



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Departments: Community and Economic Development

Prepared by: Micah Hinkle, Director
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City Manager Approval: _____

TOPIC: ANTI-DISPLACEMENT URGENCY ORDINANCE AND TEMPORARY RELOCATION ASSISTANCE FOR THE CANAL OPPORTUNITY ZONE

SUBJECT: IMPLEMENTATION OF TEMPORARY ANTI-DISPLACEMENT MEASURES IN THE CANAL OPPORTUNITY ZONE

RECOMMENDATION:

1. Adopt an urgency ordinance amending Chapter 10.105 of the San Rafael Municipal Code, entitled "Cause Required for Eviction", and amending Chapter 10.111 of the San Rafael Municipal Code, entitled "Relocation Assistance in Opportunity Zones."
2. Adopt a resolution amending Resolution 14895 to include temporary relocation assistance payment amounts and administrative processing fee pursuant to San Rafael Municipal Code Chapter 10.111 – Relocation Assistance in Opportunity Zones.

BACKGROUND:

Opportunity Zones

The 2017 Tax Cuts and Jobs Act created tax incentives for long-term investment in federally designated census tracts called Opportunity Zones (OZ). Investors can access these tax incentives by investing capital gains through Opportunity Funds. Opportunity Funds are required to hold 90% of their assets in qualified OZ properties. The longer an investor keeps their money in the Opportunity Fund investment, the more tax incentives they become eligible for. To qualify for the program, an acquired property already being used in an OZ must be "substantially improved" over a 30-month period, meaning the money spent on improvement exceeds the initial investment into the existing property. The opportunity to participate in the OZ program ends December 31, 2026.

FOR CITY CLERK ONLY

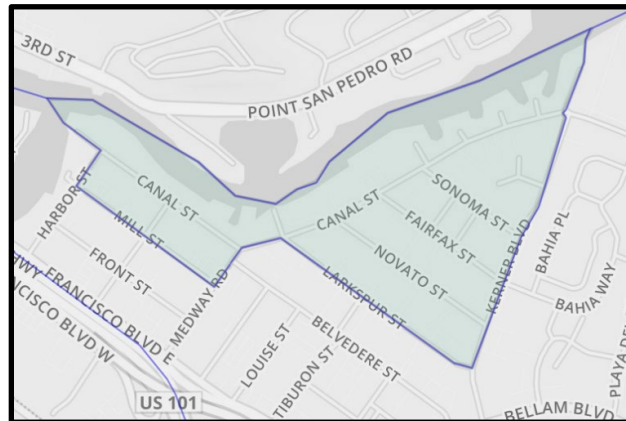
Council Meeting:

Disposition:

San Rafael Canal Opportunity Zone

San Rafael currently has one OZ (Census Tracts 1122.03 and 1122.04, Map 1), located in the Canal neighborhood.

Map 1. San Rafael Opportunity Zone – Census Tracts 1122.03 and 1122.04



There are currently 150 properties and 1,774 total housing units within the OZ boundary. According to the 2022 American Community Survey, 20% of the population in the OZ falls below the federal poverty line, compared to 7% of the population in Marin County. About ten percent (10%) of the housing units in the OZ currently have below market rate deed restrictions.

Table 1. Properties within San Rafael Opportunity Zone Boundaries

	Properties	Units	Average Units/Property
Detached Single Family	32	32	1
Condominium/Townhome	17	265	16
Apartment	90	1,477*	16
Non-Residential	11	-	-
Total	150	1,774	

*176 units have deed-restricted below market rate protections

According to the 2022 American Community Survey, 69% of rental homes in Census Tract 1122.03 and 75% of rental homes in Census Tract 1122.04 are overcrowded (occupied by 1.01 persons or more per room, excluding bathrooms and kitchens). By comparison, 19% of rental homes in San Rafael are considered overcrowded. High overcrowding rates indicate that additional income streams are required to sustain a household’s rental costs, putting them at greater risk of housing instability should income be reduced, or housing costs increased. The [California Healthy Places Index](#) ranks these census tracts in the bottom fifth percentile statewide in terms of severe cost burden, or the percentage of low-income renters who pay more than 50% of their income on housing costs. [The California Fair Housing Task Force](#) has identified these census tracts as Low Resource.

Existing Tenant Protection Policies

In 2019, Governor Newsom signed Assembly Bill 1482, the Tenant Protection Act of 2019, providing a rent cap and just cause eviction protections to qualified rental housing across California. The legislation limits annual rent increases to 5% plus the "cost of living" index or 10%, whichever is less. The law became effective January 1, 2020, and remains in effect until January 1, 2030. As of March 2024, the allowable rent increase for much of the multifamily housing stock in San Rafael was 9.2%.

The City has also adopted several local policies to increase housing stability and affordability. In 2019, in response to low vacancy rates, high prevalence of housing cost burden, and lack of affordable housing, the San Rafael City Council adopted Citywide tenant protection policies including cause required for eviction. San Rafael's [Cause Required for Eviction](#) policy is intended to provide stability for households who rent by regulating the grounds for eviction. The policy applies Citywide to properties that contain at least three separate dwelling units. For a housing provider to terminate a residential tenancy, the termination must qualify as either "for cause" or "no fault". Reasons a housing provider may terminate a tenancy "for cause" include failure to pay rent, breach of rental contract, illegal activities in/around the dwelling unit, threat of violent crime, and nuisance behavior. Under a "no fault" eviction, a housing provider may terminate a tenancy to permanently remove the unit from the rental market, to move into the unit, to conduct substantial rehabilitation for health and safety reasons, or if the tenant refuses to execute a lease.

In the case of substantial rehabilitation for health and safety, the housing provider must have applied for or obtained permits to undertake substantial repairs to the unit that cannot be completed while the unit is occupied. To qualify, such substantial repairs must be for the primary purpose of bringing the unit into compliance with applicable law.

According to staff from Legal Aid of Marin, most of their clients' eviction notices are based on failure to pay rent and substantial rehabilitation for health and safety. Legal Aid of Marin serves a subset of San Rafael renters who qualify based on household income level.

Following the designation of Canal Census Tracts 1122.03 and 1122.04 as a Qualified OZ, the City Council adopted relocation assistance requirements specific to the OZ in 2021, recognizing that the tax benefits available to investors through the purchase and improvement of properties in the OZ could heighten the risk of displacement for residents of rental housing. Chapter 10.111 requires all owners of residential properties in Opportunity Zones to provide certain assistance to tenants who are displaced from their residences due to no fault terminations of their tenancies, as defined in the City's Cause Required for Eviction Ordinance. The intent of this policy is to help mitigate the adverse health, safety and economic impacts experienced by residents of rental housing who are displaced from their residences due to no fault terminations of their tenancies.

Tenant households in the OZ are eligible for relocation assistance if they are displaced after having continually occupied the dwelling unit for 30 days or more. There is no income qualification for relocation assistance. The amount of the relocation payment to the tenant includes three months' rent plus estimated moving expenses. If a tenant household includes a person under the age of 18 or over 62, and/or a person with a disability, the household is eligible for an additional one month's rent. These components are calculated from the tenant's current rent or fair market rent, whichever is greater. Fair market rents are published annually by the U.S. Department of Housing and Urban Development for the San Francisco, CA HUD Metro FMR Area. If the tenant is required to move before the end of the month, they are eligible for a per diem stipend to help cover food and hotel lodging expenses. If a tenant is eligible for relocation assistance under the OZ ordinance, they are ineligible for the Citywide

relocation assistance under [SRMC Section 14.16.279](#), which applies to low-income tenants only and is equal to two months’ rent. The housing provider must provide notice to the tenant at least 60 days prior to the date the tenant will be required to vacate the property and must pay relocation assistance to the tenant at least 30 days prior to the date the tenant is displaced.

Table 2 shows the 2024 required relocation assistance payments to renters in the Opportunity Zone.

Table 2: 2024 Required Permanent Relocation Assistance Payments to Renters in the Opportunity Zone (based on number of bedrooms)

	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Base Relocation Payment*				
Two months’ Fair Market Rent for 2024	\$4,584	\$5,636	\$6,718	\$8,224
Security Deposit (One month’s Fair Market Rent for 2024)	\$2,292	\$2,818	\$3,359	\$4,112
Estimated Moving Expenses	\$500	\$500	\$750	\$1,000
Minimum Total Renter Relocation Payment	\$7,376	\$8,954	\$10,827	\$13,336

*Base Relocation will be calculated using the higher amount between current Fair Market Rent or Actual Rent Amount.

Additional Required Payments if Household has a child, senior, or individual with a disability.

If the household meets one or more of the below criteria:

	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Additional Required Payment	\$2,292	\$2,818	\$3,359	\$4,112

- 1) Household with a minor (18 years or younger)
- 2) Household with individual 62 years or older
- 3) Household with individual with disability

Potential Renter Relocation Payment	\$9,668	\$11,772	\$14,186	\$17,448
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Under the permanent relocation assistance policy, the housing provider is required to pay an additional \$150 per day for each day remaining in the calendar month in which the tenancy is terminated to compensate for costs such as hotel or short-term rental accommodations, meals, and other related costs, while the resident looks for another place to live.

Current Status

Housing stability and affordability continue to be challenges for renters. Even with the current protections in place, some residents are still experiencing displacement in the Canal Opportunity Zone. Since October 2022, the City reviewed permanent relocation payments for 31 tenant households who were evicted on the grounds of substantial rehabilitation for health and safety within the Canal OZ. Additionally, the City processed permit applications for 37 units in the OZ where the property owner indicated that a no-fault eviction did not occur.

When tenants are displaced from their homes, it is extremely difficult to secure other housing in the Canal neighborhood, other parts of San Rafael or Marin County because of low supply that drives up prices on available rental housing. The rental vacancy rates in Marin and San Rafael have been below five percent in recent years. In March 2024, a daily staff search on Zillow over the course of several days for available apartment rentals in the Canal neighborhood produced only three available rental

units. Legal Aid of Marin staff and other community partners have seen recent clients leave San Rafael for other areas such as the East Bay and Vallejo, double up with other families in the Canal neighborhood, or become unhoused and move into their cars.

Displacement has far-reaching impacts for families, including loss of social networks, educational disruption for children, increased stress, hardship, and negative impacts on health. While the City's long-term goal is to increase housing supply and affordable housing across the City, the impact of displacement on tenants in the OZ is immediate and urgent.

The City Council's Fiscal Year 2023-2025 [Goals and Objectives](#) direct staff to evaluate existing tenant protection policies to determine their effectiveness and consider the implementation of revised policies to expand housing choices for all residents, as outlined in the [2023-2031 Housing Element](#), to ensure habitability, create fair housing, and end homelessness. Staff are working with stakeholders to evaluate and develop Citywide policies. While this comprehensive evaluation process is underway, the proposed urgency ordinance is intended to prevent further displacement in the Opportunity Zone in the interim.

ANALYSIS:

The proposed temporary policy to reduce tenant displacement in the Opportunity Zone removes "Rehabilitation for Health and Safety" as a valid reason for permanent eviction in most cases and requires residential property owners to provide temporary relocation assistance to tenants in cases of Substantial Rehabilitation for Health and Safety. This would apply in the Opportunity Zone only.

Temporary Relocation Assistance for Tenants in Cases of Substantial Rehabilitation for Health and Safety

Under the proposed OZ temporary anti-displacement ordinance, substantial rehabilitation for health and safety would no longer be a cause for eviction and would instead provide for temporary relocation. Tenants would have a right to return once the circumstances that warrant a temporary displacement end. This would apply in the OZ only; in all other areas of the City, substantial rehabilitation for health and safety would continue to be a cause for eviction per Chapter 10.105 of the San Rafael Municipal Code.

In cases of substantial rehabilitation for health and safety in the OZ, a property owner would be required to provide a daily temporary relocation assistance payment to the displaced tenant or offer a comparable unit if available on the property, or on another property within San Rafael city limits. The unit must be at least comparable to the unit that the tenant is leasing in terms of size, number of bedrooms, accessibility, allowing pets (if the tenant has pets), and other amenities. The property owner would not be required to provide the temporary relocation assistance payment if they provide a comparable or better unit. For longer rehabilitation projects, this is a preferred outcome because it is less disruptive for the tenant and less expensive for the property owner. In the case of a shorter rehabilitation project, the tenant and property owner may prefer that the tenant stay in hotel lodging rather than move belongings to an alternative comparable unit.

If a comparable unit is available onsite or at another nearby property, the tenant can either (a) accept the temporary placement in the comparable unit or (b) terminate their tenancy and accept a permanent relocation assistance payment. If the tenant declines placement in a comparable unit, they are not eligible for the temporary relocation assistance payments. Tenants who choose not to be temporarily relocated would receive the City's existing permanent relocation assistance payment for the OZ.

During the temporary displacement period, the tenant would continue paying rent on their original unit. Continued payment of rent would allow the tenancy to continue, uninterrupted. Since the tenancy would be uninterrupted, the tenant would have the right to return with the same rights under their existing lease after the rehabilitation as before the rehabilitation, including the same monthly rental rate. If the tenant's lease expires during the temporary displacement, AB 1482 requirements apply, meaning that if the tenant has lived in the unit for more than one year, the owner has to offer to renew the lease, just as they would if the tenant were not temporarily displaced. Since the tenant is still paying rent, their tenancy continues and the rights under their tenancy include the rights under AB 1482. The tenant's rent could be increased by up to the maximum allowable amount under AB 1482, which is currently 9.2% based on March 2024 CPI. Certain rentals are exempt from the State rent cap, such as condos and single-family homes not owned by a Real Estate Investment Trust (REIT) or corporation; duplexes where the owner's principal residence is one of the units; deed-restricted affordable housing; and buildings constructed in the last 15 years, which is a rolling date.

The property owner is required to provide the comparable unit or pay the temporary relocation assistance payments for as long as the tenant is required to stay out of their unit and continues to pay rent.

The property owner is required to provide the notice of relocation in the same language as the rental agreement was negotiated.

The temporary anti-displacement ordinance would be in effect through December 31, 2026, at which time the OZ tax incentive benefits expire.

Property owners who are temporarily displacing tenants for substantial rehabilitation for health and safety will be required to provide a copy of the notice to the City that was provided to the tenant and to indicate the temporary relocation plan for the tenant household. Failure to do so could result in revocation of the associated building permit and/or withholding of final inspection until compliant.

Resolution Setting Amounts of Temporary Relocation Assistance Payment and Administrative Fee

The proposed resolution would amend Resolution 14895 by setting temporary relocation assistance payment amounts and the administrative processing fee for the City's review of relocation assistance documentation.

The amount of the proposed temporary relocation assistance payment for substantial rehabilitation for health and safety is designed to cover the cost of temporary accommodations plus incidental costs. Under the City's existing permanent relocation assistance policy in the OZ, if the tenant is required to move before the end of the month, the property is required to pay an additional per diem stipend to help cover food and hotel lodging expenses. The stipend is currently set at \$150 per day, based on the Marin Economic Forum's 2019 report "[State of the Visitor Industry in Marin County](#)," which says that visitors spend a self-reported average of \$147 per person when they stay overnight in Marin County.

Updated data from Dean Runyon and Associates from October 2023 shows a substantial increase in current costs for overnight stays. People coming into Marin County that spend at least one overnight stay in Marin spend on average \$244 per person for lodging and food. During the summer season, this number can increase by as much as an additional 10-15%. Fiscal Year 2024 federal per diem rates for San Rafael from the U.S. General Services Administration allot \$189 for daily lodging excluding taxes and \$74 for meals and incidentals, for a total of \$263. Based on these numbers, staff recommend a

temporary relocation daily payment of \$250 for food and lodging during the first 29 days of displacement, since temporary displacement for less than 30 nights likely requires temporary lodging such as hotel/motel or short-term rental. For rehabilitation projects lasting longer than 29 days, the tenant may be able to execute a month-to-month rental lease agreement. For every day beyond the 29th day of the temporary displacement period, the tenant household would be entitled to a relocation assistance payment equal to the greater of (1) one thirtieth of the tenant's monthly lease rent, or (2) one thirtieth of the current monthly [Fair Market Rent](#), corresponding to the number of bedrooms in the unit. For example, the 2024 Fair Market Rent for a two-bedroom in Marin County is \$3,359 per month, or \$112 per day.

Given the cost of temporary relocation assistance payments, a property owner is incentivized to complete renovations swiftly and/or to plan the timing of rehabilitation when a comparable, code-compliant unit on the property is available.

The temporary anti-displacement ordinance would be in effect through December 31, 2026, at which time the OZ tax incentive benefits expire.

Property owners who are temporarily displacing tenants for substantial rehabilitation for health and safety will be required to provide a copy of the notice to the City that was provided to the tenant and to indicate the temporary relocation plan for the tenant household. Failure to do so could result in revocation of the associated building permit and/or withholding of final inspection until compliant.

The proposed resolution also includes the administrative fee to be paid by the property owner. The fee would cover the actual cost of City review of relocation assistance documentation, calculated using the fully burdened rate of staff reviewers and based on the time required for review. The fee would vary depending on the completeness and organization of the materials submitted. The fee would apply to owners submitting documentation for permanent and/or temporary relocation assistance. If adopted, the administrative fee would be included in the City's Master Fee Schedule.

Staff would evaluate outcomes of the proposed temporary anti-displacement ordinance and use that data to inform future policy recommendations. Outcomes that staff will track include:

- The number of substantial rehabilitations for health and safety requiring tenant relocation,
- The number of tenants placed in a comparable unit,
- The number of tenants who opt out of temporary relocation assistance and receive lump sum permanent relocation assistance,
- The number of tenants who receive the temporary relocation assistance payment,
- The average length of time required for rehabilitation, from building permit issuance to final inspection.

FISCAL IMPACT:

Under the proposed resolution, the City would charge an administrative fee, equal to the fully burdened rate of the staff reviewer, that covers the actual cost of staff review of temporary relocation assistance. The fee would also apply to staff review of permanent relocation assistance, since the administrative fee was not previously specified in Resolution 14895.

COMMUNITY OUTREACH:

Staff reached out to community-based organizations who serve tenants as well as real estate professionals to obtain their input on the proposed ordinance.

The City committed in its 2023-2031 Housing Element to evaluate and implement Citywide tenant protection policies, and the process to establish Citywide policies will include extensive stakeholder engagement.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt the urgency ordinance and resolution.
2. Adopt the urgency ordinance and resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

1. Adopt an urgency ordinance amending Chapter 10.105 of the San Rafael Municipal Code, entitled "Cause Required for Eviction"; and amending Chapter 10.111 of the San Rafael Municipal Code, entitled "Relocation Assistance in Opportunity Zones."
2. Adopt a resolution amending Resolution 14895 to include temporary relocation assistance payment amounts and administrative processing fee pursuant to San Rafael Municipal Code Chapter 10.111 – Relocation Assistance in Opportunity Zones.

ATTACHMENTS:

1. Urgency Ordinance
2. Exhibit A to Urgency Ordinance
3. Resolution

ORDINANCE NO.

**AN URGENCY ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL
AMENDING CHAPTER 10.105 OF THE SAN RAFAEL MUNICIPAL CODE,
ENTITLED “CAUSE REQUIRED FOR EVICTION”; AND AMENDING CHAPTER
10.111 OF THE SAN RAFAEL MUNICIPAL CODE, ENTITLED “RELOCATION
ASSISTANCE IN OPPORTUNITY ZONES”**

Section 1. Findings.

WHEREAS, Government Code sections 36934 and 36937 authorize ordinances to take effect immediately if they are for the immediate preservation of the public peace, health or safety, contain a declaration of the facts constituting the urgency, and are passed by a four-fifths vote of the City Council; and

WHEREAS, California Housing Partnership estimates there is a shortage of 9,694 affordable rental homes to accommodate low-income renters in Marin County; and

WHEREAS, California Housing Partnership estimates that rents in Marin County have been steadily increasing since 2009; and

WHEREAS, increasing rents combined with a housing shortage places substantial pressure on residents of the City of San Rafael who rent housing; and

WHEREAS, there are 24,385¹ residential units in San Rafael. Of those, approximately fifty-two percent (52%) are owner occupied and forty-eight percent (48%) are renter occupied; and

WHEREAS, a portion of San Rafael is located in U.S. Census Tracts 1122.03 and 1122.04, which are the sole U.S. Census Tracts designated a “Qualified Opportunity Zone” by the 2017 Tax Cuts and Jobs Act (the “Act”), within Marin County; and

WHEREAS, there are approximately 1,774² residential units in San Rafael’s Qualified Opportunity Zone; and

WHEREAS, seventy-nine percent (79%) of units in Census Tract 1122.03 are tenant occupied and ninety-three percent (93%) of units in Census Tract 1122.04 are tenant occupied; and

WHEREAS, the estimated median gross annual income of households living in Census Tracts 1122.03 and 1122.04 is \$94,038 and \$71,210, respectively, compared to

¹ Total Housing Units (+/-731 Margin of Error) (Owner occupied - +/-1.9% Margin of Error; Renter occupied +/-2.3% Margin of Error)

² Marin County Assessor’s Office

\$136,214 in Marin County³; and

WHEREAS, Census Tracts 1122.03 and 1122.04 have been identified as Low Resource (<https://belonging.berkeley.edu/2024-ctcachcd-opportunity-map>); and

WHEREAS, the Healthy Places Index (HPI), developed by the Public Health Alliance of Southern California, tracks 25 separate indicators of community health and wellbeing, including five indicators related to housing; and

WHEREAS, according to the HPI, Census Tracts 1122.03 and 1122.04 are in the bottom 5th percentile of census tracts statewide in terms of renters who spend more than 50% of their income on housing costs, while the City of San Rafael is in the 23rd percentile; and

WHEREAS, Qualified Opportunity Zones are designed to spur economic development in distressed communities throughout the country and U.S. possessions by providing tax benefits to investors who invest eligible capital into opportunity zones; and

WHEREAS, in order for taxpayers to defer tax on eligible capital gains under the Act, taxpayers must own and substantially improve property in a Qualified Opportunity Zone; and

WHEREAS, sale of residential properties in San Rafael's Qualified Opportunity Zone and substantial improvements to said properties are likely to result in displacement of residential tenants in the Canal neighborhood due to no fault terminations; and

WHEREAS, Section 1946.2 of the California Civil Code and existing provisions of the San Rafael Municipal Code allow for no fault terminations on the grounds that a landlord will perform substantial rehabilitations; and

WHEREAS, Section 1946.2(h)(2)(i)(1)(B) of the California Civil Code allows cities to adopt local ordinances that are more protective of tenants than Civil Code section 1946.2; and

WHEREAS, tenants in San Rafael's Qualified Opportunity Zone face a high risk of permanent displacement due to no fault terminations on the grounds that a landlord will perform substantial rehabilitations; and

WHEREAS, substantial rehabilitations can be performed without causing permanent displacement by temporarily relocating tenants for the duration of the substantial rehabilitation activities and allowing them to return once the substantial rehabilitation is complete; and

³ ACS 2022 5-year

WHEREAS, tenants who are temporarily displaced do not have adequate funds to cover the costs of temporary accommodation when they are forced to temporarily move due to substantial rehabilitation of their dwelling unit; and

WHEREAS, tenants who are temporarily displaced are forced to incur substantial costs related to temporary displacement, including, but not limited to, payments for temporary relocation to a motel, hotel, or other short-term accommodation; meals, if the temporary accommodation lacks cooking facilities; laundry, if the temporary accommodation lacks laundry facilities and the existing accommodation includes them; accommodations for lawful pets if the temporary accommodation does not accept pets; and other incidental costs; and

WHEREAS, families with children who are either dealing with or experiencing eviction tend to have worse health outcomes compared to those who are not facing eviction. Children from these families are more likely to experience negative consequences such as poorer health, developmental delays, homelessness, lack of access to food, and insufficient healthcare and childcare services, in comparison to the overall population⁴; and

WHEREAS, household evictions are correlated with various negative outcomes, including reductions in earnings, job loss, increased debt, periods of housing instability, overdue bills, and health issues severe enough to require hospitalization. This impact is particularly pronounced among already marginalized groups in the United States, such as Black families and women with children⁵; and

WHEREAS, mothers who are evicted experience higher levels of material hardship and parenting stress and are more likely to suffer from depression and to report their health and that of their children as being poor, and the impacts of eviction can endure for years with research showing in some families at least two years after their eviction that mothers experienced significantly higher rates of material hardship and depression than their peers⁶; and

WHEREAS, evictions of long-term residents can lead to significant decreased credit scores for individuals ages 65 years or older compared to their counterparts who are able to stay, with an average credit score 14.6 points lower⁷; and

⁴ Diana B. Cutts, Stephanie Ettinger de Cuba, Allison Bovell-Ammon, Chevaughn Wellington, Sharon M. Coleman, Deborah A. Frank, Maureen M. Black, Eduardo Ochoa, Mariana Chilton, Félice Lê-Scherban, Timothy Heeren, Lindsey J. Rateau, Megan Sandel; Eviction and Household Health and Hardships in Families With Very Young Children. *Pediatrics* October 2022; 150 (4): e2022056692. 10.1542/peds.2022-056692

⁵ Collinson, R., Humphries, J. E., Mader, N. S., Reed, D. K., Tannenbaum, D. I., van Dijk, W. (2022, August). Eviction and poverty in American cities. NBER Working Paper 30382.

⁶ Desmond, Matthew & Kimbro, Rachel. (2015). Eviction's Fallout: Housing, Hardship, and Health. *Social Forces*.

⁷ Ding, L., & Hwang, J. (2016). The Consequences of Gentrification: A Focus on Residents' Financial Health in Philadelphia. *Cityscape*, 18(3), 27-56.

WHEREAS, by 2035, the number of older households with a disability nationwide will increase by 76 percent to reach 31.2 million, placing tremendous pressure on the supply of ADA-compliant rental housing, making it increasingly difficult for renters with disabilities to find suitable housing after a no-fault eviction⁸; and

WHEREAS, numerous California jurisdictions have recognized that the impacts of these no-fault evictions are particularly significant on elderly, disabled, and low-income tenants and tenants with minor children, justifying additional payments for households with these tenants; and

WHEREAS, this action is exempt from the California Environmental Quality Act ("CEQA") pursuant to, but not limited to, the following CEQA Guidelines: § 15061 (b)(3) (no significant environmental impact), and § 15183 (consistent with the general plan and zoning); and

WHEREAS, this Ordinance is expressly authorized by State law because the Ordinance provides for more protective no fault termination protections than section 1946.2 of the California Civil Code, which was adopted pursuant to the Tenant Protection Act of 2019 and is therefore more protective than the Act, and because this Ordinance provides tenant protections that are neither prohibited by nor established by other provisions of applicable law; and

WHEREAS, it is the intent of the City Council to consider adoption of a permanent tenant protection ordinance in the future, and in light of impending rent increases on tenants as well as impending risks of evictions and displacement, this Ordinance will provide time for the City to consider a permanent ordinance; and

WHEREAS, for the reasons set forth above, this Ordinance is declared by the City Council to be necessary for preserving the public peace, welfare, health and safety and to avoid a current, immediate and direct threat to the peace, health, safety or welfare of the community and the recitals above taken together constitute the City Council's statement of the reasons for adopting this Ordinance on an urgency basis.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

Section 2: Amendments to Chapter 10.105 of the San Rafael Municipal Code.

Subsection C – No Fault Terminations, of section 10.105.040 – Cause Required to Terminate Tenancy, of Chapter 10.105 – Cause Required for Eviction, of Title 10 - Businesses, Professions, Occupations, Industries and Trades, of the San Rafael Municipal Code, is hereby amended to read as follows (additions in underline, deletions in ~~strikethrough~~):

⁸ Joint Center for Housing Studies of Harvard University. (2016). Projections and Implications for Housing a Growing Population: Older Households 2015-2035. <https://www.jchs.harvard.edu/research-areas/reports/projections-and-implications-housing-growing-population-older-households-2015>

- C. No Fault Terminations. If a landlord can show any of the following circumstances with respect to a termination of tenancy, the termination will qualify as "no fault:"
1. Landlord will Permanently Remove Unit from Rental Market. Landlord will imminently demolish the dwelling unit or otherwise permanently remove the dwelling unit from any residential rental use or purpose, in accordance with California Government Code sections 7060—7060.7;
 2. Landlord will Move in to Dwelling Unit. Landlord, or one (1) of landlord's family members, including parents, children, brothers, sisters, aunts, uncles, nieces, and/or nephews, intends to move into and reside in the dwelling unit as their primary residence. The dwelling unit must be occupied as the primary residence within three (3) months of the tenant household vacating the dwelling unit, and the dwelling unit must continue to be occupied as the primary residence for at least one (1) year;
 3. Substantial Rehabilitation for Health and Safety. Landlord has ~~applied for or~~ obtained permits to ~~undertake substantial repairs to the dwelling unit that cannot be completed while the dwelling unit is occupied.~~ for a "Substantial rehabilitation for health and safety," as that term is defined by section 10.111.020. Before terminating a tenancy under this subsection, a landlord must comply with the provisions of Section 10.111.050, including providing to a tenant household all rights and benefits to which it is entitled pursuant to section 10.111.050; To qualify, such substantial repairs must be for the primary purpose of bringing the dwelling unit into compliance with applicable law;
 4. Tenant's Refusal to Execute Lease. Tenant refuses to accept a lease at the outset of the tenancy, or to renew a lease on terms substantially similar to the tenant's existing lease.

Subsection C – Delivery of notice, of section 10.105.050 – Notice of termination, of Chapter 10.105 – Cause Required for Eviction, of Title 10 - Businesses, Professions, Occupations, Industries and Trades, of the San Rafael Municipal Code, is hereby amended to read as follows (additions in underline, deletions in ~~striketrough~~):

- C. Delivery of Notice. Each notice of termination must be delivered to the tenant household in accordance with Civil Code sections 1946, 1946.1, and 1946.4,2 as applicable.

Section 3: Amendments to Chapter 10.111 of the San Rafael Municipal Code.

Chapter 10.111 – Relocation Assistance in Opportunity Zones, of Title 10 - Businesses, Professions, Occupations, Industries and Trades, of the San Rafael Municipal Code, is amended as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (additions in underline, deletions in ~~striketrough~~).

Section 4. Applicability to Future and Pending Terminations. This Ordinance shall apply where the termination of a tenancy pursuant to section 10.105 of the San Rafael Municipal Code has not been finalized as of the effective date of this ordinance.

Section 5. Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

Section 6. Compliance with CEQA. The City Council hereby finds that the action to adopt this Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that there is no possibility the adoption of this Ordinance may have a significant effect on the environment, and pursuant to CEQA Guidelines section 15183 (consistent with the general plan and zoning).

Section 7. Effective Date. This Ordinance is declared to be an Urgency Ordinance by authority conferred on the City Council of the City of San Rafael by Government Code Sections 36934 and 36937 and shall be in full force and effect immediately upon its adoption by a four-fifths vote of the City Council.

Section 8. Term of Urgency Ordinance. This Urgency Ordinance shall be in effect until the earlier of: (1) the date this Urgency Ordinance is rescinded or terminated by the City Council of the City of San Rafael; or (3) December 31, 2026.

Section 9. Publication. The City Clerk shall cause a summary of this Urgency Ordinance to be published or posted as required by law.

Kate Colin, Mayor

ATTEST:

Lindsay Lara, City Clerk

I, LINDSAY LARA, City Clerk of the City of San Rafael, certify that the foregoing Ordinance was passed by the City Council of the City of San Rafael, California, by a vote of at least four-fifths (4/5) of the members thereof, at a regular meeting held on Monday, the 15th day of April 2024, by the following vote, to wit:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

LINDSAY LARA, City Clerk

Chapter 10.111 RELOCATION ASSISTANCE IN OPPORTUNITY ZONES

10.111.010 Purpose and intent.

It is the purpose and intent of this chapter to help mitigate the adverse health, safety and economic impacts experienced by residents of rental housing who are displaced from their residences due to temporary relocations and no fault terminations of their tenancies. This chapter requires a property owner to mitigate the impact on these residents by providing relocation assistance benefits to residents located within U.S. Census Tracts 1122.03 and 1122.041122.04, which ~~has~~ have been designated a "Qualified Opportunity Zone" by the 2017 Tax Cuts and Jobs Act.

10.111.020. Definitions.

For purposes of this chapter, unless the context clearly requires a different meaning, the words, terms, and phrases set forth in this section shall either have the meanings set forth in section 10.105.030 of this Code, or below, as applicable:

- A. "Comparable onsite unit" means a unit located in the same development as the unit from which a household is displaced and which is comparable to the household's existing unit, as determined by the Director.
- B. "Comparable offsite unit" means a unit located within San Rafael city limits which is comparable to a household's existing unit, as determined by the Director.
- AC. "Disabled" means a person with a disability, as defined in Section 12955.3 of the Government Code.
- BD. "Elderly" means a person sixty-two (62) years or older.
- CE. "Lease" means any tenancy contract between a tenant household and a landlord or property owner for a specified time, in return for a periodic payment.
- DE. "Minor child(ren)" means a person(s) who is eighteen (18) years or younger at the time the notice of relocation assistance is provided to the tenant household.
- EG. "No fault termination" shall have the meaning set forth in section 10.105.040(C) of this Code.
- H. "Original unit" means the unit occupied by a tenant household before being temporarily or permanently displaced.
- F. ~~"Relocation".~~ "Permanent relocation assistance" means the payment issued to a tenant household which household will be evicted from a dwelling unit pursuant to a "no fault termination."

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- GJ. “Substantial rehabilitation for health and safety” means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place, that requires the tenant to vacate the residential real property for at least thirty (30) days, and that are undertaken for the primary purpose of bringing the dwelling unit into compliance with applicable law. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as “substantial rehabilitation for health and safety.”
- K. “Temporary displacement period” means the period beginning the day that a tenant household is displaced from a unit due to a substantial rehabilitation for health and safety and ending the day that a tenant household permanently returns to its original unit once the rehabilitation is completed.
- L. “Temporary relocation assistance” means the payment(s) issued to a tenant household which household will be temporarily displaced from a dwelling unit due to “substantial rehabilitation for health and safety” of the unit.
- M. “Tenancy” means the use or occupancy of a dwelling unit by a tenant.

10.111.030 Eligibility for temporary or permanent relocation assistance.

- A. A tenant household shall be eligible for temporary or permanent relocation assistance pursuant to this chapter if:
1. The tenant household has continually occupied a dwelling unit for a period of thirty (30) days or more; and
 2. The tenant household occupies a dwelling unit located within U.S. Census Tract 1122.034 or 1122.04 as those tracts existed on April 15, 2024, and shown in the shaded areas of Map 10.111.030.

Map ~~10.111.030~~

[Delete image.]

- B. A tenant household shall not be eligible to receive temporary or permanent relocation assistance pursuant to this chapter if the tenant household is subject to a "for cause termination" pursuant to subsection (B) of section 10.105.040 of this Code.

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- C. A tenant household that is eligible to receive temporary or permanent relocation assistance pursuant to this chapter shall not be eligible to receive relocation assistance pursuant to the provisions of section 14.16.279 of this Code.

10.111.040 Requirement to provide temporary or permanent relocation assistance.

- A. Temporary Relocation Assistance. If the termination of the tenancy subject to this chapter would qualify as a “no fault termination” because of “substantial rehabilitation for health and safety” pursuant to subsection (C)(3) of Section 10.105.040 of this Code, the landlord of the dwelling unit shall, regardless of the household’s income, provide temporary relocation assistance in accordance with the provisions of this chapter.
- B. Permanent Relocation Assistance. If the termination of a tenancy subject to this chapter qualifies as a "no fault termination" pursuant to subsection (C) of Section 10.105.040 of this Code, the landlord of the dwelling unit subject to the no fault termination shall, regardless of the tenant household's income, provide permanent relocation assistance in accordance with the provisions of this chapter.

10.111.050 Temporary displacement for substantial rehabilitations for health and safety; Relocation assistance calculation and procedures.

~~Relocation assistance shall be subject to the following:~~

- A. Temporary Displacement of Tenant Households for Substantial Rehabilitations for Health and Safety. A tenant household that is eligible for temporary relocation assistance pursuant to this chapter may be temporarily displaced during substantial rehabilitations for health and safety. The tenant household shall be entitled to the following during and after the temporary displacement period, as set forth more fully in this section: (1) the continuation of the existing tenancy, and (2) a right to return to the original unit.
1. Continuation of Existing Tenancy. The tenant household shall remain responsible to pay to the landlord rent which falls due for the tenant household's original unit during the temporary displacement period. Continued payment of rent constitutes the continuation of the household's tenancy.
 - a. Notwithstanding subsection (A)(2) of this section, should a tenant household fail to pay the landlord rent which falls due for the tenant household’s original unit during the temporary displacement period, the landlord may initiate the process to terminate the tenancy per subsection (B)(1) of Section 10.105.040 (for cause terminations – failure to pay rent). A tenant household whose tenancy is terminated for cause shall have no right to return, no continued right to

temporary relocation assistance, and no right to permanent relocation assistance as set forth in this section.

2. Right to Return to Original Unit. The temporarily displaced tenant household shall have the right to reoccupy its original unit upon the completion of the substantial rehabilitation for health and safety and shall retain all rights of tenancy that existed prior to the displacement.
- B. Temporary Relocation Assistance. In addition to the rights conferred by subsection (A) of this section, a tenant household that has been temporarily displaced during substantial rehabilitations for health and safety shall be eligible for temporary relocation assistance during the temporary displacement period.
1. Type of Assistance. When a landlord conducts substantial rehabilitations for health and safety, before attempting to proceed with a no fault termination pursuant to subsection (C)(3) of Section 10.105.040, a landlord shall offer to provide displaced tenants with temporary relocation assistance. A landlord shall also offer to provide temporary relocation assistance when conducting rehabilitations that require a displacement of less than thirty (30) days but would otherwise qualify as a substantial rehabilitation for health and safety. Temporary Relocation Assistance shall be offered as follows.
 - a. Per diem assistance.
 - i. A landlord shall offer to pay to the household in weekly increments per diem relocation costs in the amounts set forth by separate resolution of the City Council.
 1. The per diem amount shall be calculated to include compensation for temporary relocation to a motel or hotel accommodation which is safe, sanitary, located in San Rafael and contains standard amenities such as a telephone; meals, if the temporary accommodation lacks cooking facilities; laundry, if the rental property included laundry facilities; and accommodations for lawful pets if the temporary accommodation does not accept pets.
 - ii. If the tenant household accepts the offer and the temporary displacement period will exceed twenty-nine (29) days, the landlord shall prepay to the household in weekly increments the applicable per diem amount during the temporary displacement period and the landlord shall not proceed with a no fault termination pursuant to subsection (C)(3) of Section 10.105.040.
 - iii. If the tenant household rejects the offer, the landlord may proceed with a no fault termination pursuant to subsection

(C)(3) of Section 10.105.040. In such case, all the requirements regarding no fault terminations shall apply, including requirements to provide permanent relocation assistance.

b. Comparable onsite unit or comparable offsite unit.

- i. As an alternative to offering per diem assistance, a landlord may offer to provide the tenant household with a comparable onsite unit or a comparable offsite unit for the duration of the temporary displacement period. In such case, the landlord has no obligation to offer per diem assistance.
- ii. If the tenant household accepts the offer, the landlord shall allow the tenant household to reside in the comparable onsite unit or comparable offsite unit at no cost during the temporary displacement period and the landlord shall not proceed with a no fault termination pursuant to subsection (C)(3) of Section 10.105.040.
- iii. If the tenant household rejects the offer and the temporary displacement period will exceed twenty-nine (29) days, the landlord may proceed with a no fault termination pursuant to subsection (C)(3) of Section 10.105.040. In such case, all the requirements regarding no fault terminations shall apply, including requirements to provide permanent relocation assistance.

2. Notice of Temporary Relocation Assistance.

- a. Not less than sixty (60) days before the date on which a household will be required to temporarily vacate its original unit, the landlord shall provide a notice of relocation assistance to the tenant household that will be temporarily relocated. A shorter notice period may be permitted at the Director's discretion in emergency situations.
- b. The notice of relocation assistance shall be in the same language and/or dialect as the rental agreement was negotiated.
- c. The notice of relocation assistance shall contain the following:
 - i. A statement that the landlord intends to substantially rehabilitate for health and safety or intends to conduct rehabilitations that require a displacement of less than thirty (30) days but would otherwise qualify as a substantial rehabilitation for health and safety.
 - ii. A description of the rehabilitation to be completed and the estimated relocation period.

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- iii. The type and/or amount of the temporary relocation assistance payment offered as required by subsection (B)(1) of section 10.111.050.
 - iv. The amount of the permanent relocation assistance payment that would be required if the tenant were permanently displaced, itemized in the manner set forth in subsections (a) through (d) of subsection (C)(1) of section 10.111.050 regarding calculation of relocation assistance.
 - v. The date by which the first temporary relocation assistance payment will be delivered to the tenant household, and the dates upon which subsequent payments will be delivered.
 - vi. A copy of San Rafael Municipal Code Chapter 10.111.
3. Certification of Temporary Relocation Assistance and Administrative Fee. Within ten (10) days of issuance of a notice of temporary relocation assistance pursuant to subsection (B)(2) of section 10.111.050 of this chapter, the landlord shall submit to the city's community development department a completed certification of relocation assistance on a form approved by the city along with an administrative fee in an amount set forth by separate resolution of the city council, which fee shall offset the costs in administering this chapter.

The certification of temporary relocation assistance shall include the following information:

- a. The address of each dwelling unit in the rental property that will be temporarily relocated;
 - b. The monthly rent for each of those dwelling units; and
 - c. The name of every person the landlord considers to be a resident under an oral lease, written lease, or other rental agreement.
4. Payment of Temporary Relocation Assistance.
 - a. The date of the first temporary relocation assistance payment must be on or before the first day of the temporary displacement period.
 - b. Temporary relocation assistance shall be paid per tenant household, not per tenant.
 5. Verification of Payment of Temporary Relocation Assistance. At least fifteen (15) days before the start of the temporary displacement period, the city must receive from the landlord a relocation plan on a form approved by the Director and signed by the tenant. Failure to submit verification may result in revocation of the permits required to perform the substantial rehabilitation for health and safety.

C. Permanent Relocation Assistance:

1. Calculation of Permanent Relocation Assistance. A tenant household that is eligible to receive permanent relocation assistance pursuant to this chapter shall be entitled to a permanent relocation assistance payment equal to the sum of the following:

4a. First and Last Month's Rent. Payment for first and last month's rent shall be equal to two (2) times the greater of (1) the rent established by a lease between the landlord and the tenant household, or (2) the current Fair Market Rent published annually by the U.S. Department of Housing and Urban Development for the San Francisco, CA HUD Metro FMR Area, corresponding to the number of bedrooms in the subject dwelling unit; and

2b. Security Deposit. Payment for a security deposit shall be established by city council resolution and based upon the number of bedrooms in the property; and

3c. Moving Expenses. Payment for moving expenses shall be established by city council resolution and based on the number of bedrooms in the property; and

4d. Per Diem. A per diem payment for each day remaining in the calendar month in which the tenancy is terminated. The per diem amount shall be established by city council resolution, to compensate for costs such as short-term rental accommodations, meals, and other related costs, and based upon tenant household size; and

5e. Supplemental Payments. Tenant households that qualify for the supplemental payment categories set forth in this subsection shall receive up to one (1) supplemental payment. Supplemental payments shall be equal to one (1) month's rent calculated using the greater of (1) the monthly rent established by a lease between the landlord and the tenant household; or (2) the current Fair Market Rent published annually by the U.S. Department of Housing and Urban Development for the San Francisco, CA HUD Metro FMR Area, corresponding to the number of bedrooms in the subject dwelling unit.

Supplemental payment categories include:

aj. Tenant households with minor child(ren). Households with at least one minor child(ren).

bj. Tenant households with elderly individual. Households with at least one elderly individual.

eij. Tenant households with disabled individual. Households with at least one disabled individual.

B2. Notice of Permanent Relocation Assistance.

4a. Not less than sixty (60) days before a tenancy is terminated pursuant to subsection (C) of section 10.105.040, the landlord shall provide a Notice of relocation assistance to the tenant household whose tenancy will be terminated.

2b. The notice of relocation assistance may be provided along with or incorporated within the notice of termination required pursuant to section 10.105.050.

3c. The notice of relocation assistance shall be in the same language and/or dialect as the rental agreement was negotiated.

4d. The notice of relocation assistance shall contain the following:

a. The amount of the relocation assistance payment itemized in the manner set forth in subsections (4a) through (4d) of subsection (AC)(1) of section 10.111.050 regarding calculation of relocation assistance;

b. A statement informing the tenant household that it may submit evidence of eligibility for a supplemental payment pursuant to subsection (5e) of subsection (AC)(1) of section 10.111.050 of this Code within twenty-one (21) days of receipt of the notice of relocation assistance.

c. The date by which the relocation assistance payment will be delivered to the tenant household; and

d. A copy of San Rafael Municipal Code Chapter 10.111.

3. Certification of Permanent Relocation Assistance and Administrative Fee. Within ten (10) days of issuance of a notice of permanent relocation assistance pursuant to subsection (BC)(2) of section 10.111.050 of this chapter, the landlord shall submit to the city's community development department, a completed certification of relocation assistance on a form approved by the city along with an administrative fee in an amount set forth by separate resolution of the city council, which fee shall offset the costs in administering this chapter.

The certification of permanent relocation assistance shall include the following information:

4a. The address of each dwelling unit in the rental property that is subject to the no-fault termination;

2b. The monthly rent for each of those dwelling units; and

3c. The name of every person the landlord considers to be a resident under an oral lease, written lease, or other rental agreement.

D4. Payment of Permanent Relocation Assistance.

4a. Not less than thirty (30) days before the final date of the terminated tenancy, the landlord shall deliver, via certified mail or personal service, to the address of the terminated tenancy, the relocation assistance required by this chapter.

2b. The relocation assistance payment shall be equal to the sum of the amounts required by subsections (4a) through (4d) of subsection (AC)(1) of section 10.111.050, and shall include the amount set forth in subsection (5e) of subsection (AC)(1) of section 10.111.050 if the tenant household has provided timely evidence of eligibility for a supplemental payment. The owner must keep all such evidence and documents submitted by the tenant household confidential.

3c. Relocation assistance shall be paid per tenant household, not per tenant.

4d. Relocation assistance shall be paid via check or cashier's check made out to the person(s) who are named on the lease for the terminated tenancy.

E5. Verification of Payment of Permanent Relocation Assistance. At least fifteen (15) days before the date that a tenant household will be required to vacate issuance of demolition permits, building permits or other city permits and/or entitlements that would result in no fault termination subject to Chapter 10.105 of this Code, the city must receive verification from the landlord of the property seeking said permits and/or entitlements that all relocation assistance required pursuant to this chapter has been paid. This verification shall be submitted in a form approved by the Director community development department. Failure to submit verification may result in revocation of the permits required to perform the substantial rehabilitation for health and safety.

10.111.060 Notices.

Whenever any notice or other communication is required by this chapter to be served on, provided, given or delivered to, or filed with, any person, that notice or communication may be communicated by personal delivery, certified mail, first class mail, e-mail, or any other similar method that will provide a written record of the notice or communication.

10.111.080070 Failure to comply—Private right of action.

Any attempt to recover possession of a rental unit in violation of this chapter shall render a landlord liable to the tenant for damages permitted by law in a civil action for wrongful eviction. A tenant may also seek injunctive relief and money damages for wrongful eviction and/or failure to pay relocation assistance, including failure to pay a supplemental payment where the tenant household has timely submitted evidence of eligibility for a supplemental payment pursuant to subsection (5e) of subsection (AC)(1)

of section 10.111.050 of this Code. The prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

10.111.090080 Expiration on termination of federal opportunity zone designation.

This chapter is intended to provide assistance to renters experiencing higher risks of displacement and renters affected by the opportunity zone designation authorized by the 2017 Tax Cuts and Jobs Act. At such time as the opportunity zone designation is lifted from Census Tract 1122.03 and 1122.04 ~~1122.04~~ or the Act is amended so as to not provide its stated tax benefits to investments within Census Tract 1122.03 and 1122.04~~1122.04~~, the provisions of this Chapter shall expire and become null and void. The city council shall repeal this chapter should it expire by the terms of this section.

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL
AMENDING RESOLUTION 14895 TO INCLUDE TEMPORARY RELOCATION
ASSISTANCE PAYMENT AMOUNTS AND ADMINISTRATIVE PROCESSING FEE
PURSUANT TO SAN RAFAEL MUNICIPAL CODE CHAPTER 10.111 –
RELOCATION ASSISTANCE IN OPPORTUNITY ZONES**

WHEREAS, on March 15, 2021, the City Council adopted Ordinance No. 1992, adding Chapter 10.111 – Relocation Assistance in Opportunity Zones to the San Rafael Municipal Code (“SRMC”); and

WHEREAS, each of the findings and recitals set forth in Ordinance No. 1992 is incorporated herein by this reference; and

WHEREAS, Ordinance No. 1992 establishes the calculation for permanent relocation assistance payments and requires that the permanent relocation assistance required by the Ordinance include payments for security deposit, moving expenses, and per diem; and

WHEREAS, on March 15, 2021, the City Council adopted Resolution 14895, establishing the payment amounts for security deposit, moving expenses, and per diem; and

WHEREAS, on April 15, 2024, the City Council adopted Ordinance _____, an urgency ordinance providing for temporary relocation of tenants in cases of substantial rehabilitation for health and safety for properties in the Canal Opportunity Zone; and

WHEREAS, Ordinance _____ requires a property owner to provide temporary relocation assistance payments or a comparable unit during the temporary displacement period; and

WHEREAS, temporary displacement for less than 30 nights requires temporary lodging or short-term rental; and

WHEREAS, October 2023 data from Dean Runyon and Associates found that visitors to Marin County spend on average \$244 per person for lodging and food when they stay overnight, with this number increasing by as much as an additional 10-15% during the summer season; and

WHEREAS, Fiscal Year 2024 federal per diem rates for San Rafael from the U.S. General Services Administration allot \$189 for daily lodging excluding taxes and \$74 for meals and incidentals, for a total of \$263; and

WHEREAS, for rehabilitation projects lasting longer than 29 days, a displaced tenant may be able to execute a month-to-month rental lease agreement; and

WHEREAS, the U.S. Department of Housing and Urban Development publishes the Fair Market Rent (FMR) annually for the San Francisco, CA HUD Metro FMR Area, corresponding to the number of bedrooms in a dwelling unit; and

WHEREAS, City staff time is required to review relocation assistance documentation submitted by property owners.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of San Rafael hereby amends Resolution 14895 as follows:

SECTION 1. SECURITY DEPOSIT

If permanently displaced through a no fault termination, a tenant household shall be entitled to a security deposit payment in an amount equal to the greater of (1) the monthly rent established by the lease between the landlord and the tenant household as defined in SRMC Chapter 10.111, or (2) the current Fair Market Rent (FMR) published annually by the U.S. Department of Housing and Urban Development for the San Francisco, CA HUD Metro FMR Area, corresponding to the number of bedrooms in the subject dwelling unit.

SECTION 2. MOVING EXPENSES

If permanently displaced through a no fault termination, a tenant household shall be entitled to the following moving expense payment:

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Moving Expenses	\$ 500	\$ 500	\$ 750	\$ 1,000	\$ 1,500

SECTION 3. PER DIEM

If permanently displaced through a no fault termination, a tenant household shall be entitled to a per diem equal to one hundred fifty dollars (\$150) for every day between the eviction date and the start of the next calendar month.

SECTION 4. MONTHLY RENT. Where this Resolution and Ordinance No. 1992 refer to “rent established by the lease between the landlord and the tenant household,” said “rent” shall be calculated as the highest monthly rental amount paid to the landlord by the tenant household within the year prior to issuance of a Notice of Relocation Assistance.

SECTION 5. TEMPORARY RELOCATION ASSISTANCE PAYMENT

If a tenant household is temporarily displaced for substantial rehabilitation for health and safety and is not offered a comparable unit, the tenant household shall be entitled to the following payment:

- ii. \$250 per day for the first 29 days of the temporary displacement period.

- ii. For each day beyond the 29th day of the temporary displacement period, the greater of (1) one thirtieth (1/30) of the monthly rent established by the lease between the landlord and the tenant household, or (2) one thirtieth (1/30) of the current monthly Fair Market Rent (FMR) published annually by the U.S. Department of Housing and Urban Development for the San Francisco, CA HUD Metro FMR Area, corresponding to the number of bedrooms in the subject dwelling unit.

SECTION 6. ADMINISTRATIVE FEE

The property owner shall pay an administrative fee covering the actual cost of City review of relocation assistance documentation. The fee will be calculated using the fully burdened rate of staff reviewers and based on the time required for review.

SECTION 57. REPORTING

1. Not less than annually, the Community Development Department shall provide an update and report to the City Council on pending Opportunity Zone projects. Where possible, these updates and reports shall use publicly available information, including but not limited to Planning and Building Applications for residential development projects which may trigger a temporary relocation or no-fault eviction;
2. Number of “Notice of Relocation Assistance” filings;
3. Number of “Certification of Relocation Assistance” filings;
4. Renter Relocation Assistance Administrative fee payments; and,
5. Requests for Supplemental Renter Relocation Assistance.

SECTION 68. AMENDMENT

This Resolution and the amounts set forth in this Resolution may be amended by the City Council in their sole discretion and at any time to ensure that the Resolution and the amounts set forth herein are appropriate and effective.

I, LINDSAY LARA, City Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on the 15th day of April 2024, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk