

Item I-3: Proposed Amendments to the Relocation Ordinance (RMC 11.102) and Resolution

Regular Meeting of the Richmond Rent Board | October 18, 2017

Proposed Amendments to Relocation Ordinance: Purpose

- 1. Clarify provisions of the Relocation Ordinance that have proven ambiguous in the first 10 months of administration.**
- 2. Solicit feedback from the Rent Board and members of the public**

Proposed Amendments to Relocation Ordinance: Background

- Section 11.100.050(b) of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance provides Tenants evicted for Owner Move-In, Withdrawal from the Rental Market, or Substantial Repairs be provided relocation payments.
- The amounts of the payments are to be determined in a Relocation Ordinance.
- On December 20, 2016, the City Council adopted a provisional Relocation Ordinance (RMC 11.102) and Resolution No. 115-16.
- Authority to adopt an amended Relocation Ordinance and Resolution lie with the City Council

Proposed Significant Change#1: When Relocation Payment is Required— Substantial Repairs

If the period of repairs lasts:

- Within 60 days:
 - Landlord is not required to provide Temporary Relocation Payment and Tenant is not required to pay rent
- Between 61 and 120 days:
 - Landlord must make Temporary Relocation Payment and Tenant shall pay the rent in effect when the Tenant was served the notice of temporary termination
- If period of repairs lasts more than 120 days:
 - Landlord must make Rent Differential Payments
 - Rent Differential Payment is the difference between the rent paid at the time the tenant was served the temporary termination notice and the Fair Market Value (FMR) for a rental unit of the same size.
 - While Tenant is receiving Rent Differential Payments, Tenant is not required to pay rent (Section 11.102.030).

Proposed Significant Change#1: When Relocation Payment is Required -- Substantial Repairs

- A Landlord may provide the Tenant with a comparable Rental Unit in lieu of providing Temporary Relocation Payment.
- It shall be up to the Tenant to determine whether or not the Rental Unit is comparable (Section 11.102.030).

Proposed
Significant
Change#1:
When
Relocation
Payment is
Required--
Government
Order to Vacate

If a Tenant must vacate due to a governmental order to do so:

- Immediately:
 - Landlord must make Temporary Relocation Payment and Tenant must pay rent in effect when notice of temporary termination was served
- If period of repairs lasts more than 60 days:
 - Landlord must make Rent Differential Payments
 - Rent Differential Payment is the difference between the rent paid at the time the tenant was served the temporary termination notice and the Fair Market Value (FMR) for a rental unit of the same size.
 - While Tenant is receiving Rent Differential Payments, Tenant is not required to pay rent (Section 11.102.030).

Proposed
Significant
Change#1:
When
Relocation
Payment is
Required –
Permanent
Relocation
Payment

- **Permanent Relocation Payment is required to be provided to a Tenant whose tenancy is terminated for an Owner Move-In.**
 - **Proposed Amendment: Definition of “Owner” is expanded to include Domestic Partners**
 - **Enumerated relative may be related to the Landlord by blood, birth, adoption, marriage, or registered domestic partnership (Section 11.102.050).**

Proposed
Significant
Change#1:
When
Relocation
Payment is
Required –
Permanent
Relocation
Payment

- **Amendments to the Withdrawal from Rental Market requirements to ensure consistency with adopted Rent Board Regulation 17-07**
 - Tenant in a low-income household or household that includes at least one minor child must be provided with one year, rather than 120 days', notice.
 - Displaced Tenant has first right of refusal to the Rental Unit should it be re-rented within 10 years from the date the Rental Unit was withdrawn (Section 11.102.050).

Proposed Significant Change#1: When Relocation Payment is Required – Natural Disasters

- Relocation Payment is NOT required if a governmental agency determines the rental unit is not habitable and has ordered the unit to be vacated due to:
 - Fire
 - Flood
 - Earthquake
 - Other natural disaster Landlord did not cause or contribute to
 - Where the condition was caused by a Tenant or Tenant's guests caused substantial damage to the Rental Unit
- Tenant or Landlord may appeal to the Rent Board the government agency's determination concerning the Tenant's or Landlord's cause or contribution to the situation requiring the unit to be vacated (Section 11.102.030).

Proposed Significant Change#2: Amount of Relocation Payment

- **Proposed amendments define “Qualified Tenant Household” to include a greater Permanent Relocation Payment for Tenants who are terminally ill.**

Proposed
Significant
Change#3:
Distribution of
Relocation
Payment to
Eligible Tenants
– Permanent
Relocation
Payment

- Proposed process for distribution:
 - First half (1/2) of payment due within 3 business days after the Tenant has informed the Landlord that they will move out by the date specified in the notice of termination of tenancy
 - Second half (1/2) of payment due within 3 business days after the Tenant has moved out of the unit (including removal of all belongings) on or within 2 days after the agreed-upon move-out date
- In case of substantial repairs or government order to vacate:
 - Permanent Relocation Payment must be made within 3 business days after the Tenant has moved out of the Rental Unit (including all belongings) (Section 11.102.070).

Proposed
Significant
Change#3:
Distribution of
Relocation
Payment to
Eligible Tenants
– Temporary
Relocation
Payment

- **Proposed process for distribution:**
 - Temporary Relocation Payment paid pursuant to the original Resolution adopted by City Council (weekly, based on daily per-diem rates)
 - Rent Differential Payments must be made on the first of each month
 - Proof of Temporary or Permanent Relocation Payment must be filed with the Rent Program using the online form at www.richmondrent.org (Section 11.102.070).

Proposed Significant Change#4: Recovery of Costs

- If City or Rent Board:
 1. Chooses to provide Relocation Payment to a Tenant because the Landlord has failed to do so
 - OR –
 2. Investigates or pursues an enforcement action due to a person's violation of the Ordinance, and Landlord fails to reimburse the City or Rent Board for the costs,
- The City may lien the property and recover costs through the property tax bill (Section 11.102.105).

Proposed Significant Change#5: Housekeeping Items

- **Addition of “Rent Differential Payment” and “Qualified Tenant Household” in definitions (Section 11.102.020).**
- **Definition of “Rental Unit” is expanded to include any dwelling used for residential purposes, regardless of zoning.**

Proposed Amendments to Relocation Ordinance: Recommended Action

- **RECEIVE AND RECOMMEND TO THE RICHMOND CITY COUNCIL** proposed amendments to Chapter 11.102 of the Richmond Municipal Code, and a revised resolution, concerning relocation requirements for Tenants of residential Rental Units