

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: November 15, 2017

Final Decision Date Deadline: November 15, 2017

STATEMENT OF THE ISSUE: Members of the community have sent letters to the Rent Board and Rent Program staff members. Staff members recommend letters that do not pertain to a specific item on the Rent Board agenda be included as consent items for consideration by the Rent Board.

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: RECEIVE letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100 – Rent Program (Paige Roosa 620-6537).

AGENDA ITEM NO:

F-2.

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Paige Roosa

From: Abby Sukarto <abby_sukarto@yahoo.com>
Sent: Thursday, August 24, 2017 1:15 PM
To: Rent Control
Subject: Attn: Lauren Maddock

Hi Lauren,

I went to the special meeting of Richmond Rent Control yesterday and submitted the card to speak to the Rent Boards. However, the meeting was held more than 2.5 h before I had to leave due to other commitment. I would like to provide you my background as a landlord in Richmond and the impacts of the Ordinance to my rental business. I would really appreciate it if you would review my case and provide me with due processing that I am currently seeking for.

The following is the background of my rental property situation.

I am a landlord of a duplex property located on 1724 Bissell Ave, Richmond, CA 94801. I purchased the property on July 5th, 2016, and offered the new rent rate to the long-term tenants. The rate was slightly below the market rate to keep the long-term tenants, cover my basic rental cost and receive a reasonable rate of return. The long-term tenants agreed to the proposed rent increase and signed a 1-year lease (September 1st, 2016 to August 31st, 2017). I learned about the Richmond Rent Control Program on July 19th, 2017, when I was searching online on how to move forward with the unlawful detainer eviction in the city of Richmond after the 3-day notice expired on the tenant that have been habitually late in rent payment for the past 6 months. After knowing the rent control in Richmond, I subsequently registered with the Richmond Rent Control program and submitted the information required as a landlord in the city of Richmond to the Rent Control Program website. I went to the Rent Control office the next day to obtain consultation regarding an eviction and further found out about the base rent. The Agent (Brenda) also gave me the copy of the Ordinance to go through.

The following is my completed actions.

- Returned the excess rent to my tenants on both units within 10 days
- Obtained my rental business license
- Mailed the Residential Rental Inspection form in order to proceed with the next step
- Emailed Eric Govani on how to schedule the inspection and pay the fee for the Fire Prevention Service (It turned out that only 3-unit property requires the Fire Prevention Inspection)
- Submitted the hearing petition for the Maximum Allowable Rent

The following is the responses from the Richmond Rent Control.

- Received a certified mail from the Richmond Rent Control regarding the Richmond Rent Program on August 4th, 2017, and was informed to pay the excess rent to the tenants in 10 days.
- Was informed that the Board Hearing Officer position is not filled yet by phone
(Might take 3-6 months or longer to have the Board Hearing Officer in place and the Richmond rent Control Agents (Nicolas) suggested me to be patient for minimum 6 months in waiting for the hearing.
- Was informed by Nicolas through email and mail, after I sent email to the Richmond Rent Control Program with attention to the Boardmembers that the Hearing Examiner will be filled in 2-4 months and acknowledgement of my request on the maximum Allowable Rent hearing.

My current 2017 rental expense is shown on the following Table.

<u>1724 Bissell Ave, Richmond, CA</u>		
<u>94801</u>		
Monthly expense		
Mortgage	\$ 1,232.39	
Tax property	\$ 508.08	
Recycle service	\$ 90.54	
Insurance	\$ 40.59	
Business license	\$ 19.59	(\$235.10/yr)
Total	\$ 1,891.19	

Additional expense		
Residential housing fee	\$ 196.00	(\$98/unit)
Inspection processing fee	\$ 79.00	
Inspection fee	\$ 314.00	(\$157/unit)
Total	\$ 589.00	
Repair expense (2017)		
Plumbing	\$ 1,999.99	
Crawl door built	\$ 2,134.26	
Door replacement, window trim	\$ 1,667.31	
Pest control	\$ 910.00	
Asbestos inspection	\$ 425.00	
<i>Mold remediation</i>	<i>\$ 5,122.60</i>	
<i>Temporary stay for repair (2 wks)</i>	<i>\$ 7,840.00</i>	<i>(4 tenants, 3 dogs)</i>
<i>Build estimate</i>	<i>\$ 6,000.00</i>	<i>Approx. estimate</i>
<i>Window replacement</i>	<i>\$ 4,000.00</i>	<i>Approx. estimate</i>
Total	\$ 30,099.16	
Base rent 2017		
Rent in Unit A	\$ 1,000.00	(2-bed, 2-bath)
Rent in Unit B	\$ 650.00	(1-bed, 1-bath)
Total rent	\$ 1,650.00	
Annual loss (2017)		
Total rent	\$ 19,800.00	
All expenses	\$ 53,382.41	
Total loss	\$(33,582.41)	

The build back estimate after mold remediation and window replacement to prevent future mold problem are still pending as the estimators are still working on them. The repair work is completed, except for the mold remediation, build back and window replacement. In addition, the mold remediation technician has informed me that it requires 1 week to complete the remediation, possibly another 1 week for build back and the tenants must be out of the units during the remediation and build back. So, I am currently running the rental at severe loss and I would really appreciate it if you would put my case in high priority and provide me with special handling for conditional rent increase hearing.

The reasons of my request for immediate handling of my case are the following.

1. I acquired the property at market value in 2016, while my tenants do not pay market rent in 2017 due the base rent date of July 21st, 2015. Therefore, I am a victim of the Ordinance.
2. The ordinance does not specify that the rent base is applied to owner before or after July 21st, 2015, and so my case should be specially handled due to the circumstances.
3. Tenants' rent has not been increased by the previous owner since 2005 and therefore repair was not conducted by the previous owner due to low rent, as verbally confirmed by my tenants.
4. My rental business in Richmond is at loss since January 2017, as the base rent does not even cover the basic cost of my monthly expense, excluding the the additional fees required by the ordinance and substantial repair.
5. Having to wait till January 2018 to have the Hearing Examiner to start to hold a hearing would put my rental business in a severe loss (approximate loss of \$33,582.41).
6. I paid the rent excess (\$5425) to my tenants within 10 days as required by the Richmond Rental Program, but I do not receive a due processing in a comparable time frame.
7. The Richmond Rent Control does not provide due processing and sufficient staffing in handling rental cases, specifically for landlords. I believe the rent control Ordinance in Richmond has been activated hastily generating significant residential chaos in the city of Richmond.
8. I do not receive a reasonable rate of return from the rental business in Richmond due to the Ordinance since January 2017.

While I am putting together all the necessary actions to comply with the Richmond rent Control Ordinance, I do not receive a due processing from Richmond Rent Control. I believe that the Ordinance is to protect and provide fair treatment for both tenants and homeowners. Therefore, I firmly request that my case should be reviewed and handled with immediate attention due to my special circumstances and severe loss.

I appreciate your studying my case and am looking forward to hearing your feedback.

Abby Sukarto

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Paige Roosa

From: Bob <kasbob@yahoo.com>
Sent: Friday, October 13, 2017 11:50 AM
To: Rent Control
Subject: Fwd: Petition for individual rent increase

Attn.: Boardmembers

Begin forwarded message:

From: Bob <kasbob@yahoo.com>
Subject: **Petition for individual rent increase**
Date: October 12, 2017 at 5:42:25 PM PDT
To: rent@ci.richmond.ca.us

To Whom It May Concern;

Since November 2016 I've periodically contacted the City of Richmond and the Rent Board to petition the Rent Board to forgo returning the rent I charge to the 2015 level because my rents are low in comparison to similar units and I would not receive a reasonable return on my investment.

Numerous times I was told the Rent Board was not set up yet and when it was I went into the office only to be told the Rent Board was not having any hearings.

During this time i've checked other similar properties in the area. I have a copy of a for rent ad that has an almost identical apartment for rent at \$600 more per month than my tenants pay even with the increase I put in place after July 2015. I have one section 8 rental that raised the rent \$100 since 2015 and told me they realize I'm still at the very low end of the market. I've owned and managed my property on 29th St. twenty years. I can not afford to lower the rents. The City of Richmond continues to add more fees, inspection and now rent control. To lower the rents would make it impossible to maintain suitable housing.

The new ordinance says there is a petition process for people in my situation. What is my next step? The people I met with from your office told me I can't go before the Rent Board. What are my options? They didn't seem to know.

Robert Kastner

(510) 610-7093

I'm forwarding this letter again because the first one was not answered. I was advised to attend the meeting that says if I want to address the board, I can only address the subject at hand. I've gone through the minutes. This issue has never been addressed. As I read it my concern is part of the law. I attended a workshop meeting and this was briefly mentioned but he had no clear cut answer. As I said, my rents are very reasonable. I am currently charging \$925 for a 705' Sq. Apt. In July of 2015 the rents ranged from \$835 - \$875. The increase I put in place **does not** cover my increased expenses: taxes, inspections, garbage, maintenance, rent control etc.

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TO: Rent Ordinance Board
 City of Richmond
 440 Civic Center Plaza
 Richmond, CA 94804-1630

DATE: October 16, 2017

RECEIVED

OCT 20 2017

FROM: Leo Garfield 
 3920 Wesley Way
 El Sobrante, CA 94803
 (510) 222-6722

SUBJ: Confusion concern-
 ing the Richmond Fair Rent,
 Just Cause for Eviction and
 Homeowner Protection
 Ordinance Summary

- Item 1. What is the maximum allowable rent? Is it the \$1400 mentioned in Item 2 Example calculation?
- Item 3. Where is the Property Enrollment Application Form? It was not enclosed in my package. Please send via mail, not e-mail. My wife and I have health issues, and are in our late 80's. Also, we have computer deficiencies.
- Item 4. I will not file electronic rental increase notices for the above reason. Everything will be done by mail only.
- Item 6. Please mail the necessary brochures so that I may forward them to my tenants

Point of Intent

My 4-plex is located at 29th and Nevin. There are 4 rental units.

400 -29 th Street	Hispanic occupant	\$850 per month
404 29th Street	African American occupant	\$850 per month
406 29 th Street	African American occupant	\$845 per month
2907 Nevin Ave.	Gay White person	\$850 per month

These are all hard-working people with low incomes, and all but one has been with me for years. I have raised the rent once in 10+ years, and that was \$50 per month for each apartment.

Seemingly, the City Council of Richmond determined that all Landlords are evil, money-grabbing, with no soul; out to take advantage of people. Too bad, too sad, so wrong.

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