



DATE: June 18, 2024

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT: Adopt a Resolution Authorizing a Report and Assessment for Delinquent Housing Division Relocation Assistance Payments

RECOMMENDATION

That the Council adopts a Resolution (Attachment II) confirming the report and assessment for overdue tenant relocation assistance payments (Attachment III) for the period of June 1, 2023 through June 1, 2024 and authorizing special assessments against the properties if not paid on or before August 1, 2024.

SUMMARY

On July 21, 2020, Council adopted Ordinance 20-15, establishing the City's Tenant Relocation Assistance Ordinance (TRAO) as Chapter 12, Section 2 of the Hayward Municipal Code.¹ The TRAO establishes requirements for property owners to pay relocation assistance to tenants when there is a government order to vacate for health and safety reasons. Staff followed the timeline and requirements established by the TRAO and corresponding Regulations for TRAO implementation, including holding a Special Assessment Hearing with an impartial Hearing Officer. For the properties listed in Attachment III, the Hearing Officer determined that a Special Assessment should be placed. Staff recommend that the Council adopt a resolution approving the assessments listed in Attachment III for past due tenant relocation assistance payments. If Council adopts the resolution, property owners will have until August 1, 2024, to pay past due fees before the assessments are submitted to the County Assessor's Office.

BACKGROUND

On July 21, 2020, Council adopted Ordinance 20-15, establishing the City's Tenant Relocation Assistance Ordinance (TRAO) as Chapter 12, Section 2 of the Hayward Municipal Code requiring that landlords pay relocation assistance to tenants in the event of a no-fault

¹ July 21, 2020, City Council Meeting Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=4595754&GUID=11F791E3-74D9-4D46-888E-5D9A97C50635&Options=&Search=>

termination. Additionally, Article 2.5 of the California Health and Safety Code (HSC Sect. 17975-17975.10) establishes requirements for property owners to pay relocation assistance when there is a governmental agency order to vacate.² Under both legislations, if landlord fails to pay the tenant relocation assistance in cases of government vacate, the City is authorized to pay the relocation assistance to the tenant on behalf of the landlord and recover the City's costs through special assessment if necessary.

On May 22, 2022, the Rent Review Officer adopted Regulations for the administration and implementation of the TRAO (Regulations)³, which describes the collection process and requires multiple notifications including conducting a hearing prior to recovery through special assessment.

DISCUSSION

The costs that make up the special assessment charges were calculated pursuant to the TRAO and California HSC and include cost for the administrative hearing and placing the assessment per the master fee schedule. Property owners are required by the TRAO and California HSC to provide relocation payments to tenants displaced by a government Order to Vacate. Subsequent to an Order to Vacate, Housing Division Staff issues a determination letter that informs property owners of their requirement by the TRAO and California HSC to provide relocation assistance payments. Property owners can appeal the determination if they disagree. If no appeal is filed and the property owner fails to provide relocation assistance payments to the tenant, the City will notify the property owner again of the obligation to pay relocation assistance, that the City will pay the relocation assistance on their behalf if they fail to pay, and that the City will collect payment from the property owner. Once payment is issued to the tenant, the City sends the final notice to pay before beginning the collection process. After 30 days, staff will schedule an administrative hearing to determine if special assessment changes should be placed on their property.

For all properties listed on Attachment III, all property owners had the chance to appeal the original determination that relocation assistance was owed. Notices of the past due payments and requests for reimbursements were sent to the property owners, in accordance with the TRAO. Furthermore, a Special Assessment Hearing was conducted for each property, led by a Hearing Officer who heard evidence from the property owner and the City. The Hearing Officer determined that a special assessment should be imposed upon the property of a landlord due to the delinquent relocation assistance payment.

As of the date of this writing, there is 1 property with unpaid tenant relocation assistance payment amounting to \$8,308. The accounts receivable list is attached as Attachment III. The

² California Health and Safety Code, Article 2.5 (Section 17975-17975.10):
https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=13.&title=&part=1.5.&chapter=5.&article=2.5.

³ Tenant Relocation Assistance Ordinance Regulations:
https://www.hayward-ca.gov/sites/default/files/documents/TRAO%20Regulations_20220503.pdf

unpaid charges, plus any administrative costs of the City and County, will become a special assessment against the property and will appear on the property owners' November tax bills.

ECONOMIC IMPACT

There is no immediate economic impact with consideration of this report.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, & Produce Housing. Staff is bringing forth this item as part of implementation of the TRAO, which protects tenants living in unsafe or unhealthy conditions.

FISCAL IMPACT

There is no fiscal impact to the City of Hayward associated with processing overdue payments, as the City costs are reimbursed through special assessment. All special assessment costs are collected on individual tax bills. Collection of these fees reduces the need to increase fees to property owners for administration of the TRAO and reduces unrecoverable costs of administering the ordinance. The City of Hayward receives two special assessment allocations from the County in December and in April.

PUBLIC CONTACT

Notice of the City Council's confirmation of this report was published in the Daily Review on June 7, 2024. Additionally, the property owners affected by the assessments in this report were noticed regarding the delinquent reimbursement and consequences for failure to pay as outlined in the Regulations.

NEXT STEPS

A copy of the Special Assessment list will be forwarded by the City of Hayward's Revenue Division to the Alameda County Assessor's Office. Upon receipt, the Assessor's Office will attach the City of Hayward's past due fees as a special assessment against each parcel. That assessment will appear on the property owners' November property tax bills for collection. When the County Assessor receives the tax payment, the City will be reimbursed by the Assessor's Office, typically after payment of the second installment of property taxes in April of the following year.

Prepared by:

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Recommended by:

Sara Buizer, AICP, Director of Development Services
Christina Morales, Deputy Director of Development Services

Approved by:

A handwritten signature in blue ink, appearing to be 'Dustin Claussen', with a stylized, cursive script.

Dustin Claussen, Interim City Manager