ORDINANCE NO. 2450

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY REPEALING AND REPLACING CHAPTER 42 OF THE REDWOOD CITY CODE REGARDING RELOCATION ASSISTANCE

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

Section 1. Chapter 42 of the Redwood City Code is hereby repealed and replaced as provided in Exhibit A, which is attached hereto and incorporated herein by reference. Wording in brackets ([example]) is informational only and is not to be included in the published ordinance.

Section 2. Adoption of this ordinance is not a project within the meaning of the California Environmental Quality Act (CEQA) because the ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15378). Even if adoption of the ordinance were a project, it would be exempt from CEQA because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment (CEQA Guidelines Section 15061(b)(3)).

Section 3. If any section, subsection, sentence, clause or phrase of the ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it should have adopted the ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Section 4. The City Clerk shall publish this ordinance in accordance with applicable law.

Section 5. Effective date. This Ordinance shall go into effect on January 1, 2019.
Exhibit A

[Chapter 42 of the Redwood City Code is repealed and replaced to read as follows:]

Chapter 42
Relocation Assistance

Sections

Section 42.1 Short Title, Authority and Applicability
Section 42.2 Purpose
Section 42.3 Definitions
Section 42.4 Requirement to Provide Relocation Assistance
Section 42.5 Relocation Assistance
Section 42.6 Relocation Assistance Payments
Section 42.7 Tenant Displacement Notices
Section 42.8 Landlord Submittal Requirements
Section 42.9 Alternative Mitigation
Section 42.10 Administrative Regulations
Section 42.11 Mitigation not Exclusive

42.1 Short Title, Authority, and Applicability

A. This Chapter shall be known and may be cited as the “Relocation Assistance Ordinance.”

B. The requirements established pursuant to this Chapter are adopted under the authority of California Constitution Article XI, Section 7, which provides: "A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws," and in accordance with the purpose set forth in the ordinance codified in this Chapter.

C. This Chapter shall apply to the extent permitted by the statutes and laws of the State of California.

42.2 Purpose

The primary purpose for relocation assistance is to minimize disruption to tenants and their families caused by a need for relocation by addressing financial impacts. Securing replacement housing generally requires a significant amount of money for expenses related to a physical move, such as first and last month’s rent and security deposits. Projects assisted with Federal and State funds are subject to requirements to provide relocation assistance to households displaced by those projects. There is currently no state mandate for landlords to assist displaced tenants by compensating for relocation costs. While an unanticipated move may be challenging for any tenant, it is especially difficult for extremely low, very low and low income households.
42.3 Definitions

The following words and terms as used in this Chapter shall have the meaning respectively ascribed thereto:

A. Application. Any application required to be submitted to the City for discretionary or ministerial approval of a land use change or improvement of real property that will result in a permanent displacement of a residential household.

B. Displace or Displacement. The vacating of one (1) or more rental units on properties with five (5) or more units by residential households upon notice from the landlord as the result of or to enable any of the following:

1. The landlord seeks to withdraw all rental housing units from the rental housing market as provided in Government Code Section 7060, et seq.;

2. The landlord seeks to recover possession to demolish or otherwise remove a residential rental housing unit from residential rental housing use after having obtained all proper permits from the City, if any such permits are required;

3. The landlord seeks to recover possession to remodel, renovate or rehabilitate the unit(s) resulting in permanent displacement of tenants;

4. The landlord seeks the conversion of a building into a condominium, community apartment or stock cooperative, as those terms are defined in California Government Code and Business and Professions Code; or

5. A change of use of real property from a residential use to a nonresidential use that requires a permit from the City.

C. For the purposes of this Chapter, a displacement does not include a vacation of a rental unit as the result of the following:

1. A conversion of any portion of a mobile home park regulated and processed pursuant to Chapter 28 of this code;

2. A landlord's compliance with an enforcement order of the City chief building official for which the property owner has been ordered to pay relocation expenses pursuant to Health and Safety Code Section 17975, et seq., or any other state or federal law;

3. The residential household is required to vacate the rental unit due solely to damage resulting from an earthquake, fire, flood, natural disaster, civil disturbance, or accident outside the control of the landlord; or

4. Temporary displacement where tenants have been provided with alternative housing on site or nearby provided that such displacement shall be for a period of no more than one year.
5. Expiration of a lease that was not extended by the operation of Civil Code Section 1945.

D. Eligible residential household. A displaced residential household whose annual household income does not exceed eighty (80) percent of the area median household income for San Mateo County as adjusted for household size according to the United States Department of Housing and Urban Development, as may be adjusted from time to time, and whose rental payments to the landlord remain current through the date of displacement. The presumption of eligibility specified in the preceding sentence shall not apply where the landlord provides evidence of any of the following circumstances:

1. The residential household’s occupancy ended due to the expiration of a term lease or termination of a month to month rental agreement and the tenancy was not extended by the operation of Civil Code Section 1945; or

2. The residential household (a) is in the process of being evicted pursuant to the terms of the rental agreement for failure to pay rent or other breach of the rental agreement; or (b) has been found guilty of unlawful detainer pursuant to Subdivisions 2, 3, 4 or 5 of Section 1161 of the Code of Civil Procedure as evidenced by a final judgment of a court of competent jurisdiction; or (c) has entered into a stipulated agreement in an unlawful detainer action which requires vacation of the premises; or

3. The residential household received written notice, prior to entering into a written or oral agreement to become a tenant, that an application to convert their rental unit to another use was on file with the City or had already been approved and would result in their displacement.

E. Landlord. An owner, lessor or sublessor of property (including any person, firm, corporation or other entity) who receives or is entitled to receive rent for the use of any rental unit, or the agent, representative or successor of any of the foregoing.

F. Lease. Any form of rental agreement, whether written or oral.

G. Rental unit. A habitable structure offered for rent and used as a place of permanent or customary and usual abode of a residential household. Rental units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A rental unit shall not include:

1. A room or any other portion of any residential unit which is occupied by the landlord or a member of the landlord’s immediate family.
2. Properties where four (4) or fewer dwelling units are located on one (1) lot, including single-family, duplex, tri-plex, or four-plex homes, and accessory dwelling units.

3. A mobile home.

4. Housing accommodation in hotels, motels, inns, tourist homes and boarding or lodging houses.

5. A unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.

6. An on-site manager's living unit.

7. A unit where the tenancy is an express condition of, or consideration for, employment by a landlord.

H. Residential household. Any person or group of persons entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

I. Special-circumstances households. An eligible residential household with any of the following characteristics:

1. At least one (1) member is sixty-two (62) years of age or older.

2. At least one (1) member qualifies as disabled as defined by Title 42, United States Code, Section 423 or handicapped as defined by California Health and Safety Code Section 50072.

3. A household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes).

4. A household that has occupied their unit as their primary residence for five (5) or more consecutive years.

J. Tenant. A tenant, subtenant, lessee, sublessee or any other person entitled to use or occupancy of a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

K. Third-party agency. Relocation assistance specialist, agency and/or other third-party agency hired by the City and paid for by the landlord to assist with the relocation assistance process set forth in this ordinance.

L. Primary Residence. A primary residence is a dwelling unit where a person has been physically present and that the person regards as home. A person may only have one primary residence at any given time. Evidence of a person's primary residence includes, but is not limited to, documentation from income tax statements or a driver's license. If a property has multiple dwelling units,
including an accessory dwelling unit or apartment complex, each dwelling and accessory dwelling shall be considered a separate residence subject to the primary residence requirement.

42.4 Requirement to Provide Relocation Assistance

Any landlord that shall cause the permanent displacement of residential households shall be subject to paying eligible residential households relocation assistance in accordance with the provisions of this Chapter. Displacements occurring as a result of a project for which an application was submitted and deemed complete prior to January 1, 2019 shall not be subject to the requirements of this ordinance.

42.5 Relocation Assistance

A. The landlord shall provide relocation assistance, where required by Sec. 42.4, to eligible residential households in accordance with the following requirements, unless an alternative mitigation strategy as defined in section 42.9, below, has been approved by the City:

1. A full refund of a tenant’s security deposit, except for funds that may be necessary to repair tenant’s damage to property in rental units that will be reoccupied prior to undergoing renovation or demolition.

2. A sixty (60) day subscription to a rental agency service. The costs of a rental agency shall be fair and reasonable based on current market pricing.

3. The cash equivalent of three (3) months’ rent shall be paid to the residential household renting a unit. The amount to be paid shall be calculated at the time the relocation application is approved by the City based on the most recent Department of Housing and Urban Development’s Fair Market Rent calculation for San Mateo County for a similar-sized unit with the same number of bedrooms.

4. Special-circumstances households will be paid one (1) additional month of rent for a maximum of four (4) months’ rent.

5. An administrative fee as set forth in Section 42.6(F) below.

42.6 Relocation Assistance Payments

A. Third-party processing. The City shall hire a third-party agency to provide tenant relocation assistance. Landlord shall pay the fees for the third-party agency and shall deposit sufficient funds with the third-party agency and/or City (as determined by the City) when an application is filed to cover the estimated cost of the relocation assistance services. The third-party agency shall provide bilingual assistance, as necessary, and hold an informational meeting with tenants,
respond to questions, verify current household incomes, disperse checks to eligible households and provide an accounting of dispersed funds to the landlord and City.

B. Payments escrow account. The landlord shall open an escrow account with an entity qualified to provide escrow services within the State of California and deposit relocation assistance funds into that account no later than thirty (30) days after filing an application that will be used by the third-party agency for relocation assistance payments to eligible residential households. The amount of the deposit shall be determined by the Community Development Director or his/her designee and unused funds shall be returned to the landlord after all relocation assistance has been paid as verified by the third-party agency.

C. Relocation assistance claims. Tenants requesting relocation assistance must provide the necessary information to the third-party agency who will determine their eligibility for relocation assistance and eligible residential households must complete a claim form. Tenants must file a claim before the date to vacate as stated on the notice of termination in order to be eligible for relocation assistance payments. After determination of eligibility, half of the relocation assistance shall be paid to eligible residential households within fifteen (15) days of the date the claim form is submitted to the third-party agency and the remaining half shall be paid when the household vacates the unit.

D. Payments to eligible residential households. Relocation assistance is paid per rental unit, not per tenant. If multiple households or individuals occupy a rental unit, relocation assistance shall be paid to the household or individual entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

E. Verification of payment. Prior to issuance of demolition permits, building permits or other City permits that would result in the removal of a rental unit subject to this Chapter, the City must receive verification from the third-party agency that all eligible residential households who applied and qualified for assistance have received relocation assistance. This verification shall be submitted in a form acceptable to the City.

F. Administrative costs. The City shall collect the administrative fee in an amount to be set by resolution of the City Council.

42.7 Tenant Displacement Notices

A. Notice of intent. No later than thirty (30) days after filing an application, either the landlord or the landlord’s agent shall notify each residential household residing on the subject real property that the landlord has filed an application with the City. The notice shall be sent by regular and certified mail and posted on the door
of each rental unit. The landlord must submit evidence of compliance with this section to the City in order for the application to be deemed complete.

For each such notice, the landlord shall use a notice of intent form provided by the City that shall contain the following information:

1. The name and address of the current property owner and the project developer;

2. A description of the application(s) being filed and a general time frame to complete the work described in the application;

3. An explanation of the relocation assistance available to eligible residential households and special-circumstances households, information on eligible residential household incomes and the procedure for submitting claims for relocation assistance;

4. Contact information for the third-party agency that will be assisting with the relocation assistance process. This contact information and a brief explanation of the purpose of the notice shall be translated into non-English languages as provided by the City;

5. The residential household's right to receive written notice for each hearing and right to appear and be heard at land use hearing, if applicable; and

6. Other information deemed necessary or desirable by the Community Development Department.

B. Notice of intent verification. The landlord or agent of the landlord shall submit to the City a duplicate copy of the notice of intent form given to each residential household and a declaration indicating that each notice was sent by regular and certified mail and posted on the door of the rental unit.

C. Notice of application approval. No later than fifteen (15) days after receiving final approval of a project application (including any appeal period), the landlord or the landlord's agent shall notify each residential household residing on the subject real property that the application has been approved. The notice shall be sent by regular and certified mail and posted on the door of each rental unit.

D. Notice of termination. Landlord shall provide a written notice of termination to all tenants subject to displacement pursuant to Civil Code Section 1946 and Section 1946.1.

42.8 Landlord Submittal Requirements

Concurrent with the filing of an application, the landlord shall provide the Community Development Department with the address number of each unit in the rental development, the monthly rents for those units and the names of every member of the residential household who is a signatory on a written lease or rental agreement for that
unit, the household income as shown on the lease or rental agreement and the number of household members included on the lease or rental agreement. Where there is no written lease or rental agreement, the landlord shall provide the name of every person the landlord considers to be a resident under an oral lease or rental agreement.

42.9 Alternative Mitigation

A. All applications governed by this section shall be required to submit the required information; however, the landlord may also submit an alternative mitigation strategy that meets the goals of this section. An alternative strategy may include, but shall not be limited to, providing other mitigation and concessions to tenants such as permanent relocation of displaced tenants into similar apartments on-site or nearby, ongoing rent concessions or suitable notice and other elements of mitigation that would serve the goals and purposes of this Chapter. Prior to submitting any alternative mitigation strategy, a landlord shall discuss the strategy with existing tenants and make good faith efforts to arrive at an alternative mitigation strategy that is acceptable to existing tenants. Evidence of tenant agreement with an alternative mitigation strategy may be submitted to the City for review. With each such alternative submission, the landlord shall provide complete information as determined necessary by the Community Development Director.

After an alternative mitigation strategy is submitted, the landlord shall provide notice of the submission by regular and certified mail and posted on the door of each rental unit. Tenants shall have fourteen (14) days from the date notice is posted or mailed, whichever is later, to submit comments on the alternatives to the Community Development Director.

Alternative mitigation proposals shall be approved or denied by the Community Development Director. Within seven days of the decision, the City shall provide notice of the decision to the landlord and all tenants. The Landlord or tenants may appeal any decision of the Community Development Director to the City Manager or designee within fourteen (14) days after notice is provided.

B. Landlord’s temporary withdrawal of residential rental units from the market shall not be subject to this Chapter for any units where, in the opinion of the Community Development Director, the landlord has provided suitable alternative temporary replacement housing accommodations on site or nearby.

42.10 Administrative Regulations
The Community Development Director may, from time to time, promulgate regulations implementing the provisions of this Chapter, violations of which shall be considered a violation of this section.

42.11 Mitigation Not Exclusive

Nothing in this section shall be interpreted to interfere with the City's ability and/or obligation to require relocation assistance for displaced tenants who are not covered by this Chapter.
ORDINANCE NO. 2450

At a Joint City Council/Successor Agency Board/Public Financing Authority Meeting thereof held on the 23rd day of July, 2018 by the following votes:

AYES, and in favor of the passage and adoption of the foregoing ordinance:

AYES: Aguirre, Borgens, Gee, Howard, Masur, Seybert and Mayor Bain

NOES: None

RECUSED: None

ABSENT: None

______________________________
Ian Alan Bain
Mayor of the City of Redwood City

Attest:

______________________________
Pamela Aguilar
City Clerk of Redwood City

I hereby approve the foregoing Ordinance
This 24th day of July, 2018

______________________________
Ian Alan Bain
Mayor of the City of Redwood City