

# AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: February 21, 2018

Final Decision Date Deadline: February 21, 2018

**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 (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

**F-2.**

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Thursday, February 15, 2018 1:44 PM

**To:** Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external; Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Monitoring compliance with Annual General Adjustments and providing for Individual Rent Adjustments

To the Richmond Rent Board and Staff,

Please consider our suggestions and edits to the following regulations. We have sent most if this content in individual sections - this is the whole piece so that you can see how the pieces work together and includes any suggestions that may have been missed in the divided form. The same content is included in the attachment below.

***Edits compiled by***  
***the Association of United Richmond Housing Providers***

***Revision key – changes in italics, questions and thoughts in purple***

City of Richmond Rent Program DRAFT Rent Adjustment Regulations Page 2 of 14 As of: January 22, 2018 **Chapter 4: REGISTRATION OF BASE RENT AND RENT INCREASES**

400. Purpose

The Rent Board finds that in order to monitor compliance with Annual General Adjustments and provide for Individual Rent Adjustments as required under the Rent Ordinance it is essential that registration of rental units include information on base rents and notification of increases.

401. Establishment of Base Rent

A. The rent in effect on July 21, 2015 is the Base Rent. If there was no rent in effect on that date, the Base Rent is the rent charged on the first date that rent was charged after that date. *This is part of the original ordinance, why put it here too? If it can be changed it should be*

B. For subsequent tenancies the Base Rent is the initial rental rate in effect on the date the tenancy begins. "Initial rental rate" means the amount of rent actually paid by the tenant for the initial term of occupancy as defined under Regulation Section 701.B.

402. Required Rent Registration

(A) A rental unit is properly registered in accordance with this Chapter if the landlord or landlord's representative has:

(1) Filed with the Board completed registration statements on the form(s) provided by the Board for the unit and all the units in the same property that include

(a) The addresses of all units on the same property,

(b) The name and address of the landlord and/or property manager,

(c) The date the current tenancy began ~~and, for all tenancies that began after July 21, 2015, an explanation of the circumstances of the termination of the previous tenancy sufficiently detailed to demonstrate whether the unit qualifies for a vacancy increase or not, as described in Chapter 7 Vacancy Rent Increases.~~ *Any termination that occurred prior to the start date of the ordinance, 1/1/2017, does not warrant an explanation since the roll back applies only to rent amounts, not to Just Cause for Evictions.*

(d) The base rent currently in effect for each individual unit and the services included in the rent or the reason it is exempt from rent control and has no current base rent;

(2) Paid to the City of Richmond all required registration fees and penalties due for the unit and all the units in the same property; and

(3) Filed with the Board, for the unit and all the units in the same property, notification of all subsequent changes in tenancy, rent or ~~lease terms.~~ *Vague and too broad, I'm not filing changes in rules about smoking, or a new schedule for taking cans to the curb or general communication with renters that make it into the "house rules" or tenancy updates. This should be narrowed to terms pertaining to rental amount and housing services*

(B) In designating a rental unit as properly registered, the Board's intent is to facilitate the rent registration and individual adjustment of rent ceiling processes and the dissemination of information regarding the registration of rental units. Such designation shall not be construed as the Board's certification of the lawful base rent, current lawful rent ceiling or any other information provided on the rent registration statement. Nothing in this Regulation shall the Board nor any person from challenging the accuracy of any information provided in any registration statement or declaration in the context of any proceeding or action.

(C) A landlord shall be found in substantial compliance with registration requirements when:

(1) The landlord has made a good faith effort to comply with the Ordinance and regulation concerning registration sufficient to reasonably carry out the intent and purpose of the Ordinance and Regulations; and

(2) The landlord has cured any defect in compliance in a timely manner after receiving notice of a deficiency from the Board.

#### 403. Changes in Exempt Status

(A) **Within sixty (60) days of the date a rental unit formerly exempt from rent stabilization** comes under coverage of the Ordinance, the landlord shall file an initial registration statement, or an amended registration statement of an initial registration statement has been previously filed, for the rental unit. *Why the time limit?, if adult child moves into a rental and owner learns of this exemption after the fact and remains in compliance in the meantime, does that nullify the exemption on the 61<sup>st</sup> day?*

(B) Within sixty (60) days of the date a covered rental unit becomes exempt from rent stabilization under the Ordinance, the landlord shall notify the Board in writing of the exempt status of the rental unit and the basis for the exemption.

(C) Within thirty (30) days after the filing of a new rent registration statement, the Board shall provide a true and correct copy of said statement to the occupant of the respective unit.

#### 404. Notification of Changes of Name or Address of Landlord and/or Property Manager

(A) Within sixty (60) days of any change in the owner and/or property manager of a rental unit, the landlord shall notify the Board in writing of the change.

(B) Within sixty (60) days of any change in the address of the owner and/or property manager of a rental unit, the landlord shall notify the Board in writing of the change. The Board shall send all notices to the landlord at the most current address provided by the landlord. Failure to receive a notice as a result of noncompliance with this section shall not be a good cause for purposes of waiving penalties owed to the Board.

### Chapter 7. Vacancy Rent Increases

#### 701. New Maximum Allowable Rent

(A) Pursuant to Section 1954.50, et seq. of the Civil Code, the landlord may establish the lawful maximum allowable rent for any controlled rental unit consistent with this regulation. The new rent level shall thereafter become the maximum lawful rent ceiling for the unit for all purposes including, but not limited to, the computation of all future rent adjustments. ~~The unit shall otherwise remain controlled by all other regulations of the Rent Board.~~

(B) In these Regulations the terms "new rent level," "new rent ceiling" and "initial rental rate" refer to the rent established by the landlord for a tenant whose tenancy becomes effective after July 21, 2015. For tenancies commencing on or after July 21, 2015, the "initial rent" for a rental unit shall be the monthly market rent established by the parties at the commencement of the most recent tenancy. ~~Where the rental agreement includes periods for which the tenant pays reduced, discounted or "free" rent, the monthly market rent is calculated as the average of the monthly payments made during the initial term of the agreement or, in the case of a month-to-month tenancy, during the first twelve months of the tenancy.~~ *Temporary decreases in rent shall not reset the base rent or the maximum allowable rent.*

#### 702. Vacancy Rent Levels

(A) Commencing July 21, 2015 a landlord may establish the initial rent rate for all new tenancies consistent with Civil Code Section 1954.50, et seq., and any Board regulations enacted consistent therewith, except where any of the following applies:

*The following 2 sections are already codified in Costa Hawkins. It is redundant to put them here unless the idea is to preserve these aspects of C-H when and if it is defeated in the fall election. I would strongly suggest that the rent board deal with that when and if it happens rather than trying to deal with its idiosyncrasies piecemeal and in advance. Vacancy decontrol may be the goal of some but dividing different parts of the market using carve-out may have deleterious unintended consequences.*

~~(1) (a) The previous tenancy has been lawfully terminated by the landlord pursuant to Civil Code Section 1946, or~~

~~(b) The previous tenancy has been lawfully terminated upon a change in terms of tenancy noticed pursuant to Civil Code Section 827, except a change permitted by law in the amount of rent or fees or resulting from the owner's termination of or failure to renew a contract or recorded agreement with a Housing Authority or any other governmental agency that provided for a rent limitation to a qualified tenant of the unit. A tenancy shall be presumed to have terminated upon a change in terms of tenancy if the tenant(s) vacate(s) the rental unit within twelve months of the landlord's unilateral change in the terms of the rental agreement. Absent a showing by the landlord that the tenant(s) vacated for reasons other than the change in the terms of the rental agreement, the initial rental rate for the new tenancy shall be no greater than the most recent rent ceiling (prior to the new tenancy).~~

~~(2) A new tenancy begun within three years of the date that the owner terminated or failed to renew a contract or recorded agreement with a Housing Authority or any other governmental agency that provided for a rent limitation to a qualified tenant of the unit unless the new tenancy is exempted from this limitation pursuant to Civil Code Section 1954.53 (a) (l) (B). During the three year period, the rental rate for any new tenancy established in that vacated unit shall be at the same rate as under the terminated or non-renewed contract or recorded agreement, increased by any subsequently authorized Annual General Adjustments. City of Richmond Rent Program DRAFT Rent Adjustment Regulations Page 5 of 14 As of: January 22, 2018~~

~~(3) The landlord has otherwise agreed by contract with a public entity to limit or otherwise restrict rent levels in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of title 7 of the Government Code.~~

~~(4) The dwelling or unit has been cited in an inspection report by the appropriate government agency as containing serious health, safety, fire or building code violations as defined by Health & Safety Code Section 17920.3 excluding those caused by disasters, for which a citation was issued at least 60 days prior to the date of the vacancy, and the cited violation had not been abated when the prior tenant vacated and had remained unabated for at least 60 days, unless the time for correction was extended by the agency that issued the citation.~~

~~(5) The prior tenant was the spouse, child, parent or grandparent of a landlord who recovered possession of the unit pursuant to RMC 11.100.050 (a) (6).~~

~~(6) The prior tenant vacated the property as a proximate result of the conduct by the landlord such that the vacancy is non-voluntary, except for evictions for just cause as provided under RMC 11.100.050.~~

### 703. Voluntary and Non-Voluntary Vacancies

(A) For the purposes of this Regulation, a "voluntary" vacancy shall mean a vacancy that results from the independent choice of the tenant, without intimidation, pressure, or harassment.

(1) For purposes of this section "abandonment" is defined as the tenant's independent choice, without intimidation, pressure, or harassment to relinquish all right and possession of the premises, with the intention of not reclaiming or resuming its possession or enjoyment, and the landlord terminates the tenancy pursuant to Civil Code Section 1951.3. Such abandonment is considered voluntary.

(B) Non-Voluntary Vacancy means a vacancy resulting from conduct by the landlord which constitutes:

(1) Acts prohibited by law,

(2) Constructive eviction

(3) A breach of the covenant of quiet enjoyment of the property.

~~(4) Harassment~~ This Harassment section is defined in C below

(5) Threats to withdraw the property from the rental market pursuant to the Government Code Section 7060-7060.7 (Ellis Act),

(6) Or notices of any kind that negligently or intentionally misrepresent to a tenant that they are required to vacate the controlled unit.

(C) "Harassment" shall be defined as a knowing and willful act or course of conduct directed at a specific tenant or tenants which: City of Richmond Rent Program DRAFT Rent Adjustment Regulations Page 6 of 14 As of: January 22, 2018

(1) Would cause a reasonable person to fear the loss of use and occupancy of a residential unit or part thereof, or of any service, privilege or facility connected with such use and occupancy, without legitimate reason or legal justification;

(2) Materially interferes with a tenant's peaceful enjoyment of the use and/or occupancy of a residential rental unit

(3) A single act may constitute harassment for purposes of determining whether a vacancy was voluntary. A course of conduct is a pattern of conduct composed of a series of acts over a period of time, however short, evidencing a continuity of purpose.

(4) Acts constituting harassment include, but are not limited to the following:

(a) Eviction on the grounds of owner or relative occupancy pursuant to Rent Ordinance section 11.100.050 (a) (6) which is not in good faith.

(b) The threat or repeated threat to evict a tenant in bad faith, under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit.

(c) Reduction in housing services under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;

(d) Reduction in maintenance or failure to perform necessary repairs or maintenance under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;

(e) Abuse of the landlord's right of access into a residential unit within the meaning of California Civil Code §1954;

(f) Verbal or physical abuse or intimidation.

*Claims of harassment must be filed no later than 30 days after tenant vacates property and a police report shall be on file supporting the claim."*

(4) A vacancy occurring as result of the filing of a Notice of Intent to Withdraw under Government Code Section 7060-7060.7 (the Ellis Act) shall not be considered voluntary.

(5) A tenancy and subsequent vacancy created as a sham shall not be considered voluntary. A sham tenancy may be presumed where the occupant did not have a **bona fide landlord-tenant relationship** As defined by what? with the landlord, or occupied the property for less than four (4) months and principally for the purpose of vacating the property to establish eligibility for vacancy-related increase.

#### 704. No Vacancy Rent Increase for ~~Existing Tenants~~ *Original Occupants*

(A) The maximum lawful rent ceiling for any controlled rental unit that is occupied by an existing tenant shall not be increased under the provisions of this Regulation, while the existing tenant occupies their unit. For purposes of this Regulation, "existing tenant" refers to all persons who are defined as "tenants" pursuant to Rent Ordinance section 11.100.030(r), i.e. any renter, tenant, subtenant, lessee, or sub-lessee of a rental unit, or any other person entitled under the terms of a Rental Housing Agreement, **written, oral or implied**, to the use or occupancy of such rental unit. *Words in bold are not in ordinance. Replace with and listed as an existing tenant for said unit in the Richmond Rent Program website. These laws were copied from ordinances written before the age of the computer or mega-data, let's use our technological capabilities, we pay so much for them!*

**(B) No existing tenant shall be required to vacate a controlled rental unit as a result of a covenant or condition in a rental agreement requiring the tenant to surrender possession.** *This directly contradicts the ordinance:*

#### “11.100.040 Homeowner Protections.

( 1) **Temporary Rentals Allowed.** A homeowner who is the Primary Resident of a single-family home may create a temporary tenancy. The temporary Tenant must be provided, in writing at the inception of the tenancy, the length of the tenancy and a statement that the tenancy maybe terminated at the end of the temporary tenancy (pursuant to Section 11.100.050 (8) below) and relocation shall not be required.”

*This creates exception for owners who choose to vacate temporarily (eg to live abroad and work for a medical mission or study) where owner has previously signed a contract with renter specifying the date of owner return. These instances should apply any owners returning to their primary residence whether that is a SFH or an owner-occupied multi-plexes and single family homes and should NOT be subject to relocation fees*

#### 705. Increase and Decrease Petitions

Nothing in this Regulation prohibits tenants or landlords from filing rent decrease or increase petitions pursuant the Board's regulations.

#### 706. Fraud or Intentional Misrepresentation

Any increase in the maximum allowable rent authorized pursuant to this regulation that is obtained by fraud or misrepresentation by the landlord or his or her agent, servant, or employee shall be void.

#### 707. Subletting

(A) An owner may increase the rent by any amount ~~allowed by Civil Code section 1954.50 et seq., and subsection (B) of this Regulation,~~ to a sub-lessee or assignee where the original occupant or occupants who took possession pursuant to the rental agreement with the owner, no longer permanently reside there. The term “original occupant” as used herein includes any tenant or subtenant who, with the

landlord's knowledge, was residing in the unit on or before July 21, 2015 or when the landlord last established an initial rent for the unit.

Within fifteen (15) days of any rent increase pursuant to this Subsection, Tenancy Registration form(s) described in Subsection (K) shall be filed with the Board.

(B) Where one or more of the occupants of the premises pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, this subdivision shall not apply to partial changes in occupancy of a dwelling or unit made with the consent of the owner. Nothing contained in this subsection shall establish or create any obligation of an owner to permit or consent to a sublease or assignment.

(C) Acceptance of rent by the landlord shall not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment, or as a waiver of an owner's rights to establish the initial rental rate, ~~unless the landlord has received written notice that the last original occupant has vacated the premises from the tenant that is a party to the agreement and thereafter accepted rent.~~ The landlord's right to establish the initial rent shall not be waived if, after receiving written notice that the last original occupant has vacated the premises, the landlord agrees in writing with any tenants still occupying the unit that the landlord's right to establish the initial rental rate, consistent with Civil Code section 827, shall be extended for up to six months following receipt of the notice. *If the housing provider has received written notice that the last original occupant has vacated the premises from the tenant that is a party to the agreement and thereafter accepted rent without agreeing in writing with existing tenant to establish the initial rent within 6 months of the vacancy then the right to establish initial rent is waived.*

(D) A landlord may not unilaterally impose or require an ~~existing~~ *original* tenant to agree to new material terms of tenancy or a new rental agreement, unless the provisions are substantially identical to the prior rental agreement.

(E) Where the landlord initially rents a rental unit to a tenant and authorizes more than one tenant to occupy the unit, but fails to place the name of more than one tenant on the lease, all tenants who occupy the unit within one month *of the start of tenancy*, with permission of the landlord, ~~express or implied~~, shall be considered to be original occupants *and shall be added to the Richmond Rent Board Website as an original occupant.*

#### 708. Rent Level following an Owner Move-In Notice or Eviction

(A) A written or oral request from a landlord to vacate a unit so the landlord or a qualifying relative of the landlord may occupy the unit as his principle residence shall be treated as a Notice to Terminate Tenancy pursuant to Civil Code section 1946 for the purpose of determining the rent level when the unit is subsequently rented

(B) A landlord who serves a 30 or 60-Day Notice of Termination of Tenancy pursuant to Richmond Municipal Code section 11.100.050(A)(6) for the purpose of recovering possession of the unit for their own use and occupancy as a principle residence or the principle residence of a qualifying relative may rescind the notice or stop eviction proceedings but, if the tenant vacates within one year of the date of service of the notice, the tenancy is presumed to have been terminated by the owner as a result of the notice. The rental rate for the next tenancy established in the vacated unit shall be no more than the

maximum allowed under the Rent Ordinance for the tenant who vacated, plus any subsequent increases authorized by the Rent Board.

(C) This presumption applies even though the tenant vacates the unit after the notice has been rescinded. A written statement from the tenant that they are leaving of their own volition signed as part of a settlement whereby the tenant is required to vacate the unit is insufficient to rebut this presumption.

(D) A landlord may rebut the presumption at a hearing based on a preponderance of the evidence. Such a hearing shall follow the process established for an Individual Rent Adjustment.

### **Chapter 8: Subchapter C. Standards for Individual Rent Ceiling Adjustments**

#### 871. Purpose of Subchapter

The purpose of this subchapter is to protect tenants from unwarranted rent increases, while at the same time allowing rent levels which provide landlords with a fair return on their investment. It is the intent of these regulations that individual upward adjustments in the rent ceilings be made only when the landlord demonstrates that such adjustments are necessary to provide the landlord with a fair return on investment under the Rent Ordinance (RMC Sections 11.100.070 (e - k) and as required by the California or United States Constitution.

#### 872. Procedure

Unless otherwise specified, petitions for rent increases and decreases under this Subchapter shall follow the procedures in Chapter 8 Subchapters A and B.

Regulation allowing rent ceiling (MAR) to decrease or increase based on a decrease or increase of allowable occupants

#### 873. Changes in Number of Tenants

(A) Base Occupancy Level. The base occupancy level for a unit shall be the number of Tenants allowed by the lease or rental agreement for the unit effective July 21, 2015, or at the beginning of any subsequent tenancy established after a vacancy.

#### (B) Increase in Tenants

(1) Agreement to increase the number of tenants allowed by the lease or rental agreement above the base occupancy level for that unit shall be grounds for an increase in the Maximum Allowable Rent of up to *two thirds of the percentage of increased occupancy (%change in occupancy rate multiplied by 2/3) or at least ten percent (10%) of the allowable rent, whichever is more*, for each additional tenant above the base occupancy level, in addition to any rent ceiling adjustment to which the landlord is otherwise entitled. A petition seeking rent adjustments solely for increased tenants will be processed under subsection (D) of this regulation.

(2) No rent ceiling increase for additional tenants, as provided for in subsection (B) (1), shall be granted for any additional tenant who is a *spouse children, parents or grandparents. spouse, registered domestic partner, child, grandchild, grandparent, legal guardian of a child or parent* of any of the tenants, unless

the tenants agree in writing to the specific rent ceiling increase. *Italicized – language of original ordinance for the definition of family in Owner-move-in, bolded is language being applied to increase in #of tenants for the purposes of this section*

(3) If the number of tenants actually occupying a rental unit as a principal residence decreases subsequent to any rent ceiling increase for additional tenants granted pursuant to subsection (B) (1), then the rent ceiling for that unit shall ~~automatically~~ decrease, by the amount of the rent ceiling increase that is no longer justified, as a result of the decrease in the number of tenants. *Rent decrease as a result of a drop in occupancy shall not fall below that set in original lease, even if the occupancy rate drops below the original level spelled out in said lease*

(C) Decrease in Number of Tenants Allowed.

If any policy or policies imposed by the landlord unreasonably prevent the tenants from maintaining the base occupancy level for that unit *as defined by original lease*, then the rent ceiling for that unit shall be decreased by an amount equal to the percentage by which the number of allowable tenants has been reduced. *Rent decrease as a result of a drop in occupancy shall not fall below that set in original lease, even if the occupancy rate drops below the original level spelled out in said lease.* As used in this regulation, "policy" or "policies" means any rule, course of conduct, act or actions by a landlord.

*1 and 3 as written in the proposed regulations, set up a powerful economic disincentive to ever allow additional roommates*

(D) Petitions for Rent Increases

Grounds for Tenant Objection. Tenants subject to petitions under subsection (B) (l) may file objections with the Board only on the following grounds:

(1) The tenant ~~did not agree or~~ chooses to retract the agreement to add additional tenants and pay an additional amount as allowed under (B) (1).

(2) The additional tenant claimed by the landlord as justifying a rent increase is a spouse, registered domestic partner, child, grandchild, grandparent, legal guardian of a child or parent of any of the tenants, and the tenant(s) were not informed that they did not need to agree to an increase for such person(s).

~~Regulation allowing rent ceiling to increase or decrease based on an increase or decrease in space or services provided~~ [see below](#)

874. *Regulation allowing rent ceiling to increase or decrease based on an increase or decrease in space or services provided* Changes in Space or Services

(A) Increase in Space

Rent ceilings may be adjusted upward when, with the written agreement of the tenant(s), there is an increase to the usable space or the housing services beyond that which was provided to a unit on July 21, 2015 or when the base rent was first established. *Such adjustments will be calculated by multiplying the percentage of increase to the usable space or the housing services for the tenant's use of and benefit*

*and adding to the rent ceiling in effect at the time of the increase in usable space or the housing services. The hearing examiner may consider the cost of the space or service in question. Taken from B 1 below*

(1) Additional or reconfigured space. Where a landlord adds habitable living space to a unit or reconfigures it, the lawful rent ceiling for such unit shall be permanently increased as provided under Section 8XX Capital Improvements.

(2) Additional services. Where a landlord adds non-habitable space or increases the services provided to a unit, the lawful rent ceiling for such unit shall be increased by an amount representing the market value of the additional space or increased services.

Increases may be denied if a tenant objects and the added or reconfigured space or the services do not clearly benefit a majority of the affected tenants. If the additional or reconfigured space or the services are subsequently reduced or eliminated, the rent increase authorized herein shall be reduced or terminated. Any increase for an additional bedroom shall result in an increase to the base occupancy level for an additional occupant.

(B) Decrease in Space or Services; Substantial Deterioration; Failure to Provide Adequate Services; Failure to Comply with Codes, the Warranty of Habitability or the Rental Agreement.

1. Decreases in Space or Services. Rent ceilings shall be adjusted downward where a landlord causes a tenant to suffer a decrease in housing services or living space, from the services and space that were provided at the unit on July 21, 2015 or from any services or space provided at the beginning of the tenancy. The amount of the rent decrease is calculated by multiplying the percentage of impairment of the tenant's use of and benefit from the unit (as a result of the reduction in living space or housing services) by the rent ceiling in effect at the time of the impairment, and for past decreases, multiplied by the ~~period of time~~ *number of days* the impairment existed. In determining the amount of the downward rent adjustment by the percentage of impairment of use/benefit method, the hearing examiner may consider the reasonable replacement cost of the space or service in question.

2. Denial of Petitions for Unilateral Removal.

The Board will not accept petitions from landlords who seek a rent ceiling decrease for the unilateral removal or reduction of space or services from a tenant's base level space or services. Landlord petitions shall be accepted only when a tenant has expressly agreed in writing to the removal of such space or services *or code compliance dictates a reduction to effect said changes. Such as Earthquake retrofit requirements* "Base level space or services" are the housing services or living space that were provided at the unit on July 21, 2015 or at the beginning of the tenancy.

3. Inadequate Services, Substantial Deterioration

Rent ceilings shall be adjusted downward for any substantial deterioration in a rental unit and/or for any failure to provide adequate housing services occurring during the petitioner's tenancy. For purposes of this subsection, a substantial deterioration means a noticeable decline in the physical quality of the rental unit resulting from a failure to perform reasonable or timely maintenance and adequate housing services means all services necessary to operate and maintain a rental property in compliance with all applicable state and local laws and with the terms of the rental agreement. *Substantial deterioration does not include any decline of housing services resulting from damage caused by the tenant, associated residents, guests or pets. The amount of the rent decrease is calculated by multiplying the percentage*

**of impairment** of the tenant's use of and benefit from the unit (as a result of the deterioration or failure to provide adequate service, violation, breach or failure to comply) **by the rent ceiling in effect at the time of the impairment.** *How does this apply. If the owner is banking or if allowable raises have not been implemented? What is the goal – to lower rents? To ensure maintenance of buildings and services?.*

4. Code Violations, Breach of the Warranty of Habitability.

(A) Where a condition at the rental unit threatens the health or safety of the occupants but does not actually impair the use of the unit, the rent ceiling decrease shall be in an amount that reflects the reduction in value of the premises due to the unsafe or unhealthy condition. *This does not apply to conditions caused by the tenant, associated residents, guests or pets.*

(B) A substantial lack of any of the affirmative standard characteristics for habitability set forth in Civil Code section 1941.1 shall be deemed a violation of the warranty of habitability and the rent ceiling shall be decreased by no less than 10% or, for a violation of subsections (b), (c) or (d) of Civil Code section 1941, no less than 20%, until the condition is corrected, notwithstanding seasonal variations in or an absence of impairment to a tenant's use of or benefit from the unit. *The landlord shall not be liable for a violation of under this Section 4 (a) or (b) unless he or she fails to correct the violation within a reasonable time after he or she either has actual notice of a deficiency or receives notice of a deficiency.*

(C) The rent decrease authorized under this subsection for a violation of the warranty of habitability or for a code violation that poses a significant threat to the health or safety of tenants (e.g., dangerous window bars, missing smoke detector) shall be automatically doubled prospectively if proof of correction of the violation is not submitted to the Rent Board within 35 days of mailing of the hearing examiner's decision unless the landlord establishes that the violation cannot be corrected within that time due to circumstances beyond the landlord's control.

(D) No rent shall be charged for a period in which the landlord is found to be in violation of California Civil Code Section 1942.4. *except in cases where the damage causing the violation was caused by the tenant, associated residents, guests or pets.*

(E) For purposes of this subsection, a breach of the warranty of habitability occurs when the rental premises are not in substantial compliance with applicable building and housing code standards, which materially affect health and safety. Minor housing code violations which do not interfere with normal living requirements do not constitute a breach of the warranty of habitability, nor does *damage caused by the tenant, associated residents, guests or pets.*

5. Rent ceiling reductions pursuant to this Section shall be effective from the date the landlord first had notice of the space or service reduction, deteriorated condition, service inadequacy, or code or habitability violation in question *only if landlord has not corrected the violation within a reasonable time after having been given notice,* and shall terminate on the date of the ~~first rent payment due after~~ *correction of said violation. Adequate proof has been will be submitted to the Board that the condition for which the reduction was granted no longer exists. The rent decrease shall be retroactively applied to the actual date of the correction as appropriate.*

6. A tenant who files a petition pursuant to this regulation must be able to establish the basis for the reduction and when the landlord first received notice of the decreased service, deterioration, code violation or habitability violation. Notice ~~may~~ *must* be actual or constructive. A landlord is deemed to

have notice of any condition existing at the inception of a tenancy that would have been disclosed by a reasonable inspection of the premises. A copy of a housing code inspection report from the City of Richmond should be submitted with the petition.

875 – 880 for MNOI, Capital Improvements, Historically Low Rent, etc.

Regulation establishing process for repayment of rent overcharges.

#### 881. Overcharges and Other Violations

(A) Overcharges. If on or after July 21, 2015, the landlord has received rent in violation of the Ordinance, the landlord shall be ordered to refund the overcharge. Any overcharge refund shall be paid to the person or persons overcharged, except as provided in Subsection (B) below. For purposes of this Regulation, any receipt or retention of rent, including security deposits and interest earned on security deposits, in violation of any order, rule or regulation of the Board or any other applicable law shall be deemed to be an overcharge.

(B) Overcharges paid by former Tenants. If any of the rent overcharge was received from former tenant(s), the landlord shall make reasonable efforts to find the former tenant(s) and refund the overcharge. The landlord shall notify the Board in writing of the nature, extent, and result of those efforts within 60 days of the overcharge refund order.

If the landlord does not refund any past overcharge(s) to any former tenant(s) within 60 days, or has made reasonable but unsuccessful efforts to locate the former tenant(s), the landlord shall pay the overcharge(s) to the Rent Stabilization Board to be held in trust for the former tenants for one year. Each year, no later than the second meeting in March, staff shall provide the Rent Board with an accounting of any unclaimed funds, following which, the Board, by resolution, shall designate a program of the City of Richmond that benefits low- and/or moderate-income tenants to which the unclaimed funds shall be transferred.

(C) Other Violations. If the landlord has failed to comply with the Ordinance or any rule or regulation of the Board or in any way charges unlawful rent, the hearing examiner may make an appropriate order for compliance or other appropriate relief.

(E) Limitation on Liability for the Refund of Overcharges.

(1) Except as provided in subsection (2), no order for the refund of rent overcharges shall require the repayment of overcharges that were actually received by the landlord more than three years prior to the date upon which the Individual Rent Adjustment petition is filed.

(2) The three year limitation period shall not apply and the landlord shall be ordered to refund to the tenant(s) of the affected unit(s) that portion of the rent payments made by such tenant(s) that have been illegally retained by the landlord from the date which the tenant(s) first paid excess rent, upon proof of any of the following:

(a) the landlord willfully failed to register the affected property, or

(b) the landlord willfully provided false or inaccurate information to the Board and the tenant(s) were thereby induced to pay excess rent in reliance upon said information, or

(c) the landlord, through threats of eviction, physical violence, coercive actions, or intentional misrepresentation on which the tenant reasonably relied, prevented a more timely filing of the petition.

(3) If landlord has willfully failed to register the affected property, the three year limitations period shall commence to run on the date upon which the landlord completes all required registration forms for the affected property.

(F) Supporting documentation.

For tenant petitions under this Regulation, the documentary evidence attached to the petition shall include any copies of canceled checks, rent receipts or other documentary evidence of the claimed overcharge. If no such documentary evidence is in the possession of the tenant, the tenant shall state on the petition that they do not have documentary evidence of the overcharge and set forth the factual basis for the claim of overcharge. Where the basis of any overcharge is ineligibility for Annual General Adjustments due to violation of housing codes, the tenant shall attach documentation indicating that the unit was in violation of the warranty of habitability on September 1st of the applicable year. Such documentation may include a copy of an inspection report issued by the City of Richmond.

Regulation establishing process for restoration of Annual General Adjustments after a landlord comes into compliance with the Ordinance.

#### 882. Petition to Obtain Previously Lost Annual General Adjustments (AGAs)

(A) General. When an owner who has previously been out of compliance comes into compliance with the ordinance, regulations, or applicable housing, health and safety codes, all AGAs lost during the period of noncompliance may be granted ~~prospectively~~ *retroactively*. For any residential unit which has been registered and for which a base rent has been listed or for any residential unit which an owner can show, by a preponderance of the evidence, a good faith attempt to comply with the registration requirements, all annual rent adjustments which may have been denied during the period of the owner's non-compliance shall be restored ~~prospectively~~ *retroactively* once the owner is in compliance with the ordinance or regulation.

In addition, to be eligible, the owner must state under penalty of perjury that the unit is in substantial compliance with the ordinance, regulations and applicable codes. Specifically, the owner shall certify to payment of all fees and penalties owed to the Richmond Rent Program (~~RRP~~) which have not otherwise been barred by the statute of limitations, substantial compliance with applicable local and state housing code provisions, and satisfaction of all claims for refunds of rental overcharges brought by tenants or by the RSP on behalf of tenants of the affected unit.

The owner is not entitled to recover any AGA's ~~which have been previously regained through a net operating income analysis or~~, for new tenancies that were established after the loss of the AGA. *Don't decide whether or not AGA's may be banked, lost or added to other types of rent adjustments until those regulations are written*

(B) Petition. Upon the petition of the landlord, the owner's eligibility for previously lost AGA's shall be determined. At the time of filing the petition, the **owner shall submit a proof of service** *consisting of what?* showing that all affected tenants have been provided with a complete copy of the documents filed. *This only applies to 882 A, above, it would be better placed at the end of that paragraph*

# ITEM F-2 ATTACHMENT 1

~~Chapter 8 Subsections A and B of these regulations sba1 govern all additional petition procedures for AGA petitions.~~ *These have not yet been written, until everyone can see what they entail. There should not be stipulations put on them*

--

Richmond Can Do Better!

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Wednesday, February 14, 2018 6:03 PM

**To:** Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external; Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Section 882 Mandates Banking

To the Richmond Rent Board and Staff,

Please consider our suggestions regarding the Banking AGA's which has already been capped.

These suggestions have been compiled by the AURHP.

Section 882 Mandates Banking in cases of temporary non-compliance. Banking has been capped when it voluntary. A different practice should be considered if the Board chooses to mandate banking.

882. Petition to Obtain Previously Lost Annual General Adjustments (AGAs)

(A) General. When an owner who has previously been out of compliance comes into compliance with the ordinance, regulations, or applicable housing, health and safety codes, all AGAs lost during the period of noncompliance may be granted ~~prospectively~~ *retroactively*. For any residential unit which has been registered and for which a base rent has been listed or for any residential unit which an owner can show, by a preponderance of the evidence, a good faith attempt to comply with the registration requirements, all annual rent adjustments which may have been denied during the period of the owner's non-compliance shall be restored ~~prospectively~~ *retroactively* once the owner is in compliance with the ordinance or regulation.

In addition, to be eligible, the owner must state under penalty of perjury that the unit is in substantial compliance with the ordinance, regulations and applicable codes. Specifically, the owner shall certify to payment of all fees and penalties owed to the Richmond Rent Program (~~RRP~~) which have not otherwise been barred by the statute of limitations, substantial compliance with applicable local and state housing code provisions, and satisfaction of all claims for refunds of rental overcharges brought by tenants or by the RSP on behalf of tenants of the affected unit.

The owner is not entitled to recover any AGA's ~~which have been previously regained through a net operating income analysis or~~, for new tenancies that were established after the loss of the AGA. *Don't decide whether or not AGA's may be banked, lost or added to other types of rent adjustments until those regulations are written*

(B) Petition. Upon the petition of the landlord, the owner's eligibility for previously lost AGA's shall be determined. At the time of filing the petition, the **owner shall submit a proof of service** *consisting of what?* showing that all affected tenants have been provided with a complete copy of the documents filed. *This only applies to 882 A, above, it would be better placed at the end of that paragraph*

~~Chapter 8 Subsections A and B of these regulations sba11 govern all additional petition procedures for AGA petitions.~~ *These have not yet been written, until everyone can see what they entail. There should not be stipulations put on them*

--

Be kind, for everyone you meet carries a heavy burden.

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Wednesday, February 14, 2018 5:24 PM

**To:** Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external; Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Chapter 4, the 400 's presumes jurisdiction where there is none

402 presumes jurisdiction where there is none. There is no need to collect explanations about the end of tenancies before January 1, 2017. The rollback to July 2015 applied to rent rates, not to Just Cause.

#### 401. Establishment of Base Rent

A. The rent in effect on July 21, 2015 is the Base Rent. If there was no rent in effect on that date, the Base Rent is the rent charged on the first date that rent was charged after that date. *I think this is part of the original ordinance, why put it here too? If it can be changed it should be*

B. For subsequent tenancies the Base Rent is the initial rental rate in effect on the date the tenancy begins. "Initial rental rate" means the amount of rent actually paid by the tenant for the initial term of occupancy as defined under Regulation Section 701.B.

#### 402. Required Rent Registration

(A) A rental unit is properly registered in accordance with this Chapter if the landlord or landlord's representative has:

(1) Filed with the Board completed registration statements on the form(s) provided by the Board for the unit and all the units in the same property that include

(a) The addresses of all units on the same property,

(b) The name and address of the landlord and/or property manager,

(c) The date the current tenancy began ~~and, for all tenancies that began after July 21, 2015, an explanation of the circumstances of the termination of the previous tenancy sufficiently detailed to demonstrate whether the unit qualifies for a vacancy increase or not, as described in Chapter 7 Vacancy Rent Increases.~~ *Any termination that occurred prior to the start date of the ordinance, 1/1/2017, does not warrant an explanation since the roll back applies only to rent amounts, not to Just Cause for Evictions.*

(d) The base rent currently in effect for each individual unit and the services included in the rent or the reason it is exempt from rent control and has no current base rent;

(2) Paid to the City of Richmond all required registration fees and penalties due for the unit and all the units in the same property; and

(3) Filed with the Board, for the unit and all the units in the same property, notification of all subsequent changes in tenancy, rent or ~~lease terms.~~ *Vague and too broad, I'm not filing changes in rules about smoking, or a new schedule for taking cans to the curb or general communication with renters that make it into the "house rules" or tenancy updates. This should be narrowed to terms pertaining to rental amount and housing services*

(B) In designating a rental unit as properly registered, the Board's intent is to facilitate the rent registration and individual adjustment of rent ceiling processes and the dissemination of information regarding the registration of rental units. Such designation shall not be construed as the Board's certification of the lawful base rent, current lawful rent ceiling or any other information provided on the rent registration statement. Nothing in this Regulation shall the Board nor any person from challenging the accuracy of any information provided in any registration statement or declaration in the context of any proceeding or action.

(C) A landlord shall be found in substantial compliance with registration requirements when:

(1) The landlord has made a good faith effort to comply with the Ordinance and regulation concerning registration sufficient to reasonably carry out the intent and purpose of the Ordinance and Regulations; and

(2) The landlord has cured any defect in compliance in a timely manner after receiving notice of a deficiency from the Board.

#### 403. Changes in Exempt Status

(A) **Within sixty (60) days of the date a rental unit formerly exempt from rent stabilization** comes under coverage of the Ordinance, the landlord shall file an initial registration statement, or an amended registration statement of an initial registration statement has been previously filed, for the rental unit.

*Why the time limit?, if adult child moves into a rental and owner learns of this exemption after the fact and remains in compliance in the meantime, does that nullify the exemption on the 61<sup>st</sup> day?*

(B) Within sixty (60) days of the date a covered rental unit becomes exempt from rent stabilization under the Ordinance, the landlord shall notify the Board in writing of the exempt status of the rental unit and the basis for the exemption.

(C) Within thirty (30) days after the filing of a new rent registration statement, the Board shall provide a true and correct copy of said statement to the occupant of the respective unit.

#### 404. Notification of Changes of Name or Address of Landlord and/or Property Manager

(A) Within sixty (60) days of any change in the owner and/or property manager of a rental unit, the landlord shall notify the Board in writing of the change.

(B) Within sixty (60) days of any change in the address of the owner and/or property manager of a rental unit, the landlord shall notify the Board in writing of the change. The Board shall send all notices to the landlord at the most current address provided by the landlord. Failure to receive a notice as a result of noncompliance with this section shall not be a good cause for purposes of waiving penalties owed to the Board.

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Be kind, for everyone you meet carries a heavy burden.

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Wednesday, February 14, 2018 7:30 AM

**To:** Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external; Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Section 873 dis-incentivizes allowing additional tenants, making housing shortage WORSE

To the Richmond Rent Board and Staff,

Please consider our suggestions mitigating regulations which, as proposed, are disincentives to add tenants to a rental agreement. No housing provider will allow an additional tenant under these conditions

These suggestions have been compiled by the AURHP.

### 873. Changes in Number of Tenants

(A) Base Occupancy Level. The base occupancy level for a unit shall be the number of Tenants allowed by the lease or rental agreement for the unit effective July 21, 2015, or at the beginning of any subsequent tenancy established after a vacancy.

#### (B) Increase in Tenants

(1) Agreement to increase the number of tenants allowed by the lease or rental agreement above the base occupancy level for that unit shall be grounds for an increase in the Maximum Allowable Rent. *The rent ceiling for that unit shall be increased by an amount equal to the percentage by which the number of allowable tenants has been increased. (See C, below)* for each additional tenant above the base occupancy level, in addition to any rent ceiling adjustment to which the landlord is otherwise entitled. A petition seeking rent adjustments solely for increased tenants will be processed under subsection (D) of this regulation.

*Also may consider increases of up to two thirds of the percentage of increased occupancy (%change in occupancy rate multiplied by 2/3) or at least ten percent (10%) of the allowable rent, whichever is more.*

(2) No rent ceiling increase for additional tenants, as provided for in subsection (B) (1), shall be granted for any additional tenant who is a *spouse children, parents or grandparents. spouse, registered domestic partner, child, grandchild, grandparent, legal guardian of a child or parent* of any of the tenants, unless the tenants agree in writing to the specific rent ceiling increase. *Italicized – language of original ordinance for the definition of family in Owner-move-in, bolded is language being applied to increase in #of tenants for the purposes of this section*

(3) If the number of tenants actually occupying a rental unit as a principal residence decreases subsequent to any rent ceiling increase for additional tenants granted pursuant to subsection (B) (1), then the rent ceiling for that unit shall **automatically** decrease, by the amount of the rent ceiling increase that is no longer justified, as a result of the decrease in the number of tenants.

*Rent decrease as a result of a drop in occupancy shall not fall below that set in original lease, even if the occupancy rate drops below the original level spelled out in said lease*

(C) Decrease in Number of Tenants Allowed.

If any policy or policies imposed by the landlord unreasonably prevent the tenants from maintaining the base occupancy level for that unit *as defined by original lease*, then the rent ceiling for that unit shall be decreased by an amount equal to the percentage by which the number of allowable tenants has been reduced. *Rent decrease as a result of a drop in occupancy shall not fall below that set in original lease, even if the occupancy rate drops below the original level spelled out in said lease.* As used in this regulation, "policy" or "policies" means any rule, course of conduct, act or actions by a landlord.

*1 and 3 as written in the proposed regulations, set up a powerful economic disincentive to ever allow additional roommates*

(D) Petitions for Rent Increases

Grounds for Tenant Objection. Tenants subject to petitions under subsection (B) (l) may file objections with the Board only on the following grounds:

(1) The tenant ~~did not agree or~~ chooses to retract the agreement to add additional tenants and pay an additional amount as allowed under (B) (1).

(2) The additional tenant claimed by the landlord as justifying a rent increase is a spouse, registered domestic partner, child, grandchild, grandparent, legal guardian of a child or parent of any of the tenants, and the tenant(s) were not informed that they did not need to agree to an increase for such person(s).

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Be kind, for everyone you meet carries a heavy burden.

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Tuesday, February 13, 2018 3:10 PM

**To:** Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external; Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Section 707 Allows ANYONE to move in to any unit without permission

Section 707 conflates Original Occupant with Tenant without defining the former. It Allows ANYONE to move in to any unit without permission - bad for both Renters and Housing Providers. It will serve a back-door way to vacancy control if Costa Hawkins is defeated

#### 707. Subletting

(A) An owner may increase the rent by any amount ~~allowed by Civil Code section 1954.50 et seq., and subsection (B) of this Regulation,~~ to a sub-lessee or assignee where the original occupant or occupants who took possession pursuant to the rental agreement with the owner, no longer permanently reside there. The term "original occupant" as used herein includes any tenant or subtenant who, with the landlord's knowledge, was residing in the unit on or before July 21, 2015 or when the landlord last established an initial rent for the unit.

Within fifteen (15) days of any rent increase pursuant to this Subsection, Tenancy Registration form(s) described in Subsection (K) shall be filed with the Board.

(B) Where one or more of the occupants of the premises pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, this subdivision shall not apply to partial changes in occupancy of a dwelling or unit made with the consent of the owner. Nothing contained in this subsection shall establish or create any obligation of an owner to permit or consent to a sublease or assignment.

(C) Acceptance of rent by the landlord shall not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment, or as a waiver of an owner's rights to establish the initial rental rate, ~~unless the landlord has received written notice that the last original occupant has vacated the premises from the tenant that is a party to the agreement and thereafter accepted rent.~~ The landlord's right to establish the initial rent shall not be waived if, after receiving written notice that the last original occupant has vacated the premises, the landlord agrees in writing with any tenants still occupying the unit that the landlord's right to establish the initial rental rate, consistent with Civil Code section 827, shall be extended for up to six months following receipt of the notice. *If the housing provider has received written notice that the last original occupant has vacated the premises from the tenant that is a party to the agreement and thereafter accepted rent without agreeing in writing with existing tenant to establish the initial rent within 6 months of the vacancy then the right to establish initial rent is waived.*

(D) A landlord may not unilaterally impose or require an ~~existing~~ *original* tenant to agree to new material terms of tenancy or a new rental agreement, unless the provisions are substantially identical to the prior rental agreement.

(E) Where the landlord initially rents a rental unit to a tenant and authorizes more than one tenant to occupy the unit, but fails to place the name of more than one tenant on the lease, all tenants who

**ITEM F-2**  
**ATTACHMENT 1**

occupy the unit within one month *of the start of tenancy*, with permission of the landlord, ~~express or implied~~, shall be considered to be original occupants *and shall be added to the Richmond Rent Board Website as an original occupant.*

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Monday, February 12, 2018 4:36 PM

**To:** Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay; Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external

**Subject:** Section 703 - no limits on when harassment charges can be brought

To the Richmond Rent Board and Staff,

Please consider our suggestions regarding Harrassment - a blank check?

These suggestions have been compiled by the AURHP.

### 703. Voluntary and Non-Voluntary Vacancies

(A) For the purposes of this Regulation, a "voluntary" vacancy shall mean a vacancy that results from the independent choice of the tenant, without intimidation, pressure, or harassment.

(1) For purposes of this section "abandonment" is defined as the tenant's independent choice, without intimidation, pressure, or harassment to relinquish all right and possession of the premises, with the intention of not reclaiming or resuming its possession or enjoyment, and the landlord terminates the tenancy pursuant to Civil Code Section 1951.3. Such abandonment is considered voluntary.

(B) Non-Voluntary Vacancy means a vacancy resulting from conduct by the landlord which constitutes:

(1) Acts prohibited by law,

(2) Constructive eviction (*such as turning off utilities or changing locks*)

(3) A breach of the covenant of quiet enjoyment of the property.

~~(4) Harassment~~ This Harassment section is defined in C below

(5) Threats to withdraw the property from the rental market pursuant to the Government Code Section 7060-7060.7 (Ellis Act),

(6) Or notices of any kind that negligently or intentionally misrepresent to a tenant that they are required to vacate the controlled unit.

(C) "Harassment" shall be defined as a knowing and willful act or course of conduct directed at a specific tenant or tenants which: City of Richmond Rent Program DRAFT Rent Adjustment Regulations Page 6 of 14 As of: January 22, 2018

(1) Would cause a reasonable person to fear the loss of use and occupancy of a residential unit or part thereof, or of any service, privilege or facility connected with such use and occupancy, without legitimate reason or legal justification;

(2) Materially interferes with a tenant's peaceful enjoyment of the use and/or occupancy of a residential rental unit

(3) A single act may constitute harassment for purposes of determining whether a vacancy was voluntary. A course of conduct is a pattern of conduct composed of a series of acts over a period of time, however short, evidencing a continuity of purpose.

(4) Acts constituting harassment include, but are not limited to the following:

(a) Eviction on the grounds of owner or relative occupancy pursuant to Rent Ordinance section 11.100.050 (a) (6) which is not in good faith.

(b) The threat or repeated threat to evict a tenant in bad faith, under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit.

(c) Reduction in housing services under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;

(d) Reduction in maintenance or failure to perform necessary repairs or maintenance under circumstances evidencing the landlord's purpose to cause the tenant to vacate a controlled rental unit;

(e) Abuse of the landlord's right of access into a residential unit within the meaning of California Civil Code §1954;

(f) Verbal or physical abuse or intimidation.

*Claims of harassment must be filed no later than 30 days after tenant vacates property and a police report shall be on file supporting the claim."*

(4) A vacancy occurring as result of the filing of a Notice of Intent to Withdraw under Government Code Section 7060-7060.7 (the Ellis Act) shall not be considered voluntary.

(5) A tenancy and subsequent vacancy created as a sham shall not be considered voluntary. A sham tenancy may be presumed where the occupant did not have a **bona fide landlord-tenant relationship** As defined by what? with the landlord, or occupied the property for less than four (4) months and principally for the purpose of vacating the property to establish eligibility for vacancy-related increase.

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Be kind, for everyone you meet carries a heavy burden.

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Monday, February 12, 2018 4:31 PM

**To:** Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay; Ben Choi; Bill Lindsay; Eduardo Martinez; Gayle McLaughlin; Jael Myrick; Jovanka Beckles; Melvin Willis; Tom Butt - external

**Subject:** Section 701 decreases the maximum allowable rent forever

To the Richmond Rent Board and Staff,

Please consider our suggestions regarding punishing housing providers for offering deals that attract renters and benefit them already.

These suggestions have been compiled by the AURHP.

#### 701. New Maximum Allowable Rent

(A) Pursuant to Section 1954.50, et seq. of the Civil Code, the landlord may establish the lawful maximum allowable rent for any controlled rental unit consistent with this regulation. The new rent level shall thereafter become the maximum lawful rent ceiling for the unit for all purposes including, but not limited to, the computation of all future rent adjustments. ~~The unit shall otherwise remain controlled by all other regulations of the Rent Board.~~

(B) In these Regulations the terms "new rent level," "new rent ceiling" and "initial rental rate" refer to the rent established by the landlord for a tenant whose tenancy becomes effective after July 21, 2015. For tenancies commencing on or after July 21, 2015, the "initial rent" for a rental unit shall be the monthly market rent established by the parties at the commencement of the most recent tenancy. ~~Where the rental agreement includes periods for which the tenant pays reduced, discounted or "free" rent, the monthly market rent is calculated as the average of the monthly payments made during the initial term of the agreement or, in the case of a month-to-month tenancy, during the first twelve months of the tenancy.~~ *Temporary decreases in rent shall not reset the base rent or the maximum allowable rent.*

--

Be kind, for everyone you meet carries a heavy burden.

**From:** Sherry Zalabak [mailto:sherz@comcast.net]  
**Sent:** Sunday, February 11, 2018 8:53 PM  
**To:** Nicolas Traylor; ncombs@richmondrent.org; dgray@richmondrent.org; egerould@richmondrent.org; lmaddock@richmondrent.org; vfinlay@richmondrent.org; Cynthia Shaw  
**Cc:** Sherry Zalabak; John Zalabak; rentprogram20@gmail.com; Paige Roosa  
**Subject:** ATTN: Board Members

To: Mr. Nicolas Traylor, Executive Director  
To: Members of the Richmond Rent Board  
CC: Paige Roosa, Management Analyst  
RE: Comments on Chapter 8: Sub-chapter C. Standards for Individual Rent Ceiling Adjustment due to Changes in Number of Tenants

My name is Sherry Zalabak. I own a triplex in Richmond. I am also a member of AURHP. I have been reviewing the City of Richmond Draft Rent Adjustment Regulations. I respectfully submit my observations for your consideration.

#### 873. Changes in Number of Tenants

After carefully reading the terms drafted to allow additional tenants I am convinced that no rational housing provider will allow an additional tenant. The conditions as proposed are disincentives to add tenants to a rental agreement.

(1) The rent ceiling increase of 10% is inadequate to compensate the Provider for the increase in level of service costs: electricity, gas, water use, sewage fees and garbage. Additionally, there are maintenance costs: A greater number of tenants increase the wear and tear on appliances, plumbing systems, floors, interior paint, laundry facilities, which are typically costly and should be included in the calculation for compensation. Finally, bear in mind labor costs for maintenance and repairs increase annually. I currently pay \$50 to \$95 an hour for skilled labor. Labor costs do not track with the consumer price index. According to my calculations, the minimum compensation for adding a tenant should be no less than 25%.

Most of Richmond's housing stock dates back to 30' and 40's, almost an entire century! Maintenance, repair and replacement costs increase as the housing stock continues to age and deteriorate. Thus the Housing Provider gets further and further behind each year. Given the onerous rules and regulations of Rent Control suddenly imposed upon Housing Providers like me (small time folks), it is very unlikely that we will offer to sacrifice even more by taking on more tenants. The result will be that tenants requesting an increase in occupancy will be DENIED. This will INCREASE the number of those desperately seeking housing. Long gone will be the days of doubling up with roommates to pay for college tuition or to get by on substandard wages. Will this inevitable outcome serve the purpose of rent control? Without just compensation there is NO INCENTIVE to allow additional tenants: there is only detriment to both: More tenants seeking housing and less housing offered.

It is noteworthy to point out that based upon Section 503 (b) of the Federal Uniform Housing Code, there are clear-cut rules regulating occupancy: a one bedroom unit may have two persons per bedroom (plus one in the living space) for a total of 3, a two bedroom unit may have 2 persons per bedroom (plus 1) for a total of 5, a three bedroom unit may have 2 persons per bedroom (plus 1) for a total of 7 and so on. This is the two plus one rule.

(2) Housing Providers are already legally required to provide housing to family members listed as a "protected class" (spouses, children, grandchildren, parents, grandparents, legal guardian of a child, registered domestic partner, or parent of a tenant). Why is there no compensation to Housing Providers who are required to comply with this requirement? Is this fair? It is beginning to seem as though Housing Providers are now employees of the government, yet without reasonable compensation.

(3) The current Draft states that, should an "additional" tenant vacate, the rental increase will be reduced by an amount equal to the amount of increase. So far so good; however, I see no consideration for any permanent wear and tear done as a result of additional tenant(s). Perhaps the additional tenant had her own room and destroyed the drywall, nailed posters from floor to ceiling, and wore cleated shoes on the hardwood floor. How is compensation determined, who is responsible and when? Why would a Housing Provider agree to additional tenants when adding more people would not only increase the likelihood of such occurrences but create more management and bureaucratic issues. There is clearly NO INCENTIVE for the Housing Provider to allow an increase in number of tenants.

(IN SUMMARY) The drafters have proposed a 10% rent increase to owners who accept additional tenants, an increase that is out of touch with economic reality of housing costs. If the proposed compensation were to become final, it would be a disincentive for Housing Providers to allow additional tenants. That would INCREASE the number of tenants looking for housing. Indeed, we have just this result in other cities. On the other hand, if reasonable compensation to Housing Providers were offered, it would provide an DECREASE in the number of tenants seeking housing, as housing providers would tend to adopt the attitude of "There's always room for one more!" This would be especially effective in Richmond, where small-time Housing Providers often have personal relationships with their tenants.

Sherry Zalabak, Member of AURHP

Small-time Housing Provider

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Sunday, February 11, 2018 7:55 AM

**To:** Cynthia Shaw; Paige Roosa; Bill Lindsay; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Section 704 - directly contradicts the ordinance

To the Richmond Rent Board and Staff,

Please consider our suggestions regarding the definition of a tenant and a section in the proposed regulations that directly contradicts the ordinance as it is already written.

These suggestions have been compiled by the AURHP.

704. No Vacancy Rent Increase for ~~Existing Tenants~~ *Original Occupants*

(A) The maximum lawful rent ceiling for any controlled rental unit that is occupied by an existing tenant shall not be increased under the provisions of this Regulation, while the existing tenant occupies their unit. For purposes of this Regulation, "existing tenant" refers to all persons who are defined as "tenants" pursuant to Rent Ordinance section 11.100.030(r), i.e. any renter, tenant, subtenant, lessee, or sub-lessee of a rental unit, or any other person entitled under the terms of a Rental Housing Agreement, **written, oral or implied**, to the use or occupancy of such rental unit. *Words in bold are not in ordinance.*

*Replace with and listed as an existing tenant for said unit in the Richmond Rent Program website.*

*Thoughts: These laws were copied from ordinances written before the age of the computer or mega-data, let's use our technological capabilities, we pay so much for them!*

**(B) No existing tenant shall be required to vacate a controlled rental unit as a result of a covenant or condition in a rental agreement requiring the tenant to surrender possession. *This directly contradicts the ordinance:***

"11.100.040 **Homeowner Protections.**

( 1) **Temporary Rentals Allowed.** A homeowner who is the Primary Resident of a single-family home may create a temporary tenancy. The temporary Tenant must be provided, in writing at the inception of the tenancy, the length of the tenancy and a statement that the tenancy may be terminated at the end of the temporary tenancy (pursuant to Section 11.100.050 (8) below) and relocation shall not be required."

*This creates an exception for owners who choose to vacate temporarily (eg to live abroad and work for a medical mission or study) where owner has previously signed a contract with renter specifying the date of owner return. These instances should apply any owners returning to their primary residence whether that is a SFH or an owner-occupied multi-plexes and single family homes and should NOT be subject to relocation fees*

-- Richmond can do better!

**From:** Sherry Zalabak [<mailto:sherZ@comcast.net>]  
**Sent:** Friday, February 02, 2018 10:25 AM  
**To:** Rent Control  
**Cc:** [NicolusTraylor@ci.richmond.ca.us](mailto:NicolusTraylor@ci.richmond.ca.us); Paige Roosa  
**Subject:** Attention Rent Board Members

February 1, 2018

To: Members of the Richmond Rent Board,  
To: Mr. Nicholas Traylor, Executive Director  
Cc: Paige Roosa Management Analyst

I am writing to address the stipulation in the Rent Control Draft that only Health and Safety Code expenses will qualify as grounds for a rent increase.

If this is adopted I will no longer spend a dime making my triplex an attractive place to live, upgrading appliances, replacing carpet, linoleum, installing dual pain windows to save on energy, maintaining trees and landscaping, paying for water to operate an irrigation system..... to name a few. If these expenses are NOT to be considered in calculating the Fair Rate of Return but rather deemed Optional Expenses absorbed solely by owners then I will comply only with Health and Safety issues.

The obvious outcome of this ill-conceived regulation will be to turn rent controlled housing into a stock-pile of deteriorating slums. It is also likely to create tension in the relationship I share with my tenants. The joy and pride I get from visiting my tenants homes and sharing in the pleasure they get from their environment will cease with this short -sighted proposal.

Small property owners like myself will search for other means of supplemental income; (i.e. stocks, bonds, commercial investments, etc.) in order to escape the one-sided restrictions and burdens of rental property ownership. LLC's have already approached me to sell. Over time the result can only be that rental housing will likely be owned and managed by business conglomerates, corporations, LLC's and REIT's. These collective "For Profit" companies have legal staff and (as practice and history shows) typically prevail against unfair restrictions that compromise their bottom line.

The current draft states that ONLY Health and Safety issues qualify for Fair Rate Return. This stipulation will be the first to be under attack by the larger housing providers, and with good cause.

The time and money I invest in my triplex to make it a lovely place to live will be the result of my donation only. I recently spent \$1,600 to install a gas line to replace an electric stove with a gas stove as my tenant preferred gas. Where else is spending money to improve a product or service a penalty or sacrifice to the provider?

**ITEM F-2**  
**ATTACHMENT 1**

Like my grandmother (Rosie the Riveter) and my mother (one of the first women bus drivers, 1952, in Richmond) I am a third generation housing provider to the Richmond community. I do it because it is needed and I do it as a service to the community in which I was raised. I also do it because thus far I have been able to get a return on my investment that exceeds a bank C.D. And, I do it because I have enjoyed a mutually rewarding relationship with my tenants. If I am required to donate my labor, time and money to make repairs and/or improvements outside of H&S codes, the joy and satisfaction that I derive from providing housing to folks will end.

Sincerely,  
Sherry Zalabak

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Monday, January 29, 2018 10:03 PM

**To:** Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay; Mike Vasilas; Lori Wickliff

**Subject:** Vacancy Decontrol and Costa Hawkins

**From the Association of United Richmond Housing Providers,**

**Thank you Nicolas and Paige for meeting with us last week. We are so glad for the chance to talk with you and clarify some aspects of the latest set of draft regulations. As discussed, these sections are codified in Costa Hawkins. See comments in bold below:**

#### 702. Vacancy Rent Levels

(1) (a) The previous tenancy has been lawfully terminated .by the landlord pursuant to Civil Code Section 1946, or

(b) The previous tenancy has been lawfully terminated upon a change in terms of tenancy noticed pursuant to Civil Code Section 827, except a change permitted by law in the amount of rent or fees or resulting from the owner's termination of or failure to renew a contract or recorded agreement with a Housing Authority or any other governmental agency that provided for a rent limitation to a qualified tenant of the unit. A tenancy shall be presumed to have terminated upon a change in terms of tenancy if the tenant(s) vacate(s) the rental unit within twelve months of the landlord's unilateral change in the terms of the rental agreement. Absent a showing by the landlord that the tenant(s) vacated for reasons other than the change in the terms of the rental agreement, the initial rental rate for the new tenancy shall be no greater than the most recent rent ceiling (prior to the new tenancy).

(2) A new tenancy begun within three years of the date that the owner terminated or failed to renew a contract or recorded agreement with a Housing Authority or any other governmental agency that provided for a rent limitation to a qualified tenant of the unit unless the new tenancy is exempted from this limitation pursuant to Civil Code Section 1954.53 (a) (I) (B). During the three year period, the rental rate for any new tenancy established in that vacated unit shall be at the same rate as under the terminated or non-renewed contract or recorded agreement, increased by any subsequently authorized Annual General Adjustments. City of Richmond Rent Program DRAFT Rent Adjustment Regulations Page 5 of 14 As of: January 22, 2018

**Many expect Costa Hawkins to be repealed in the near future. If vacancy decontrol is a goal of the Richmond Rent Program as it is for some groups, then the replacement of vacancy decontrol must be undertaken thoughtfully and with an understanding of why, and how much, housing providers depend on it under rent control.**

**One of the problems with C-H + rent control is the artificial divisions they have created by applying rules to only certain situations or types of housing, but not to others. Using carve-outs will have deleterious unintended consequences that are hard to predict. And carve-outs created under C-H may not work well in Richmond. Unless the idea is to preserve only these aspects of C-H when and if it is defeated in the fall election, We strongly suggest that the rent board deal with vacancy decontrol as a whole when the time comes, not piecemeal and not in advance.**

**Sincerely,  
the AURHP**

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Tuesday, January 30, 2018 9:59 PM

**To:** Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay

**Subject:** Banking AGA's, voluntary or mandatory?

**To the Richmond Rent Board and Staff,**

**As discussed in the most recent rent board meeting, Section 882 (below) mandates banking in cases when housing providers are out of compliance with the law. Getting back into compliance, while not as ideal as simply staying in compliance, is necessary and often expensive. It might seem that mandating Housing Providers to bank AGA's during times like these is reasonable.**

**However, it is important to remember that banking has already been limited to 5% plus the given AGA of the year. This is what was passed in the context of voluntary banking. Section 882 is not talking about voluntary banking:**

882. Petition to Obtain Previously Lost Annual General Adjustments (AGAs)

(A) General. When an owner who has previously been out of compliance comes into compliance with the ordinance, regulations, or applicable housing, health and safety codes, all AGAs lost during the period of noncompliance may be granted prospectively. For any residential unit which has been registered and for which a base rent has been listed or for any residential unit which an owner can show, by a preponderance of the evidence, a good faith attempt to comply with the registration requirements, all annual rent adjustments which may have been denied during the period of the owner's non-compliance shall be restored prospectively once the owner is in compliance with the ordinance or regulation.

**The final sentence in this section seems to imply that banking may be mandated in the context of other types of raises:**

Chapter 8 Subsections A and B of these regulations shall govern all additional petition procedures for AGA petitions.

**Please consider raising the cap on banking in specific situations (Capital Improvements, Fair return, etc), or not mandating banking at all and raising the total rent raise including the given AGA**

**On a related subject, Section 701 mandates a reset of the base rent when rents are reduced for temporarily reduced housing services:**

701. New Maximum Allowable Rent

(B) Where the rental agreement includes periods for which the tenant pays reduced, discounted or "free" rent, the monthly market rent is calculated as the average of the monthly payments made during the initial term of the agreement or, in the case of a month-to-month tenancy, during the first twelve months of the tenancy.

**If a housing provider needs to do an earthquake retrofit and renters use the ground floor for parking or storage. They may be entitled to a rent reduction for the duration of the project. That is fair. To then give them a permanent rent reduction in addition is punitive and a real dis-incentive to doing improvement projects of any sort.**

**Thank you for your continued vigilance and care in scrutinizing these different parts and how they work together. Your care in molding Richmond's rent control regulations as balanced and fair to everyone are much appreciated.**

**From the Association of Richmond Housing Providers**

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Thursday, January 25, 2018 8:20 PM

**To:** Cynthia Shaw; Paige Roosa; Bill Lindsay; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Rent Program; Virginia Finlay; Nicolas Traylor

**Subject:** Special Meeting of the Richmond Rent Board 1/24/18

To the Rent Board and Staff,

Thank you for all the incredible work you are doing on behalf of Richmond.

As a member of the Association of United Richmond Housing Providers, I was thankful for the opportunity to say a few things about the proposed draft regulations.

Section 875: As rent raises above CPI are considered, it is important to remember the CPI is a national index of the costs goods and services including food, clothing, furniture, fuel, etc. Housing is also included but it is a small portion of the calculation. What CPI does not reflect is costs of the Bay Area or housing costs of the Bay Area - both higher than the national average by far and only set to rise higher as the price of contractors and construction materials will rise disproportionately in the wake of the recent and devastating fires in our area. CPI counts some sales taxes but does not consider property taxes at all, nor does it consider the costs of rent boards.

So, after 30 years of rent control in Oakland, many small housing providers are in dire financial straights. Even with legal raises above CPI to pay for the costs associated with housing, the inadequacy of CPI creates an imbalance that is only mitigated by vacancy de-control. This is why housing providers defend Costa Hawkins so vehemently, as Nancy Coombs and I both witnessed in Sacramento recently.

Section 873. B. 1) reads that increases in rent due to increases in occupancy should not exceed 10% per additional person. However this 10% is not based on anything but other rent control ordinances and does not reflect the reality of the increased costs to the Housing provider or the increase benefit to the original occupant(s). I suggested that this rise should reflect the percentage of rise in occupancy so that if 3 housemates decide to include a fourth, this 33% rise in occupancy should be reflected in a proportional rise in the rent or at least be the starting point for such a calculation so that

a 33% increase in Occupancy =  $33\% \times 1/2$  or  $2/3$  to make an allowable increase of 16% or 21%, respectively

The 10% figure, if you wish to keep it, could stand in as the minimum amount that could be charged for each additional person in any given living situation.

Section 874 B. 1) increases in rent should be calculated according to a long and complex looking equation but increases 874. A. housing providers need written agreement with renter. I suggested that these provisions are opposite sides of the same coin. As such, they should be treated similarly - apply detailed calculations to both, or don't.

Section 882 A. stipulates that Owners who lose AGA's during times of Non-compliance with the ordinance, etc may then utilize banking to make up for the lost AGA. However, banking has been capped and compounding has been dropped. If these limits on banking apply to all raises above CPI, as is stipulated in the last sentence under 882. B. it will really damage the

effectiveness of this program to balance keeping rents low and allowing housing providers to cover actual costs of housing.

I caution you all to really think about mandating any banking under **any** circumstance when banking is already limited. We still have several important rent raise regulations to get through and it is just this kind of thing that can really undo housing providers in the not-so-long term.

Thank you all for listening.

Ilona Clark and the Association of United Richmond Housing Providers

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Be kind, for everyone you meet carries a heavy burden.

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Tuesday, January 23, 2018 9:58 PM

**To:** Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Rent Program; Virginia Finlay; Nicolas Traylor

**Subject:** Capital improvement raises above CPI

On behalf of the Association of United Richmond Housing Providers, I would like to present a balanced and practical proposal for handling rent raises for capital improvements

Capital Improvement above CPI increases use the cost of the improvement as the basis for the rent raise.

Capping annual adjustments for Capital Improvements at 10% of most recent base rent is the case in San Francisco:

<http://sfrb.org/section-377-certification-rental-increases-capital-improvements-rehabilitation-and-energy>

Amortization schedules:

If you find SF's schedule of 7 or 10 years too blunt of an instrument, you might consider Oakland's schedule instead (see attachments 1,2 and 3)

The banking cap in Richmond is set very low at 5%. So CPI should be included in the 10% so that housing providers are not forced to bank every time there is a capital improvement.

Capital Improvement raises and roll-backs should not apply to renters who were not in residence in affected units after the improvement increase is completed.

If the Board decides capital Improvement raises to amortize out greater than 10 years for any project, the raises should be permanent and added to the units base rent for future calculations.

Any capital improvement project completed in the last 5 years from the time of filing the petition (fiscal or calendar?) should be applicable.

Important points to remember:

- That housing providers are also financing the costs for renters and must save beforehand or borrow. Borrowing incurs added costs which should be added to the cost of the project or low cost/interest free loans should be set up by the board for improvement projects. The capital improvement raises can then be paid into the boards account for this as the renters pay off the amount. such a system could become self sustaining.
- In the project below, both units benefit equally (new roof). Other projects may not (new windows in one unit), and the costs should be divided according to benefit for each unit as appropriate.

- If the cost, comes out to more than 10% of the base rent, and the rent board wishes to cap raises at 10% then up to 10% should be added to subsequent years until the cost will be met over the time span set by the schedule – always including CPI, of course.
- Using "expected life of the improvement" as the sole basis for amortization is problematic. For example, if I replace the floors in both units and one renter has small children and parks her bike inside her apartment, while the other renter is a neat-nick who removes her shoes religiously when entering and lives alone - who's floor is likely to last longer? Windows are another issue. New windows must be double-paned to be up to code in many jurisdictions. However, they all will accumulate moisture eventually. Wood framed windows last longer but cost 3 to 4 times as much as vinyl. And moisture accumulates faster in any windows that face the sun where the heat differential over 24 hours is greater. Hard to take these factors into account in a one-size-fits-all schedule.

According to these rules, here is an example from my own situation in Richmond.

Rent for each unit in a duplex is \$1645/mo. A roof replacement in 2017 cost \$14,000

\$14,000 divided by 120 months (ten years) = \$116.67

\$116.67 divided by 2 units = \$59.34. This represents a 3.5% increase plus CPI of 3.3% = 6.8% or \$111.86 per unit. If the raise is not to be considered permanent, \$59.34 would be rolled back after 10 years as long as the occupants there at the time of the roof-rent-raise remain in the unit.

Sincerely,

Ilona Clark and the AURHP

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Be kind, for everyone you meet carries a heavy burden.

Exhibit 1  
Amortization Schedule

<u>Improvement</u>	<u>Years</u>	<u>Improvement</u>	<u>Years</u>
<u>Air Conditioners</u>	10	<u>Heating</u>	
<u>Appliances</u>		Central	10
Refrigerator	5	Gas	10
Stove	5	Electric	10
Garbage Disposal	5	Solar	10
Water Heater	5	<u>Insulation</u>	10
Dishwasher	5	<u>Landscaping</u>	
Microwave Oven	5	Planting	10
Washer/Dryer	5	Sprinklers	10
Fans	5	Tree Replacement	10
<u>Cabinets</u>	10	<u>Lighting</u>	
<u>Carpentry</u>	10	Interior	10
<u>Counters</u>	10	Exterior	10
<u>Doors</u>	10	<u>Locks</u>	5
Knobs	5	<u>Mailboxes</u>	10
Screen Doors	5	<u>Meters</u>	10
<u>Earthquake Expenses</u>		<u>Plumbing</u>	
Architectural and Engineering Fees	5	Fixtures	10
Emergency Services		Pipe Replacement	10
Clean Up	5	Re-Pipe Entire Building	20
Fencing and Security	5	Shower Doors	5
Management	5	<u>Painting</u>	

Tenant Assistance	5	Interior	5
<u>Structural Repair and Retrofitting</u>		Exterior	5
Foundation Repair	10	<u>Paving</u>	
Foundation Replacement	20	Asphalt	10
Foundation Bolting	20	Cement	10
Iron or Steel Work	20	Decking	10
Masonry-Chimney Repair	20	<u>Plastering</u>	10
Shear Wall Installation	10	<u>Pumps</u>	
<u>Electrical Wiring</u>	10	Sump	10
<u>Elevator</u>	20	<u>Railing</u>	10
<u>Fencing and Security</u>		<u>Roofing</u>	
Chain	10	Shingle/Asphalt	10
Block	10	Built-Up, Tar and Gravel	10
Wood	10	Tile and Linoleum	10
<u>Fire Alarm System</u>	10	Gutters/Downspots	10
<u>Fire Sprinkler System</u>	20	<u>Security</u>	
<u>Fire Escape</u>	10	Entry Telephone Intercom	10
<u>Flooring/Floor Covering</u>		Gates/Doors	10
Hardwood	10	Fencing	10
Tile and Linoleum	5	Alarms	10
Carpet	5	<u>Sidewalks/Walkways</u>	10
Carpet Pad	5	<u>Stairs</u>	10
Subfloor	10	<u>Stucco</u>	10
<u>Fumigation</u>		<u>Tilework</u>	10
Tenting	5	<u>Wallpaper</u>	5
<u>Furniture</u>	5	<u>Window Coverings</u>	5

<u>Automatic Garage Door Openers</u>	10
<u>Gates</u>	
Chain Link	10
Wrought Iron	10
Wood	10
<u>Glass</u>	
Windows	5
Doors	5
Mirrors	5

Drapes	5
Shades	5
Screens	5
Awnings	5
Blinds/Miniblinds	5
Shutters	5

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Saturday, January 20, 2018 4:43 PM

**To:** Cynthia Shaw; Paige Roosa; Bill Lindsay; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Virginia Finlay; Magaly Chavez; Nicolas Traylor

**Subject:** Square Pegs in a Round Hole

To the Richmond Rent Board on behalf of the Association of United Housing Providers in Richmond,

The presentations of the rent board staff include a lot of examples of how other jurisdictions manage rent control to balance the need to maintain housing and balance the costs and benefits of housing. Santa Monica does it this way, Berkeley does it that way, etc. Richmond is not the same as Santa Monica or Berkeley. Our population (renters and housing providers alike) are not particularly affluent and we do not have a large, relatively transient population of UC students.

The regulations of other cities should not be interpreted as cookie-cutters, to be copied wholesale.. While I understand that re-inventing the wheel is not practical, I hope you can think in terms of how the building blocks fit together.

These details include amortization rates and schedules; caps on raises, CPI and banking, capital improvement reimbursement rates, allowable pass-throughs, the number of years NOI should span etc.

They are like small building blocks that fit together and have a profound impact on sustainability in the long term - especially for small housing providers.

a few examples:

- Oakland allows 100% of CPI but has removed the cost of housing as a variable, so their CPI is lower than others. It allows banking of up to any 3 years worth in the last 10, Capital improvement calculations are based on only 70% of the cost, no financing. Half of the rent board fee may be passed through
- San Francisco allows only 60% of CPI, a large part of their fee may be passed through, they allow banking up to 7%, and there is a loan program for capital improvements.
- Berkeley allows unlimited banking, almost no pass-through of fees

Already Richmond's relocation fees are among the highest, Richmond does not yet allow any pass through of Rent Board fees though they are also on the high side, and the cap on banking CPI is so low that there is no upside to banking, ever.

As you consider other possible raises above CPI in the next few weeks, keep in mind that whatever you decide will have to co-exist with restrictions and fees already put in place.

The stated purpose of rent control is stabilization of local communities. Housing providers take units off the market (as I have in Oakland), or go out of business, as your letters from housing providers already spell out. When laws are too constricting, systems are too cumbersome or the

costs simply outweigh the expenses, the intent behind them is lost. In the case of rent control regulations that backfire, the housing shortage gets worse and community disruption is exacerbated, not mitigated.

Richmond can do better.

Sincerely

Ilona Clark and The Association of United Housing Providers in Richmond

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Be kind, for everyone you meet carries a heavy burden.

**From:** Ilona Clark [mailto:in70clark@gmail.com]

**Sent:** Saturday, January 20, 2018 11:33 AM

**To:** Cynthia Shaw; Paige Roosa; David Gray; Emma Gerould; Lauren Maddock; Nancy coombs; Virginia Finlay; Nicolas Traylor; Magaly Chavez

**Subject:** Building Blocks of Long-term Sustainability

To the Richmond rent board and staff.

I am writing to you on behalf of the Association of United Richmond Housing Providers. After the meeting this week, We have been discussing the various details of rent control regulations and how they fit together. CPI, banking, amortization schedules, capital improvement reimbursement rates, allowable pass-throughs, etc.

All rent controlled jurisdictions have small differences which, when taken together, have a profound impact on both housing providers and renters.

So far, Richmond has chosen less flexible, more punitive measures than other jurisdictions, For example, there is no pass-through of the Rent Board Fee, relocation fees are among the highest and do not remotely reflect the costs of actual relocation and banking is limited to 5% with no compounding - making any banking for any reason impractical to the point of being pointless.

Still, we have a long way to go and many opportunities to make rent control as practical as possible for all involved in Richmond.

As rent raises above CPI are considered over the next few weeks, it will be very important that banking not be mandated in the context of other rent raises and the 5% cap should not apply to other raises..

To be very clear, banking should not be part of the equation when regulating other types of rent raises. Rather we should be allowed to add CPI to these raises, not to bank.

Thank you

Ilona Clark and The Association of United Richmond Housing Providers

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Be kind, for everyone you meet carries a heavy burden.