



# AGENDA REPORT

## RENT PROGRAM

**DATE:** April 5, 2017

**TO:** Members of the Rent Board

**FROM:** Bill Lindsay, City Manager

**SUBJECT:** PROGRESS UPDATE REGARDING IMPLEMENTATION OF THE RICHMOND FAIR RENT, JUST CAUSE FOR EVICTION, AND HOMEOWNER PROTECTION ORDINANCE

### STATEMENT OF THE ISSUE:

The Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance became effective on December 30, 2016. In accordance with Section 11.100.060(m) of the Ordinance, the City Manager and his designees have taken those steps necessary to implement the Ordinance. This includes establishment of the Richmond Rent Program, which opened to the public on January 3, 2017.

### RECOMMENDED ACTION:

RECEIVE an update from Rent Program interim staff regarding progress to date in implementing the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance and providing community education.

### FISCAL IMPACT:

There is no fiscal impact related to this item.

### DISCUSSION:

#### Background

Section 11.100.060(m) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance requires that the City take necessary steps to implement the Ordinance prior to the appointment of the Rent Board and their hiring of an Executive Director.

### Purpose

To acquaint the Rent Boardmembers with the Rent Program, staff members prepared an overview of their progress to date in implementing and administering the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. This progress includes:

- Establishment of the Rent Program Office
- Conducting Community Education
- Creation of a Rent Program website ([www.richmondrent.org](http://www.richmondrent.org))
- Development of numerous online forms, including:
  - Enrollment
  - Agent Authorization
  - Excess Rent Complaint
  - Rent Adjustment Petition
  - Rent Increase
  - Termination of Tenancy
  - Proof of Service
- Adoption of the Fiscal Year 2016-17 Rent Board Interim Budget
- Establishment of the 2016 Annual General Adjustment
- Adoption of the Richmond Relocation Ordinance
- Establishment of the Temporary and Permanent Relocation Payment Amounts
- Professional service contracts to enforce Measure L

These tasks are further detailed in the attachments identified below.

### **DOCUMENTS ATTACHED:**

Attachment 1 – Rent Program Progress Summary

Attachment 2 – Rent Program Community Education Summary

Attachment 3 – Rent Program Website Overview

Attachment 4 – Approval of the Fiscal Year 2016-17 Rent Board Interim Budget  
December 20, 2016

Attachment 5 – Establishment of the 2016 Annual General Adjustment for Controlled  
Rental Units – December 20, 2016

Attachment 6 – Rent Program Interim Administrative Decisions and Procedures

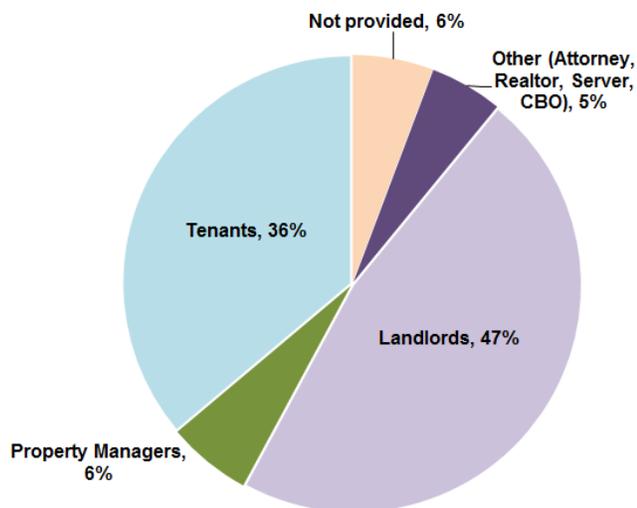
## City of Richmond Rent Program Progress Summary

### INQUIRIES

- To date, the Rent Program has received **1,759 total inquiries**.<sup>1</sup> This includes:
  - 750 phone calls
  - 401 walk-ins
  - 316 emails
  - 292 voicemails
- **2.8 percent** (49) of these inquiries are currently unresolved.

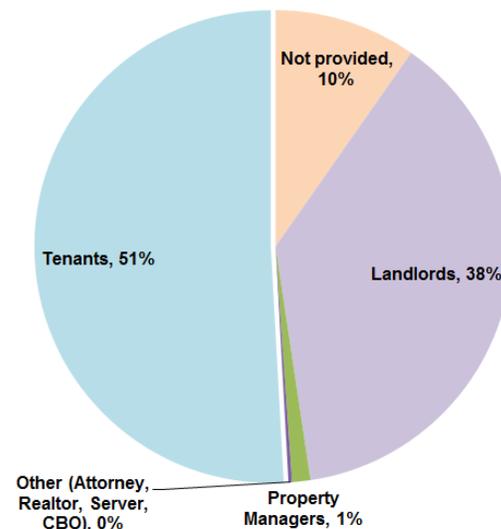
#### Who Calls the Rent Program?

n = 750



#### Who Visits the Rent Program?

n = 401



### FORMS

- To date, the Rent Program has received **1,837 total forms**.<sup>2</sup> This includes:
  - 596 Enrollment Forms
  - 564 Proof of Service Forms
  - 429 Annual General Adjustment (AGA) Rent Increase Forms
  - 189 Termination of Tenancy Forms
  - 26 Petitions for Maximum Allowable Rent Increase or Decrease (24 from landlords, 2 from tenants)
  - 22 Agent Authorization Forms
  - 11 Excess Rent Complaint Forms

### COMPUTER LAB ASSISTANCE

- To date, the Rent Program has scheduled over **30 online support sessions** with Tenants and Landlords to complete online forms for a total of over **1,240 minutes (20.6 hours) of individual, one-on-one support**.

<sup>1</sup>As of March 17, 2017

<sup>2</sup>As of March 20, 2017

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# City of Richmond Rent Program Community Education Summary

## COMMUNITY WORKSHOPS

- To date, the Rent Program has hosted **two large-format Community Workshops**, on January 18, 2017 and March 29, 2017. These workshops have been attended by over 150 individuals, including tenants, landlords, property managers, and community members.

### Richmond Rent Program

Richmond Fair Rent, Just Cause for Eviction, & Homeowner Protection Ordinance

#### Community Education Workshop

March 29, 2017  
6:00 pm - 7:30 pm  
City Council Chambers  
440 Civic Center Plaza

#### Computer Lab Support Sessions

March 23, 2017 & March 30, 2017  
6:00 pm - 8:00 pm  
Computer Lab  
450 Civic Center Plaza

Space is limited - RSVP today:

<https://richmondrentprogram.eventbrite.com>

- Receive computer lab assistance to access and complete online forms
- Learn more about the Richmond Rent Program
- Explore resources for Tenants and Landlords

[www.richmondrent.org](http://www.richmondrent.org)

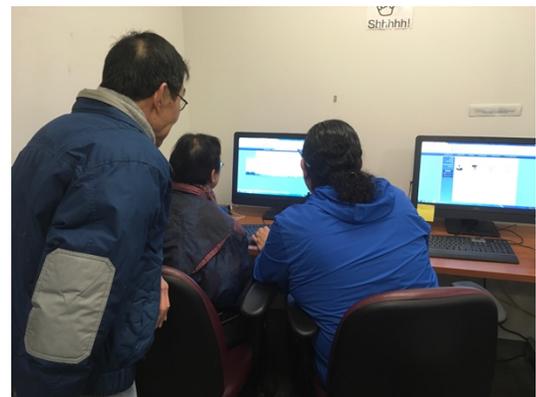


rent@ci.richmond.ca.us (510) 620-6576



## COMPUTER SUPPORT SESSIONS

- To date, the Rent Program has conducted **four Computer Lab Support Sessions**:
  - March 23, 2017 6:00 PM – 7:00 PM
  - March 23, 2017 7:00 PM – 8:00 PM
  - March 30, 2017 6:00 PM – 7:00 PM
  - March 30, 2017 7:00 PM – 8:00 PM



## RENT PROGRAM BROCHURE

- The Rent Program Brochure is available in English and Spanish on the Rent Program website at [www.richmondrent.org](http://www.richmondrent.org). Section 11.100.060(g) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance requires that each Tenant receive a copy from their Landlord. It is important to note that Landlords must provide the Brochure at the commencement of tenancy and with each notice of rent increase.



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**City of Richmond Rent Program**  
**Website Overview**  
[www.richmondrent.org](http://www.richmondrent.org)

**FORMS**

- Tenants, Landlords, and other community members can access, complete, and submit the following forms:
  - Enrollment
  - Agent Authorization
  - Excess Rent Complaint
  - Proof of Service
  - Rent Adjustment Petition
  - Rent Increase
  - Termination of Tenancy

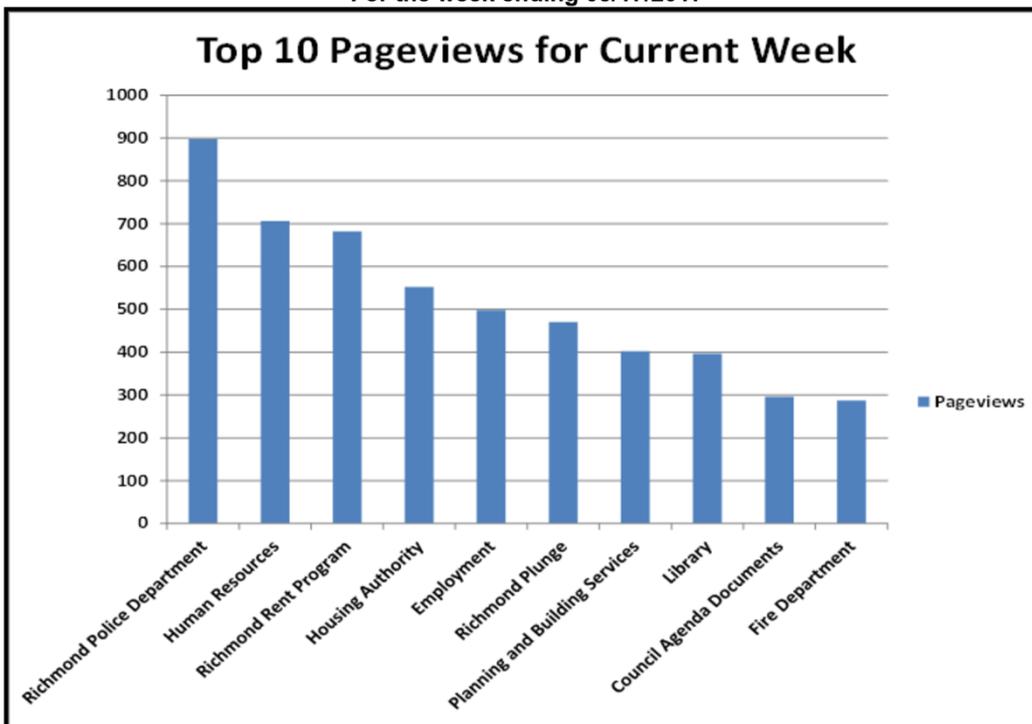


**RESOURCES**

- In addition to online forms, the Rent Program website includes links to several other resources for landlords, tenants, and community members to educate the community and support landlords in complying with the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. These resources include:
  - City of Richmond Zoning Lookup Tool
  - Contra Costa County Maps and Property Information
  - City Permits and License Records
  - Rent Program Brochure (English and Spanish)
  - Landlord and Tenant Resource Directory (English and Spanish)

**WEBPAGE VIEW STATISTICS**

For the week ending 03/17/2017



The Rent Program website has received hundreds of webpage views each week since its launch on December 23, 2017.

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# AGENDA REPORT

## CITY MANAGER'S OFFICE

**DATE:** December 20, 2016

**TO:** Mayor Butt and Members of the City Council

**FROM:** Bill Lindsay, City Manager

**SUBJECT:** APPROVAL OF THE FISCAL YEAR 2016-17 RENT BOARD INTERIM BUDGET

### STATEMENT OF THE ISSUE:

Section 11.100.060(m) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance ("Measure L") provides that, during the transition period before the Rent 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 the Ordinance. Accordingly, the preparation of an interim budget is necessary to account for the staffing, professional services contracts, and operating expenses required for startup and implementation. Staff is also recommending that the City Council authorize the City Manager to enter into a reimbursement agreement with the Rent Board so that any costs advanced by the City to the Rent Board may be recovered.

### RECOMMENDED ACTION:

ADOPT a resolution approving the fiscal year 2016-17 Rent Board interim budget, and authorize the City Manager to enter into a reimbursement agreement with the Rent Board for any funds advanced by the City – City Manager's Office (Bill Lindsay 620-6512).

### FISCAL IMPACT:

Pursuant to Section 11.100.060(l)(1), all Landlords shall pay a business license fee if required by the Richmond Municipal Code in addition to a Residential Rental Housing Fee, which shall fund the budget. The Residential Rental Housing Fee and business license fee shall be charged and collected concurrently by City staff and the Rent

Board.<sup>1</sup> Staff intends that the initial billing of the Residential Rental Housing Fee be within the first sixty days of calendar year 2017, which resulting cash flow will necessitate an advance of funds by the City to the Rent Board.

Because the Residential Rental Housing Fee shall be the Rent Board's sole source of revenue for the foreseeable future, it is important to underscore the fact that the financial stability of the Board will depend on both the accuracy of the budget and fee payment compliance rates. If fee payment compliance rates are less than 100%, the Rent Board will operate at a deficit. Finance Department staff estimate that the current business license fee compliance rate is approximately 80 percent. If the City is only able to recover 80 percent of Rent Board implementation costs, the City's General Fund may need to temporarily advance funds to the Board for its operations. Based on the current budget, a 20 percent advance may amount to approximately \$198,000 for this seven-month period. Furthermore, City staff expect that compliance will be lower, not higher, with initial startup of the program.

As a result of cash flow requirements during program start-up, and because of uncertainty in revenue collection, staff recommends that the City Council authorize the City Manager to enter into a formal reimbursement agreement requiring the Board to repay any funds advanced by the City.

## **DISCUSSION:**

### Background

Section 11.100.060 of Measure L provides for the establishment of a Richmond Rent Board comprised of five Board Members appointed by the City Council. The Rent Board is provided a number of powers and duties, including but not limited to holding regularly scheduled meetings, issuing orders, rules, and regulations, conducting hearings, charging fees, making studies, reporting to the City Council on the status of rental housing, maintaining a searchable database of notices served to applicable rental units, and filing copies of relevant notices (refer to Section 11.100.060(e)(1-15)). Implementation and administration of Measure L will therefore require that the City enter into multiple contracts for professional services, hire staff, and budget for outreach, meeting, and operational expenses. Each of these components is described in greater detail below.

This seven-month Rent Board Interim Budget provides a conservative estimate, based on research conducted by staff recently (and previously in 2015) of the expenses the City can expect to incur during the implementation and administration of the processes established in Measure L. The Interim Budget may form the basis for the levy of an Interim Residential Rental Housing Fee to allow the City to recover such costs, and shall be modified according to the volume and demand for services and labor experienced in the early phases of program administration.

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<sup>1</sup> Note that business license fees are billed on a calendar year schedule, unlike budgets, which are prepared and adopted on a fiscal year schedule.

## Budget Components

The Rent Board Interim Budget is designed to support the implementation and administration of Mesasure L for the remainder of Fiscal Year 2016-17 (ending on June 30, 2017). The Interim Budget includes the following essential elements:

### **1. Staffing and Personnel**

The budget includes a basic short-term staffing plan that will be adjusted based on the needs of the program. The Interim Budget anticipates that an Executive Director will be hired by March 1, and will be supported by a proposed staffing plan that includes a Senior Management Analyst, Management Analyst II, Administrative Trainee, and Administrative Intern.

### **2. Professional Service Contracts**

The Rent Board's lean staff support is likely to necessitate contracts with multiple professional service providers. The Interim Budget includes cost estimates for the following functions:

- *Management Partners (consultants)* – to assist with program design, processes, and administration;
- *Systems Administration and IT* – to support the IT requirements of the program, including the creation of a searchable database of all notices filed with the Board;
- *Legal Aid* – to provide support to individuals who are not able to secure legal representation due to limited financial means or other barriers;
- *Translation Services* – to ensure that all forms and notices are available in both English and Spanish, at a minimum;
- *Mediation Services* – to provide a mediation option for Landlords and tenants to settle rent disputes and potentially reduce demands for formal hearings;
- *Third Party Hearing Officers* – to ensure that hearings are administered equitably and in accordance with adopted Rent Board rules and procedures;
- *Relocation Assistance* – to provide counseling support and services to tenants who must relocation following involuntary termination of tenancy (as prescribed in the Relocation Ordinance); and
- *Outside Legal Counsel* – as necessary.

### **3. Outreach, Operations, and Maintenance**

The Interim Budget also includes the costs of departmental operations, including postage and mailing costs (for four mailings to Landlords, tenants, and the community at large), IT systems software to create the searchable database of notices filed with the Board, document copying and duplicating, Xerox rental, office

supplies, mileage, staff trainings and attendance at conferences, and other miscellaneous expenses.

#### **4. Cost Pool**

The cost pool covers budget items such as the physical space utilized at City Hall, general liability, and indirect service costs.

#### Residential Rental Housing Fee

City staff members anticipate that the refinement of the Interim Budget will inform the development of an Interim Residential Rental Housing Fee charged to Landlords of applicable units. While City staff members have researched staffing in other cities with recently adopted Rent Control and Just Cause for Eviction Ordinances, such as Santa Monica and Berkeley, the difference in Richmond's demographics yields a currently unknown demand for services. Based on the volume of calls the City has received since the passage of Measure L in early November, City staff members anticipate that there may be significant demand for such services.<sup>2</sup>

The magnitude of the Residential Rental Housing Fee shall ultimately be a function of the following factors:

- The number of applicable units (City staff have preliminary estimates at this time);
- The demand for contractual services; and
- The amount of staff labor required to provide customer service.

#### Next Steps

City staff members recommend that the City Council adopt a resolution approving the Interim Budget with the understanding that it shall continue to be modified as demands for the program are better understood. In January 2017, City staff members shall return to the City Council with an amended budget and proposed Interim Fee, which may be charged to property owners as a special billing (the majority of Business License Fees are billed in October.)

Once the Executive Director is hired, City staff members recommend that they work with Management Partners, the consulting firm with which the City has contracted to provide management support services, to conduct a comprehensive fee study following direction from the newly appointed Rent Board. It is expected that this fee study may

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<sup>2</sup> Between the City Manager's Office, City Council Office, and Housing and Community Development, the City has received approximately 45 inquiries per week regarding the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (Measure L) since early November. Many inquiries have been from individuals for which English is not the language spoken at home. The 2011-2015 American Community Survey estimates that 49.6 percent of Richmond residents who speak a language other than English speak English less than "very well," and that 35 percent speak Spanish (Table S1601).

inform the Fiscal Year 2017-18 Rent Board Budget and associated Residential Rental Housing Fee adopted by the City Council.

Because of the possibility that the City will advance funds to the Rent Board, especially during the start-up phase of the work, the City Manager will also execute a reimbursement agreement with the Rent Board so that any costs advanced by the City to the Rent Board may be recovered.

**DOCUMENTS ATTACHED:**

Attachment 1 – Resolution Approving the 2016-17 Rent Board Interim Budget

Attachment 2 – Fiscal Year 2016 Rent Board Interim Budget

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**RESOLUTION NO. 113-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND  
APPROVING THE 2016-17 RENT BOARD INTERIM BUDGET AND AUTHORIZE  
THE CITY MANAGER TO ENTER INTO A REIMBURSEMENT AGREEMENT WITH  
THE RENT BOARD FOR ANY FUNDS ADVANCED BY THE CITY AND AUTHORIZE  
THE CITY MANAGER TO ENTER INTO SOLE SOURCE CONTRACTS**

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**WHEREAS**, the “Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance” initiative was passed by the voters in the City of Richmond on November 8, 2016; and

**WHEREAS**, in accordance with Section 11.100.060(m) of the Ordinance, during the transition period before Rent 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 Chapter 11.100; and

**WHEREAS**, the preparation of an interim budget is necessary to account for the staffing, professional services contracts, and operating expenses required for program startup and implementation; and

**WHEREAS**, the City Council shall have additional opportunities to review said budget before an Interim Residential Rental Housing Fee is established to ensure that the budget and fee levied is equivalent to the City’s expenditures related to program implementation and administration.

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Richmond that an Interim 2016-17 Rent Board Budget is hereby adopted, with the understanding that modifications may be made before the establishment of any associated fees.

\*\*\*\*\*

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held December 20, 2016, by the following vote:

AYES: Councilmembers Beckles, Martinez, McLaughlin, and Vice Mayor Myrick.  
NOES: Mayor Butt.  
ABSTENTIONS: Councilmember Pimplé.  
ABSENT: Councilmember Bates.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:

TOM BUTT  
Mayor

Approved as to form:

BRUCE GOODMILLER

City Attorney  
State of California            }  
County of Contra Costa        }        : ss.  
City of Richmond               }

I certify that the foregoing is a true copy of **Resolution No. 113-16**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on December 20, 2016.



\_\_\_\_\_  
Pamela Christian, Clerk of the City of Richmond

**DRAFT PROPOSED MEASURE L IMPLEMENTATION BUDGET**  
December 2016 - June 2017

**EXPENDITURES**

**PERSONNEL EXPENSES**

November 9, 2016 - June 2017	Monthly Salary	Annual Salary (Based on 7 months)	Benefits (at 55% of Salary)	Annual Salary & Benefits	# of employees	TOTAL COST	Salary Range
Possible Positions, Titles, & Expenses			7	0.55			
Executive Director (4 months)	\$ 12,338	\$ 49,352	\$ 27,144	\$ 76,496	1	\$ 76,495.60	\$12,338 - \$19,254
Management Analyst II	\$ 6,418	\$ 44,926	\$ 24,709	\$ 69,635	1	\$ 69,635.30	\$6,113 - 6418 - 6708 - 7034 - 7388
Senior Management Analyst	\$ 7,565	\$ 52,955	\$ 29,125	\$ 82,080	1	\$ 82,080.25	\$6,883 - \$7208 - \$7565 - \$7930 - \$8324
Admin Trainee	\$ 3,685	\$ 25,795	\$ 14,187	\$ 39,982	1	\$ 39,982.25	\$3,685 - \$3,829 - \$3,983 - \$4,151 - \$4,325
Admin Intern (P/T)	\$ 2,646	\$ 18,522	\$ -	\$ 18,522	1	\$ 18,522.00	\$20.51/hr*30 hrs/wk*4.2 wks/mo*7 mo
Admin Intern (P/T)	\$ 2,646	\$ 18,522	\$ -	\$ 18,522	1	\$ 18,522.00	\$20.51/hr*30 hrs/wk*4.2 wks/mo*7 mo
Overtime						\$ 3,700.00	10% overtime for 2 Admin. Interns
<b>TOTAL PERSONNEL EXPENSES</b>					<b>6</b>	<b>\$ 308,937.40</b>	

**OPERATING EXPENSES**

**CONTRACTS FOR PROFESSIONAL SERVICES**

Management Partners						\$ 230,000.00	
Systems Administration/Information Technology						\$ 30,000.00	
Legal Aid						\$ 25,000.00	
Translation Services						\$ 30,000.00	
Mediation Services						\$ 15,000.00	
Searchable Database						\$ 100,000.00	
Hearing Officer						\$ 25,000.00	
Relocation Assistance						\$ 10,000.00	
Legal Services						\$ 25,000.00	
<b>Sub-Total Contracts for Professional Services</b>						<b>\$ 490,000.00</b>	

**OTHER OPERATING EXPENSES**

Postage & Mailing						\$ 50,000.00	4-5 major mailings
Copying & Duplicating						\$ 10,000.00	
Office Supplies						\$ 7,000.00	
Training, Mileage, Conferences						\$ 3,500.00	
Rental Expenses (XEROX machine)						\$ 3,500.00	
Promotional						\$ 3,000.00	
Vehicle Maintenance						\$ 1,000.00	
<b>Sub-Total Other Operating</b>						<b>\$ 11,000.00</b>	

**INFORMATION TECHNOLOGY EXPENSES**

IT Electronic Equipment Purchases (Start-up Costs)						\$ 31,000.00	
Annual Fees						\$ 30,000.00	
City IT staff services (for system startup only)						\$ 29,000.00	
<b>Sub-Total Information Technology Expenses</b>						<b>\$ 90,000.00</b>	

**COST POOL**

General Liability (6 FTEs)						\$ 27,111.00	
Space at 440 Civic Center Plaza						\$ 30,179.00	
Indirect Cost						\$ 31,810.00	
<b>Sub-Total Cost Pools</b>						<b>\$ 89,100.00</b>	

<b>TOTAL OPERATING EXPENSES</b>						<b>\$ 680,100.00</b>	
<b>GRAND TOTAL</b>						<b>\$ 989,037.40</b>	

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# AGENDA REPORT

**DATE:** December 20, 2016

**TO:** Mayor Butt and Members of the City Council

**FROM:** Bill Lindsay, City Manager

**SUBJECT:** ESTABLISHMENT OF THE 2016 ANNUAL GENERAL ADJUSTMENT FOR CONTROLLED RENTAL UNITS

## **STATEMENT OF THE ISSUE:**

Section 11.100.070(b)(3) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (“Measure L”) provides that, during the period between the effective date of the Ordinance and the first Annual General Adjustment announced September 1, Landlords of Controlled Rental Units are permitted to increase the Maximum Allowable Rent to include one Annual General Adjustment for September 2016. During the period before the Rent Board is appointed, the City is required to take necessary steps to implement the Ordinance, and staff recommends that the City Council approve the amount of the 2016 Annual General Adjustment.

## **RECOMMENDED ACTION:**

ADOPT a resolution approving the 2016 Annual General Adjustment in accordance with Section 11.100.070(b)(3) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance – City Manager’s Office (Bill Lindsay 620-6512).

## **FISCAL IMPACT:**

There is no financial impact to the City.

## **DISCUSSION:**

### Background

Pursuant to Section 11.100.070(b)(3) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (“Ordinance”), for the period between

the effective date of the Ordinance and the first Annual General Adjustment announced September 1, Landlords of Controlled Rental Units are permitted to increase the Maximum Allowable Rent to include one Annual General Adjustment for September 2016.

Following establishment of the 2016 Annual General Adjustment, and in accordance with applicable state and local laws (including the 30-day state noticing requirement of a rent increase of 10 percent or less), Landlords of Controlled Rental Units shall be permitted to increase the Maximum Allowable Rent in an amount not to exceed three percent (3%).

Calculating the 2016 Annual General Adjustment

Section 11.100.070(b)(1) of the Ordinance provides that the Annual General Adjustment for Controlled Rental Units shall be equal to one-hundred (100) percent of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region) (“CPI”) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year; however, the CPI for this region is not published in March. Rather, the CPI for the San Francisco-Oakland-San Jose region is published bimonthly, in February, April, June, August, October, and December.

To address this, City staff calculated the Annual General Adjustment as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of February 2016 (Attachment 2). City staff will draft regulations to clarify this calculation that the Rent Board, once seated, or City Council, acting as the Rent Board, can adopt to avoid future confusion.

Amount of Annual General Adjustment

As shown in Attachment 2, and as summarized below, the percent change in the CPI for the 12-month period ending February 2016 is equal to three percent (3%).

The calculation of the 2016 Annual General Adjustment is as follows:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306				263.911	
<b>Calculation of 2016 Annual General Adjustment</b>															
Year	Month	CPI													
2015	Feb	254.910													
2016	Feb	262.600													
Difference		7.69													
Percent Change		3.0%													

Example calculation:

Starting Maximum Allowable Rent: \$1,400  
Annual General Adjustment =  $\$1,400 \times (0.03) = \$42$   
New Maximum Allowable Rent = \$1,442

Rent increases, including the increase permitted by the Annual General Adjustment, must be noticed in accordance with applicable State laws.

Example Scenario:

December 30, 2016: Ordinance takes effect

January 1, 2017: Maximum Allowable Rent = Base Rent on July 21, 2015 (or first date of tenancy thereafter)

*Landlord issues 30-day notice of rent increase on January 1, effective February 1*

February 1, 2017: Maximum Allowable Rent = Base Rent + 3% Annual General Adjustment

Community Engagement

City staff members are developing outreach materials, including a postcard, brochure, compliance letter, forms and notices, and a Rent Program website. Materials shall clearly state the amount of the 2016 Annual General Adjustment.

**DOCUMENTS ATTACHED:**

Attachment 1 – Resolution Establishing the 2016 Annual General Adjustment for Controlled Rental Units Pursuant to Section 11.100.070(b)(3) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance

Attachment 2 – Bureau of Labor Statistics Consumer Price Index – All Urban Consumers (San Francisco-Oakland-San Jose)

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**RESOLUTION NO. 114-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND ESTABLISHING THE 2016 ANNUAL GENERAL ADJUSTMENT FOR CONTROLLED RENTAL UNITS PURSUANT TO SECTION 11.100.070(b)(3) OF THE RICHMOND FAIR RENT, JUST CAUSE FOR EVICTION, AND HOMEOWNER PROTECTION ORDINANCE**

**WHEREAS**, the “Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance” initiative was passed by the voters in the City of Richmond on November 8, 2016; and

**WHEREAS**, the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (“Ordinance”) requires that no later than June 30 each year, the Rent Board shall announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year; and

**WHEREAS**, the Ordinance provides that for the period between the effective date of Chapter 11.100 and the first Annual General Adjustment announced September 1, landlords of Controlled Rental Units may increase the Maximum Allowable Rent to include one Annual General Adjustment for September 2016; and

**WHEREAS**, in accordance with Section 11.100.060(m) of the Ordinance, during the transition period before Rent 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 Chapter 11.100;

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Richmond that pursuant to Section 11.100.070(b) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, the Annual General Adjustment for September 2016 of three percent (3%) is hereby approved, based on the following calculation:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306				263.911	
<b>Calculation of 2016 Annual General Adjustment</b>															
Year	Month	CPI													
2015	Feb	254.910													
2016	Feb	262.600													
Difference		7.69													
Percent Change		3.0%													

\*\*\*\*\*

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held December 20, 2016, by the following vote:

AYES: Councilmembers Beckles, Martinez, McLaughlin, and Vice Mayor Myrick.  
NOES: Mayor Butt.  
ABSTENTIONS: Councilmember Pimplé.  
ABSENT: Councilmember Bates.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:

TOM BUTT  
Mayor

Approved as to form:

BRUCE GOODMILLER

City Attorney  
State of California }  
County of Contra Costa : ss.  
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 114-16**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on December 20, 2016.

  
Pamela Christian, Clerk of the City of Richmond

**Consumer Price Index - All Urban Consumers**  
**Original Data Value**

**Series Id:** CUURA422SA0,CUUSA422SA0  
**Not Seasonally Adjusted**  
**Area:** San Francisco-Oakland-San Jose, CA  
**Item:** All items  
**Base Period:** 1982-84=100  
**Years:** 2006 to 2016

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2006		207.1		208.9		209.1		210.7		211.0		210.4	209.2	207.9	210.6
2007		213.688		215.842		216.123		216.240		217.949		218.485	216.048	214.736	217.361
2008		219.612		222.074		225.181		225.411		225.824		218.528	222.767	221.730	223.804
2009		222.166		223.854		225.692		225.801		226.051		224.239	224.395	223.305	225.484
2010		226.145		227.697		228.110		227.954		228.107		227.658	227.469	226.994	227.944
2011		229.981		234.121		233.646		234.608		235.331		234.327	233.390	232.082	234.698
2012		236.880		238.985		239.806		241.170		242.834		239.533	239.650	238.099	241.201
2013		242.677		244.675		245.935		246.072		246.617		245.711	245.023	243.894	246.152
2014		248.615		251.495		253.317		253.354		254.503		252.273	251.985	250.507	253.463
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306				263.911	

**Calculation of 2016 Annual General Adjustment**

Year	Month	CPI
2015	Feb	254.910
2016	Feb	262.600
Difference		7.69
Percent Change		3.0%

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## **CITY OF RICHMOND RENT PROGRAM INTERIM ADMINISTRATIVE POLICIES AND PROCEDURES**

*During the transition period before 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(m))*

### **I. Maximum Allowable Rent**

- a) The **Base Rent** is the rent that was charged on **July 21, 2015** or the first date that rent was charged for tenancies that began after July 21, 2015 (Section 11.100.070(a) on page 15 of Measure L).
- b) **The Annual General Adjustment** by which the Maximum Allowable Rent may be increased (equal to the Base Rent) for 2016 is 3.0%. The 2017 Annual General Adjustment will be announced by June 30, 2017 and effective September 1, 2017 (Section 11.100.070(b) on page 15 of Measure L). The Annual General Adjustment is calculated based on the change in the Consumer Price Index for the month of February for the San Francisco-Oakland-San Jose region.
- c) Rent collected in excess of the Maximum Allowable Rent following December 30, 2016 shall be refunded to the Tenant within ten (10) days of the date upon which the Landlord was made aware that the rent collected exceeded the Maximum Allowable Rent for Controlled Rental Units.

### **II. Just Cause for Eviction**

- a) **Just Cause for Eviction** applies to all tenancies, with the exception of temporary rentals, small, second dwelling units, and unregulated rooms **ONLY IF** such units fit the description in Section 11.100.040 of Measure L (Section 11.100.040 on page 5 of Measure L).
- b) If a Landlord terminates a tenancy under a no-fault just cause for eviction (including substantial repairs, owner move-in, or withdrawal from the rental market) relocation payment must be provided to each tenant (Section 11.100.050(b) on page 10 of Measure L).

### **III. Filing Notices**

- a) All **notices** of rent increase, changes in terms of tenancy, and termination of tenancy must be filed with the Rent Program according to the following Interim Noticing Procedure (Section 11.100.060(s)(1) on page 14 of Measure L):
  1. Enrollment of rental unit(s). Please use the online Enrollment form: [Richmond Rent Program Enrollment](#).
  2. File notice of rent increase or change in terms of tenancy with Rent Program (NOTE: if serving notice of rent increase, Rent Program Guide must be provided with notice of rent increase). Please use the online AGA Notification form: [Richmond Rent Program AGA Notification](#).
  3. Serve Notice to Tenant ([Template provided](#))
  4. File Proof of Service with Rent Program (NOTE: you must attach a PDF copy of the notice provided to each Tenant with your Proof of Service). Please use the online [Proof of Service form](#).

### **IV. Petitions**

- a) No petition for an increase in the Maximum Allowable Rent may be filed if there is an outstanding citation or notice of violation of local housing, health or safety laws issued by a governmental agency. The hearing examiner or Rent Board may refuse to hold a hearing and/or grant a rent adjustment if an individual hearing has been held and decision made with regard to Maximum Allowable Rent within the previous twelve (12) months (11.100.070(c)).

### **V. Fee Payment Requirements**

- a) In order to be granted an increase in the Maximum Allowable Rent through the petition process OR apply any Annual General Adjustment, landlords must be current on all business license, rental inspection, fire prevention, and residential rental housing fees.

### **VI. Permanent and Temporary Relocation Payment**

- a) For termination of tenancy notices dated prior to December 30, 2016, but where the Landlord seeks to take action to recover possession of the Rental Unit following January 19, 2017, the Tenant shall be eligible for Temporary or Permanent Relocation Payment in accordance with the Relocation Payment Fee

Schedule approved by the City Council on December 20, 2016. Fifty percent (50%) of the Relocation Payment shall be due within 72 hours prior to the Tenant's vacation of the rental unit, and the remaining fifty percent (50%) of the Relocation Payment shall be paid upon receiving confirmation that the Tenant has vacated the Rental Unit.

**VII. Legal Aid**

- a) The Interim Rent Program does not provide legal advice. Each Landlord and Tenant is responsible for seeking the advice for legal counsel on any matters or documents related to the specific circumstances.

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