



**City of Palo Alto**  
**City Council Staff Report**

**(ID # 13965)**

**Report Type: Action Items**

**Meeting Date: 1/31/2022**

**Summary Title: Renter Relocation Assistance Ordinance**

**Title: PUBLIC HEARING: Adoption of an Emergency Ordinance and Regular Ordinance Amending Palo Alto Municipal Code Section 9.68 (Relocation Assistance for No-Fault Evictions) by Reducing the Threshold for Applicability from 50 Units to 10 Units or a Lower Threshold. Environmental Assessment: Exempt pursuant to CEQA Guidelines Section 15061(b)(3).**

**From: City Manager**

**Lead Department: Planning and Development Services**

**Recommendation:**

Staff recommends that Council:

1. Adopt the emergency ordinance lowering the threshold for relocation assistance from 50 units per property to 10 units per property for qualifying tenants as defined in the municipal code, or
2. Adopt the permanent ordinance lowering the threshold for relocation assistance from 50 units per property to 10 units per property for qualifying tenants as defined in the municipal code.

**Background/Discussion:**

On November 29, 2021, the City Council discussed renter protection policies and directed staff to advance several policies. Three policies were identified as high priority assignments, including extending relocation assistance to qualifying renters in multifamily buildings with 10 or more units. The City's current rules require landlords to provide relocation assistance to tenants within buildings with 50 or more units with additional benefits to qualifying low income households, seniors, disabled and minor tenants. Enforcement of this provision, if necessary, is initiated by the aggrieved tenant through civil proceedings; the City is not involved in enforcement.

The Council's specific motion related relocation assistance benefits is provided below:

Bring back to Council an amendment to expand our relocation ordinance to buildings of 10 units or more per property.

On January 26<sup>th</sup>, the Planning and Transportation Commission is scheduled to consider the relocation ordinance. This hearing was scheduled to be responsive to the Council's interest to prioritize this work and to provide opportunities for public engagement in advance of the Council hearing. Since this item was agendaized, staff learned of an eviction proceeding underway for some residential properties located on Layne Court. Three of these properties have six or seven units; a fourth property has 28 units. It is unclear how many units are affected by the eviction.

Given the Council's interest to expand renter protection policies generally and relocation assistance benefits specifically, staff is advancing this ordinance for Council's consideration concurrent with the PTC's review.<sup>1</sup> Two ordinances are attached to this report, an emergency ordinance, which takes effect immediately, and a permanent ordinance which would become effective on the 31<sup>st</sup> day following a second reading, or sometime in mid-March. The urgency ordinance requires a four-fifths super-majority vote of the Council members present for the hearing. A simple majority is required for adoption of the regular ordinance.

The PTC staff report provides more background information and context supporting the subject ordinance and is available online: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/planning-and-transportation-commission/2022/ptc-01.26.2022-tenant.pdf>.

### **Summary of Key Issues:**

The attached ordinance advances the City Council's expressed policy direction from November 29, 2022.

### **Policy Implications:**

Adoption of the ordinance would change the threshold when relocation assistance is required for qualifying tenants from 50 units per property to 10 units; or other threshold as determined by Council. This ordinance does not prevent evictions.

### **Resource Impact:**

The recommendation in this report has no budget or fiscal impacts.

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<sup>1</sup> Staff will update the Council on the PTC's deliberation and recommendation during its staff presentation before Council or through an at-places memorandum, if appropriate.

**Timeline:**

The urgency ordinance if adopted would become effective immediately. The permanent ordinance would become effective on the 31<sup>st</sup> day following second reading, if adopted.

**Stakeholder Engagement:**

The PTC is scheduled to have a hearing on the ordinance on January 28; staff will update the City Council on the public testimony received and any PTC recommendation from the meeting. Notice of this hearing was published ten days in advance in the *Daily Post*.

**Environmental Review:**

The subject ordinances are exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that a requirement for tenant relocation assistance will not have a significant effect on the physical environment.

**Attachments:**

**Attachment3.a:      Attachment A - Emergency Ordinance Amending Ch 9.68 to Extend Relocation Assistance Requirements      (PDF)**

**Attachment3.b:      Attachment B - Ordinance Amending Ch 9.68 of PAMC to Extend Relocation Assistance Requirements      (PDF)**

\*NOT YET APPROVED\*

Ordinance No. \_\_\_\_\_

Emergency Ordinance of the Council of the City of Palo Alto Amending Chapter 9.68 (Rental Housing Stabilization) of Title 9 (Public Peace, Morals, and Safety) of the Palo Alto Municipal Code to Extend Relocation Assistant Requirements

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

- A. Renters occupy 45% of the housing units in Palo Alto and 37% are rent burdened, particularly those households in which the household would be considered low income under Santa Clara County's area median income.
- B. Tenants evicted in Palo Alto are forced to incur substantial costs related to new housing including, but not limited to, move-in costs, moving costs, new utility hook-ups, payments for temporary housing, and lost work time seeking housing.
- C. Move-in costs commonly include first and last month's rent plus a security deposit equal to one month's rent, leading to total relocation expenses in excess of three months' rent.
- D. Tenants who do not have adequate funds to move and who are forced to move pursuant to no-fault eviction notice face displacement and great hardship
- E. The impacts of these no-fault evictions are particularly significant on low-income, elderly, and disabled tenants, and tenants with minor children, justifying an additional payment for households with these tenants.
- F. These impacts are further exacerbated by the effects of the ongoing COVID-19 pandemic. Accordingly, early in the COVID-19 pandemic, federal, state, and local governments adopted a variety of temporary moratoria on evictions. These moratoria have largely expired.
- G. City staff have recently become aware of a series of planned no-fault evictions in rental properties containing fewer than 50 units.
- H. On November 29, 2021, the City Council held a public meeting to discuss a variety of renter protection measures and directed staff to lower the number of units in the previous tenant relocation assistance ordinance from properties with 50 units or more to properties with ten units or more.

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- I. On January 26, 2022, the Planning and Transportation Commission considered the ordinance and recommended adoption to the City Council.
- J. The Council declares that this emergency ordinance, which is effective immediately, is necessary as an emergency measure to preserve the public peace, health, or safety, by expanding the protections of tenant relocation assistance for no-fault evictions to more renters in Palo Alto, including those renters facing an imminent threat of eviction.

SECTION 2. Section 9.68.035 (Relocation Assistance for No Fault Eviction) of Chapter 9.68 (Rental Housing Stabilization) of Title 9 (Public Peace, Morals and Safety) of the Palo Alto Municipal Code is amended as follows (~~struckthrough~~ text is deleted, underlined text is added):

**9.68.035 Relocation Assistance for No Fault Eviction.**

- a) This section shall be applicable only to structures or lots containing ~~50~~ 10 or more rental units.
- b) For the purposes of this section, a "no-fault eviction" means an action by a landlord to recover possession of a rental unit for any reason other than the following:
  1. The tenant has failed to pay rent to which the landlord is legally entitled.
  2. The tenant has violated a lawful obligation or covenant of the tenancy.
  3. The tenant has refused the landlord reasonable access to the unit for the purposes of making repairs or improvements, for any reasonable purpose as permitted by law, or for the purpose of showing the rental unit to any prospective purchaser or tenant.
  4. The tenant is permitting a nuisance to exist in, or is causing damage to, the rental unit.
  5. The tenant is using or permitting a rental unit to be used for any illegal purpose.
  6. The landlord seeks in good faith to recover possession of the rental unit in order to comply with regulations relating to the qualifications of tenancy established by a governmental entity, where the tenant is no longer qualified.  
No fault evictions shall include, without limitation, actions in which the landlord seeks in good faith to recover possession of the rental unit:
  7. To demolish or otherwise permanently withdraw the rental unit from offer for rent or lease pursuant to California Government Code sections 7060-7060.7.
  8. To perform work on the building or buildings housing the rental unit that will render the rentable unit uninhabitable;
  9. For use and occupancy by the landlord or the landlord's spouse, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, children, or parents provided the landlord is a natural person.
  10. For no specified cause.
- c) Whenever a landlord seeks a no-fault eviction, as defined in this section, other than temporary displacement of 31 days or fewer, the landlord shall provide a relocation assistance payment as follows:

\*NOT YET APPROVED\*

1. Unit Type	Amount
0 bedrooms	\$7,000
1 bedroom	\$9,000
2 bedrooms	\$13,000
3 or more bedrooms	\$17,000

If the rental unit is occupied by two or more tenants, the landlord shall provide each tenant with a proportional share of the required payment. One half of the payment shall be paid at the time that the landlord provides notice of its intent to seek no-fault eviction; the remainder of the payment shall be paid to each tenant when that tenant vacates the unit.

2. Notwithstanding subsection ~~(d-c)~~(1), each rental unit that, at the time the landlord provides notice of its intent to seek no-fault eviction, is occupied by a low-income household as defined in Chapter 16.65, a tenant who is 60 years of age or older, a tenant who is disabled within the meaning of Government Code section 12955.3, or a tenant who is a minor, shall be entitled to a single additional relocation payment of \$3,000. This amount shall be divided equally among the qualifying (i.e. low-income, elderly, disabled, or minor) tenants. In order to receive this additional payment a qualifying tenant must provide written notice to the landlord of his or her eligibility along with supporting evidence within 15 days of receiving the landlord's notice. The entirety of this additional payment shall be paid within 15 days of the tenant's written notice to the landlord.
  - d) Prior to or at the same time that the landlord provides notice of its intent to seek no-fault eviction, the landlord shall serve on the tenant a written notice describing the rights described in this section. The failure to provide this notice shall not operate as a substantive defense to an eviction pursuant to California Government Code sections 7060-7060.7.
  - e) Commencing July 1, 2019, the relocation payments specified in this section shall increase annually at the rate of increase in the "rent of primary residence" expenditure category of the Consumer Price Index (CPI) for all urban consumers in the San Francisco-Oakland-San Jose Region for the preceding calendar year. Current rates shall be published on the city's website.
  - f) A landlord may request a waiver or adjustment of the relocation assistance payment required by this section only upon a showing that strict application of its requirements would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property. Requests for waiver or adjustment must be submitted in writing to the director of planning and development services together with supporting documentation at least 90 days before the proposed termination of tenancy. Requests shall be acted on by the city council.
  - g) The director of planning and development services may issue regulations implementing this section.

**SECTION 3.** If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The Council hereby declares that it should have adopted the

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Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 4. The Council finds that this project is exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to Section 15061 of the CEQA Guidelines, because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

SECTION 5. Pursuant to Palo Alto Municipal Code Section 2.04.270, this ordinance shall be effective immediately upon adoption if passed by a vote of four-fifths of the council members present. It is the intent of the City Council that this ordinance shall apply to any no-fault eviction that is not yet completed on the effective date of the ordinance. In the event this ordinance becomes effective after an initial notice of no-fault eviction is sent, the landlord shall provide a written notice of rights, pursuant to PAMC Section 9.68.035, subdivision (d), as soon as practicable. The notice required from a tenant to the landlord pursuant to PAMC Section 9.68.035, subdivision (c)(2) shall be due no sooner than fifteen days following the landlord's notice of rights.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

APPROVED:

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Director of Planning and  
Development Services

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7. To demolish or otherwise permanently withdraw the rental unit from offer for rent or lease pursuant to California Government Code sections 7060-7060.7.
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SECTION 4. The Council finds that this project is exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to Section 15061 of the CEQA Guidelines, because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

SECTION 5. This ordinance shall be effective on the thirty-first day following its adoption. It is the intent of the City Council that this ordinance shall apply to any no-fault eviction that is not yet completed on the effective date of the ordinance. In the event this ordinance becomes effective after an initial notice of no-fault eviction is sent, the landlord shall provide a

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PASSED:

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NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

APPROVED:

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Director of Planning and  
Development Services