

Richmond Rent Program Tenant Focused Community Education Workshop

July 12, 2017

6:00 PM – 7:30 PM

East Bay Center for the Performing Arts

Bill Lindsay

City Manager

www.RichmondRent.org



Agenda

- **Welcome & Introductions**
- **Richmond Rent Program Presentation**
 - Overview of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance
 - Timeline
 - Key Terms
 - Annual General Adjustment
 - Frequently Asked Questions (FAQs)
- **Question & Answer Session**
- **Closing**

6:00 – 6:10 PM

6:10 – 7:00 PM

7:00 – 7:20 PM

7:20 – 7:30 PM

Question:

**How many of you have already
attended a Rent Program
Community Education event?**

January 18, 2017 Community Workshop

March 29, 2017 Community Workshop

March 23, 2017 Computer Support

March 30, 2017 Computer Support



Overview of the Ordinance

The Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (RMC 11.100):

- Establishes a five-member Richmond Rent Board;
- Provides tenant eviction protections;
- Limits rent increases on applicable rental units;

(continued on next slide)

Overview of the Ordinance

The **Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance** (RMC 11.100)(*continued from previous slide*):

- Requires that landlords complete and file all notices of termination of tenancy, rent increases, and changes in terms of tenancy with the Rent Board; and
- Establishes a petition process, where Landlords and Tenants can petition for an individual rent increase or decrease to ensure that Landlords are able to receive a reasonable return on their investment and Tenants are afforded a process to request a rent decrease.

Overview of the Ordinance

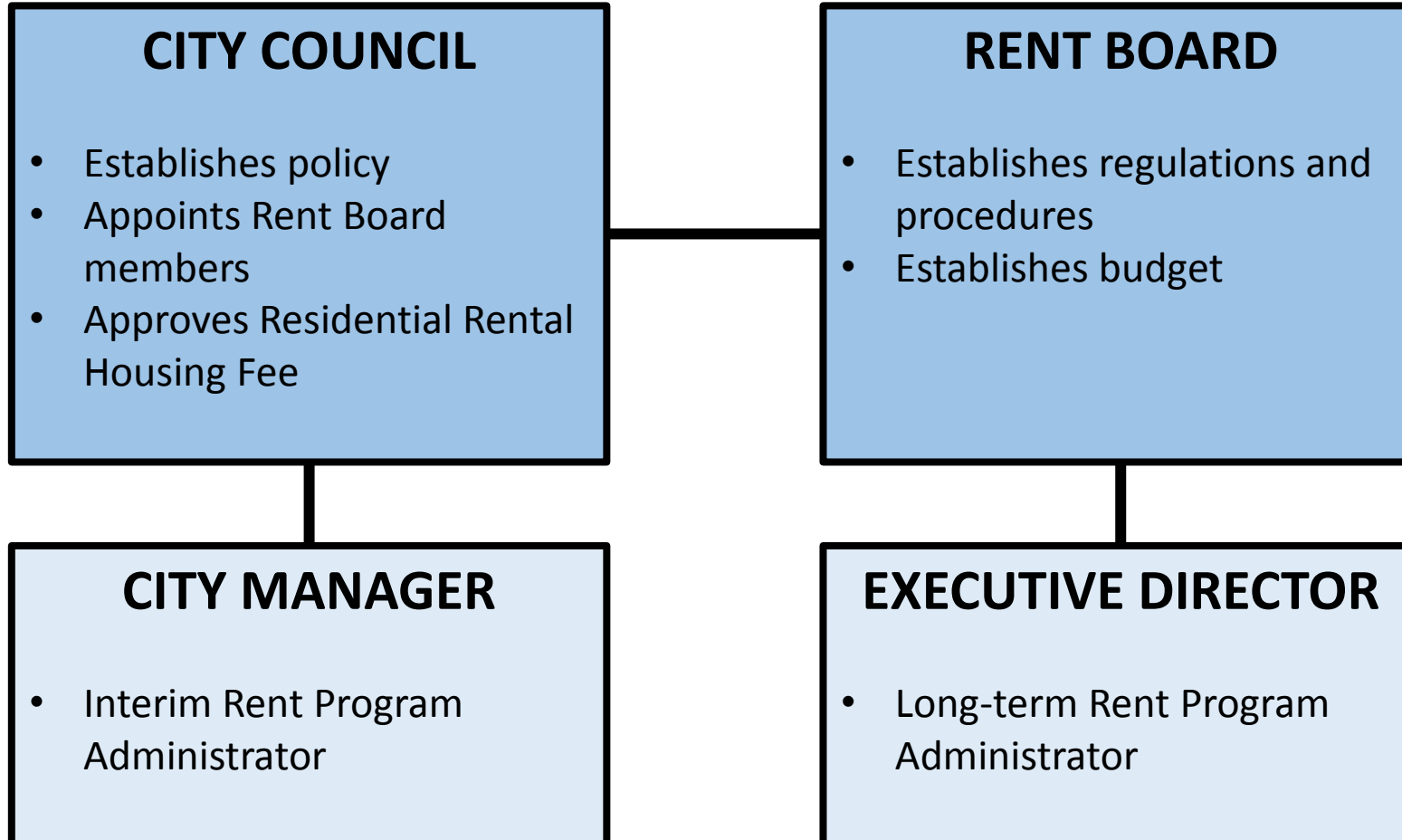
(m) Integrity and Autonomy of Board.

The City shall provide infrastructural support on an ongoing basis as it would with any other department. During the transition period before the Board Members are appointed and an Executive Director is hired, the **City shall take whatever steps necessary to perform the duties of the Board and implement the purpose of this Chapter.**

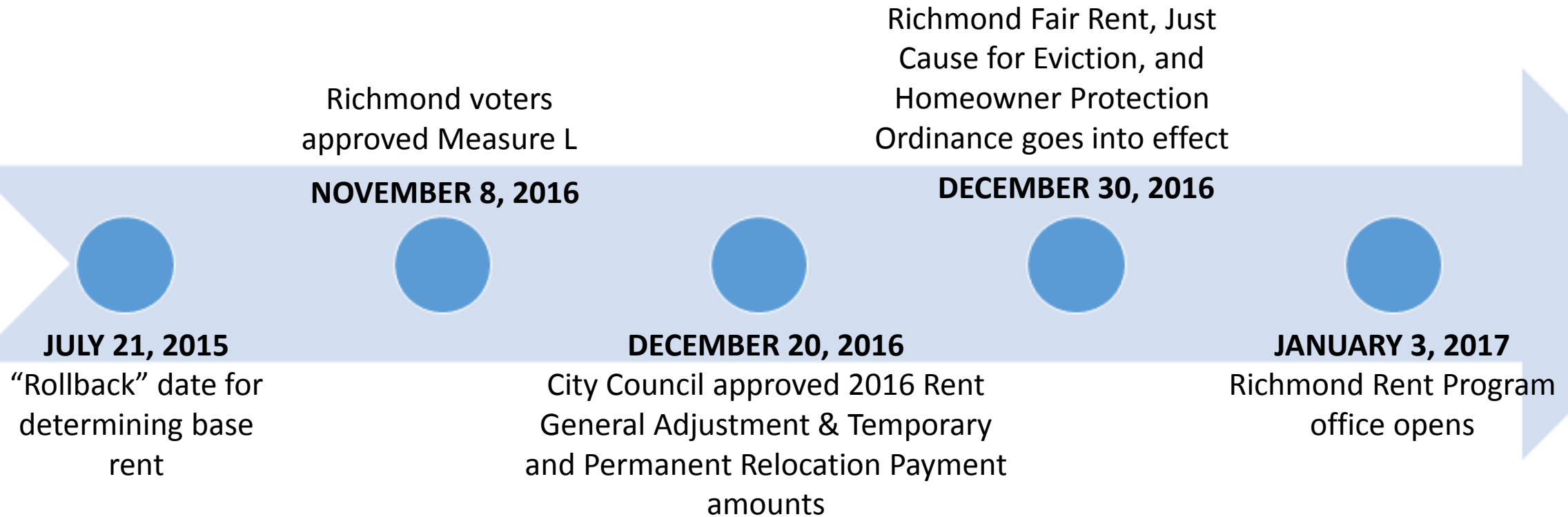
(RMC 11.100.060 Richmond Rent Board)



Rent Program Organizational Chart



Timeline



Timeline (con't)

Landlords required to file all notices of rent increases, changes in terms of tenancy, and termination of tenancy notices with the Board BEFORE serving the notice on the Tenant (RMC 11.100.060(s)(1))

FEBRUARY 28, 2017

Rent Program Computer Lab Support Sessions (March 21 & 30, 2017), and Community Education Workshop #2 (March 29, 2017)

MARCH 23 – 30, 2017

JANUARY 18, 2017

Rent Program
Community
Workshop #1

MARCH 21, 2017

City Council appoints
Rent Board

APRIL 5, 2017

First Special Meeting of the
Richmond Rent Board

Key Terms

- Richmond Rent Board
- Just Cause for Eviction
- Permanent and Temporary Relocation Payment
- Rent Control
- Costa-Hawkins Rental Housing Act
- Base Rent
- Consumer Price Index (CPI)
- Maximum Allowable Rent
- Annual General Adjustment (AGA)
- Proposed Residential Rental Housing Fee

Richmond Rent Board

The **Rent Board** is comprised of five members:

- Appointed by City Council
- Richmond residents
- No more than two members who own or manage rental property or are realtors

The **Rent Board** has the ability to:

- Approve rent adjustments
- Charge and collect fees
- Hire an Executive Director
- Establish **Annual General Adjustment** (AGA)

Regular Rent Board meetings are on the third Wednesday of each month, beginning at 4:00 PM in the City Council Chambers

Proposed Residential Rental Housing Fee

- The Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance allows for the City Council to adopt a Residential Rental Housing Fee, following a recommendation from the Rent Board.
- At their meeting on June 21, 2017, the Rent Boardmembers recommended the following amounts to the City Council:

FY 2016-17 Recommended Fee: **\$47** per Rental Unit

FY 2017-18 Recommended Fee: **\$98** per Rental Unit

Just Cause For Eviction

Residential tenants can only be evicted for one of the following “Just Causes” (notice must state the reason):

- Failure to Pay Rent
- Breach of Lease
- Nuisance
- Failure to Give Access
- Temporarily Vacate in Order to Undertake Substantial Repairs*
- Owner Move-In*
- Withdrawal from Rental Market*
- Temporary Tenancy

*Relocation Payment required – See Relocation Ordinance established by the City Council (RMC 11.102)

RMC 11.100.050



Temporary Relocation Payment

- **Must be provided to Tenants when they are required to temporarily vacate for the landlord to undertake substantial repairs**
- Notice of Entitlement to Relocation Payment must be provide with the notice of termination of tenancy
- Amount is determined by a resolution of the City Council

Per Diem Description	Amount	Term (a)
Hotel or Motel	\$145	per day per household
Meal Expenses	\$29	per day per person
Laundry	\$1	per day per household
Pet Accommodations	Cat - \$28 Dog - \$51	per day per animal

(a) Applicable amounts shall be paid on a weekly basis, calculated on a daily basis, at a minimum. Alternatively, the Landlord may provide comparable housing located in Richmond. In such case, the Landlord shall provide per diem payments until the Tenant and their possessions have been moved into the comparable Rental Unit.

Permanent Relocation Payment

- **Must be provided to Tenants for Owner Move-In OR Withdrawal from the Rental Market**
- A “Notice of Entitlement to Relocation Payment” must be provided to the Tenant at the same time as the notice of termination of tenancy
- Amount is determined by a resolution of the City Council (*see next slide*)

Permanent Relocation Payment

Owner Move-In (R.M.C. 11.100.050(a)(6))

Maximum Cap per Unit Type (a) (b)	Base Amount	Qualified Tenant Household Amount (c)
Studio	\$3,400	\$3,950
1 Bedroom	\$5,250	\$6,050
2+ Bedroom	\$7,150	\$8,200

Withdrawal from Rental Market (R.M.C. 11.100.050(a)(7))

Maximum Cap per Unit Type (a) (b)	Base Amount	Qualified Tenant Household Amount (c)
Studio	\$6,850	\$7,850
1 Bedroom	\$10,500	\$12,100
2+ Bedroom	\$14,250	\$16,400

(a) If a Rental Unit is occupied by one Tenant then the entire per unit Relocation Payment shall be paid to the Tenant. If more than one Tenant occupies the Rental Unit, the total amount of the Relocation Payments shall be paid on a pro-rata share to each Eligible Tenant.

(b) The Relocation Payments will be calculated on a per Rental Unit basis, distributed on a per Tenant basis, and includes a maximum cap per Rental Unit.

(c) A "Qualified Tenant Household" is any household that includes at least one Tenant that is a Senior Citizen, Disabled, or has at least one minor dependent child as defined in R.M.C. 11.102.020(a) and (l). Sources: City of Santa Monica, 2016; American Community Survey, 2011-2015 (Table B25064).

Rent Control

- Establishes a ceiling, or **Maximum Allowable Rent**, for **Controlled Rental Units**
- Most multifamily buildings constructed before February 1, 1995 are rent-controlled
- Buildings exempt from rent control are NOT necessarily exempt from Just Cause for Eviction (RMC 11.100.050)

Base Rent

- The rent in effect on July 21, 2015

OR

- The rent in effect on the first date that rent was charged after July 21, 2015

(Only applies to tenants in controlled rental units that moved after July 21, 2015)

Consumer Price Index (CPI)

- Used to calculate the **Annual General Adjustment**
- A measurement of the average change over time in the prices of goods and services determined by the United States federal government
- The CPI is the most widely used measure of inflation.

Source: U.S. Bureau of Labor Statistics, 2017.

Annual General Adjustment

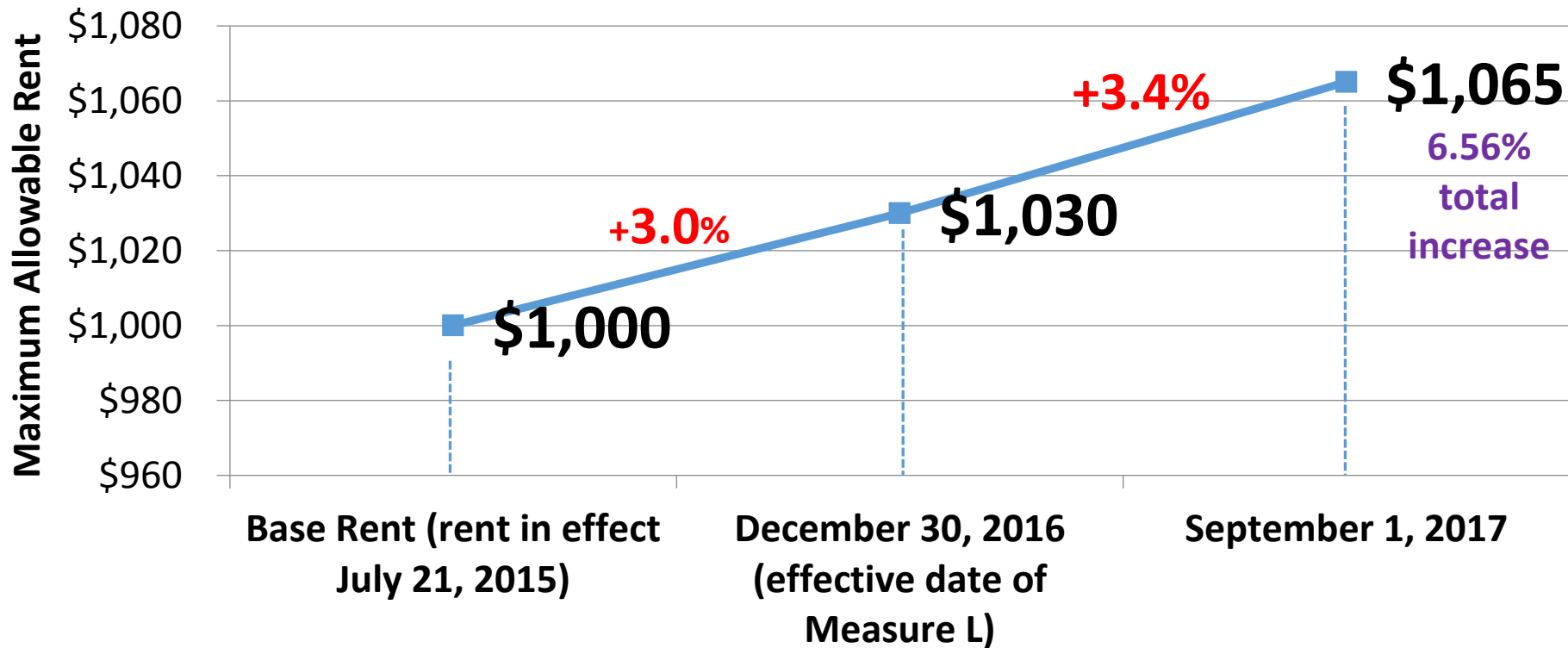
- The amount by which the **Maximum Allowable Rent** for **Controlled Rental Units** increases each year.
- **2016 Annual General Adjustment: 3.0%**
- **2017 Annual General Adjustment: 3.4%** (effective September 1st, 2017).
- Does not automatically increase the actual rent paid by a tenant
 - A landlord may increase the rent up to the **Maximum Allowable Rent** with notice in accordance with State law (California Civil Code Section 827)

Maximum Allowable Rent

- The most rent that can be charged for a **Controlled Rental Unit**
- The agreed upon rent amount cannot exceed the **Maximum Allowable Rent**, but it could be less. The **Maximum Allowable Rent** remains the same.
- Equals the **Base Rent + Annual General Adjustments (AGA)** + Individual Rent Adjustments (approved through the petition process)

Maximum Allowable Rent

Maximum Allowable Rent: Example Calculation



Note: AGA rent increases are not automatic; rent increases may only take effect AFTER proper 30-day notice has been filed with the Rent Board at www.richmondrent.org.

Frequently Asked Questions



Tenants FAQ

Does my home qualify for Just Cause for Eviction Protections?

Yes. All long-term and month-to-month renters qualify for Just Cause for Eviction protections, BUT Landlords can still terminate a lease if there is a “Just Cause,” including failure to pay rent, breaching the lease, or repairs. Relocation payments may be required in some instances. There are a few exemptions, see RMC 11.100.040.

Is my home rent-controlled?

Multi-unit homes (including duplexes) built before 1995 in the City of Richmond are rent controlled. Single family homes, certain small second units, and rental of a room within a home are NOT controlled.



Tenants FAQ

My landlord is selling my rental unit and told me I need to move out. Is this a Just Cause for Eviction?

No. Selling the property to another owner is not a Just Cause for Eviction.

I am being evicted for a no-fault Just Cause for Eviction, and am owed Relocation Payment. I let my Landlord know when I plan to move, but they haven't provided me with the Relocation Payment. What can I do?

You may submit a formal complaint with the Rent Program using the online Unpaid Temporary or Permanent Relocation Payment complaint form. All forms are available at www.richmondrent.org.



Tenants FAQ

I live in a rent-controlled unit. What is the Maximum Allowable Rent my Landlord can currently charge?

Your Landlord can charge up to the base rent (the rent you paid on July 21, 2015, or the first time you paid rent if you moved in after that date), plus a 3.0% AGA Rent Increase for 2016, so long as you have lived in the unit since September 1, 2015. Effective September 1, 2017, the Landlord may increase the rent an additional 3.4%, so long as you have lived in unit since September 1, 2016.

What if my Landlord is charging me more than the Maximum Allowable Rent?

You can give your Landlord the Interim Letter Complaint (which is provided on our website) and/or file an Excess Rent Complaint (which is an online form) with the Rent Program.

Tenants FAQ

What if I moved in after July 21, 2015 and live in a rent controlled unit? What rent should I pay?

Your base rent is what you paid the first month that you paid rent after July 21, 2015. If you moved in before September 1, 2015, your Landlord can increase the base rent up to 3.0%. Effective September 1, 2017, the Landlord may increase the rent an additional 3.4%, so long as you have lived in unit since September 1, 2016.

Tenants FAQ

My base rent is lower than what I was paying when the Ordinance became effective. Am I entitled to a refund for the excess rent I paid between July 21, 2015, and December 2016?

No, your Landlord is not required to refund rent paid in excess of the base rent before the Ordinance became effective on December 30, 2016.

What if I paid more than the base rent for January? Am I entitled to a refund?

Yes. On December 30, 2016, rents were reset to the base rent. Your Landlord must refund you the excess rent within 10 days if you paid more than this amount after December 30, 2016. Refunds must be made in the form of a Cashier's check, and proof must be submitted online at www.richmondrent.org.

Tenants FAQ

How soon can my landlord require me to pay the 2017 AGA Rent Increase of 3.4%?

The rent increase can take effect no sooner than September 1, 2017. Your Landlord **MUST** provide at least 30-days' notice of rent increase, file the notice with the Rent Board, and provide proof of service to the Rent Board.

What if I moved in this year? Can my landlord still apply the 2017 AGA Rent Increase?

No. The 2017 AGA Rent Increase can only be applied if you lived there as of September 1, 2016.

Tenants FAQ

My landlord would like to apply the 2016 AND 2017 Annual General Adjustment (AGA) Rent Increases at once. Can they do that?

Yes, but only if you lived in the unit as of September 1, 2015. The combined maximum increase is **6.56%**. The rent increase can take effect no sooner than September 1, 2017. Your Landlord **MUST** provide at least 30-days' notice of rent increase, file the notice with the Rent Board, and provide proof of service to the Rent Board.

Examples

Tenant's Name	Date Moved In	Base Rent	Maximum Allowable Rent After Application of 2016 AGA (3.0%)	Maximum Allowable Rent After Application of 2017 AGA (3.4%)	Percent Increase
Julia	August 1, 2005 (before 9/1/15)	\$1,200	\$1,236	\$1,278 <i>Effective September 1, 2017</i>	6.5%
Paul	June 1, 2016 (after 9/1/15)	\$1,200	N/A	\$1,240 <i>Effective September 1, 2017</i>	3.4%
Taylor	December 1, 2016 (after 9/1/16)	\$1,200	N/A	N/A	0.0%

Contact Us

Office Hours:

Monday - Friday
9:00 am - 12:00 pm
1:00 pm - 4:00 pm

Office Location:

2nd Floor
440 Civic Center Plaza
Richmond, CA 94804

510-620-6576
rent@ci.richmond.ca.us

www.richmondrent.org