




Agenda Item No: 5.c
Meeting Date: March 15, 2021

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by: Paul Jensen (EG)
Director

City Manager Approval: _____ 

TOPIC: OPPORTUNITY ZONE RENTER RELOCATION PAYMENT AMOUNTS

SUBJECT: RESOLUTION ESTABLISHING RELOCATION ASSISTANCE PAYMENT AMOUNTS PURSUANT TO SAN RAFAEL MUNICIPAL CODE CHAPTER 10.111 – RELOCATION ASSISTANCE IN OPPORTUNITY ZONES

RECOMMENDATION: Adopt Resolution.

BACKGROUND: On [March 1, 2021](#), the City Council passed to print Ordinance No. 1992, adding Chapter 10.111 to the San Rafael Municipal Code entitled “Relocation Assistance in the Opportunity Zone.” Final adoption of the ordinance is on the City’s consent agenda at this meeting and, with approval, the ordinance will go into effect in 30 days. Ordinance No. 1992 expands renter relocation assistance for tenants displaced because of a no-fault eviction within the City of San Rafael’s federally designated Opportunity Zone, U.S. Census Tract No. 1122.01.

Ordinance No. 1992 provides that the tenant household being evicted must be provided with relocation assistance to compensate the tenant household for the costs of moving to a new rental unit, including payments for first and last month’s rent, a security deposit, moving expenses, and, for households evicted prior to the end of a calendar month, a per diem payment for each day between the eviction date and the start of the next calendar month, when a new tenancy is assumed to begin, to compensate for temporary housing during that period. In addition, some tenant households may be entitled to a supplemental payment based upon household characteristics, including households having a minor child or children, an elderly individual, or a person with a disability.

Ordinance No. 1992 provides that the amount of the security deposit, moving expense, and per diem payments shall be set by City Council resolution.

ANALYSIS: The proposed resolution would set relocation assistance payment amounts for the following categories and levels:

FOR CITY CLERK ONLY

File No.: _____
Council Meeting: _____
Disposition: _____

1. Security Deposit: equal to one month's rent in the existing tenancy. Under Chapter 10.111, rent is defined as the higher of the leased rent amount or the annual HUD defined Fair Market Rent.¹
2. Moving Expenses: moving expense payments are set at \$500 for studio and 1-bedroom apartments, \$750 for 2-bedroom apartments, \$1,000 for 3-bedroom apartments, and \$1,500 for 4-bedroom apartments; and
3. Per diem for Temporary Housing: \$150 per diem payment to households who are displaced before the end of the month. Payment would be equal to \$150 for every day between the eviction and the start of the next month. This payment would be intended to cover temporary housing costs related to a partial month move.

The resolution provides that for purposes of the above payments, the "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.

In addition to setting relocation assistance payment amounts, the proposed resolution also requires periodic, but at least annual public reports from the Community Development on pending Opportunity Zone projects. Where possible, these updates and reports will use publicly available information, including but not limited to:

1. Planning and Building Applications for residential development projects which may trigger a 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.

FISCAL IMPACT: There is no direct fiscal impact to the City for adopting this resolution. In the event of a renter relocation assistance payment under Chapter 10.111, the landlord would be required to pay an administrative fee equal to between 10% to 20% of the renter relocation assistance payment to the Tenant. As discussed early, these funds would be used to cover costs associated with implementation of the program including hiring a third-party to provide administration services on behalf of the City.

OPTIONS:

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

1. Adopt resolution as presented.
2. Adopt resolutions with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt resolution.

ATTACHMENTS:

Resolution

¹ The proposed resolution corrects an incorrect description in the March 1, 2021 staff report which is correct in the Ordinance and does not change the relocation assistance amount. The staff report's description showed payments as including first month's rent (1 x rent) and a security deposit payment equal to two times the first month's rent (2 x rent). Ordinance No. 1992 actually requires separate payments for first and last month's rent (2 x rent) and a security deposit payment equal to one month's rent (1 x rent).

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL
ESTABLISHING RELOCATION ASSISTANCE PAYMENT AMOUNTS 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, in adopting Ordinance No. 1992, the City Council made numerous findings regarding the disproportionate impacts that no-fault evictions have on older adults, disabled, and low-income tenants and tenants with minor children, justifying additional payments for households with these tenants; 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 relocation assistance payments and requires that the relocation assistance required by the Ordinance include payments for security deposit, moving expenses, and per diem; and

WHEREAS, this Resolution establishes the payment amounts for security deposit, moving expenses, and per diem; and

WHEREAS, the City Council finds that property owners generally require an incoming tenant to make a security deposit payment equal to one month’s rent upon execution of a rental lease agreement, therefore the relocation assistance should include an amount to compensate tenants for this cost; and

WHEREAS, the City Council finds that: rental lease agreements generally commence on the first day of the month following their execution, and tenants often must find temporary housing for the period between the date the new lease agreement is executed and the date on which the tenancy commences; and the November 2019 Marin County Visitor’s Bureau’s State of the Visitor Industry in Marin County Economic Report found that visitors to Marin County spend on average \$147 when they stay overnight; therefore the relocation assistance should include an amount to compensate tenants for this cost; and

WHEREAS, the City Council finds that a 2019 Zillow research study found that the average moving cost: for a 1-bedroom apartment ranged from \$200 to \$500; for a 2-bedroom apartment ranged from \$400 to \$700; for a 3-bedroom apartment ranged from \$560 to \$1,000; and for a 4-bedroom apartment ranged from \$800 to more than \$2,000; and

WHEREAS, the City Council finds and declares that without robust reporting requirements in the Tax Cuts and Jobs Act, the City Council, staff, and community at large have no means to track or be notified of pending Opportunity Zone projects; and

WHEREAS, the City Council declares it is in the best interest of the City to understand when Opportunity Zone projects are implemented within the City because these projects may increase the likelihood of no-fault evictions leading to the displacement of marginalized tenants; and

WHEREAS, in order to ensure the City is better apprised of the implementation of Opportunity Zone projects, the City Council desires to receive periodic updates and reports on pending Opportunity Zone projects;

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of San Rafael hereby adopts the following relocation assistance payment amounts and reporting requirements:

SECTION 1. SECURITY DEPOSIT

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 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

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

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. 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 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 6. 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 March 2021, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk