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Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Chapter 9.68 (Rental Housing Stabilization) to Clarify the Definitions of At-Fault and No-Fault Just Cause for Evictions, Extend Just Cause Eviction Protections to More Rental Units in Palo Alto than Offered by State Law, and to Enact a Security Deposit Limit for Unfurnished Rental Units in Palo Alto

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, accessory and junior accessory dwelling units, to properties with multi-family apartment buildings containing a variety of rental units;
- D. There is a need to ensure that housing is provided for people of all income levels, and 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 potential renters being unable to afford standard rental unit move-in costs;
- F. The Palo Alto rental market is one of the most expensive in the country, which is one factor that can lead to renters at risk of displacement;
- G. The city desires to implement policies for certainty, stability, and fairness in the rental market for renters and landlords;
- H. A significant number of renters in Palo Alto are low-income and cost-burdened;
- I. Move-in costs for unfurnished residential rental units commonly include first and last month's rent plus a security deposit of up to two months' rent, leading to high initial move in costs ,
- J. The State of California created eviction protections for some rental units in Palo Alto but not others through the enactment of California Assembly Bill 1482 (2019), which currently automatically sunsets in 2030,

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- K. The city is making significant investments on an ongoing basis regarding rental unit protection, preservation, and production and will also soon need to implement the 6th Cycle Housing Element policies and programs; and
- L. On November 29, 2021, the City Council held a public meeting to discuss a variety of renter protection measures and directed staff to draft a Security Deposit Limit ordinance that caps the maximum allowed security deposit for unfurnished rental units in Palo Alto to one and one half times (1.5x) the monthly rent, whereas California Civil Code section 1950.5 allows for the maximum security deposit for unfurnished units to be two times (2x) the monthly rent,
- M. On November 29, 2021, the City Council held a public meeting to discuss a variety of renter protection measures and directed staff to draft a response to California Assembly Bill 1482 (2019) by preparing an Eviction Reduction/Just Cause ordinance for Palo Alto to extend state eviction protections to properties built and receiving occupancy within the last fifteen (15) years, but does not include rental units occupied less than a year or single family homes not owned by a corporation or renters who live in a duplex when one unit is owner occupied,
- N. On February 9, 2023, the Human Relations Commission held a public meeting to discuss the effectiveness of existing renter protections in Palo Alto and recommended that the City Council adopt the extensions described by the City Council on November 29, 2021 in addition to several other extensions,
- O. The city, while still retaining local definitions in some cases, adjusted the previous Palo Alto definitions of at-fault and no-fault just cause eviction in order to be consistent with California Assembly Bill 1482 (2019) for the purposes of consistency, transparency, legal clarity,
- P. The city finds that the Eviction Reduction/Just Cause and Security Deposit Limit ordinance is not in conflict with and is more protective than California Assembly Bill 1482 (2019) in regard to the number of rental units receiving eviction protections and relocation assistance, the limitations on security deposits for unfurnished residential rental units, and, in some circumstances, in regard to the Tenant Relocation Assistance (TRA) dollar amount required if a tenant received a no-fault just cause eviction, and because the ordinance is permanent and does not contain the California Assembly Bill 1482 (2019) automatic sunset in 2030,
- Q. The City Council finds and determines that the Eviction Reduction/Just Cause and Security Deposit Limit ordinance codified in Palo Alto Municipal Code Chapter 9.68 (Rental Housing Stabilization) is adopted pursuant to the city's authority to protect the public health, safety, and welfare.

Commented [Staff1]: Required finding per Civ Code 1946.2(g)(1)(B).

SECTION 2. Chapter 9.68 (Rental Housing Stabilization) of Title 9 (Public Peace, Morals and Safety) is hereby amended as follows:

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9.68.010. Purpose.

(a) It is found and declared that there is a growing shortage of, but increasing demand for, housing in the city of Palo Alto. Such shortage and increased demand, coupled with increasing inflation, have placed substantial pressure on those residents of Palo Alto seeking rental housing. This council finds that ~~tenantrenters~~ are entitled to a contractual relationship with a landlord that offers some assurance of stability and fair treatment under the terms of a written lease ~~so as to~~ minimize displacement of ~~tenantrenters~~ into a rental housing market which affords them few and expensive options.

(b) Council further finds that the provisions of California Assembly Bill 1482 (2019), as codified and later expanded in the Civil Code of the state of California, offers important protections from instability and displacement to renters. The provisions of that bill as they relate to eviction reduction are restated and expanded below, to make the protections permanent in the city of Palo Alto and extend them to renters living in qualified residential rental units that received a certificate of occupancy within the last fifteen years.

9.68.020. Definitions.

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

(a) **"Landlord"** means ~~an owner, lessor, or sublessor, or the agent, representative, or successor of any of the foregoing persons who receives, or is entitled to receive, rent for the use and occupancy of any rental unit or portion thereof~~ 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) "Rent increase" means any additional rent demanded of or paid by a renter for a residential rental unit.

(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. "Rental unit" means a dwelling unit in the city of Palo Alto with the land and appurtenant buildings thereto and all housing services, privileges, and facilities supplied in connection with the use or occupancy thereof, which unit is in a multiple-family dwelling (including a duplex), boardinghouse, lodginghouse, or mobilehome park. The term "rental unit" shall not include:

~~(1) A single-family dwelling;~~

~~(2) Rooms or accommodations in hotels, boardinghouses, or lodginghouses which are rented to transient guests for a period of less than thirty days;~~

Commented [Staff2]: This definition is adopted from Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes between Landlords and Tenants).

Commented [Staff3]: This definition is also adopted from Chapter 9.72.

Commented [Staff4]: These exceptions have been removed from the "Definitions" section because each section below now states its specific exemptions. This ensures that the exceptions in preexisting local protections remain largely unaffected by the addition of new exceptions in state protections.

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- ~~(0) Dwelling units in a condominium, community apartment, planned development or stock cooperative as defined in Chapter 21.40, or in a limited equity stock cooperative as defined in the California Business and Professions Code;~~
- ~~(0) Dwelling units in which housing accommodations are shared by landlord and tenant;~~
- ~~(0) Housing accommodations in any hospital, extended care facility, asylum, nonprofit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school or an elementary school;~~
- ~~(0) Housing accommodations rented by a medical institution which are then subleased to a patient or patient's family;~~
- ~~(0) Dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency, or authority; or~~
- ~~(0) Dwelling units acquired by the city of Palo Alto or any other governmental unit, agency or authority and intended to be used for a public purpose.~~

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

~~(f)~~ "Just cause" to terminate a tenancy means either of the following:

- (1) "At-fault just cause", which means any of the following:
 - (A) Default in the payment of rent.
 - (B) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the California Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
 - (C) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
 - (D) Committing waste as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
 - (E) The renter had a written lease that terminated on or after July 1, 2023, and after a written request or demand from the landlord, the renter has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this chapter or any other provision of law.
 - (F) Criminal activity by the renter on the residential rental unit, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the California Penal Code, on or off the residential rental unit, that is directed at any landlord or agent of the landlord.

Commented [Staff5]: This definitions of "just cause" come directly from state law.

Section 1956.2 (g)(1)(B)(i) of the Civil Code requires our local definition of "just cause" to be consistent with state law.

Commented [Staff6]: To be replaced with effective date.

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- (G) Assigning or subletting the premises in violation of the renter’s lease, as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
 - (H) The renter’s refusal to allow the landlord to enter the residential rental unit as authorized by Sections 1101.5 and 1954 of the California Civil Code, and Sections 13113.7 and 17926.1 of the California Health and Safety Code.
 - (I) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
 - (J) The employee, agent, or licensee’s failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the California Code of Civil Procedure.
 - (K) When the renter fails to deliver possession of the residential rental unit after providing the landlord written notice as provided in Section 1946 of the California Civil Code of the renter’s intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the California Code of Civil Procedure.
- (2) “No-fault just cause,” which means any of the following:
- (A) Intent to occupy the residential rental unit by the landlord or their sibling, spouse, domestic partner, children, grandchildren, parents, grandparents, father-in-law, mother-in-law, son-in-law, or daughter-in-law, provided the landlord is a natural person.
 - (B) Permanent withdrawal of the residential rental unit from offer for rent or lease pursuant to California Government Code sections 7060-7060.7.
 - (C) The landlord complying with any of the following:

 - (i) An order issued by a government agency or court relating to habitability that necessitates vacating the residential rental unit.
 - (ii) An order issued by a government agency or court to vacate the residential rental unit.
 - (iii) A local ordinance that necessitates vacating the residential rental unit.
 - (D) Intent to demolish or to substantially remodel the residential rental unit. “Substantially remodel” means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable

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federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the renter in place and that requires the renter to vacate the residential rental unit for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential rental unit vacated, do not qualify as substantial rehabilitation.

(g) “Security” means any payment, fee, deposit, or charge, including, but not limited to, any payment, fee, deposit, or charge, except as provided in Section 1950.6 of the California Civil Code, that is imposed at the beginning of the tenancy to be used to reimburse the landlord for costs associated with processing a new renter or that is imposed as an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:

- (1) The compensation of a landlord for a renter’s default in the payment of rent.
- (2) The repair of damages to the premises, exclusive of ordinary wear and tear, caused by the renter or by a guest or licensee of the renter.
- (3) The cleaning of the premises upon termination of the tenancy necessary to return the unit to the same level of cleanliness it was in at the inception of the tenancy.
- (1)(4) To remedy future defaults by the renter in any obligation under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, if the security deposit is authorized to be applied thereto by the rental agreement.

Commented [Staff7]: This definition of “security” comes directly from state law.

9.68.030. Requirement of offering one-year written leases.

- (a) Offer. If a ~~tenant-renter~~ or prospective ~~tenant-renter~~ wishes to rent a residential rental unit from a landlord and if said landlord wishes to rent said residential rental unit to said ~~renter-tenant~~ or prospective ~~renter-tenant~~, the landlord must offer to the ~~renter-tenant~~ or prospective ~~renter-tenant~~ a written lease which has a minimum term of one year. Such offer must be made in writing. Signing of a lease which has a minimum term of one year shall be considered an offer in writing.
- (b) Acceptance. If the ~~renter-tenant~~ or prospective ~~renter-tenant~~ accepts the offer of a written lease which has a minimum term of one year, this acceptance must be in writing. Signing a lease which has a minimum term of one year will be considered an acceptance.
- (c) Rejection. If the ~~renter-tenant~~ or prospective ~~renter-tenant~~ rejects the offer for a written lease which has a minimum term of one year, this rejection must be in writing, and the landlord and ~~renter-tenant~~ or prospective ~~renter-tenant~~ may then enter into an agreement, oral or written, that provides for a rental term of less than one year.

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- (d) Rent. If the landlord and ~~renter tenant~~ enter into a written lease which has a minimum term of one year, such lease must set the rent for the residential rental unit at a rate or rates certain and these rates shall not be otherwise modified during the term of such lease.
- (e) Renewal of Leases. If both the landlord and the ~~renter tenant~~ wish to continue the rental relationship, upon the expiration of the initial written lease which has a minimum term of one year, a lease shall be offered again in accordance with the procedures of Section 9.68.030(a) through (d):
- (1) Leases with a term of one year shall be offered annually.
 - (2) Leases with a term longer than one year shall be renewable at the expiration of each lease period for a minimum term of one year.
 - (3) A landlord shall offer annually a written lease with a minimum term of one year to a ~~renter tenant~~ who rejected an initial offer of a written lease with a minimum term of one year but who has rented a unit from the landlord for a period of at least twelve months.
- (f) Applicability. This section shall not apply to:
- (1) A residential rental unit which is rented on the effective date of the ordinance codified in this chapter, provided, that (A) if the unit is rented subject to a written lease, when the lease in effect for such a unit expires, the ordinance codified in this chapter shall then apply; and (B) if the unit is rented without a written lease, within thirty days after the effective date of this section, the landlord shall offer a written lease to the ~~renter tenant~~ in accordance with this section;
 - (2) An owner-occupied unit that is rented to a ~~renter tenant~~ for less than one year;
 - (3) A residential rental unit occupied by a ~~renter tenant~~ who subleases that unit to another ~~renter tenant~~ for less than one year;
 - (3)(4) A single-family dwelling;
 - (5) Rooms or accommodations in hotels, boardinghouses, or lodginghouses which are rented to transient guests for a period of less than thirty days;
 - (6) Dwelling units in a condominium, community apartment, planned development or stock cooperative as defined in Chapter 21.40, or in a limited equity stock cooperative as defined in the California Business and Professions Code;
 - (7) Dwelling units in which housing accommodations are shared by landlord and tenant;
 - (8) Housing accommodations in any hospital, extended care facility, asylum, nonprofit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school or an elementary school;
 - (9) Housing accommodations rented by a medical institution which are then subleased to a patient or patient's family;
 - (10) Dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency, or authority;

Commented [Staff8]: The previous definition of "rental unit" in Chapter 9.68 contained the exceptions in paragraphs (4)-(11). To keep the applicability of this section consistent, the exceptions from the previous definition are added here.

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- (11) Dwelling units acquired by the city of Palo Alto or any other governmental unit, agency or authority and intended to be used for a public purpose;
- (4)(12) A residential rental unit where tenancy is an express condition of, or consideration for employment under a written rental agreement or contract.

9.68.040. Just-cause evictions required.

(a) Applicability to residential rental units. This section shall apply to all residential rental units, except not any of the following:

- (1) Transient and tourist hotel occupancy as defined in in subdivision (b) of Section 1940 of the California Civil Code.
- (2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the California Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by California's State Department of Social Services.
- (3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
- (4) Housing accommodations in which the renter shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential rental unit.
- (5) Single-family owner-occupied residences.
- (6) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.
- (7) A residential rental unit that is alienable separate from the title to any other dwelling unit, provided that both subparagraphs (A) and (B) below apply:

(A) The owner is not any of the following:

- (i) A real estate investment trust, as defined in Section 856 of the California Internal Revenue Code.
- (ii) A corporation.
- (iii) A limited liability company in which at least one member is a corporation.
- (iv) Management of a mobilehome park, as defined in Section 798.2 of the California Civil Code.

(B) The renters have been provided written notice that the residential property is exempt from this section.

(i) Notice must be given using the following statement:

"This property is not subject to the just cause eviction requirements of Chapter 9.68 of the Palo Alto

Commented [Staff9]: This entire section is largely a direct adaptation of state law. A few procedural elements have been simplified.

Commented [Staff10]: The language in this subdivision comes directly from state law, but excludes the state's exemption for buildings receiving a certificate of occupancy in the last 15 years.

Commented [Staff11]: Council requested that eviction protections only apply to a single family residence if it is owned by a corporation. State law's similar limitation is restated here.

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Municipal Code. This property meets the requirements of Section 9.68.040 (a)(7) of the Palo Alto Municipal Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the California Internal Revenue Code; (2) a corporation; (3) a limited liability company in which at least one member is a corporation; or (4) management of a mobilehome park, as defined in Section 798.2 of the California Civil Code.”

(ii) The notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(8) Housing 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 California 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 California Health and Safety Code or comparable federal statutes.

(b) Protection for renters. Notwithstanding any other law, after a renter has continuously and lawfully occupied a residential rental unit for 12 months, the landlord of the residential rental unit shall not terminate the tenancy without just cause, which shall be stated with specificity in the written notice to terminate tenancy. If any additional adult renters are added to the lease before an existing renter has continuously and lawfully occupied the residential rental unit for 24 months, then this subdivision shall only apply if either of the following are satisfied:

(1) All of the renters have continuously and lawfully occupied the residential rental unit for 12 months or more.

(2) One or more renters have continuously and lawfully occupied the residential rental unit for 24 months or more.

(c) Opportunity to cure. Before a landlord issues a notice to terminate a tenancy for just cause that is a curable lease violation, the landlord shall first give notice of the violation to the renter with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the California Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

(d) Notice. A landlord subject to this section shall provide notice to the tenant, which may take the form of a lease provision or an addendum to a lease, and which shall include the following, in no less than 12-point type: “California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. Local law also provides that after

Commented [Staff12]: Subdivisions (b)-(d) are adapted from state law.

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all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Chapter 9.68 of the Palo Alto Municipal Code for more information."

(e) Dispute resolution. Nothing in this chapter abrogates the responsibility of landlords to comply with the requirements of Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes between Landlords and Tenants) of the Palo Alto Municipal Code. As applicable, a renter may request mandatory discussion of rental housing disputes by filing a written request for dispute resolution according to section 9.72.040 (Dispute Resolution Process).

9.68.050. General relocation assistance or rent waiver for no-fault eviction.

(a) Applicability. This section shall be applicable only to tenancies for which just cause is required to terminate the tenancy under section 9.68.040 (Just-cause evictions required), except it shall not apply to a tenancy when relocation assistance payment is available to the renter through section 9.68.060 (Relocation assistance for evictions without at-fault just cause in structures or lots containing 10 or more residential rental units) and the assistance available through section 9.68.060 is greater in value than the assistance available through this section.

(b) Relocation assistance for renters.

(1) Form of assistance. If a landlord issues a termination notice based on a no-fault just cause described in section 9.68.020 (f)(2), the landlord shall, regardless of the renter's income, at the landlord's option, do one of the following:

(A) Assist the renter to relocate by providing a direct payment to the tenant as described in section 9.68.050 (b)(3).

(B) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

(2) Notice required. If a landlord issues a notice to terminate a tenancy for no-fault just cause, the landlord shall notify the renter of the renter's right to relocation assistance or rent waiver pursuant to this chapter. If the landlord elects to waive the rent for the final month of the tenancy as provided in section 9.68.050 (b)(1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

(3) Amount.

(A) The amount of relocation assistance or rent waiver shall be equal to one month of the renter's rent that was in effect when the landlord issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.

Commented [Staff13]: This section largely restates the tenant relocation assistance available in section 1946.2 of the Civil Code.

Commented [Staff14R13]: Section 1946.2(g)(2) of the Civil Code provides that units "shall not be subject to both a local ordinance requiring just cause for termination of a residential tenancy and this section." In order to ensure that both the city's and the state's relocation assistance options are available to tenants, the city must restate the state's relocation assistance.

Commented [Staff15]: This means that this section will cover buildings receiving a certificate of occupancy in the last 15 years, unlike state law.

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(B) If a renter fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this section shall be recoverable as damages in an action to recover possession.

(C) The relocation assistance or rent waiver required by this section shall be credited against any other relocation assistance required by any other law.

(4) Effect of noncompliance. A landlord's failure to strictly comply with this subdivision shall render the notice of termination void.

9.68.025-9.68.060 Relocation assistance for no-fault evictions without at-fault just cause in structures or lots containing 10 or more residential rental units.

(a) Applicability. This section shall be applicable only to structures or lots containing 10 or more residential rental units. This section shall not apply to any of the following:

(1) A single-family dwelling;

(2) Rooms or accommodations in hotels, boardinghouses, or lodgings which are rented to transient guests for a period of less than thirty days;

(3) Dwelling units in a condominium, community apartment, planned development or stock cooperative as defined in Chapter 21.40, or in a limited equity stock cooperative as defined in the California Business and Professions Code;

(4) Dwelling units in which housing accommodations are shared by landlord and tenant;

(5) Housing accommodations in any hospital, extended care facility, asylum, nonprofit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school or an elementary school;

(6) Housing accommodations rented by a medical institution which are then subleased to a patient or patient's family;

(7) Dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency, or authority; or

(8) Dwelling units acquired by the city of Palo Alto or any other governmental unit, agency or authority and intended to be used for a public purpose.

(b) For 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

Commented [Staff16]: The previous definition of "rental unit" in Chapter 9.68 contained the exceptions in paragraphs (1) through (8). To keep the applicability of this section consistent, the exceptions from the previous definition are added here.

Commented [Staff17]: The city is required to make our "no-fault" definition consistent with state law.

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~~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.~~

~~(e)(b) Amount required. Whenever a landlord seeks an eviction for any reason other than to comply with regulations relating to the qualifications of tenancy established by a governmental entity or at-fault just cause, as defined in this Chapter, other than temporary displacement of 31 days or fewer, the landlord shall provide a relocation assistance payment as follows:~~

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

~~If the residential rental unit is occupied by two or more tenantrenters, the landlord shall provide each tenantrenter 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 a qualifying eviction; the remainder of the payment shall be paid to each tenantrenter when that tenantrenter vacates the unit.~~

~~(2) Notwithstanding subsection (dc)(1), each residential rental unit that, at the time the landlord provides notice of its intent to seek no-faultan eviction subject to this section, is occupied by a low-income household as defined in Chapter 16.65, a tenantrenter who is 60 years of age or older, a tenantrenter who is disabled within the meaning of Government Code section 12955.3, or a~~

Commented [Staff18]: Preexisting section 9.68.035 (Relocation assistance for no-fault eviction) has its own definition of "at-fault just cause." There is only one preexisting, local at-fault just cause with no mirror in the new definition: 9.68.035(b)(6). That has been added as an exception here to keep the coverage of this section consistent.

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tenant/renter 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) tenant/renters. In order to receive this additional payment a qualifying tenant/renter 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/renter's written notice to the landlord.

~~(d)~~(c) Notice. Prior to or at the same time that the landlord provides notice of its intent to seek no-faultan eviction subject to this section, the landlord shall serve on the tenant/renter 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)~~(d) Annual adjustment. 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~~Hayward Region, not seasonally adjusted, for the preceding calendar year. Current rates shall be published on the city's website.

~~(f)~~(e) Request for waiver. 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)~~(f) Authority to regulate. The director of planning and development services may issue regulations implementing this section.

Commented [Staff19]: These updates reflect the methodology currently used by staff.

9.68.070. Security deposit limit.

(a) Applicability. This section applies to security for leases of all residential rental units.

(b) Limits. A landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to one and a half months' rent, in the case of unfurnished rental units, in addition to any rent for the first month paid on or before initial occupancy.

(c) Security deposit purposes. The landlord may claim of the security only those amounts as are reasonably necessary for the purposes specified in subdivision 9.68.020 (g). The landlord may not assert a claim against the renter or the security for damages to the premises or any defective conditions that preexisted the tenancy, for ordinary wear and tear or the effects thereof, whether the wear and tear preexisted the tenancy or occurred during the tenancy, or for the

Not Yet Approved

cumulative effects of ordinary wear and tear occurring during any one or more tenancies.

~~9.68.040~~ 9.68.080 TenantRenter's remedies.

- (a) Defense to Action to Recover Possession. Failure of a landlord to comply with any of the provisions of this chapter shall provide the tenantrenter with a defense in any legal action brought by the landlord to recover possession of the residential rental unit.
- (b) Defense to Action to Collect Rent. Failure of a landlord to comply with any of the provisions of this chapter shall provide the tenant-renter with a defense in any legal action brought by the landlord to collect rent.
- (c) Injunctive Relief. A tenant-renter may seek injunctive relief on his or her own behalf and on behalf of other affected tenants-renters to enjoin the landlord's violation of this chapter.
- (d) Remedies are Nonexclusive. Remedies provided in this section are in addition to any other existing legal remedies and are not intended to be exclusive.

~~9.68.050~~ 9.68.090 Nonwaiver.

Any waiver or purported waiver by a tenantrenter of rights under this chapter prior to the time when such rights may be exercised, except a rejection of a one-year lease offered in accordance with Section 9.68.030, shall be void as contrary to public policy.

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

INTRODUCED:

PASSED:

Not Yet Approved

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager

Director of [Planning and Development Services](#)

[Director of Community Services](#)

Director of Administrative Services