Rental Relocation Assistance

This tool would require landlords to pay a relocation fee to tenants who have been evicted without a just cause or who have to move as a result of high rent increases. The intent of the policy is to discourage landlords from engaging in no-cause evictions and to compensate tenants for the economic hardship of being required to move.

Status In NYC: Discussed
Status Elsewhere: Enacted

For NYC:

POLICY OBJECTIVE:
The primary objective of a NYC Rental Relocation Assistance policy would be to discourage landlords from engaging in no-cause evictions and to compensate tenants for the economic hardship of being required to move.

HOW MIGHT IT WORK?
Landlords would be required to pay tenants a relocation fee, relative to the size of the apartment being rented, as a result of issuing a no-cause eviction. Additionally, a tenant would be entitled to relocation assistance if they are forced to move due to a rent increase above a certain percentage. The fee would be applied to residential units in both regulated and non-regulated housing stock. The amount of the fee would be substantial enough to help tenants pay for the costs of moving, most likely equivalent to about 2-3x the average monthly rent.

WHO WOULD BENEFIT?
Relocation assistance would be paid to tenants in both regulated and non-regulated units, therefore it would benefit renters across NYC. It would specifically be helpful however for tenants in unregulated units, since they have no rights, recourse, or compensation when facing eviction. There are 2,184,200+ rental units in NYC in 2017 and nearly 39% of those units are unregulated.
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For NYC:

HOW WOULD IT BE ENACTED?
City legislation

HOW WOULD IT BE ENFORCED?
Landlords issuing a no-cause eviction would be required to pay tenants the relocation assistance within a certain amount of time of issuing the notice. Alternatively, if a tenant receives a notice of a rent increase above a certain percentage, they would be required to let the landlord know that the increase will force them to move, and then landlord would then have to pay the relocation fee. If they fail to comply, landlords could be liable for damages and other fees.

WHAT IS THE FEASIBILITY FOR ACHIEVING THIS IN NYC?
Potential Proponents:
- Renters across NYC in both regulated and unregulated units
- Community-based organizations
Potential Opponents:
- Landlords and real estate investors
- Rent Stabilization Association
Challenges:
- The legislation could be vulnerable to legal challenges, such as the argument that it imposes a form of rent control (limiting the amount a landlord can increase rents) on unregulated apartments
- Defining the percent rent increase that triggers relocation assistance risks encouraging rent increases just below that amount (i.e. a 10% rent increase would trigger relocation assistance, but 9.9% would not)
- The relocation fee must be significant enough to actually discourage landlords from issuing a no-cause eviction or a significant rent increase

WHO’S INVOLVED?
N/A
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Example Policy: Portland, OR

HOW DOES IT WORK?
Landlords are required to pay a relocation fee to tenants either if they issue a no-cause eviction or if they increase rent 10% or more in a 12-month period. The fee is the equivalent of 3x the city-wide average rent for a particular bedroom size, starting at $2,900 for a studio and going up to $4,500 for a three-bedroom or larger.

WHO BENEFITS?
Relocation assistance applies to all buildings with more than one residential unit. It includes month-to-month tenants as well as standard tenancy leases.

HOW WAS IT ENACTED?
Portland’s Tenant Relocation Assistance Ordinance was introduced in 2016 by the newly elected Commissioner Chloe Eudaly, a former tenant organizer who ran on a platform of strong tenant protections including a rent freeze and a ban on no-cause evictions. The ordinance was passed unanimously by the City Council in February 2017.

HOW IS IT ENFORCED?
If a landlord does not pay the relocation fee, the tenant would have to take them to small claims court. If the tenant wins in court, the ordinance allows them to collect damages including the original relocation fee, three months of rent, and legal fees.