



DATE: April 24, 2018

CATEGORY: Consent

DEPT.: City Attorney's Office and
Community Development Department

TITLE: **Amendments to the Tenant
Relocation Assistance Ordinance
(Second Reading)**

RECOMMENDATION

Adopt an Ordinance Amending Article XIII of Chapter 36 Relating to Tenant Relocation Assistance (Attachment 1 to the Council report). (First reading: 5-2; Abe-Koga, Matichak no)

SUMMARY

On March 6, 2018, the City Council considered amendments to the Tenant Relocation Assistance Ordinance (TRAO) to address certain provisions of the Community Stabilization and Fair Rent Act (CSFRA), such as the defined terms, income eligibility requirement, process, and applicability. In addition, the CSFRA requires a First Right of Return benefit for tenants who are displaced due to owner move-in, temporary repairs, demolition of the rental unit, and permanent withdrawal of the rental unit from the market as authorized by the Ellis Act. However, the CSFRA does not specify how long this first right of return should exist or provide guidance regarding the ability of a tenant to pursue damages under the Ellis Act. As the Ellis Act requires an ordinance be adopted to address a tenant's First Right of Return when rental units are "permanently withdrawn" from the rental market but later returned to the rental market, the City Council introduced an ordinance to provide clarity.

The City Council considered the policy direction of the Rental Housing Committee ("RHC") and the recommendations of the Environmental Planning Commission ("EPC"). The ordinance incorporates the recommendations of both the RHC and EPC and clarifies the following aspects of the first right of return:

1. A tenant will have the ability to seek actual and exemplary damages for the two years allowed under the Ellis Act.

2. A tenant will have a First Right of Return, including the same monthly rental payment (plus annual general adjustments) for the five years allowed under the Ellis Act. A tenant would be able to recover punitive damages against a landlord who fails to comply with the ordinance during this five-year period.
3. A tenant will have a First Right of Return for the 10 years allowed under the Ellis Act. Per the Ellis Act, the landlord would be required to first offer the returned unit to the tenant at a negotiated rate. A tenant would not be able to recover punitive damages against a landlord during this time period.

The City Council introduced the attached ordinance on March 6, 2018 and set a second reading for March 27, 2018. On March 27, 2018, the City Council continued this item to April 24, 2018.

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JLQ-AvD/KB/2/CAM
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Attachment: 1. Ordinance