

[Municipal Ordinance Permits Attorney Fee Award Only In Limited Proceedings](#)

Posted on February 5, 2010 by [David J. McMahon](#)

In [Woodland Part Management LLC v. City of East Palo Alto Rent Stabilization Board](#), 2010 DJDAR 1801 (2010) the Court of Appeal for the First Appellate district decided a unique fee case arising under the [City of Palo Alto's Rent Stabilization and Control Ordinance](#) (hereinafter "the Ordinance").

Woodland Part Management LLC (Woodland) was a real property management company. Woodland managed rental properties in the City of East Palo Alto. Rental properties in that city are regulated by a rent stabilization Ordinance.

In 2008, Woodland petitioned for a writ of mandate against the City. Pursuant to the writ, Woodland alleged that the City had improperly increased a landlord registration fee assessed under the Ordinance. Woodland claimed that the City improperly raised the fee to \$240 from \$135 per unit. Woodland tendered payment at the old rate but the City refused to accept the funds. The superior court granted Woodland's petition and ordered the City to process Woodland's payments at the reduced rates. Woodland then moved for attorney fees based on § 15.A.5 of the Ordinance. The City argued that § 15.A.5 only authorized attorney fee awards in actions between landlords and tenants. The lower court disagreed and awarded Woodland \$20,037.00 in attorney fees.

The court reversed the fee award. The court noted that under § 15.A.5 of the Ordinance, a prevailing party is entitled to attorney fees "**in any civil proceeding that a landlord or tenant initiates to enforce his/her rights under this Ordinance.**" Woodland argued that it was acting in the capacity of a landlord when it initiated the action under the Ordinance. In response, the City argued that § 15.A.5 applies only to proceedings between a landlord and a tenant to enforce rights under the Ordinance. The court agreed with the City holding that § 15.A.5 authorized the recovery of attorney fees only in proceedings between landlords and tenants.

Because the litigation did not involve an action between a landlord and a tenant, the court concluded that the trial court erred in awarding Woodland attorney fees.