



City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: October 21, 2025

=====

To: Honorable City Councilmembers
From: Alex Mog, City Attorney
Subject: Consider potential legal options available to the City regarding Woodmark Apartments, including a just-cause eviction ordinance, and provide direction to the City Attorney. In addition the City Council may consider non-legal options available.
Recommendation: That the City Council Provide direction to staff.

=====

RECOMMENDATION:

That the City Council consider legal and non-legal options available to the City regarding Woodmark and provide direction to the City Attorney and staff.

EXECUTIVE SUMMARY:

The City Council previously directed the City Attorney to research the City's legal options regarding the pending displacement of residents at Woodmark Apartments. This item is for the City Council to consider the legal options presented by the City Attorney, and provide direction. The item also provides an opportunity for the Council to discuss potential non-legal options.

PROCESS OF AGENDA ITEM:

- a. Presentation of agenda item by the City Attorney
- b. Questions and discussion from Councilmembers
- c. Public comment period
- d. Council receives the report. No action required.

BACKGROUND

The Woodmark Apartments 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 its October 7 meeting, the City Council provided direction to the City Attorney to spend up to 10 hours researching legal options the City could potentially pursue to address the situation at Woodmark.

DISCUSSION:



City of Sebastopol

At the October 7 meeting, some members of the public requested that the City bring a lawsuit against the owner of Woodmark. This option was not extensively considered in the preparation of this report. California's Unfair Competition Law (Business & Professions Code Section 17200 *et seq.*) prohibits unlawful, unfair, or fraudulent business acts or practices, as well as unfair, deceptive, untrue or misleading advertising. However, Sebastopol does not have the legal standing to bring such a lawsuit, and it would instead have to be brought by residents of the development. (Bus. & Prof. Code § 17204.)

The City might have standing to bring a lawsuit to enforce other similar statutes. Given the significant cost the City would have to incur to bring such a lawsuit, time was not spent researching these potential options. Rather, the research focused on potential ordinances the City could adopt that might provide protection.

Existing State Law.

California has a statewide "just-cause eviction" law, codified as Civil Code Section 1946.2. In general, the law 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 law 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.

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").

Local Ordinances

The statewide just-cause eviction law 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. In Sonoma County, 3 jurisdictions (Sonoma County, Petaluma, and Healdsburg) have their own local ordinances that provide some level of protection greater than state law. Healdsburg's ordinance provides greater relocation assistance, while the County and Petaluma's ordinances both provide greater just-cause eviction protection and relocation assistance. Those two ordinances not only apply just-cause eviction protection to a greater number of units, but also narrow the reasons for eviction that can qualify as just cause. For example, the County's ordinance provides that failure to pay rent is only an "at-fault cause" for eviction if the amount owed exceeds one month's rent.

In order for a Sebastopol just-cause eviction ordinance to be potentially applicable to the ongoing situation at Woodmark, it would need to have 3 components different from state law. First, it would need to apply to every tenancy beginning the first day a legal tenancy commences. Second, it would need to apply to all units, regardless of how recently a certificate of occupancy was issued. Third, it would need to



City of Sebastopol

apply to Regulated Units. The first two elements are straightforward. The third element is slightly more complicated.

The October 7 staff report indicated uncertainty whether Federal regulations regarding occupancy of Woodmark by farmworkers would preempt any local just-cause eviction ordinance. The majority of local tenant protections ordinances Regulated Units in the same manner as state law. However, there are a number of jurisdictions that do not exempt Regulated Units from local ordinances. We were not able to locate any instances where a court has specifically addressed the question of whether federal regulations preempt application of these types of tenant protections. Furthermore, there are many different state and federal funding programs for affordable housing, and different programs have different regulations. It is possible that what is allowable for one particular development may be preempted for another developer.

Most of the jurisdictions that apply just-cause eviction ordinances to Regulated Units include a caveat that the ordinance doesn't apply if prohibited by state or federal law. For example, Sonoma County's ordinance specifies it applies to Regulated Units "except where the application of this article to a rental unit would violate law, regulation, or contractual requirements of the federal government or the state of California applicable to such rental unit." The City of Berkeley's ordinance similarly provides that "Such rental units shall be subject to all provisions of this Chapter except those from which applicable Federal law, State law, or administrative regulation specifically exempts the rental units." If the City proceeds with a just-cause eviction ordinance, it is recommended that the ordinance include similar language.

In addition to greater eviction protections, a potential City ordinance could provide greater tenant relocation than provided by state law (which is one month's rent). This is especially relevant for Regulated Units, where a tenant's rent is far below market value. If a proposed just-cause eviction ordinance does not prohibit an eviction, tenant relocation still ensures assistance is provided to tenants to assist in relocation to new housing.

Healdsburg's ordinance provides rental assistance equal to two month's rent for tenants who qualify as median-income or below. The County's relocation assistance ordinance provides an amount equal to the greater of the tenant's actual monthly rent or the fair market monthly rent for the unit. Petaluma's ordinance provides \$15,000 of relocation assistance for households where at least one tenant has occupied the unit the more than one year. In determining the appropriate level of relocation assistance, it should be noted that California courts have struck down relocation assistance in other contexts where the amount is so great as to put a prohibitive price on a landlord's right to conduct lawful evictions.

Scope of Ordinance

Some members of the public have suggested an ordinance be drafted to only apply to Woodmark, and not any other properties in the City. However, there are potential risks associated with that approach. The Fourteenth Amendment to the U.S. Constitution guarantees equal protection under the law. This requires the City to treat similarly situation persons and entities in a like manner. Classifications that impact fundamental constitutional rights or that are based a protected classifications (like race or gender), are subject to strict requirements. All other regulatory classifications must be based on some difference that has a reasonable relation to a legitimate governmental interest, and must not be arbitrary



City of Sebastopol

or capricious. This is the standard that would govern a potential City just-cause eviction ordinance that does not apply to all properties.

There is a significant risk that a proposed ordinance that only applies to Woodmark (either explicitly or because the criteria are so narrow as to only cover Woodmark) would be arbitrary and capricious. There is no clear reason why only residents of Woodmark need protection from eviction (if the Ordinance only applies to Woodmark, it would not prevent the exact same situation from repeating itself at another property).

In contrast, there is likely a rational, non-arbitrary basis, for applying a potential just-cause eviction ordinance only to Regulated Units. All tenants in those properties are low-income, and the availability of Regulated Units in the County is extremely low. Accordingly, there is a rational basis for determining those tenants need greater protection than those occupying market rate units, and therefore the distinction is not arbitrary.

There is also potentially a rational, non-arbitrary basis to only apply a potential just-cause eviction ordinance to large properties, and exempt properties with only a small number of units. City records indicate there are approximately 6 other deed restricted affordable developments within Sebastopol with at least 25 units.

Urgency Ordinance

The normal required process for adopting an ordinance is that the Council introduces and holds a first reading of an ordinance, and then holds a second reading and adopts the ordinance at its next meeting. The ordinance then goes into effect after 30 days. The soonest an ordinance could be in effect under this process is December 18. Even though tenants have received notices that their tenancies will be terminated at the end of their current lease terms, a potential ordinance should apply to any termination that actually occurs after the ordinance goes into effect. However, the City Attorney's Office is not an expert in the intricacies of residential landlord-tenant law and can't guarantee this will be the case in all situations. In addition, staff has heard that some tenants have leases that expire in early December.

The City Council may also adopt an urgency ordinance, which only requires one reading and goes into effect immediately. Urgency ordinances must contain findings identifying why they are necessary for the immediate preservation of the public peace, health or safety, and must be adopted by a four-fifths vote of the city council.

Necessary Direction

Staff requests the Council provide direction on the following:

1. Should a just-cause eviction ordinance be prepared that would apply to Regulated Units, from the first date of tenancy, regardless of when the unit was constructed?

If yes, direction is also needed on the following items:

2. Should the proposed ordinance provide relocation assistance greater than what is provided by state law?



City of Sebastopol

3. Should the proposed ordinance include any other modifications to the default rules created by the State's just-cause eviction ordinance?
4. Should an urgency ordinance be prepared?

Non-Legal Options

The City Council may also consider non-legal options for addressing Woodmark, such as meeting with Rep. Huffman's Office to see if USDA will waive its requirements. Staff can't comment on the existing efforts that have already been attempted by the Community, Supervisor Hopkins, or Rep. Huffman, or what efforts may be effective. This topic is being included in the agenda so that the Council has the opportunity to discuss non-legal options if desired.

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.

As of the writing of this agenda item report, the City has not received public comment. 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.

FISCAL IMPACT:

It will take approximately 5-10 hours of City Attorney time to prepare a just-cause eviction ordinance. The estimated time depends on a number of factors. The shorter end of the range is for an ordinance that simply applies existing state law to Regulated Units, from the first day of tenancy, regardless of when the unit was constructed. The longer end of the range is for a more customized ordinance and/or an urgency ordinance. It is anticipated these costs could be absorbed by the existing City Attorney budget. The research for, and drafting of, this report took approximately 7 hours of the 10 hours previously authorized.

RESTATED RECOMMENDATION:

That the City Council consider approval of direction to the City Attorney to Research Options Regarding Woodmark Apartments.

OPTIONS:

1. Provide direction to City Attorney to prepare a just-cause eviction ordinance
2. Provide direction to the City Attorney to not move forward on any ordinance
3. Provide alternative direction to staff



City of Sebastopol

4. Consider other non-legal options

ATTACHMENTS: