



SUMMARY REPORT

Agenda Date: 5/21/2024

To: Sonoma County Board of Supervisors

Department or Agency Name(s): County Administrator's Office, County Counsel

Staff Name and Phone Number: Erik Romero 565-1743; Elizabeth Coleman 565-2421

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Revised Options to Augment Protections for Residential Tenants in Unincorporated Sonoma County.

Recommended Action:

- A) Review revised options to augment renter protections for residential tenants in unincorporated Sonoma County;
- B) Identify augmented options to be drafted into an Ordinance and provide direction to staff on next steps including timing.

Executive Summary:

In September 2022, pandemic-related eviction protections expired, leaving residential tenants in unincorporated areas of the county protected only by the provisions of the [California Tenant Protection Act](https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482) <https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482>, which were last updated by the Legislature effective April 1, 2024.

On December 5, 2023, staff presented updated state protections and options to locally augment renter protections for residential tenants in unincorporated Sonoma County. The Board directed staff to conduct community engagement, return to share public input, and present a revised set of options to augment renter protections for residential tenants in unincorporated Sonoma County. This item provides a summary of the community engagement key themes and the full list of options to augment renter protections for residential tenants in unincorporated Sonoma County, outlined in Attachment D. It also includes a set of recommended options with which to start deliberations, should the Board majority direct the drafting of an ordinance aimed at legislating renter protections in unincorporated Sonoma County above and beyond the provisions of the California Tenant Protection Act.

Discussion:

The California Tenant Protection Act of 2019 (CTPA) created a series of residential tenant protections, including limitations on the manner and bases of evictions, and limits on increases in rent. Both the "just cause" limitations on the proper bases for eviction and state law rent increase limitations have exceptions based on the age of the subject property in question, the ownership structure of the property, length of tenancy, and other criteria such as whether the property is subject to affordability limits or special uses. State law preserves the right of local agencies to implement increased protections for tenants residing within their jurisdictions, allowing counties and cities to augment the protections of the CPTA based on local needs. See Attachment A for details regarding existing state law eviction protections.

Beginning in March 2020, in response to the COVID-19 pandemic, the federal government, the State, and the County took additional steps to preserve housing status for residential tenants. On March 24, 2020, Sonoma County enacted Urgency Ordinance 6301 to prevent evictions for COVID-19 related non-payment of rent. https://library.municode.com/ca/sonoma_county/ordinances/code_of_ordinances?nodeId=1034609. On February 9, 2021, Sonoma County enacted Urgency Ordinance 6337, known as the “Just Cause” ordinance. https://library.municode.com/ca/sonoma_county/ordinances/code_of_ordinances?nodeId=1067805

The County’s Just Cause urgency ordinance enacted strict additional limitations on the allowable bases for eviction to those deemed sufficiently important to justify the termination of a tenancy during the pendency of State and County COVID-related tenant protections, and those bases specifically required by state law. The only allowable causes for eviction under the County’s Just Cause Ordinance were:

- 1) Tenant poses an imminent threat to health or safety (e.g., violence);
- 2) Landlord was removing the property from the rental market (via a state law called the Ellis Act);
- 3) Nonpayment of rent under limited circumstances.

The Just Cause Ordinance created a legal defense for tenants who received an eviction notice that did not comport with the temporary limitations, or where evidence may not have established valid grounds for eviction. See Attachment B for details regarding these tenant protections implemented during COVID-19, including the direct assistance to 2,903 households with state and federal funds totaling approximately \$40 million.

On September 30, 2022, pandemic-related eviction protections expired, leaving residential tenants in unincorporated areas protected only by the provisions of the CTPA. Several jurisdictions in California have passed Just Cause ordinances outside the emergency context, which either augment or predate the CTPA. Our Board has engaged in discussions about whether and how state protections should be augmented in Sonoma County, either through additional statutory protections, or through other programs.

On August 15, 2023, the Community Development Commission (CDC) presented an impact analysis of the expiration of Sonoma County’s Just Cause Ordinance <https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6309782&GUID=293EFF18-E429-466B-B1F3-EE974D478A83>. Analysis in the CDC item pointed to the possibility of local (unincorporated) tenant protection legislation. Accordingly, the Board directed staff to prepare options to augment protections for residential tenants in unincorporated Sonoma County through a new Just Cause Ordinance.

The CDC also informed the Board of the Bay Area Housing Finance Authority (BAHFA) Eviction and Housing Legal Services Study, expected October 2024, a quantitative analysis of regional evictions over the past five years, including rates, causes, outcomes, and characteristics in each county, along with demographic estimates of those most affected. The study may provide data that could better inform policy options, but waiting until publication will extend the timeline for enacting renter protections in unincorporated Sonoma County.

On December 5, 2023, the Board heard [renter protection options <https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6438812&GUID=644FE444-0817-4C79-B328-76ACE9BDCF13>](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6438812&GUID=644FE444-0817-4C79-B328-76ACE9BDCF13) and directed staff to conduct community engagement and return with the results of community engagement and a matrix of legislative options for the Board's consideration.

Community Engagement

In coordination with the County's Office of Equity, district staff, housing advocates, housing providers, community-based organizations (CBO's), and MIG Consulting, the County Administrator's Office conducted community engagement to help establish priorities and preferences to better inform renter protection options. This engagement included: five (5) listening sessions in Guerneville, Sonoma, Petaluma, and Mark West; eight (8) one-hour interviews with 18 key stakeholders; and eight (8) 90-minute focus groups, four in-person and in Spanish, with 74 participants. Fourteen (14) CBO's, organizations, and partners contributed to this engagement. For the full report, see Attachment C.

Key Themes

- A) Perceptions of current housing issues and the relationships between tenants and landlords vary widely: Housing providers described generally positive relationships with tenants and minimal existing issues, beyond lack of affordability. They described a strong desire to keep good tenants, keep safe and well-maintained units, and see a positive return on investment. Tenants and social service providers described housing units in poor condition, and of tenants subjected to drastic rent increases and fearful of retaliation by landlords. Several tenants described positive relationships with landlords. All respondents agreed that lack of affordable housing is a large problem in Sonoma County.
- B) Vulnerable populations face significant additional barriers to finding, obtaining, and keeping safe, affordable housing: Low-income renters, people of color, immigrants/Limited English Proficient individuals, people experiencing homelessness/formerly homeless, those with mental health or medical issues, seniors, and students face additional barriers to accessing affordable, safe housing due to issues such as lack of documentation or income; high costs of rent, fees, and living expenses; apparent discrimination; difficulty in accessing information about, understanding and navigating application processes; and lack of recourse in the case of sudden rent raises, eviction without just cause or with insufficient notice.
- C) Housing advocates urge policy makers to implement additional housing protections to prevent abuses and protect the most vulnerable populations: Housing advocates described serious problems with abuses, particularly of vulnerable populations, in rental housing, including very poor living conditions, illegal rent hikes, evasion of just cause regulations, and intimidation, and urged policy makers to implement additional housing protections.
- D) Housing providers warn additional regulation may lead to unintended consequences: Housing providers and some social service providers voiced concern that increased rental regulations and protections fail to help either owners or renters, and lead to negative unintended consequences,

including creating adverse relationships between tenants and landlords, creating too much risk for housing providers, making it difficult for housing providers to make a profit, and ultimately leading to housing providers exiting the market and decreasing the rental housing supply.

- E) More social and financial support is needed for renters, and better education on protections and renters' rights needed for all: Housing providers and social service providers suggested that rental assistance would help tenants stay in their homes and avoid eviction. They noted that regulations governing who receives assistance are convoluted and sometimes counter intuitive, making it difficult for tenants to access support. Housing providers and social service providers also believe more funding, with clearer regulations, is needed to enable programs to assist renters and provide affordable housing as well as better collection and use of data is needed to inform a realistic assessment of housing need.
- F) Participants believe enforcement is also crucial in tenant protections and without adequate enforcement measures, ordinance changes alone may not effectively address the challenges tenants face in asserting their rights. They believe additional resources may be required for enforcing existing and proposed protections, such as supporting tenants in accessing legal counsel through additional funding, creating an emergency rent relief fund, or establishing a tenant protection division within County government.

Options to Augment Protections for Residential Tenants in Unincorporated Sonoma County

Pursuant to the direction from the Board in December 2023 and after hearing community commentary regarding the need for additional tenant protections, staff has created a matrix of options for the Board to consider in any potential tenant protection ordinance, found in Attachment D.

The full array of options to augment protection are included in Attachment D. To aid the Board's consideration, staff recommends deliberations begin with the following options to best address the issues that were heard during community engagement:

Exemptions for Income-Restricted Properties

Under the CPTA, there are several limits on the types of properties subject to Just Cause eviction protections, which include exemptions for certain partially owner-occupied properties, special purpose housing such as nursing and dormitory facilities, and all manner of income-restricted housing. Staff recommends removing the exemption for income-restricted housing, either under public ownership or private ownership under deed restriction. Such a change would mean that residents qualifying for low-income housing, who likely have less resources to move than other tenants, would be afforded greater rights to avoid no-fault evictions.

Eliminate Waiting Period for Application of Just Cause Protections

Under the CPTA, tenants must occupy a property for one year, or at least one occupant must occupy a

property for 24 months in a household with varying tenancy commencement dates, in order to be protected by the Just Cause provisions of the CTPA. Staff recommends that Just Cause protections to be made to attach to all otherwise qualified tenancies on day one of occupancy. Such a change would mean that a new tenant could not be evicted at any time after their lawful occupation begins without complying with the otherwise applicable Just Cause provisions.

Pre-positioned Emergency Response Eviction Limitations

During the early days of the COVID-19 pandemic, the County acted swiftly to implement an urgency ordinance that limited evictions for COVID-related nonpayment of rent, and later augmented those protections to include stringent Just Cause limitations. These actions were initially taken under the authority granted by the Emergency Services Act, which gives the County power to act under declaration of emergency. While the COVID-19 related protections were expanded to include pandemic-related statewide protections, existing law does not provide any tenant protections intended to take effect on the basis of a future emergency if needed.

Staff recommends pre-positioning an ordinance which would set forth strict limitations on evictions that could be activated in the event of a declared state of emergency that the Board found justified additional tenant protections. Pre-positioning the structure of such tenant protections would streamline the process of assisting vulnerable tenants should the need arise again, avoiding the need to adopt urgency legislation. Such pre-positioned emergency protections would be grounded in the County's emergency response powers, which are county-wide, as opposed to its general policing power, which for non-emergency legislation is limited to the unincorporated County in its scope.

Rent Registry

A rent registry serves as a centralized database or record-keeping system for rental properties, storing essential information such as owner details, occupancy status, rental rates, lease terms, and property inspection history. Typically mandated by the local jurisdiction and administered by a contractor, housing providers must annually register each rental unit with updated information and may be required to remit a fee per unit to the jurisdiction managing the registry or their designee. These fees are generally used to fund the jurisdiction's registry. Research on the effectiveness of registries is somewhat limited and varies depending on the specific context and objectives of the registry, yet there is evidence to suggest that they can be effective tools for promoting legal compliance, providing rental market data, and adding an extra layer of protection for renters through accountability and transparency.

The cost of a rent registry is potentially prohibitive. Staff's initial research indicates that a registry of rental units in unincorporated Sonoma County, subsidized by the County and administered by a contractor, would cost approximately \$380,000 to \$480,000 per year, depending on the granularity of the data to be captured. This is based on approximately 30,000 rental units in unincorporated Sonoma County, 15,000 of which are single-family residences, at an administration cost of approximately \$16 per unit per year. Whether County funding is available for such a registry on an annual basis and who at the County should manage the registry

remains to be determined.

Strategic Plan:

This item seeks to prevent homelessness by increasing pathways to housing stability through Just Cause Ordinance renter protections. This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 4: Reduce the County's overall homeless population by 10% each year by enhancing services through improved coordination and collaboration.

Objective: Objective 3: Increase investment in programs that treat underlying causes of homelessness, including substance abuse, mental illness, poverty, and lack of affordable housing.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

On January 31, 2023, the Board supported the Continuum of Care's Regional Strategic Plan on Homelessness for 2023-2027, directed at preventing homelessness.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6004420&GUID=E1D21FA8-299E-4906-9E8B-0BC9EFC03003>. The 2023 Sonoma County Point in Time Count also found that eviction (14%) and rent increases (7%) are primary causes in homelessness. See Attachment F for more information about the causes of homelessness. The 2020 US Census shows that 38.6% of Sonoma County are renters, which is the second highest among neighboring counties. Black and Latino households are more likely to occupy rented units, with over half of all those populations' households renting. According to both the US Census Bureau and the 2021 update to the Portrait of Sonoma update, 52% of renters are "rent burdened" and spend more than 30% of their incomes on rent, varying by ethnicity: 59% for Latinos, 68% for Blacks, 52% for Asians, and 53% for whites.

<https://upstreaminvestments.org/Microsites/Upstream%20Investments/Documents/Archive/Portrait-of-Sonoma-County-2021-Report.ADA.pdf> Difficulty paying rent or mortgage is reported at a higher frequency by Black and Latino households, which on average have more of their income going towards housing while also earning less than their white counterparts - white households earned 30% more than Latinos, 40% more than Blacks, and 20% more than Asians. This places communities of color at higher risk for housing instability.

https://generationhousing.org/wpcontent/uploads/2023/03/2023_0322-Making-the-Rent-The-Human-Price-of-Housing-Cost-Burden.pdf Accordingly, the expansion of renter protections may help increase housing stability and decrease homelessness for these disproportionately impacted communities.

Prior Board Actions:

12/05/23 - Board reviewed Options to Augment Protections for Unincorporated Residential Tenants

08/15/23 - Board received Analysis of Impacts of Ending Sonoma County's Just Cause Ordinance

01/03/23 - Board adopted a resolution supporting Sonoma County Continuum of Care's Regional Strategic Plan on Homelessness for 2023-2027.

Urgency Ordinance 6337: Adopted February 9, 2021, further limited reasons for eviction to identified "just causes."

Urgency Ordinance 6301: Adopted March 24, 2020, prevented eviction for non-payment of rent cause by Covid-19 related loss of income.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Should the Board decide to pursue a Rent Registry subsidized by the County and administered by a contractor, the estimated cost would be \$380,000 to \$480,00 per year, depending on the granularity of the data to be captured. This is based on approximately 30,000 rental units in unincorporated Sonoma County, 15,000 of which are single-family residences, at an administration cost of approximately \$16 per unit per year. Additionally, depending on the number and type of local (unincorporated) augmented protections, enforcement of the ordinance will require Board discretionary resources to establish a compliance program.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

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Attachments:

Attachment A - Existing State Law Eviction Protections

Attachment B - COVID-19 Tenant Protections

Attachment C - Community Engagement Report

Attachment D - Renter Protection Matrix and Sample Ordinance Options

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Attachment E - Point in Time Count Data

Attachment F - Presentation EN

Attachment G - Presentation SP

Related Items “On File” with the Clerk of the Board:

Community Engagement Correspondence