



Council Housing Ad Hoc
Thursday, August 31, 2023
Community Meeting Room & Zoom
5:00 PM

VIRTUAL PARTICIPATION [CLICK HERE TO JOIN](https://cityofpaloalto.zoom.us/j/89613946457)
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Meeting ID: 896 1394 6457 Phone:1(669)900-6833

Agenda

Call to Order

1. Public Comment
2. Rental Registry Program (RRP)
Recommendation to City Council on the Adoption of an Ordinance Amending the Palo Alto Municipal Code to Add 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 in the City of Palo Alto and to Provide Feedback on the Development of the Rental Registry Program. CEQA Status - Exempt under CEQA Guidelines Section 15061(b)(3).

Adjournment

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CITY OF
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ALTO**

City Council Housing Ad Hoc Staff Report

From: Director of Planning and Development Services

Report Type: Action Item

Lead Department: Planning and Development Services

Meeting Date: August 31, 2023

TITLE

Recommendation to City Council on the Adoption of an Ordinance Amending the Palo Alto Municipal Code to Add 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 in the City of Palo Alto and to Provide Feedback on the Development of the Rental Registry Program. CEQA Status - Exempt under CEQA Guidelines Section 15061(b)(3).

RECOMMENDATION

Staff recommends that the City Council Housing Ad Hoc:

1. Recommend to City Council the adoption of the draft Rental Registry Program ordinance, modified as appropriate, that adds Palo Alto Municipal Code (PAMC) Chapter 9.65 (Residential Rental Registry Program) and amends PAMC Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants) to establish a mandatory rental registry program of residential rental units in the City of Palo Alto, (Attachment A); and
2. Provide feedback on the development of the City's Rental Registry Program.

EXECUTIVE SUMMARY

This report discusses the City's proposed Rental Registry Program (RRP). Staff seeks a recommendation from the City Council Housing Ad Hoc (Housing Ad Hoc) on the draft RRP ordinance, as well as feedback on key aspects of RRP program development. In support of these actions, this report:

- Summarizes feedback received from the Policy & Services Committee, Human Relations Commission (HRC), Planning & Transportation Commission (PTC);
- Provides an overview of the updated draft RRP ordinance (Attachment A);
- Presents the information that the RRP would collect and how the information could be utilized; and.
- Presents RRP cost and staffing information.

BACKGROUND

In November 2021, City Council directed staff to move forward with the development of the RRP.¹ Staff completed focused research and targeted stakeholder engagement and received clarifying direction from the Policy & Services (P&S) Committee, then prepared the draft RRP ordinance. The draft ordinance was reviewed by both the HRC and PTC in May 2023. Both the HRC and PTC recommended approval of the ordinance and provided some additional feedback for consideration, which is discussed below.

The City also released a Request for Proposals for Rental Registry Program software solutions and professional services, released a Notice of Intent to Award a contract to a selected firm in mid-August, and is now in contract negotiations. The draft RRP ordinance, consultant contract, RRP staffing recommendations, and further program development will all go before City Council for direction and action in late 2023.

More detailed information of the development of the RRP is available in the May 31, 2023 PTC staff report.² This report describes the development of the draft RRP ordinance with regards to program participation, program details, participation fees, penalties, and privacy considerations. The report also provides information highlights from staff interviews with other cities with rental unit registries.

Human Relations Commission Feedback Summary

On May 24, 2023, after detailed discussion and community feedback, the HRC unanimously supported the basic framework of the RRP as presented in the staff report and staff presentation. They also unanimously recommended further consideration of the following issues:

1. Potential burden to property owners regarding fees and cost of participation;
 - a. Penalty fee structure and costs;
 - b. Possible RRP participation fee exemptions for duplexes where one unit is owner-occupied and for ADUs;
2. Outlining RRP privacy mandates and how they will be facilitated; and
3. Exemption of ADUs from the RRP.³

Planning and Transportation Commission Feedback Summary

¹ City Council Meeting Minutes, 11/29/21: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/11-november/20211129/20211129amccs.pdf>

City Council City Manager Report ID # 13786, 11/29/21:

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/11-november/20211129/20211129pccs.pdf>

² Planning & Transportation Commission Staff Report #2303-1135, May 31, 2023:

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/planning-and-transportation-commission/2023/ptc-5.31-rental-registry.pdf>

³ Human Relations Commission Staff Report # 2303-1139, May 24, 2023:

<https://www.cityofpaloalto.org/files/assets/public/community-services/human-relations-commission/agendas/5-24-23/item-3-staff-report.pdf>

On May 31, 2023, the PTC unanimously recommended the draft RRP ordinance to City Council with some minor text clarifications, as well as consideration of the following topics:

1. Clarify the ordinance to be clear that all landlords would provide the same information for the RRP;
2. Identify opportunities to reduce frequency of reporting, such as waiving annual registration if other events were reported within a recent timeframe; and
3. Add a provision that waives the first penalty fee if property owner claims no notification of the RRP program was received.

The PTC also included in their motion that staff return with the mock-up of the rental unit registration form developed in the future selected RRP software.⁴

ANALYSIS

This section discusses the draft ordinance and responses to HRC and PTC feedback, the information collected by the program, and anticipated program costs and staffing needs.

Draft Ordinance

The draft ordinance (Attachment A) establishes the new Rental Registry Program and makes minor amendments to PAMC Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants) to refer landlords to the new PAMC Chapter 9.65 (Residential Rental Registry Program). The draft ordinance includes the RRP purpose, definitions, registration requirements (frequency, information collected, etc.), fee provisions, information sharing/privacy, and potential penalties.

The sections below discuss various components of the ordinance and include the HRC and PTC comments where applicable. Staff made responsive updates to the draft RRP ordinance, which can be seen in underline/strikeout format in the attachment.

Participation Exemptions

Consistent with P&S Committee direction, the draft RRP ordinance would apply to all residential rental units (i.e., any housing structure occupied as a dwelling offered for rent or lease as a dwelling), consistent with existing registry requirements. The HRC recommended further consideration of the pro/cons of implementing some RRP participation exemptions, such as for ADUs. The HRC was concerned about the burden placed on property owners of primarily single-family sites with ADUs. At the HRC and PTC meetings, there were several public speakers expressing that participation in the RRP for their rental units, including ADUs, was too much effort and costly whereas some landlords expressed willingness to participate. Staff also encourages the ad hoc to consider the possibility of exempting units with less than three units or less, not counting ADUs or JADUs – in other words, apply the RPP initially to only multi-family housing. This will focus the program toward more business-related rental units, reduce the regulatory process for homeowners, and potentially require less administrative support for the program,

⁴ Planning & Transportation Commission Staff Report #2303-1135, May 31, 2023:

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/planning-and-transportation-commission/2023/ptc-5.31-rental-registry.pdf>.

while also address cost concerns expressed at the HRC meeting. If exempted, based on Table 1 below, about 25% of the rental housing stock would not be subject to the RRP.

The P&S committee had previously expressed an interest for including ADU/JADUs to help inform local housing policies, but many of these units are allowed administratively by the state regardless of whether the units are rented out. While applying the RPP to ADU/JADUs may provide some insight into how these units are being used it may not result in substantial policy changes given the state pre-emption. Similarly, single family home rentals, which represents about a quarter of the total rental inventory may not result in policy changes but may add more perspective to the rental landscape in Palo Alto. Staff notes, the RRP could be expanded over time if the need arises for this additional information.

Participation Fees

The draft RRP ordinance establishes the ability for the City to collect RRP participation fees. The ordinance specifically states that fees would be based upon reimbursement/cost recovery only, as well as that the amount would be set through a City Council public process.

The HRC recommended understanding more about RRP participation fees before acting on the draft RRP ordinance that obligates rental unit property owners to pay for RRP implementation. The HRC expressed concern about approving the ordinance without fully understanding the what the fee would be for property owners.

Staff proposes a flat per rental unit RRP participation fee and, therefore, the RRP cost recovery would be distributed amongst the units estimated to be included in the program. This fee would be paid once a year by the property owner or landlord and who would have subsequent access all year without the need to pay a fee to submit event-based reporting.

Staff continues to refine an understanding of the program costs. Initial estimates based on the assumption of additional staff resources, consultant and technology support preliminarily range from about \$50 per unit to upwards of \$200 per unit, not including other indirect costs that may be associated with this program. Fees would also be subject annual increases consistent with municipal fee schedule adjustments.

The Housing Ad Hoc Committee could choose to provide feedback on the degree of cost recovery that should be set by City Council. Options include setting RRP participation fees at full cost recovery (includes costs for initial RRP software development and support, hiring new staff, and related indirect costs), setting cost recovery after a City offset of the costs for initial RRP software development, or for the City to cover or subsidize all or portions of the RRP implementation costs.

Table 1 below summarizes census data related to the distribution of rental households by rental in Palo Alto. The actual number of units that would be subject to the RRP may differ or change over time. If fewer units are included in the program, the per unit cost to register a unit would increase for the remaining units. More units would reduce the distributed the cost per unit.

Table 1: Distribution of Rental Households by Rental Unit Property Type in Palo Alto

	Mobile Home	Boat, RV, Van, etc.	Single Family Detached	Single Family Attached	Duplex	Triplex and Fourplex	Small Sized Rental Property (5 to 9 Units)	Medium Sized Rental Property (10 to 19 Units)	Medium Sized Rental Property (20 to 49 Units)	Large Sized Rental Property (50 or More Units)	Total
# of Units	38	0	2,890	558	135	941	1,557	1,289	1,636	2,379	11,423
% of Total Units	0.3%	0.0%	25.3%	4.9%	1.2%	8.2%	13.6%	11.3%	14.3%	20.8%	100%

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, B25032 Tenure by Units in Structure: https://data.census.gov/cedsci/table?q=units%20in%20structure&t=Housing%3AIncome%20%28Households,%20Families,%20Individuals%29%3AOwner%2FRenter%20%28Householder%29%20Characteristics&g=1600000US0655282&tid=ACSDT5Y2020_B25032

Fee Exemptions

The HRC recommended consideration of RRP participation fee exemptions for certain rental units, such as for ADUs and duplexes where one unit is owner occupied. Staff anticipates administrative challenges validating owner occupied status and requests the Housing Ad Hoc offer some guidance on whether any exemptions should apply.

Minimize Reporting

The PTC requested consideration of any opportunities to streamline or reduce overall frequency of reporting, such as if an annual registration could be waived if other events were reported within a recent timeframe. In response, staff recommends no fee be collected for any event based reporting outside of the annual reporting period.

Information Consistency

The PTC suggested adjusting the phrasing in the draft RRP ordinance to clarify that all landlords would be providing the same information into the RRP. In response, staff added text updates to the draft ordinance in Section 9.65.030(c)(2) to clarify that all landlords would provide the same information on their rental units at initial registration and registration renewal.

Penalties and Waiver Provision

The draft RRP ordinance establishes the provisions for when a financial penalty could be utilized to facilitate compliance with the program requirements. The HRC recommended understanding the proposed penalty structure and cost before acting on the draft ordinance that obligates property owners to pay a penalty fee if rental units are unregistered or registered late. To address the HRC’s concern, the penalty structure and amount would be set and affirmed through a public process by City Council resolution on a regular basis. City Council last updated the City’s Administrative Penalty Schedule and Civil Penalty Schedule in June 2023⁵ and previously in April

⁵ City Council Resolution No. 10113 <https://portal.laserfiche.com/Portal/DocView.aspx?id=66964&repo=r-704298fc>

2022.⁶ Staff will also continue to provide public noticing to the extent feasible to notify rental property owners of these discussions.

The PTC recommended adding a provision to the penalty waivers that stated that the lack of receiving notice of the existence of the RRP would qualify as good cause for a waiver of the first penalty fee. Staff concurs with this PTC feedback but does not need to adjust the draft RRP ordinance to specifically include this example of what could constitute good cause. Also, the RRP software will have a Customer Service Management (CRM) system by which registration notices and invoices can be sent easily for rental units. Therefore, staff does not anticipate a lack of noticing to be an issue for RRP implementation.

Privacy

The HRC recommended outlining RRP privacy mandates and how they will be facilitated. Staff and the RRP consultant would address RRP software privacy and security through authentication procedures, software design, ongoing maintenance, etc. The draft RRP ordinance explains the limited circumstances under which information collected by the RRP could be shared or distributed. The RRP would have a landlord portal, a public portal, and a staff portal. Landlords would be able to access all rental unit information for their units only. Members of the public would be able to see if the City has or has not received RRP information, type of reporting, and the date of that reporting. Renters may request information reported for their rental unit during their tenancy. RRP program staff would be able to access all rental unit information but would report information in aggregate.

The HRC recommended describing renter privacy as it relates to the RRP implementation. Landlords would report rental unit information. The RRP would only ask for information that landlords would legally know about a renter, such as if a Section 8 voucher is used to pay rent. No renter demographic information would be collected by the RRP. Staff does not believe any edits to the draft RRP ordinance are necessary at this time to respond to this topic, given the existing text in the draft RRP ordinance.

PAMC Chapter 9.72 Minor Amendments

Minor amendments are proposed to PAMC Chapter 9.72 (Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants). The amendments do not change the purpose, function, or any other aspect of the existing Mandatory Response Program, which is considered by the City as an important service offered to landlords and renters. The amendments serve to refer landlords to the RRP registration requirements and RRP participation fee in the new PAMC Chapter 9.65 (Residential Rental Registration Program). This allows for the RRP to collect the information and the cost recovery fee outlined in PAMC Chapter 9.72 and would remove the need for landlords to register their rental units into two City systems.

⁶ City Council Resolution No. 10031: <https://www.cityofpaloalto.org/files/assets/public/city-clerk/resolutions/resolutions-1909-to-present/2022/reso-10031.pdf>

Draft RRP Initial Rental Unit Registration Form

The May 31, 2023 PTC staff report describes the development of the draft initial rental unit registration form. Staff updated the form based upon feedback received thus far. Staff sees the implementation of the RRP as a phased project. With the initial roll-out of the program, the information collected and reflected in the draft initial rental unit registration form (Attachment B) is considered minimal while still being meaningful for future analysis. Although initial registrations and the first year of event-based reporting will be very valuable, staff anticipates that it might take a few years before the City will have enough relevant data to analyze rental market trends. With this in mind, it is important to ask for key information with the initial launch of the RRP. Otherwise, the RRP may not serve its purpose in helping to inform the City of rental market trends or guide the City in future policy making. Attachment C provides information on how the RRP information can be used for policy development.

Rental Registry Program Costs

The May 31, 2023 PTC staff report contains a summary of staff interviews with other cities with rental unit registries regarding how their programs are designed. Program costs need to be evaluated relative to all the various components necessary for successful RRP implementation.

Regarding RRP software solutions and professional services, the City issued a Notice of Intent to Award the contract to the firm 3Di in August 2023. The contract negotiations are still in progress and the final figure for the consultant costs are not fully fleshed out at this time. Based on the initial proposal submitted to the City, there is an initial program buildout cost of approximately \$70,000, and approximately \$150,000 for 3-years of maintenance and software subscription. Staff anticipates that these figures will adjust with the finalization of the contract scope, but it is not expected to change substantially. To get the RRP software up and operating for three years, the cost is approximately \$220,000.

A review of other cities with similar programs found that staff was needed for program administration, contract management, policy development, oversight and day-to-day customer service liaison role for landlords, renters, and other stakeholders. Moreover, staff would review rental unit registrations for quality assurance and control, implement program requirements, coordinate with other City departments engaged in housing and prepare reports for policy-makers. Based on this review, two full time equivalent employees may be needed to implement the RRP. Notably, staff from other cities found it challenging to implement their RRP with only two FTEs. Staff will continue to look for efficiencies for program administration and appropriate staff positions necessary to support the RRP.

TIMELINE

The RRP schedule strives to meet the City Council's goal to launch a registry program as soon as possible. In addition to refining the RRP ordinance, staff is working on the contract negotiations for the consultant services. Staff anticipates bringing the draft RRP ordinance to Council in November 2023 and the consultant contract approval in December.

Staff previously anticipated RRP launch by the end of 2023, but the PTC requested that staff return for further feedback on the rental unit registration form after any Council action and prior

to launch. Staff could also return to the HRC again if necessary. The City also needs to undertake the process of establishing RRP participation fees and penalty fees after making precursor decisions on a RRP contract and City staffing.

Timeframe	Milestones/Public Hearings	Topics
Early 2023	<ul style="list-style-type: none"> • Release Request for Proposals (RFP) • Community Meeting 	Review draft RRP ordinance and RRP administrative development
Spring/Summer 2023	<ul style="list-style-type: none"> • HRC Meeting • PTC Meeting • Evaluate RFP responses • Issue Notice of Intent to Award Contract • Housing Ad Hoc Committee 	
Fall 2023	<ul style="list-style-type: none"> • City Council Meeting(s) 	Review and adopt RRP Ordinance, approve RRP details, approve RRP consultant contract
Winter 2023/2024	<ul style="list-style-type: none"> • PTC Meeting • City Council establishment of RRP participation fees and penalty fees • Consultant and staff develop online portal 	Review of software mockup of RRP initial rental unit registration form
Spring 2024	<ul style="list-style-type: none"> • RRP implemented 	

STAKEHOLDER ENGAGEMENT

Stakeholder engagement efforts were described in the May 31, 2023 PTC staff report. Staff prepared a summary of the public comment themes received on a recently launched City RRP webpage.⁷ New public comment themes are discussed in this report.

ENVIRONMENTAL REVIEW

This project is exempt from the provisions of the CEQA, pursuant to Section 15061(b)(3) 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.

ATTACHMENTS

Attachment A – Draft Rental Registry Program Ordinance – August 2023

Attachment B – Draft Example of an Initial Rental Unit Registration Form – August 2023

Attachment C – Rental Market Questions and Information to be Collected by the Rental Registry Program – August 2023

⁷ Rental Registry Program webpage: <https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Housing-Policies-Projects/Renter-Protection-Policy-Development/Rental-Registry-Program>.

AUTHOR/TITLE:

Rebecca Atkinson, Planner

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, ~~and~~ the Policy &

Services Committee on September 13, 2022, [and the City Council Housing Ad Hoc Committee 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) "Rent increase" means any additional rent demanded of or paid by a renter for a rental unit.
- (d) "Rental registry information" means the information required to be submitted to the city of Palo Alto by a landlord pursuant to this chapter.
- (e) "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.

- (f) "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:
 - i. The address of each residential rental unit,
 - ii. 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 ~~landlords to provide any 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 days](#) whenever one of the following events occurs in relation to that residential rental unit:
 - i. Any increase in rent,
 - ii. Any new tenancy is established,
 - iii. A new vacancy in the residential rental unit, [or](#)
 - ~~iv. An eviction,~~ [or](#)
 - ~~v. iv. Any offer of a one-year lease at renewal.~~
 - (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. 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.

9.65.040. Rental registry information privacy.

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; 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.~~
- ~~(b)~~ 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 3.~~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 4.~~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 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.~~SECTION 6. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

Not Yet Approved

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney

City Manager

Director of Planning and Development
Services

Director of Administrative Services

Draft Example of an Initial Rental Unit Registration Form – August 2023



Residential Rental Unit Registration Form

Residential Rental Unit Registration Form

Registration Form Completion Instructions - placeholder

Residential Rental Property Contact Information

Property owner(s)	Enter full name(s) of individual property owner(s) or full name of trust or corporation
Mailing address	Enter mailing address
Phone number	Enter phone number
Email address	Enter email address
Property owner contact person(s)	Enter full name(s) (option to check if same as above); clarify that this contact person(s) should have authority to resolve disputes at the property
Property owner contact person(s) title(s)	Enter contact person(s) title (property owner, property manager, etc.)
Mailing address	Enter mailing address
Phone number	Enter phone number
Email address	Enter email address

Residential Rental Property Characteristics

Property address	Enter property address (auto-fill)
Property type	Enter property type (menu; examples: rented single family residence, single family residence with rented ADU/JADU, rented duplex, multi-family residential building - rentals, multi-family residential building - condos)
Year purchased	Fill in year purchased
Total number of rental units at the property	Enter number of rental units at property (option wheel)
Year built	Enter year built (year wheel)

Rental Unit Characteristics

Rental unit address	Enter rental unit address (auto-fill)
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Rental unit size (indoor sqft)	Enter unit indoor sqft
Rental unit size (outdoor sqft)	Enter unit outdoor sqft if there is an outdoor balcony or enclosed outdoor space (or check box not applicable)
Rental unit number of bedrooms	Enter number of bedrooms (check box)
Rental unit number of bathrooms	Enter number of bathrooms (option wheel) – full and half bath
Year of last rental unit remodel involving sqft or significant improvements	Enter year remodeled or improved (year wheel or not applicable)
Rental unit owner-occupied or property manager/landlord-occupied	Enter yes/no (check box)

Tenancy Information

Rental unit tenancy status	Enter occupied or vacant (check box)																										
Date of current <u>vacancy</u> commencement	Enter date or not applicable																										
Reason for current vacancy	<p>If vacant, enter reason for vacancy (check all relevant boxes)</p> <table border="1"> <tr> <td colspan="2">New construction or rental unit never previously occupied</td> </tr> <tr> <td colspan="2">Renter-initiated vacancy/voluntary move-out mid-lease term</td> </tr> <tr> <td colspan="2">Renter-initiated vacancy/voluntary move-out end of lease term</td> </tr> <tr> <td colspan="2">Other – please describe</td> </tr> <tr> <td colspan="2">Landlord-initiated vacancy (Enter yes or no) Check reason(s):</td> </tr> <tr> <td>Renter default in the payment of rent</td> <td>Landlord intent to occupy the rental unit, or occupancy of rental unit by landlord family member</td> </tr> <tr> <td>Renter breach of a material term of the lease</td> <td>Landlord permanent withdrawal of the rental unit from offer of rent or lease</td> </tr> <tr> <td>Renter maintaining, committing, or permitting a nuisance at the rental unit or property premises</td> <td>Landlord compliance with an order to vacate the rental unit</td> </tr> <tr> <td>Renter committing waste or damage to the rental unit or property premises</td> <td>Landlord intent to demolish or substantially remodel the rental unit</td> </tr> <tr> <td>Renter refusal to agree to a similar or new rental agreement</td> <td></td> </tr> <tr> <td>Renter criminal activity or criminal threat at the rental unit or property premises</td> <td></td> </tr> <tr> <td>Renter assigning or subletting the rental unit if not allowed by the lease</td> <td></td> </tr> <tr> <td>Renter refusal to allow landlord to enter the rental</td> <td></td> </tr> </table>	New construction or rental unit never previously occupied		Renter-initiated vacancy/voluntary move-out mid-lease term		Renter-initiated vacancy/voluntary move-out end of lease term		Other – please describe		Landlord-initiated vacancy (Enter yes or no) Check reason(s):		Renter default in the payment of rent	Landlord intent to occupy the rental unit, or occupancy of rental unit by landlord family member	Renter breach of a material term of the lease	Landlord permanent withdrawal of the rental unit from offer of rent or lease	Renter maintaining, committing, or permitting a nuisance at the rental unit or property premises	Landlord compliance with an order to vacate the rental unit	Renter committing waste or damage to the rental unit or property premises	Landlord intent to demolish or substantially remodel the rental unit	Renter refusal to agree to a similar or new rental agreement		Renter criminal activity or criminal threat at the rental unit or property premises		Renter assigning or subletting the rental unit if not allowed by the lease		Renter refusal to allow landlord to enter the rental	
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Residential Rental Unit Registration Form

unit when requested in accordance with law	
Renter use of the rental unit or property premises for an unlawful purpose	
Renter failure to vacate after termination as an employee, agent, or licensee	
Renter failure to deliver possession of the rental unit after receipt of written notice	

Date of current tenancy commencement	Enter date or not applicable
Initial lease length	Enter length of initial lease (check box) 1-year, 6 months, 3 months, month to month, other
Date of last 1-year lease renewal offer	Enter date or not applicable
Date of last lease renewal	Enter date or not applicable or month to month

Rent Information

Initial security deposit amount when tenancy commenced	Enter dollar amount
Initial base rent amount (monthly) when tenancy commenced	Enter initial monthly rent amount
Current rent amount (monthly)	Enter current monthly rent amount
Presence of rental assistance/subsidy/incentive when tenancy commenced	Enter yes/no (check box) If yes, check box appears: Rental assistance (example: Housing Choice Section 8) Deed restricted (example: BMR program) Incentive to sign lease (3 months rent free, etc.) Other

Rental unit amenities/services Indicate all amenities and services provided to rental unit within unit or on the rental property(check all relevant boxes)

Vehicle Parking Space(s) (# of parking spaces) Included in rent Separate fee/amount	Water Included in rent Separate fee/amount
Electric Vehicle Charging Included in rent Separate fee/amount	Gas Included in rent Separate fee/amount
Bicycle Parking Included in rent Separate fee/amount	Electricity Included in rent Separate fee/amount

Laundry Included in rent Separate fee/amount	Refuse/Recycling/ Compost Included in rent Separate fee amount
Storage Included in rent Separate fee/amount	Internet Included in rent Separate fee/amount
Gym Included in rent Separate fee/amount	Cable Included in rent Separate fee/amount
Pool/Spa Included in rent Separate fee/amount	Shared kitchen/ Community Kitchen Included in rent Separate fee/amount
Outdoor lounge/ Outdoor common space Included in rent Separate fee/amount	Indoor lounge/ Indoor common space Included in rent Separate fee/amount
Other	N/A



Affidavit Information

Attestation Statement (placeholder)	Attestation of information accuracy
Submittal Date	Date of initial rental unit registration will be captured by software
Name of person filling in the form	Enter full name (option to check if same as in property contact information above)

Optional Information

Do you have any feedback to the City on this rental unit registration process?	Open-ended qualitative response
Do you have any interest in receiving information on rental unit grants, such as for repairs or remodeling?*	Yes or no checkbox - *Example question for the City to learn more information to help landlords with providing rental services
Do you have any interest in receiving information on rental property grants, such as for installing electric vehicle charging stations?*	Yes or no checkbox - *Example question for the City to learn more information to help landlords with providing rental services

Rental Market Questions and Information to be Collected by the Rental Registry Program– August 2023

Rental Market Question	Information to be Collected by Rental Registry Program
Rental Unit Costs	
What are the move-in costs by rental unit type for a new renter?	 Rental Unit Characteristics Rent Amount
At what rates are rents increasing/decreasing for different rental unit types?	 Rental Unit Characteristics Information Rent Amount Event-Based Registration Amendments
Rental Unit Diversity and Services	
Is the Palo Alto rental market offering rental units at diverse affordability levels? What affordability levels are missing?	 Rental Unit Characteristics Rent Amount
Is the Palo Alto rental market offering diverse rental unit types and services? What rental unit types and services are missing?	 Rental Unit Characteristics Rent Amount
Where are rental units located relative to public transit and access to parks and City services?	 Rental Unit Characteristics
Rental Market Trends	
What is the baseline rental market turn-over rate for different rental types and is the rental market stable for all rental types?	 Rental Unit Characteristics Tenancy Status Event-Based Registration Amendments
How many new leases are initiated in Palo Alto each year and at what rents?	 Rent Amount Tenancy Status Event-Based Registration Amendments
What is the Palo Alto rental market occupancy and vacancy rate?	 Tenancy Status Event-Based Registration Amendments
What percentage of tenancy turnovers are owner-initiated versus tenant-initiated?	 Tenancy Status Event-Based Registration Amendments
What are the most frequent reasons for eviction in Palo Alto?	 Tenancy Status Event-Based Registration Amendments
Is there a loss or gain of rental units over time and for any specific rental unit types?	 Rental Unit Characteristics Event-Based Registration Amendments
How many rental units leave the rental market on an annual basis and for what reasons?	 Rental Unit Characteristics Event-Based Registration Amendments