



City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: November 18, 2025

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To: Honorable City Councilmembers

From: Alex Mog, City Attorney

Subject: Second Reading and Adoption of an Ordinance to Add Chapter 9.36, Just Cause Eviction and Tenant Relocation, to the Sebastopol Municipal Code Regarding Regulated Units

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RECOMMENDATION:

Waive second reading and adopt an Ordinance to add Chapter 9.36, Just Cause Eviction and Tenant Relocation, to the Sebastopol Municipal Code regarding Regulated Units; and

EXECUTIVE SUMMARY:

At the November 4, 2025 City Council meeting, the City Council introduced and held a first reading of the proposed ordinance. If adopted, the ordinance will go into effect on December 18. At the November 4 meeting, the City Council also adopted an urgency ordinance that went into effect immediately. A summary of the proposed ordinance is below, and contains substantially the same information as the November 4 staff report.

BACKGROUND

Over the last month, the City Council has been exploring potential tenant protections. This began in response to the receipt of information regarding a significant number of potential evictions at the Woodmark Apartments, which is an 84-unit deed-restricted affordable housing development located at 7716/7760 Bodega Avenue (of which 48-units have been constructed). The development is subject to federal regulations due to its use of federal funding for farmworker housing. The City has received numerous emails, as well as public comment during the most recent City Council meetings, regarding issues related to tenants currently living at Woodmark. Tenants have reported that they were notified that they would be evicted at the end of their current lease term if no member of the household is a farmworker. Tenants have been offered payments to vacate their units prior to the end of their existing lease term. At previous meetings, the Council expressed interest in preventing evictions from tenants in affordable housing from occurring both now and in the future.

California has a statewide “just-cause eviction” law, codified as Civil Code Section 1946.2 (the “Act”). In general, the Act prohibits termination of a tenancy unless there is either “at-fault cause” or “no-fault cause”. Examples of at-fault cause include a tenant’s failure to pay rent or breach of a material term of the lease. Examples of no-fault cause include the owner’s decision to occupy the unit as the owner’s, or a close relative of the owner’s, primary residence. If a tenancy is terminated for no-fault cause, the owner must provide the tenant with relocation assistance or a waiver of rent equal to one month of the tenant’s current rent. This Act only applies if all tenants have occupied the unit continuously for 12 months or more, or at least one tenant has occupied the units continuously for 24 months or more.



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California's just-cause eviction law has a number of exceptions, two of which are relevant. First, the law does not apply to housing that has been issued a certificate of occupancy in the last 15 years. Second, the law does not apply to housing that is restricted by deed or regulatory agreement with a government agency as affordable housing (hereinafter referred to as "Regulated Units").

At its October 14 meeting, the City Council received a report on Act's existing protections for tenants, as well as the gaps in those protections. The Act does not preempt local action, and cities are authorized to adopt their own ordinances as long as they offer greater protection than that provided by the state. The Council provided direction to the City Attorney to prepare a just-cause eviction and tenant relocation ordinance that closed certain specific gaps in state law.

DISCUSSION:

The proposed ordinances would add Chapter 9.36, Just Cause Eviction and Tenant Relocation, to the Sebastopol Municipal Code. Chapter 9.36 would establish the Act as the baseline requirements for the termination of a residential tenancy in Sebastopol. In addition, Chapter 9.36 will expand on Act in several specific and limited ways:

1. The Act's requirements will apply to Regulated Units and will apply regardless of when a certificate of occupancy was issued for the Regulated Unit.
2. The Act's requirements will apply to tenants from the first date of a tenant's legal occupancy of a Regulated Unit, not after 12 months as provided by the Act.
3. Tenants in Regulated Units who are displaced for no-fault just cause will be entitled to relocation assistance equal three (3) months actual rent or three (3) months fair market rent for the unit, whichever is greater.

While displacement can have serious negative impacts on tenants regardless of the type of unit, Chapter 9.36 only applies to Regulated Units for two primary reasons. First, the Act does not cover Regulated Units and so Chapter 9.36 is filling that gap. Second, there is a severe shortage of Regulated Units in Sebastopol and the wider region compared to the need. Accordingly, tenants who are displaced from Regulated Units will have a significant challenge finding a new Regulated Unit to move into. Given the limited incomes of tenants occupying Regulated Units, if they are displaced and can't find a new Regulated Unit to occupy, there is a significant risk of homelessness or moving into a unit where they become extremely rent burdened. Chapter 9.36 specifies that it does not apply to the extent application is prohibited by state or federal law or regulation.

Tenants who are displaced face a number of costs, including moving expenses and the cost of finding a new place to live (which can include a security deposit, first/last months rent, etc.). These costs cause a significant burden on tenants in Regulated Units, who have limited incomes. Chapter 9.36 requires relocation assistance to help tenants in Regulated Units handle these costs. The relocation assistance is based on the greater of the actual rent or fair market rent for the unit because many of these costs (such as the security deposit for a new unit) will be based on market rents.

Chapter 9.36 will only apply to projects containing greater than 40 units. While displacement impacts tenants regardless of the number of units in a project, the City recognizes that compliance with the requirements of Chapter 9.36 could create a burden on small projects. The owners of Regulated Units



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often face many administrative and financial challenges for a variety of reasons, including the below-market rents they charge. Larger developments have greater administrative and financial resources, and therefore are less likely to suffer significant hardship when complying with the requirements of Chapter 9.36. The unit threshold is an attempt to strike a balance between competing interests of tenant protection and ownership of Regulated Units.

Because the City is not a party to most of the agreements governing Regulated Units, we can't be 100% confident on how many projects with over 40 units exist in the City. Based on City records and related information, there appear to be 5 projects that will be subject to Chapter 9.36:

- Burbank Heights- 138 units- 7777 Bodega Avenue
- Burbank Orchards- 60 units- 7777 Bodega Avenue
- Gravenstein North Apartments - 60 Units- 699 Gravenstein Highway
- Petaluma Avenue Homes – 45 units - 571 Petaluma Ave
- Woodmark Apartments- 48 units- 7716/7760 Bodega Ave

Chapter 9.36 also identifies a non-exclusive list of remedies that may be pursued for violation of the ordinance. Most significantly, the ordinance may be used as an affirmative defense in any eviction proceeding brought in violation of the Chapter. Tenants may also seek injunctive relief or damages for violations.

The Council previously directed that the proposed ordinance should terminate after one year. The proposed ordinance provides that Chapter 9.36 will be automatically repealed on January 1, 2027. While that date is slightly longer than one year, it was chosen for simplicity and administrative ease. Over the next year, the City will receive feedback on how Chapter 9.36 has been implemented, whether it remains necessary or not, and whether any changes are appropriate.

CITY COUNCIL GOALS/PRIORITIES; AND/OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

Goal 4: HIGH PERFORMANCE ORGANIZATION

- *Restoring public trust*
- *Improve Public Communications*

COMMUNITY OUTREACH:

This item has been 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. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

The City received significant public comment (both written and in person) regarding the ordinance at the November 4 City Council meeting. As of the writing of this agenda item report, the City has not received public comment on this specific item. If staff receives public comments following the publication and distribution of this agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting and will be posted to the city website.



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In addition, the City reached out to the owners and/or property managers of the properties identified above via email. Emails were sent to the contact information the City had on file (if any), as well as to the contact information listed on the website of the entity. The emails contained a summary of the scope of the proposed ordinance. The City received a response from an attorney representing one of the property owners wanting to ensure that no requirements would be imposed that violate federal law/regulation.

FISCAL IMPACT:

There are no direct fiscal costs associated with adoption of the proposed ordinances. However, if the ordinance is adopted the City may receive questions from tenants and property owners, and responding to those questions will require staff time. In an effort to provide good customer service, the City's practice is to respond to questions from the public, but to do so as efficiently as possible. Staff will return to the City Council if the amount of staff time dedicated to this ordinance is substantial.

RESTATED RECOMMENDATION:

Waive second reading and adopt an Ordinance to add Chapter 9.36, Just Cause Eviction and Tenant Relocation, to the Sebastopol Municipal Code regarding Regulated Units.

OPTIONS:

1. Waive second reading and adopt the proposed ordinance.
2. Provide alternative direction to staff

ATTACHMENTS:

1. Ordinance

ORDINANCE NUMBER 1160

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL ADDING CHAPTER 9.36, JUST CAUSE
EVICTION AND TENANT RELOCAITON, TO THE SEBASTOPOL MUNICIPAL CODE REGARDING REGULATED
UNITS

WHEREAS, secure and stable shelter is a basic necessity of life; and

WHEREAS, displacement through eviction destabilizes the living situation of tenants, and impacts the health of City residents and businesses by disrupting the social ties and networks that are integral to citizens' welfare and the stability of communities within the City; and

WHEREAS, displacement through eviction creates an undue hardship for tenants through additional relocation costs and the increased risk of homelessness; and

WHEREAS, displacement through eviction can create undue hardship when tenants are evicted through no fault of their own; and

WHEREAS, housing instability threatens the public peace, health, and safety as eviction from one's home can lead to prolonged homelessness; strain on household finances due to the necessity of paying rental application fees and security deposits; and stress and anxiety experienced by those displaced; and

WHEREAS, the State of California has recognized the importance of regulating the ability of landlords to terminate tenancies, and previously enacted the Tenant Protection Act of 2019 which, among other things, requires landlords to have just cause to terminate a tenancy, and pay relocation assistance when landlords terminate the tenancies for no-fault just cause; and

WHEREAS, the Tenant Protection Act of 2019 provides important baseline protections for many tenants, but does not apply to tenants living in rental units restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing ("Regulated Units"); and

WHEREAS, residents living in Regulated Units are very low, low, or moderate income. In Sebastopol, many Regulated Units are also reserved for seniors; and

WHEREAS, residential rents have increased dramatically in Sonoma County over the last ten years and there are a shortage of Regulated Units; and

WHEREAS, the City's adopted Housing Element and numerous laws recently adopted by the Legislature recognizes the shortage of Regulated Units in the Sebastopol and California respectively; and

WHEREAS, because of the shortage of Regulated Units, when a tenant is displaced from a Regulated Unit it is very difficult for the tenant to find a new Regulated unit. If the tenant is not able to find a Regulated Unit, the tenant risks becoming homeless or having to move into a market rate unit where they will be extremely rent burdened and unable to afford other necessities; and

WHEREAS, when a tenant is displaced, they will face significant moving expenses, as well as costs associated with finding new housing, such as security deposits. These costs create a greater burden on tenants living in Regulated Units, all of whom have limited incomes; and
WHEREAS, when a tenant is displaced through no fault of their own, the landlord should assist the tenant with these costs; and

WHEREAS, for these reasons, the residents of the Regulated Units in the City are disproportionately and severely impacted by displacement; and

WHEREAS, the City Council finds that the reasonable regulation of tenancy terminations in Regulated Units is necessary to protect the health, safety, and the general welfare of the public; and

WHEREAS, the City Council desires to extend the protections of the Tenant Protection Act of 2019 to certain Regulated Units, to apply those protections from the first day of tenancy, and to require greater relocation assistance for those tenants of Regulated Units displaced for a no-fault, just cause; and

WHEREAS, the City recognizes that the owners of Regulated Units often face many administrative and financial challenges for a variety of reasons, including the below-market rents they charge; and

WHEREAS, the City believes it is appropriate to apply the protections in the proposed ordinance only to projects with at least forty (40) units; and

WHEREAS, larger complexes have greater administrative capacity and resources, including revenue, and therefore are less likely to suffer significant hardship when complying with the requirements of the Ordinance; and

WHEREAS, the City Council finds that the reasonable regulation of tenancy terminations in Regulated Units is necessary to protect the health, safety, and the general welfare of the public; and

WHEREAS, this Ordinance is intended to promote stability and fairness within Regulated Units in the City during a period of extreme shortage of Regulated Units thereby serving the public peace, health, safety, and public welfare and to increase housing stability for very low-, low-, and moderate-income tenants occupying certain Regulated Units in the City; and

WHEREAS, the City Council desires for the proposed ordinance to expire in approximately one (1) year; and

WHEREAS, the City Council may choose to extend the ordinance or adopt modified regulations after (1) year if the conditions at the time so warrant; and

WHEREAS, the California Constitution, Article XI, Section 7, provides cities with authority to enact ordinances to protect the health, safety, welfare and morals of their citizens, and the proposed ordinance is a permissible exercise of this authority.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEBASTOPOL DOES ORDAIN AS FOLLOWS:

1. Recitals. The above Recitals are true and correct and are made a part of this Ordinance.

2. Municipal Code Amendment. Chapter 9.36, Just Cause Eviction and Tenant Relocation, is hereby added to the Sebastopol Municipal Code to read as shown in Exhibit A, attached hereto and incorporated herein.
3. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed the Ordinance, and each and every section, subsection, sentence, clause, phrase or portion not declared invalid or unconstitutional without regard to whether any portion of this Ordinance would be subsequently declared invalid or unconstitutional.
4. CEQA. The Sebastopol City Council finds that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines. This ordinance establishes requirements for the termination of certain tenancies, and does not authorize any new development or use. It can be seen with certainty that the the ordinance has no potential for causing a significant effect on the environment.
5. Effective Date and Publication. This Ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its adoption. Before the expiration of fifteen (15) days after said passage, this ordinance or a summary therefore as provided in California Government Code Section 36933, shall be published at least once in a newspaper of general circulation published and circulated in the City of Sebastopol, along with the names of the Council Members voting for or against its passage.

Adopted at the Regular City Council Meeting of November 18, 2025.

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Mayor Stephen Zollman

ATTEST: _____
Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM: _____
Alex Mog, City Attorney

EXHIBIT A

CHAPTER 9.36

JUST CAUSE EVICTION AND TENANT RELOCAITON.

9.36.010	Purpose & Findings
9.36.020	Definitions
9.36.030	Incorporation of the Act
9.36.040	Just Cause Eviction Protections for Regulated Units
9.36.050	Relocation Benefits
9.36.060	Application of Federal Law
9.36.070	Remedies & Enforcement
9.36.080	Expiration

9.36.010 Purpose & Findings

- A. The purpose of this Chapter is protect the most vulnerable tenants in Sebastopol from arbitrary evictions by extending the protection of the Act to Regulated Units, regardless of date of construction, and commencing upon the first day of a lawful tenancy. This Chapter is also intended to recognize the challenges of owning and managing Regulated Units by limiting its application to large projects, which have the capacity to absorb the administrative and financial restrictions imposed herein. This Chapter is intended to provide tenant protections in addition to those in the Act.
- B. This chapter is more protective than the Act in accordance with Civil Code Section 1946.2(i)(1)(B) because: 1) the just cause for termination of a residential tenancy under this Chapter is consistent with the Act, and 2) this Chapter provides for increased relocation assistance in certain circumstances as compared to the Act and provides additional tenant protections that are not prohibited by any other provision of law.

9.36.020 Definitions

- A. “Act” means Civil Code Section 1946.2, as now existing and amended from time to time.
- B. “Fair Market Rent” means the fair market rent as determined by the U.S. Department of Housing and Urban Development for a unit of equivalent size in the Santa Rosa-Petaluma, CA MSA for the fiscal year in which the rent is demanded.

- C. “Project” means all of the rental units within a building or buildings on a single legal parcel, or on multiple adjacent legal parcels under common ownership or control.
- D. “Regulated Units” means a rental unit restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.
- E. “Rental Agreement” means an agreement, written, oral, or implied, between a owner and a tenant for the use and/or occupancy of a rental unit.
- F. Terms not defined herein shall have the same meaning as in the Act.

9.36.030 Incorporation of the Act

The Act, as it now exists and as subsequently amended, is hereby incorporated into this Chapter, excluding only subdivision (g) thereof regarding local ordinance preemption, subject to the additional local changes contained herein. The Act shall apply within the City of Sebastopol as though fully set forth herein. No tenancy of any residential real property subject to the Act may be terminated except in accordance with the requirements of the Act.

9.36.040 Just Cause Eviction Protections for Regulated Units

- A. *Application to Regulated Units.* Notwithstanding Civil Code Sections 1946.2(e)(7) and 1946.2(e)(9), the Act shall apply to Regulated Units within the City of Sebastopol regardless of the date a certificate of occupancy was issued for the Regulated Unit, but only if the Regulated Unit is part of a Project with forty (40) or more rental units.
- B. *Commencement of Protection for Regulated Units.* Notwithstanding Civil Code Section 1946.2(a), after a tenant has commenced lawful occupation of a Regulated Unit pursuant to a rental agreement, the owner of the Regulated Unit shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy in accordance with the requirements of the Act. This Section shall not be constructed to apply to any transient, as defined in Sebastopol Municipal Code Section 3.12.020.

9.36.050 Relocation Benefits

If the owner of a Regulated Unit subject to Section 9.36.040(A) seeks to recover possession of the Regulated Unit where such recovery of possession is based on a no-fault just cause as defined in the Act, the amount of the relocation payment required by the Act shall be equal to three (3) times the monthly fair market rent for the Regulated Unit being vacated, or three (3) times the actual monthly rental rate for the Regulated Unit, whichever is greater. If the owner elects to waive last months' rent pursuant to Civil Code Section 1946.2(d)(2) in lieu of payment to the tenant, the owner shall pay the difference between the actual rent and the amount due under this Section to tenant no later than the date upon which tenant's last month rent would have been due but for the waiver.

9.36.060 Application of Federal Law

This Chapter shall not apply to the extent that application of this Chapter to a Regulated Unit would violate state or federal law or regulation.

9.36.070 Remedies & Enforcement

- A. An owner of a rental unit's failure to comply with any requirement of this Chapter may be asserted as an affirmative defense in an action brought by the Owner to recover possession of the rental unit. A tenant who prevails in a case for wrongful eviction due to the landlord's noncompliance with this Chapter shall recover costs and reasonable attorney's fees.
- B. Whenever an owner violates the requirements of this Chapter, a tenant may institute a civil proceeding for money damages or injunctive relief, or both. Owners found to have violated this Chapter shall be subject to appropriate injunctive relief and shall be liable for damages, costs and reasonable attorney's fees, and whatever other relief the court deems appropriate.
- C. The remedies provided in this Chapter are not exclusive, and nothing in this Chapter shall preclude the City or any person from seeking any other remedies, penalties or procedures provided by law.
- D. The City shall have the right and authority, but not the duty, to enforce the requirements of this Chapter.

9.36.090 Expiration

This Chapter shall remain in effect only until January 1, 2027, and as of that date is repealed.