



**SPECIAL AND REGULAR MEETING AGENDA**

**Date:** 1/10/2017  
**Time:** 6:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**Councilmember Mueller will appear via conference call from the following location:**  
**Hampton Inn Norfolk Naval Base**  
**8501 Hampton Blvd.**  
**Norfolk, VA 23505-1009**

**6:00 P.M. Closed Session (City Hall Administration Building, 1<sup>st</sup> floor Council conference room)**

Public comment will be taken on this item prior to adjourning to Closed Session.

- CL1.** Closed session conference with legal counsel pursuant to Government Code section 54956.9 (d)(1) regarding existing litigation: 1 case - City of East Palo Alto v. City of Menlo Park et al., San Mateo County Superior Court Case No. 16CIV03062

**7:00 P.M. Regular Session**

**A. Call To Order**

**B. Roll Call**

**C. Pledge of Allegiance**

**D. Report from Closed Session**

**E. Joint Study Session with Housing Commission**

- E1.** Discuss and provide general direction regarding further actions that the City Council would like taken to address residential displacement (Staff Report # 17-008-CC)

**F. Public Comment**

Under "Public Comment," the public may address the City Council on any subject not listed on the agenda. Each speaker may address the City Council once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The City Council cannot act on items not listed on the agenda and, therefore, the City Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

**G. Consent Calendar**

- G1.** Transmittal of the Annual Report on the status of the transportation impact, storm drainage, recreation in-lieu, below market rate housing in-lieu and building construction road impact fees collected as of June 30, 2016 (Staff Report # 17-001-CC)

- G2. Initiate the Menlo Park Landscape Assessment District proceedings for fiscal year 2017-18 and adopt a resolution describing the improvements and directing preparation of the Engineer's Report (Staff Report # 17-002-CC)
- G3. Adopt a resolution accepting dedication of a Public Access Easement (PAE) from 1010-1026 Alma Street applicant (Staff Report # 17-003-CC)
- G4. Approve minutes for the City Council meetings of November 15, December 6 and December 13, 2016 (Attachment)

**H. Regular Business**

- H1. Appoint City Council representatives and alternates to various regional agencies, to City Council subcommittees and as liaisons to City Council advisory bodies (Staff Report # 17-004-CC)

**I. Informational Items**

- I1. Review of the City's investment portfolio as of September 30, 2016 (Staff Report # 17-005-CC)
- I2. Quarterly financial review of General Fund operations as of December 31, 2016 (Staff Report # 17-006-CC)
- I3. Information Technology Master Plan update (Staff Report # 17-007-CC)

**J. City Manager's Report**

**K. Councilmember Reports**

**L. Adjournment**

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At every Regular Meeting of the City Council, in addition to the Public Comment period where the public shall have the right to address the City Council on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the City Council's consideration of the item.

At every Special Meeting of the City Council, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

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**STAFF REPORT**

**City Council**

**Meeting Date:**

**1/10/2017**

**Staff Report Number:**

**17-008-CC**

**Study Session:**

**Discuss and provide general direction regarding further actions that the City Council would like taken to address residential displacement**

**Recommendation**

Staff recommends that the City Council provide general direction regarding further actions that the City could take to address residential displacement.

**Policy Issues**

This action is consistent with the direction given by the Council at the November 9, 2016 City Council Meeting. The recommended actions are consistent with the City's commitment to improving the affordability of housing in Menlo Park through zoning for and funding the development of below market rate housing in Menlo Park.

**Background**

Menlo Park is experiencing the same benefits and impacts of the Bay Area's robust economy. The housing market is marked by high home values and rents. At a minimum, the cost of housing is driven by both the high demand from strong employment growth and the limited housing supply, due to a history of low housing production throughout the Bay Area and particularly in Peninsula communities. In many Bay Area communities these pressures result in a potential for the displacement of existing residents.

Unfortunately, displacement is a difficult phenomenon to quantify, because there are multiple reasons why residents may choose to leave an area and there is no requirement for landlords to report rent increases or evictions. In fact, in an Almanac News article from November 4<sup>th</sup>, a representative of Community Legal Services of East Palo Alto (a non-profit group which advocates for residents) was quoted as saying that it's "functionally impossible" to get accurate information. Staff is not aware of any resource for reliable statistical evidence of displacement in a given area or local municipality. However, there is a great deal of anecdotal evidence that suggests existing residents are experiencing displacement throughout the region and a presumption that Menlo Park residents are subject to the same regional pressures. As such, the likelihood of increasing the potential of displacement has been reviewed as part of a number of project approvals. Unfortunately, since displacement is a cumulative regional impact, it is very difficult to assign shares of the regional impact to individual projects.

At the October 25<sup>th</sup> City Council Meeting, the City Council directed staff to return with recommendations for actions that the City Council could take in the short term as well as information that could be used to prioritize possible future actions aimed at further addressing the concerns of possible resident displacement.

At the November 9<sup>th</sup> City Council Meeting, the City Council approved the introduction of an ordinance which requires landlords to provide tenants with the option of a 12 month lease. On December 6<sup>th</sup> the City Council approved the second reading of the ordinance, which will be effective on March 6, 2017. Staff is working with property owners, tenant and landlord advocacy groups, and other stakeholders to develop bi-lingual outreach materials to assist landlords with providing information to tenants.

In addition, Council directed staff to schedule a joint City Council/Housing Commission meeting in January of 2017 and invite a panel of housing policy experts to discuss with the Council other possible actions that the City could take to address residential displacement in Menlo Park. Table 2 of this staff report contains a list of possible policies, which the City Council could direct staff to research and develop for further action. This is by no means a comprehensive list, but does represent the policy efforts of many cities in California to address residential displacement. Also, at the November 9<sup>th</sup> meeting, the City Council expressed a desire to utilize the Housing Commission to flesh-out housing policy recommendations.

### ***Home For All San Mateo County***

The County of San Mateo convened a task force entitled *Closing the Job/Housing Gap Task Force*. The goal of the task force was to identify the issues, strategize potential tools, solicit community input at a future and create a menu of options for participants to bring back to their constituents and communities for consideration. While the County and each of its cities and towns has unique needs, task force organizers believed consensus may be possible on a number of initiatives that could preserve and/or produce more housing in San Mateo County. The result of the task force is an initiative called *Home For All San Mateo County*. Home For All includes a tool kit of possible policies that cities could implement. In addition, the County is asking local municipalities to adopt a resolution (Attachment A) supporting the initiative. Table 2 has been updated to include some of the policy recommendations from Home For All San Mateo County.

When considering different policies to address displacement, it is important to note that while cities and counties continue to maintain the ability to implement local rent control laws, they must follow the parameters established in the Costa-Hawkins Rental Housing Act. At the heart of Costa-Hawkins are a number of basic rules:

1. housing constructed after 1995 must be exempt from local rent controls
2. new housing that was already exempt from a local rent control law in place before February 1, 1995, must remain exempt
3. single family homes and other units like condominiums that are separate from the title to any other dwelling units must be exempt from local rent controls
4. rental property owners must have the ability to establish their own rental rates when dwelling units change tenancy

According to the adopted 2015-2023 Menlo Park Housing Element, the City of Menlo Park contains a mixture of housing types, summarized in Table 1. Further research is necessary to determine exactly how many units in Menlo Park may be subject the proposed or other anti-displacement ordinances. In addition, approximately 830 new housing units have been approved or are under construction since the adoption of Housing Element.

Table 1: Menlo Park Housing by Type		
Housing Type	Number of Units	Percentage
Single Family Detached	7,219	55%
Single family Attached	1,051	8%
Multi-family 2 units	394	3%
Multi-family 3-4 units	1,312	10%
Multi-family 5-9 units	918	7%
Multi-family 10-19 units	787	6%
Multi-family 20+ units	1,443	11%
<b>Total</b>	<b>13,124</b>	<b>100%</b>

*Adopted 2015-2023 Menlo Park Housing Element*

**Analysis**

Staff recommends that the City Council provide general direction to staff regarding further actions that the City Council would like taken to address residential displacement. Not wishing to lose any ground in the effort to address residential displacement through the possibility of adding tenant protections, staff is asking the Council to provide further direction of the proposed mandatory mediation proposal that was presented in November.

**Mandatory Mediation**

The City Attorney has identified policy considerations, which require City Council direction, prior to the presentation of a draft ordinance. Staff will incorporate Council’s feedback into a draft ordinance and return to Council in January to seek approval. The policy considerations for which staff is seeking Council feedback are listed below:

**1. What types of disputes are covered by the Ordinance?**

The City will need to decide when the ordinance will apply. For example, will it only apply to disputes concerning rent increases, or will it apply to any dispute between a landlord and tenant, or something in between?

For example, the City of Palo Alto's "Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants" Ordinance ("PA Ordinance") applies to any "fact-based grievance raised by any tenant, owner, or property manager regarding the occupancy or use of rental property limited to rental rate increases, deposits, repairs and maintenance, utilities, occupants, parking and storage facilities, privacy, quiet enjoyment, or use of common areas."

Similarly, the City of Mountain View's "Rental Housing Dispute Resolution Program" ("MV Ordinance") applies to any "fact-based grievance raised by any tenant or landlord regarding the occupancy or use of a rental unit limited to rent increases over the threshold set forth in Mountain View city Code Section 43.24, security deposits, thirty-day and sixty day notices to vacate maintenance and repairs, and service

reductions, or tenants termination of a lease prior to the end of the lease term." It also provides the limitation that, "[w]ith the exception for disputes regarding security deposits, a tenant may not participate in the Rental Housing Dispute Resolution Program unless he or she is a current tenant of the rental unit."

The application of the City of Campbell's "Rental Increase Dispute Resolution" ordinance ("Campbell Ordinance") is different in that it only applies to rent increase disputes.

## **2. Who mediates the disputes?**

The City will need to decide the appropriate mediation process. For example, when a landlord and tenant are involved in a dispute, do they lodge their complaints with the City, or with an outside third party; how will the mediation process be accomplished; will there be a designated list of mediators; what will happen if the parties are unable to resolve their dispute through the mediation process; who will pay for the fees related to the process? In any case, additional staffing will be necessary to administer and enforce this ordinance.

The MV Ordinance provides that within twenty-one (21) days of learning of the dispute, the landlord or tenant may initiate the program by filing a claim with the "administrator." The MV Ordinance defines "administrator" as the person or entity responsible for implementing the MV Ordinance. The administrator then notifies the parties that a case has been opened, providing everyone with a copy of the claim(s) and initiating the conciliation process. The MV Ordinance defines "conciliation" as a confidential telephone call or other contacts by the administrator or mediator with a landlord and a tenant for the purpose of resolving a rental housing dispute. The conciliation process must be complete within seven (7) days.

If conciliation does not resolve the dispute then one of the parties may request mediation. The administrator is permitted to combine different disputes for efficiency, provided that any party at his/her discretion may opt out of the combined mediation. The MV Ordinance defines mediation as a meeting in which the tenant and landlord have the opportunity to communicate with a mediator to resolve a rental housing dispute with confidential and neutral communications within the meaning of the California Evidence Code. If the parties reach agreement in mediation, then a written agreement is prepared, however that agreement is confidential and may not be used for any other purpose.

If mediation doesn't resolve the dispute, either party may request non-binding arbitration in writing. "Arbitration" is defined by the MV Ordinances as a hearing conducted according to generally accepted rules for arbitrating disputes in Santa Clara County, unless otherwise specified in regulations adopted pursuant to the article. The parties are required to exchange evidence they intend to introduce at arbitration no later than seven (7) days before the arbitration, and objections to the evidence are considered at the hearing. The determination of the arbitrator, with written findings of fact supporting the determination, will be mailed to the parties, but shall only be advisory, not be binding.

The PA Ordinance provides a similar process in that the first step is to file a written request to the city's facilitation administrator. A facilitation administrator has the same definition as administrator in MV Ordinance. Next, the facilitation administrator opens the case and initiates the conciliation process, which is undertaken by the facilitation administrator, other city staff or a mediator, before mediation is scheduled.

Under PA Ordinance, if it is clear that there is no substantial factual basis for the dispute, the facilitation administrator will close the dispute resolution and notify the parties in writing. The dispute resolution will also be closed if the parties agree to engage their own mediator, so long as the party who requests the mediator agrees in writing to bear all costs related to that service.

If the above doesn't occur, the facilitation administrator assigns the request to a mediator who contacts the parties to conciliate and mediate the dispute. Disputes may be combined, as under the MV Ordinance. The mediator then determines the manner and course of the session. Participation in the mediation is

mandatory but voluntary in all respects after the mediator's opening statement. If an agreement is reached it will be confidential and not enforceable for any purpose outside the dispute resolution process, unless all signatories agree.

The Campbell Ordinance first requires the tenant to make a reasonable effort to contact the property owner to resolve the dispute. If that is unsuccessful, the tenant may file a petition for conciliation and mediation with the city's designated agent. The city's conciliation process is a limited intervention in the dispute using letters and telephone and personal conversation in order to secure an agreement. If conciliation does not resolve the dispute, it will be assigned to a mediator. When the mediation does not result in an agreement, either party may request the fact finding committee to render a determination.

The fact finding committee consists of five individuals appointed by the city council, two of whom shall be tenants, two of them shall be rental property owners and one of whom shall be a neutral party and shall act as chairperson. At its discretion, the city council may appoint alternate members to the committee. A tenant member shall not participate in a proceeding involving a property owner from whom he rents, and a property owner shall not participate in a proceeding involving rental property she owns. Members shall serve without monetary remuneration.

The fact finding committee will conduct a hearing where all parties attend or by written proxy. Based on the evidence presented at the hearing, and the standards set forth in the Campbell Ordinance, the committee will make a written determination on whether the proposed rent increase is reasonable. The committee will then mail their findings to the tenant(s) and property owner. The determination of the committee shall not be binding unless agreed to by the parties.

### ***3. Who do the parties contact to administer the Ordinance?***

The City will need to decide how the ordinance is administered. Specifically, who will the parties contact to lodge complaints; who will provide mediation and/or other related services; who will pay for the mediation and/or other related services; how will notice of the ordinance be provided to tenants?

The PA Ordinance and MV Ordinance direct the parties to contact an "administrator" who is not specifically identified by the Ordinance. The Campbell Ordinance provides that the first person to contact is the "City's designated agent" which is the entity designated by resolution of the city council to facilitate implementation of the ordinance. A call has been placed to all cities to determine the current administrator/designated agent and this memorandum will be updated upon receipt of that information from each city.

The mediation and other services provided by PA Ordinance and Campbell Ordinance are through volunteers. It is unclear if the services provided by the MV Ordinance require payment, and if so, who pays the fees.

All of the Ordinances require the landlords to serve their tenants with a notice providing the tenant with information about the City's ordinance. Specifically, the Ordinances require landlords to provide tenants with specific notice of the ordinance to any tenant receiving notice of a rent increase and when a tenant takes possession of a rental unit. Additionally, the MV Ordinance and PA Ordinance require landlords to register each residential rental unit with the City and pay a fee to reimburse the City for the reasonable cost of maintaining property registration records and related administrative systems. Additional staffing will be necessary to administer and enforce this ordinance.

### ***4. What penalties are there for failure to comply with Ordinance?***

The City will need to decide what penalties to invoke, if any, against landlords and tenants who fail to participate in required mediation; and to landlords who fail to provide the required notice to tenants.

The MV Ordinance provides that failure of a landlord to participate in good faith in any of the dispute resolution alternates for a dispute involving a rent increase in excess of the threshold (7.2% increase/year) shall void the notice of rent increase for all purposes. Also, failure of a tenant to appear and participate in any step of the MV Ordinance, shall terminate the process for the affected tenant and if the dispute involves a rent increase the rent increase shall be effective as of the date stated in the notice of rent increase. It does not; however impact a landlord or tenant's right to bring action in the courts.

The PA Ordinance provides that failure to provide required notice of the Ordinance to tenants renders any rent increase notice invalid and unenforceable and provides tenants with a defense in any legal action brought by the landlord to collect rent. Further, violations under the Ordinance are punishable as infractions under the Palo Alto Municipal Code.

The penalties provided under the Campbell Ordinance include fines that increase based on the number of violations in a given year.

**5. Should the Ordinance contain a sunset provision?**

The City should decide if it desires to include a "sunset" provision in this ordinance. For example the MV Ordinance is set to be repealed by September 30, 2019, unless the city council by affirmative vote takes action to retain the ordinance and any amendments thereto.

For reference, similar ordinances in the cities of Campbell, Palo Alto and Mountain View have been attached as Attachments B, C and D.

**6. How should the program be funded?**

Most commonly, the city funds services through general fund or BMR program funds. Alternatively, there could be a cost-sharing between the city and participants.

**Council Housing Policy Prioritization**

The City Council requested a list of other possible actions that could be taken to address the concern of displacement. Those additional actions are listed in Table 2. Staff recommends that the City Council review Table 2 in order to provide feedback on which additional actions staff should review. Should the City Council identify additional actions for staff to review, staff recommends scheduling a study session in early 2017 as an opportunity to provide further information, including the likely need for budget augmentations and additional staff resources.

**Table 2: Housing Measures**

Policy	Benefit	Resources Needed	Estimated Time to Completion	Unit Type
Reduced Parking Requirements for Affordable projects	Reduces the cost of development	This action could be addressed as part of the biennial Specific Plan review in 2017	12-18 months	All but most likely multi-family units of 4 or more
Promote Home Sharing Programs	Makes more efficient use of existing housing stock	The City would need to work with an organization that has this kind of program.	6-12 months	All, but primarily aimed at underutilized single-family homes



Amend BMR guidelines to allow BMR home owners to sublet rooms to BMR renters	Makes more efficient use of existing housing stock and provides a revenue source for BMR property owners and renters	This action could be incorporated into the planned 2017 BMR guideline revisions	6-12 months	All BMR units
Amend BMR Guideline List Eligibility to Allow Displaced Residents to Remain on the List	This action would allow displaced residents to maintain their position on the City's BMR list for up to 3 years	This action can likely be addressed within current resources	2 months	All BMR Units
Preservation of Market Affordable Units	Allows the City to leverage existing BMR funds to assist affordable housing providers to purchase market properties and restrict tenancy to renters who qualify for affordable housing	This can be done now and has been through the City's partnership with HIP Housing as an example. It may require a clarification of how the BMR guidelines have been administered.	0-6 months	All
Mandatory Non-binding Mediation	Provides renters and landlords the opportunity to address disputes prior to displacement	Contract Mediation Services and additional Staffing for administration and enforcement	2 months	All
Rental Relocation Assistance	Renters are provided with assistance in seeking housing and it creates a financial disincentive to landlords from displacing residents	Additional Staffing for administration and enforcement	3-6 months	Multi-family units of 4 or more with exemptions
Displacement Fund	Provides assistance to residents facing displacement	Linkage Fee Nexus Study	12 months	Any
Rent Control	Limits the amount rent can be increased	Additional Staffing for administration and enforcement	12-18 months	Multi-family units
Just Cause for Eviction	Requires landlords to justify eviction actions	Additional Staffing for administration and enforcement	12-18 months	Multi-family units

### Impact on City Resources

Depending on how the City Council chooses to proceed, there will likely be a need for additional staffing and consultant resources. According to the adopted FY 2009-10 and 2010-11 budgets, the City had 5.29 FTE in the Affordable Housing and Business Development programs. There are currently 2 FTE in the Housing and Economic Development division of the City Manager's office. The City utilizes contract services for administering the BMR loan programs and management of ownership BMR units. This has proven to be an efficient approach, yet as with any contracted services, staff resources are necessary to

manage the contract. Housing and Economic Development staff are currently working at capacity and therefore it is likely that any additional programs would require additional staffing or resources. Staff will return to Council with a staffing plan to address Council's action.

### **Environmental Review**

This discussion is no a project under CEQA.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 24 hours prior to the meeting.

### **Attachments**

Attachment A: Sample Home For All Resolution

Attachment B: City of Campbell Rental Increase Dispute Resolution

Attachment C: City of Palo Alto Mandatory Response to Request for Discussion of Disputes Between Landlords and Tenants

Attachment D: City of Mountain View Rental Housing Dispute Resolution Program

### **Report prepared by:**

Jim Cogan, Housing and Economic Development Manager

**RESOLUTION NO. 074628**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE COUNTY OF SAN MATEO TO CONTINUE TO  
WORK WITH OTHER JURISDICTIONS IN THE COUNTY TO ADDRESS THE  
HOUSING CRISIS ON A REGIONAL BASIS, INCLUDING THROUGH ONGOING  
SUPPORT OF THE HOME FOR ALL SAN MATEO COUNTY INITIATIVE**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, San Mateo County is facing an historic housing crisis that has resulted in some of the highest housing costs in the country; and

**WHEREAS**, as of March 2016, the average price to purchase a single family home in San Mateo County is over one and a half million dollars and the average monthly rent for a two bedroom apartment is nearly two thousand nine hundred dollars; and

**WHEREAS**, between 2010 and 2014, San Mateo County added over 54,000 new jobs while only 2,148 new housing units were built in the County; and

**WHEREAS**, local government jurisdictions within the County have long collaborated to address, on a regional basis, housing challenges through, for example, the creation, in 2003, of a housing endowment and regional trust, known as HEART of San Mateo County, and the development, in 2006, of a sub-regional process for

regional housing needs allocations for all 20 cities and towns, and the unincorporated County; and

**WHEREAS**, building upon this regional approach to addressing housing issues, in September 2015, the San Mateo County Board of Supervisors convened a task force of community leaders to identify housing issues, evaluate innovative tools and best practices, and create a menu of solutions to preserve and increase housing at all income levels; and

**WHEREAS**, this Closing the Jobs-Housing Gap Task Force is co-chaired by Supervisors Don Horsley and Warren Slocum, and includes representatives from cities and towns, business organizations and large employers, educators, housing developers, community-based organizations providing housing services and labor and community advocates; and

**WHEREAS**, the efforts of the Closing the Jobs-Housing Gap Task Force have resulted in the creation of the Home for All San Mateo County Initiative to be launched in September 2016 with a housing policy resource center, a community engagement campaign, and a regional action plan to implement a variety of strategies to produce and preserve housing at all income levels; and

**WHEREAS**, the County of San Mateo is committed to continue working on housing issues by collaborating with jurisdictions and community members to implement

the strategies put forth in the Home for All San Mateo County Initiative and support the initiative.

**NOW, THEREFORE, IT IS HEREBY DETERMINED** and ordered that the County of San Mateo commits to continue to work with other jurisdictions in the County to address the housing crisis on a regional basis, including through ongoing support of the Home for All San Mateo County Initiative.

\* \* \* \* \*

*Regularly passed and adopted this 28th day of June 2016*

*AYES and in favor of said resolution:*

*Supervisors:* \_\_\_\_\_ *DAVE PINE*

\_\_\_\_\_ *CAROLE GROOM*

\_\_\_\_\_ *DON HORSLEY*

\_\_\_\_\_ *WARREN SLOCUM*

\_\_\_\_\_ *ADRIENNE J. TISSIER*

*NOES and against said resolution:*

*Supervisors:* \_\_\_\_\_ *NONE*

\_\_\_\_\_

*Absent Supervisors:* \_\_\_\_\_ *NONE*

\_\_\_\_\_



\_\_\_\_\_  
*President, Board of Supervisors  
County of San Mateo  
State of California*

*Certificate of Delivery*

*I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.*



\_\_\_\_\_  
*Deputy Clerk of the Board of Supervisors*

Chapter 6.09 - RENTAL INCREASE DISPUTE RESOLUTION<sup>[3]</sup>**Sections:***Footnotes:**--- (3) ---**Prior ordinance history: Ords. 1301, 1419, 1460, 1532, 1619 § 1(part), and 1705 § 3.*

## 6.09.010 - Purpose.

It is found and declared that there is a growing shortage of and increasing demand for housing in the city of Campbell. This circumstance, coupled with increasing inflation, the rising cost of developing new housing, and other factors have put substantial upward pressure on residential rents, that have forced some tenants to move and which is disruptive to a stable living environment.

It is further found and declared that, in order to protect the health, safety and welfare of the citizens of Campbell, and promote and assure fair and reasonable return to property owners while promoting a safe, habitable, well maintained and stable housing environment, the city council enacts this chapter, and encourages property owners to limit rent increases to fair and reasonable amounts, provide greater than minimum advance notice of increases, limit the number of rent increases in any one year to as few as possible, provide well maintained living units, discourage retaliatory evictions, and cooperate with their tenants toward resolving any disputes. These needs include but are not limited to the prevention of excessive and unreasonable rent increases.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

## 6.09.020 - Severability of provisions.

If any provision or clause of this chapter or the application thereof to any person is held to be invalid, such invalidity shall not affect the other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this chapter are declared to be severable.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

## 6.09.030 - Definitions.

Unless the context otherwise requires, the definitions set forth in this section govern the construction of this chapter.

"Capital improvements" means those improvements which materially add to the value of the property, appreciably prolong its useful life, or adapt it to new uses which are required to be amortized over the useful life of the improvements of the building pursuant to the straight-line depreciation provisions of the Internal Revenue Code, and the regulations issued pursuant thereto.

"City's designated agent" means the entity designated by resolution of the city council or ordinance of the city to facilitate implementation of this chapter.

"Costs of debt service" means the periodic payment or payments due under any security or financing devices which in obtaining such financing are required to be amortized for a period exceeding sixty months pursuant to the Internal Revenue Code and the regulations issued pursuant thereto, including but not limited to, interest costs of variable or fixed interest rate mortgages.

"Costs of operation and maintenance" means all expenses, exclusive of costs of debt service and costs of capital improvements incurred in the operation and maintenance of the rental unit and the building or complex of buildings of which it is a part, together with common areas, including but not limited to: real estate taxes, business taxes and fees, insurance, sewer service charges, utilities, janitorial service, professional property management fees, pool maintenance, exterior building and grounds maintenance, supplies, equipment, refuse removal, elevator service and security services or systems.

"Costs of rehabilitation" means the costs of any rehabilitation or repair work done on or in a rental unit or common areas of the housing complex containing the rental unit and which work was done in order to comply with an order issued by the Campbell building division, the Campbell community development department, or the Santa Clara County fire department, or its successor, or to repair damage resulting from fire, earthquake, or other natural disaster.

"Eviction" means any action taken by a property owner to remove a tenant involuntarily from a rental unit and terminate the tenancy, whether pursuant to a notice to quit, or by judicial proceedings, or otherwise.

"Fact Finding Committee." The fact finding committee shall consist of five individuals, appointed by the city council, two of whom shall be tenants, two of whom shall be rental property owners and one of whom shall be a neutral party and shall act as chairperson. At its discretion, the city council may appoint alternate members to the committee. A tenant member shall not participate in a proceeding involving a property owner from whom he or she rents residential property. A property owner member shall not participate in a proceeding involving rental property he or she owns. Members shall serve without monetary remuneration.

"Housing services" means those services which have been customarily provided and associated with the use or occupancy of a rental unit, including but not limited to, repairs, replacement, maintenance, painting, light, heat, water, elevator service, laundry facilities and privileges, janitorial services, refuse removal, furnishings, telephone, parking, security, and any other benefits, privileges or facilities and/or those services which are necessary to meet habitability standards for the unit.



"Land" means real property in the technical sense. The meaning of the word includes but is not limited to buildings, parking spaces, and mobile home spaces.

"Lease" means an agreement-written, oral, implied in fact, or implied in law-in which a property owner, for compensation, conveys the right to possess land to someone else for a period of time or from period to period.

"Mediator" means a person designated by the city who is selected based on their training in tenant/landlord law and economics of the rental industry. Mediators are chosen for their background and experience in mediation of tenant/landlord counseling.

"Property owner" means an owner, landlord, lessor or sublessor, who receives or is entitled to receive rent for the use and occupancy of any rental unit or portion thereof, and the agent, representative or successor of any of the foregoing.

"Rent" means the consideration, including any bonus, benefit or gratuity, demanded or received by a property owner for or in connection with the use or occupancy of a rental unit, or the assignment of a lease for a unit, including housing services or subletting.

"Rental unit" means a dwelling unit, mobile home or mobile home lot offered or available for rent in the city of Campbell together with the land and appurtenant buildings thereto, and all housing services, privileges, and facilities supplied in connection with the use or occupancy thereof, which unit is located in a structure or complex containing a multiple dwelling, boarding house, lodging house or mobile home park. The term "rental unit" shall not include:

- (1) Rooms or accommodations in hotels, boarding houses or lodging houses, which are rented to transient guests for a period of less than thirty days; housing accommodations in any hospital, convent, monastery, extended care facility, asylum, nonprofit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school or elementary school;
- (2) Rental units owned or operated by any government agency or whose rent is subsidized by any government agency;
- (3) Rental units, except mobile homes and mobile home lots, located on a parcel containing three or fewer dwelling units.

"Rent increase" means any additional rent demanded of or paid by a tenant for a rental unit or any significant reduction in housing services without a corresponding reduction in the money demanded or paid for rent, or a combination of additional rent demanded or paid and a reduction in housing services.

"Retaliatory eviction" means those acts prohibited by California Civil Code Section 1942.5, or Section 6.09.180 of this chapter.

"Suitable age and discretion" shall have the same meaning as used by state of California Civil Code of Procedures Section 1162.

"Tenant" means a person entitled by a written or oral agreement or by sufferance to occupy a rental unit to the exclusion of others and actually occupies said rental unit.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.035 - Information to tenants.

- (a) On or before the tenant or tenants take possession of the unit, the property owner shall provide to the tenant or tenants executing the rental or lease agreement, the following items:
- (1) An information pamphlet prepared by the city, or the city's designated agent, consisting of no more than two 8 ½ inch by 14 inch sheets of paper, which describes dispute resolution procedures available under this chapter, and which shall be readily available from the city or its designated agent;
  - (2) A written document setting forth the name, address and telephone number of the property owner or the property owner's agents who shall be reasonably available between the hours of nine a.m. to five p.m., Monday through Friday, and authorized to resolve issues concerning rent, evictions, repairs, maintenance, and on-site services; and in the case of emergencies after hours and/or on weekends, a name and phone number shall be given to the tenants of a person or persons responsible for responding to such emergencies or after hour complaints;
  - (3) If the owner of rental property is someone other than the person whose name and address is disclosed pursuant to paragraph 2 of this subsection, the property owner shall also provide the tenant, in writing, with the name, address and telephone number of the owner, or the owner's authorized agent, who shall have the authority to resolve complaints regarding the person and issues identified in paragraph 2 of this subsection, and shall be reasonably available between the hours of nine a.m. to five p.m., Monday through Friday.
- (b) No rent increase shall be effective or enforceable unless the information specified in subsection (a) of this section has been provided to the tenant whose rent is to be increased. The property owner shall maintain a copy of the documents described in this section.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.040 - Rental notices.

- (a) The property owner shall provide the following written notice to any tenant receiving notice of a rent increase:

NOTICE: Chapter 6.09 of the Campbell Municipal Code provides a conciliation and mediation procedure for property owners and tenants to communicate when there are disputes over rent increases (rent increases can include a significant reduction in housing services). To use this non-

binding procedure, the tenants shall first make a reasonable, good faith effort to contact the property owner or the property owner's agent to resolve the rent increase dispute. If not resolved the tenant may then file a petition within 45 calendar days from the date of this notice or within 15 calendar days following the effective day of the increase, whichever is later. There may be other tenants from your complex receiving a similar rent increase, in which case, the petitions will be combined. For more information you should contact the City's designated Agent at \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (telephone number of the City's designated Agent). Petitioning for conciliation can not guarantee a reduction in the rent increase.

- (b) The name and telephone number of the city's designated agent shall be available from the community development department of the city of Campbell.
  - (c) The notice required by subsection (a) shall be provided to the tenant at the same time and in the same document or attached thereto as the notice of rent increase.
  - (d) The notice required by this section shall be of the same or greater print size as the rest of the document and be conspicuously placed on the document.
  - (e) No rent increase shall be effective absent compliance with this subsection.
- (Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.045 - Service of notice on tenants.

- (a) Method of Service. The notices and information required to be served on the tenant by Sections 6.09.035 and 6.09.040 shall be served on at least one tenant in the unit of suitable age and discretion by one of the following methods:
  - (1) Having the information or notices delivered to the tenant in person; or
  - (2) Sending the notices or information by first class United States mail, postage prepaid, addressed to tenant at the tenant's address.
- (b) Proof of Service. The following methods shall create a rebuttable presumption that the notices or information have been served on the tenant:
  - (1) A copy of the document served on tenant that bears the tenant's signature under the statement: "I hereby acknowledge that I have received a copy of this document;" or
  - (2) A declaration under penalty of perjury by a person who personally served the document, showing the time, place and manner of service, and the name of the tenant of suitable age and discretion upon whom the document was served; or
  - (3) A declaration of proof of service by mail prepared and executed in accordance with California Code of Civil Procedure Section 1013a by the property owner or an agent of the property owner.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.050 - Filing of petition.

- (a) Petitions Generally. Prior to filing a petition, the tenant shall make a reasonable, good faith effort to contact the property owner or the property owner's agent and resolve the rent increase issues, health and safety repair issues, or retaliatory evictions. If unsuccessful, the tenant may file a petition for conciliation and mediation with the city's designated agent. Once the petition is signed and submitted to the designated agent, no tenant's name shall be removed from a petition without his or her written consent.
- (b) Rent Increases. Any tenant who is subject to a rent increase which is not exempt under the provisions of this chapter and who is not in default as to payment of the tenant's rent that is lawfully due may file a written petition which contains the following information:
  - (1) A written statement of the tenant, indicating the rental rates before and after the increase;
  - (2) The number of the total units in the complex;
  - (3) The date of the current and previous increase;
  - (4) The name and address of the property manager;
  - (5) Signature and unit number of petitioning tenant.
- (c) Retaliatory Eviction.
  - (1) Any tenant who is not in default as to payment of the tenant's rent that is lawfully due and is issued an eviction notice within one hundred-eighty calendar days of filing a rent increase petition, may file a written petition for conciliation and mediation with the city's designated agent containing:
    - (A) The effective date of the eviction;
    - (B) The name and address of the property owner or property manager;
    - (C) The reason given for the eviction, if any;
    - (D) Signature and unit number of petitioning tenant.
  - (2) Nothing contained in this subsection is intended to alter or supersede any rights that the property owner may have to lawfully evict or remove a tenant from possession of a rental unit.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.060 - Timely filing of petition.

- (a) Except as otherwise provided in this chapter, a petition regarding a rent increase or retaliatory eviction must be filed with the city's designated agent no later than forty-five calendar days after the date of the notice of rent increase or notice to quit was served on tenant, or fifteen calendar days from the effective date of the rent increase or notice to quit, whichever is later.
- (b) Notwithstanding subsection (a) of this section, if a tenant has not received lawful notice of a rent increase or eviction, the petition may be filed no later than six months after imposition of the rent increase or eviction.
- (c)

If a petition is timely filed under this section, the tenant may raise in evidence, during mediation, any and all rental increases affecting the petitioners that occurred within one year of the effective date of the currently proposed increase.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

6.09.070 - Service of petition on property owners.

A copy of the petition shall be mailed to the manager and/or owners of said complex by the city or its agent within five calendar days of receipt of same.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

6.09.080 - Conciliation.

The city or its agent may provide conciliation services to parties engaged in rental increase disputes. This is limited intervention in the dispute using letters and telephone and personal conversation in order to secure an agreement.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

6.09.090 - Mandatory mediation.

If a rent increase dispute has not been resolved by conciliation within fifteen calendar days of the filing of the petition, the dispute will be assigned to a mediator and heard within the ensuing twenty-one calendar days.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

6.09.100 - Notice and attendance.

- (a) Notice. The city or its agent shall provide written notice to the tenant and property owner at least ten calendar days prior to the mediation hearing, unless otherwise agreed by both parties.
- (b) Attendance. Both the tenant and property owner or their designees, are required to attend the hearing fully prepared and authorized to negotiate in good faith. However, the tenant or the property owner may each reschedule the mediation date one time, with the concurrence of the city's designated agent, to a date not more than one week after the originally noticed mediation date. Concurrence of the city's designated agent will not be unreasonably withheld. Failure of the party who initiated the mediation to attend may be cause for the mediator to dismiss the petition.
- (c) Statement of Reasons. At any time during the mediation, the mediator may request that the parties submit a written statement of reasons in support of the parties' positions. Upon this request, the parties shall submit written statements setting forth the reasons supporting each party's negotiating

position. A written statement that merely sets forth that a party lacks authority to negotiate or is unwilling to negotiate will not comply with this requirement.

(d) Failure to Attend or Submit a Written Statement in Rent Mediations. In mediations initiated pursuant to Section 6.09.050(b) of the code, the failure of a property owner or the property owner's designee to comply with the attendance or statement requirements of this section shall have the following effect on the rent increase:

- (1) In the event that the property owner or his designee fails to appear at mediation, the rent increase that is the subject of the petition shall be unenforceable until such time as the property owner or his designee schedules and appears for mediation;
- (2) In the event that the property owner or the property owner's designee fails to comply with a request for a written statement pursuant to subsection (c) of this section, the rent increase that is the subject of the petition shall be unenforceable until such time as the property owner or the property owner's designee submits the written statement.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.110 - Conduct of the mediation.

The conference shall be conducted by a qualified mediator. The parties shall cooperate with the mediator, stating their positions on all issues, conferring with the mediator and each other and providing at the mediator's request, information and corroboration of their assertion of facts. Parties or their representatives may offer such documents, testimony, written declarations, or other evidence as may be deemed by the mediator to be relevant to the proceedings. If the parties do not reach agreement, the mediator shall prepare a written summary of the mediation and make it available to the city, its designated agent and the fact finding committee within ten calendar days of the mediation. If the parties reach an agreement, the mediator shall put the agreement in writing and the parties shall sign it.

An agreement shall apply only to those tenants who sign a petition and either appear at a mediation conference or, in writing, designate a spokesperson to act in the individual's behalf.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.120 - Fact finding committee.

(a) Rent Increases. When mediation concerning rent increases does not result in an agreement, either party may request the fact finding committee to render a determination. The request for fact finding shall be filed with the city or its designated agent within twenty-one calendar days of the mediation conference on a form provided by the city or its agent. The fact finding committee will conduct a hearing within twenty-one calendar days of the filing of a request for fact finding.

The city clerk shall provide written notice to the tenant and property owner at least ten calendar days prior to the fact finding committee hearing. If the agreement reached at mediation is breached at any time by either party, the other party may request the fact finding committee to review the situation and render a determination.

(b) Retaliatory Eviction. The results of a mediation concerning retaliatory evictions is not subject to review by the fact finding committee.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.130 - Conduct of fact finding.

The hearing shall be conducted by the members of the fact finding committee. The parties shall attend the hearing in person or by written proxy and cooperate with the committee and each other, and provide at the committee's request, information and corroboration of their assertions of facts. Parties or their representatives may offer such documents, testimony, written declarations or evidence as may be deemed by the committee to be relevant to the proceedings.

Based on the evidence presented at the hearing, and the standards set forth in this chapter, the fact finding committee shall make a written determination whether the proposed rent increase is reasonable. If a written mediation agreement was executed by the parties, the committee shall also render a determination whether that agreement has been breached.

The committee shall then mail their findings to both the tenants and the property owner within ten calendar days of the close of the hearing. The determination of the committee shall not be binding unless agreed to by both parties.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.140 - Determination in a party's absence.

If a party, or that party's representative, fails to attend a properly noticed hearing before the fact finding committee, the committee may, in its discretion and upon proof that the absent party has been given proper notice and a reasonable opportunity to attend, either proceed with the hearing and render a determination, or continue the matter to a more convenient time.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.150 - Standards of reasonableness.

The fact finding committee shall determine whether rent increases are reasonable under the circumstances, taking into consideration that the purpose of this chapter is to protect tenants from arbitrary, capricious, or unreasonable rent increases, while permitting property owners a fair and

reasonable return on their property. The following standards shall be considered:

- (a) Increase or decrease in cost of capital improvements;
- (b) Increase or decrease in costs of maintenance and operation;
- (c) Increase or decrease in costs of debt service;
- (d) Increase or decrease in costs of rehabilitation;
- (e) Increase or decrease in the provision of housing services;
- (f) Existing market value of rents for similar units that are similarly situated;
- (g) Return to property owner.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.160 - Subpoenas.

- (a) The city council may issue subpoenas requiring the attendance of a witness for evidence or testimony in any proceeding commenced under Chapter 6.09 of the Campbell municipal code.
- (b) Subpoenas shall be signed by the mayor and attested to by the city clerk. They may be served as subpoenas are served in civil actions in accordance with the California Code of Civil Procedure.
- (c) If any person duly subpoenaed neglects or refuses to obey a subpoena, or, appearing, refuses to testify or answer any questions which a majority of the city council decide proper and pertinent, the mayor or the mayor's designee shall report the fact to the judge of the superior court of the county for action pursuant to Section 37106 et seq. of the California Government Code.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.170 - Extensions of time.

The parties may extend any of the deadlines or time limits of this chapter by written stipulation, signed by all the affected parties.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.180 - Retaliation.

No property owner shall increase rent, decrease services, cause a tenant to involuntarily quit the leased premises, bring an action to recover possession, or threaten to do any of such acts, or take any other adverse action against a tenant because of the tenant's exercise of the tenant's rights under this chapter.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

#### 6.09.190 - Penalties.



Except as provided in subsection (b) of this section, violation of Section 6.09.180 of this chapter which deals with retaliatory eviction shall be punishable by the following criminal penalties:

- (a) Violation of the provisions in Section 6.09.180 shall be infractions punishable by the following fines:
  - (1) A fine not exceeding one hundred dollars for the first violation;
  - (2) A fine not exceeding two hundred dollars for a second violation within one year;
  - (3) A fine not exceeding five hundred dollars for a third violation within one year;
- (b) Notwithstanding any provision to the contrary, a fourth or subsequent violation of Section 6.09.180 in any one year period shall constitute a misdemeanor, and upon conviction be punishable by a fine of not more than one thousand dollars and/or imprisonment of not more than six months.

(Ord. 1978 Exh. A(part), 1998: Ord. 1946 Exh. A(part), 1997).

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## Palo Alto Municipal Code

## **Chapter 9.72**

# **MANDATORY RESPONSE TO REQUEST FOR DISCUSSION OF DISPUTES BETWEEN LANDLORDS AND TENANTS**

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## Sections:

- 9.72.010 Purposes and findings.
- 9.72.020 Mandatory discussion of rental housing disputes.
- 9.72.030 Applicability.
- 9.72.040 Dispute resolution process.
- 9.72.050 Property registration.
- 9.72.060 Retaliation prohibited.
- 9.72.070 Notice of tenant's rights.
- 9.72.080 Definitions.
- 9.72.090 Penalties.

### **9.72.010 Purposes and findings.**

The city council finds and declares as follows:

- (a) There is an imbalance between the supply of and demand for rental housing in the city of Palo Alto. The imbalance is the result of both a shortage of rental housing and overwhelming market demand.
- (b) The imbalance between supply and demand creates an imbalance of bargaining power between landlords and tenants.
- (c) As a result of these market and bargaining power imbalances, Palo Alto tenants may be unwilling or unable to assert their legal rights and other concerns to their landlords.
- (d) Communication between landlords and tenants is impaired as a result. Moreover, the Palo Alto rental housing market is less responsive to the needs of tenants because "customer service" is not needed to attract and retain tenants.
- (e) These impacts are detrimental to the health, safety and general welfare of Palo Alto and the surrounding region because the stability, security and quality of housing opportunities are reduced.
- (f) These impacts can be reduced by improving communications between landlords and tenants through a fair and reliable process for the conciliation and mediation of disputes.
- (g) Because effective communication must be "two-way," it is essential that all affected parties be required to participate in mediated dispute resolution.

(h) In order to further assure improved communications it is necessary to protect the parties to mediation from retaliation for exercising the rights afforded by this chapter.

(i) The city council recognizes that it is important to monitor and improve the processes established in this chapter on a periodic basis.

(Ord. 4728 § 1 (part), 2002)

### **9.72.020 Mandatory discussion of rental housing disputes.**

All persons (landlords and tenants) residing in, owning, or managing residential rental property to which this chapter applies shall participate in the conciliation and mediation of rental housing disputes as provided in this chapter. The definitions applicable to this chapter appear in Section 9.72.080.

(Ord. 4728 § 1 (part), 2002)

### **9.72.030 Applicability.**

This chapter shall apply to residential rental property as follows:

(a) Any residential rental property containing two or more dwelling units, except two-unit residential rental property in which one of the units is owner-occupied; or

(b) Any residential rental property that is owned by a person or legal entity that owns two or more residential rental properties within the city.

(Ord. 4728 § 1 (part), 2002)

### **9.72.040 Dispute resolution process.**

(a) Any tenant or landlord may request mandatory discussion of rental housing disputes by filing a written request for dispute resolution within twenty-one days of learning the facts that give rise to the dispute. The request must be filed with the city's facilitation administrator, and must provide enough factual information to outline the basic issue or issues being raised.

(b) Within seven days of receiving a written request for dispute resolution, the facilitation administrator will notify both tenant and landlord that a case has been opened and will provide a copy of the request to the responding party. The facilitation administrator will also initiate a conciliation process, to be undertaken by the facilitation administrator, other city staff, or a mediator, before mediation is scheduled.

(c) The facilitation administrator will not open dispute resolution, or will order dispute resolution closed, when it is clear from the written request that there is no substantial factual basis for the dispute, or when the dispute involves the actions or behavior of persons, or conditions, that are not within the control or responsibility of the parties; or when the dispute is frivolous, malicious or vexatious; or when further proceedings are not, in the sole judgment of the facilitation administrator, likely to be productive. Both parties will be notified of the facilitation administrator's action and shall have access to the case summary forms used by the facilitation administrator, which will not contain any confidential communications from the parties. The facilitation administrator will also order dispute resolution closed if the parties agree to engage a mediator of their own choice, so long as the party who requests the mediator agrees in writing to bear all costs related to that service.

(d) The facilitation administrator will promptly assign the request to a mediator who will contact all relevant parties to conciliate and mediate the dispute. The facilitation administrator shall have the authority

to combine different disputes or different parties in the interest of efficiently addressing the disputes, provided that any party may, for reasons of confidentiality or otherwise, opt out of a combined mediation involving more than one tenant or landlord by notifying the facilitation administrator. All communications between the facilitation administrator and the parties as well as between the mediator or conciliator and the parties shall be confidential and subject to the confidentiality guarantees set forth in California Evidence Code Sections 703.5 and 1115 – 1128, as they may be amended or superseded. The mediator assigned to the case will promptly investigate and if necessary disclose any conflict of interest or potential conflict of interest to the parties as soon as the conflict or potential conflict becomes known to the mediator. At the time of disclosure, the parties will have the option of waiving any such conflict as long as the waiver is in writing. The city shall not be obligated to incur any financial obligation in order to assign a mediator. A mediator will not be assigned if there are not qualified volunteers available without cost to the city or parties.

(e) No mediation will be scheduled until at least fourteen days after the parties are notified in order to allow time for conciliation efforts before mediation. Unless all parties agree in writing to waive the time limit, the initial mediation session will be conducted within twenty-eight days of the date the written request for dispute resolution is filed. The landlord's business location shall be considered so that the mediation will be scheduled at a reasonably convenient time taking into account the distance that the landlord must travel to attend the mediation.

(f) If a mediation session is held, the mediator shall provide the parties with an opening statement explaining the nature of the process and the ground rules. Thereafter the mediator will determine the manner and course of the session, including whether to meet with the parties in caucus, provided that the general guiding principle will always be to provide the parties with a full opportunity to air the concerns giving rise to the dispute.

(g) The landlords and/or tenants involved in the dispute shall be obligated to personally appear at a mediation session scheduled by a mediator. All parties must participate in the mediation session until completion of the mediator's opening statement. All parties appearing must have the legal authority to resolve disputes arising under this chapter. Participation in mediation shall be voluntary in all respects after the opening statement. The mediator may, with the consent of all parties, schedule additional sessions as needed.

(h) No party shall be obligated to reach any specific agreement, or to reach any agreement at all, as a result of participating in conciliation or mediation communications. If an agreement is reached, it will be stated in writing by the mediator or by the parties. Any such agreement shall be confidential and will not be enforceable or usable for any purpose outside the dispute resolution process, unless all signatories agree that the document can be disclosed or used in other proceedings.

(Ord. 4728 § 1 (part), 2002)

#### **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, 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.

(Ord. 4728 § 1 (part), 2002)

**9.72.060 Retaliation prohibited.**

No landlord or tenant who has been a party to conciliation and mediation of rental housing disputes pursuant to this chapter may undertake or cause any type of retaliatory act or omission against another party as a result of the other party having invoked or participated in the dispute resolution process. The facilitation administrator upon request shall review an act or omission, including a notice of eviction or an unlawful detainer action, which occurs within six months of the party's participation in conciliation and mediation of rental housing disputes, unless the eviction or action is the result of the unjustified failure or refusal to pay rent. In the event that the facilitation administrator concludes that there is sufficient evidence to investigate an act or omission of retaliation under this provision, the relevant facts will be referred to the city attorney for appropriate remedial action.

(Ord. 4728 § 1 (part), 2002)

**9.72.070 Notice of tenant's rights.**

(a) Every rental agreement, lease, or other written document evidencing or changing the terms of tenancy for a residential rental property to which this chapter applies shall include or be accompanied by the following: A notice summarizing the rights afforded by this chapter, including but not limited to the protection against retaliation; and the name, address and telephone number of the facilitation administrator. The facilitation administrator shall prepare and publish acceptable notification language, including the name, address and phone number of the city's facilitation administrator. The notification shall be capitalized text at least fourteen points in size and shall state:

THE PALO ALTO MUNICIPAL CODE GIVES YOU THE RIGHT TO MEDIATION OF DISPUTES BETWEEN LANDLORD AND TENANT. YOU MUST REQUEST MEDIATION WITHIN 21 DAYS OF LEARNING ABOUT THE FACTS THAT CREATED THE DISPUTE. CONTACT THE CITY OF PALO ALTO'S FACILITATION ADMINISTRATOR [name, address and phone] FOR FURTHER INFORMATION. THE PALO ALTO MUNICIPAL CODE PROTECTS YOU FROM RETALIATION FOR EXERCISING YOUR RIGHT TO MEDIATION.

(b) The notification shall be provided in English, Spanish, Chinese and Russian in the translated form prepared and published by the facilitation administrator.

(c) Failure to provide this notification shall result in an automatic extension of the twenty-one-day time limit for filing a written request for dispute resolution pursuant to Section 9.72.040(a). The automatic extension shall remain in effect until twenty-one days after written notification is provided by the landlord.

(d) Failure of a landlord to comply with the notice provisions described above or in a form which provides substantially the same information shall render any rental increase notice invalid and unenforceable, and shall provide the tenant with a defense in any legal action brought by the landlord to collect rent in whole or in part based upon the amount of the rental increase, including any unlawful detainer action based on failure to pay rent which includes an unenforceable rental increase amount as a basis for all or part of the unpaid rent alleged in that action. The failure to comply with the notice provisions will be cured only after the proper written notice of tenant's rights, along with a new rental increase notice, has been properly served on the tenant.

(Ord. 5033 § 2, 2009; Ord. 4728 § 1 (part), 2002)

**9.72.080 Definitions.**

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

(a) "Conciliation" means a confidential telephone call or other contacts by a mediator or the facilitation administrator with a landlord and tenant for the purpose of resolving a rental housing dispute.

(b) "Facilitation administrator" means the person or entity responsible for the routine case intake, mediator assignment and other administrative duties of the dispute resolution process established by this chapter.

(c) "Landlord" means the owner or property manager exercising effective control over the terms and conditions of the tenancy of a residential rental property, including a person with such control delegated through a durable power of attorney.

(d) "Mediation" means a meeting in which landlord and tenant have the opportunity to communicate with a mediator and each other in a face-to-face setting at a neutral location in order to resolve a rental housing dispute under ground rules designed to protect the confidentiality and neutrality of the communications.

(e) "Mediator" means a person who is certified to have completed at least forty hours of basic mediation training with subsequent advanced training, and who has also participated as a mediator or co-mediator in at least ten mediations conducted under the auspices of a recognized community or commercial mediation program, and who has agreed (in a form acceptable to the facilitation administrator) to a statement of mediation ethics and principles, including an acknowledgement of the duty to disclose any conflicts of interest in any specific case.

(f) "Rental housing dispute" means a fact-based grievance raised by any tenant, owner, or property manager regarding the occupancy or use of rental property limited to rental rate increases, deposits, repairs and maintenance, utilities, occupants, parking and storage facilities, privacy, quiet enjoyment, or use of common areas.

(g) "Residential rental property" means any housing structure occupied as a dwelling or offered for rent or lease as a dwelling, whether attached, detached, single or multiple-family.

(h) "Tenant" means the person or entity entitled to occupy a residential rental property at the time that the rental housing dispute arises.

(Ord. 4728 § 1 (part), 2002)

#### **9.72.090 Penalties.**

(a) Violations of this chapter shall be punishable as infractions pursuant to Palo Alto Municipal Code Section 1.08.010.

(Ord. 4728 § 1 (part), 2002)

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## ORDINANCE NO. 6.16

AN ORDINANCE ADDING ARTICLE II TO CHAPTER 43  
OF THE MOUNTAIN VIEW CITY CODE  
TO ADOPT A RENTAL HOUSING DISPUTE RESOLUTION PROGRAM

WHEREAS, as published in a July 2015 Trends Report by RealFacts, a rental market data provider, the average monthly asking rent within the City of Mountain View has risen 52.7 percent from 2011 to 2015,<sup>1</sup> while the median household income in Santa Clara has only risen 1.2 percent during that same period;<sup>2</sup> and

WHEREAS, almost one-third of Mountain View households (32 percent or 10,155 Mountain View households) have incomes less than 80 percent of the area median income (AMI),<sup>3</sup> the low-income threshold as defined and annually published by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, Mountain View's 2015-2020 Consolidated Plan data, derived from HUD-provided data, indicated that the most common housing problem is that households are cost burdened,<sup>4</sup> with 36 percent of renter households (6,485 households) paying more than 30 percent of their income toward housing costs. Additionally, 18 percent of renter households (3,265 households) in Mountain View are severely cost burdened, paying more than 50 percent of their income toward rent; and

WHEREAS, high rents could impact the finances of all households, the 2015-2020 Consolidated Plan documents that lower-income renter households are much more likely than higher-income groups to experience cost burden, with 35 percent of low-income renter households (2,250 households) paying more than 30 percent of their income toward their housing costs, compared to 14 percent of lower-income ownership households (580 households). Additionally, 61 percent of renter households (1,980 households) who pay more than 50 percent of their income toward housing costs are lower income compared to 29 percent of owner households (480 households); and

WHEREAS, according to the Cities Association of Santa Clara County and Housing Trust Silicon Valley, the Association of Bay Area Governments (ABAG) projects that over the next 25 years, 57 percent of all household growth in the Bay Area, which includes the City of Mountain View, will consist of very low- and low-income households; and

WHEREAS, according to the U.S. Census Bureau 2009-2013 American Community Survey, a majority, 57 percent,<sup>5</sup> of all units in the City are occupied by renter households; and

WHEREAS, according to U.S. Census Bureau 2009-2013 American Community Survey, in 2010, 3 percent of families and 6.8 percent of all people in Mountain View lived below the poverty level, and by 2013, the number of households that had fallen into poverty had increased substantially with 5.7 percent of families and 8.1 percent of all people living below the poverty level; and

<sup>1</sup> RealFacts July 2015 Trends Report.

<sup>2</sup> 2012 (\$105,000) and 2015 (106,300) HUD published median incomes for Santa Clara County.

<sup>3</sup> 2015-20 Consolidated Plan (Page 11): 13 percent (3,950 households) at 0 percent to 30 percent AMI; 32 percent or 10,155 total households earn less than 80 percent AMI broken down as follows: 13 percent/3,950 households at 0 percent to 30 percent AMI; 11 percent /2,595 households at 30 percent to 50 percent AMI; and 8 percent /2,320 households at 50 percent to 80 percent AMI.

<sup>4</sup> 2015-20 Consolidated Plan (Page 48).

<sup>5</sup> 2015-20 Consolidated Plan (Page 81) and 2009-2013 American Community Survey data.

WHEREAS, the implementation of rent relief strategies is supported by the City's adopted 2014-23 Housing Element: Goal 2, to provide assistance to households at different income levels to address their housing needs; Policy 2.1, to assist extremely low-, very low-, low-, and moderate-income households in renting a home in Mountain View; and Program 2.4, promoting anti-displacement strategies; and

WHEREAS, excessive rental increases could result in homelessness and the displacement of low-income families; and

WHEREAS, members of the community have expressed their concerns to the City Council regarding the rental housing situation in the City of Mountain View and reported significant/excessive rental increases and the issuance of eviction notices on September 8, September 15, October 6, October 19, October 27, and December 1, 2015; and

WHEREAS, the City Council studied the rental housing situation and rent relief options on a number of occasions, including October 19, 2015; October 27, 2015; and December 1, 2015; and

WHEREAS, increasing poverty in Mountain View, decreasing AMI, and increasing rents have created a growing "affordability gap" between incomes and rents demonstrated by the increase in "overpaying renter households" and overcrowded households; and

WHEREAS, given this increased housing cost burden and poverty faced by many Mountain View residents, excessive rental increases threaten the public health, safety, and welfare of Mountain View residents, including seniors, children, those on fixed incomes, those with very low- to moderate-income levels, and those with other special needs to the extent that such persons may be forced to choose between paying rent and providing food, clothing, and medical care for themselves and their families; and

WHEREAS, by the staff presentations, testimony, and documentary evidence presented at the October 19 and 27, 2015; December 1, 2015; and March 15, 2016 City Council meetings, the City Council has been provided with additional information upon which the findings and actions set forth in this ordinance are based;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW does hereby ordain as follows:

Section 1. Article II is hereby added to Chapter 43 of the Mountain View City Code to read as follows:

**"SEC. 43.20. Purpose.**

The city council finds there is currently a growing shortage of residential rental units and a low vacancy rate due to an increasing demand for housing within the City of Mountain View. Due to this imbalance, rents have increased rapidly, resulting in an economic hardship to many tenants residing in the community. In order to protect the health, safety and welfare of the citizens of Mountain View, the council desires to protect such tenants from unreasonable rent increases while promoting and assuring a fair and reasonable return to property owners, and maintaining a safe, habitable and stable housing environment. The city council encourages property owners to limit rent increases to fair and reasonable amounts and provide greater than the required minimum advance notice of increases. The council has determined it is in the best interest of the city to assist tenants and property owners in resolving disputes which

may arise from time to time by establishing the Rental Housing Dispute Resolution Program.

**SEC. 43.21. Definitions.**

For the purpose of this article, the following terms are defined as set forth in this section:

a. "Administrator" means the person or entity responsible for implementing this ordinance and other administrative duties of the Rental Housing Dispute Resolution Program established by this article or regulations adopted pursuant to this article.

b. "Arbitration" means a hearing conducted according to generally accepted rules for arbitrating disputes in Santa Clara County, unless otherwise specified in regulations adopted pursuant to this article.

c. "Arbitrator" means a person who possesses experience in serving as an Arbitrator or hearing officer pursuant to one of the mandatory dispute resolution ordinances related to rental housing in the region and who has completed an orientation and training session for this ordinance.

d. "Base Rent" means the amount of Rent required to be paid by the Tenant to the Landlord in the month immediately preceding the effective date of the Rent Increase.

e. "Conciliation" means a confidential telephone call or other contacts by the Administrator or a Mediator with a Landlord and Tenant for the purpose of resolving a Rental Housing Dispute.

f. "Day" means a calendar day.

g. "Landlord" means a person or entity exercising effective control over the terms and conditions of the tenancy of a Rental Unit, including a person with such control delegated through a durable power of attorney or an owner, lessor or sublessor, or the agent, representative or successor of any of the foregoing persons who receives, or is entitled to receive, Rent for the use and occupancy of any Rental Unit or portion thereof and is authorized to resolve any Rental Housing Disputes, including an owner, lessor or sublessor, or property manager.

h. "Lease" means an agreement, written or oral, implied in fact, or implied in law, in which a Landlord, for compensation, conveys the right to occupy a Rental Unit to the exclusion of others for a period of time or from period to period.

i. "Mediation" means a meeting in which Landlord and Tenant have the opportunity to communicate with a Mediator to resolve a Rental Housing Dispute with confidential and neutral communications, within the meaning of the applicable provisions of the California Evidence Code.

j. "Mediator" means a person who possesses experience in mediating Landlord-Tenant cases in general and who has mediation experience with at least one of the mandatory dispute resolution programs in the region, and who has completed an orientation and training session on this ordinance.

k. "Party" and "Parties" mean Landlord and Tenant collectively and individually.

l. "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 Rental Unit.

m. "Rent Increase" means any additional Rent demanded of or paid by a Tenant for a Rental Unit including any Service Reduction without a corresponding reduction in Rent.

n. "Rental Housing Dispute" means a fact-based grievance raised by any Tenant or Landlord regarding the occupancy or use of a Rental Unit limited to Rent Increases over the Threshold set forth in Mountain View City Code Sec. 43.24, security deposits, thirty (30) day and sixty (60) day notices to vacate, maintenance and repairs, and Service Reductions, or Tenant's termination of a Lease prior to the end of the Lease term.

o. "Rental Unit" means a dwelling unit (as defined in Mountain View City Code Sec. 36.60.11) existing in a single structure with three or more dwelling units being used as residential rental housing.

p. "Service Reduction" means a reduction in the level of benefits, privileges or facilities related to the Rental Unit that have been reduced without a corresponding reduction in Rent and includes but is not limited to repairs, maintenance, painting, light, heat, water, elevator service, laundry facilities and privileges, refuse removal, furnishings, parking and other rights afforded to Tenant as set forth in a Lease for the Rental Unit.

q. "Tenant" means a person or persons entitled by a Lease to occupy a Rental Unit to the exclusion of others.

r. "Tenancy" includes the lawful occupation of a Rental Unit and includes a Lease or Sublease.

#### **SEC. 43.22. Rental Housing Dispute Resolution Program.**

a. **Applicability.** Each Tenant and each Landlord shall have the opportunity to utilize the Rental Housing Dispute Resolution Program. The Rental Housing Dispute Resolution Program includes three Dispute Resolution phases: Conciliation, Mediation and nonbinding Arbitration. All Rental Housing Disputes are subject to Conciliation and mandatory participation in Mediation. Rental Housing Disputes involving Rent Increases and Service Reductions may also be subject to mandatory participation in nonbinding Arbitration.

b. With the exception of disputes regarding security deposits, a Tenant may not participate in the Rental Housing Dispute Resolution Program unless he or she is a current Tenant of the Rental Unit.

c. Any Tenant or Landlord may initiate the Rental Housing Dispute Resolution Program by filing a written request for resolution of a Rental Housing Dispute within twenty-one (21) days of learning the facts giving rise to the dispute. The request must be filed with the Administrator, and must provide enough factual information to outline the basic issue or issues being raised within the definition of a Rental Housing Dispute.

d. Within seven (7) business days of receiving a written request for dispute resolution from a party, the Administrator will notify both Tenant and Landlord in writing that a case has been opened and will provide a copy of the request to the other party. The Administrator will initiate Conciliation and complete the Conciliation

process within seven (7) days from the date the Administrator notifies the Parties a case has been opened.

e. If Conciliation does not resolve the dispute within the Conciliation time limit, and one of the Parties requests Mediation in writing within the Conciliation time period described above, the Administrator will send a notice to both Parties setting a Mediation date within fourteen (14) days of the notice. The Administrator shall have the authority to combine different disputes or different parties in the interest of efficiently addressing the disputes, provided that any Party may, for reasons of confidentiality or otherwise, opt out of a combined Mediation involving more than one Tenant or Landlord by notifying the Administrator.

f. No Party shall be obligated to reach any specific agreement, or to reach any agreement at all, as a result of participating in Conciliation or Mediation. If an agreement is reached during Mediation, the Mediator or the Parties will prepare a written agreement. Any such agreement shall be confidential and will not be enforceable or used for any other purpose outside the Rental Housing Dispute Resolution Program, unless the Parties agree the document can be disclosed or otherwise used in other proceedings.

g. If Mediation does not resolve the dispute, either Party may request nonbinding Arbitration in writing within seven (7) business days after the Mediation is completed. Arbitration shall be held within twenty-one (21) days after receipt of the request for Arbitration by the Administrator.

h. After the Rental Housing Dispute Resolution Program is initiated, any subsequent timeline may be extended by mutual consent of the Parties and the Administrator, or the Arbitrator may continue the Arbitration upon good cause shown in a written request from either Party.

i. Failure of a Landlord to appear and participate in good faith in any of the dispute resolution alternatives in the Rental Housing Dispute Resolution Program for a dispute involving Rent Increase in excess of the Threshold shall void the notice of Rent Increase for all purposes. Failure of the Tenant to appear and participate in any step of the Rental Housing Dispute Resolution Program shall terminate the process for the affected Tenant and if the dispute involves a Rent Increase, the Rent Increase is no longer subject to the Rental Housing Dispute Resolution Program and shall be effective the date stated in the Notice of Rent Increase.

j. The Parties shall exchange copies of all evidence they intend to introduce at arbitration no later than seven (7) days prior to the date of the Arbitration. Any objection to evidence proposed to be introduced by a Party will be considered by the Arbitrator at the Arbitration hearing.

k. The determination of the Arbitrator shall be mailed to the Parties together with written findings of fact supporting the determination within seven (7) days of the hearing. The Arbitrator's decision shall be advisory to the Parties and shall not be binding.

**SEC. 43.23. Landlord's obligation to provide notice to tenants.**

a. In addition to any other notice required to be given by law, Landlord shall provide all Tenants with a notice stating the Rental Unit is subject to the city's Rental Housing Dispute Resolution Program and Right-to-Lease Ordinance as provided in this article and that they can receive copies of these ordinances by contacting the city. Landlord shall provide these notices to prospective and/or affected Tenants upon Leasing a Rental Unit, renewing the Lease of a Rental Unit and with any Notice of a

Rent Increase. Prior to any Rent Increase, every Landlord shall provide their Tenants a notice of Rent Increase as prescribed in this section. This same language shall be included in a clearly visible location on any lease or other rental agreement.

b. Every Landlord of a Rental Unit shall provide a Rent Increase notice as prescribed in this section before demanding or accepting any Rent Increase. All Rent Increase notices shall be in writing, shall show the name, address and phone number of all responsible parties including the person or entity with authority to respond to a Rental Housing Dispute, and shall be personally delivered to the Tenant(s) or posted and mailed to the Tenant(s) at the address of the Tenant's (s') Rental Unit by first-class mail, postage prepaid. Service by mail shall be presumed complete within five (5) days of mailing. This presumption may be rebutted by the Tenant(s).

c. In addition to all other information provided in a Rent Increase notice, each notice of Rent Increase shall substantially state in bold type:

**NOTICE: Article II of Chapter 43 of the Mountain View City Code establishes a Rental Housing Dispute Resolution Program and it provides a procedure for conciliation and mediation of rental housing disputes involving rent increases greater than 7.2%, security deposits, 30-day and 60-day notices to vacate, maintenance and repairs, and service reductions, and disputes regarding a Tenant's termination of the lease prior to the end of the lease term. Disputes regarding rent increases greater than 7.2% and Service Reductions may also be subject to nonbinding arbitration. To use the program and secure additional information about the city ordinance, you must contact Administrator [insert name and phone number] within 21 calendar days following receipt of a notice of rent increase or learning the facts giving rise to a dispute regarding a rent increase, a security deposit, 30-day and 60-day notices to vacate, maintenance and repairs, or service reductions or disputes regarding a tenant's termination of the lease prior to the end of the lease term. Further information regarding this ordinance is available on the City of Mountain View's website.**

d. No Rent Increase shall be valid for any purpose whatsoever without substantial compliance with this section and any Rent Increase accomplished in violation of this section shall be void. However, a Landlord may cure a violation by serving the Tenant with a notice that complies with this section. No Landlord may take any action to enforce such an invalid Rent Increase.

e. Any Rent increase in violation of this section shall operate as a complete defense to an unlawful detainer action based on failure to pay any invalid Rent Increase. Any Tenant required to pay an invalid Rent Increase may recover all invalid Rent Increase amounts, actually paid by the Tenant, in a civil action.

f. It is the intent of this article that all Landlords are encouraged to provide at least ninety (90) calendar days notice of any Rent Increase in order to allow for orderly operation of the Rental Housing Dispute Resolution Program. At a minimum, all Rent Increases shall meet the notice requirements of state law.

#### **SEC. 43.24. Rent Increases.**

a. Rent Increases for Rental Units shall be limited to two (2) increases in any consecutive twelve (12) month period unless otherwise agreed by the Parties in writing.

b. Rent Increases in any twelve (12) month period exceeding 7.2 percent is subject to the Rental Housing Dispute Resolution Program ("Threshold"). [CPI is the Consumer Price Index, All Urban Consumers for the San Francisco-Oakland Area. The

most recent CPI is the bimonthly figure most recently available from the Bureau of Labor Statistics.]

c. Landlord bears the burden of proving a Rent increase in excess of Threshold is reasonable.

**SEC. 43.25. Payment of Rent Increase during Rental Housing Dispute Resolution Program.**

a. Every Tenant shall pay the existing Base Rent as it becomes due.

b. In the event the dispute remains in the Rental Housing Dispute Resolution Program past the notice period specified in the valid notice of Rent Increase, each affected Tenant shall pay the Landlord the Base Rent and the Rent Increase up to the Threshold in order to continue in the program. Landlord shall provide Tenant with a receipt acknowledging delivery of the Rent.

**SEC. 43.26. Factors determining reasonableness of Rent Increases.**

The purpose of this article is to permit Landlords a fair and reasonable return on the value of their property, while at the same time protecting Tenants from arbitrary, capricious or unreasonable Rent Increases. If a Rent Increase dispute proceeds to Arbitration, the reasonableness of any portion of the Rent Increase in excess of 7.2 percent will be determined by an Arbitrator.

The determination of reasonableness shall be made with reference to the following standards, unless Arbitrator determines the overall standard of reasonableness requires other standards to be applied in a given case to ensure the above stated purpose is being met:

a. Past history of Rent Increases for the same Rental Unit, including timing and amounts;

b. Market rental rates for similar Rental Units in Mountain View;

c. History of capital improvements, maintenance and repairs, operation and maintenance costs for the Rental Unit, including verified expenses;

d. Any unanticipated increases in other categories of Landlord costs for the Rental Unit within the twelve (12) months prior to the notice of Rent Increase or verified expenses to be incurred in the twelve (12) months following the date of the Rent Increase notice;

e. Increases in Landlord costs due to necessary upgrades or verified significant renovations incurred within twelve (12) months prior to the date of the Rent Increase notice for the Rental Unit or projected increases within the twelve (12) months following the date of the Rent Increase notice;

f. Vacancies in the Rental Unit and whether a vacancy was a Voluntary Vacancy;

g. Service Reductions for the Rental Unit during the Tenant's occupancy of the Rental Unit; and

h. Any serious health, safety, fire or building code violations as defined by Health and Safety Code § 17920.3.

The Arbitrator shall determine the amount of the allowable Rent Increase in excess of the threshold allowed pursuant to Sec. 43.24, if any, in accordance with the standards enumerated in this section.

**SEC. 43.27. Burden of proof at arbitration.**

a. Landlord bears the burden of presenting evidence to the Arbitrator that the Rent Increase in excess of the Threshold is reasonable.

b. Tenant bears the burden of proving a Service Reduction. Tenant must prove the decrease in service was substantial and the Landlord had notice of the condition but failed to restore the service within a reasonable time after receiving notice of it. Violations of the Mountain View City Code regarding a Rental Unit must be considered. Upon finding a Service Reduction, an Arbitrator may reduce a Rent Increase, order a credit against Rent paid and/or a reduction in future Rent based on the nature of the Service Reduction, the habitability and usability of the Rental Unit and the duration of the Service Reduction.

**SEC. 43.28. Subpoenas.**

An Arbitrator may, on his/her own initiative, or at the request of a Party, issue subpoenas, or require the production of documents by a Party, provided the Party requesting the subpoena makes a showing of good cause supporting such a request. For the purposes of this article, the city council's authority to issue subpoenas is delegated to the Arbitrator, reserving to the Council full authority to issue subpoenas for the same or other purposes.

**SEC. 43.29. Property registration and fees.**

a. A Landlord shall register each residential Rental Unit within the City of Mountain View. The registration shall be on forms provided by the city and shall include the name and mailing address of the owner or owners of the property, the person authorized to effectively resolve Rental Housing Disputes arising under this article as well as the name, address and telephone number of the Landlord, and the number of Rental Units at the address.

b. For the sole purpose of reimbursing the City of Mountain View for the reasonable costs of maintaining property registration records and related administrative systems, and the Rental Housing Dispute Resolution Program, the Landlord of each Rental Unit shall pay a fee in an amount to be set by the City of Mountain View for each Rental Unit.

**SEC. 43.30. Retaliation.**

No Landlord shall increase Rent, cause a Service Reduction, cause a Tenant to involuntarily quit the Rental Unit, bring an action to receive possession, or threaten to do any of such acts or take any other adverse action against a Tenant because of the Tenant's exercise of the Tenant's rights pursuant to this article.

**SEC. 43.31. Enforcement.**

a. Violation of provisions of this article shall not constitute a crime.

b. At any time, a Tenant may bring action in the courts of the state alleging a violation by the Landlord of the provisions of this article or may seek a court order directing compliance with the provisions of this article.



c. At any time, a Landlord may bring an action in the courts of the state alleging a violation by the Tenant of the provisions of this article or may seek a court order directing compliance with the provisions of this article.

d. Any Rent increase in violation of this section shall operate as a complete defense to an unlawful detainer action based on failure to pay any invalid Rent Increase. Any Tenant required to pay an invalid Rent Increase may recover all invalid Rent Increase amounts, actually paid by the Tenant, in a civil action.

**SEC. 43.32. Repeal of ordinance.**

By operation of law, this ordinance shall be repealed in its entirety unless by September 30, 2019, the city council by an affirmative vote has taken action to retain the ordinance and any amendments thereto or portions thereof."

Section 2. Nonwaiver. Any waiver or purported waiver by a tenant of rights under this chapter prior to the time when such rights may be exercised, except a rejection of a one (1) year lease offered in accordance with Section 3, shall be void as contrary to public policy.

Section 3. Pursuant to Section 522 of the Mountain View City Charter, it is ordered that copies of the foregoing proposed ordinance be posted at least two (2) days prior to its adoption in three (3) prominent places in the City and that a single publication be made to the official newspaper of the City of a notice setting forth the title of the ordinance, the date of its introduction, and a list of the places where copies of the proposed ordinance are posted.

Section 4. CEQA. The City Council hereby finds and determines that this ordinance is not subject to the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15183 (Action Consistent with General Plan and Zoning); Section 15378 (No Project); and Section 15061(b)(3) (No Significant Environmental Impact).

Section 5. Severability. If any section, subsection, sentence, clause, or phrase of this urgency ordinance is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this urgency ordinance. The City Council declares that it would have adopted this urgency ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

Section 6. Effective Date. The provisions of this ordinance shall be effective thirty (30) days from and after the date of its adoption.

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The foregoing ordinance was regularly introduced at the Special Meeting of the City Council of the City of Mountain View, duly held on the 15th day of March 2016, and thereafter adopted at the Regular Meeting of said Council, duly held on the 26th day of April 2016, by the following roll call vote:

AYES: Councilmembers Clark, Kasperzak, McAlister, and Mayor Showalter

NOES: Councilmembers Inks, Siegel, and Vice Mayor Rosenberg

ABSENT: None

NOT VOTING: None


ATTEST:

APPROVED:

  
\_\_\_\_\_  
LORRIE BREWER, MMC  
CITY CLERK

  
\_\_\_\_\_  
PATRICIA SHOWALTER  
MAYOR

I do hereby certify that the foregoing ordinance was passed and adopted by the City Council of the City of Mountain View at a Regular Meeting held on the 26th day of April 2016, by the foregoing vote, and was published in the *San Jose Post Record* by reference on the 20th day of April 2016, and posted in three prominent places in said City.

  
\_\_\_\_\_  
City Clerk  
City of Mountain View

KB/4/ORD  
015-03-15-16o-E-4