

RELOCATION FEES

Proposal. The Tenants Committee is proposing several adjustments to the current relocation fee schedule and policy:

- Relocation fees should reflect estimated actual costs to relocate the household including, but not limited to, the cost of moving and setting up home in a 3-BR household or smaller;
- Fees bump-up for protected-classes of tenants should be raised to \$3,000 and an additional 50% (\$1,500) should be awarded for each additional member of any protected tenant class.
- Fees should be provided to all households regardless of length of tenure;
- Fees should be paid into escrow by the landlord at the time he notifies the city of an involuntary termination and released as needed prior to tenant departure;
- Fees should be adjusted according to the formula established for the allowed annual rent increase;
- Temporary per-diem relocation fees should be established for instances where extended repairs or remediation requires a tenant to relocate for a known period of time.

Discussion. Beverly Hills current policy describes the purpose of relocation fees as such:

Relocation fees are intended to provide tenants who are given no cause eviction notices sufficient resources to secure alternative housing.” -- Staff report, 2/21/17

While relocation fees do not begin to reflect the emotional cost of relinquishing our home, the fees should at least reflect the actual costs of moving home. The current policy mandates that fees include a payment equivalent to three times the market rent for a comparable unit up to two bedrooms; moving and packing expenses; utility setup; and unspecified “dislocation” expenses. However, the policy discounts by 50% the relocation fee award for any tenancy less than 2.5 years. Lastly a qualifying household is eligible for \$2,000 additional if one or more minors, seniors (62 and older) or disabled residents is in the household.

First, relocation fees should reflect the actual costs a household will incur to relocate. Our Committee suggests that a market study be conducted to establish prevailing rents and set fee awards to reflect the actual cost of securing replacement housing for apartments sized from 0-BR to 3-BR. We accept the 3 x monthly rent formula established in the current ordinance.

Second, fees should extend compensation to households currently making home in a 3-bedroom apartment. We see no reason to cap fees at the 2-bedroom level (especially if there are children in the home).

Third, the City makes reference to unspecified ‘dislocation’ expense. We recommend that expenses include lost wages and other accountable costs (for child and pet care for example) that arise when uprooting a household. No tenant should come up short after having a tenancy involuntarily terminated or otherwise ended by redevelopment or condominium conversions.

Fourth, fee awards for protected-classes of tenants should rise from \$2,000 to \$3,000 and include an additional award of 50% (\$1,500) for every additional member of any protected tenant class who is resident in the home for at least one

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year. Displacement is more challenging for seniors and the disabled, while replacement housing for larger families with children is more difficult to secure. A higher award, and one that stacks for multiple members of a class, will help to defray the costs (and concerns).

Relocation fees should be provided to all households regardless of length of tenure after the first year of residence. There is no justification for effectively discounting the cost of moving house for a resident with fewer than 2.5 years in a unit. This is a concept recognized (though not substantively addressed) by City Council in February's urgency ordinance discussion.

Relocation fees should be paid into escrow at the time the landlord notifies the city of an involuntary termination. Today, relocation fees are payable only when the unit is vacated, which obligates the tenant to go out-of-pocket to finance the relocation. That should not be a tenant responsibility. The, once a tenant formally notifies the landlord of a departure date, a portion of the fees should be released from escrow on the tenant's direction to a third party such as a housing provider or moving company. The objective is to cover actual expenses *during the relocation* not make the tenant whole *after-the-fact*.

Temporary per-diem relocation fees should be established. When a tenant is displaced for repairs or remediation though no fault of the tenant, the tenant is obligated to either make arrangements at no cost to the landlord; go out-of-pocket for expenses; and/or negotiate per diem expenses directly with the landlord. Under no circumstance should a tenant have to make private arrangements to enable the landlord to address repairs or remediation. Moreover, when departure is imminent, as is sometimes ordered for health & safety reasons, no tenant should have to negotiate with the landlord at a moment when the tenant is at a disadvantage. The Committee believes the City should establish per diem fees that reflect the estimated actual cost of securing temporary housing. Beverly Hills would not be the first city to establish such fees; Santa Monica even specifies per diems for pet boarding.

Lastly, relocation fees should be adjusted according to the same formula as the allowed annual rent increase. If the intent is for the fee to reflect the increasing cost of securing replacement housing, then relocation fees must be not only be indexed to consumer prices (CPI) but instead must rise with the allowed rise of the cost for rental housing in Beverly Hills. Should City Council accept a higher annual increase, fees should increase commensurately.