

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: April 18, 2018

Final Decision Date Deadline: April 18, 2018

STATEMENT OF THE ISSUE: At their meeting on February 21, 2018, Rent Boardmembers approved Chapter 4 of the Rent Adjustment Regulations, requiring all Landlords to complete an initial Rental Unit Registration Statement and Landlords of Controlled Rental Units (units subject to rent control) to file a Tenancy Registration Form for each new tenancy or turnover of "original occupants." Given the scope and impact of the implementation of these regulations, staff members have prepared a presentation on the proposed implementation timeline to inform and solicit feedback from members of the Board prior to the launch of rent registration in Spring 2018.

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 type="checkbox"/> Other: |
| <input type="checkbox"/> Contract/Agreement | <input checked="" 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 and DISCUSS a proposed implementation timeline for rent registration – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:

I-2.



AGENDA REPORT

DATE: April 18, 2018
TO: Chair Gray and Members of the Rent Board
FROM: Nicolas Traylor, Executive Director
SUBJECT: IMPLEMENTATION TIMELINE FOR RENT REGISTRATION

STATEMENT OF THE ISSUE:

At their meeting on February 21, 2018, Rent Boardmembers approved Chapter 4 of the Rent Adjustment Regulations, requiring all Landlords to complete an initial Rental Unit Registration Statement and Landlords of Controlled Rental Units (units subject to rent control) to file a Tenancy Registration Form for each new tenancy or turnover of "original occupants." Given the scope and impact of the implementation of these regulations, staff members have prepared a presentation on the proposed implementation timeline to inform and solicit feedback from members of the Board prior to the launch of rent registration in Spring 2018.

RECOMMENDED ACTION:

RECEIVE and DISCUSS a proposed implementation timeline for rent registration.

FISCAL IMPACT:

The implementation of rent registration will have a significant impact on daily operations and will require additional staff resources. Staff is recommending the addition of an Administrative Aide for the purpose of administering rent registration in the proposed Fiscal Year 2018-19 Rent Program budget. The estimated cost of an Administrative Aide is approximately \$101,100 annually, subject to step (salary) increases in accordance with the City's salary schedules.

DISCUSSION:

Background

Rent registration is a necessary element of actively-enforced rent programs to ensure a higher level of compliance and to authorize staff to collect the necessary information to assist in the processing of rent adjustment petitions and adjudication of those petitions.

In addition, rent registration will improve the accuracy of data pertaining to rent levels, which is important in publishing accurate market rent data. Finally, rent registration will also assist the Rent Program in accurate billing of the Rental Housing Fee, as Landlords under rent registration are required to update the exempt status of their units within 60 days of the change in exempt status.

Purpose of Rent Registration

➤ *Greater Compliance*

The purpose of the rent registration regulations is to improve compliance with the Rent Ordinance by requiring landlords to submit rent level and housing services information for each new tenancy (or turnover of original occupants), which, along with robust outreach, serves the purpose of making lawful rent levels transparent to both the Tenant and Landlord.

➤ *Supports the Rent Adjustment Petition Process*

Additionally, rent registration improves the ease of administering the rent adjustment petition/hearings process, by providing the Hearing Examiner with clear data on lawful Maximum Allowable Rent levels for units under consideration for rent adjustments.

➤ *Improves Fee Study and Billing Accuracy*

Rent registration will improve the accuracy of future fee studies and applicable rental unit data, as Landlords are required to update the exempt status of their rental units (e.g. if a unit goes from being rented to a Section 8 tenant to a rent controlled tenant). Particularly in the context of a tiered fee, the status of each Rental Unit is a crucial piece of information necessary to calculate the Residential Rental Housing Fee and produce accurate invoices.

➤ *Bolsters Outreach Opportunities*

Finally, as part of rent registration outreach, all new Tenants receive not only a copy of the rent registration form submitted by the landlord, but a “Guide to Rent Control in Richmond and other vital information about their rights and responsibilities.

Anticipated Impact of Rent Registration on Daily Operations

The implementation of rent registration will have a significant impact on daily operations. In the first year of implementation, all Landlords will be required to submit the Rental Unit Registration Statement for an estimated 11,000 rental properties (parcels) in the City of Richmond.

In addition, Landlords of Controlled Rental Units will be required to register an estimated 9,558 tenancies in rent-controlled units, indicating the amount of rent and services provided for each unit, by completing a Tenancy Registration form.

In subsequent years, after the initial registration process is complete, Landlords of Controlled Rental Units will be required to submit a new Tenancy Registration form

ITEM I-2

each time there is a new tenancy in a rent-controlled unit. Staff members estimate the Department will receive approximately 2,138 Tenancy Registration forms annually.¹

While the goal is to implement, encourage, and support an online rent registration system, staff members expect that at least half of all Rental Unit Registration Statements and Tenancy Registration forms will be submitted by hard copy. Additionally, to ensure that Landlords and Tenants are well informed about lawful rent ceilings, a notice of the lawful rent ceiling or Maximum Allowable Rent will be mailed to both Tenants and Landlords on an annual basis.

In future years, staff members anticipate the Maximum Allow Rent levels will also be available for Landlords and Tenants to check on in real time, through an online portal.

As indicated in the Revised Fiscal Year 2018-19 Budget and Rental Housing Fee Study, staff members consider the Administrative Aide classification the most appropriate position to administer the rent registration process. A flow chart illustrating these functions is provided in Attachment 2.

Proposed Timeline and Next Steps

A proposed timeline for the implementation of rent registration and billing of the Fiscal Year 2018-19 Rental Housing Fee is contained in Attachment 1. The proposed timeline will allow the Rent Program Department to mail an announcement and registration forms in May 2018 and begin processing information in July 2018.

DOCUMENTS ATTACHED:

Attachment 1 – Proposed Fiscal Year 2018-19 Registration and Billing Timeline

Attachment 2 – Rent Registration Function Flow Chart

Attachment 3 – Sample Registration Forms (for illustrative purposes only)

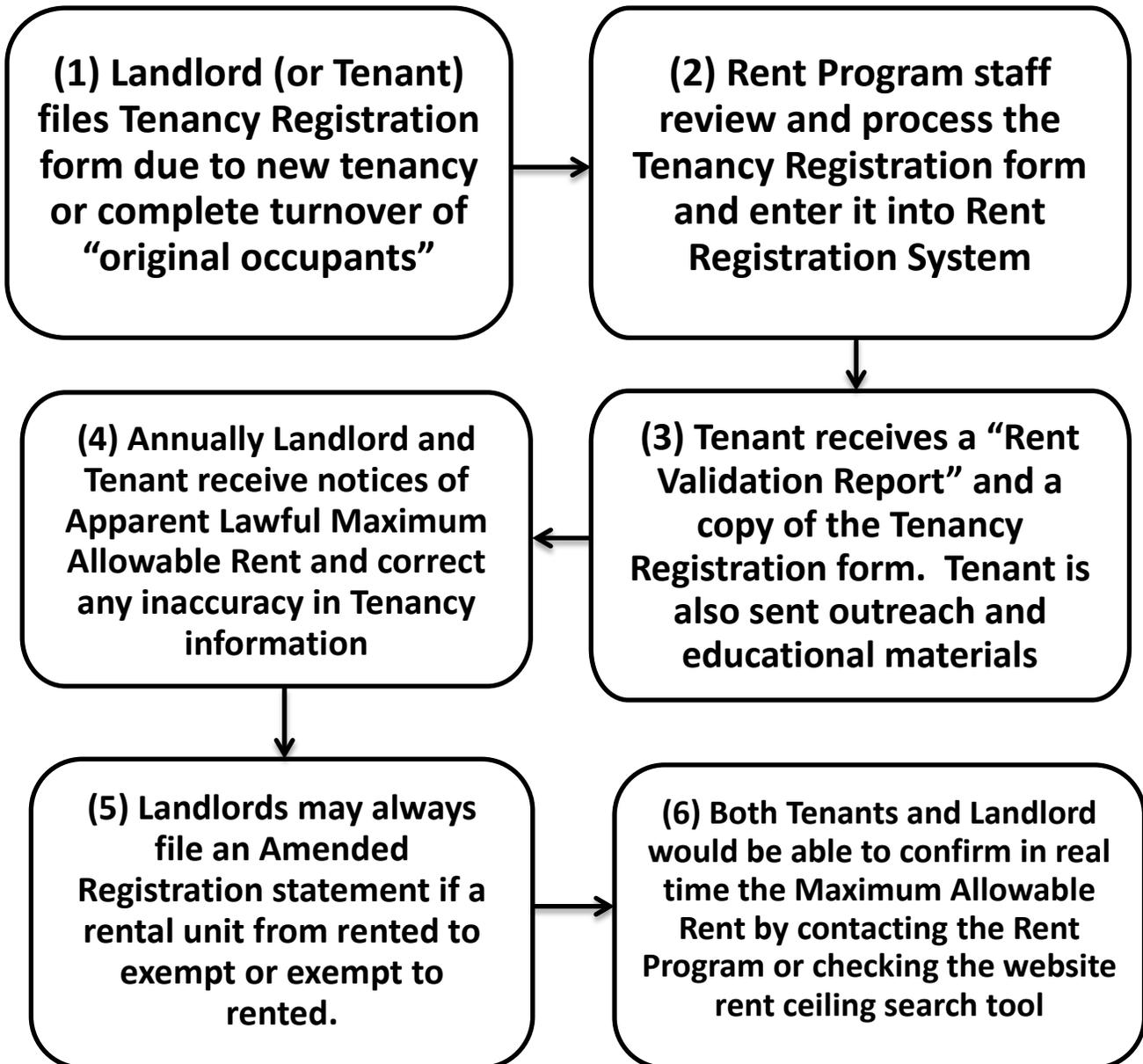
¹ According to 2016 American Community Survey estimates, approximately 4,454 renter-occupied housing units are occupied by households that moved into the unit in 2015 or later. Applicable unit counts indicate approximately 48% of rental units are Controlled Rental Units, subject to rent control. To arrive at a reasonable estimate of the turnover rate for tenancies in rent-controlled units in a single year, staff applied the assumption that 48% of the 4,454 units with tenancy turnover in a single year will occur in rent-controlled units, for which a new tenancy registration form is required.

Proposed Implementation Timeline for Rent Registration

RENT REGISTRATION		
#	EVENT	PROPOSED DATE
1	Rental Unit Registration Statement and Tenancy Registration Forms finalized	April 2018
2	Paper forms reproduced; online forms developed	Early May 2018
3	Mass mailing of registration requirements and forms	Late May 2018
4	Interviews for Admin Aide position (pending Board approval)	June 2018
5	Admin Aide is hired; registration forms are received, reviewed, and entered into database	July 2018

Overview of the Richmond Rent Program

Rent Registration Process





LANDLORD
NOTICE OF APPARENT
MAXIMUM ALLOWABLE RENT

AS OF 04/01/19

Unit Address	Unit #	Registration Status	Tenancy Start Date	Lawful MAR (Rent Ceiling)	Temporary Increase in effect	BDR	OCCUP Level	Services Included in the Rent
555 Paige St.	A	OWNER OCC.	NA	NA	NA	2	NA	NA
555 Paige St.	B	Exempt SEC. 8	2-1-17	NA	NA	2	NA	NA
555 Paige St.	C	Rented	7-21-15	\$1,065.00	NO	1	2	Water, Garbage, Parking, Appliances
555 Paige St.	D	Rented	9-1-17	\$1,700		1		Water, Parking, Storage, Appliances

If you believe that any of the information is incorrect or if you believe you are being overcharged, please contact a Rent Program Services Analyst at 510-234-RENT (7368) or email at rent@ci.richmond.ca.us.

CALL 510-234-RENT IF INFORMATION IN THIS NOTICE IS INCORRECT OR DOES NOT REFLECT THE CURRENT TENANCIES.



TENANT
NOTICE OF APPARENT
MAXIMUM ALLOWABLE RENT

AS OF 04/01/19

Unit Address	Unit #	Registration Status	Tenancy Start Date	Lawful MAR (Rent Ceiling)	Temporary Increase in effect	BDR	OCCUP Level	Services Included in the Rent
555 Paige St.	C	Rented	7-21-15	1,065.00	NO	1	2	Water, Garbage, Parking, Appliances

If you believe that any of the information is incorrect or if you believe you are being overcharged, please contact a Rent Program Services Analyst at 510-234-RENT (7368) or email at rent@ci.richmond.ca.us.

CALL **510-234-RENT** IF INFORMATION IN THIS NOTICE IS INCORRECT OR DOES NOT REFLECT THE TERMS OF YOUR TENANCY.

Tenancy Registration Form



**Richmond
Property
Address**

_____	_____	_____	_____	_____
Street Number	Street Name	Unit #	# of Bedrooms	# of Units/Prop

**Owner/
Agent**

Owner (Check if new owner/address)

Name: _____

Address: _____

City, State, Zip: _____

Phone: (____) _____

Email: _____

Send all future correspondence and bills to
Owner

Agent/Manager (Check if new owner/address)

Name: _____

Address: _____

City, State, Zip: _____

Phone: (____) _____

Email: _____

Send all future correspondence and bills to
Agent/Manager

**New Tenancy
Information**

Beginning date of this tenancy ____/____/____ Number of Tenants _____

Current Tenancy Information: Tenant names and other Tenant information will be kept confidential in accordance with the Information Practices Act of 1977.

Name: _____

Phone: (____) _____

Email: _____

**Rent Level &
Security
Deposit**

Initial Rent \$ _____/month

Note: Initial rent includes additional fees indicated in the rental agreement that are included in the total Rent amount.

Security deposit paid/collected at onset of tenancy \$ _____

Note: Security deposit is any \$\$ collected at onset of tenancy other than 1st month's rent and application fee. Last month's rent collected is considered part of the security deposit).

**Housing
Services
Included in
the Rent**

Check the Housing Services **paid by the Landlord** or included in the Rent and the tenant does not pay separately. NOTE: Landlords cannot charge utility unless utility is separately metered

Storage Gas Electricity Water Garbage Parking Laundry
Access Heat Appliances Other _____

Prior Tenant

Ending date of prior tenancy: ____/____/____ Voluntary vacancy At Fault Termination

No Fault Termination Note: At fault termination includes non-payment of rent, breach of lease, causing nuisance/damage, etc. No fault termination includes Owner Move-in or Withdraw from Rental Market (Ellis eviction), etc.

Other (explain): _____ (e.g. Abandonment)

Final Rent Charged to prior Tenant: \$ _____

Declaration:

I (we), owner(s) or lawful agent of the owner(s) of the above described property, declare under penalty of perjury under the laws of the State of California that the foregoing and all attached pages, including attached documentation, are true, correct and complete.

Check one: I am the landlord or the landlord's agent I am the tenant (please attach lease or proof of initial rent)

Print Name: _____

Signature: _____ Date _____

Rent Validation Report

Enclosed is a copy of the Tenancy Registration Form recently filed with our office. The information on the Tenancy Registration Form has been entered into the Rent Program's rent registration database, and the information below reflects what the Rent Program's records currently show as the rental unit's current registered lawful rent and services included in the rent paid by the tenant. Information contained in this report does not constitute a binding determination regarding the rent paid or services provided.

TENANCY START DATE:	04/01/2018
INITIAL RENT \$:	\$2,000
BASE OCCUPANCY LEVEL:	2
SERVICES	WATER, PARKING, APPLIANCES, GARBAGE

If you believe that any of this information is incorrect, please contact a Rent Program Services Analyst in our Public Information and Compliance Unit as soon as possible. Our office hours are: Monday-Friday 9am-12 and 1pm-4pm. The number you should call is 510-234-RENT.