



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager's Office



**Date:** September 26, 2016  
**Board Meeting Date:** October 4, 2016  
**Special Notice / Hearing:** N/A  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John Maltbie, County Manager

**Subject:** Introduction of an Ordinance Adding Chapter 3.108, Consisting of Sections 3.108.010 to 3.108.130, to Title 3 of the San Mateo County Ordinance Code Establishing a Relocation Assistance Program for Tenants Displaced from Illegal or Substandard Units

**RECOMMENDATION:**

Introduction of an ordinance adding Chapter 3.108, consisting of Sections 3.108.010 to 3.108.130, to Title 3 of the San Mateo County Ordinance Code establishing a relocation assistance program for tenants displaced from illegal or substandard units.

**BACKGROUND:**

Many tenants throughout San Mateo County have been forced to vacate illegal rental units which should have never been rented in the first place or rendered unsafe because of code violations caused by the owners of the units. Once forced to vacate their homes, the tenants face the increasingly difficult task of finding affordable replacement housing and the burden of paying moving-related expenses. Monetary relocation benefits and other assistance programs paid for by the responsible property owners help displaced tenants secure safe replacement housing, hold the property owners accountable for the financial hardships they cause their tenants, and deter other property owners from engaging in similar conduct.

California Health & Safety Code section 17975, *et seq.* authorizes local governments to develop programs addressing tenant displacement from residential units due to certain code enforcement activities. Under such programs, the local government is responsible for determining eligibility for relocation assistance benefits, defining those benefits and establishing appeals process to safeguard due process rights of property owners who are ordered to pay relocation benefits. Accordingly, a number of localities have already enacted similar ordinances, including the Cities of San Diego, Oakland, and Berkeley.

## **DISCUSSION:**

Proposed Ordinance Code Chapter 3.108 establishes a relocation assistance program for tenants who are displaced from their rental units either because the units never qualified as legal units or as a result of code violations caused by the property owner. Specifically, the property owner must pay the displaced tenant monetary relocation benefits and provide the tenant the option to move back into the unit once it is ready for reoccupancy under the same terms and conditions which applied before the displacement. (Ord. Code, §§ 3.108.30, 3.108.80.) The proposed ordinance is consistent with California Health & Safety Code section 17975, *et seq.*

The amount of the monetary relocation benefits due under the proposed ordinance depends on whether the tenant displacement is permanent or temporary. For a permanent displacement, which means the unit will **not** foreseeably be ready for reoccupancy within 60 days, the relocation benefit is three times the current monthly HUD Fair Market Rent for a unit of comparable size and type, and a payment not to exceed \$1,000 for moving costs and related expenses actually incurred by the tenant. (Ord. Code, § 3.108.090(a).) The 2016 monthly HUD Fair Market Rent for a two-bedroom apartment in San Mateo County is \$2,289. Thus, under the proposed ordinance, the relocation benefit for a tenant occupying a two-bedroom apartment who is permanently displaced would be \$6,867 (\$2,289 x 3), plus moving costs up to \$1,000. For a temporary displacement, which means the unit **will** foreseeably be ready for reoccupancy within 60 days, the relocation benefit is the actual and reasonable temporary housing costs and moving costs incurred by the tenant. (Ord. Code, § 3.108.090(b).)

Further, whenever any permanent or temporary displacement is immediate, which means vacation from the unit with less than 30 days' notice, the property owner must pay the tenant an additional \$500. (Ord. Code, § 3.108.090(c).)

The County has the option, but is not required, to advance the monetary relocation benefit to the displaced tenant, and then recover the amount advanced plus any related administrative costs from the property owner. (Ord. Code, § 3.108.070.) If the property owner fails to timely reimburse the County, the County is entitled to recover an additional amount equal to the sum of one-half the amount advanced, but not to exceed ten thousand dollars (\$10,000), as authorized by the California Health & Safety Code. The County may also secure the amount due from the property owner as a lien against the subject property.

The property owner has a right to appeal an order to pay relocation benefits and request a hearing. (Ord. Code, § 3.108.110.) Relocation benefits are not required if the property owner proves that: (1) the tenant displacement was not primarily caused by a code violation; (2) the code violation was caused by the tenant or the tenant occupied the unit for the purpose of obtaining relocation benefits; (3) the tenant prevented the property owner from remedying the code violation; (4) the code violation is remedied before the tenant takes definitive steps to move; (5) the notice requiring the tenant displacement is withdrawn by the County or overturned on appeal before the tenant

takes definitive steps to move; (6) the property owner offers, in writing, to relocate the tenant into a comparable replacement unit within the same building; or (7) the tenant is required to vacate due to a natural disaster or similar occurrence beyond the property owner's control. (Ord. Code, § 3.108.030(b).) Appeals must be addressed to the director of the County department responsible for issuing the order to pay relocation benefits.

Each violation of the proposed ordinance is an infraction subject to fines up to \$300, and, notwithstanding any other rights granted under the ordinance, a displaced tenant retains the right to also bring a civil action against the property owner. (Ord. Code, §§ 3.108.100, 3.108.120.)

**SHARED VISION 2025:**

Proposed Chapter 3.108 is consistent with the County's shared vision goals of fostering a healthy and livable community.

**FISCAL IMPACT:**

The fiscal impacts of proposed Chapter 3.108 are unknown. There will likely be additional costs and staff time related to implementation and enforcement of the program. Further, the County might, on some occasions, opt to advance relocation benefits to displaced tenants, but the amounts advanced, plus any related administrative costs, are to be reimbursed by the property owner. If the property owner fails to timely reimburse the County, the County is entitled to recover an additional amount equal to one-half the amount advanced, up to ten thousand dollars (\$10,000). The County may also secure the amount due from the property owner by placing a lien against the subject property or otherwise filing suit. Finally, there will likely be additional costs incurred and staff time required to process appeals filed by property owners. However, any such fiscal impacts would likely be mitigated by the required appeal processing fee.