



City of Sunnyvale

Agenda Item

26-0159

Agenda Date: 4/13/2026

REPORT TO PLANNING COMMISSION

SUBJECT

Introduce an Ordinance Amending Chapter 19.71 of the Sunnyvale Municipal Code Relating to the Residential Tenant Protections Program

BACKGROUND

Assembly Bill (AB) 1482, the Tenant Protection Act of 2019, is a California law that provides renters with more stability and protections in the state's rental housing market. The legislation limits rent increases for certain properties and requires eviction notices under specific circumstances. The Tenant Protection Act is designed to address concerns about rising rents and tenant displacement. Attachment 2 provides an overview of AB 1482.

On April 25, 2023, the City Council approved the Residential Tenant Protections Programs (see link in Attachment 3 to RTC No. 23-0515), resulting in amendments to the Sunnyvale Municipal Code (SMC) and specifically the creation of Chapter 19.71 (Residential Tenant Protection Programs) of the SMC. As approved, Chapter 19.71 incorporates AB 1482; however, Sunnyvale's ordinance offers protections beyond those in AB 1482, as Chapter 19.71 applies to all rental units regardless of when they were built (state law applies only to units more than 15 years old), requires relocation assistance equal to two months of the tenant's current rent (state requirement is one month), and requires landlords to initially offer all tenants a 12-month lease.

Also at the April 25, 2023 Council meeting, City Council directed staff to:

- Study extending the relocation assistance for tenants to three months and providing further tenant protections to the vulnerable and elderly and return to Council with the results to potentially amend the ordinance.
- Study reducing the just cause eviction protections to retroactively begin on "Day 1" of a lease agreement.

At the February 25, 2025 Council meeting, staff presented a study on extending tenant relocation assistance to three months. In response, the City Council directed staff return with an ordinance to amend SMC Chapter 19.71 (Residential Tenant Protections Programs) to increase relocation assistance for no fault, just cause evictions to three months of rent (see link to RTC No. 25-0351 in Attachment 3). During the February 25, 2025 hearing, it was noted that that there was limited community input from both tenants and landlords regarding the impacts of increasing relocation assistance. This report provides data from an additional round of community outreach, along with an updated recommendation on relocation assistance and a draft ordinance for City Council consideration.

Council's April 2023 directives to study additional assistance for vulnerable and elderly populations

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and “Day 1” just cause eviction protections, were inadvertently excluded from the February 2025 meeting and recent outreach efforts. This report includes a preliminary analysis of both topics as well as consideration of using fair market rent (FMR) to determine relocation assistance amounts for Council’s review and further direction.

EXISTING POLICY
HOUSING ELEMENT

Goal H-5: EQUAL HOUSING OPPORTUNITIES AND SPECIAL NEEDS - Promote equal housing opportunities for all residents, including Sunnyvale’s special needs populations, so that residents can reside in the housing of their choice.

Policy H-5.4 Prevent Displacement. Work with landlords, property managers, homeowners, and the housing authority to prevent involuntary displacement, particularly displacement of people of color and other vulnerable populations, such as low-income households, the elderly, and people with disabilities.

Policy H-5.5 Tenant Eviction Protections. Continue to prohibit eviction of tenants without “just cause.”

Program H28. Relocation Assistance. Adopt a relocation assistance ordinance which requires landlords to provide financial assistance to tenants who are being displaced from rental units due to no-fault just cause factors such as substantial renovations or demolition of rental units.

Sunnyvale Municipal Code

Chapter 19.71 Residential Tenant Protections Programs

Council Strategic Goal #4: A model to prevent homelessness, prioritize new housing, and support the unhoused community.

Council Strategic Project HO-1: Expand Tenant Protections Program outreach and ordinance modifications.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the provisions of the California Environmental Quality Act (“CEQA”) under CEQA Guidelines Section 15061(b)(3) in that the City Council finds there is no possibility that the implementation of this ordinance may have a significant effect on the environment.

DISCUSSION

The attached draft Ordinance (Attachment 4) amends SMC Chapter 19.71, as directed by Council, to increase relocation assistance required during a no-fault, just cause eviction to three months. Evictions for no-fault, just cause are not the fault of the tenant, but are nevertheless considered a legal cause for eviction. State law provides examples of no-fault, just cause evictions, which include the following:

- Compliance with an order issued by the government or court, or a local ordinance that requires vacation of the unit;
- Removal of the rental unit from the marketplace;
- Intent to demolish or substantially remodel the unit; or

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- Intent to occupy the residential property or for specified family members of the landlord to occupy the property.

Community Outreach

Pursuant to feedback provided at the February 25, 2025 City Council hearing, staff conducted a robust outreach effort to better understand the potential impacts of an increase in number of months of relocation assistance (from 2 to 3 months) for no-fault just cause evictions. Housing staff conducted two surveys to inform updates to the City's tenant protections program.

Staff promoted the surveys and program updates through multiple channels, including three in-person outreach events, the City's Housing website, social media, City newsletters, and an interested parties email distribution list. Results from the two surveys can be found in Attachment 5 to this report.

1. *Landlord/Property Owner Survey:*

Staff surveyed landlords, property managers, and owners of multifamily rentals to gauge concerns regarding increased rental assistance for no-fault, just cause evictions. In all, 212 responses were received. Attachment 5 includes merged stakeholder/general comments that staff felt were important to show together.

Summary of feedback from the landlord/property owner survey/outreach includes:

- Increased relocation assistance is an undue financial burden on landlords, especially small, mom-and-pop owners who face rising operating costs and view the rentals as their retirement income.
- Restrictive tenant protection policies limit owners' flexibility to move into their own property when needed, perform substantial renovations, or end tenancies without paying mandatory compensation.
- Increased burdens on landlords, such as rising relocation assistance costs, may lead to reduced housing availability and higher rents, as property owners consider selling their properties, raising rents, leaving units vacant, or exiting the rental market.

2. *General Public/Tenant Survey:*

Staff conducted a survey to gather feedback from renters and the general public regarding increasing relocation assistance for no-fault, just cause evictions to three months' rent. The City received 278 responses.

Summary of feedback from the general public/tenants' survey/outreach includes:

- Increased relocation assistance enhances housing security, provides stability, and gives tenants the necessary time to secure comparable permanent housing after a tenancy ends.
- "No-fault just cause" ensures landlords adhere to lease agreements, which prevents unjust evictions and fosters a more equitable balance in the landlord-tenant relationship.
- Property owners might use loopholes to bypass regulations, and government interference through mandated relocation assistance could potentially reduce housing availability and increase rents.

Survey findings also reveal a significant gap in policy awareness for both AB 1482 and the City's Tenant Protections Program. For example, 44% of landlords are unfamiliar with AB 1482, and 52%

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are unaware of the City's Tenant Protections Program. This lack of familiarity is even more pronounced among tenants, with 83% and 85% unfamiliar with AB 1482 and the City's program, respectively. This lack of familiarity may lead to unintentional policy violations. To address this, staff will engage in enhanced educational outreach, which could include informational mailers, in-person events, and expanded web-based resources to help bridge the awareness gap for both landlords and tenants.

Attachment 6 contains additional comments received from the surveys and public comments received through email as a result of the outreach efforts.

The surveys gathered data from both landlords and tenants regarding their experiences with no-fault, just cause evictions. Of the 212 landlords who took the survey, 158 landlords responded to the question: "Have you ever evicted a tenant(s) without fault?". Of those who responded, 8% reported initiating such an eviction. Of the 278 tenants who took the survey, 220 responded to the question: "Have you ever been evicted without fault?". Of those who responded, 11% reported having been evicted without fault (See Attachment 5). The small percentages indicate that no-fault, just cause evictions are a relatively infrequent occurrence for both landlords and tenants.

Neighboring Jurisdictions

Staff also reviewed the neighboring jurisdictions' tenant protection programs. A comparative matrix of these policies is provided in Attachment 7 to this report. The review found that while San Jose, Mountain View and Palo Alto all provide tenant relocation assistance that exceeds the State's AB 1482 requirements, seven other cities follow the requirements of AB 1482. Mountain View requires three months' median market rate rent, while both San Jose and Palo Alto require fixed dollar amounts that are dependent upon the number of bedrooms in the unit. For example, San Jose requires \$10,353 for a two-bedroom unit, while Palo Alto requires \$15,635.89 for a two-bedroom unit.

Additionally, Cupertino and Unincorporated Santa Clara County are currently considering their own relocation assistance programs. The Cupertino Housing Commission recommended that their City Council consider adopting new anti-displacement policies for residents living in deed-restricted affordable housing units whose restrictions are expiring. Recommendations include requiring property owners to pay relocation assistance to eligible displaced tenants. The proposed payment is roughly three months of Santa Clara County's average FMR and an additional one month of rent for "special circumstance" households. The Cupertino City Council directed staff to return with further legal analysis prior to a decision on relocation assistance. Unincorporated Santa Clara County is considering updating their formal Tenant Protection Ordinance to expand relocation assistance for tenants evicted due to no-fault, just cause reasons. The proposed assistance amount is equivalent to three months of FMR.

Additional Tenant Protections

Based on Council direction at the April 25, 2023 Council hearing, staff has provided preliminary research on additional tenant protections including "Day 1" tenant protections, further assistance for vulnerable and elderly populations, and the use of FMR as the basis for relocation assistance amounts. Staff is requesting Council direction to engage in further study of these topics, which would include additional outreach to tenants and landlords in the form of surveys, mailers, and engagement events.

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“Day 1” Tenant Protections

AB 1482 and the City’s Residential Tenant Protections Program provide that just cause eviction protections are effective only after a tenant has occupied a unit for 12 consecutive months. At the April 25, 2023 Council hearing, Council directed staff to study eviction protections that would be effective on the first day of tenant occupancy. Staff conducted preliminary research into occupancy requirements for tenant protections in neighboring jurisdictions. As shown in Attachment 7, San Jose, Mountain View and Palo Alto require shorter occupancy periods than the 12-month threshold established by State’s AB 1482. Mountain View offers “Day 1” tenant protections, San Jose requires seven days of occupancy, and Palo Alto requires six months before tenant protections take effect. Unincorporated Santa Clara County is also considering “Day 1” tenant protections for their proposed ordinance. Seven cities adhere to the 12-month requirement of AB 1482.

Additional Assistance for Vulnerable Populations

San Jose, Mountain View, and Palo Alto also require additional relocation assistance for “special circumstance” households, such as low-income households or households with a senior, disabled person, and/or a minor. Mountain View requires an additional \$8,000 assistance per special circumstance household. Palo Alto’s additional assistance amount is adjusted annually and is currently set at \$3,608.27 per household. San Jose’s additional amount is based on unit size, requiring \$4,141 for a two-bedroom unit.

FMR for Relocation Assistance

Attachment 7 also notes jurisdictions that use FMR as the basis for relocation assistance amounts, compared to the City’s current policy which uses the tenant’s actual rent amount. FMRs are determined annually by the United States Department of Housing and Urban Development (HUD) and are intended to standardize rent limits for HUD-funded housing programs across a particular area. For the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area, FMRs are calculated for each zip code. For example, the current monthly FMR for a two-bedroom unit in the 94086 zip code is \$3,870. For relocated households seeking new housing, FMRs may be more comparable to current market rate rents in their nearby area. Additionally, one of the Metropolitan Transportation Commission’s Transit-Oriented Communities (TOC) policies is relocation assistance in the amount of three months’ FMR. If the City adopts a relocation assistance policy that is consistent with the TOC policy, this could prioritize the City for future One Bay Area Grant (OBAG) transit funding.

Next Steps

This item is scheduled to be heard at the Housing and Human Services Commission on April 14, 2026 and the City Council meeting on May 5, 2026.

FISCAL IMPACT

There is no impact to the General Fund. The Housing Division will continue to use federally and locally funded tenant/landlord mediation and fair housing services to support Sunnyvale residents impacted by this existing Ordinance.

PUBLIC CONTACT

The notice of the City Council, Housing and Human Services Commission, and Planning Commission public hearings, as well as the availability of the staff report and agenda, were made available in the following ways:

1. Notice published in the Sunnyvale Sun newspaper on March 13, 2026.

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2. Notice posted on the City's Housing webpage.
3. Email sent to subscribers of the City's Affordable Housing interested parties list.
4. Email sent to residential rental property owners, property managers, real estate businesses, and other related businesses with a City of Sunnyvale business license.
5. Agenda posted on the City's official notice bulletin board at City Hall at 456 W. Olive Avenue.
6. Agenda and report made available at the City Hall reception desk located on the first floor of City Hall during normal business hours.

ALTERNATIVES

Recommend to City Council

Relocation Assistance

1. Introduce an Ordinance amending SMC Chapter 19.71 Residential Tenant Protections Program to increase amend relocation assistance required during no fault, just cause evictions to three months.
2. Do not introduce an Ordinance and provide direction to staff.

Additional Tenant Protections

3. Direct staff to study additional tenant protections for "Day 1" just cause evictions, further protections for vulnerable populations, and fair market rent for relocation assistance.
4. Other direction as provided by City Council.

RECOMMENDATION

Recommend to City Council: Alternatives 1 and 3: Introduce an Ordinance amending SMC Chapter 19.71 Residential Tenant Protections Program to increase relocation assistance required during no fault, just cause evictions to three months, and direct staff to study additional tenant protections for "Day 1" just cause evictions, further protections for vulnerable populations, and fair market rent for relocation assistance.

Overall, the survey findings indicate that for landlords, the financial and operational impacts of increasing relocation assistance for no-fault, just cause evictions are generally limited to additional costs associated with substantial renovation projects and for moving family members into a unit. However, the potential consequences for displaced tenants are significantly greater and may be longer term. Evictions can lead to housing instability, job insecurity, and health risks. Relocation assistance mitigates these severe effects by covering costs such as security deposits, application costs, moving expenses, and temporary housing. Increasing the relocation assistance amount from two months' rent to three months' rent would provide tenants with more adequate time and financial resources to secure comparable housing.

Alternative 1 fulfills the direction of City Council by increasing the relocation assistance amount to three months of rent for no-fault, just cause evictions. Based on community outreach, this action will strengthen the City's existing tenant protections and increase housing stability for renters in Sunnyvale. Furthermore, the recommended relocation assistance amount is comparable to that of nearby jurisdictions.

Additionally, Alternative 3 directs staff continue research and outreach to landlords and tenants. This activity will address prior Council direction from April 2023 and explores a potential policy change that would align with MTC's TOC policy.

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LEVINE ACT

The Levine Act (Gov. Code Section 84308) prohibits city officials from participating in certain decisions regarding licenses, permits, and other entitlements for use if the official has received a campaign contribution of more than \$500 from a party, participant, or agent of a party or participant in the previous 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

An "X" in the checklist below indicates that the action being considered falls under a Levine Act category or exemption:

SUBJECT TO THE LEVINE ACT

- Land development entitlements
- Other permit, license, or entitlement for use
- Contract or franchise

EXEMPT FROM THE LEVINE ACT

- Competitively bid contract*
- Labor or personal employment contract
- Contract under \$50,000 or non-fiscal
- Contract between public agencies
- General policy and legislative actions

* "Competitively bid" means a contract that must be awarded to the lowest responsive and responsible bidder.

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ATTACHMENTS

1. Reserved for Report to Council
2. Overview of State Law - AB 1482
3. Links to prior Reports to Council
4. Draft Ordinance
5. Survey Results - Stakeholders/General Public
6. Correspondence Received from the Public
7. Overview of Surrounding Jurisdictions' Tenant Protections Programs