



# Homelessness-Housing Task Force Referral Regarding Leisure Terrace Apartment Conversion to Affordable Housing

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Tuesday October 22, 2019

# Background

Fall  
2018

- Reliant Group Management requested public hearing to finance the acquisition and rehabilitation of Leisure Terrace with tax credits and bond funds.

Jan  
2019

- Reliant Group Management submitted application for tax credits and bond financing.

Feb 19,  
2019

- Public Hearing and approval of bond financing.
- Work session to provide direction on modifying the Rent Stabilization Ordinance.

Mar 5,  
2019

- Adoption of Emergency Ordinance extending Just Cause for Eviction protections.

# Background

Mar 26,  
2019

- Adoption of amendment exempting Affordable Housing Conversion Projects from Just Cause for Eviction protections and provision of \$20,000 in relocation assistance to Leisure Terrace Tenants

June  
2019

- The City and Reliant enter into an agreement to provide tenant relocation assistance.

Sept 10,  
2019

- Referral to discuss the implication of the conversion of Leisure Terrace to Affordable Housing delegated to the HHTF.

Sept 17,  
2019

- Staff sent letter to Reliant Management group requesting that they address issues raised in the referral.

Oct 1,  
2019

- Reliant Management Group provided response to referral.

# Referral Summary

1

Reliant

- Compensation for displaced tenants

2

Reliant

- Stop displacement caused by termination of tenancy and large rent increases

3

City

- Removal of exemption for affordable housing conversion projects from Just Cause for Eviction



# Policy Options

## Referral Item 3

Policy	
<p><b>Remove affordable housing conversion exemption from Just Cause</b></p>	<ul style="list-style-type: none"> <li>• Prevents displacement related to the conversion of a property from market rate to affordable.</li> <li>• Policy limited to affordable housing conversion project</li> </ul>
<p>Remove conversion exception and add to allowable reasons for eviction if relocation assistance provided.</p>	<ul style="list-style-type: none"> <li>• Adding as a reason for eviction will allow the city to add specific criteria such as relocation assistance.</li> <li>• Policy limited to affordable housing conversion projects.</li> <li>• Need to evaluate in connection with AB 1482.</li> </ul>
<p>Relocation Assistance</p>	<ul style="list-style-type: none"> <li>• Requires relocation assistance from landlord for no-fault just cause evictions.</li> <li>• Citywide policy and adds protection for multiple type of no-fault evictions.</li> </ul>
<p>TEFRA Hearing Criteria</p>	<ul style="list-style-type: none"> <li>• Adds a level of scrutiny.</li> <li>• No enforcement mechanism.</li> <li>• Possible ways to circumvent</li> </ul>

# Responsible Housing Development Advocacy - Low Income Housing Tax Credit Local Impacts

Work with California State Treasurer Fiona Ma and the California Tax Credit Allocation Committee to:

- Identify administrative or regulatory changes to ensure compliance and responsible housing development; and,
- As appropriate, develop legislative proposals toward the same result.

Work with Senator Bob Wieckowski and Assembly Member Bill Quirk on:

- Potential legislative proposals to address relevant changes to the tax credit programs; and
- Coordinate with stakeholders such as the League of California Cities and affordable housing advocates.

# Owner Response

## Referral Item 1 & 2

- Staff sent request to Reliant to address referral items 1 & 2.
- Reliant prepared a response on October 1, 2019.



# Next Steps

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- Staff will conduct analysis of policy options based on HHTF feedback.
- Staff will provide recommendation at the March 5<sup>th</sup> HHTF meeting as part of the Residential Rent Stabilization update.



# Questions & Feedback

