

TENANT RELOCATION ASSISTANCE

Austin City Council Housing & Community
Development Committee

April 13, 2016

Background

- Currently, no comprehensive formal policy for assisting displaced tenants
- Redevelopment of several multifamily properties has resulted in tenant displacement over the last several years
 - Which can have destabilizing effects on our most vulnerable residents, including elderly, low-income, or disabled residents
- 2012 City Council resolution: develop recommendations on relocation standards and their implementation
 - May 20, 2013: Neighborhood Housing & Community Development submitted memo of recommendations to City Council

Resolution 20151112-027 (Nov. 12, 2015)

- Initiates amendments to the Land Development Code to establish relocation assistance requirements for applicants of developments with the intent to demolish and/or renovate multi-family structures that will result in the displacement of tenants
- Consider temporary and emergency relocation standards as well
- Stakeholder feedback process conducted to identify community needs and ensure the ordinance that is ultimately drafted is responsive to them
- The goal is to mitigate the negative impacts of displacement on the most vulnerable residents

Stakeholder Input Process

- 4 stakeholder meetings
 - Tenants who had been displaced
 - Tenant advocates and representatives from the development community
 - Stakeholder input was also received via email, calls, & meetings with staff
- Within the City: draft policy concepts were refined with Development Services, Code, Health & Human Services, Austin Energy, Law
- Policy recommendations were presented to the following commissions and committees:
 - Community Development Commission & its Housing Committee (recommendations made at March 8, 2016 meeting)
 - Codes and Ordinances Committee of the Planning Commission
 - Council Housing & Community Development Committee

Policy Recommendations - Applicability

- Types of displacement
 - Permanent: displacement of a tenant **without** the expectation that the tenant will reoccupy the property
 - Temporary: displacement of a tenant **with** the expectation that the tenant will reoccupy the property
 - Emergency: displacement of a tenant due to a City or court order to vacate a unit or where vacation is required due to imminent potential harm to health & safety
- Rental properties of 5 or more units
- Mobile homes?

Policy Recommendations – Development Process

- Tracked through:
 - Site plan approval process
 - Building permit process
 - Demolition permit process
- If proposed work will result in displacement, property owner/developer must submit a Relocation Plan to the City, including:
 - Expectations and requirements for relocation
 - Info on tenant households (number, address, household size)
 - Info on project and anticipated timeline
- Periodic reports on progress will be submitted to City as relocation process continues
- Applicable permits held until relocation requirements met

Policy Recommendations – Providing Notice

Once Relocation Plan submitted, property owner/developer must deliver the following to all affected tenants:

- Tenant Information Packets
 - Information on project and anticipated timeline
 - Descriptions and contact information for accessing available relocation assistance and other community programs/services, including information on staying in the school district
 - Claim forms for relocation and moving assistance
- Notice of Intent – for permanent displacement – 180 days
- Notice to Vacate – for permanent & temporary displacement – issued 30-90 days before tenants must vacate (pending review by Law Dept.)
- For emergency displacement, notice corresponds to notice provided in City/court order to vacate

Policy Recommendations – 3rd Party Services

- A third-party organization would be contracted with to provide the following services to affected tenants:
 - Organize and conduct Tenant Relocation Meeting to explain Tenant Information Packets and answer questions. Property owner/manager would also be on-site to answer questions.
 - Housing locator services to help income-eligible tenants find new homes that meet their needs
 - Act as fiscal agent for disbursement of relocation and moving assistance payments for income-eligible tenants
 - Connect tenants to other community programs helpful to them

Policy Recommendations – Relocation and Moving Assistance

- Financial Relocation and Moving Assistance for income-eligible tenants
 - Income eligibility threshold: at or below 70% of median family income (MFI) (\$54,460 for a family of four)
- For projects accessing developer incentives, relocation assistance for eligible tenants could be funded by the applicant.
- Staff recommends that the City conduct an impact study to assess costs to the community resulting from redevelopment of occupied multifamily properties before requiring property owners/developers to pay for relocation assistance for by-right development. This analysis would be used to calculate the amount of relocation assistance property owners/developers could be required to pay.

Policy Recommendations – Relocation and Moving Assistance cont'd

- For a City-funded program, the recommended maximum amounts available to income-eligible households for reasonable relocation costs (application fees/deposits, security deposit, 1st month's rent):
 - Using US Dept. of Housing & Urban Development Fair Market Rents for Austin Metropolitan Statistical Area
 - Up to 3 times the Fair Market Rent for an Income-Eligible Household
 - Up to 4 times the Fair Market Rent for an Income-Eligible Household with member(s) who are disabled, elderly, or children
 - Up to \$700 for reasonable moving costs (truck, boxes, pads, etc)

Policy Recommendations – Enforcement

- Private right of action for tenants
- Property owner/developer must submit periodic reports to the City on progress
 - Number of tenants moved out
 - Number of tenants remaining
 - Evidence of meeting all other requirements (information packet and notice, relocation meeting)
- Once the relocation process is complete, the necessary permits will be issued

Potential Costs of Program

- The following activities represent potential costs to implement the recommendations:
 - Cost of relocation and moving assistance if the City provides funding for these
 - Cost of impact study
 - Cost of contracting with a third-party relocation agency to provide housing location assistance and other services
 - Cost of program administration at the City
 - Cost of changes to AMANDA system to flag developments that may displace tenants

Community Development Commission

Recommendations - 3/8/2016

- Voted 9-0 to support staff recommendations with the following additions:
 - Recommend a motion be made to include mobile home parks in the Tenant Relocation Policy and to ensure that payments to mobile home owners be commensurate with replacement costs for home ownership in a comparable mobile home
 - Recommend that the City require developers to pay moving costs according to the schedule proposed by City staff
 - Recommend that a nexus/impact study be conducted to determine costs to the community, such as the loss of students from particular schools and the possible closing of those schools
- Voted 6-3 to recommend that developers be required to obtain a tenant relocation license as the first step in the development process, modeled after Seattle, Washington's policy

Other Input from Stakeholders

- Security Deposits
 - Require reasonable/shorter look-back periods when landlords deduct late fees from security deposits
 - Require security deposits be returned immediately
- Relocation Assistance Payments
 - Model assistance payments after FEMA guidelines
 - Property owners should pay the cost of tenant relocation assistance
 - The City should fund this assistance
- Notices
 - Shorter (60-day) notice to vacate to tenants
 - City should provide initial notice and information packet to tenants (rather than property owner/manager)
 - Advance notice of rent increases for properties that will be redeveloped
- Requirements should cover natural disasters

Schedule – Previous Meetings

- **January 13th**: Stakeholder meeting with tenants and tenant advocates
- **January 21st**: Stakeholder meeting with tenants, advocates, and representatives of the development community
- **February 9th**: Housing Committee of the Community Development Commission – Briefing
- **February 10th**: Follow-up stakeholder meeting with all stakeholders to review and discuss draft provisions
- **February 10th**: City Council Housing & Community Development Committee – Briefing
- **February 16th**: Codes and Ordinances Committee of the Planning Commission – Briefing
- **February 20th**: Follow-up stakeholder meeting with tenants to review and discuss draft provisions
- **March 8th**: Community Development Commission – Presentation of draft provisions

Tentative Schedule – Upcoming Meetings

- **Today - April 13th**: City Council Housing & Community Development Committee – Presentation of draft provisions
- **April 19th**: Codes and Ordinances Committee of the Planning Commission – Presentation of draft ordinance
- **April 26th**: Planning Commission – Presentation of draft ordinance
- **May 19th**: City Council – Presentation of final draft ordinance

Questions/Discussion

<http://austintexas.gov/page/tenant-relocation-assistance>

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