



## Legislation Details (With Text)

**File #:** 16-436      **Version:** 1      **Name:** Presentation - Proposed Tenant Relocation Assistance Program  
**Type:** Presentation      **Status:** Received  
**In control:** City Council  
**On agenda:** 9/6/2016      **Final action:** 9/6/2016  
**Enactment date:**      **Enactment #:**  
**Title:** Presentation of Proposed Tenant Relocation Assistance Program  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. SLD Tenant Relocation Assistance Ordinance text amendments (002)

Date	Ver.	Action By	Action	Result
9/6/2016	1	City Council	Presented	

Presentation of Proposed Tenant Relocation Assistance Program

### BACKGROUND AND DISCUSSION

Based on public testimony about escalating rents and displacement of tenants in San Leandro, the City Council directed the City Council Rules Committee to work with staff to develop recommendations for a tenant relocation assistance program. Draft program policies have been developed and staff looks forward to receiving further input from the City Council tonight including direction on next steps (i.e., public outreach, return to the City Council Rules Committee or City Council, etc.).

In order to address tenant concerns about escalating rents and tenant displacement, the City Council Rules Committee, at its April and July 2016 meetings, discussed potential policies for a Tenant Relocation Assistance Program.

### *Overview of Tenant Relocation Assistance Program Components*

The Rules Committee determined that the purpose of the program was to protect San Leandro's long-term tenants from displacement resulting from the impacts of rising rents and landlord-caused terminations. Staff researched policy options for tenant protection measures including research on such programs in neighboring jurisdictions. With the City Attorney's Office, staff presented a draft Tenant Relocation Assistance Ordinance (see attachment) for the Committee's review, feedback, and public comment.

### *Eligibility*

The proposed Tenant Relocation Assistance Ordinance would require landlords to provide tenants relocation assistance payments when the termination of tenancy is landlord-caused. Landlord-caused terminations include:

1. Without cause in accordance with California Civil Code section 1946.1

2. Owner move-in.
3. Demolition.
4. Capital Improvement.

Tenants must meet all three criteria below for relocation assistance eligibility:

1. Termination of tenancy is landlord-caused as described above.
2. A tenant of five or more years.
3. Rental unit is in a parcel containing two or more tenant-occupied housing units.

#### *Relocation Payment*

Relocation assistance would be made in payments equivalent to:

1. Two month's rent, plus
2. Moving expenses equivalent to one month's rent, plus
3. One Thousand Dollars (\$1,000) for special-circumstances households.

A special-circumstances tenant household has any of the following characteristics:

1. At least one member is 62 years or older;
2. At least one member qualifies as disabled;
3. Is a household with one or more minor dependent children ( $\leq$  18 years of age).

#### *Noticing*

Other important provisions of the proposed ordinance include that landlords must provide tenants a 90-day Notice to Terminate Tenancy (California only requires a 60-days' notice) as well as a Notice of Entitlement to Relocation Assistance that informs tenants about the Tenant Relocation Assistance Ordinance. The Notice of Entitlement to Relocation Assistance would mirror the Required Notice for Rent Review under the City's rent review Ordinance.

#### *Financial Impact*

In order to minimize the impact to the City's General Fund, the ordinance would impose an annual program fee to be paid by landlords. The fee would cover the administrative costs of the program, including the provision of educational materials and staff time. Staff recommends that the per unit fee also cover costs associated with tenant-landlord counseling and Rent Review Board administration. The approximate fee is estimated to be \$10 per unit annually during years when there is activity. Residential properties with affordability covenants (e.g. tax credits or HUD-financed) would be exempt from paying the program fee.

#### *Rules Committee Recommendations*

The Rules Committee generally supported the proposed DRAFT Tenant Relocation Assistance Ordinance. However, the Rules Committee recommended that landlords should provide tenants with a 120-day Notice of Termination of Tenancy. The Rules Committee also expressed its desire to seek further input from the City Council and the public.

## **ATTACHMENT**

Draft Tenant Relocation Assistance Ordinance

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