



## Legislation Text

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File #: 19-0722, Version: 1

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### WITHDRAWN

~~Recommendation to approve modifications to the City's Tenant Relocation Ordinance, and direct City Attorney to return a revised ordinance to the City Council for adoption.~~

On June 11, 2019, the City Council passed a Tenant Relocation Ordinance to provide assistance to certain tenants required to leave their unit. The ordinance was adopted after significant study by City staff, outreach to stakeholders, and considerable discussion and input by the City Council and the public. During the discussion, the City Council discussed some changes to the ordinance that could be proposed in the future. The following modifications are proposed to assist with the efficient implementation of the Tenant Relocation Ordinance and provide additional clarity to the adopted ordinance. These modifications come from both tenant advocates and property owners, to recognize issues raised by both sides and attempt to achieve a consensus on this important issue.

Recommended changes to the ordinance include:

### **1) Advanced Payment of Relocation Benefits**

The current ordinance requires one half of the relocation payment to be paid 10 or 24 days (depending on the circumstances) following receipt of notice to vacate by the tenant, with the balance to be paid no later than 5 days after the tenant vacates the unit.

In order to provide additional assistance to the tenant looking for a new home, the ordinance should be modified to grant tenants the full relocation payment within 15 days after service of a 30/60-day notice to vacate or within 5 days after the date the tenant notifies the landlord they intend to move after a qualifying rent increase. If the tenant fails to vacate the unit after receipt of the relocation payment, then the tenant would be required to repay the relocation payment and be subject to the same penalties applicable to landlords for failure to make relocation payments.

### **2) Tenants to Notice Landlord of Intent to Receive Benefits**

Currently the ordinance requires the tenant to provide the landlord with a written notice of intent to stay in the unit following a 10% increase in any 12 consecutive month period. Rather than requiring the tenant to indicate an intent to stay, the ordinance should be amended so that, in order to receive the relocation payment, the tenant shall be required to provide the landlord with a notice of intent to vacate within 14 days after receiving the rental increase notice.

### **3) Providing an Affirmative Defense for Lack of Proper Noticing**

Currently the ordinance states that the failure of the landlord to make a relocation payment provides the tenant with an affirmative defense in any legal action brought by landlord to recover possession of the unit. However, the ordinance is silent on providing an affirmative defense in the event that the tenant is not properly noticed. To clarify this section, a modification is needed to add language providing the tenant with an affirmative defense to an eviction if noticing was not conducted as required under the ordinance, until such time that proper noticing is conducted.

### **4) Allow for an Extended 180-Day Noticing Option**

The current ordinance has three triggers for relocation benefits:

1. An increase in rent of 10% or more in any 12-consecutive month period
2. Relocation of a tenant due to a rehabilitation of a unit
3. A tenant in good standing receives a notice of non-renewal or notice to vacate.

Under the third trigger, relocation benefits are required for anyone who is in "good standing," as defined under LBMC 8.97.020(H). To offer a second alternative to this payment under the third trigger, the ordinance should be amended to allow the landlord to provide 180 days of advanced notice to vacate the unit as an alternative to making a relocation payment. If 180 days advanced notice is not provided, tenant relocation would be required. Tenants given a 180-day notice should be reported to the City in order to track how often this option is utilized.

### **5) Create Further Exemptions for 4-unit Buildings**

Currently the ordinance only applies to buildings consisting of four or more units, with exemptions for property owners who only own one four-unit building. Several property owners have pointed out that four-unit buildings are generally purchased by smaller "mom-and-pop" owners, and that lending standards are different for these units than for more commercial properties such as those containing 5 units or more. To recognize this, as well as to encourage small business investment in those smaller buildings, the ordinance should be modified to increase the current exemption from owning one 4-unit property to an exemption for two 4-unit properties.

### **6) Clarify that the Ordinance Does Not Apply to Most Condominiums**

An additional change to the ordinance should be to exempt condominium owners who rent their units from the application of the ordinance; provided that such exemption should not apply to an owner who owns four or more condominium units in the same building.

This matter was reviewed by Budget Management Officer Rhutu Amin Gharib on July 18, 2019.

The implementation of this item is anticipated to result in a minimal impact to staff hours beyond normal budgeted scope of duties and a minimal impact on City Council priorities. City staff time would be needed to modify the information materials and to change the timeline for the notification to landlords and tenants. This is expected to have a minimum impact and can be accommodated within the current resources allocated.

Approve recommendation.

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