

# AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: December 15, 2021

Final Decision Date Deadline: December 15, 2021

**STATEMENT OF THE ISSUE:** The minutes of the November 17, 2021, Regular Meeting of the Richmond Rent Board require approval.

## INDICATE APPROPRIATE BODY

- |   |   |  |  |   |
|---|---|--|--|---|
| <input type="checkbox"/> City Council               | <input type="checkbox"/> Redevelopment Agency                             | <input type="checkbox"/> Housing Authority     | <input type="checkbox"/> Surplus Property Authority          | <input type="checkbox"/> Joint Powers Financing Authority |
| <input type="checkbox"/> Finance Standing Committee | <input type="checkbox"/> Public Safety Public Services Standing Committee | <input type="checkbox"/> Local Reuse Authority | <input checked="" type="checkbox"/> Other: <u>Rent Board</u> |   |

## ITEM

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) |  |  |
| <input type="checkbox"/> Public Hearing   | <input type="checkbox"/> Regulation  | <input checked="" type="checkbox"/> Other: <u>CONSENT CALENDAR</u> |
| <input type="checkbox"/> Contract/Agreement   | <input type="checkbox"/> Rent Board As Whole                                     |  |
| <input type="checkbox"/> Grant Application/Acceptance                                 | <input type="checkbox"/> Claims Filed Against City of Richmond                   |  |
| <input type="checkbox"/> Resolution   | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) |  |

**RECOMMENDED ACTION:** APPROVE the minutes of the November 17, 2021, Regular Meeting of the Richmond Rent Board – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

**F-1.**

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**RICHMOND, CALIFORNIA, November 17, 2021**

The Open Session to Hear Public Comment before Closed Session was called to order at 5:02 P.M.

**ROLL CALL**

**Boardmembers Present:** Conner, Johnson, Vasilas, Vice Chair Mishek, and Chair Finlay.

**Staff Present:** Staff Attorney Charles Oshinuga, Deputy Director Fred Tran and Executive Director Nicolas Traylor.  
(Correction to the roll call made by Chair Finlay to note for the record that Deputy Director Fred Tran was present).

**Absent:** None.

**PUBLIC COMMENT BEFORE CLOSED SESSION**

Alexis Gevorgian expressed concerns about the annual Registration fee imposed on his project. He added that they have a major affordable housing project in the city, located on Nevin Ave., near the Bart line. He also expressed that they respectfully object to the method of calculation that the Rent Program is imposing on them. He also mentioned a few reasons they cannot pay this fee: #1. Their lenders conduct a re-underwriting of their entire loan, which will cause their loan amount to become far less than they originally forecasted, and it would cause a significant impact on affordable housing. He also added that their project has several layers of oversight by the Tax Cut Allocation Committee, The State of California, and several other Federal Laws. He also added, unlike a smaller project, where if it was a five-unit or ten-unit project, the fees that the Rent Program impose are reasonable, given the size and their project, however, is very large. He also expressed that they also carry the burden of having three onsite property managers who follow the Fair Housing rules, including Tenant's election and evictions. He also added that they have all kinds of agreements and regulatory requirements that they need to comply with and are also willing to comply with the Rent Program rules and regulations. He also added that having 250 units doesn't mean they should be paying 250 times more than what one-unit or a five-unit project has.

*Mr. Gevorgian's time expired, and he requested additional time to continue his public comment. Chair Finlay allowed Mr. Gevorgian*

*an additional 5 minutes to continue his public comment with the agreement of all Rent Boardmembers.*

Mr. Gevorgian continued his comment. He added that they own and manage approximately 10,000 units. He also mentioned that none of the units are in default or ongoing litigations with Tenants. They always hire third-party managers. They have two or three onsite managers that make sure that all of their Tenants are treated fairly. He added that they are not opposed to paying a reasonable fee to the Rent Program. He also expressed that they believe that, other fees in the city like Richmond, and nearby cities, for example, fire impact fee, or any fees, there's a sliding scale, it's not a linear relationship, between the number of units you have and your fees. He also added that it doesn't take 100 times more effort for the Rent Program to monitor them.

He added that there is just a general rule and concept of being full pass through whatever your costs are. He also expressed that they have no objections to paying the Rent Programs costs; they object to this being a profit center that pays for other projects not paying into the fund. He also added that they are also willing to pay more than what is reasonable from the standpoint of the Rent Program recovering from expenses. He also expressed that they would like to ask the Board to work with them in good faith to resolve this situation without resulting in litigation. He added that ultimately, there would be another assessment the following year. They will have to appeal it again. He also expressed that they would rather work with the Rent Program in good faith to give the Rent Program a reasonable fee and be willing to provide a more reasonable fee to cover all of the Rent Program's costs. He also mentioned that they would be willing to provide the program with the 5000 units they own to verify that they are not bad Landlords. He also mentioned that imposing these fees, what is happening is that it is causing a reduction in the availability of affordable housing funds because their funds would be underwritten without the fees. He also added if the fees are included, it reduces the permanent loan to one or two million dollars, depending on the size of the project, and it will hurt affordable housing and tenants, not helping them. He concluded that he hoped that the Board would take his statement under advisement and ask the Rent Program attorney to negotiate with them in good faith to avoid litigation.

Vice-Chair Mishek asked Mr. Gevorgian to clarify his comment that Richmond's fee schedule is not the rule of thumb in other cities and asked him to state which cities he is referring to and which cities he is comparing to Richmond to and to what extent does Richmond differs from other cities. Mr. Gevorgian responded, for example, Daly City, Los Angeles, and San Jose, neither of these cities has this kind of a fee imposed on them. However, they did run into a situation in Daly City where they had a similar fee. He added that they ended up negotiating with them on a cost recovery fee, so whatever it cost their agency, they would pay them along with a small fee on top of that so that it wouldn't become a profit center. He expressed that a profit center is not fair and that their project is subsidizing all of the other projects using the Rent Programs services. He added that none of the cities in California that they have dealt with have ever imposed such an owner's fee that has such a significant impact on their permanent loan. Boardmember Johnson asked Mr. Gevorgian before beginning renting the units, as he made aware of the various fees and the amounts of the fees from the beginning. Mr. Gevorgian responded that he was not made aware of the fees at that time. Staff Attorney Charles Oshinuga mentioned to Mr. Gevorgian that he could request to speak for an additional two minutes under Public Forum during our Regular Rent Board meeting. Chair Finlay asked Mr. Gevorgian if he would like to be added to the list to speak under Public Forum. Mr. Gevorgian responded that he would not be available to speak at that time but would be happy to meet with Staff Attorney Charles Oshinuga to negotiate a deal on this issue. Mr. Gevorgian also added that they would prefer not to involve their attorney on this issue and rather negotiate this issue in good faith.

### **ADJOURN TO CLOSED SESSION**

The Open Session to Hear Public Comment before Closed Session adjourned at 5:22 P.M.

### **CLOSED SESSION – VIA VIDEOCONFERENCE**

The Regular Meeting of the Richmond Rent Board was called to order at 6:51 P.M.

Due to the coronavirus (Covid-19) pandemic, Contra Costa County and Governor Gavin Newsom have issued multiple orders requiring sheltering in place, social distancing, and reduction of person-to-person contact. Accordingly, Governor Gavin Newsom

has issued executive orders that allow cities to hold public meetings via teleconferencing.

Public comments were confined to items appeared on the agenda and were limited to the methods provided below. DUE TO THE SHELTER IN PLACE ORDERS, and consistent with Executive Order N29-20, the meeting utilized video/teleconferencing only. The following provides information on how the public participated in this meeting.

The public was able to view the meeting using Zoom at the following link:

<https://us02web.zoom.us/j/85287276923?pwd=OWQxeld6U1BIOTNyWSs5MEowd2FUUT09>  
Password: rentboard

**Or By Telephone:**

US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or  
+1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592  
Webinar ID: 852 8727 6923

International numbers available:

<https://us02web.zoom.us/j/keIPbR021e>

Community members who wished to make a public comment were required to submit their comments via email by 3:00 p.m. on Wednesday, November 17, 2021, to the Rent Board Clerk, Cynthia Shaw at [cynthia\\_shaw@ci.richmond.ca.us](mailto:cynthia_shaw@ci.richmond.ca.us), to be considered into the record.

**PLEDGE TO THE FLAG**

**ROLL CALL**

**Boardmembers Present:** Conner, Johnson, Vasilas, Vice Chair Mishek, and Chair Finlay.

**Staff Present:** Staff Attorney Charles Oshinuga, Deputy Director Fred Tran and Executive Director Nicolas Traylor.

**Absent:** None.

**STATEMENT OF CONFLICT OF INTEREST**

None.

**REPORT FROM LEGAL COUNSEL OF FINAL DECISIONS MADE IN CLOSED SESSION**

Staff Attorney Charles Oshinuga stated that the Rent Board met in closed session to discuss the anticipated litigation. No final action was taken.

**AGENDA REVIEW**

None.

**PUBLIC FORUM**

Cordell Hindler began by apologizing for not attending the November 17th Rent Board meeting because he had a scheduling conflict. He invited the Board to attend a “Home for the Holidays” performance held at the Contra Costa Civic Center Theatre on December 3rd-5th, 2021. He also commented on Item G-5 under Consent Calendar and expressed that the Board should consider a hybrid model for their Rent Board meetings. He also expressed that the hybrid model meetings would be suitable because, as a resident, he feels that virtual meetings have been in place for more than a year would prefer in-person meetings.

**RENT BOARD CONSENT CALENDAR**

On motion of Vice Chair Mishek, seconded by Boardmember Johnson, the item(s) marked with an (\*) were approved unanimously:

\*G-1. Approve the minutes of the October 20, 2021, Regular Meeting of the Richmond Rent Board.

\*G-2. Receive the Fiscal Year 2021-22 Monthly Activity Report through October 2021.

\*G-3. Receive the Rent Program FY 2021-22 Monthly Revenue and Expenditure Report through October 2021.

\*G-4. Adopt a Records Retention Schedule and direct staff to work with the City Attorney’s Office to have the Rent Board’s Retention Schedule integrated into the City of Richmond’ overall Record Retention Schedule.

\*G-5. Adopt a resolution making the required findings pursuant to Government Code Section 54953(e)(3) and

determining that as a result of the continued threat to public health and safety posed by the spread of COVID-19, City legislative bodies shall continue to meet via videoconference and teleconference.

**REGULATIONS**

H-1. The matter to (1) adopt proposed Rent Board Regulation 425, titled, “Waiver of Delinquent Residential Housing Fee Assessment”, was presented by Executive Director Nicolas Traylor. The presentation included the statement of the issue, financial impact, background which included the autonomy of the Rent Board and waiver of late fees, waiver of late fees policy, current waiver policy lacks Rent Board approval and/or oversight, overview of proposed Regulation 425, Rent Program form and Executive Director discretion, good cause standard, process and procedure, late fee waiver amounts which included Regulation 425 (G), and the recommended action. Discussion ensued. There were no public comments on this item. A motion by Boardmember Johnson, a friendly amendment by Chair Finlay, and accepted by Boardmember Johnson, seconded by Boardmember Conner, to adopt Rent Board Regulation 425, titled, “Waiver of Delinquent Residential Housing Fee Assessment”, to include corrections 425(G)(3), (G)(4) & (G)(5), passed by the following vote: **Ayes:** Boardmembers Conner, Johnson, Vasilas, Vice Chair Mishek and Chair Finlay. **Noes:** None. **Abstentions:** None. **Absent:** None.

**RENT BOARD AS A WHOLE**

G-1. The matter to receive and approve the Fiscal Years 2019-20/ 2020-21 Rent Program Annual Report and direct staff to present the report to the City Council, was presented by Executive Director Nicolas Traylor. The presentation included Staff, Intern, and Boardmember acknowledgements, the Mission of the Rent Program, what the COVID-19 pandemic has revealed which included housing stability is a public health issue, the connection between housing stability and health outcomes, Rent Ordinance active enforcement, fiscal years’ data for property enrollment and tenancy registration, counseling, mediation and community outreach, and the rent adjustment petition process, the Rent Program’s response to the COVID-19 pandemic, countering the false narrative that the Rent Ordinance has led to a loss of rental units, rental housing by the numbers as of June 2021, important facts about the Rent Program and the Rent Ordinance, rental housing profile which included affordable housing, notice of rent

increase data for Fiscal Years 2019-20 & 2020-21, termination of tenancy notice analysis for Fiscal Year 2019-20 & 2020-21, type of termination of tenancy notices filed in Fiscal Years 2019-20 & 2020-21, two-year chart of notices of termination of tenancy filed, Fiscal Year 2019-2020 & 2020-2021 financial summary and the recommended action. Discussion ensued. The following individual gave comment: Ilona Clark. A motion by Boardmember Conner, seconded by Vice Chair Mishek, to receive and approve the Fiscal Years 2019-20/2020-21 Rent Program Annual Report and directs staff to present the report to the City Council, passed by the following vote: **Ayes:** Boardmembers Conner, Johnson, Vasilas, Vice Chair Mishek and Chair Finlay. **Noes:** None. **Abstentions:** None. **Absent:** None.

A motion by Boardmember Vasilas, seconded by Boardmember Conner, was to extend the meeting past the 3-hour time limit, adjourn by 8:37 P.M., and hear Public Comment for Item I-1 and remaining items on the agenda, and Item J under Reports of Officers, passed by the following vote: **Ayes:** Boardmembers Conner, Johnson, Vasilas, Vice Chair Mishek and Chair Finlay. **Noes:** None. **Abstentions:** None. **Absent:** None.

A motion by Boardmember Vasilas, seconded by Boardmember Johnson, to approve the 2nd extension to the meeting for an additional 10 minutes to adjourn by 8:47 P.M., to hear Boardmember comments to Item I-1 and remaining Items on the agenda, Item J under Reports of Officers, passed by the following vote: **Ayes:** Boardmembers Conner, Johnson, Vasilas, Vice Chair Mishek and Chair Finlay. **Noes:** None. **Abstentions:** None. **Absent:** None.

### **REPORTS OF OFFICERS**

Executive Director Nicolas Traylor gave a brief report about the upcoming pre-recorded Spanish version workshop, titled "How to File a Rent Increase or Decrease Petition," for both Landlords and Tenants, to be posted on the website on Friday, November 19, 2021. He also thanked Boardmembers for their patience during the Annual Report presentation.

### **ADJOURNMENT**

There being no further business, the meeting adjourned at 8:40 P.M.

Cynthia Shaw  
Staff Clerk

(SEAL)

Approved:

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Virginia Finlay, Rent Board Chair