



AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, DHCD

SUBJECT: Staff Analysis of Ordinance to Enact
the Uniform Tenant Residential
Relocation Ordinance

DATE: October 11, 2017

City Administrator Approval

Date:

10/12/17

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance To Enact The Uniform Residential Tenant Relocation Ordinance As Outlined By Councilmember Kaplan's Office. The Uniform Residential Tenant Relocation Ordinance 1) Establishes A Uniform Schedule Of Relocation Payments; 2) Extends Relocation Payments To Tenants Displaced By Owner Move-in Evictions; 3) Extends Relocation Payments To Tenants Displaced By Condominium Conversions; and 4) Conforms To Existing Ellis Act And Code Compliance Relocation Amounts To Those In The Uniform Schedule.

EXECUTIVE SUMMARY

Currently, relocation assistance payments are **only** available for tenants due to demonstrable and documented code compliance violations by the property owners due to no fault of the tenants' or by complete withdrawal of the unit from the rental market. Although staff has previously recognized landlord building negligence and rental unit withdrawal as no-fault eviction rationales, there are others.

This proposed ordinance provides some additional recourse for the other processes that initiate no-fault evictions by extending relocation payments to tenants affected by these issues. Specifically, the recourse of financial assistance to tenants would be extended due to displacement by owner move-ins and through condominium conversions.

The proposed legislation would add Article VII, the Uniform Residential Tenant Relocation Ordinance, and Article VIII, Relocation Payments for Owner or Relative Move-Ins, to Chapter 8.22 of the Oakland Municipal Code (OMC). The purpose of Article VII and Article VIII is to establish a uniform amount of relocation payments for tenants displaced by all no-fault evictions. It sets notice requirements, and the time and manner by which the relocation payments must be made. It also creates a Uniform Schedule of Relocation Payments, and conforms existing Ellis Act and code compliance¹ relocation amounts to those in the uniform schedule.

Item: _____

Community & Economic Development Committee
October 19, 2017

For a Qualifying Relocation Event, this proposed Ordinance sets the relocation amount per tenant household as follows:

- \$6,500 per studio/one bedroom units
- \$8,000 per two bedroom units
- \$9,875 per three or more bedroom units

Furthermore, tenant households in rental units that include lower income, elderly or disabled tenants, and/or minor children shall be entitled to a single additional relocation payment of two thousand five hundred dollars (\$2,500.00) per unit from the owner.

BACKGROUND / LEGISLATIVE HISTORY

Under Oakland's Just Cause Ordinance, a landlord may not evict a tenant without cause, but may evict a tenant who is not at fault if: the owner (or owner's relative) seeks to move in to the property (OMC Sections 8.22.360(A) (8 & 9)); the owner seeks to make code compliance repairs (OMC Section 8.22.360(A)(10)); or, the owner seeks to remove the property from the market in accordance with the Ellis Act (OMC Sections 8.22.360(A)(11)).

Currently, the City of Oakland requires relocation payments for Ellis and code compliance displacements. OMC Section 8.22.450 provides for relocation payments for tenants displaced because of an owner's withdrawal from the rental market in accordance with the Ellis Act. OMC Section 15.60 provides for relocation payments for tenants displaced because of code compliance repairs.

Like tenants displaced under Ellis or for code compliance repairs, tenants displaced due to owner move-ins, who are not at fault, will be forced to incur substantial costs to relocate to new housing, and deserve assistance. This proposed Ordinance would also extend relocation payments to tenants displaced by condominium conversions.

For this category of relocation payments, tenants who are displaced for code compliance repairs shall be paid relocation payments at no less than the amounts pursuant to OMC Section 15.60. The reason for this is because OMC Section 15.60 governs tenant displacement due to code compliance repairs, and makes a distinction between permanent displacement and temporary displacement.

The relocation payment amount for permanent displacement is governed by the uniform relocation payment schedule created by this proposed legislation (see OMC Section 15.60.110(A)). The relocation payment amount for temporary displacement is based on actual moving and temporary housing expenses during the expected displacement period (see OMC Section 15.60.110(B)).

ANALYSIS AND POLICY ALTERNATIVES

At the September 28th 2017 Rules and Legislations Committee staff was asked to prepare an analysis of Council Member Kaplan's proposed ordinance for Uniform Tenant Relocation Payments.

After review, staff agrees having information about relocation payments in one place is more accessible, clear, and instructive for all parties. Moreover, it makes sense that the payments would be uniform, because each tenant household displaced by no fault of their own faces the same hardships associated with relocation. It is true as stated in the report, regardless of the reason for the displacement, that these no-fault tenants will be facing similar expenses, which the proposed uniform schedule of relocation payments has been designed to address.

Staff agrees with the proposed recommendations and supports the recommendation to provide relocation benefits to tenants being displaced by owner move-in evictions and condominium conversions are exercised in the same manner as the Ellis Act evictions. The City is not involved in the transaction and does not provide any funds if the owner does not pay as is done in the Code Compliance Relocation Program.

FISCAL IMPACT

Staff notes that while there is no indication of any Fiscal Impacts included in Councilmember Kaplan's report. However, staff finds the recommended changes to the Ordinance will likely have some fiscal impacts.

As stated in 8.22.860 – Violation – Penalty, any person violating any provision or failing to comply with any requirements of this article may be assess an administrative citation pursuant to O.M.C. Chapter 1.12 for the first offense.

For example, a tenant who believes they have not received relocation benefits as entitled based upon the ordinance may file a petition for issuance of a citation. This will require the need for additional staff to process these violations as well a Hearing Officer to hear the case. Therefore, additional funding is needed to cover the staffing cost to cover .25-.50 FTE for a Program Analyst and .25-.50 FTE for a Hearing Officer to administer the recommended changes to the ordinance. Funding for these staff has not been budgeted in the current 2 year budget.

In addition, while the City is not responsible for payment of relocation assistance, Council has requested payments in the wake of major displacements. It is likely that such requests would be made again, and such funds are not budgeted for the additional mandated relocation fees.

PUBLIC OUTREACH / INTEREST

The Rent Adjustment Program in coordination with Housing Resource Center staff have reviewed the recommendations put forth by Councilmember Kaplan's office and find the proposed additional articles provide significant benefit to the public.

Updates to the current regulations will be beneficial to even more vulnerable Oakland residents, give additional tools and resources to tenant support providers, and provide clear concise understanding for property owners about it's administration.

COORDINATION

The office of Councilmember Kaplan, in coordination with the City Attorney's office collaborated with the Housing Resource Center and Rent Adjustment Program to design, draft, vet, and prepare this report.

SUSTAINABLE OPPORTUNITIES

Economic: This ordinance intends to help tenants manage the economic burdens associated with displacement due to no-fault evictions.

Environmental: This ordinance intends to provide anti-displacement assistance for homeless prevention. Efforts at keeping individuals and families out of encampments, prevents their personal possessions from being damaged, destroyed or illegally dumped; anti-displacement efforts also reduce the accumulation of biohazardous human waste, which is detrimental to both encampment residents and the public.

Social Equity: This ordinance intends to promote social equity by helping impacted Oakland tenants afford new housing and avoid displacement.

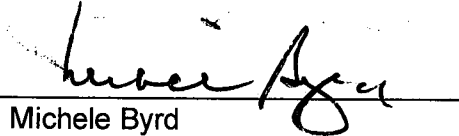
ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that The City Council Adopt an Ordinance to enact the Uniform Residential Tenant Relocation Ordinance as outlined by Councilmember Kaplan's office.

The Uniform Residential Tenant Relocation Ordinance 1) Establishes a uniform schedule of relocation payments; 2) Extends relocation payments to tenants displaced by owner move-in evictions; 3) Extends relocation payments to tenants displaced by condominium conversions; and 4) Conforms to existing Ellis Act and code compliance relocations amounts to those in the uniform schedule.

For questions regarding this report, please contact Michele Byrd, Director of Housing and Community Development, at (510)238-6714

Respectfully submitted,



Michele Byrd
Director, DHCD

Prepared by:
Azaria Bailey-Curry, HMS II
Housing Resource Center, DHCD