STAFF REPORT ON PROPOSED LEGISLATION

To: Mayor Gavin Buckley

From: Michael Mallinoff, City Manager

Date: June 28, 2024

Subject: O-11-24: Tenant Displacement Fund

Purpose of legislation

The purpose of this legislation is to establish a fund for providing assistance to tenants who are displaced when rental units are deemed unfit for human habitation by the City; base funding for tenants on specific criteria; and generally related to emergency housing needs in the City of Annapolis.

Impact of legislation on operations

This legislation both establishes accounting expectations for a tenant displacement fund and sets some basic eligibility criteria for it. There is considerable detail around the fund that is then left to the Office of Community Services to decide. This includes decisions such as the following:

- What kind of income eligibility will be accepted;
- How OCS will verify that a landlord is financially unable to provide relocation assistance or suitable replacement housing, especially given that OCS personnel are not accountants and the City does not want to incentivize landlords to avoid their responsibilities to their tenants;
- What constitutes “suitable replacement housing”;
- How long the City will support alternate housing;
- Will the City support other kinds of expenses like food;
- Whether or not the reason the property was condemned affects City support, for example differentiating between cases such as natural disasters, landlord neglect, and tenant-caused damage; and

- If “suitable replacement housing” cannot be found within the City limits, what responsibility OCS has to search outside the City limits for alternatives;
- Whether OCS must search for alternatives if a tenant turns down the initial housing opportunity OCS found;

It is unclear to City staff how provisions 1 and 2 under “C. Legal rights” would work. Is the expectation that the landlord will pay the City back the cost of housing before a unit is able to licensed again? If so, how will that work for a landlord that demonstrates an inability to pay for the housing?

Impact of legislation on staffing

Depending on the amount of funding involved, establishing this fund and implementing this program could require significant staffing support; the existing staffing complement does not have the capacity to absorb this work.

Prepared by Victoria Buckland, Assistant City Manager