

## Attachment 2

# CITY OVERSIGHT OF PERMIT

This report assesses the proposed process aimed at enhancing tenant protections during major renovations that may lead to evictions. During discussions of the ordinance, one of Council's concerns was the need for stronger protections and timely information related to evictions as a result of renovations to a unit. While Council redefined and increased the scope and value of renovation work to trigger an eviction, it also broached the idea of monitoring permits related to major renovation that could be tied to tenant displacement.

Under this proposal, landlords would be required to indicate on building permit applications if significant rehabilitation work would lead to tenant displacement. When a landlord marks this option on their permit, a Housing staff member would be notified and would then contact both the landlord and the tenants to inform them of their rights and responsibilities and track the number and scope of renovations taking place in multifamily properties. This would be a simple and straight forward approach to monitoring the permit process for potential tenant displacement activities related to renovations.

### Program Objectives

- Require landlords to indicate tenant displacement on building permit applications.
- Notify Housing staff of potential tenant displacement due to major renovations.
- Inform both landlords and tenants of their rights and responsibilities.
- Monitor and track the evictions due to renovations in multifamily properties.
- Enhance tenant protections during major renovation projects.

### Developing a Notification System

Housing staff has discussed with Information Services and Building staff the possibility of implementing an automated system to flag permits indicating potential evictions, and staff is confident that this can be achieved with minimal interruption to the permit process and little to no impact on applicants or city staff in charge of permit oversight. This new process would be integrated into the City's existing permit application and tracking software.

### Permit Application Requirement

When a landlord is pulling permits for renovation or work being performed on the unit(s), they must indicate on their permit applications if the renovations could lead to tenant displacement or eviction. This requirement will apply to all significant rehabilitation projects that potentially impact tenants' living conditions. The process would be as simple as answering a question such as *"If your property is currently being rented: Is the permit you are applying for going to lead to the displacement of your tenant?"* and selecting, *Yes, No, or Does not Apply.*

### Notification and Review Process

Once a submission of a permit indicating potential evictions has been submitted, an automated notification system will alert Housing staff.

Staff will contact the landlord to discuss the permit details, ensuring they understand their obligations and the legal implications of tenant displacement. Staff will also communicate with the affected tenants, informing them of their rights, the renovation plans, and any available support or recourse. Tenants will receive a clear explanation of their rights, including any compensation or relocation assistance they are entitled to under city laws.

Staff will maintain a database of permits and associated evictions to track trends and identify potential areas for policy improvement.

This process would enhance transparency by ensuring that tenants, City authorities, and oversight personnel are informed about the eviction context associated with the renovation permits.

### **Budget**

To assess the budgetary impact of this new process, Housing staff collaborated with the Building and Safety department to estimate the number of permits that could potentially affect tenants. In 2023, 109 permits were issued that staff believe might have impacted tenants, based on permit valuations exceeding \$10,000. So far in 2024, there have been 57 such permits. If these numbers remain consistent, staff anticipates minimal to no budgetary impact.

Based on the additional work and responsibilities, there could potentially be a need to reallocate an hourly position into salary, which again would not have significant budgetary impacts, roughly of \$20,000.

Additionally, this is not a process that would need extensive marketing considering that individuals needing these permits would be coming to us. Staff anticipates needing no more than \$30,000 for printed material and basic outreach.

Staff does not anticipate needing more than \$50,000 to incorporate these processes into the current Rental Rights Program operations.

However, it's important to note that these numbers are estimates and not guarantees. Actual permit issuance and the associated impact on tenants may vary, potentially influencing the budgetary requirements for this process.

### **Conclusion**

The proposed City Oversight of Permit process is designed to enhance tenant protections during significant renovation projects that might lead to displacement. This policy requires landlords to disclose potential tenant displacement on building permit applications, aiming to ensure transparency and uphold tenant rights effectively.

The process benefits from its simplicity and minimal disruption to both landlords and the City's existing systems. The requirement for landlords is straightforward and does not impose significant additional burdens, as it integrates smoothly into the current permit application system.

Furthermore, the financial and operational impacts on the City are projected to be minimal, with modest budgetary allocations required for the implementation and maintenance of this process.