

PALO ALTO CHALLENGE GRANT SUMMARY

Community-Based Partners	Fellow	Government Partner
<p>Lead Partner: Silicon Valley @ Home</p> <p>Additional Partners: Palo Alto Forward; Palo Alto Renters Association; Alta Housing</p>	<p>Lauren Bigelow</p>	<p>Rachael Tanner Assistant Director of Planning and Development Services, City of Palo Alto</p>

CONTEXT

Palo Alto is home to one of the most educated populations in the United States.¹ As such, the city's residents are particularly engaged in local politics and demand significant amounts of data from housing policy advocates. The resulting context requires any proposed policy changes to current housing policies be backed up by extensive research and data to garner community support. When the Challenge Grant (**CG**) began in 2020, the City of Palo Alto's government had been facing staffing shortages across multiple departments, which limited its ability to build the community consensus necessary to advance housing policies in a robust manner.

POLICY JOURNEY

Prior to the CG, the City of Palo Alto made the following progress in equitable housing policies:

- **Ordinance No. 5441:** In 2018, the Palo Alto City Council adopted this emergency ordinance, which required properties with 50 or more units to provide relocation assistance for no-fault evictions.
- **Housing Work Plan Implementation Ordinance:** In 2019, the City Council adopted the Housing Work Plan to help increase the production of housing units in the city.

At the start of the CG, the Palo Alto CG team initially decided to pursue the following policies:²

- Review and strengthen the existing renter protection ordinance.
- Evaluate reasonable relocation assistance to be provided to tenants residing in properties of five or more units who are displaced due to a change of use, sizeable rental increases, or eviction without just cause, while protecting the fair rights of property owners.
- Strengthen enforcement measures of penalties for violations of Palo Alto's existing requirement to offer an annual lease to tenants.

During the CG, the Palo Alto CG team refined the set of policies to be pursued as follows:

- Strengthening existing renter protection ordinances (**Tenant Relocation Assistance, Just Cause, Anti-Gouging**)
- Drafting new renter protection ordinances (**Rental Survey, Security Deposit Limit**)

¹ U.S. Census Bureau (2019). American Community Survey 1-Year Estimates. Retrieved from:

<https://data.census.gov/cedsci/table?q=palo%20alto&t=Education%3AEducational%20Attainment&tid=ACSST1Y2019.S1501>

² San Francisco Foundation (2019). Palo Alto Challenge Grant Summary Sheet, n.d.

COMMUNITY ENGAGEMENT

The CG equipped the lead community-based organization (**CBO**), SV@Home, with the necessary resources to participate more deliberately in a policy campaign. For instance, in 2020, the CBO used the local capacity building funds to help establish and sustain the Palo Alto Renters' Association (**PARA**), a community group governed by a steering committee comprised of Palo Alto community members. This support will continue beyond the CG period. The CBO also improved its use of digital tools to engage the community. Most critically, the CG has helped the CBO has strengthen their partnership with the City of Palo Alto.

The Palo Alto CG team reached out to community members through educational events and webinars. Using funding and technical assistance provided by the CG, the Fellow also supported the creation of PARA.

POLICY JOURNEY HIGHLIGHTS

Successes

- The Palo Alto CG team celebrated the creation of PARA as one of its main successes during the early phase of the CG. PARA members have been invited to meet with City staff and provide ongoing feedback around renter priorities within the Housing Element.
- In January 2022, the Palo Alto City Council adopted a Relocation Assistance Ordinance that (1) lowers the property threshold for relocation assistance from 50 units per property to 10 units per property and (2) entitles tenants to between \$7,000 and \$17,000 after “no-fault” evictions.
- The CG team continues to meet weekly to push forward their policy efforts, including using remaining CG technical assistance funds to engage an outside legal resource to draft policy memos and ordinances.

Compromises

- The CG team knew from the start that certain types of policies, such as rent control, would not gain ground in the Palo Alto context and thus were not pursued. As a result, the CG team made headway with their policy priorities without needing to make major compromises.

Challenges

- It has been difficult to engage some community leaders due to the COVID-19 pandemic, especially those leading grassroots organizations and faced with addressing urgent community needs. The Fellow and PARA were also actively involved in reaching out tenants on emergency rental resources, thereby limiting their ability to engage in CG policy campaigns.

LIST OF FINAL POLICY PRIORITIES (AS OF MARCH 2022)

- Amendment presented to the Palo Alto City Council to expand tenant relocation ordinance to cover buildings of 10 units or more, passed January 2022.
- Design a rental survey program to be presented to the City's Policy and Services Committee, tentatively scheduled for Fall 2022.
- Present to the City Council an ordinance amendment on eviction reduction/Just Cause patch to include properties built within the last 15 years; no hearing dates determined yet.
- Draft a Security Deposit Limit ordinance limiting security deposits to one and a half month's rent.

The following policies will be prioritized once the items above have been completed:

- Bring to the Policy & Services Committee a proposal and discussion on expanding anti-gouging measure to address loopholes.
- Fair Chance Ordinance to be reviewed by the Policy & Services Committee for analysis.