

PROPOSED TENANT RELOCATION ASSISTANCE PROGRAM



**COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING SERVICES DIVISION
SEPTEMBER 5, 2017**

Council Goal

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Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride

Chronology/Timeline

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- Early 2016 – City Council directed the Rules Committee to provide guidance to staff and receive public input on a tenant relocation assistance program
- Rules Committee met 6 times to discuss and refine the proposed text:
 - *2016: April 3 and July 25*
 - *2017: February 27, March 27, May 22, July 24*
- City Council has met twice in 2017 to discuss the proposed text:
 - *June 19, July 3 – referred item back to Rules Committee*
 - *Tonight – Review/seek public input on updated proposed ordinance*

Proposed Tenant Relocation Assistance Program Eligibility

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- Landlords to pay relocation assistance payments when termination of tenancy due to “landlord-caused” actions and tenant elects to move.
- Examples of landlord-caused actions:
 - *Rent increase of greater than 12% of base rent*
 - *Owner move-in*
 - *Demolition*
 - *Capital improvements*

Proposed Tenant Relocation Assistance Program Eligibility

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- Exceptions to landlord-caused actions include:
 - *Tenant breach of rental contract/illegal activities*
 - *Property uninhabitable without landlord fault (tenant negligence or willful misconduct, natural disasters, fire, flood)*
 - *Lawful termination of employment, if a condition of lease*
 - *Temporary repairs where landlord provides short-term alternative housing*
 - *Prior notice of renovations (landlord must renovate within 1 year & submit plans to City at the time of tenancy termination notice)*

Proposed Tenant Relocation Assistance Program Eligibility

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- Applies to all rental properties with 2 or more tenant-occupied housing units
 - *Rental housing properties with recorded affordability restrictions & are single family homes/individual condos for rent exempted*
- Special-circumstances household are eligible for additional relocation assistance payment
 - Defined as having at least one household member who is under 18 years old, is 62 years or older, or qualifies as a person with a disability under State law

Proposed Tenant Relocation Assistance Program

Relocation Assistance Payment Amounts

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- Relocation Assistance Payment is the higher of
 - *3 times current monthly rent or*
 - *3 times current federal Fair Market Rents for the region*
- Special-circumstance household may receive an additional \$1,000 per rental unit
- Total relocation assistance may not exceed \$7,000

Proposed Tenant Relocation Assistance Program

Relocation Assistance Payment Parameters

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- Landlord shall pay eligible tenant in 2 payments:
 - *50% within 5 days of notice delivery to tenant*
 - *Payment in full within 5 days of last day of tenancy*
- For evictions related to >12% rent increases, landlord shall:
 - *Pay 50% within 5 days of tenant written notice to vacate*
 - *Payment in full within 5 days of last day of tenancy*

Proposed Tenant Relocation Assistance Program

Relocation Assistance Payment Parameters

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- Landlord may deduct State Health & Safety Code 17975-17975.10 relocation payments from City imposed relocation payments
- Landlord may deduct from final payment for damages not covered by security deposit
- If tenant returns to unit, he/she shall reimburse landlord for payments received
- Landlord and tenant may agree to their own mutually agreeable solution
- Landlord may not unduly influence or negotiate in bad faith

Proposed Tenant Relocation Assistance Program

Notice of Entitlement to Relocation Assistance

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There are two types of notices:

- For landlord-caused terminations, the landlord must attach relocation notice to termination notice at least 90 days prior to termination of tenancy
- For landlord-caused terminations from rent increases $>12\%$, the landlord must attach relocation notice to rent increase notice at least 60 days prior to effective date per State law

Note: All relocation notices shall be delivered in English, Spanish and Chinese

Proposed Tenant Relocation Assistance Program Miscellaneous Requirements

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- Prohibition of landlord retaliation against tenant who “lawfully and peaceably exercises his or her legal rights” under the Ordinance per State law
- Staff to prepare annual report to City Council assessing program effectiveness, and recommending changes as appropriate

Proposed Tenant Relocation Assistance Program Program Administration

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- Staff estimates annual cost to operate Tenant Relocation Assistance Program is \$50,000
 - Staff proposed \$10/unit rental fee charge to landlords on business license tax to offset Tenant Relocation Assistance and Rent Review Programs costs
- On July 24, Rules Committee:
 - Discussed potential sources such as real property transfer tax revenue or \$10/unit rental fee charge
 - Concurred with City Manager to discuss funding during mid-year budget review in late 2017

Staff Recommendations

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- City Council adopt an Ordinance adding a Tenant Relocation Assistance Program to the City of San Leandro Municipal Code to Require the Payment of Tenant Relocation Assistance for Landlord-Caused Terminations of Tenancy and to Require Additional Notice Prior to Termination of Tenancy.
- City Council provides direction regarding funding for administration of the Tenant Relocation and Rent Review Board programs.