</u>

protect tenants from being evicted without a specific justification. Throughout California, there are currently at least 30 just cause ordinances and nearly as many rent stabilization ordinances. The City of Sebastopol could mirror Petaluma and commit to the critical goal of preserving existing housing stock and preventing displacement by passing a comprehensive tenant protection ordinance that includes just cause eviction protections.

### Mandatory/Proactive Rental Inspection Program

Traditionally, code enforcement programs have operated primarily on a complaint basis—a resident complains about a potential code violation, a city code inspector or enforcement officer investigates the complaint, and if a violation is verified, enforcement actions are initiated. However, under a proactive rental inspection (PRI) program, also known as a systematic or periodic code enforcement program, covered rental housing is inspected mandatorily and routinely to identify issues and protect the health and safety of tenants more effectively. PRI programs shift the burden of code enforcement from reliance solely on tenant complaints to a more prevention-based, equitable approach to improve housing quality.

### **Anti-Harassment and Retaliation Ordinance**

An anti-harassment and retaliation ordinance has the potential to address common abuses such as landlord threats of rent increases when tenants request repairs, improper towing of vehicles, landlord verbal abuse and psychological harm, while protecting tenants' rights to organize and requiring notices from the landlord be given in a tenant's spoken language. These types of ordinances are critical to ensuring tenants have standing to assert their right to housing which is free from conduct designed to make a tenant vacate outside of the eviction process.

#### IV. Conclusion

Legal Aid appreciated the invitation to discuss these critical issues, and is willing and open to further and more expansive dialogue. We share a commitment to housing justice and meeting the current and future housing needs in Sebastopol and across the County. We urge City Council to open this policy discussion to the community as well as ensuring that adequate educational opportunities are provided to renters and landlords. Legal Aid is a partner in this, and available to assist the City with any anti-displacement efforts they choose to undertake.

Sincerely,

Margaret DeMatteo, Housing Policy Attorney Legal Aid of Sonoma County