



SAN RAFAEL

THE CITY WITH A MISSION

New Policy in the Canal Opportunity Zone: Temporary Relocation Assistance and Tenant Right to Return to Unit Following Repairs

Pickleweed Park

June 18, 2024

Agenda

- Purpose of New Policy
- Canal Opportunity Zone
- Existing City Policies on Eviction and Relocation Assistance
- Overview of New Policy
- Relocation Payment Amounts
- Notice of Relocation – Process and Timeline
- Allowable Rent Increase

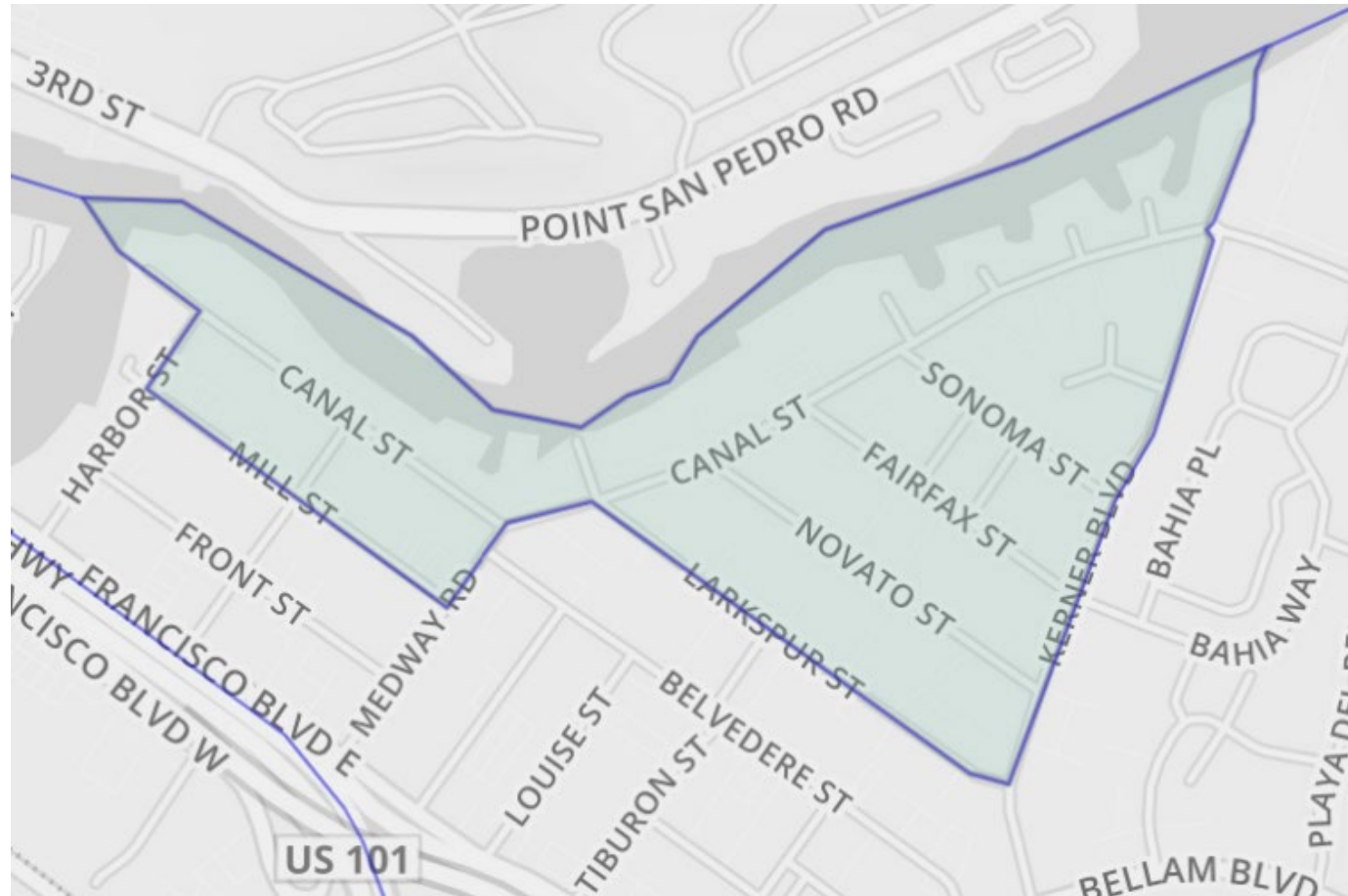
Purpose of the New Policy

To prevent tenant displacement due to rehabilitation of their rental housing

What is an Opportunity Zone?

- Community with high concentration of poverty
- Federal government provides tax benefits for investment
- Meant to stimulate economic development and job creation

Canal Opportunity Zone



Properties within 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

Existing San Rafael Policy: Cause Required for Eviction

Regulates grounds for eviction in properties with 3+ dwelling units

FOR CAUSE

- Failure to pay rent
- Breach of rental contract
- Illegal activities
- Threat of violent crime
- Nuisance behavior

NO FAULT

- Removal of unit from rental market
- Owner move-in
- Substantial rehabilitation for health and safety
- Tenant refusal to execute lease

Existing San Rafael Policy: Permanent Relocation Assistance

- **Citywide:** Low-income tenants displaced due to renovation or rehabilitation are eligible for a payment from their landlord equal to two months rent.
- **Canal Opportunity Zone:** A tenant who has lived in their unit for at least 30 days is eligible for a payment from their landlord if they are displaced because:
 - The property owner will permanently remove the unit from the rental market.
 - The property owner will move into the unit.
 - The property owner will substantially rehabilitate the unit for health and safety reasons.

Amendment to Cause Required for Eviction – OZ Only

Regulates grounds for eviction in properties with 3+ dwelling units

FOR CAUSE

- Failure to pay rent
- Breach of rental contract
- Illegal activities
- Threat of violent crime
- Nuisance behavior

NO FAULT

- Removal of unit from rental market
- Owner move-in
- ~~Substantial rehabilitation for health and safety~~
- Tenant refusal to execute lease

Temporary Relocation and Right to Return

While the unit is being repaired:

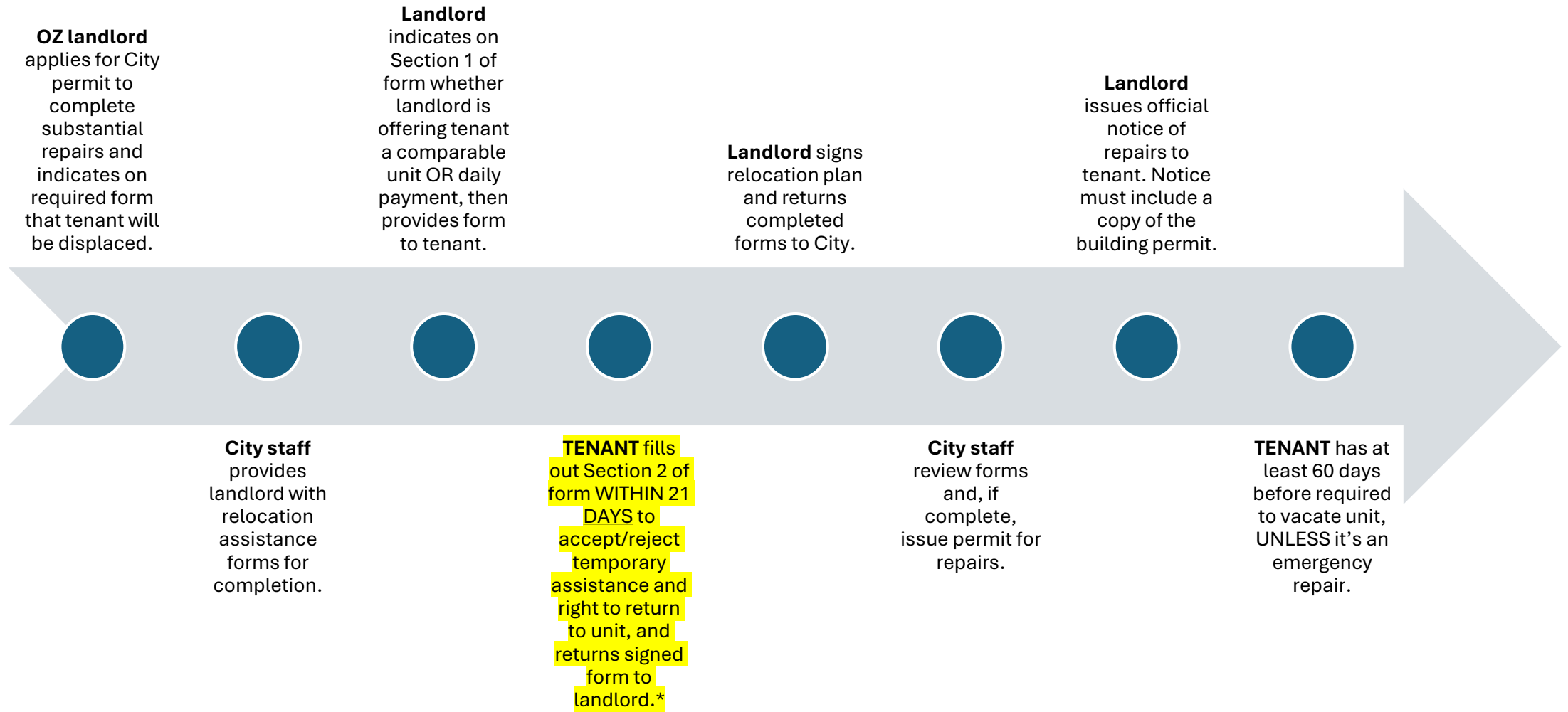
- **The tenant** must continue to pay rent.
- **The property owner** must either:
 - a) Pay the tenant a daily amount to cover the cost of temporary lodging; **OR**
 - b) Provide a comparable unit on the property or another property in San Rafael.

Temporary Relocation Payments

- **Day 1 thru Day 29:** \$250 per day for hotel/motel/short-term rental
- **Day 30+:** 1/30 of the tenant's monthly lease rent or the current Fair Market Rent, whichever is greater

For example:

- 2024 Fair Market Rent for a two-bedroom is \$3,359
- $\$3,359 / 30 = \112 per day



*If displacement will last 30 days or more, tenant has the option to move out permanently and receive permanent relocation assistance payment.

Effective Dates

April 15, 2024 – December 31, 2026

Allowable Rent Increase After Rehabilitation

By how much can the landlord increase the rent when the tenant returns to the unit?

The tenant's rent can be increased by up to the maximum allowable amount under State Law, which is currently 8.8% in a 12-month period.

The landlord's ability to raise the rent is the same as if the tenant had remained in the unit and was not temporarily displaced.



SAN RAFAEL

THE CITY WITH A MISSION

QUESTIONS?
