

Tenant Relocation Assistance Program

Under a tenant relocation assistance program, tenants would be eligible for and entitled to relocation assistance for both permanent and temporary relocations related to evictions that are due to no fault of the tenant. There would be a separate criterion for each type of relocation assistance and different relocation payment standards. The assistance would be paid by the landlord to the tenant.

Permanent Relocation

Landlords would be required to provide permanent relocation benefits for landlord caused termination of tenancy/eviction. A landlord's failure to comply with any requirements under the program can be used as an affirmative defense in an action brought by the landlord to recover possession of the residential property. Relocation assistance would not be available to tenants who were evicted due to tenant caused evictions including but not limited to:

- Failure to pay the rent;
- Violations of any provision of the lease or rental agreement;
- Material damages to the rental property; and
- Substantial interference with other tenants.

Applicability. Landlord caused displacements would include owner move-in, withdrawal of a unit from the rental market, permanent displacement caused by a government determination of substandard housing, displacement caused by the conversion of a market rate housing to 100% affordable housing or large rent increases.

Amount of Required Assistance. If this program is pursued and based on other tenant relocation assistance programs in surrounding jurisdictions, staff would recommend a relocation benefit in a minimum amount of three times the fair market rents (FMR) as established by the U.S Department of Housing and Urban Development (HUD). **Table 1** reflects the relocation payment required based on the 2019 FMRs. The relocation payment is intended to offset the cost of an unexpected eviction to assist tenants in finding replacement housing that is why it is not based on the tenant's current rents. The proposed payment would approximate the cost of paying deposit, first and last month's rent and moving costs. Relocation assistance payment varies amongst local jurisdictions. Alameda requires a relocation payment equivalent to 4 times the actual rent plus a relocation benefit. San Leandro, Oakland and Richmond require a defined payment based on unit size ranging from \$3,646 to \$7,345 for a one-bedroom or \$7,000 to \$15,279 for a three bedroom. Berkeley has a single relocation payment amount of \$15,585 regardless of unit size. Staff's proposed relocation is based on fair market rents as determined by HUD which will change annually based on changes in the housing market.

Table 1. Potential Relocation Payment

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
2019 FMR	\$1,409	\$1,706	\$2,126	\$2,925	\$3,587

Relocation Payment	\$4,227	\$5,118	\$6,378	\$8,775	\$10,761
Relocation Payment for At-risk Populations	\$5,636	\$6,824	\$8,504	\$11,700	\$14,348

Additional assistance of at-risk populations. Certain populations will have more difficulty finding housing and therefore at a greater risk of experiencing homelessness as a result of an unexpected termination of tenancy/eviction. These populations include seniors 62 years or older, person with disabilities, lower-income households, terminally ill individuals and households with minors under 18 years old. Due to the difficulty these populations would have in securing new housing, staff would recommend increasing relocation payment amount to four times the FMRs as referenced in *Table 1*.

Owner move-in. Owner move-ins are treated differently amongst the jurisdictions with rent control. Both the City of Oakland and the City of Richmond reduce relocation benefits for owner move-in. Oakland reduces the benefit for shorter-term tenancies and requires the full relocation payment after two years of tenancy while the City of Richmond establishes a lower payment amount for owner move-ins. Richmond's reduce payment starts at \$ 3,646 for a studio and is capped at \$7,666 for two plus bedrooms. Berkeley on the other hand prohibits owner move-in during the school year. However, Hayward's proposed relocation payment is lower than both jurisdiction that reduce relocation payments for owner move-ins. Staff would recommend maintaining the proposed relocation benefit if a process for determining hardships could be established. Otherwise, reducing the benefit may be an option to mitigate landlords' concerns.

Substandard housing. Tenants that are living in substandard housing are faced with a difficult decision. If they report the landlord's failure to address the habitability concerns, they are likely to face a loss of their home. Any tenant who is subject to displacement from a residential rental unit as a result of an order requiring the vacation of a residential unit by the City, as a result of a violation so extensive and of such a nature that the immediate health and safety of the residents is endangered, would be entitled to receive relocation benefits from landlord under the proposed provisions. Code Enforcement would determine the eligibility of tenant for benefits. As required by state law and in response to some of the community members concerns, the landlord shall not be liable for relocation benefits if: 1) the tenant or their guest caused or substantially contributed to the condition giving rise to the order to vacate; or 2) Code Enforcement determines that the unit or structure became unsafe or hazardous as the result of a fire, flood, earthquake, or other event beyond the control of the owner or the designated agent and the owner or designated agent did not cause or contribute to the condition. However, under state law, in order for the City to order relocation payments, the City must establish an appeals process.

In the event, that the landlord fails to pay the tenant the required relocation payment, the City can elect to advance the relocation payment to the tenant and record a lien against the

property. Code Enforcement estimates that there may be as many as 20 orders to vacate each year requiring an estimated \$200,000 in advance relocation payments. Identifying resources to assist with relocation will help tenants if the landlord is unable to pay the relocation benefit or if the landlord refuses to pay the relocation. Including provisions to have the City advance relocation benefits to the tenants, would mitigate the impacts of the order to vacate on the tenant.

Time vs. Money. The City explored requiring extending noticing periods instead of financial assistance. It was determined that state law clearly sets noticing periods, which are procedural matters and therefore the City is preempted from extending the eviction noticing timeframes. However, certain situations may arise where a tenant would need additional time to find housing. The City of Alameda has provisions that allows tenants to exchange one month of relocation benefit for an additional month of housing. These provisions may assist households where timing of the termination of tenancy/eviction is more of an obstacle than the cost. Based on public comment, staff recommend including provisions to allow tenants and landlords to negotiate between extended time to vacate the property in exchange for monetary relocation assistance.

Temporary Relocation

The temporary relocation assistance would require a landlord to pay the tenant the cost of temporary relocation when required to perform repairs that could not otherwise be completed with the tenant in the units. These repairs could be related to scheduled capital improvements or voluntary compliance with code enforcement. The relocation payment would help tenants with the cost of paying for alternate accommodations. Oakland requires payment of actual costs plus moving expenses while both Richmond and Berkeley establish a per diem costs. These per diem costs can include hotel/motel costs, means, laundry, pets. If the temporary relocation extends beyond a specified number of days (30 days or 120 days), the cities require payment of the difference between rent and current housing costs. Staff recommends establishing a per diem cost for extended stay hotel/motel which includes kitchenettes and the cost to board pets if applicable. Staff estimates that the per diem cost will be between \$150 and \$175 for hotel/motel and \$30-\$50 to board pets.