



# CITY COUNCIL SUMMARY MINUTES

Special Meeting  
November 27, 2023

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:30 P.M.

Present In Person: Burt, Kou, Lauing, Lythcott-Haims, Stone, Tanaka, Veenker

Present Remotely:

Absent:

## CALL TO ORDER

Mayor Kou called the meeting to order in honor of National Native American Heritage Month.

## SPECIAL ORDERS OF THE DAY

### 1. Presentation on 2023 Palo Alto Community Health Fair Gratitude & Better Health

Jade Chao, Volunteer Board Member, Palo Alto Family YMCA, presented a slideshow of photos from the Palo Alto Community Health Fair. Over 1000 people attended, with expert talks, raffles, nonprofit booths, demonstrations, and workshops. She expressed thanks to the City, council members, Mayor Kou and Vice Mayor Stone, public officials who supported the work, student volunteers, Stanford Healthcare teams, Palo Alto Weekly, and general sponsors.

Delayzio Amerson, Executive Director, Palo Alto Family YMCA, was grateful to the many partners that worked together on this year's Health Fair. He noted the work done by these organizations was carried out throughout the year, and he was thankful for the continued support and contributions.

Matra Majmundar, Board Member, Palo Alto Family YMCA, noted her excitement at seeing nonprofits working together and talking about sharing resources. She stated this all happens because of support from the City.

Jeff Fenton, Member Board of Managers, Palo Alto Family YMCA, added his thanks for the support from all the community organizations and volunteers that helped make this event a success. One of the themes of next year's event will be youth mental health. He encouraged those interested in volunteering to visit the Family YMCA on Ross Road.

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Stacy Ashland, League of Women Voters Gun Violence Prevention Committee, appreciated the opportunity to participate in the Community Health Fair. She noted support for Students Demand Action and Be Smart for Kids.

Carla Scheifly, Director of Community Outreach, Stanford Healthcare, appreciated the City of Palo Alto and the Family YMCA for supporting the health of the community with this fair. She noted it was a pleasure to highlight many of the health resources Stanford has available to everyone in the community. She also thanked the volunteers for their efforts and dedication.

Erwin Morton, Vice President of Advocacy, PTA Council, speaking for himself and on behalf of Rani Jayakumar, VP of Health and Wellness, and Indira Selvakumaraswamy, Deputy VP of Health and Wellness, thanked the City and the YMCA for hosting the Community Health Fair. He appreciated the effort to bring awareness to the topic of teen mental health.

Erika Buck, Volunteer Board Member, Palo Alto Family YMCA, thanked the City for the continued support of the Community Health Fair.

Mary Gloner, Executive Director, Project Safety Net, noted the Community Health Fair has been a cornerstone of bringing the community together. Project Safety Net continues to partner with this to be involved in community-centered planning, to foster connections, and to explore funding and sponsorships.

Mayor Kou thanked the participants for all the work on the Health Fair. She was impressed with how much the youth were involved in the entire process. She requested that future health fairs look into including not only the youth but also seniors and people with disabilities.

Council Member Burt also gave appreciation for the event and stated that the community benefits from the event each year, noting how valuable the community partners are. The City could not serve the community nearly as well if not for the collaboration with those community partners.

## 2. Proclamation Honoring iSing's Performance at the 2023 World Choir Games

Council Member Lythcott-Haims read the proclamation honoring iSing.

Shane Troll, iSing, was proud and honored by the recognition. There are more than 350 first-through twelfth-grade girls that come together each week to sing together. He noted they have produced two albums and also stated the organization is dedicated to maintaining equity, ensuring girls in the area can fully participate no matter the family's financial resources. The mission of iSing is to champion girls as artists, inspire self-discovery, and transform lives. They look forward to many more years serving the community.

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## CLOSED SESSION

3. CONFERENCE WITH LABOR NEGOTIATORS Authority: Cal. Gov. Code section 54957.6; Agency representative: Jeremy Dennis, MRG; Unrepresented Employees: City Manager and City Attorney

**MOTION:** Vice Mayor Stone moved, seconded by Mayor Kou, to go into Closed Session.

**MOTION PASSED: 7-0**

Council went into Closed Session at 5:54 P.M.

Council returned from Closed Session at 7:15 P.M.

Mayor Kou announced no reportable action.

## AGENDA CHANGES, ADDITIONS AND DELETIONS

There were no changes to the agenda.

## PUBLIC COMMENT

Mayor Kou noted that anyone could speak to the Council and express their views, which are the views of the individuals and not the views of the City or City Council. She explained that Palo Alto is committed to a culture of acceptance where all members of a diverse community feel included, safe, and respected. She encouraged speakers to honor these values and express their message without intimidation, discrimination, or disrespectful language. The Brown Act requires cities to accept public comments, and the U.S. Constitution provides strong support for freedom of speech. The City will honor those rights even when strongly disagreeing with the speaker's message unless a speaker disrupts the meeting or violates the rules of conduct.

1. Lubna Q. (Zoom), a resident of Middle Eastern descent, noted that the crisis in the Middle East has had a ripple effect leading to crimes of hate in this country. She asked the City of Palo Alto to condemn Islamophobia and anti-Arab and anti-Palestinian hate, with implementation of programs that include regular community engagement and awareness and policy development.
2. Alina (Zoom) echoed the previous comments and asked the City Council take this issue seriously and do something to help Muslim and Middle Eastern residents feel safer.

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3. Aram James (Zoom) offered his opinions on the conflict in the Middle East. He believed this war was increasing anti-Semitism and urged people to come together in support of Palestinians.
4. Lynn Chiapella (Zoom) spoke about the PC related to 2901 Middlefield and 702 Ellsworth Place, which she felt was a carefully crafted PC. She was discouraged that the City Council was going to support the planners who claim it was not properly written or formed, as it was intended to include all the residents who live there. She felt this had no public benefit except to the developer.
5. Talya Schube (Zoom), Palo Alto Student Climate Coalition (PASCC), discussed the detrimental effects of natural gas on the environment and the impacts on those exposed to it, especially residents with gas stoves and other gas-powered appliances. She urged a move away from natural gas and setting an official gas sunset date.
6. Liz Gardner (Zoom) discussed a community resident who was evicted in September and remains homeless, living in a car with her daughter and grandson. She urged the City Council to address the unhoused residents of the community.
7. URM (Zoom) noted that she feels scared as a Muslim-American in Palo Alto for the first time, urging the Council to bring attention to the rise of anti-Arab, anti-Palestinian, and anti-Muslim hate. She expressed the need for policies, community forums, interfaith initiatives, education and outreach programs, and regular community feedback and responsiveness to combat hate incidents and discrimination.

## COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Burt provided rail-related updates. Caltrain used an emergency declaration to move forward with protection against erosion from winter events with boulder placement along the north bank of San Francisquito Creek. At the recent Rail Committee meeting, there was a presentation by Caltrain staff on the prospective location of a four-track alignment. There was not a clear conclusion, but the data showed problems with locating it at the San Antonio Station. The more likely location will be centered at the California Avenue Station, starting just south of Churchill and extending almost to East Meadow. It will affect the consideration of preferred alternatives and options. The Rail Committee is also awaiting a presentation in January of the technical standard feedback sought from Caltrain on technical issues that affect design and constructability of different grade separation alternatives.

Council Member Veenker stated that the third of three Town Halls co-sponsored with the sibling city of Bloomington, Indiana, will be held at Mitchell Park Community Center on Sunday at 1:00.

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Mayor Kou stated that the previous Monday she attended an interfaith vigil and Thanksgiving dinner held by BAYCC, the Church of Jesus Christ of Latter Day Saints, Congregation Beth Jacob, Pacifica Institute, and Silicon Valley Interreligious Counsel, which was a great community meeting.

Council Member Lythcott-Haims announced a family game night at Gamelandia on California Avenue on December 6 from 5:00 to 7:00 and then 7:30 to 9:30. It is a great opportunity for families to come out and play wholesome games, and Gamelandia is offering 15% off all games purchased that evening.

## CONSENT CALENDAR

Mayor Kou registered a no vote on Agenda Item Number 14.

Council Member Tanaka registered a no vote on Agenda Item Number 7, 8, 9, 13.

Council Member Burt registered a no vote on Agenda Item Number 6.

4. Approval of Minutes from November 6, 2023, Meeting
5. Approval of Professional Services Contract Number C24185875 with Woodard & Curran in an Amount Not to Exceed \$498,866 for the Sewer Master Plan Study Services for a Period of Two Years
6. Adoption of a Resolution Approving a Consent and Direct Agreement With HA RNG 1 Lender LLC and Ameresco Half Moon Bay LLC Consenting to Ameresco Half Moon Bay LLC's Assignment of its Rights in its 2005 Power Purchase Agreement with the City to HA RNG 1 Lender LLC, and Authorizing the City Manager or Designee to Execute any Documents Necessary to Administer Six Renewable Energy Power Purchase Agreements Approved from 2004-2010 in a Manner Consistent with the City Council's Prior Funding Authorization, the Palo Alto Municipal Code and City Council Approved Policies. CEQA Status – Not a Project under Public Resources Code 21065
7. Approval of Budget Amendments in the Residential Housing In-Lieu Fund and the General Fund to Reflect Prior City Council Funding Commitments for the Development of 525 East Charleston Road/Mitchell Park Place and Authorization of 525 East Charleston Road/Mitchell Park Place Loan Preparation and Execution
8. Approval of Amendment No. 5 to Contract No. C12142825 with NV5, Inc. to add \$295,083, Increasing the Not-to-Exceed Amount to \$2,176,406, for Right-of-Way Appraisal and Acquisition Support for the Newell Road/San Francisquito Creek Bridge Replacement Project, Capital Improvement Program Project PE-12011. CEQA:

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Environmental Impact Report for Newell Road/San Francisquito Creek Bridge (Resolution No.9889).

9. Approval of a License Agreement with Equinix, LLC for a Three-Year Term in an Amount Not-to-Exceed \$536,528, and Authorization of a Contingency Amount Not-To-Exceed \$106,900 for Related, Additional but Unforeseen Services which may Develop During the Project; CEQA Status - Not a Project
10. Approval of Amendment Number 2 of Six Development Services On-Call Consulting Contracts to Increase the Not-to-Exceed amount by \$3.40M for a Total Not to Exceed \$9.75M through December 2024 to Provide Expertise for Plan Review and Inspection Services with All Work Subject to Assigned Task Order and Availability of Funds; Environmental Assessment: Exempt in Accordance with CEQA Guidelines Section 15061(b)(3).
11. Approval of Two Sublease Agreements with Palo Alto Community Child Care and Kids Choice for an Initial 12-Month Term
12. Approval of Purchase Orders with WESCO (Representative of EATON/COOPER) and Anixter (Representative of S&C) to Purchase Dielectric Switches for Electric Grid Modernization in an Annual amount of \$2,000,000 for Five Years for a Total-Not-to-Exceed Amount of \$10,000,000
13. SECOND READING: Adoption of an Ordinance Amending the Stanford University Medical Center (SUMC) Development Agreement Adjusting the Timeline for Achieving the SUMC Alternative Mode Share Targets. Zoning District: HD (Hospital District). Environmental Review: Project is Consistent with the 2011 Certified Environmental Impact Report (EIR) for the SUMC Facilities Renewal and Replacement Project. (FIRST READING: October 23, 2023, PASSED 4-2-1, Lythcott-Haims and Tanaka no, Veenker recused)
14. SECOND READING: Interim Ordinance Temporarily Continuing Expansion of Outdoor Dining Retail and Other Activities until December 31, 2024 (FIRST READING: November 7, 2023, PASSED 5-2, Kou, Veenker no)
15. SECOND READING: Adoption of an Ordinance Renewing the Police Department's Military Equipment Use Policy Under AB 481 (FIRST READING: November 13, 2023, PASSED 7-0)

## PUBLIC COMMENT

1. Herb B. noted that Item 9 was related to the project on FTTP and grid modernization. The Finance Committee indicated there would be an environmental review for that entire project due in April 2024. He urged the Council to remove this item from the consent agenda as it was inappropriate to act on a segment of a project subject to CEQA separately from the rest of the project.

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2. Aram James (Zoom) was unsure why adoption of an ordinance renewing the police department's military equipment was on the consent calendar. He felt it was critical for the citizens of the community to know what kind of equipment the department is purchasing and that having this item on the consent calendar violated statute AB 481.
3. Liz Gardner (Zoom) also wanted to see Item 15 moved to a regular agenda item for the public to be aware and to have transparency.

Mayor Kou questioned the comment made about Item 9.

City Attorney Stump was comfortable that this item was not segmentation. If the City does not proceed with FFTP, the space can be subleased or there can be subsequent contracts. The contract itself secures the space.

**MOTION:** Council Member Lythcott-Haims moved, seconded by Mayor Kou, to approve Agenda Item Numbers 4-15.

**MOTION SPLIT FOR THE PURPOSE OF VOTING**

**MOTION PASSED ITEMS 4-5, 10-12, 15: 7-0**

**MOTION PASSED ITEM 6: 6-1, Burt no**

**MOTION PASSED ITEMS 7, 8, 9, 13: 6-1, Tanaka no**

**MOTION PASSED ITEM 14: 6-1, Kou no**

Council Member Burt explained that he was unable to determine a couple aspects of Item 6 that he felt were important. He could not find information about whether this site would properly accept materials that produce methane as a byproduct. He noted the Finance Committee recently discussed the Comprehensive Electricity Acquisition Plan, including opportunities to renew existing hydro contracts and opportunities for smaller hydro contracts going forward. He did not know if those were better sources of baseline power and what the economics would be.

Council Member Tanaka explained that in Item 7, which is about the housing fund, he could not find information on how much is left in the fund. Regarding Item 8, he felt the focus should be on the Chaucer Bridge as that is what is causing flooding in Crescent Park. He did not think the City should be in the fiber business (Item 9) and stated that Item 13 was consistent with what he voted last time.

Mayor Kou reiterated her no vote on Item 14 for the shortsightedness of keeping the street closed as it was unfair, inequitable, not inclusive, and lacking diversity. The emergency is over,

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and to legally close a road, the City needs to show it is not needed for traffic; that has not been done.

## CITY MANAGER COMMENTS

Ed Shikada, City Manager, stated there is to be a review of the annual comprehensive financial report. The media has used the phrase "surplus" to reflect an \$83M increase in the City's net position, which is a misnomer. He explained more about this increase. He discussed preparedness for the storm season and related ongoing activities. The initial opportunity for members of the community to identify issues in the citywide Bicycle and Pedestrian Transportation Plan ends November 30. He gave updates about the upcoming repaving on El Camino Real and ongoing discussion with Caltrans regarding designation of bike lanes. He noted upcoming events, including the annual tree lighting and the Art Center's Holiday Studio Sale. He listed some holiday fire safety tips from the fire department. Notable upcoming Council items on December 4 include a Study Session on the Annual Community Survey as well as action items related to the Safe Parking Ordinance and two colleagues memos.

## ACTION ITEMS

16. PUBLIC HEARING: Adoption of an Ordinance Amending the Palo Alto Municipal Code to Add Chapter 9.65 and Amend Chapter 9.72 to Establish a Mandatory Registry Program of Residential Rental Units in the City of Palo Alto; Provide Direction to Staff on the Rental Registry Program Implementation. CEQA Status – Exempt under CEQA Guidelines Section 15061(b)(3).

Jonathan Lait, Director of Planning and Development Services, asked council members to review and approve an ordinance that would establish the framework for a new Rental Registry Program for Palo Alto and sought feedback on the program implementation as detailed in the staff report. He provided background for this ordinance and reviewed the benefits of a Rental Registry. As drafted, the ordinance would apply to every housing structure offered for rent or lease, including multifamily buildings, single-family homes, and accessory dwelling units. The ordinance sets forth an initial registration requirement, an annual renewal period as well as event-based reporting. Staff recommends a phased approach to implement the Rental Registry as there will likely be a learning curve. This will focus first on multifamily landlords, about 300 registrants/about 70% of the City's rental housing stock. In the third year, it would expand to the remaining 30%, likely requiring more outreach to homeowners. He explained the fees and waivers related to participation in the program as well as the data that would be collected. He further discussed event-based reporting and enforcement and penalties. Staff's ability to enforce the ordinance at this time, based on existing staff resources, would extend to ensuring all qualifying units subject to the ordinance register through the program. The City would not

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be able to follow up on and enforce violations of local or state standards. An enforcement mechanism would require a substantial staff effort.

Director Lait discussed that the basic program described in the staff report and presentation requires at least 2 full-time equivalent employees for the Planning and Services Department upon full implantation. The proposed phased approach would only require 1 FTE initially, supplemented with existing staff resources. The initial program implementation cost is \$70K and about that amount annually going forward. In the fourth year, the whole program is cost recoverable through program fees. He presented a timeline of the program and further noted the staff recommendation.

Council Member Burt asked, regarding the rental market questions and information to be collected by the Rental Registry Program, whether the issues of how long a unit has been vacant and also the percent change in rent amount from the prior year would be included. He also stated that Ghost Homes are a fairly widespread issue in the community and reduce the available housing stock. He questioned if that data was captured through this program or any other means.

Director Lait noted that how long a unit has been vacant was on Attachment E but could be asked more explicitly. The rent amount data from previous registration would be in the record, and the first year would be the baseline. Regarding vacant homes, the data was not captured in this ordinance but Council could give Staff direction to consider it in the context of other priorities.

Council Member Lauing asked about the intent regarding enforcement since the City cannot enforce any violations and how the issue of a tenant reporting a violation would be handled. He asked how the survey questions and length of survey were decided. He wondered about the possibility of a streamlined survey for single-unit private homeowners. He noted there was a hassle factor related to mid-year updates.

Director Lait noted enforcement of violations would be a private matter between the tenant and landlord, settled through civil court. The likely approach would be to develop FAQ and a list of resources for anyone who experienced an alleged violation. The questions were decided through a combination of factors. The vendor has experience with this program with other jurisdictions and experience on what has been useful. There was also a public process before various boards and committees regarding items to include or exclude. The survey was meant to have the balance to inform recommendations without overburdening a landlord with too many questions. He believed data was transferrable across both rental types and wondered what would be excluded to streamline for homeowners. He noted there was always an opportunity to add more event-based reporting mechanisms but it was focused initially on what were felt to be the most impactful items that warranted more immediate attention.

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Council Member Veenker stated the event-based registry and interim reporting would be more of a hassle for the homeowner but assumed it would not be a further burden on Staff.

Director Lait did not believe it would be problematic for Staff, who will not be able to effectively enforce whether an event happened that required reporting.

Ed Shikada, City Manager, disagreed and felt there would be expectation from the Council and community that Staff will be following up to ensure that any qualifying event is actually reported.

Council Member Veenker understood the proposal was to enforce compliance with registration and not with renter regulations at this point. She wondered if there was an intermediate action in which Staff sees a problem and informs the tenant that a private right of action may be available.

Director Lait stated he had not anticipated being involved in the follow-up response. He felt the best option right now was to have resources available to direct people to get help to follow through on alleged violations on rent increases, etc. It could potentially be time consuming to respond to each tenant inquiry. The eviction event-based notification is one area Staff wanted to be more aware of and maybe provide some additional guidance.

Jennifer Fine, Deputy City Attorney, agreed with Director Lait. She added there was space in the ordinance for notification to renters if that was a direction the program eventually takes. Section 40, Rental Registry Information Privacy, Section A, explicitly states that the City may share information about the renter's tenancy with that renter, but it is a matter of how difficult it is to find that information and how much staff time it would take.

Council Member Veenker further asked if it was possible down the road to notify people of what appear to be objective violations and apprise them they may have a private right of action.

Director Lait stated there was not current staff for that but it was something that could return to Council with more information on what it would take to get there.

City Manager Shikada explained there would be a discrete level of resourcing required and an entirely new activity required to take that on.

Vice Mayor Stone understood that proactively enforcing violations would have significant budgetary implications but felt the meaning was vague. He asked if there was a ballpark idea about increased staffing and budgetary implications involved in more enforcement. He struggled with the idea of seeing obvious violations and not being able to do anything about it. He asked if this conversation required a significant amount of staff analysis.

Molly Stump, City Attorney, noted that if there was direction from a majority of Council to dive into the issue, models of enforcement and numbers around staffing and budget could be

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explored. It is a substantial issue, and cities that have a rent board have administrative law judges, counsel for the rent control, investigators who go out and find facts. It would be a new unit of city government that does not currently exist. She understood the importance of this issue and was happy to do the work if a majority of Counsel wanted more concrete information about the cost.

Vice Mayor Stone noted that, in regard to penalty fees, Mountain View does a rental increase moratorium on property owners who have failed to update their Rental Registry. He was interested in thoughts about implementing that here.

Director Lait stated Council could give direction to include that in the ordinance. He explained the penalty fee structure, which he felt may be more impactful than withholding rent increases. There would be a two-month open window for landlords to register in the program. He explained the process for informing landlords of the requirement and of alleged violations, noting that each unit in violation is susceptible to the penalty. The penalty could be \$50 the first day, \$75 the second, \$100 the third and thereafter for each unit that has not registered. He wanted to exercise discretion and give landlords an opportunity to comply because the amount that could be assessed could get quite large very quickly.

Council Member Tanaka asked if there had been significant history of rental abuse in the City and whether it was more than in nearby cities.

Minka Van Der Zwaag, Human Services Manager, stated she oversees the contract with Project Sentinel, which oversees the Palo Alto Mediation Program. She gets calls from residents who have concerns, which tend to be around rent increase, eviction, and quiet enjoyment. She does fact-finding and directs people to the Palo Alto Mediation Program. The program works best when both parties are interested in working together but becomes trickier when it involves the tenant having to look for legal representation. She did not have the numbers available at present. Project Sentinel provides landlord mediation for many local cities, but she was not aware how the issues in Palo Alto compared to neighboring cities.

Council Member Tanaka questioned the impact on landlords of rent prices decreasing, vacancies increasing, and interest rates and maintenance costs rising. He felt it might be good to get that data as there are a lot of vacancies and needs to be incentive for people to rent out the properties.

Director Lait did not have data on that. The direction from Council was to develop a program and come forward with a recommendation on implementation.

Council Member Lythcott-Haims inquired whether the mentioned existing registry was not enforced and fell away or had some compliance and just needed improvement.

Human Services Manager Van Der Zwaag stated it is a very simple registry that does not ask for the complex information the Rental Registry is seeking to ask. It only asks for the address, how

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many units, the owner's name, and the agent's name. It is a very static registry and has not been very well used over the years.

Council Member Lythcott-Haims added that the issue of compliance and enforcement is not new and wanted to try to ensure having those resources in place at some point. She questioned why the unit's base rent was not required in the small number of items landlords must provide when they register. She asked whether the draft rental market policy questions were simply a way to determine if the registry is getting the information desired. She described that Syracuse has combatted lack of compliance with a regulation that says a person may not be evicted from a unit that has not been properly entered into the Rental Registry.

Director Lait responded that rent amount could be included if it was the Council's desire. The questions were a way to determine what data could be collected that could be helpful in future policy considerations. It was anticipated there would be annual reporting and sharing that with the Council. It may take time to see trends, but that information would be flagged for the Council for conversation about further study or analysis. He stated that if Council wanted to add refinements to the ordinance, a regulation about compliance and eviction could be included.

Mayor Kou asked if all sections of the initial rental unit registration form were mandatory. She questioned whether the registry tracked bedroom rentals and also large commercial residential rentals. She asked if property managers go through the same process as landlords for registering rental properties for their client. She inquired about the privacy of the information as there might be concerns that if a rental has expanded without a permit, for example, this record could be used by the county assessor to reassess the property taxes or the unit would need to be updated to permitted status. She wondered if this would keep someone from registering. Regarding the event-based reporting, she questioned if there was a length of time a unit was vacant before needing to register.

Director Lait stated it is a mandatory form that needs to be filled out completely. There is a question about the present-day rent at the time the registry is being updated. He stated the registry does not track if there is a homeowner living on premises and renting out a bedroom; if the homeowner is not present and rooms are rented, that would be tracked. Multifamily buildings with more than three units would be tracked. He stated the process would be the same for property managers and landlords to register. He explained that any data collected is subject to the Public Records Act. There is a responsibility for every property owner to obtain permits for work done to the property, and it is the City's job to ensure it is done in accordance with safety codes. A rental unit that was created without the benefit of permits would likely be investigated but is more of a code enforcement issue. He stated the staff recommendation did not have unit vacancy as an event that warrants reporting unless the person was evicted.

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1. Leannah Hunt stated Staff has access to many statistics concerning rental properties through public records. She also noted that the cities in the Bay Area with rental registries show that 90% to 95% of evictions were caused by nonpayment of agreed-upon rental fees.
2. Marcus W. felt the intent of the Rental Registry sounded good but that it would not make any difference. The policies advocated by the registry imply that landlords are taking advantage of tenants, and the four-page registry is unduly onerous and adds no value. He noted that below-market rentals are controlled by the Palo Alto Housing Corp and do not need an additional layer of protection from the City. He felt the goal should be to improve and enlarge the housing stock to the benefit of the general population and that the policies being discussed were counterproductive to this goal.
3. Liz Gardner (Zoom) supported the Rental Registry and believed it needed to include rent controls to regulate rents across the board. She had various questions about Staff's definition of workforce housing, commercial overlays, and how certain city ordinances work. She asked why single-family homes were not included in the first round and felt it was important that all rental units be included.
4. Hamilton Hitchings (Zoom) requested an exemption from the registry for nonprofessional owners who own a single rental unit. This would alleviate Staff's administrative burden. He also felt the penalties for failing to register were excessive. Imposing additional regulations could deter landlords for maintaining units as rental properties.
5. Anil Babbar (Zoom), California Apartment Association, stated that imposing this registry instead of using existing sources of data will cause more problems. It will increase the cost of housing, pose operational burdens to housing providers, and risk the privacy of tenants. Looking at neighboring cities, the majority of evictions are caused by nonpayment of rent and the rent increases are much lower than the actual cap. There is not a need for this registry.
6. Aram James (Zoom) felt that a registry without the ability to implement fines for landlords was raising expectations that something will be done to help tenants without being able to enforce it. He suggested the City Attorney consider a misdemeanor rent gouging provision. He also questioned having only one employee enforcing this considering the budget surplus.
7. Amie Ashton (Zoom), Executive Director of Palo Alto Forward, was in support of the Rental Registry for all the reasons discussed in the staff report. She felt it was another tool to help with the effects of the housing crisis and suggested simplicity in data collection, especially as the program is rolled out.
8. Jennifer L. (Zoom) was against the Rental Registry and noted data suggests there are limited complaints about landlords violating laws. The City of Palo Alto is working with Project Sentinel to resolve a lot of problems. She questioned collecting information

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without being able to enforce situations. She noted the registry is very expensive and would increase housing costs, which is against the goal of more affordable housing. She also felt it violated tenants' and housing providers' privacy.

9. Mona (Zoom) noted that people seem to think landlords are villains and are more concerned about renters. She questioned if landlords have any protections or right to privacy. She stated the City does not require every business report their income. She wondered if there was a section in the registry for landlords to report tenants with violations and was strongly against the registry.
10. Tom Gracon (Zoom) asked what problem is trying to be solved with the registry that requires people to reveal personal finances. He felt there was not justification for the intrusion on privacy on the tenant and landlord and that it sounded open ended without a specific goal in mind.
11. Emily Ann Ramos, SV@Home, was a strong supporter of policies preventing displacement and decreasing the barriers to housing that disproportionately impact low-income households and BIPOC communities in Palo Alto. She was encouraged by the City's commitment to cover all rental units. She agreed that the most common form of eviction was the 3-day notice but felt it was important to understand if the tenant had received an increase prior to that or if there had been multiple renters in the property with the same issue.
12. Meina Young (Zoom), homeowner and board member of a business and housing network with thousands of members, mainly immigrants and seniors, felt the registry was unfair to housing providers who have limited resources. Data shows that most of the problems are because of nonpaying tenants, and she hoped landlords would have an outlet to reclaim money they cannot collect. She stated the Rental Registry would only decrease the housing stock.
13. Julie Beer (Zoom) was confused about the intent of this registry and wondered if it was to determine the number of vacant rental units in the City.

Council Member Veenker commented that landlords are needed but that it needs to be ensured that the few poor ones do not abuse the power imbalance, which would harm both the tenants and the good landlords. She asked for more clarity on the intent regarding enforcement and whether it would include attorney legal action.

City Attorney Stump explained that if the Council voted to have Staff look at administrative enforcement mechanisms, they would likely come back with a couple different models and ask for further direction. Some systems have administrative law judges who have lawyers to assist them, and then there also may be advocate lawyers and investigators.

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Council Member Veenker was interested in things like lease terms that are not honored and rental increases that are too big and what resources, both staff and money, might be required to notify people of violations.

City Attorney Stump cautioned that it was not straightforward. There might be cases with a direct line to a notification if there is information provided in the survey that is inconsistent with the state or local law. In many cases, the facts are complex and there are other surrounding circumstances that need to be ascertained, requiring having investigators. There is also a question of the practical administrative ability to do that in a way that satisfies expectations as opposed to feeling arbitrary.

Council Member Veenker was interested in more exploration on that and whether there could be less subjective things that might allow a notification of possible noncompliance without getting deeply involved on the enforcement side. She noted she understood the privacy concerns related to event-based reporting but was interested in seeing rent increases and new tenancies added as significant events.

Council Member Burt noted that when landlords are operating as a commercial business, this is similar to the business registry in trying to gather meaningful data that will help policy decisions, inform about trends, and perhaps identify issues. He wondered if eventually all noncommercial renters should be included, such as someone who owns a single ADU or single house. Regarding the Mayor's earlier questions about reporting, he noted there are a lot of ADUs that preceded the current ADU regulations and are nonconforming or nonpermitted ADUs. He thought there might be a dilemma of discouraging ADUs through a registry program. He asked how Mountain View enforces compliance with the registry.

Rebecca Atkinson, Planner, explained that Mountain View is similar to other jurisdictions, with an administrative penalty fee when someone does not register. There is also a rental unit business license requirement, and the rental unit must be registered in order to collect rent increases.

Council Member Burt commented on an earlier question about the impact of higher interest rates that the consensus in the numerous reports he had read was that higher interest rates are reducing ability of people to buy homes but increasing demand in the rental market.

Council Member Lythcott-Haims was struck by the amount of effort it would take to monitor and enforce the Rental Registry. The staff report recommended folding in two new staff positions over the course of three years with a note that other cities have said two staff are not enough. She was interested in Staff coming back with what it will cost to properly fund the monitoring and enforcement piece. There was a concern that rents might potentially be increased prior to the implementation of the registry, and she wanted to know how to ensure the baseline is the baseline or if changes were made prior to the implementation. She noted that the civil courts are tenants' current mode of recourse and asked that when Staff comes

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back with more information, they provide information about the County's efforts on a tenant's right to counsel.

Council Member Lauing, in response to questions about the reasons for the Rental Registry, stated that it is partly an audit of what is out there but might also find different things like ADUs that have not been declared as ADUs and could be affordable housing. In some cases, there would be new information, such as security deposits or tenant turnover. This is a first step to get data, and there is no action on single-family homes right now. If things are wrong in the first year with larger units, they will be changed. The same is true of enforcement, and he supported doing this in phases. Later, for single-family homeowners, he wanted to see a much shorter questionnaire, with just the address, number of bedrooms, and the rent, for example. He was not in favor of serious penalties in the first year. He was concerned about questions of privacy but felt it needed to be parsed out what information is being collected that is not already public.

Mayor Kou explained this item came from a colleagues' memo when the President Hotel matter came up and there was a need to gather data on rents, market rates, naturally affordable market rates, and the number of low- and extremely low-income. She wanted to be cautious not to interfere with leases when reaching out to tenants or owners about possible violations. She agreed it would be good to know, based on the degree of where the Council wants to take this, what the staff involvement will be. She believed having this Rental Registry would provide the City with a lot of necessary information, especially with un-mandated housing laws that ask for more production on housing but not more affordability.

Vice Mayor Stone understood the position of landlords asking Council to reject the position but stated the argument that people are not being evicted was not true. He quoted a recent news article that found Santa Clara County evictions filed in 2023 through August were 35% higher than in 2019, the highest in the state. The point of the registry is to provide more data on that, which will allow informed decisions on future renter protection initiatives the City might consider.

**MOTION:** Vice Mayor Stone moved, seconded by Council Member Veenker, to:

1. Adopt an Ordinance (Attachment A) establishing a mandatory Rental Registry Program that collects rental unit information for multifamily units and single-family rental units, enables cost recovery fees, and allows for enforcement.
2. Direct Staff to commence with a phased implementation initially with multifamily housing (three units and above), and return to Council to evaluate the potential expansion to all rental properties including single family homes at the end of year two.
3. Return to Council with a contract for professional services, authorization for one new full-time position in FY 2024-2025, and resolutions as detailed in the staff report.

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4. Direct Staff to survey existing enforcement mechanisms and Ghost House (extended vacancy) data collection in other jurisdictions and return to Council by end of calendar year 2024.
5. Amend Attachment A to include an event-based registration on unlawful detainees and rent increases.

There was discussion about the language of the motion.

Vice Mayor Stone noted that 47% of Palo Altans are renters and that renter issues are Palo Alto issues that should be addressed as seriously as other housing issues.

Council Member Veenker was glad to see this come to fruition. She felt the registry could have a deterrent factor and be self-enforcing so that there will hopefully be less instances of enforcement to deal with.

Council Member Tanaka thought the goals of the renter registry were commendable but felt there were critical aspects to consider. The existing business registry has already shown challenges in effectively leveraging the data collected, which raises doubts about the ability to manage and utilize data from the proposed Rental Registry. He stated the evidence on the rental market does not indicate a crisis in renter abuse in Palo Alto. The market is actually gaining in the renters' favor, not the landlords' favor. On the other hand, the financial impact to landlords with rising interest rates, maintenance costs, and labor costs has gone up dramatically. He felt the proposed penalty for noncompliance was excessively punitive and portrayed landlords as adversaries rather than allies in the community. He wanted to focus on optimizing the existing data rather than creating redundant systems. He believed the proposal would decrease the rental stock and take a lot of units off the market because of the downsides.

Council Member Lauing noted that exploring enforcement options would take a lot of work and felt it was premature to include this unless it was to be factored into the timeline for year two when more data is available.

Council Member Veenker felt it would be helpful to have an overview of other cities that have enforcement mechanisms, which could then help narrow direction to staff.

There was discussion about the wording of the motion in this regard.

Council Member Lauing inquired about making it a two-year implementation with multifamily housing units because he wanted to be able to take another look at it before expanding beyond greater than three units.

Vice Mayor Stone asked Staff to weigh in on two years versus three years.

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Director Lait stated Staff heard from the Housing Ad Hoc and other committees that there was an interest to capture all rental units in the City, and the ordinance reflects that feedback. It was staggered because the amount of registrants substantially increases when extended to single-family homes, ADUs, and JADUs, and Staff wanted more experience with this system before extending to homeowners, who will likely be less sophisticated with this type of system than a property manager. If it does not automatically roll over in two years, it may affect how the software is built out in the initial years and there may be modest costs to add later. He was most concerned that if the issue was revisited in two years, it would then take another period of time to actually fold it in, maybe a third year.

There was further discussion about this.

Council Member Burt suggested the return to Council by the end of calendar year 2024 on enforcement mechanisms as a point in time to also have follow-up on how implementation is going and where to draw the line on single-family homes. He also brought up, not for action tonight, the phenomenon of decoupling parking from rental units, which ends up being a de facto rent increase. He mentioned one location that decoupled parking and rent several years ago, with the parking structure currently nearly empty and tenants parking on the street. He wanted to have this on the radar going forward.

Director Lait noted the data on implementation would not be available until the summer of 2025. He suggested that if the Council was interested in a shorter form for single-family homes, it could be done in the near term in order to build out the model. The item could then come back to Council before implementation to decide whether to extend to single-family properties, with the system already relatively in place.

There was discussion on the wording of this part of the motion.

Council Member Lauing wanted to ask Staff to come back with options for penalty fees as he did not want to send the wrong message to landlords about it.

Director Lait felt it was not the expectation to be onerous. The desire was to gain compliance, and if that is not successful, the intent was to be more persuasive but not to the tune of the estimates projected by the earlier commenter.

Vice Mayor Stone noted he trusted Staff's judgment on the fees.

Mayor Kou felt the Rental Registry was great as a way to collect data. She felt every dwelling unit should be registered to be rented out. She hoped the Rental Registry was fully utilized to gather all the information needed to know what the housing stock is.

Council Member Burt was interested in Staff evaluating what other jurisdictions are doing in Ghost House data accumulation.

This was added to the language in the motion.

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Mayor Kou noted, in response to an earlier public comment, that tenants' information is not asked for in the Rental Registry.

**MOTION PASSED: 6-1, Tanaka no**

17. Policy and Services Committee Recommendations for Changes to the City Council Procedures and Protocols Handbook based on Prior City Council Referrals

**Agenda Item 17 was deferred to a date to be determined.**

**ADJOURNMENT:** The meeting was adjourned at 10:57 P.M., in memory of Palo Alto's first female mayor, Frances Dias.