

CITY OF  
**LONG BEACH**



City Council

April 2, 2019

# **REPORT AND RECOMMENDATIONS ON TENANT ASSISTANCE POLICIES**

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CITY OF  
**LONG BEACH**

## TONIGHT'S AGENDA

- Is not about rent control
- Is not about rent caps
- Is not about just cause eviction

Tonight's agenda item is about tenant relocation assistance and other policies to assist displaced individuals.

## BACKGROUND

On January 16, 2018, the City Council directed staff to conduct research and present findings on policies that support renter households, including:

- Policies that support tenants
- Protections for senior renters
- Expanded rental assistance and relocation programs
- Support for renters to move into homeownership
- A seniors-first program with priority in rental assistance programs
- Policies that support tenants adopted in other cities
- Preservation of affordability covenants
- Added resources for code enforcement
- Stakeholder engagement
- Report on citywide rental rates

## RESPONSE

In response to the City Council's request, Staff took the following steps:

- Compiled background information on State laws regulating tenant and landlord rights and responsibilities;
- Summarized existing Long Beach policies that provide assistance to renter households;
- Surveyed 115 cities nationwide and compiled a summary of tenant assistance policies in use;
- Assembled information on the City's housing preservation efforts;
- Compiled data on the local rental market;
- Conducted four stakeholder focus group meetings with tenant and apartment owner advocacy organizations;
- Prepared a comprehensive Report on Tenant Assistance Policies; and,
- Crafted Five Policy Recommendations for the City Council's consideration

## HIGHLIGHTS OF EXISTING CALIFORNIA LAW

### **Two Types of Rental Agreements**

- A Lease is for a defined term – typically 1 year
- A Periodic Agreement is a month to month tenancy

### **Noticing Requirements (periodic agreements)**

- 30-day notice required for a rent increase <10% annually
- 60-day notice required for a rent increase >10% annually
  
- 30-day notice to vacate required if a unit is occupied < 1 year
- 60 day notice to vacate required if a unit is occupied > 1 year
  
- 3 day notice to vacate can be given for an eviction (unlawful detainer)

## HIGHLIGHTS OF EXISTING CALIFORNIA LAW

### **State Law Requires Relocation Assistance Payments When:**

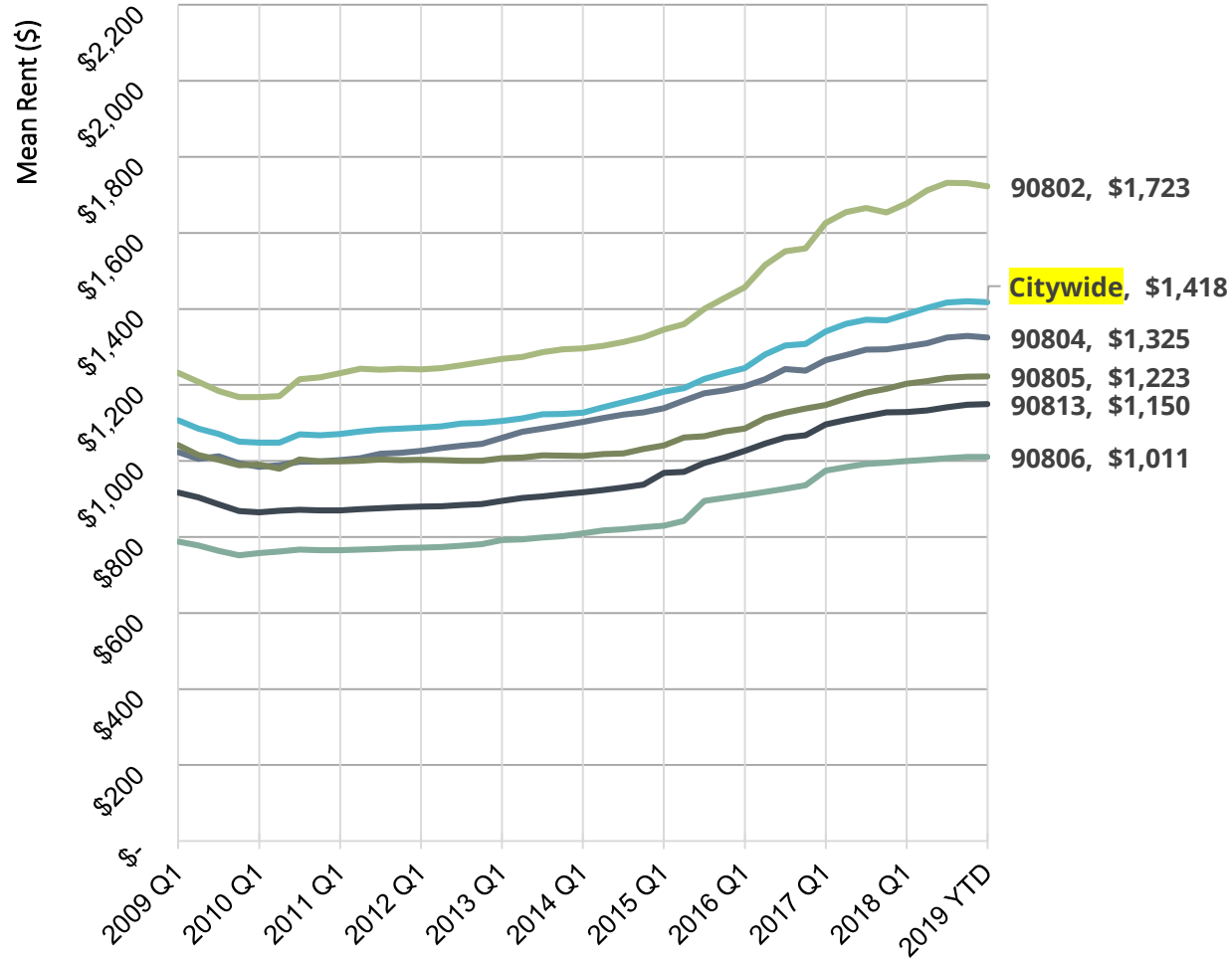
- Tenants are displaced due to code enforcement action
- Tenants are displaced due to government acquisition

### **Anti-Retaliation Laws Protect Tenants Who:**

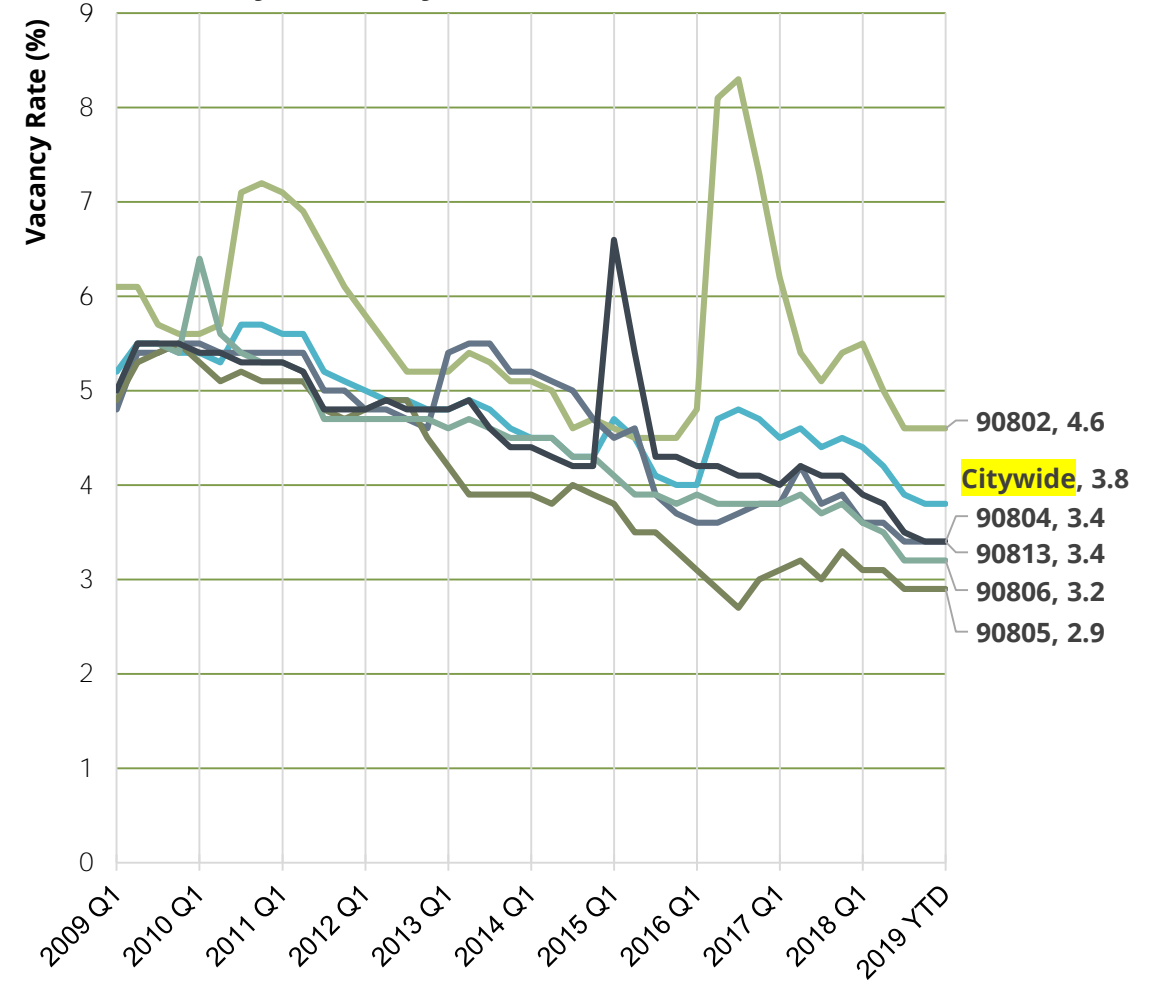
- Complain to a landlord about unsafe or illegal living conditions
- Complain to a government agency about such conditions
- Assemble and present tenants' views collectively, such as through a tenants' union
- Withhold rent for an uninhabitable or unsafe dwelling unit

# REPORT ON CITYWIDE RENTAL RATES

Mean Asking Rents, 2009-2019



Vacancy Rates by ZIP Code, 2009-2019



# LOCAL MULTI-FAMILY BUILDING DATA

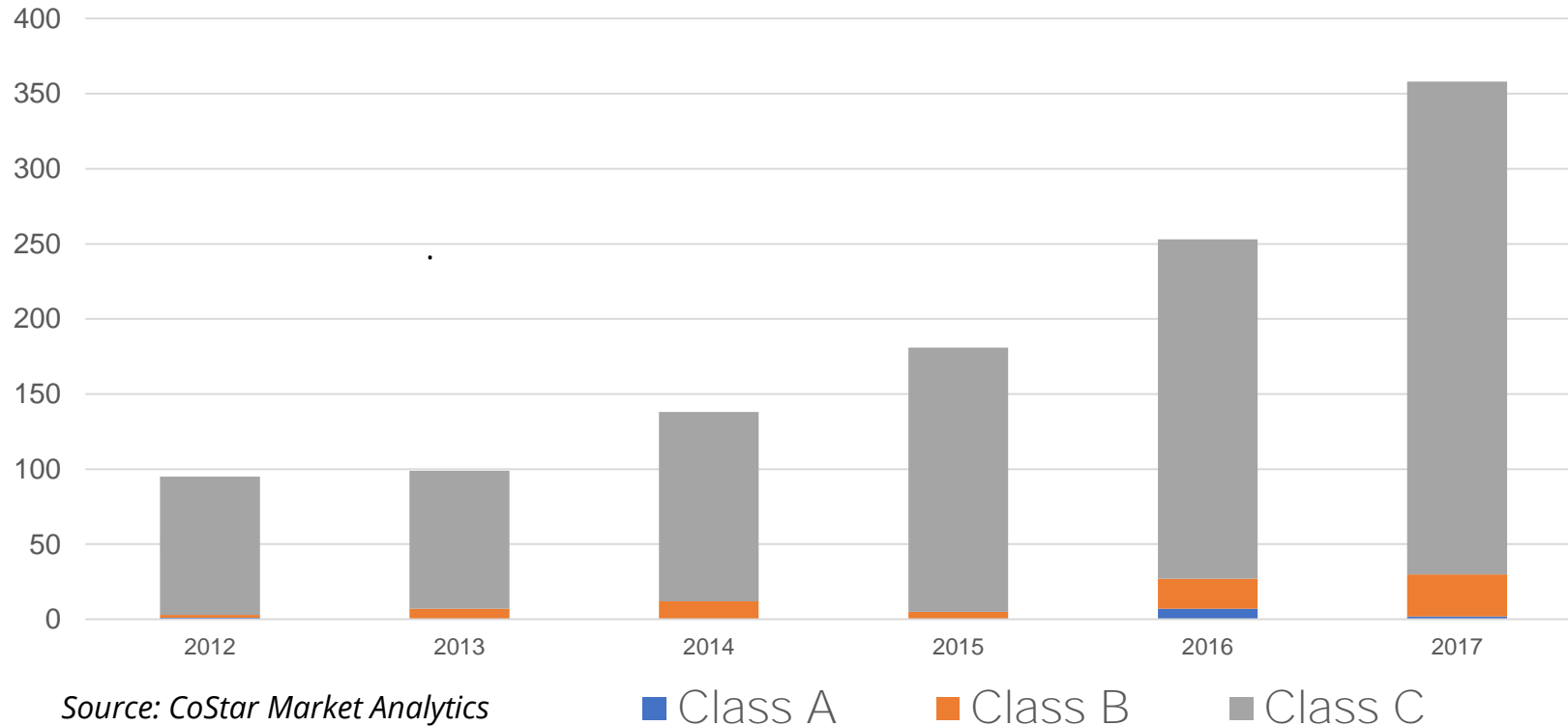
Building Size	Totals		Percentages		Cumulative	
	Properties	Units	% of All Properties	% of Total Units	Properties This Size and Below	Units in Properties this Size and Below
4 Units	2,888	11,552	37.8%	16.4%	37.8%	16.4%
5 Units	592	2,960	7.7%	4.2%	45.5%	20.6%
6 Units	757	4,542	9.9%	6.5%	55.4%	27.1%
7 Units	369	2,583	4.8%	3.7%	60.3%	30.8%
8 Units	898	7,184	11.7%	10.2%	72.0%	41.0%
9 Units	342	3,078	4.5%	4.4%	76.5%	45.4%
10 Units	390	3,900	5.1%	5.5%	81.6%	50.9%
<b>Total, Buildings with 4-10 Units</b>	<b>6,236</b>	<b>35,799</b>	<b>81.6%</b>	<b>50.9%</b>	<b>81.6%</b>	<b>50.9%</b>
11-29 Units	1,237	19,206	16.2%	27.3%	97.8%	78.2%
30+ Units	171	15,312	2.2%	21.8%	100.0%	100.0%
<b>Total, Buildings with 11+ Units</b>	<b>1,408</b>	<b>34,518</b>	<b>18.4%</b>	<b>49.1%</b>	<b>100.0%</b>	<b>100.0%</b>
Total Buildings, All Sizes	7,644	70,317				



# LOCAL MULTI-FAMILY SALES DATA

## Total Multi-Family Rental Sales, City of Long Beach

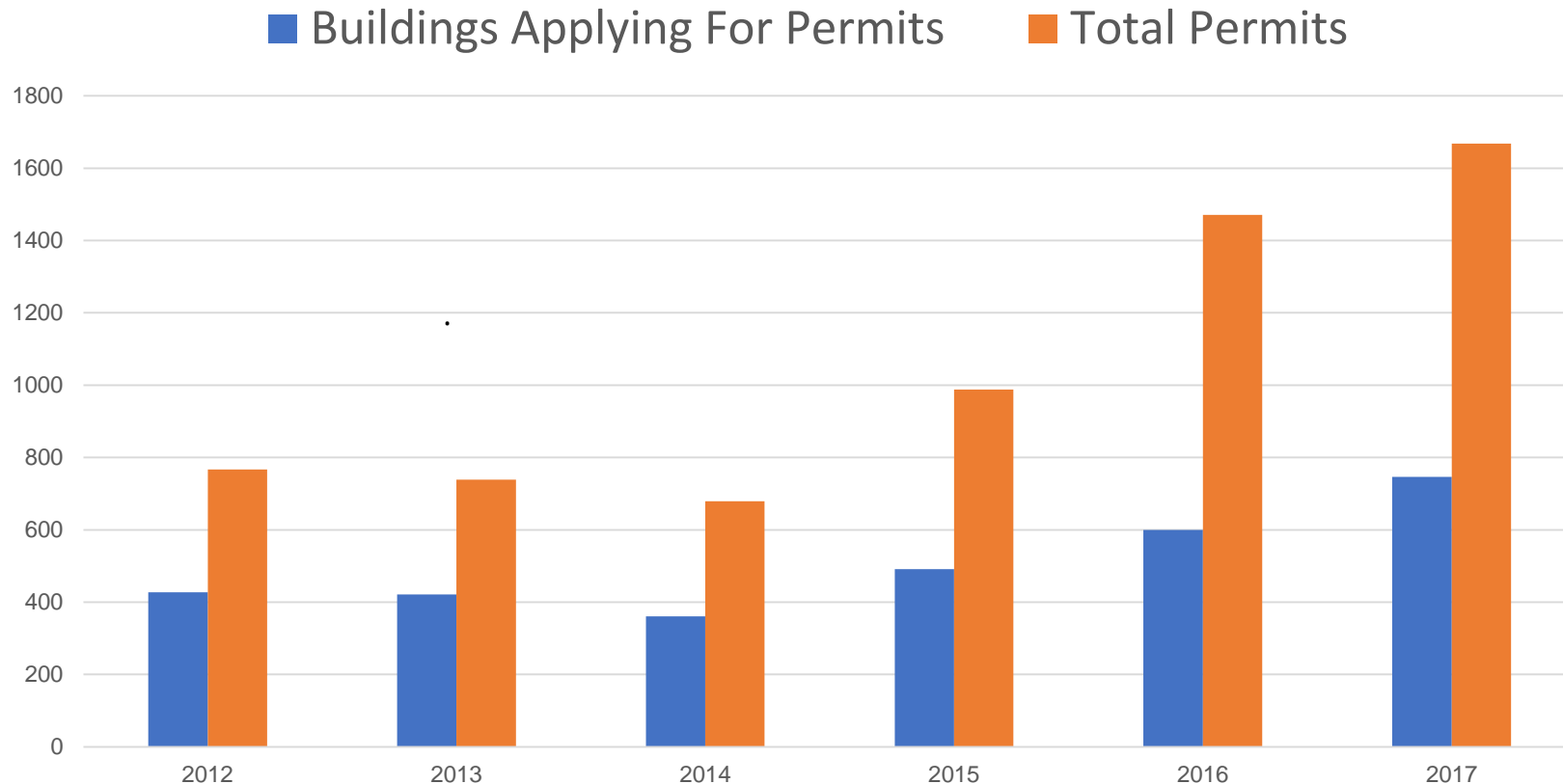
(Number of Properties)



- Multi-family rental sales volumes are rising in Long Beach
- Increase of 277% over 2012 levels
- Large growth in sales of Class C properties

# LOCAL MULTI-FAMILY REHABILITATION DATA

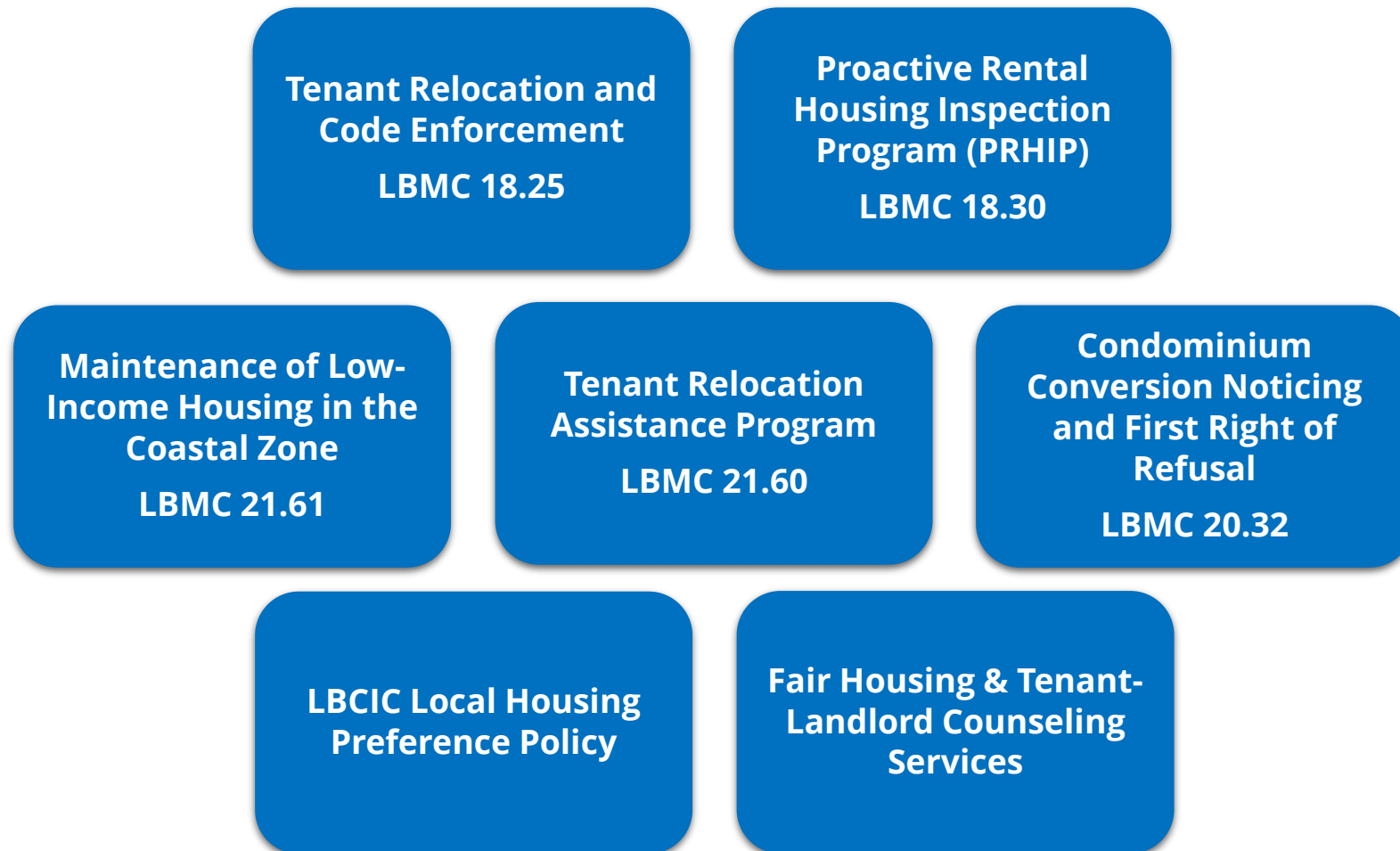
## Building Permits, 2012-17 Apartment Buildings Only



- Increase in the rehabilitation of multi-family rental housing
- 117% increase in rehabilitation permits issued
- 75% increase in buildings seeking permits

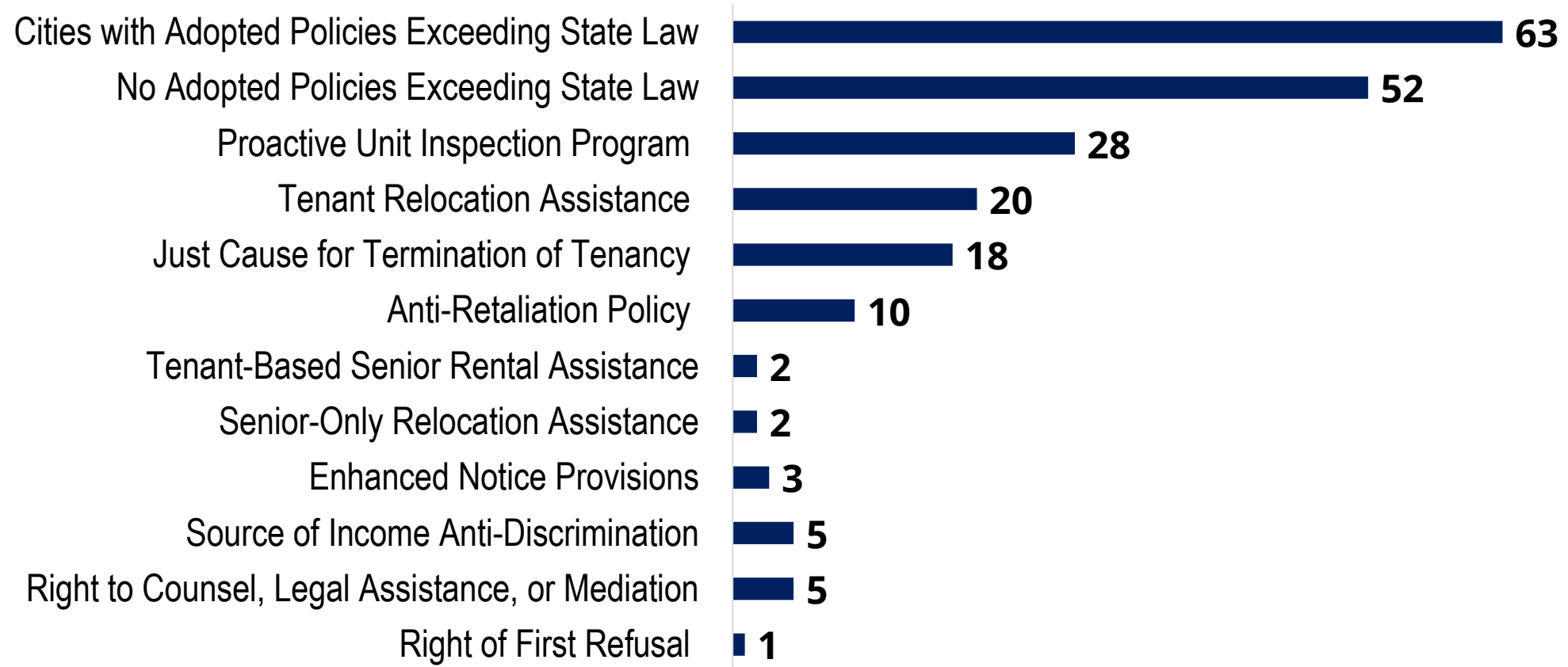
Source: Long Beach Development Services

EXISTING TENANT ASSISTANCE PROGRAMS IN LONG BEACH



# TENANT ASSISTANCE SURVEY RESULTS

*Number of Agencies in Study with Adopted Policy Exceeding State Law (Out of 115)*



# RELOCATION PROGRAMS – TOP 10 CA CITIES

## Cities Without Relocation Assistance Programs

Anaheim

Bakersfield

Sacramento

San Diego

## Cities that Have Codified State Requirements

Fresno

Long Beach

## Cities with Expanded Relocation Requirements

Los Angeles

Oakland

San Francisco

San Jose

# SENIOR RENTER ASSISTANCE

Recent Affordable Senior Housing Production	Year Completed	Senior Units
Senior Arts Colony	2013	120
Ramona Park Apartments	2014	60
1044 Maine Ave. Apartments	2014	11
21 <sup>st</sup> and Long Beach Apartments	2015	40
Immanuel Place Apartments	2016	24
Beacon Pointe Apartments	Under Construction	120
	<b>TOTAL</b>	<b>453</b>

**2,917**  
Existing Affordable Senior Units Citywide (45% of all Affordable Units)

**1,598**  
At-Risk Senior Units Preserved since 2007 (80% of all Preserved Units)

**453**  
New Senior Units Since 2013 (58 % of all New Affordable Units)

**SENIOR PREFERENCE**  
For Housing Choice Voucher Program

# AFFORDABLE HOUSING PRESERVATION/PRODUCTION

AT-RISK HOUSING PRESERVATION 2007-2018			
PROJECT	HOUSING TYPE	YEAR	UNITS
Plymouth West	Senior	2007	195
New Hope Home	Senior	2010	140
Baptist Gardens	Senior	2011	200
Covenant Manor	Senior	2013	100
Seamist Tower	Senior	2015	75
American Gold Star Manor	Senior	2015	348
Brethren Manor/ City View	Senior	2015	296
Springdale West	Family	2015	410
St. Mary Tower	Senior	2015	148
Beachwood Apartments	Senior	2017	46
Federation Tower	Senior	2018	50
TOTAL UNITS			2,008

**6,477**  
Existing Affordable Units

**1,694**  
New Affordable Units Since 2007

**2,008**  
At-Risk Units Preserved Since 2007

**806**  
Units in Production  
**410**  
Units Under Construction

## HOMEOWNERSHIP PROGRAMS

- Since the early 2000s, the City has partnered with lenders, realtors, and homebuyer training providers, and has loaned nearly \$50 million to about 345 first-time homebuyers.
- Average subsidy levels were about \$145,000 with more recent transactions requiring up to \$358,000 per unit.
- The City does not currently offer any homebuyer assistance programs due to a lack of affordable housing funding, but information about homebuyer training and other resources are provided on the Development Services webpage.
- A more detailed response to the City Council's request for homebuyer assistance programs will be provided to the City Council in the near future.



## STAKEHOLDER ENGAGEMENT PARTICIPANTS

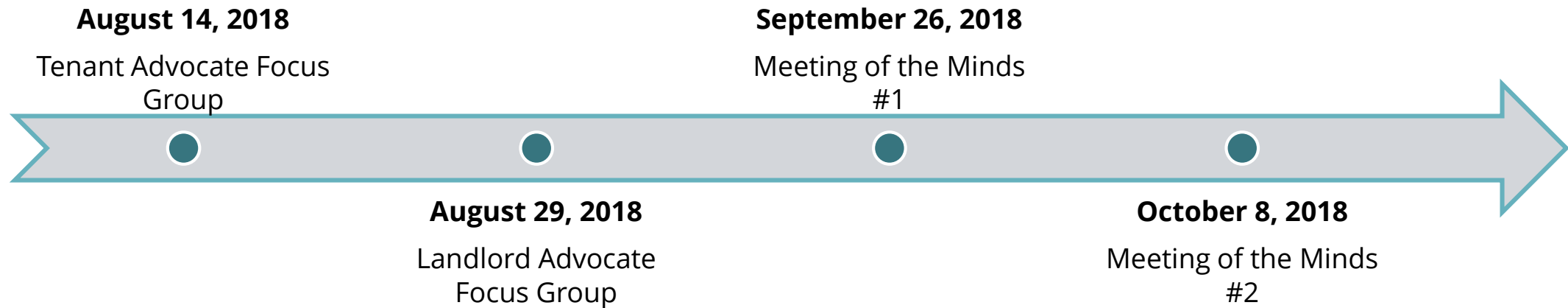
### APARTMENT OWNER ADVOCATES

Apartment Association, California  
Southern Cities  
Apartment Owner's Association  
Better Housing for Long Beach  
California Apartment Association  
Minority Property Owners  
Association  
Pacific West Realtors  
Small Property Owners Alliance of  
Southern California  
Spurr Management

### HOUSING/TENANT ADVOCATES

Centro CHA, Inc.  
Housing Long Beach  
Legal Aid Foundation  
Long Beach Community Action  
Partnership  
Long Beach Forward  
Long Beach Gray Panthers  
Long Beach Interfaith Community  
Organization  
Long Beach Residents Empowered  
(LiBRE)  
United Cambodian Community

# STAKEHOLDER ENGAGEMENT PROCESS



- Meetings attended by representatives from 18 landlord and tenant stakeholder groups
- Staff presented findings of research and sample policies for discussion
- Stakeholders discussed impacts of policy, raised additional issues, expressed concerns
- Staff brought additional research and policy framework for “Meetings of the Minds” (tenant and owner advocates combined)
- **General consensus** around the value of keeping tenants in good standing in their homes
- **General consensus** around extending noticing requirements (later found to be precluded by State law)
- **General desire** to address displacement caused by upgrading/rebranding of existing apartments bldgs.
- **Conceptual consensus** around developing a citywide relocation assistance policy, but disagreement on the components of the policy

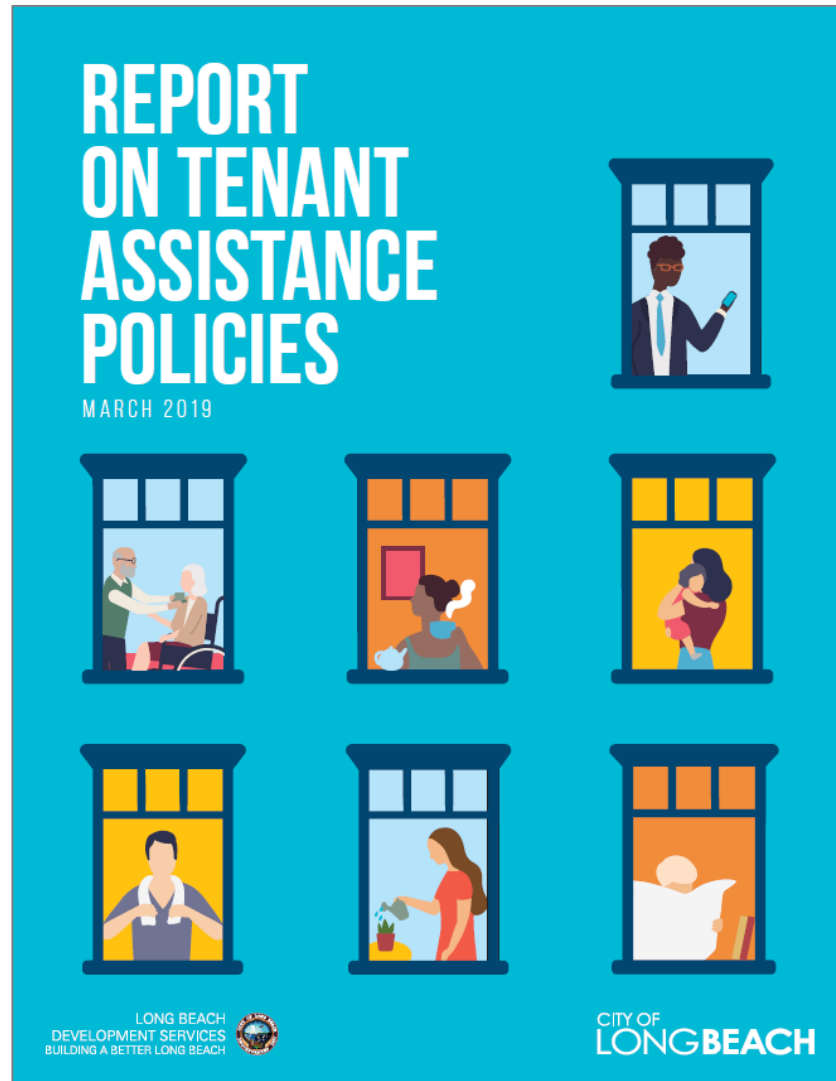
# EVERYONE HOME LONG BEACH TASK FORCE



**EVERYONE HOME  
LONG BEACH**

- In May 2018, the City launched the Everyone Home Long Beach Initiative.
- Policy recommendations were presented to the City Council on December 11, 2018, and include the tenant protection policies that staff is recommending today:
  - A new Tenant Relocation Assistance Policy.
  - Security deposit assistance for displaced seniors.
  - A Set-Aside of Housing Choice Vouchers for Displaced Seniors.
  - Improved communication with owners of HUD-assisted properties.
  - Support to increase the State's noticing requirement for a No-Fault Termination of Tenancy to 90 days.

# TENANT ASSISTANCE POLICY RECOMMENDATIONS



- Based on the research and data contained in the report and input from stakeholders, staff has prepared 5 policy and program recommendations.
- Recommendation 1 is complex and includes base components and 3 options for applicability of benefits.
- Recommendations 2 through 5 provide assistance to residents without burdening property owners.

## RECOMMENDATIONS

### **RECOMMENDATION 1**

Prepare a **Tenant Relocation Assistance Ordinance**, intended to mitigate impacts to renter households that are involuntarily displaced.

This policy would require apartment owners to pay relocation assistance to qualified tenants.

# BASE RELOCATION ORDINANCE COMPONENTS

## **Component 1. Trigger for Relocation Assistance**

**A.** Tenant receives a rent increase of 10 percent or more in any 12-month period.

**B.** When a Notice to Vacate is issued to a tenant who has not done any of the following (per state law):

1. Failed to pay the rent.
2. Violated the lease or rental agreement.
3. Materially damaged the rental property.
4. Interfered with other tenants.
5. Assaulted or stalked other tenants.
6. Used the premises for an unlawful purpose.
7. Engaged in unlawful use or dealing of illegal drugs.
8. Used the property for animal fighting.
9. Engaged in unlawful conduct involving weapons or ammunition.

# BASE RELOCATION ORDINANCE COMPONENTS

## **Component 2. Conditions for Relocation Assistance**

- Rent must be paid by the tenant during the noticing period or relocation benefits are not required.
- Households who are being removed for violating any of the 9 provisions do not receive relocation assistance payments.
- Tenants that leave voluntarily do not receive relocation benefits.
- Tenants receiving a rent increase of 10 percent or greater must notify the owner/manager of their intent to stay or leave with relocation benefits within 7 days of receiving the rent increase .
- Security deposits must be refunded in accordance with existing applicable CA law.
- Tenant shall be given reasonable accommodations to remedy or cure causes for termination in accordance with all applicable California laws.

# BASE RELOCATION ORDINANCE COMPONENTS

## **Other Requirements and Enforcement Provisions**

- Owners are required to include information about the City's relocation policy in Lease and Rental Agreements.
- Owners must report relocation payments to the City when benefits are paid, and must report when an entire building of 4 units or more is vacated.
- Relocation benefits will be paid to the household, not to each individual occupant.
- Affordable deed-restricted properties are exempt.
- Staff will work with the City Attorney's Office to incorporate appropriate enforcement mechanisms, which may include a provision relating to a "Private Right of Action," where a tenant can sue an owner for failing to comply with local law; or use a breach of local law as an "Affirmative Defense to an Unlawful Detainer."



## OPTION ONE

Includes Base Components plus the following applicability components:

### **Relocation Payment Amount**

- \$4,500.09 per unit (with annual CPI adjustments) based on the City's existing Relocation Ordinance (LBMC Chapter 21.60 ).
- Additional \$2,000 for senior and disabled households plus an additional \$1,000 for moving expenses (All households).

### **Property Type**

- Applies to all rental units, duplex and above (approx. 81,518 units total)

### **Household Type**

- Benefits would apply to all households regardless of income.

## OPTION TWO (RECOMMENDED OPTION)

Includes Base Components plus the following applicability components:

### **Relocation Payment Amount**

- Relocation payment of two (2) month's rent based on the current Housing Authority Rent Payment Standards for a similar unit size in the same Zip Code.

### **Property Type**

- Applies to all multi-family rental buildings with 4 units or more (approx. 70,317 units)

### **Household Type**

- Benefits would only apply to qualified lower- and moderate-income households earning 120% or less of the Area Median Income (up to \$83,150 for a 4-person household).

# OPTION TWO (RECOMMENDED OPTION)

## Housing Authority Rent Payment Standards Chart

ZIP Code	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
90802	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940
90803	\$1,607	\$1,922	\$2,489	\$3,339	\$3,675
90804	\$1,431	\$1,719	\$2,218	\$2,979	\$3,268
90805	\$1,352	\$1,614	\$2,087	\$2,796	\$3,071
90806	\$1,378	\$1,641	\$2,126	\$2,848	\$3,137
90807	\$1,302	\$1,554	\$2,016	\$2,699	\$2,972
90808	\$1,439	\$1,722	\$2,226	\$2,982	\$3,287
90810	\$1,040	\$1,239	\$1,607	\$2,153	\$2,373
90813	\$1,263	\$1,513	\$1,950	\$2,613	\$2,875
90814	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940
90815	\$1,491	\$1,785	\$2,310	\$3,098	\$3,413

## OPTION THREE

Includes Base Components plus the following:

### **Relocation Payment Amount**

- \$4,500.09 per unit (with annual CPI adjustments) based on the City's existing Relocation Ordinance (LBMC Chapter 21.60 ).

### **Property Type**

- Applies to multi-family rental buildings with 10 units or more (approx. 34,518 units) .

### **Household Type**

- Benefits would only apply to qualified lower-income households earning 80% or less of the Area Median Income (up to \$77,500 for a 4-person household).

## RECOMMENDATIONS

### **RECOMMENDATION 2**

Create a City-funded “Seniors First” security deposit assistance program for displaced very low-income senior residents.

### **RECOMMENDATION 3**

Create a set-aside of emergency Housing Choice Vouchers for displaced extremely low- and very-low income senior residents.

## RECOMMENDATIONS

### **RECOMMENDATION 4**

Establish a communication framework with the HUD Public Housing Office and area Section 202 and 811 (affordable elderly housing and housing for persons with disability, respectively) providers to discuss rehabilitation and covenant preservation opportunities.

### **RECOMMENDATION 5**

Include a recommendation in the City's State Legislative Agenda to support an increase to the State's noticing requirement for a no-fault termination of tenancy to a minimum of 90 days.

## TRANSPARENCY AND SIMPLICITY OF APPLICATION

- Goal is to make benefits very clear to both tenants and landlords.
- Clear standards of applicability.
- Add requirements into lease agreement.
- City website will provide clear information.
- Information campaign.
- Data collection to gain a better understanding of issues.
- No administratively intensive City program.

## NEXT STEPS

- Work with the City Attorney's Office to prepare a Tenant Relocation Assistance Ordinance and present it to the City Council for review and consideration.
- Prepare an amendment to the Consolidated Plan and Annual Action Plan to fund a security deposit assistance program for displaced seniors (HOME funds), and present it to the LBCIC and City Council for review and consideration.
- Prepare an amendment to the Housing Authority Administrative Plan to create a set-aside of Housing Choice Vouchers for displaced extremely low- and very low-income seniors, and present it to the Housing Authority Commission for review and consideration.
- Prepare an implementation and education strategy for the Tenant Relocation Assistance Program.