



City of East Palo Alto
Rent Stabilization Program
2415 University Avenue, 2nd Floor
East Palo Alto, CA 94303
Tel: (650) 853-3114 / Fax: (650) 853-3115
rentprogram@cityofepa.org

VIA U.S. MAIL

November 16, 2018

To: Owners, landlords and managers of residential rental properties in East Palo Alto

Subject: Annual Program Fees Are Due on January 2, 2019 For The Program Year 2018-19

East Palo Alto's Rent Stabilization and Just Cause for Eviction Ordinance of 2010 requires landlords properly register their rental properties. It also requires landlords pay an annual program fee by the first business day of January each year. The Rent Stabilization Board has recently set the annual registration fee per unit for the period July 1, 2018 to June 30, 2019 at **\$222.00** for each non-exempt rental unit.

Please complete the enclosed "Fee Statement" and submit your payment with the completed Fee Statement no later than Wednesday, January 2, 2019. Any required registration statements for regulated rental units must also be submitted by January 2, 2019. For your reference, additional information about the Rent Stabilization Ordinance requirements and forms for various purposes may be accessed on the City's website under Landlords at: www.ci.east-palo-alto.ca.us/rentprogram

Timely Payment of Annual Program Fees and Filing Required Registration Statements is Required.

Section 600.Q of the Regulations adopted by the Rent Stabilization Board states:

Compliance with Registration Requirements

A rental unit is properly registered in accordance with Section Eight of the Rent Stabilization Ordinance if the landlord or landlord's representative has:

1. Completed and filed with the Board the initial registration statements, all required annual registration statements, and all required vacancy registration statements for any tenancies in the covered rental units;
2. Paid to the City of East Palo Alto all required registration and program fees and any penalties due for the unit and all the covered units in the same property; and
3. Fully completed registration for all tenancies in all covered units on the same property parcel.

Required Annual Program Fee Statement

The enclosed 2019 Annual Program Fee Statement is to be submitted by the deadline of January 2, 2019. It is important that this statement be completed fully and submitted with copies of any New

Tenancy / Vacancy Registration statements not yet submitted to the Rent Stabilization Program. You can access any required forms in fillable PDF format at: www.ci.east-palo-alto.ca.us/rentprogram under Landlords, and you may also electronically submit them by emailing us at rentprogram@cityofepa.org by the deadline.

Exempt Status Claims

Landlords with rental units that meet the criteria for being exempt from rent control provisions of the Ordinance may file a Claim of Exemption for either partial or complete exemption. Tenants in units that are partially exempt from rent controls are still protected by the just cause for eviction provisions of the Ordinance. The most common basis for partial or full exemption from the East Palo Alto Ordinance includes the following:

1. **Single-Family Dwellings.** Rented single-family dwellings on parcels with only one dwelling and other units exempted from rent control pursuant to the Costa-Hawkins Act.
2. **Units rented to tenants under Section 8 contract.**
3. **Units Newly Constructed After January 1, 1988 which Received a Certificate of Occupancy on or after January 1, 1988.** Dwelling unit must be entirely newly constructed or created from space that was formerly entirely non-residential.
4. **Units in Owner-Occupied Two- & Three-Unit Properties.** One of the units must be currently occupied, for a continuous period of one year or more, as the principal residence of the owner or the owner's parent, child or sibling.
5. **Units in Non-Profit Owned Housing Developments with Rent Covenants** are fully exempt from both rent controls and eviction protections.

Penalties for Failure to Pay Required Program Fees on Time

A rental property is not properly registered with the City's Rent Stabilization Program until all fees and any penalties are paid, and completed registration statements are submitted. If the full registration fee is not paid by the first business day of January of any year, it is delinquent, and a penalty shall become due in addition to the fee. For payments received after the first business day of January, but on or before January 31st, the penalty is equal to 15% of the delinquent fee. For payments received from February 1 to March 31st, the penalty is equal to 30% of the delinquent fee. For payments received after March 31st, the penalty is 100% of the delinquent fee, and an additional penalty of 100% of the delinquent fee is added for each additional three months that the payment remains delinquent.

Penalties for Failure to File Required Registration Statements on Time

Before submitting any required registration statements, a landlord must first submit an Initial Registration Statement with the information necessary for the issuance of Certificates of Maximum Allowable Rent for regulated rental units. It is important to note that a landlord who fails to properly register their rental properties by January 31 of each year is liable for a late processing fee of \$25 per unit. If the landlord fails to submit a complete required statements within 30 days after receipt of a notice from the Board that units remained unregistered as of March 1, an additional late processing fee of \$50 per unit shall be assessed for each additional 60 days that the landlord does not make a good faith effort to comply with the registration requirements. Identical penalty fees are assessed for failure to file Initial Registration statements, which were due on January 3, 2011, in a timely manner.

It should also be noted that under the Ordinance, no increase in rent is permitted if the landlord:

- 1) Has failed to register all units under the landlord's control with the Rent Stabilization Program (this includes payment of annual fees and submittal of any required registration statements, and payment of any late penalty fees due), or
- 2) Has failed to substantially comply with the Rent Stabilization Ordinance and / or orders or regulations issued under the Ordinance), or
- 3) Has failed to bring the rental unit into compliance with the Warranty of Habitability, or
- 4) Has failed to make repairs ordered by the City.

Procedure to Seek Waiver of Late Payment Penalties and Late Processing Fees

A landlord can request waiver of late fees and penalties by providing documentation that circumstances existed for good cause for lateness and demonstrating intent to comply with the Ordinance and regulations. For more information, see Sections 600.S and 600.T of the Regulations. The form to Request Waiver of Penalty Fees is available on the Rent Stabilization Program website under Landlords.

No Fees Required for Fully or Partially Exempt Rental Units when Exemption Claims are Filed

Not all rental units are subject to registration and fee payment requirements. Units rented under Section 8 contract through the Housing Authority must be registered and documentation of the Section 8 contract for the current tenant must be submitted to avoid payment of annual program fees and penalties for these units. If you have not already submitted exemption claims, complete and submit the Exemption Claim Form for each rental unit that you believe is exempt from the Rent Stabilization Ordinance along with the supporting documentation for the claim.

City of East Palo Alto Business License Fees Also Required

All rental property owners in East Palo Alto must have a current business license.¹ If you are a new rental property owner, go to: <http://www.cityofepa.org/DocumentCenter/View/48> for a business license application. If you have a current 2018 business license, license renewals for 2019 will be mailed out separately by the Finance Department by the end of November. For questions about business licenses, call the City's Finance Department at (650) 853-3152.

Thank you for your time and cooperation. If you have any questions or need assistance, please call (650) 853-3157 or email rentprogram@cityofepa.org.

Sincerely,

Victor I. Ramirez
Rent Stabilization Program Administrator

¹ East Palo Alto Municipal Code § 5.04.030.