



Legislation Text

File #: 19-0262, **Version:** 1

Recommendation to receive and file the 2018 Report on Tenant Assistance Policies;

Direct City Attorney to prepare a Tenant Relocation Assistance Ordinance implementing Recommendation One, utilizing the Baseline Relocation Assistance Components and Applicability Requirement Option Two; and

Direct City Manager to take the necessary steps to implement Recommendations Two through Five, as presented. (Citywide)

On January 16, 2018, the City Council requested the City Manager to present research and findings on potential policies to support tenants, protections for senior renters, rental assistance programs, and support for renters to move into homeownership. Policy considerations were to include: (1) a “Seniors First” policy to ensure that vulnerable seniors receive priority in rental assistance and relocation assistance; (2) options for new and/or expanded rental assistance and relocation programs; (3) tenant support policies in other cities; (4) input from local housing and property owner organizations, including a “meeting of the minds” between the groups; (5) resources and enforcement tools to pursue negligent landlords (persistent code violators); and, (6) options for maintaining restrictive covenants in place (affordable housing preservation). The City Council also asked for a report on citywide rental rates.

In response, staff initiated a significant research and stakeholder engagement effort, the results of which are contained in the attached Report on Tenant Assistance Policies dated March 2019 (Report), which was transmitted to the City Council on March 18, 2019 (Attachment A).

The Report contains basic information on California law that governs tenant and landlord rights and responsibilities, as well as existing Long Beach tenant assistance policies including the Proactive Rental Housing Inspection Program (PRHIP), condominium conversion requirements, code enforcement tenant relocation assistance, maintenance of low-income housing in the Coastal Zone, and the LBCIC Local Housing Preference Policy.

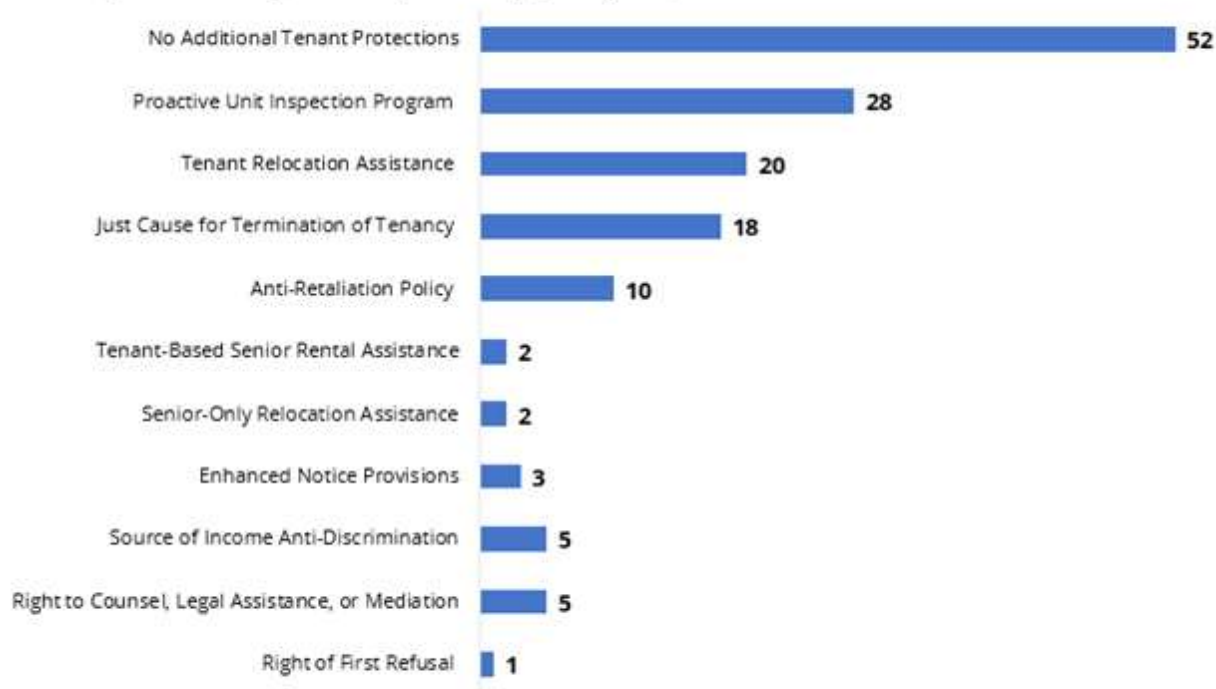
A survey of 115 various jurisdictions in California and several other states in the country is included in the Report. A total of 63 jurisdictions offered tenant assistance policies that include some form of tenant assistance above what is required by California State law. The most common policy, aside from a multifamily housing inspection program, is some form of tenant relocation assistance, which was adopted by 20 out of the 115 jurisdictions. There were 52 jurisdictions that had not adopted any additional tenant assistance policies. A chart

summarizing the various types of tenant assistance among the cities surveyed is below.

Summary of Tenant Assistance Policies Among 115 Cities Surveyed*

TENANT ASSISTANCE POLICIES

Number of Cities in Study with Adopted Policy (Out of 115)



*Survey consisted of 106 cities in CA: 100 largest and 6 smaller jurisdictions; 8 cities and 1 state outside of CA.

For comparison purposes, staff also prepared an overview of the relocation assistance policies adopted by the ten largest cities in California (Attachment B). These cities can be broadly grouped into three categories: those who have not adopted local relocation programs (Anaheim, Bakersfield, Sacramento, and San Diego); those who have codified state requirements for relocation assistance, typically in the case of a Notice to Vacate as a result of a code enforcement action (Fresno and Long Beach); and, those cities that have expanded relocation assistance requirements, typically tied to a rent stabilization program (Los Angeles, Oakland, San Francisco, and San Jose).

The Report also analyzed housing stock and market data in the City and observed an upward trend in the sales of existing apartment buildings and the number of building rehabilitations. The Report also indicated an increase in mean rents citywide, and a slight reduction in the citywide vacancy rate.

Included in the Report is information on the additional funding for prosecution of code enforcement cases approved by the City Council as part of the FY 19 budget adoption process, and an update to research on increased pathways to homeownership for lower

income households, which were requested by the City Council on February 6, 2018. A more detailed report on homebuyer assistance programs will be provided to the City Council at a later date.

To assist with the stakeholder engagement process, the City contracted with PlaceWorks, Inc., a local planning firm. The following groups participated in the stakeholder engagement process:

- Apartment Association, California Southern Cities
- Better Housing for Long Beach
- California Apartment Association
- Centro CHA, Inc.
- Housing Long Beach
- Legal Aid Foundation
- Long Beach City College
- Long Beach Community Action Partnership
- Long Beach Forward
- Long Beach Gray Panthers
- Long Beach Interfaith Community Organization
- Long Beach Residents Empowered (LiBRE)
- Minority Property Owners Association
- Small Property Owners Alliance of Southern California
- United Cambodian Community

Two three-hour focus group meetings were initially held, one for tenant advocates on August 14, 2018, and another for property owner advocates on August 29, 2018. Based on input provided at these two meetings, some policy priorities and areas of common ground were established. Both groups indicated a desire to keep and protect good tenants.

The third and fourth focus group meetings, held on September 26, 2018 and October 9, 2018, respectively, are referred to as “Meetings of the Minds,” as they brought representatives from both owner and tenant interests together. During the third meeting, participants were asked to focus on housing issues specific to Long Beach, seek a balance between tenant assistance and property owner investments, and consider unintended consequences of potential policies. Participants from both advocacy groups explored ideas to help keep quality tenants in Long Beach, and the conversation began to focus toward developing a tenant relocation assistance policy. The fourth meeting focused on the details of what a policy would include. Although there was some agreement that a relocation policy would be helpful, there were differences of opinion on the scope of the policy in terms of types of rental properties subject to the policy, eligibility of a tenant for relocation assistance, and the amount of required relocation assistance. A detailed narrative on the stakeholder meetings and comments from the stakeholder groups are included in the Report.

Everyone Home Long Beach

On May 21, 2018, the City launched the Everyone Home Long Beach (EHLB) Initiative to address housing and homelessness in Long Beach and convened the EHLB Taskforce (Taskforce) comprised of a diverse group of Long Beach leaders appointed by Mayor Robert Garcia, and chaired by California State University, Long Beach President Jane Conoley. Designed to build on the City's comprehensive homeless services and affordable housing efforts already underway, EHLB created innovative approaches to provide new pathways into housing and prevent residents from falling into homelessness.

The Taskforce held five meetings between the months of June and November 2018, and prepared the EHLB Recommendations (Attachment E), which includes 41 policy recommendations that were presented to, and received by, the City Council on December 11, 2018. Included among those policy recommendations is Recommendation 3a to support and implement tenant assistance policies that include:

- A Tenant Relocation Assistance Policy that provides relocation assistance to households impacted by rising rents and displacement.
- Rapid rehousing security deposit assistance for displaced very low-income seniors.
- Setting aside Housing Choice Vouchers for displaced extremely low- and very low-income seniors.
- Establishing a communication framework with HUD, affordable apartment owners with expiring covenants or rental assistance contracts, and residents to improve and increase housing preservation opportunities.
- Support to increase the State's noticing requirements for a no-fault termination of tenancy to a minimum of 90 days.

Tenant Relocation Assistance Policy Recommendations

Based on the research and data contained within the Report as well as input from stakeholder groups and the EHLB Recommendations, staff recommends that the City Council adopt five tenant assistance policies. The baseline policy recommendation is to require owners of multi-family rental apartment buildings to pay relocation assistance to qualified displaced households. Four additional policy recommendations do not impose additional requirements on property owners, but provide tenant assistance through City-funded programs or initiatives.

Staff sought to craft policies that assist tenants without being overly complex or onerous on property owners. Below are the baseline components of a potential Tenant Relocation Assistance Ordinance followed by options for the amount of the relocation benefits, the type of rental properties that would be affected, and the type of household that would be eligible for assistance (Applicability Requirements). This information is also provided in the attached Relocation Options Matrix for ease of comparison (Attachment C).

Baseline Relocation Assistance Components

Component 1. Trigger for Relocation Assistance:

Relocation assistance is triggered upon A or B below:

- A. Notice of rent increase of 10 percent or more in any 12-month period.
- B. Notice to vacate issued to a tenant who has not:
 1. Failed to pay rent
 2. Violated terms of the lease or rental agreement
 3. Materially damaged property
 4. Interfered with other tenants
 5. Committed violence or assault
 6. Used premises for unlawful activity
 7. Engaged in unlawful use or dealing of drugs
 8. Conducted animal fighting
 9. Engaged in unlawful use of weapons or ammunition

Component 2. Conditions of Relocation Assistance:

- Rent must be paid during noticing period or relocation benefits are not required.
- Households removed under provisions 1 through 9, or evicted, are not eligible for relocation benefits.
- Tenants vacating voluntarily do not receive relocation benefits.
- Tenants receiving a rent increase of 10 percent or more must notify property owner within 7 days of their intent to stay or leave with relocation benefits.
- Rental security deposits must be returned per California law.
- Tenants must be given reasonable accommodation to cure causes for termination per California law.

Other requirements/enforcement provisions of Relocation Assistance Ordinance:

- Owners must include relocation information in lease and rental agreements.
- Owners must report relocation payments to the City.
- Owners must notify the City when an entire building is being vacated.
- Relocation benefits will be paid to the household, not to each individual occupant.
- Affordable rent-restricted properties are exempt.
- Enforcement will include a “Private Right of Action,” and breach of local law as an “Affirmative Defense to an Unlawful Detainer.”

In addition to the Baseline Relocation Assistance Components described above, the following three Applicability Requirement Options provide further detail on implementation of relocation assistance and include consideration of the amount of the relocation benefits, the type of rental properties that would be affected, and the type of household that would be eligible for assistance. The options are provided for consideration, should the City Council choose to modify staff’s recommendations, and the varying criteria could be combined in several different ways to create a proposed Tenant Relocation Assistance Ordinance.

Applicability Requirement Options:

Option One

In addition to the Baseline Relocation Assistance Components, the relocation amount would be \$4,500 for all unit types, based on provisions of LBMC 21.60, plus an additional \$2,000 for senior and disabled households and an additional \$1,000 for moving expenses. This option would apply to all rental properties with two or more rental units (duplex and above). All applicable households would be eligible for relocation assistance regardless of income.

Option Two (Recommended)

In addition to the Baseline Relocation Assistance Components, the relocation amount would be equal to two months' rent based on the current Housing Authority Rent Payment Standards (Attachment D) for a similar unit size in the same ZIP code. This option would apply to all units in multi-family rental properties with four or more units. Only lower- and moderate-income households earning 120 percent of the Area Median Income (AMI) and below would be eligible for relocation assistance (moderate-income and below).

Option Three

In addition to the Baseline Relocation Assistance Components, the relocation amount would be \$4,500 for all properties and households. This option would apply to all multi-family rental properties with ten units or more. Only lower-income households earning up to 80 percent of the AMI would be eligible for relocation assistance (low-income and below).

Following are the five policy recommendations for the City Council's consideration:

Recommendation One

Prepare a Tenant Relocation Assistance Ordinance that requires owners of multi-family rental apartment buildings to pay relocation assistance to qualified displaced households. This recommendation includes the Baseline Relocation Assistance Components described above combined with Option Two Applicability Requirements.

Recommendation Two

Create a "Seniors First" security deposit assistance program for displaced very low-income senior residents (The City will use HOME funds to provide security deposit assistance to qualified senior households aged 62 and above).

Recommendation Three

Create a set-aside of up to 25 Emergency Housing Choice Vouchers for displaced extremely low- and very-low income senior residents.

Recommendation Four

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

Recommendation Five

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.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and by Budget Analysis Officer Julissa José-Murray on March 25, 2019.

City Council action is requested on April 2, 2019.

The total cost to develop the Report was approximately \$130,000, of which \$90,000 was for staff costs and \$40,000 for consultant services and other costs associated with stakeholder meetings and production of the Report. Funding was provided by the Housing Development Fund (SR 135) in the Development Services Department (DV). The Report is a document that provides options for preventing and mitigating impacts of tenant displacement through various programs to be developed and considered by the City Council under separate actions. The fiscal impact of programs that result from this Report will be determined when future actions are recommended to the City Council. There is no local job impact associated with this recommendation.

Under the currently proposed model, this program would require little administration from City staff, and would be administered by landlords with their tenants in accordance with requirements outlined in the Long Beach Municipal Code.

Approve recommendation.

LINDA F. TATUM, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER