

Date: 9/10/19

To: Mayor & City Council of Hayward

From: Aisha Wahab, City Council Member

Referral: The City Council should proceed and discuss corrective actions with Reliant, in regards to the mass displacement of Leisure Terrace tenants in the areas of:

- 1.) Appropriate compensation for tenants already displaced and for tenants that still remain but are not income eligible under LIHTC program or who will be forced to leave due to rent increases they are unable to afford.
- 2.) Work with Reliant to stop all efforts to remove the existing tenants (including evictions), raise rents on existing tenants, until the parties are able to meet to discuss the appropriate steps to ensure that no additional Hayward residents are unfairly and illegally displaced.
- 3.) Remove the exemption of the Just Cause Ordinance that would allow for conversion units to evict tenants without good cause.

Background: Reliant acquired Leisure Terrace Apartments in 2018 with the intent of converting it to a LIHTC property. As part of an application to the California Tax Credit Allocation Committee (“CTCAC”), Reliant was required to submit a relocation plan to address tenants who would be economically displaced by the conversion. Reliant prepared a relocation plan, but represented that no tenants were likely to be economically displaced. At the time that Reliant submitted this statement to CTCAC, Reliant's own analysis demonstrated that Reliant intended to substantially increase rents on most units on the property and bar many of the residents from remaining – thus causing economic displacement.

In several emails to Reliant in early 2019, CTCAC stated that the relocation plan lead them to believe that “most or all of the existing tenants would be staying at the property” and that they wanted to see confirmation in the form of current rent rolls and existing tenant income levels. However, it appears that this information was never provided.

This displacement was also aided by the City of Hayward’s March 26th amendment to the newly approved “Just Cause for Eviction Ordinance.” In its original iteration, the ordinance would have barred Reliant from evicting any of Leisure Terrace’s tenants (even those not income qualifying under the LIHTC program) without good cause. However, Reliant petitioned the Hayward City Council to pass a midnight amendment that created an exemption to the ordinance specifically for them. The amendment states that during a LIHTC conversion, units "not occupied by tenants meeting the eligibility requirements of the program under which such subsidy or funding is made" are not subject to the requirements of just cause.

California’s Relocation Assistance Act mandates that adequate relocation assistance be administered to affected tenants who have been displaced as a result of an action by a public entity. (CA Govt. § 7260). Given the City of Hayward’s significant public action of stripping Leisure Terrace’s tenants from just cause protections and approval of the bonds to support Reliant’s rehabilitation of the property, the law mandates that the City of Hayward provide relocation assistance to all displaced tenants. This includes

reasonable moving expenses and a payment to allow them to lease a comparable replacement dwelling. (CA Govt. § §7262; 7263). Most of the previous residents of Leisure Terrace have not received any such compensation.

Goal: The City of Hayward should initiate corrective action with regards to Reliant's handling of Leisure Terrace, and provide appropriate compensation to tenants, and strengthen the Just Cause Ordinance.

Timeline: 2- 3 months

Stakeholders: Tenants, Reliant, City, and others.

Aisha Wahab

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Hayward City Council Member

Concerns, Notes & Additional Points of Reference:

- <https://www.sfchronicle.com/bayarea/article/East-Bay-tenants-face-eviction-as-developer-14404867.php>
- California's Relocation Assistance Act mandates that adequate relocation assistance be administered to affected tenants who have been displaced as a result of an action by a public entity.

Information Provided by the National Housing Law Project:

- Reliant displaced low income, fixed income, and working class tenants to create "affordable housing". Roughly 106 tenants to date were displaced in Hayward, whereas roughly 1000 tenants have been displaced with Reliant's conversion project in other cities (Napa, Antioch, etc.)
- Tenants who were told that they did not income qualify and were subsequently evicted or forced out, actually did income qualify and should have been allowed to stay. Reliant's income verification forms are questionable. There were 3 tenants who income qualified but were all told to leave or that they can address the city council.
- Incorrect notices being given to tenants and translation of legal documents were not provided to monolingual tenants.
- Construction, which is about to start, will keep tenants out of their homes for 8 hours of the day for over a month straight. There is currently no plan to relocate senior, disable or at risk tenants. Also there is no plan to address if the units will be contaminated with lead or asbestos. And tenants are expected to enter into the units after massive construction work is being done, on a

daily basis. Currently, tenants do not know if they will be without a bathroom or kitchen during construction, or if their items will be at risk of damage.

- Attached Documents