

PLANNING & DEVELOPMENT SERVICES

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DATE: March 7, 2025

TO: Planning and Development Services Staff and Interested Community Members

FROM: Jonathan Lait, Director

SUBJECT: **Residential Rental Program Regulations**

Authority

These regulations are issued pursuant to Chapters 9.65 and 9.68 of the Palo Alto Municipal Code (PAMC). PAMC section 9.65.030 conveys the authority to the City Manager or their designee to create requirements and issue waivers to implement the Rental Registry Program. The City Manager has designated the Director of Planning and Development Services to exercise this authority.

PAMC section 9.68.060 (f) conveys the authority to the Director of Planning and Development Services to issue regulations implementing relocation assistance under PAMC section 9.68.060.

1. Regulations

Rental Registry Program - Chapter 9.65

Open Registration Period – 9.65.030 (a)

For the 2024- 2025 program year, the open registration period is from October 1, 2024 to January 15, 2025.

The Director determined that an extended grace period would encourage greater compliance and serve the purposes of Chapter 9.65. For the 2024-2025 program year, the extended grace period is from January 16, 2025 to March 17, 2025.

Additional Information Required at Initial or Renewal Registration – 9.65.030 (c)(2)

In addition to collecting the information listed in PAMC section 9.65.030(c)(1), the Director determined that collecting the following information at initial and/or renewal registration would serve the purposes of Chapter 9.65:

- Residential rental property characteristics, such as property type, year purchased, number of rental units at the property, and year built;
- Residential rental unit characteristics, such as size (indoor/outdoor), number of bedrooms and bathrooms, year of any remodel, and owner or property manager occupancy;
- Tenancy information, such as rental unit tenancy status as occupied or vacant, date of vacancy, date of tenancy, lease length; and
- Rent information, such as base rent amount, current rent amount, date of last rent increase and amount, presence of rental assistance/subsidy/deed restriction/incentive, and rental unit amenities/services.

Relocation Assistance – Section 9.68.060

"Dwelling units in a condominium, community apartment, planned development or stock cooperative" -- 9.68.060 (a) (3)

For purposes of section 9.68.060 (a) (3), the term "Dwelling units in a condominium, community apartment, planned development or stock cooperative" means units which are owned and/or leased by a landlord that leases 9 or fewer residential rental units in the same condominium, community apartment, planned development or stock cooperative.

2. Purpose

Rental Registry Program – Chapter 9.65

These regulations provide additional detail and implement the rental registry program, as contemplated in the municipal code.

Relocation Assistance - Section 9.68.060

This regulation clarifies a provision of the municipal code to further the purposes of the code and is declarative of existing law. Condominiums, community apartments, planned developments, and stock cooperatives are all forms of property ownership in which individual units are generally owned by different persons/entities.

The exception from the requirements of section 9.68.060 in subdivision (a) (3) is intended to make clear that a landlord who owns and rents a single unit or small number of units in a condominium, community apartment, planned development, or stock cooperative is not required to provide additional relocation assistance. This is true even if the overall structure or lot contains 10 or more rental units that may be owned by unrelated persons/entities.

However, a landlord that owns and/or leases 10 or more residential rental units in the same condominium, community apartment, planned development or stock cooperative is subject to the relocation assistance requirements of Section 9.68.060. When renters are displaced by a landlord that owns and/or leases 10 or more residential units in the same condominium, community apartment, planned development or stock cooperative, it can have an outsized destabilizing effect on the community.

The purpose of section 9.68.060 is to mitigate the destabilization that occurs when tenancies on multifamily lots terminate through no fault of the tenant. The classification of a residential rental unit as a condominium, community apartment, planned development, stock cooperative, or limited equity stock cooperative does not alter the destabilizing impact.

DocuSigned by:

Jonathan Lait, Director

Planning and Development Services

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