



CITY OF
**PALO
ALTO**

Planning & Transportation Commission Action Agenda: January 26, 2022

Virtual Meeting
6:00 PM

Call to Order / Roll Call

Approximately 6:02 pm

Chair Lauing called the January 26, 2022 Planning and Transportation Commission (PTC) meeting to order and requested that staff call the roll.

Madina Klicheva, Administrative Assistant, called the roll and announced that Commissioner Templeton was absent.

Oral Communications

The public may speak to any item not on the agenda. Three (3) minutes per speaker.^{1,2}

Chair Lauing invited members of the public to speak to the Commission on items that are not on the agenda.

Rob Levinsky emphasized that parking Option E saves more trees in Castilleja School's Expansion Project. Also, Urban Forestry supports Option E for the project.

Agenda Changes, Additions and Deletions

The Chair or Commission majority may modify the agenda order to improve meeting management.

Rachael Tanner, Assistant Director, noted that Staff has no agenda changes, additions, or deletions.

City Official Reports

1. Directors Report, Meeting Schedule and Assignments

Rachael Tanner, Assistant Director, shared that on Monday, City Council adopted the Interim Ordinance and regular Ordinance for Senate Bill (SB) 9. Staff will be bringing forward the permanent ordinance for PTC's review in April or May 2022. Staff has received one SB9 application since the beginning of 2022. Council also discussed the height transition zone in the Objective Standards as well as the setback requirements for the RM40 Zone. In the upcoming

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Council meeting, Council will discuss tenant relocation assistance. PTC will continue to hold
2 remote meetings for February 2022 and possibly be holding hybrid meetings in March 2022.
3 Council will be holding their retreat virtually on February 5, 2022.

4 Commissioner Hechtman inquired what action did Council take on the height transition zone.

5 Ms. Tanner answered Council adopted that when a lower-density zone is next to a higher-
6 density zone. From the property line out to 150-feet, there will be a 35-foot height limit for the
7 higher-density project.

8 Commissioner Hechtman remarked prior to Council taking action, was Staff's interpretation
9 consistent with Council's action, or was it a 50-foot distance instead of 150-feet.

10 Ms. Tanner clarified that the transition zone applies to different zones differently. Council
11 approved that the transition zone is applied to abutting properties as well as parcels where the
12 Code is silent on the matter.

13 Chair Lauing announced that Item 3 has been removed from the agenda and was held over to
14 the February 9, 2022 meeting.

15 **Action Items**

16 Public Comment is Permitted. Applicants/Appellant Teams: Fifteen (15) minutes, plus three (3) minutes rebuttal.
17 All others: Five (5) minutes per speaker.^{2,3}

18

19 2. PUBLIC HEARING: Recommendation for City Council Adoption of an Ordinance
20 Amending Palo Alto Municipal Code (PAMC) Section 9.68.035 (Relocation Assistance
21 for No-fault Evictions) to Apply to Structures or Lots Containing Ten (10) or More
22 Units, Instead of 50 or More Units.

23 Rachael Tanner, Administrative Assistant, introduced Lauren Bigelow and Clare Campbell who
24 presented the item to the PTC.

25 Lauren Bigelow, Fellow, reported that Staff is seeking a recommendation from PTC regarding an
26 amendment to the Tenant Relocation Assistance (TRA) Ordinance to lower the threshold to 10-
27 unit per City Council direction made on November 29, 2021. The City adopted its Tenant
28 Relocation Assistance Ordinance in 2018. The City applied for the Challenge Grant to continue
29 work on the ordinance and it was granted in 2019. The reason for the amendment was that
30 there was an identified need in the community. The existing language of the ordinance was
31 housed in the Municipal Code, Chapter 9.68, Renter Housing Stabilization. TRA was currently
32 applicable to properties with 50 or more units which equated to 22 percent of Palo Alto rental
33 housing stock. Existing TRA payments were based on unit types which were set in the year

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 2018. The current TRA provisions also included a supplemental payment of \$3,000 for low-
2 income households, tenants who are 60-years or older, tenants with disabilities, or tenants who
3 are minors. If adopted, 10 percent of rental units with 10- to 19-units will be covered as well as
4 13 percent of 20- to 49-unit properties. Staff identified several cities in the Bay Area that have
5 TRA, including the City of Berkeley, City of Concord and the City of Mountain View. The
6 proposed amendment facilitated Affirmatively Furthering Fair Housing (AFFA) as well as
7 increased stability for goals in the Comprehensive Plan.

8 Chair Lauing invited the Commissioners to ask clarifying questions of Staff before hearing public
9 comments.

10 Commissioner Reckdahl asked if the ordinance applied to scenarios when a lease ends and the
11 landowner does not offer a new lease.

12 Ms. Bigelow clarified that the ordinance only applies to evictions. Assistance can be provided to
13 persons who are being evicted because renovations have to happen to the unit or the rental
14 unit is removed from the rental housing inventory.

15 Commissioner Reckdahl rephrased and asked if a person has a 1-year lease. At the end of the
16 lease, the landlord can evict the tenant with no compensation.

17 Ms. Bigelow explained that it depended on the reason for eviction.

18 Albert Yang, Assistant City Attorney, added that it depended on the term of the lease. If the
19 lease provides for holding over which the tenant pursues. If the landlord evicts the tenant for
20 reasons that are not the tenant's fault, then the tenant can receive TRA.

21 Commissioner Reckdahl asked if it is common for a lease to have a holding over provision.

22 Mr. Yang indicated that it depends.

23 Commissioner Reckdahl wanted to know how many times the TRA has been used.

24 Ms. Tanner mentioned that the ordinance was adopted and used when the President Hotel
25 incident happened. Since that time, it has not been used.

26 Mr. Yang interjected that the City does not administer the program and cannot say how many
27 times the program has been used. It is up to tenants and landlords to follow the law and resolve
28 any disputes that arise.

29 Ms. Bigelow agreed with Ms. Tanner's remark.

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Commissioner Roohparvar stated typically a lease does not include a hold over-provision, but
2 the law does provide an ability to hold over 100- to 200-percent rent. If the landlord files an
3 Unlawful Detainer to evict the tenant. Then the tenant does not have a right to TRA.

4 Ms. Tanner clarified that the rights that tenants have are the rights outlined in the law. Beyond
5 those rights, tenants do not have a right to TRA.

6 Commissioner Roohparvar inquired if disputes are sent to mediation.

7 Ms. Bigelow confirmed that there is mandatory mediation, but all that is required is for the
8 landlord to stay for 15-minutes to have a conversation.

9 Commissioner Roohparvar summarized that it is not a formal mediation process with a paid
10 mediator.

11 Ms. Tanner declared that it is formal because it is a process with Project Sentinel. She
12 mentioned that Planning and Development Services does not operate the mediation program.

13 Commissioner Roohparvar inquired if the City monitors the program or tracks it.

14 Ms. Tanner affirmed that the City does receive reports.

15 Ms. Bigelow confirmed that the Palo Alto Mediation Program is monitored by Human Services.

16 Commissioner Roohparvar summarized that the City does not track no-fault evictions or at-fault
17 evictions.

18 Ms. Tanner confirmed that Santa Clara County tracks evictions.

19 Ms. Bigelow added that eviction data is hard to get because it covers a broad spectrum.

20 Commissioner Roohparvar wanted to know how TRA interplays with the Ellis Act.

21 Mr. Yang explained that Ellis Act provisions come into play for jurisdictions that have rent
22 control which the City does not have.

23 Commissioner Hechtman asked if Ellis Act is different than Assembly Bill (AB) 1482.

24 Ms. Tanner confirmed that they are different laws.

25 Commissioner Hechtman mentioned that AB 1482 adds another layer of complexity because it
26 is applied statewide and applied to tenants who have resided in a unit for 12-months or more.
27 He asked how many cities that Staff identified in the Staff report have rent control ordinances.

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Ms. Bigelow articulated that a good number of them do have either/or just cause and/or rent
2 control.

3 Commissioner Hechtman remarked that if Staff is going to be comparing Palo Alto, which does
4 not have rent control, to other cities that do, it would be useful to know the differences
5 between Palo Alto and those cities. He inquired if there have been any studies done comparing
6 the impacts of TRA as it is applied to medium-sized complexes compared to 50-units or more
7 complexes.

8 Ms. Bigelow answered no, that was not an area that she studied.

9 Commissioner Hechtman asked what the current number of residential vacancies in the City is.

10 Ms. Tanner articulated that Staff does not have a measure of vacancy in the City.

11 Clare Campbell, Planning Manager confirmed that Staff does have a report from a year or so
12 ago but nothing recent.

13 Ms. Bigelow added that Staff has discussed tracking vacancies in the Rental Survey Program.

14 Commissioner Hechtman summarized that Staff does not know how many vacancies there are
15 currently in the medium-size category.

16 Ms. Tanner answered that is correct.

17 Commissioner Hechtman wanted to know what the legal amount of notice is that a landlord
18 must give a tenant to vacate.

19 Mr. Yang said that he was unsure if the City regulates that.

20 Ms. Tanner believed that the City does not have a specific number and believed it would be
21 governed by Santa Clara County regulations.

22 Ms. Bigelow stated she was accustomed to 60-day notices being performed but they may not
23 be written out and regulated.

24 Vice-Chair Summa wondered if the proposal captured both the landlord's and the tenant's
25 financial needs and if there was a way to capture that better.

26 Ms. Tanner disclosed that the theory of TRA is that it might deter a landlord from evicting a
27 person when there is no-fault eviction. If the tenant and landlord cannot agree, then the tenant
28 shall have the funds to secure another unit that is similar to the unit they are vacating. The idea

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 was to target complexes of 10-units or more, who may be owned by professional landlords, and
2 perhaps have the resources to provide TRA.

3 Vice-Chair Summa asked what “natural person” means on Packet Page 9, under no-fault
4 description number three. She understood that it was to prohibit corporations or professional
5 landlords.

6 Mr. Yang articulated that the list of one through four was a set of examples and was not the full
7 list of potential no-fault evictions. It was also not a just-cause eviction. A natural person only
8 pertained to a landlord who is evicting a tenant to allow for a family member to live in the unit.

9 Vice-Chair Summa summarized that the Code recognizes that corporations are not people.

10 Mr. Yang answered yes.

11 Vice-Chair Summa requested further explanation why 10-units were chosen.

12 Ms. Tanner emphasized that Staff did offer a range to Council and they selected 10-units.

13 Ms. Bigelow shared that there was not a lot of conversation about the number and Staff could
14 not draw concrete conclusions why Council chose that number.

15 Ms. Tanner added that Staff was trying to capture a larger share of the rental housing
16 inventory.

17 Ms. Bigelow noted the comparable cities in the Staff report cover all of their rental housing
18 stock instead of portions of it.

19 Vice-Chair Summa acknowledged half of the people living in Palo Alto are renters and she was
20 interested in expanding the protection. She believed 10-units was an arbitrary number and did
21 not capture the folks who need the most help from TRA. She expressed that TRA may be a
22 financial burden for small landlords.

23 Chair Lauing referenced Packet Page 9, number two, and asked how long can renovations take
24 place and render the unit uninhabitable. The same concept was referenced on Packet Page 12
25 regarding SB 30.

26 Mr. Yang restated that the list is an example of no-fault evictions. The way the ordinance was
27 written is it listed ways in which a tenant would be at fault. Anything other than those was
28 considered a no-fault eviction.

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson’s presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Chair Lauing remarked if a tenant is evicted and receives TRA. Then the tenant wants to come
2 back in 60-days to rent out the unit because renovations are done. He asked if that would be
3 considered a negotiation between the landlord and the tenant.

4 Ms. Tanner clarified discussions between the tenant and landlord can happen if the landlord
5 cannot or does not want to pay TRA. Under SB 330, depending on the nature of the renovation,
6 there could be rights to return.

7 Chair Lauing determined there was no correlation that folks would have First Right of Refusal
8 and that it would become a new transaction.

9 Mr. Yang confirmed the proposed ordinance does not deal with First Right of Refusal.

10 Ms. Tanner agreed that a tenant would have those rights under SB 330.

11 Chair Lauing invited members of the public to provide their comments on the matter.

12 Anil Babbar, a representative of the California Apartment Association, shared that the
13 association is concerned that the proposal was coming at an irresponsible time. Through the
14 Covid-19 Pandemic, landlords have lost money from tenants who cannot pay their rent for
15 many, many months. The funding from the state and federal government has been very slow to
16 come through and/or it has become depleted. The association was concerned that mom-and-
17 pop owners will be negatively impacted by the proposed changes. They recommended that the
18 item be tabled until the environment is more suited for the ordinance, or when there are
19 concrete answers to questions of concern.

20 Emily Ann Ramos, Silicon Valley At Home, announced that Silicon Valley At Home supports
21 Staff's recommendation.

22 Vice-Chair Summa requested that Staff explain Section F of the proposed ordinance.

23 Mr. Yang remarked Staff does not believe it will be a common problem, but it is possible that
24 the amount of TRA may be too high and may be considered as an unconstitutional taking. Staff
25 conducted a robust analysis of other jurisdictions' ordinances and court cases and believed the
26 amounts were standard amounts.

27 Vice-Chair Summa commented that Section F was not to help landlords with less financial
28 flexibility.

29 Mr. Yang restated a landlord would have to show that the application of TRA would result in a
30 taking of their property.

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Vice-Chair Summa inquired if a taking was a complete devaluation of the person's property or
2 was it partial.

3 Mr. Yang confessed there is not a clear rule regarding the matter.

4 Vice-Chair Summa rephrased that Section F was not intended to help a landlord who may not
5 have the financial means to pay TRA.

6 Ms. Tanner explained there are many different reasons why a landlord may try to prove an
7 unconstitutional taking. It was not explicitly an economic hardship relief provision.

8 Mr. Yang agreed with Ms. Tanner's comment.

9 Commissioner Hechtman stated the goal is to help tenants who have been evicted due to no
10 fault of their own and by providing relief to rent-burdened tenants, which furthers AFFA. He
11 expressed concern that adopting the amendment would have the opposite effect and hurt the
12 population that the City was trying to help. He found it unrealistic that a landlord would
13 consider paying two to three months' rent to a tenant through TRA as a cost of doing business.
14 He predicted that landlords would build the money into the process and do that by increasing
15 the rent. There are no laws in Palo Alto that prohibit a landlord from setting the rent of a vacant
16 unit to whatever rent they want. For existing tenants in 10- to 49-unit structures, AB 1482 does
17 limit rent increase on units that are older than 15-years to 5 percent increase plus Consumer
18 Price Index (CPI). He commented that there has been no data or information provided to the
19 Commission that addressed his concern.

20 Commissioner Reckdahl appreciated Commissioner Hechtman's concern and agreed that
21 unintended consequences are real. He noted that Palo Alto has a competitive rental market and
22 landlords compete against other landlords. If rents are raised, the apartment may stay vacant
23 longer and hurt the landlord. He predicted that the most likely cause was that landlords would
24 terminate the lease after 12-month and not be required to pay TRA.

25 Commissioner Roohparvar agreed that many cities have to balance renter protections versus
26 unintended consequences and how landlords respond to policy. She shared concerns about
27 speculation and lack of data. She agreed with Commissioner Reckdahl that a landlord will wait
28 till the end of the lease to impose any rent increases or enact termination. She acknowledged
29 that a tenant pursuing action in a court of law was expensive and unlikely to happen. She
30 concluded that more data would have been helpful for her to make a decision.

31 Chair Lauing emphasized the whole basis of the ordinance is driven by the landlord and he did
32 not agree that every landlord will take the approach that was suggested by Commissioner
33 Hechtman. He noted AFFA will be incorporated in the City's Housing Element and using the

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 threshold of 10-units and up did not cover over half the rental units that are cost-burdened. At
2 the prior PTC meeting, the Commission discussed how to provide the TRA only to folks who are
3 cost-burdened and the Commission could not identify a process. He announced he was not set
4 on the under 10 as the threshold, but emphasized that was the number Council directed PTC to
5 explore.

6 Commissioner Chang agreed with Commissioner Roohparvar that there should be more City-
7 specific data. She agreed the ordinance is landlord driven and landlords generally do
8 renovations outside of a 1-year lease. She wanted to know how often situations come up, how
9 often the scenarios happen in each category of building size, and more data regarding cost
10 burden units. Given that many tenants are rent-burdened, she stated that the proposal makes
11 sense and predicted that most unintended consequences can be managed by a landlord.

12 Commissioner Reckdahl agreed the City has to strike the balance between small landlords and
13 tenant protections. He inquired how Staff determined that \$3,000 amount for low-income
14 households. If the City is trying to help low-income folks, then the TRA values should be
15 reduced and the supplement payment to low-income folks should be increased.

16 Mr. Yang shared that Staff surveyed what other jurisdictions were providing.

17 Commissioner Reckdahl recommended that Council reevaluate the \$3,000 amount and explore
18 raising it. He shared by reducing the number of units per development from 10 down to four.
19 That would encompass another 20 percent of renters. He acknowledged that would affect more
20 landlords but agreed that landlords control the timeline.

21 Commissioner Hechtman did not agree with the comment that landlords will not raise rents
22 due to a competitive rental market. There was no information about rent increases within 50-
23 units or more structures and no information on whether the landlords have been impacted by
24 the current ordinance. He noted 24 percent of the rental inventory was single-family homes
25 and that was a different market. If the threshold is decreased below 10-units, that
26 encompassed more landlords who may have the desire to raise rents, as was outlined in the
27 Staff report. He understood if a renter is on a month-to-month lease, the ordinance still applied
28 to their no-fault eviction.

29 Mr. Yang answered Commissioner Hechtman was correct that TRA applied to renters on a
30 month to month leases if they are evicted from the property.

31 Vice-Chair Summa associated her comments with Commissioner Reckdahl's and specified that
32 there is a real need for a rental registry. A rental registry would provide the data needed to
33 make more informed decisions. She mentioned that before Covid-19, it was not a given that a
34 landlord would present a 1-year lease to a new tenant. She did not understand why the number

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 of units on a parcel determined how no-fault evictions are handled and she did not find using
2 10-units as the threshold compelling. If the City believed that folks deserve TRA, then it should
3 be applied to all renters. She found it frustrating that there was no data on tenant and landlord
4 financial ability. She shared her interest was to reduce the threshold to 4- or 3-units because the
5 number of units did not make a difference to a tenant who is having a hard time relocating
6 because of the high cost of housing in the City.

7 Commissioner Roohparvar understood that under the current ordinance, once a 1-year lease
8 ends, a tenant is moved to a month-to-month lease and TRA applies to the tenant.

9 Mr. Yang clarified the City does not have a requirement that there be a month-to-month
10 arrangement after a 1-year lease ends, but there may be state laws. TRA is required to be paid
11 when the tenancy is being terminated no voluntarily by the tenant and not in an at-fault tenant
12 situation.

13 Commissioner Roohparvar asked what about contractually the obligations end.

14 Mr. Yang understood that would be characterized as voluntary termination if that is something
15 that the parties agree on.

16 Chair Lauing understood if a landlord raises the rent and the tenant does not agree. Then the
17 transaction is ended and TRA is not awarded.

18 Ms. Tanner noted if a landlord is proceeding with an eviction that is not on the list of reasons
19 then TRA would be awarded. If a renter says no, I will not pay the increased rent. That is
20 determined to be an at-fault eviction and the tenant would not receive TRA.

21 Commissioner Chang understood a landlord would be forced to pay TRA if the 1-year lease ends
22 and the landlord wants to evict the tenant to allow for a family member to move in.

23 Mr. Yang restated it depends on the term of the lease and whether the tenant has the right to
24 remain in the unit at a specified rent.

25 Commissioner Chang wanted to know what other restrictions there are that may be triggered.

26 Mr. Yang could not speak to the general body of landlord/tenant law. The City has a 1-year
27 lease requirement, TRA, and mediation requirement.

28 Ms. Bigelow mentioned AB 1482 shares the minimum renter protections that cities should
29 adopt and address situations while a tenant is in a unit rather than if the tenant is evicted. SB
30 330 TRA is triggered in cases of demolition.

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Commissioner Chang affirmed her assumption that a landlord would wait till the end of the
2 lease to take action. Regarding the number of units per building, she recalled that at the priority
3 discussion the Commission was worried about landlords who may not be able to pay TRA. She
4 agreed that the threshold made no difference to a tenant. Unless there was a concrete process
5 in place for a landlord to apply to have TRA waived, she supported keeping the threshold at 10-
6 units.

7 Commissioner Hechtman appreciated the diverse viewpoints that have been expressed through
8 the conversation. He confessed he had intended to make several motions to request more data,
9 but Staff has indicated that the item will be going to Council in the coming week. To have an
10 informed discussion, the Commission must understand AB 1482. AB 1482 applied to every
11 rental property that is at least 15-years or older on a rolling basis and many of Palo Alto's
12 structures are older than 15-years. AB 1482 has a just-cause provision that applies after the
13 tenant has been at the property for at least 12-months and only allows a 5 percent increase
14 plus CPI. He affirmed his concern that landlords will increase rents to absorb the TRA amounts
15 based on the knowledge that AB 1482 will apply.

16 Commissioner Reckdahl inquired if a landlord can insist that a tenant sign a 1-year lease after
17 they move from month to month or are there legal obligations that month to month rents must
18 go indefinitely.

19 Ms. Tanner restated it depended on what the terms of the lease are. She emphasized that the
20 situation would have to be that the landlord is going through court proceedings to evict the
21 tenant from the unit.

22 Mr. Yang recommended Staff clarify that point in the ordinance. He believed that there was no
23 right for a tenant to maintain a lease indefinitely month to month. Under AB 1482, one of the
24 at-fault evictions was when the tenant refused to sign a long-term renewal.

25 Commissioner Reckdahl asked if a tenant is a month to month and the landlord terminates the
26 contract. Would that be considered at fault?

27 Mr. Yang answered no, not under the City's ordinance. It would be considered a no-fault
28 eviction.

29 Commissioner Reckdahl summarized that now the tenant can stay in the unit indefinitely
30 month to month. He asked can a landlord insist that the tenant sign a new 1-year lease.

31 Mr. Yang answered yes and that is covered under AB 1482.

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Ms. Tanner suggested that the Commission include in their motion that in the list of causes that
2 would be considered no-fault. Adding number 11 and outlining the situation that many
3 Commissioners have raised concerns about.

4 Commissioner Reckdahl shared he was bothered by the situation that a tenant can stay in a unit
5 indefinitely and then can receive TRA. He requested that Staff explained number 10, for no
6 specified cause, on Packet Page 16.

7 Mr. Yang agreed that Staff should clarify the point in the ordinance, but there was language in
8 the ordinance that stated that number seven through 10 were no-fault evictions.

9 Chair Lauing acknowledged Commissioner Hechtman's comment that certain state laws can top
10 local law.

11 Mr. Yang confessed the ordinance was drafted before AB 1482 was adopted and he suggested
12 that the ordinance adopt AB 1482's definitions.

13 Ms. Bigelow noted that AB 1482 will sunset in the year 2030.

14 Commissioner Roohparvar remarked that the relationship between AB 1482 and the proposed
15 ordinance should be shared with Council. She recalled at the prior meeting, Staff had outlined
16 that evicting a tenant to allow for a family member to move in would not trigger TRA. Now,
17 because of AB 1482, that situation would no longer be considered just-cause and would trigger
18 TRA.

19 Mr. Yang clarified in that situation, it is just-cause but was considered no-fault. AB 1482 does
20 not speak to TRA if it's no-fault but the Palo Alto ordinance does and would require TRA.

21 Commissioner Roohparvar confessed she felt rushed and was making an off-the-cuff
22 recommendation to Council. She did not support reducing the threshold hold below 10-units.

23 Vice-Chair Summa inquired if the City has a way to follow up and confirm that the landlord
24 reposed the unit.

25 Mr. Yang answered no and the City does not track evictions.

26 MOTION

27 Chair Lauing echoed Commissioner Chang and Commissioner Roohparvar's comment regarding
28 the threshold being at 10-units. He confessed he misunderstood, and suggested that TRA be
29 targeted for low-income households, but acknowledged that was for a different conversation.
30 He moved the Staff recommendation with the incorporation of the definitions from AB 1482 as

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 well encouraged Staff to investigate or refer to PTC the type of payment if it can for skewed for
2 lower-income persons.

3 SECOND

4 Commissioner Roohparvar seconded.

5 Commissioner Reckdahl summarized that Commissioner Lauing was under the impression that
6 it was not legal to have additional payments to low-income persons.

7 Chair Lauing clarified that during the original discussion, he understood that it would be
8 administratively impossible to target low-income folks.

9 Ms. Tanner noted the ordinance kicks in after the tenant is evicted and it may be possible for
10 the City to target low-income persons. She recalled that the Commission discussed having a
11 mechanism that happened before a tenant is evicted.

12 Vice-Chair Summa restated that 10-units seemed arbitrary and she wanted to see the
13 ordinance have a concrete waiver process for landlords. She wanted to know if the ordinance
14 would disincentive landlords from renting to Section 8 tenants.

15 Ms. Tanner shared that property owners viewed Section 8 differently. If a landlord increases
16 the rent, it may be beyond Section 8's maximum, and so the landlord may not be able to accept
17 Section 8 payment.

18 Commissioner Hechtman stated he wanted to help Palo Alto tenants and in particular, rent-
19 burdened Palo Alto tenants. If there was data that proved that the amendment would not have
20 the opposite effect, then he could support it. He found it perplexing that Council needed the
21 ordinance back so quickly. He concluded he cannot support the motion due to the reasons he
22 previously stated and the unintended consequences outlined in the Staff report.

23 Ms. Tanner remembered that the difference between the original conversation and now was
24 that the additional payment in the proposed ordinance was for low-income households and
25 PTC had suggested that TRA be applied to only rent-burdened households in the original
26 conversation.

27 Commissioner Roohparvar supported the concept of building into the ordinance a waiver
28 process for landlords who are financially burdened.

29 MOTION RESTATED AND REVISED

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Chair Lauing restated the motion was to move the Staff's proposal and incorporate definitions
2 from AB 1482. He understood that TRA should not be skewed based on Ms. Tanner's
3 recollection.

4 Commissioner Roohparvar re-seconded the motion.

5 Ms. Campbell asked if all of the definitions from AB 1482 were to be incorporated.

6 Mr. Yang answered the list of at-fault and no-fault causes and incorporate those into the
7 ordinance.

8 Chair Lauing emphasized the ordinance is driven by landlord-driven evictions.

9 FRIENDLY AMENDMENT

10 Commissioner Chang proposed a friendly amendment to add that Council considers a waiver
11 process for landlords.

12 Chair Lauing inquired how would the City determine there is a financial burden for a specific
13 landlord.

14 Commissioner Chang was not sure but believed it should be investigated. She agreed that it
15 could be difficult to legislate.

16 FRIENDLY AMENDMENT DECLINED

17 Vice-Chair Summa acknowledged that many folks are not large real estate aggregators and they
18 depend on the income from the property. She recommended that the waiver not be
19 prescriptive and made so broad that it becomes a loophole.

20 Chair Lauing saw that as an argument to increase the threshold from 10-units.

21 Vice-Chair Summa answered no because there is no data available.

22 Chair Lauing clarified that the presumption was that below 10-units it was owned by mom and
23 pop and above 10-units it was owned by a corporation.

24 Vice-Chair Summa emphasized that there should be a safety valve for folks.

25 Ms. Tanner commented that the City does not know who mom and pop are but 5-units or more
26 do not qualify for the same type of mortgage that a 1- to 4-unit property does. Usually, 5 or
27 more units require a commercial loan.

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

- 1 Chair Lauing remarked if a mom-and-pop owned 30-units, then the assumption would be that
2 there is more incoming and they can pay for TRA.
- 3 Commissioner Reckdahl was nervous about speculating and stated that public policy should not
4 be made unless there is data. He requested that data be collected and that Staff bring the item
5 back to PTC for further discussion on the appeal process and low-income payment. He inquired
6 why Council needed the policy back so quickly.
- 7 Ms. Tanner answered she could not speak to Council's decisions, but there was concern about
8 rising evictions in Palo Alto.
- 9 Commissioner Reckdahl acknowledged that there are trade-offs between negative impacts to
10 landlords and positive impacts on tenants. He found it uncomfortable to choose a side, but
11 because he had to choose, he stated he would choose the side of the tenant because the
12 landlord controls the timeline.
- 13 Chair Lauing mentioned the item will be heard by Council at their next meeting and there will
14 be PTC representation at the meeting.
- 15 Commissioner Reckdahl asked who will be representing PTC at Council's meeting.
- 16 Chair Lauing answered Vice-Chair Summa.
- 17 Commissioner Chang strongly emphasized that PTC wants more data.
- 18 Chair Lauing clarified that in terms of the friendly amendment, he did not understand what PTC
19 was recommending for a waiver.
- 20 Vice-Chair Summa agreed that PTC should revisit the ordinance when more data is available.
21 She confessed she did not know a lot about mortgages but suggested that dropping the
22 threshold down to 5-units would be more in alignment with mortgage lenders.
- 23 Commissioner Roohparvar shared that it is easier to qualify for a loan for 5- or more units than
24 it is for under 5-units.
- 25 Chair Lauing recommended Staff include in the Staff report that PTC was concerned about the
26 lack of data to make the decision and requested to see the ordinance again when more data is
27 available.
- 28 VOTE
- 29 Chair Lauing requested Staff conduct a roll call vote on the motion.

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Ms. Klicheva announced the motion carried 5-1 with Commissioner Templeton is absent.

2 MOTION PASSED 5(Chang, Lauing, Reckdahl, Summa, Roohparvar) – 1(Hechtman)-
3 1(Commissioner Templeton absent)

4 Commissioner Hechtman appreciated the inclusion of relaying to Council that PTC was
5 hampered by the lack of data.

6 **Commission Action:** Motion by Lauing. Seconded by Roohparvar, motion carried 5-1-1.

7 3. PUBLIC HEARING/LEGISLATIVE: Review and Discuss Potential Ordinance Changes to
8 Palo Alto Municipal Code Chapter 18.09, Accessory and Junior Accessory Dwelling
9 Units. Environmental Assessment: Exempt from the provisions of the California
10 Environmental Quality Act (CEQA) pursuant to Public Resources Code Section
11 21080.17 and CEQA Guidelines sections 15061(b)(3), 15301, 15302 and 15305.

12 [This item was moved to the Planning and Transportation Commission meeting to be held on
13 February 9, 2022]

14 **Committee Items**

15 None.

16 **Commissioner Questions, Comments or Announcements**

17 Rachael Tanner, Assistant Director requested the Commission provide comments on the PTC
18 meeting calendar for 2022, establish a summer break if needed, discuss the retreat and content
19 of the retreat. City Council's approved summer break was June 22, 2022, through July 31, 2022,
20 and from December 21, 2022, through January 8, 2023. There are no PTC meetings that fall on
21 holidays and March 1, 2022, maybe the first in-person meeting.

22 Commissioner Chang agreed it made sense to cancel a meeting or two in the summer months
23 when folks have their vacation schedules. She requested that no additional meetings be
24 adopted for December and January.

25 Vice-Chair Summa remarked other than one time, PTC has not historically taken a summer
26 break.

27 Commissioner Hechtman shared he will be out of town for the July 27, 2022 meeting. He
28 recalled for 2021, PTC canceled the last meeting of July and the first meeting of August. He
29 confessed it was a nice break.

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Commissioner Roohparvar noted she too will be taking a vacation in July or August. Also, she
2 may not be available for the April 13, 2022 meeting.

3 Commissioner Reckdahl remarked he will be taking a vacation but can work around the
4 schedule.

5 Chair Lauing determined that the logical time for PTC to cancel a meeting was the meeting on
6 July 27, 2022. Commissioner Hechtman will be absent and it was during Council's summer
7 break.

8 Commissioner Chang supported canceling July 27, 2022, but suggested waiting for another
9 month or so to determine when to take a summer break. That way Commissioners can plan
10 their vacations and then corresponding meetings can be canceled.

11 Chair Lauing agreed as long as the Commission identifies what meetings to cancel at least a
12 month in advance. That would be helpful for Staff.

13 Ms. Tanner mentioned that if the Commission plans a summer break, then Commissioners can
14 plan their travel within the break.

15 Chair Lauing supported canceling the July 27, 2022 meeting.

16 Commissioner Chang recommended that if there is a meeting where three Commissioners are
17 gone. That meeting should be canceled instead.

18 Chair Lauing found it remarkable that there is no overlap between holidays and meetings. As
19 proposed, there is only one meeting for December 2022.

20 Ms. Tanner confirmed that Staff will try to limit the number of meetings in December. She
21 shared the Chair and Vice-Chair have discussed having a retreat on March 9, 2022, with the
22 hope that in-person meetings are taking place. She requested that Commissioners share if they
23 preferred evening or daytime for the retreat.

24 Chair Lauing added that February 9, 2022, and February 23, 2022 meetings are booked with
25 items, and Council's retreat was scheduled for February 5, 2022.

26 Vice-Chair Summa remarked that March is far away. She shared she would like to attend her
27 dad's birthday at the end of March and mentioned she may miss the March 30, 2022 meeting.

28 Chair Lauing asked if the Commission was comfortable meeting in-person for the retreat.

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Commissioner Reckdahl supported meeting in person. He asked if the meeting will be hybrid or
2 all in-person.

3 Ms. Tanner disclosed they will be hybrid meetings.

4 Commissioner Reckdahl remarked that the advantage of hybrid meetings was that folks can call
5 into a meeting.

6 Commissioner Hechtman stated that March 9, 2022, was fine for the retreat and he wanted to
7 meet in person if possible.

8 Chair Lauing asked when does the Work Plan need to be submitted to Council.

9 Ms. Tanner specified that a retreat on April 13, 2022, would be too late because Council will be
10 reviewing Boards and Commissions Work Plans on April 18, 2022. She shared that she would
11 talk with the City Manager and see if an exception can be made to allow PTC to meet in person
12 for the retreat.

13 Chair Lauing asked if Commissioners want to have the retreat during the regular meeting or
14 scheduled a special meeting for an offsite retreat.

15 Commissioner Chang wanted to meet sooner rather than later because a retreat earlier in the
16 year helps with agenda-setting. If the retreat is during a weekday, she preferred that the retreat
17 be held at night. If the retreat is on a special meeting, then she preferred it be held on the
18 weekend during the day.

19 Commissioner Reckdahl echoed Commissioner Chang's comments.

20 Commissioner Roohparvar confirmed that March 9, 2022, works for her as well.

21 Chair Lauing shared that the retreat could be held at night on March 9, 2022.

22 Commissioner Roohparvar asked if the retreat will be held indoors.

23 Chair Lauing answered yes.

24 Ms. Tanner confirmed there are spaces indoors with doors and windows that can be opened.
25 Also, City Hall has portable air filters.

26 Commissioner Chang disclosed she is fine with being indoors wearing a mask but she will not be
27 eating if the retreat is indoors.

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

1 Chair Lauing summarized that the retreat will be held on March 9, 2022, possibly at night, and
2 members of the public can attend the retreat if they so choose. For the retreat, he suggested
3 that the Commission discuss the Work Plan. The Work Plan did not have to just include items
4 that Council would like the Commission to work on. He suggested the Commission include
5 items in the Work Plan to explore California Avenue retail and plan new neighbors for the
6 proposed new housing units.

7 Commissioner Hechtman supported the concept of PTC taking an initiative. He acknowledged
8 that many times throughout various discussions at PTC, Commissioners have requested more
9 data. He supported a process where PTC can relay to Staff what information they need to make
10 a decision. Then allow Staff to gather that information and bring it back to the Commission for
11 final determination.

12 Vice-Chair Summa supported both of Chair Lauing's ideas.

13 Commissioner Chang also supported Chair Lauing's idea as well as Commissioner Hechtman's
14 process suggestion. She suggested PTC explore retail along El Camino Real.

15 Commissioner Reckdahl remarked that retail for California Avenue, El Camino, and planned
16 neighborhoods will require a lot of information. He suggested that PTC share with Staff what
17 type of information will be needed to make the final decision for larger projects.

18 Chair Lauing mentioned that Ms. Tanner will supply a list of items that the Council will be
19 requesting that PTC review.

20 Ms. Tanner concurred. She requested if Commissioners have questions regarding the Staff
21 report for projects. To share those questions with Staff ahead of time, so that Staff can bring
22 the answers to the meeting.

23 Chair Lauing requested that Commissioners share any other ideas with Staff.

24 Commissioner Hechtman appreciated Chair Lauing's leadership and the way he runs the
25 meeting.

26 Chair Lauing requested Staff share a little bit about 985 Channing.

27 Ms. Tanner specified that 985 Channing is a Parcel Map and then PTC will be reviewing the site
28 selections for the Housing Element Update. Accessory Dwelling Unit (ADU) code changes will
29 not be heard by PTC until Staff can review the proposed changes suggested by the California
30 Department of Housing and Community Development (HCD).

31 Chair Lauing requested Staff provide the material for the Housing Element site selections early.

1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.

2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.

3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.

- 1 Ms. Tanner confirmed Staff can provide the Packet that the Housing Element working group
- 2 considered.
- 3 Chair Lauing adjourned the meeting.
- 4 **Adjournment**
- 5 8:55 pm

DRAFT

-
1. The Chair may limit Oral Communications to 30 minutes for all combined speakers.
 2. Spokespersons that are representing a group of five or more people who are identified as present at the meeting at the time of the spokesperson's presentation will be allowed up to ten (10) minutes at the discretion of the Chair, provided that the non-speaking members agree not to speak individually.
 3. The Chair may reduce the allowed time to speak from five (5) to three (3) minutes to accommodate a larger number of speakers.