

Not Yet Approved

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Adopting Chapter 9.65 (Residential Rental Registry Program) and Amending Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants) to Establish a Mandatory Registry Program of Residential Rental Units

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 represent a significant percentage of Palo Alto's population;
- B. Landlords provide a significant community service by providing rental housing in the City of Palo Alto;
- C. Palo Alto has great diversity in residential rental property and rental unit types, ranging from single-family homes and accessory and junior accessory dwelling units to properties with multi-family apartment buildings containing a variety of unit types;
- D. There is a need to ensure that housing is provided for people of all income levels and to affirmatively further fair housing;
- E. The Palo Alto rental market is one of the most expensive in the country, which is one factor that can lead to renters being at risk of displacement;
- F. The City desires to implement policies for certainty, stability, and fairness in the rental market for renters and landlords;
- G. The City finds value in having an updated registry of rental units and landlord contact information, for purposes such as informing City housing policy updates and assisting with renter/landlord mediation services;
- H. The City and State have instituted existing renter protections, and the City has an interest in understanding the extent of awareness of these protections in the community and the status of implementation;
- I. A significant number of renters in Palo Alto are low-income and cost-burdened;
- J. The City makes a significant investment on an ongoing basis regarding rental unit protection, preservation, and production and will also soon implement the 6th Cycle Housing Element policies and programs;
- K. The City hosted public hearings to gain feedback on the Rental Registry Program, including before the Human Relations Commission on September 23, 2021 and May 24, 2023, the Planning & Transportation Commission on April 28, 2021 and May 31, 2023, City Council

on November 8, 2021, November 15, 2021, and November 29, 2021, the Policy & Services Committee on September 13, 2022, and the Housing Ad Hoc on August 31, 2023; and

- L. The City Council finds and determines that the Residential Rental Registry Program ordinance codified in Palo Alto Municipal Code Chapter 9.65 (Residential Rental Registry Program) is adopted pursuant to the authority to protect the public health, safety, and welfare.

SECTION 2. Chapter 9.65 (Residential Rental Registry Program) of Title 9 (Public Peace, Morals and Safety) is hereby adopted as follows:

9.65.010. Purpose.

The purpose of this chapter is to adopt a residential rental registry program for the city of Palo Alto, which will allow the city to:

- (a) Learn about the Palo Alto residential rental landscape as it is experienced by renters and landlords;
- (b) Make data-informed policy decisions that protect public health, safety, and welfare for the residents of Palo Alto and that support certainty, stability, and fairness in the residential rental market for renters and landlords;
- (c) Support community awareness of existing renter protections;
- (d) Support the implementation of the city's Housing Element goals, policies, and programs, including providing information available to inform the city's significant investments in rental unit protection, preservation, and production.

9.65.020. Definitions.

For purposes of this chapter, the following terms are defined as follows:

- (a) "Landlord" means the owner or property manager exercising effective control over the terms and conditions of the tenancy of a residential rental unit, including a person with such control delegated through a durable power of attorney.
- (b) "Rent" means the consideration, including any bonus, benefit, or gratuity demanded or received by a landlord, for or in connection with the use or occupancy of a residential rental unit.
- (c) "Rental registry information" means the information required to be submitted to the city of Palo Alto by a landlord pursuant to this chapter.
- (d) "Residential rental unit" means any housing structure occupied as a dwelling or offered for rent or lease as a dwelling, whether attached, detached, single or multiple-family. The term "residential rental unit" shall not include an attached

bedroom of a landlord-occupied dwelling where the landlord and renter(s) share living facilities.

- (e) "Renter" means a person or entity entitled by written or oral agreement to occupy a residential rental unit to the exclusion of others.

9.65.030. Registration of residential rental units.

- (a) Initial Registration of Residential Rental Units. The landlord of each residential rental unit within the city of Palo Alto shall register the unit within the annual open registration period established by the City Manager or their designee. Registration must be completed using forms provided by the city, which may take the form of a secure website, and which may be amended from time to time. Registration is complete only when all rental registry information has been provided to the city and all outstanding fees and penalties, if applicable, have been paid.
- (b) Renewal Registration. The landlord of each residential rental unit within the city of Palo Alto shall renew the registration of each unit annually within the annual open registration period established by the City Manager or their designee.
- (c) Rental Registry Information Submission.
- (1) At minimum, the following information shall be provided as part of the initial and renewal registration of a residential rental unit:
- The address of each residential rental unit,
 - The name and contact information of the property owner and property manager or landlord, as applicable.
- (2) In addition to requiring the minimum information described in paragraph 9.65.030 (c)(1), the City Manager or their designee shall have the authority to require or request additional information at initial or renewal registration which may help to achieve the intended purpose of this chapter.
- (3) The City Manager or their designee shall have the authority to require rental registry information to be submitted in a particular manner or on a particular platform, such as on a secure website or through paper-based forms, which may be amended from time to time.
- (d) Event-based Registration Amendments.
- (1) At minimum, landlords shall amend the registration of their residential rental unit within 30~~10~~ calendar days whenever one of the following events occurs in relation to that residential rental unit:
- ~~Any increase in rent,~~
 - ~~Any new tenancy is established,~~
 - ~~A new vacancy in the residential rental unit~~ A notice to quit is sent to a renter, or
 - ~~ii.~~ An eviction.
- (2) The City Manager or their designee shall have authority to designate additional events which will require landlords to amend the registration of

their residential rental units and which may help to achieve the intended purpose of this chapter.

- (e) Affidavit. Each initial and renewal registration and event-based registration amendment shall be accompanied by an affidavit signed by the landlord declaring under penalty of perjury that the information provided is true and correct.
- (f) Fees.
 - (1) For the sole purpose of reimbursing the city of Palo Alto for the reasonable costs of maintaining residential rental unit registration records and related administrative systems, and program administration, the landlord of each residential rental unit to which this chapter applies shall pay a fee upon initial and renewal registration in an amount to be set by the Palo Alto city council.
 - (2) Notwithstanding paragraph (1) of this subsection, the city council may, in its discretion, waive or reduce the fees for initial or renewal registration to help achieve the intended purpose of this chapter.
 - (3) A landlord may not seek recovery of this fee from the renter(s) in occupancy of their residential rental unit(s).

9.65.040. Rental registry information privacy.

The City will only affirmatively publish or disseminate rental registry information in the aggregate, except that rental registry information describing individualized residential rental units may be shared or distributed in the following circumstances:
~~Individualized rental registry information containing trade secrets and proprietary information will not be shared or distributed, except in the following circumstances:~~

- (a) Individualized rental registry information regarding a renter's tenancy at a specific residential rental unit may be shared with that renter;
- (b) The status of whether the City has or has not received rental registry information regarding a residential rental unit ~~will be considered public information~~ may be shared with the public; and
- (c) As required by the California Public Records Act, individualized rental registry information may be disclosed pursuant to a request.

9.65.050. Penalties.

- (a) Penalties for Delinquency. Any landlord operating in the city that fails to register or amend their residential rental units in accordance with this Chapter shall pay, in addition to the amount of the registration fee, a penalty in an amount to be determined by ordinance or resolution.
- (b) Penalty Waiver. The City Manager or their designee shall have discretion to waive this penalty fee for good cause and if the City Manager or their designee

- determines that waiving the penalty fee would promote the purpose of this chapter.
- (c) Action to Collect. If a landlord fails to comply with the fee requirements of this Chapter, the city may refer the matter to a collection agency and/or the city attorney may file a civil action against any landlord. Penalties may be added to the residential rental unit registration fee. Penalties will become due and payable along with the registration fee.
 - (d) Remedies Cumulative. All remedies prescribed under this Chapter shall be cumulative and the use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

SECTION 3. Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants) of Title 9 (Public Peace, Morals and Safety) is hereby amended as follows:

9.72.050. Property registration.

- ~~(a) The landlord of each residential rental property within the city shall register the unit or units with the city according to the requirements of Chapter 9.65 (Residential Rental Registry Program), regardless of whether the residential rental property is listed in Section 9.72.030. The registration shall include the name and mailing address of the owner or owners of the property, as well as the name, mailing address and contact telephone number of the person having the legal authority to effectively resolve disputes arising under this chapter.~~
- ~~For the sole purpose of reimbursing the city of Palo Alto for the reasonable costs of maintaining property registration records and related administrative systems, the owner or manager of each residential rental unit to which this chapter applies shall pay a fee in an amount to be set by the Palo Alto city council.~~

SECTION 4. 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 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 5. 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

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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 6. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Director of Planning and Development
Services

Director of Administrative Services