



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 22

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Community Development
MEETING DATE: June 3, 2019

SUBJECT:

Property Owner Obligations with Respect to Tenants Displaced from Unsafe or Substandard Units – Ordinance Introduction

RECOMMENDATION:

Introduce an Ordinance to add San Mateo Municipal Code Chapter 7.50 "Property Owner Obligations with Respect to Tenants Displaced From Unsafe or Substandard Units" and adopt a Resolution to authorize an appropriation of funds for emergency relocation assistance for displaced tenants.

BACKGROUND:

- Council Study Session September 4, 2018
As part of its deliberations on staff's housing policy work program, Council indicated support for an ordinance similar to the one adopted by San Mateo County that requires property owners to provide relocation assistance when tenants are displaced from unsafe or substandard units.
- Council Meeting November 5, 2018
In response to public comments made concerning a bed bug infestation at an apartment complex in the city, Council gave direction to staff to advance its work on the tenant displacement relocation ordinance.
- Council Meeting November 19, 2018
Staff provided a follow-up report on the progress of an ordinance to provide assistance to tenants displaced from unsafe or substandard units (red tagged), and also provided information on existing provisions of the City of San Mateo Municipal Code for tenant relocation assistance.
- Council Study Session January 22, 2019
Staff sought direction from Council on the draft ordinance.
- Council Meeting February 19, 2019
Based on the direction received from Council on January 22, 2019, staff made changes to the draft ordinance and presented those changes to Council. After Council review and public comment, Council directed this item to be moved to a Study Session on April 1, 2019 to discuss further.
- Council Study Session April 1, 2019
Council provided specific direction to staff on what should be modified from the County ordinance and what should remain the same.

Per Council direction, the proposed ordinance is generally based on the County's Red Tag ordinance. The intent of the ordinance is to require property owners to provide relocation payments to tenants who are displaced from their rental units because of code violations that are the responsibility of the property owner. Specifically, the property owner must pay the displaced tenant household relocation payments and provide them the option to return to the unit once it is available for re-occupancy under the same terms and conditions that applied before the displacement.

Proposed Ordinance Provisions

Although the proposed City ordinance is generally consistent with the ordinance adopted by the County in February 2018, the following provisions have been modified from the County ordinance, as directed by the Council at the April 1, 2019 Study Session:

Amount of Relocation Assistance Required: (section 7.50.090, see page 9-11 of Attachment 2)

As with the County's ordinance, the proposed ordinance requires relocation assistance based on three months' rent at the U.S. Department of Housing and Urban Development fair market rate (HUD rate). However, the proposed ordinance clarifies that the relocation assistance shall be the difference between the HUD rate and the actual rent being paid by the tenant household at the time of displacement.

Temporary Displacement Options: (section 7.50.090(b), see pages 10 of Attachment 2)

The following temporary relocation options have been included: The displaced tenant has the option to choose 1) a vacant rental unit controlled by the landlord, 2) a vacant rental not controlled by the landlord or 3) temporary accommodation in a hotel or motel. The temporary housing shall be within a five (5) mile radius, not beyond a neighboring city, of the unit being vacated.

Living stipend for temporary displacement: (section 7.50.090(b), see page 10 of Attachment 2)

If the temporary housing accommodations are not comparable in size, condition, or amenities, or are not located within San Mateo city limits or a jurisdiction that borders San Mateo, the property owner shall pay a living stipend in the amount of 50% of the current U.S. General Services Administration (GSA) meals & incidentals per diem for San Mateo/Foster City/Belmont, per tenant household member, per day, not to exceed \$1000 per tenant household.

The 2019 GSA meals and incidentals per diem is \$66; therefore, the proposed living stipend would be \$33 per tenant household member, per day, not to exceed \$1000 per tenant household.

Appeals process: (section 7.50.100, see pages 11 - 12 of Attachment 2)

Council will hear all appeals related to Building and Housing. This meets the requirements of the Building Standards Code and complies with state law. Other sections of the code will be reconciled and brought back to Council at a later date so that all appeals associated with substandard buildings and building code-related conditions are consistent throughout the Municipal Code.

Anti-retaliation: (section 7.50.110, see pages 12 - 13 of Attachment 2)

The anti-retaliation section of the proposed ordinance is the same conduct as specified in Civil Code 1940.2.

Private right of action: (section 7.50.120, see page 13 of Attachment 2)

A tenant household may file a lawsuit against a property owner to enforce its rights under the ordinance. If the property owner is found to have willfully violated its payment obligations, then the property owner is subject to treble damages.

Amendments to existing Municipal Code sections providing for tenant relocation assistance: (see pages Page 13 -16 of Attachment 2)

Currently, the Municipal Code provides for tenant relocation assistance in the event rental units are either demolished or converted to ownership units. Those sections specify relocation assistance of three months' rent, at the rate being paid by the tenant at the time of displacement. The proposed ordinance would amend those sections of the Municipal Code to conform with the tenant relocation assistance required when tenants are displaced from unsafe or substandard units, i.e. the difference between the HUD fair market rent and the rate being paid at the time of displacement.

Items in addition to the proposed ordinance:

Proposed Resolution for Fund Appropriation:

\$50,000 from the Designated Housing Fund Balance is requested for appropriation to advance the relocation payments to a displaced tenant household, and then recover from the property owner the amount advanced plus any related

administrative costs. Staff will continue to encourage civil remedies but will use the set aside for emergency situations.

BUDGET IMPACT:

Approval is requested to appropriate \$50,000 into a new project, Emergency Relocation Assistance, to advance tenant assistance in urgent situations. The funding source is the Designated Housing Fund Balance of the General Fund.

ENVIRONMENTAL DETERMINATION:

This item is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Proposed Ordinance

Att 2 – Track Changes of Ordinance previously presented

Att 3 – Proposed Resolution for Fund Appropriation

STAFF CONTACT

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