



DATE: December 3, 2024

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT: Introduction of an Ordinance Amending Chapter 12, Article 2 of the Hayward Municipal Code Simplifying Requirements for Relocation Assistance; and Adopt a Resolution Amending the FY 2025 Master Fee Schedule; and Adopt a Resolution Appropriating Revenue Funds Received from Landlords Reimbursing the City for Relocation Assistance Cases

RECOMMENDATION

That the City Council:

1. Holds a public hearing to obtain input on a proposed amendments to the Tenant Relocation Assistance Ordinance and associated amendment to the FY 2025 Master Fee Schedule; and
2. Introduces an ordinance (Attachment III) amending Chapter 12, Article 2 of the Hayward Municipal Code simplifying requirements for relocation assistance; and
3. Adopts a resolution (Attachment IV) amending Resolution No. 24-157 FY 2025 Master Fee schedule approved on June 25, 2024; and
4. Adopts a resolution (Attachment V) appropriating \$29,858 in revenue funds received from Landlords Reimbursing the City for Relocation Assistance Cases.

SUMMARY

On June 4, 2024, the City Council adopted the FY 2025 Strategic Plan, which includes a proposed special project to simplify the Tenant Relocation Assistance Ordinance.¹ The current Tenant Relocation Assistance Ordinance (TRAO) has layers of complexities that have made the ordinance difficult for stakeholders to understand and for staff to

¹ June 4, 2024 City Council Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=6712541&GUID=FC1C8272-3788-4EEE-B855-19B21D44EFAE&Options=&Search=>

administer. Through this report, staff have outlined several areas within the ordinance for simplification. Staff recommend making the following modifications to the TRAO:

- Modifying the temporary relocation assistance from per diem requirements to a one-time flat rate of three times the Fair Market Rate (FMR) (prorated if relocation lasts fewer than 30 days)
- Explicitly stating that relocation assistance for governmental agency's order to vacate requires relocation assistance required by state law in addition to City's requirements
- Aligning the timeframes for relocation assistance based on a governmental agency's order to vacate with state law
- Cross referencing defined terms shared by the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) and the TRAO
- Changing timeframes references to consistently indicate "calendar days"
- Implementing a penalty fee of \$1,000 for Landlords who do not provide relocation assistance in a timely manner for cases relating to a governmental agency's order to vacate
- Implementing a fee for appeal hearings except in cases of hardship and modifying the assessment process to only conduct hearings upon request consistent with these processes referenced elsewhere in the Hayward Municipal Code (HMC)

Additionally, staff recommend appropriating \$29,858 in funds received from landlords who reimbursed the City after the City disbursed funds to tenants for relocation assistance due to a governmental agency's order to vacate.

BACKGROUND

On July 14, 2020, the City Council adopted the TRAO to ensure Hayward residents had the same protections that were afforded under California's Tenant Protection Act (TPA).² The TRAO requires that landlords pay permanent relocation in cases of no-fault termination of tenancy consistent with state law, temporary relocation if the unit has to be vacated to complete repairs or required to be vacated by the City. The TRAO also authorizes the City, when orders to vacate are issued and the landlord fails to pay relocation assistance, to pay relocation assistance to the tenant and recover the cost from the landlord. Attachment II includes a detailed summary of the current TRAO. Furthermore, on July 13, 2021, the City Council authorized the use of \$250,000 of American Rescue Plan Act (ARPA) stimulus funds to help with relocation assistance for emergency relocation assistance (e.g., displacement

² July 14, 2020 City Council Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4590663&GUID=ADB12ECB-15EB-4DB2-B096-5A6D9877359A&Options=&Search=>

due to natural disasters like fires and floods or landlord's failure to pay relocation assistance when there is a City issued notice to vacate).³

On September 19, 2024,⁴ the Housing Policy & Resource Committee (HPRC) discussed the proposed modifications committee members and agreed with staff's proposals to simplify the ordinance but provided additional considerations to include.

DISCUSSION

Staff propose simplifying the TRAO along two premises: (1) simplifying the TRAO's payment structure and clarifying relocation assistance requirements related to a governmental agency's order to vacate and (2) improving the TRAO's consistency with other City's processes, the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO), state law, and Hayward Municipal Code (HMC).

Simplifying Payments & Clarifying Relocation Assistance Requirements

Temporary Relocation Assistance

Staff recommend simplifying the provisions for the Temporary Relocation Payment to be a flat rate of three times the FMR based on the unit size (e.g., one-bedroom, two-bedroom, three-bedroom, four-bedroom). A flat rate based on this amount would be the equivalent to one-month of per-diem payment schedule. Moreover, the flat rate would eliminate the monitoring for ongoing payment, in which there is no guarantee that a landlord would pay obligated relocation assistance. Importantly, if the duration of the temporary relocation lasts fewer than 30 days, the landlord would be responsible for paying the prorated flat rate based on the number of days the tenant is displaced. Tenants would have no obligation to pay rent during the time they are displaced and the amount of money provided is estimated to be sufficient to cover hotel costs for a short-term displacement or establish a new temporary tenancy for longer-term displacement. Furthermore, staff recommend removing provision that requires landlords to pay permanent relocation assistance in addition to temporary relocation assistance if the tenant chooses to permanently relocate because the proposed flat rate amount would provide tenants with sufficient funds to find alternative, permanent housing. Additionally, the compounding benefit has caused confusion regarding the amount owed and when. Table 2 provides the amount of temporary relocation assistance based on 2025 Fair Market Rents.

³ July 13, 2021 City Council Staff Report and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5028015&GUID=E0215022-6A47-486F-81C4-9BFB2583AE10&Options=&Search=>

⁴ September 19, 2024 HPRC Meeting Agenda and Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=6864691&GUID=CEAEEB8B-A6F0-42E5-B437-28426E9EF1EF&Options=&Search=>

Table 2. FY 2025 FMRs and Proposed Flat Rate Temporary Relocation Assistance

Unit Type	Per Diem	Proposed Flat Rate	Proposed Flat Rate (Daily)*
<i>Efficiency</i>	\$194	\$5,811	\$194
<i>1-Bed</i>	\$194-\$226	\$6,603	\$220
<i>2-Bed</i>	\$258	\$8,046	\$268
<i>3-Bed</i>	\$258-\$290	\$10,296	\$343
<i>4-Bed</i>	\$322	\$12,231	\$408

**Values are rounded to the nearest dollar*

However, a landlord can avoid paying relocation assistance under the TRAO if they are able to provide a comparable rental unit (e.g., similar in size or larger, same number of bedrooms or more, and similar amenities).⁵ Staff do not recommend making any changes to the TRAO’s provisions for a comparable unit to continue to allow alternative means of compliance.

Governmental Agency’s Order to Vacate

Under the TRAO, Governmental Agency’s Order to Vacate is a type of temporary relocation that the City directly enforces to ensure that tenants displaced due to habitability concerns have resources to find immediate emergency housing. Tenants that are eligible for relocation assistance under this section are also eligible for relocation assistance under state law, which requires that landlords pay the tenants two times the FMR, a utility deposit and the tenants’ deposit. The relocation assistance obligated by both the City and the State is necessary to provide tenants with the financial resources needed to quickly relocate. Staff recommend making an explicit reference to requirements under state law, as is the current practice, to clarify that both City and State relocation is required to be paid to the tenant. Additionally, to simplify the implementation, staff also recommend using the same deadlines established in state law for consistency.

Improving TRAO’s Consistency

Definitions

Currently, the ordinance relies on some definitions established in the RRSO to interpret the TRAO. Staff recommend adding an explicit cross reference to the defined terms shared by the RRSO and the TRAO.

Timeframes

⁵ Sec. 12-2.04(e) of the Tenant Relocation Assistance Ordinance:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH12HO_ART2TEREAS_S12-2.04TEREAS

Currently, the Ordinance prescribes timeframes for certain obligations for the landlord, tenant, and staff. These timeframes vary by the nature of the action, and they can cause confusion for staff to enforce. For instance, some areas of the ordinance clarify a deadline contingent on “calendar days” whereas other areas discuss “business days” or simply “days”. Thus, staff are proposing changing these deadlines to consistently mention “calendar days” (adjusting the number of days as appropriate). The following list includes major timeframes and deadlines that staff proposes modifying:

- Allowing the Hearing Office to provide a written appeal decision to the City within 30 calendar days unless otherwise agreed to by all parties to the City as opposed to mailing the decision within 20 days of the conclusion of the hearing.
- If applicable, including an additional 14 calendar days to mail out a translated appeal decision after mailing out the original decision

Administrative Hearings

Appeal Hearing

Under the TRAO, landlords can appeal the City’s determination that relocation assistance is required, and tenants can appeal the decision that relocation assistance is not required. There is no corresponding fee for this appeal hearing; however, this is inconsistent with other sections of the HMC. Staff recommend modifying the TRAO to be consistent with other sections of the HMC. Staff would propose using the Code Enforcement Administrative Hearing Fee established in the Master Fee Schedule.⁶ To address concerns related to accessibility, a hardship policy could be implemented to ensure that the cost would not deny access to due process.

Assessment Hearing

When the City pays relocation assistance on behalf of the landlord because of a landlord’s failure to pay, staff are required to hold an administrative hearing before initiating cost recovery through an assessment. This process is inconsistent with other City cost recovery processes that require the property owner to request a hearing and pay the applicable hearing fee. Staff recommend making the process consistent with other City collection processes and only conducting the hearing upon request.

Feedback from the HPRC

HPRC members agreed with staff’s proposals to simplify the TRAO and provided additional considerations to include. It was recommended to include a penalty for landlords who do not comply with the relocation requirements in a timely manner to disincentivize non-payment which increases city costs to enforce the TRAO. Based on HPRC recommendation, staff proposes adding a \$1000 penalty to the master fee schedule to be collected if a

⁶ Adopted FY 2025 Master Fee Schedule:

<https://www.hayward-ca.gov/sites/default/files/documents/fs-adopted-fy2025-master-fee-schedule.pdf>

landlord fails to pay relocation assistance in a timely manner, recovering 95% of staff costs associated with case management and collections.

Another HPRC member suggested that the City considers providing financial assistance to help landlords address habitability concerns. There was some support for this proposal if the funds could be used to create restricted affordable units. However, there is no current funding source that could contribute to such a program. If the full Council would like to explore such a program, the HPRC could add the topic as a future agenda item for discussion.

Appropriating Revenue from Relocation Assistance Reimbursements

Staff recommend appropriating \$29,858 in funds for relocation assistance. These funds are reimbursements from landlords to the City, following the City's disbursement of relocation assistance who vacated due to a governmental agency's order to vacate and the landlord's failure to pay. The relocation assistance fund is close to being fully expended. Thus, appropriating these funds may provide tenants displaced from a governmental agency's order to vacate relief in finding alternative housing.

Conclusion

Staff have proposed modifying the TRA0 to simplify components while maintaining the level of benefit that tenants are entitled to under the current TRA0. The following changes pertain to payments, definitions, timeframes, and administrative hearings:

- Modifying the temporary relocation assistance from per diem requirements to a one-time flat rate of three times the Fair Market Rate (FMR) (prorated if relocation lasts fewer than 30 days)
- Explicitly stating that relocation assistance for governmental agency's order to vacate requires relocation assistance required by state law in addition to City's requirements
- Aligning the timeframes for relocation assistance based on a governmental agency's order to vacate with state law
- Cross referencing defined terms shared by the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) and the TRA0
- Changing timeframes references to consistently indicate "calendar days"
- Implementing a penalty fee of \$1,000 for landlords who do not provide relocation assistance in a timely manner for cases relating to a governmental agency's order to vacate
- Implementing a fee for appeal hearings except in cases of hardship and modifying the assessment process to only conduct hearings upon request consistent with these processes referenced elsewhere in the Hayward Municipal Code (HMC)

Finally, staff recommend appropriating \$29,858 in reimbursements for relocation assistance.

ECONOMIC IMPACT

There is an expected economic impact to landlords who may be required to pay temporary or permanent relocation assistance.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing. Specifically, this item relates to the implementation of the following project:

Project HP10: Simplify the Relocation Assistance Ordinance to improve compliance and increase funding for Emergency Relocation Assistance

FISCAL IMPACT

This public hearing report does not propose any changes that would create a fiscal impact on the City's General Fund.

PUBLIC CONTACT

The Housing Division has proposed these changes based on feedback received and experiences in day-to-day implementation of the TRA0. Staff receives inquiries from tenants and landlords regarding the provisions of the ordinance. No additional stakeholder engagement has been conducted.

NEXT STEPS

If the proposed legislation is approved, the second reading will take place on December 17, 2024 and take effect thirty days after adoption.

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Recommended by: Sara Buizer, AICP, Director of Development Services
Christina Morales, Deputy Director of Development Services

Approved by:

Dustin Claussen, Interim City Manager