



REGULAR MEETING OF THE RENT BOARD OF THE CITY OF RICHMOND

CITY COUNCIL CHAMBERS, COMMUNITY SERVICES BUILDING
440 Civic Center Plaza, Richmond, CA 94804

Wednesday, June 20, 2018

Boardmembers

Nancy Combs
Virginia Finlay
Emma Gerould
David Gray
Lauren Maddock

Link to Rent Board Meeting Agendas and Accompanying Materials:

www.ci.richmond.ca.us/3375/Rent-Board

COMMUNICATION ACCESS INFORMATION

This meeting is being held in a wheelchair accessible location. To request disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact Bruce Soublet, ADA Coordinator, at (510) 620-6509 at least three business days before the meeting date.

NOTICE TO PUBLIC

The City of Richmond encourages community participation at public meetings and has established procedures that are intended to accommodate public input in a timely and time-sensitive way. As a courtesy to all members of the public who wish to participate in Rent Board meetings, please observe the following procedures:

Public Comment on Agenda Items: Persons wishing to speak on a particular item on the agenda shall file a speaker form with City staff **PRIOR** to the Rent Board's consideration of the item on the agenda. Once the clerk announces the item, only those persons who

have previously submitted speaker forms shall be permitted to speak on the item. Each speaker will be allowed up to two minutes to address the Rent Board.

Public Forum: Individuals who would like to address the Rent Board on matters not listed on the agenda or on items remaining on the consent calendar may do so under Public Forum. All speakers must complete and file a speaker's card with City staff prior to the commencement of Public Forum. The amount of time allotted to individual speakers shall be determined based on the number of persons requesting to speak during this item. The time allocation for each speaker will be as follows: 15 or fewer speakers, a maximum of 2 minutes; 16 to 24 speakers, a maximum of 1 and one-half minutes; and 25 or more speakers, a maximum of 1 minute.

Conduct at Meetings: Richmond Rent Board meetings are limited public forums during which the City strives to provide an open, safe atmosphere and promote robust public debate. Members of the public, however, must comply with state law, as well as the City's laws and procedures and may not actually disrupt the orderly conduct of these meetings. The public, for example, may not shout or use amplifying devices, must submit comment cards and speak during their allotted time in order to provide public comment, may not create a physical disturbance, may not speak on matters unrelated to issues within the jurisdiction of the Rent Board or the agenda item at hand, and may not cause immediate threats to public safety.

City Harassment Policy: The City invites public comment and critique about its operations, including comment about the performance of its public officials and employees, at the public meetings of the City Council and boards and commissions. However, discriminatory or harassing comments about or in the presence of City employees, even comments by third parties, may create a hostile work environment, if severe or pervasive. The City prohibits harassment against an applicant, employee, or contractor on the basis of race, religious creed, color, national origin, ancestry, physical disability, medical condition, mental disability, marital status, sex (including pregnancy, childbirth, and related medical conditions), sexual orientation, gender identity, age or veteran status, or any other characteristic protected by federal, state or local law. In order to acknowledge the public's right to comment on City operations at public meetings, which could include comments that violate the City's harassment policy if such comments do not cause an actual disruption under the Council Rules and Procedures, while taking reasonable steps to protect City employees from discrimination and harassment, City Boards and Commissions shall adhere to the following procedures. If any person makes a harassing remark at a public meeting that violates the above City policy prohibiting harassment, the presiding officer of the meeting may, at the conclusion of the speaker's remarks and allotted time: (a) remind the public that the City's Policy Regarding Harassment of its Employees is contained in the written posted agenda; and (b) state that comments in violation of City policy are not condoned by the City and will play no role in City decisions. If any person makes a harassing remark at a public meeting that violates the above City policy, any City employee in the room who is offended by remarks violating the City's policy is excused from attendance at the meeting. No City employee is compelled to remain in attendance

where it appears likely that speakers will make further harassing comments. If an employee leaves a City meeting for this reason, the presiding officer may send a designee to notify any offended employee who has left the meeting when those comments are likely concluded so that the employee may return to the meeting. The presiding officer may remind an employee or any council or board or commission member that he or she may leave the meeting if a remark violating the City's harassment policy is made.

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REGULAR MEETING OF THE RICHMOND RENT BOARD

AGENDA

5:00 PM

A. PLEDGE TO THE FLAG

B. ROLL CALL

C. STATEMENT OF CONFLICT OF INTEREST

D. AGENDA REVIEW

E. PUBLIC FORUM

F. RENT BOARD CONSENT CALENDAR

- F-1.** APPROVE the minutes of the May 16, 2018, Regular Meeting of the Richmond Rent Board. *Cynthia Shaw*
- F-2.** RECEIVE the May 2018 Rent Program Monthly Report. *Paige Roosa*
- F-3.** APPROVE an amendment to the contract for community legal services with the Eviction Defense Center increasing the amount by \$75,000 for Fiscal Year 2018-19, to a total not to exceed \$112,500, and extending the term to June 30, 2019. *Nicolas Traylor*
- F-4.** APPROVE an amendment to the contract for community legal services with Centro Legal de la Raza increasing the amount by \$75,000 for Fiscal Year 2018-19, to a total not to exceed \$112,500, extending the term to June 30, 2019, and modifying the service plan to specify that Centro Legal de la Raza agrees to provide one hundred and twenty-five legal consultations to qualifying tenants per year. *Nicolas Traylor*
- F-5.** APPROVE an amendment to the contract for translation services with Document Tracking Services increasing the amount by \$10,000, to a total not to exceed \$19,999, and extending the term to June 30, 2019. *Nicolas Traylor*

F-6. APPROVE the Second Amendment to the Legal Services Agreement with Michael Roush increasing the amount by \$20,000 for the remainder of Fiscal Year 2017-18 and \$57,000 for Fiscal Year 2018-19 to a total not to exceed \$187,000, and extending the term to June 30, 2019.

Nicolas Traylor

F-7. APPROVE an amendment to the contract for preparation of rent adjustment regulations for consideration by the Rent Board with Kenneth Baar extending the term to June 30, 2019.

Nicolas Traylor

G. REGULATIONS

G-1. ADOPT Regulation 17-11, establishing the 2018 Annual General Adjustment in the amount of 3.6% for tenancies commencing prior to September 1, 2017.

*Nicolas Traylor
Charles Oshinuga*

G-2. APPROVE the Chapterization of Regulation 17-01 and Regulation 17-03 into Chapter 2 and PROVIDE direction to staff regarding how future Chaptered Regulations should be presented to the Rent Board.

*Nicolas Traylor
Charles Oshinuga*

G-3. AMEND Rent Board Regulation 400 to include a reference to Civil Code 1947.7, as amended, and AMEND Rent Board Regulation 402, authorizing the registration of tenant information and any other information reasonably requested by the Rent Program to effectuate the purpose of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance.

*Nicolas Traylor
Charles Oshinuga*

G-4. ADOPT (1) Regulation 205, authorizing Staff to process landlord requests for an administrative determination as to the applicability of the Rent Ordinance to a particular unit or property; (2) Regulation 206, creating an administrative determination process and procedure as it relates to request made to determine the applicability of the Rent Ordinance to a particular unit or property; (3) Regulation 207, authorizing a tenant petition challenging the exempt status of particular unit or property; (4)

*Nicolas Traylor
Charles Oshinuga*

Regulation 416, authorizing petitions and procedures for rent-withholding based on a landlord's failure to comply with Reporting requirements set forth in Richmond Municipal Code Section 11.100.060(s), including failure to pay the Residential Rental Housing Fee; (5) Regulation 417, describing the parties to a petition brought under Regulation 416; (6) Regulation 418, permitting the Board to initiate a rent withholding process in lieu of a tenant petition; (7) Regulation 419, explaining that the principles of substantial compliance apply to petitions brought under Regulation 416; (8) Regulation 420, describing that if compliance occurs prior to the set hearing, the tenant petition must be dismissed; (9) Regulation 421, creating standards that a Hearing Officer's decision must meet; and (10) Regulation 424, authorizing the use of an escrow account to hold the withheld rent until compliance occurs.

H. RENT BOARD AS A WHOLE

H-1. RECEIVE a presentation of a partial Client Report completed by Graduate Student Fellow Philip Verma, prepared in partial satisfaction for the degree of Master of City Planning, regarding promoting stability and quality in affordable housing developments in Richmond.

*Philip Verma
Paige Roosa*

H-2. (1) RECEIVE an update regarding rent increases in Low Income Housing Tax Credit (LIHTC) properties and (2) APPOINT an ad hoc Rent Board committee (consisting of two Boardmembers) to work with staff to develop an agreement with Low Income Housing Tax Credit (LIHTC) providers that would limit rent increases applied in any twelve-month period to Rental Units in LIHTC developments to the lesser of (a) the maximum rent permitted by the State Tax Credit Allocation Committee or (b) the Annual General Adjustment percentage rent increase for that year plus no more than five percent of deferred rent increases.

*Nicolas Traylor
Paige Roosa
Charles Oshinuga*

H-3. RECEIVE a presentation regarding the methodology employed for the first billing cycle of the Rental Housing Fee.

Nicolas Traylor

I. REPORTS OF OFFICERS

J. ADJOURNMENT

Any documents produced by the City and distributed to a majority of the Rent Board regarding any item on this agenda will be made available at the Rent Program Office located on the second floor of 440 Civic Center Plaza and will be posted at www.richmondrent.org.

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: The minutes of the May 16, 2018, Regular Meeting of the Richmond Rent Board require approval.

INDICATE APPROPRIATE BODY

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

ITEM

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

RECOMMENDED ACTION: Approve the minutes of the May 16, 2018 Regular Meeting – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

F-1.

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RICHMOND, CALIFORNIA, May 16, 2018

The Regular Meeting of the Richmond Rent Board was called to order at 5:00 P.M.

PLEDGE TO THE FLAG

ROLL CALL

Present: Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould.

Absent: Chair Gray.

(Chair Gray present as of 6:30 P.M.)

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

None.

INTRODUCTIONS FROM RENT PROGRAM STAFF MEMBERS

PUBLIC FORUM

Cordell Hindler invited the Rent Board to attend several community events in the month of May. He also mentioned that at the Richmond Neighborhood Coordinating Council meeting, the members voted and the date is confirmed, that Nicolas Traylor will provide a presentation on Rent Control at their July meeting.

RENT BOARD CONSENT CALENDAR

On motion of Boardmember Combs, seconded by Boardmember Finlay, the item(s) marked with an (*) were approved.

*G-1. Approve the minutes of the April 18, 2018, Regular Meeting of the Richmond Rent Board.

*G-2. Approve the minutes of the April 23, 2018, Special Meeting of the Richmond Rent Board.

*G-3. Receive letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100.

*G-4. Rescind, by motion, Regulation 17-02, regarding Petitions for a Rent Adjustment and Administrative Complaints for Excess Rent, as its been rendered obsolete by Chapter 8 (Subchapter A and B) of the Regulations– Regarding the Petition Process and the Hearing Procedure.

*G-5. Receive the April 2018 Rent Program Monthly Report.

RENT BOARD AS A WHOLE

H-1. The matter to receive and approve the 2017-18 Rent Program Annual Report and direct staff to present the report to the City Council in June 2018 was presented by Deputy Director, Paige Roosa. The presentation included the background, contents of the 2017-18 Annual Report, acknowledgements, Rent Program mission statement, purpose of the Rent Ordinance, main components of the Rent Ordinance, main components of the Rent Program Department, rental units regulated by the Rent Program Department, number of termination of tenancy notices filed with the Rent Program in 2017-18,, the number of rent increases filed with the Rent Program in 2017-18, elements of active enforcement, fiscal year 2018-19 goals, and the recommended action. Discussion ensued. There were no public comments on this item. A motion by Vice Chair Gerould, seconded by Boardmember Maddock, to approve the 2017-18 Rent Program Annual Report and direct staff to present the report to the City Council in June 2018, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould. **Noes:** None. **Abstentions:** None. **Absent:** Chair Gray.

H-2. The matter to discuss resident concerns about rent increases, refuse removal, and security at Heritage Park at Hilltop Apartments, a Low Income Housing Tax Credit (LIHTC) development located at 3801-3815 Lakeside Drive, Richmond, CA 94806 and provide direction to staff was presented by Executive Director, Nicolas Traylor. Discussion ensued. The following individuals gave comment: Mary Louise, Stephen Heninger, Robin Lape, Elaine Dockens, Doris Denson, James Daniels, Susan Singh,

Marilyn (no last name provided), Hermon Hudson, Betty E., and Elda Fontenot. A motion by Boardmember Finlay, seconded by Boardmember Maddock, to direct staff members to (1) continue investigating the matter; (2) attend the conference call with affordable housing providers scheduled for Friday, May 18, 2018; (3) discuss the issue with the Richmond Housing Authority and inquire about their ability to provide assistance; (4) provide an update to the Board regarding the outcome of the May 15, 2018, conference call with affordable housing providers and discussions with the Richmond Housing Authority as an agenda item for the June 20, 2018, Regular Meeting; and (5) prepare and transmit to the Board a document with a legal analysis of the issue the issue, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould. **Noes:** None. **Abstentions:** None. **Absent:** Chair Gray.

H-3. The matter to receive a memo from the Executive Director regarding the adoption of a policy permitting a partial pass through of the Rental Housing Fee to be paid by Tenants over a 12-month period and provide direction to staff was presented by Deputy Director, Paige Roosa. The presentation included the statement of the issue, types of units a pass-through policy would apply to, fiscal impact, discussion of fee pass-through policy considerations, arguments against a pass-through, arguments to support a limited pass-through, policy recommendations if and when the Board decides to adopt a pass-through of the fee, a table of pass-through of registration fees for peer rent control agencies similar to the Richmond Rent Program and the recommended action. Discussion ensued. There were no public comments on this item. A motion by Vice Chair Gerould, seconded by Chair Gary, to receive a memo from the Executive Director regarding the adoption of a policy permitting a partial pass through of the Rental Housing Fee to be paid by Tenants over a 12-month period and accept the recommendation that there will be no pass through of the Rental Housing Fee to be paid by Tenants at this time, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock, Vice Chair Gerould and Chair Gray. **Noes:** None. **Abstentions:** None. **Absent:** None.

REPORTS OF OFFICERS

Executive Director, Nicolas Traylor welcomed Staff Attorney Charles Oshinuga to the Rent Program team and expressed how he has already contributed great expertise to the Rent Program since he began his employment. He also thanked Legal Counsel, Michael Roush for his service with the Rent

Program and for working with Charles during the transition of legal duties. He also gave a brief report on the success of the Landlord oriented, Security Deposit – Rights and Responsibilities Community Workshop held on May 12, 2018. He also mentioned how the need of educating our community members on our laws and state laws is a great need and how the Rent Program will continue to provide outreach to the community. He mentioned that the Hearing Examiner, along with other staff members, is working on the Richmond’s Guide to Rent Control and it should be completed within the next few months. He also gave a brief update on the progress of the petition forms process and that the forms will ready to send to petitioners soon.

Deputy Director, Paige Roosa gave a brief update about the May 15, 2018 City Council meeting, noting that the City Council approved the second reading of the amended Relocation Ordinance and the Fiscal Year 2018-19 Rental Housing Fee.

Chair Gray apologized for being late to the meeting and thanked Vice Chair Gerould for chairing the meeting.

ADJOURNMENT

There being no further business, the meeting adjourned at 6:48 P.M.

Cynthia Shaw and Ramona Howell
Staff Clerks

(SEAL)

Approved:

David Gray, Chair

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: The Monthly Activity Report is designed to provide members of the Rent Board and Richmond community with a summary of the Rent Program's activities for the month. With a now fully-staffed department, staff members find it timely to begin producing such reports on a monthly basis.

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

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|---|--|--|
| <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 the May 2018 Rent Program Monthly Report - Rent Program (Paige Roosa 620-6537).

AGENDA ITEM NO:

F-2.

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M E M O R A N D U M

TO: Chair Gray and Members of the Rent Board

FROM: Paige Roosa, Deputy Director

DATE: June 20, 2018

SUBJECT: MAY 2018 MONTHLY ACTIVITY REPORT

Introduction

The Monthly Activity Report is designed to provide members of the Rent Board and Richmond community with a summary of the Rent Program's activities for the month. With a now fully-staffed department, staff members find it timely to begin producing such reports on a monthly basis. It is anticipated the form, content, and detail of this report will evolve over time. Feedback concerning this report may be submitted via email to rent@ci.richmond.ca.us or by calling (510) 234-RENT (7368).

Summary of Activities

I. Counseling and Community Engagement

<i>Monthly Activity</i>	<i>Occurrences</i>
Phone Call Consultations	529
Walk-In Consultations (includes appointments)	174
Email Responses	211
Total Consultations	914
Courtesy Compliance Letters Mailed	22
Warning Letters Mailed	3
Direct Referrals to Legal Service Providers	21
Declarations of Exemption Processed	40
Mediations Held	2
Community Workshop Attendees (Tenant 101 in Richmond)	19

II. Fee Collection

<i>Monthly Activity</i>	<i>Total</i>
May Revenue Collected	\$36,757.50
Total Revenue Collected through May 30, 2018	\$1,779,983 (61.0% of total)
Invoices Generated	3,115

III. Filing of Notices

<i>Type of Form</i>	<i>Monthly Submissions/ Notices Filed</i>
Enrollment	38
Excess Rent Complaint	3
Proof of Excess Rent Refund	11
Change in Terms of Tenancy Notices Filed	15
Rent Increase Notices Filed	43
Termination Notices Filed	349
<i>Applicable Just Cause for Eviction – Nonpayment of Rent</i>	347
<i>Applicable Just Cause for Eviction – Failure to Give Access</i>	1
<i>Applicable Just Cause for Eviction – Nuisance</i>	1
Agent Authorization	13
Petition for Maximum Allowable Rent Increase or Decrease	11
Proof of Permanent Relocation Payment Form	0
Proof of Temporary Relocation Payment Form	0
Unpaid Permanent Relocation Complaint	0
Unpaid Temporary Relocation Complaint	0
Total Form Submissions/Notices Filed	483

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: Since February 2018, The Eviction Defense Center has had the full-time equivalent of one attorney and one part-time paralegal dedicated to Richmond eviction cases. The current contract expires on June 30, 2018. A contract amendment is necessary to extend the term of the contract and add funds for services in Fiscal Year 2018-19, in accordance with the budget adopted by the Rent Board on April 23, 2018.

INDICATE APPROPRIATE BODY

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|---|---|--|--|---|
| <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

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|---|--|--|--|
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| <input type="checkbox"/> Contract/Agreement | <input type="checkbox"/> Rent Board As Whole | | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | | |

RECOMMENDED ACTION: APPROVE an amendment to the contract for community legal services with the Eviction Defense Center increasing the amount by \$75,000 for Fiscal Year 2018-19, to a total not to exceed \$112,500, and extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:

F-3.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: FIRST AMENDMENT TO THE CONTRACT WITH THE EVICTION DEFENSE CENTER FOR COMMUNITY LEGAL SERVICES

STATEMENT OF THE ISSUE:

Since February 2018, The Eviction Defense Center has had the full-time equivalent of one attorney and one part-time paralegal dedicated to Richmond eviction cases. The current contract expires on June 30, 2018. A contract amendment is necessary to extend the term of the contract and add funds for services in Fiscal Year 2018-19, in accordance with the budget adopted by the Rent Board on April 23, 2018.

RECOMMENDED ACTION:

APPROVE an amendment to the contract for community legal services with the Eviction Defense Center increasing the amount by \$75,000 for Fiscal Year 2018-19, to a total not to exceed \$112,500, and extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

FISCAL IMPACT:

In accordance with the Fiscal Year 2018-19 Rent Program budget, the proposed contract amendment includes the expenditure of \$75,000 for the entirety of the fiscal year.

DISCUSSION:

Background

On Wednesday, June 21, 2017, the Rent Board directed staff to negotiate and execute legal services contracts. Following the City's procurement policies, a Request for Qualifications and Proposals was released on August 11, 2017. Proposals were reviewed by a panel of stakeholders and staff. Contracts were executed with The

Eviction Defense Center and Centro Legal de la Raza on February 1, 2018, with terms ending June 30, 2018.

Performance

Per the original contract, the Eviction Defense Center is compensated \$6,250 per month to serve a minimum of 15 Richmond tenants per month following referral from a Rent Program staff member. Tenants receive pre-litigation counseling and a review of documents with appropriate legal response and/or full representation in court at their unlawful detainer hearing.

The Eviction Defense Center submits reports on a monthly basis detailing the number of clients served and pertinent data regarding their tenancies and demographics (Attachment 3). Client names and addresses have been redacted to preserve attorney/client privilege. Full records are maintained at the Eviction Defense Center office for review.

The table below contains a summary of the number of Richmond clients served by the Eviction Defense Center during the months of February through May 2018. While the Eviction Defense Center did not meet their target goal of 15 clients in the month of February 2018, staff members elected to remit payment on the grounds that the number of clients served is in large part based on the number of referrals made by Rent Program staff members. Of note is the 60 clients served by the Eviction Defense Center in May 2018, which is equal to four times the minimum services agreed upon in the original contract.

Clients Served by the Eviction Defense Center, February – May 2018

Month	Clients Served
February 2018	11
March 2018	32
April 2018	29
May 2018	60
Total	132

Proposed Contract Amendments

Staff members are recommending approval of contract amendments to extend the term of the contract with the Eviction Defense Center to June 30, 2019, and increase the payment limit of the contract by \$75,000 in accordance with the Fiscal Year 2018-19 Rent Program budget adopted by the Board.

DOCUMENTS ATTACHED:

- Attachment 1 – Contract Amendment
- Attachment 2 – Original Contract

Attachment 3 – Monthly Reports

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**CITY OF RICHMOND RENT PROGRAM
CONTRACT AMENDMENT**

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6564
P.R. No: 21800884-00 Vendor No: 13140	P.O./Contract No: 4160
Description of Services: Provide Eviction Defense Services to Richmond Tenants.	
Amendment No. 1 modifies the: (2 nd or subsequent amendments attach Amendment History page)	
<input checked="" type="checkbox"/> Term and Payment Limit	<input type="checkbox"/> Payment Limit and Service Plan
<input type="checkbox"/> Term and Service Plan	<input type="checkbox"/> Service Plan

The parties to this Contract Amendment do mutually agree and promise as follows:

- Parties. The parties to this Contract Amendment are the City of Richmond, California Rent Program (City), and the following named Contractor:

Company Name: Eviction Defense Center

Street Address: 350 Frank Ogawa Plaza, Suite 703

City, State, Zip Code: Oakland, Ca. 94612

Contact Person: Anne Tamiko Omura

Telephone: (510) 452-4541

Email: tamiko23@sbcglobal.net

Business License No: 4005-6623 / Expiration Date: February 14, 2019

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, individual dba as [specify:] _____
 other [specify:] _____

- Purpose. This Contract Amendment is being entered into to amend the Contract between City and Contractor which was approved by the Rent Board or executed by the Executive Director on February 1, 2018, which **original** term commenced on February 1, 2018 and terminates June 30, 2018 with an **original** contract payment limit of \$37,500.00. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

- Original Contract Provisions. The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license for this Contract Amendment to be deemed to be in effect.

6. Insurance Coverage Updated and Maintained. Pursuant to the Original Contract, the Contractor shall provide the City with updated insurance certificates, and the Contractor shall maintain insurance coverage, for this Contract Amendment to be deemed to be in effect.

7. Signatures. These signatures attest the parties' agreement hereto:

CITY OF RICHMOND, CALIFORNIA
Rent Program

CONTRACTOR:

Eviction Defense Center

(*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

By _____ Date: _____

By _____ Date: _____

Title: Executive Director

Title: _____

I hereby certify that the Original Contract and this Amendment have been approved by the Rent Board or executed by the Executive Director.

(*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By _____ Date: _____

By: _____ Date: _____

Rent Board Clerk

Title: _____

Approved as to form:

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313.

By _____ Date: _____

Staff Attorney

List of Attachments:

1. Amendment Provisions
2. Updated Insurance Certificates

Contract Amendment between the City of Richmond and

Eviction Defense Center

Amendment No.

1

P.O./Contract No.

4160

AMENDMENT PROVISIONS (TERM, PAYMENT LIMIT AND SERVICE PLAN)

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is

February 1, 2018

(Insert original contract commencement date)

and it terminates

June 30, 2019

(Insert new contract termination date)

unless sooner terminated as provided herein."

2. Paragraph 3 (Payment Limit) of the Original Contract is hereby amended to increase the payment limit by \$ **75,000.00** . Paragraph 3 of the Original Contract is amended to read as follows:

"3. Payment Limit. City's total payments to Contractor under this Contract as amended shall not exceed \$ **112,500.00** including expenses."

"The City of Richmond shall not pay for services that exceed the Contract Payment Limit without the prior written approval of the Executive Director if the total Contract amount does not exceed \$10,000 or without the prior approval of the Rent Board if the total Contract amount is over \$10,000."

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CITY OF RICHMOND RENT BOARD
STANDARD CONTRACT

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: 620-6564
Vendor No: 13140 PR No: 21800884	P.O./Contract No: 4160
Description of Services: Provide Eviction Defense Services to Richmond Tenants.	

1. The parties to this STANDARD CONTRACT do mutually agree and promise as follows:
Parties. The parties to this Contract are the City Of Richmond Rent Board (herein referred to as the "City") and the following named Contractor:

Company Name: The Eviction Defense Center

Street Address: 350 Frank Ogawa Plaza, Suite 703

City, State, Zip Code: Oakland, CA 94612

Contact Person: Anne Tamiko Omura

Telephone: 510-452-4541

Email: tamiko23@sbcglobal.net

Business License No: 4005-6623

Expiration Date: 02/14/2019

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, individual dba as [specify:] _____
 other [specify:] _____

2. **Term.** The effective date of this Contract is February, 01 2018, and it terminates June 30, 2018, unless terminated as provided herein.
3. **Payment Limit.** City's total payments to Contractor under this Contract shall not exceed \$37,500. City shall not pay for services that exceed the Contract Payment Limit unless a contract amendment has been approved by the Rent Board or Executive Director.
4. **Contractor's Obligations.** Contractor shall provide those services and carry out that work described in the Service Plan (Exhibit A) which is attached hereto and is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
5. **City Obligations:** City shall make to the Contractor those payments described in the Payment Provisions (Exhibit B) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

- 6. Authorized Representatives and Notices. This Contract is subject to the Authorized Representatives and Notices Provisions (Exhibit C) which are attached hereto and are incorporated herein by reference.
- 7. General Conditions. This Contract is subject to the General Conditions (Exhibit D) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
- 8. Special Conditions. This Contract is subject to the Special Conditions (Exhibit E) (if any) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
- 9. Insurance Provisions. This Contract is subject to the Insurance Provisions (Exhibit F) which are attached hereto and are incorporated herein by reference.
- 10. Signatures. These signatures attest the parties' Contract hereto:

RENT PROGRAM

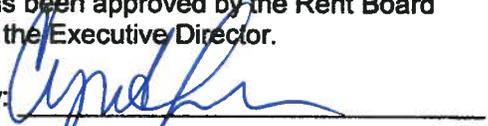
By: _____



Title: Executive Director

I hereby certify that this Contract has been approved by the Rent Board or the Executive Director.

By: _____



Board Clerk

Approved as to form:

By: _____

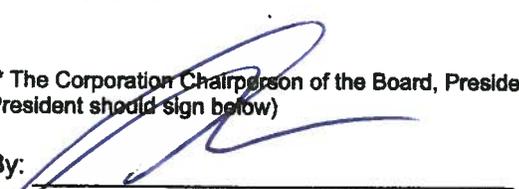


Board Legal Counsel

CONTRACTOR:

(* The Corporation Chairperson of the Board, President or Vice President should sign below)

By: _____



Title: EXECUTIVE DIRECTOR + CFO

Date Signed: 3/20/18

(* The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign below)

By: _____



Title: CFO

Date Signed: 3/20/18

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) must be signed by (a) the Chairperson of the Board, President or Vice-President and (b) the Secretary any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.

LIST OF ATTACHMENTS:

- | | |
|--|-----------|
| Service Plan | Exhibit A |
| Payment Provisions | Exhibit B |
| Authorized Representatives and Notices | Exhibit C |
| General Conditions | Exhibit D |
| Special Conditions | Exhibit E |
| Insurance Provisions | Exhibit F |

**EXHIBIT A
SERVICE PLAN**

Contractor shall, to the satisfaction of the Executive Director, perform the following services and be compensated as outlined below:

The Eviction Defense Center will have the full-time equivalent of one attorney dedicated to Richmond cases and a part-time paralegal/case manager.

The Eviction Defense Center will be compensated \$6,250 per month, and will submit monthly invoices in accordance with Exhibit B. With this funding, the Eviction Defense Center shall anticipate serving a minimum of 15 Richmond tenants per month following referral from a Rent Program staff member. These tenants will receive pre-litigation counseling and review of documents with appropriate legal response and/or full representation in court at their unlawful detainer hearing.

In determining which tenants qualify for free legal services, the Eviction Defense Center will utilize the HUD guidelines to identify "low income" households in Contra Costa County. The Eviction Defense Center will use a sliding scale based on these income guidelines, as to not deny services to households who do not qualify as "low income."

The Eviction Defense Center will create an intake form to track client data. This form shall include, at a minimum, the client's name, address, contact information, race/ethnicity (optional), date of birth, language or other access to justice issues, monthly income and source, household information, monthly rent, landlord name, security deposit, move-in date, last time rent was paid/accepted, the type of notice the Tenant received, a description of the housing problem, and the client's goals. This form may also be used by Rent Program staff to make a direct referral to the Eviction Defense Center. The form may be faxed to the Eviction Defense Center with a follow-up call or email to confirm receipt.

The Eviction Defense Center will submit monthly reports detailing the number of clients served and pertinent data regarding their tenancies and demographics. These reports shall have client names and addresses redacted to preserve attorney/client privilege, with full records maintained at the Eviction Defense Offices for review if necessary.

Under no circumstances shall the Eviction Defense Center bill for travel time, unless pre-approved by the Executive Director or their designee.

**EXHIBIT B
PAYMENT PROVISIONS**

{PLEASE NOTE THAT THE RENT PROGRAM SHALL NOT PAY FOR SERVICES THAT EXCEED THE CONTRACT PAYMENT LIMIT UNLESS A CONTRACT AMENDMENT HAS BEEN APPROVED BY THE RENT BOARD OR EXECUTIVE DIRECTOR}

1. Provided Contractor is not in default under this Contract, Contractor shall be compensated as provided below.
2. Any and all payments made pursuant to this Contract shall be subject to the Contract Payment Limit. The Payment Limit includes expenses (phones, photo copying, meals and travel, etc.) Invoices, shall be adequately detailed, based on accurate records, and be in a form reasonably satisfactory to the City. Contractor may be required to provide back-up material upon request.
3. Contractor shall submit timely invoices to the following address:

Attention: City of Richmond Finance Department - Accounts Payable

Project Manager: Nicolas Traylor
4. All invoices that are submitted by Contractor shall be subject to the approval of the City Project Manager, Nicolas Traylor, before payments shall be authorized.
5. The City will pay invoice(s) within 45 days after completion of services to the City satisfaction. The City shall not pay late fees or interest.
6. A Richmond business license shall be obtained before any payment under this Contract shall be authorized and the business license must be kept current during the term of this Contract for payments to continue to be authorized.
7. All insurance coverage required by this Contract shall be provided by the Contractor before this Contract shall be executed by the City. The insurance coverage must be kept current during the term of this Contract for payments to continue to be authorized.

**EXHIBIT C
AUTHORIZED REPRESENTATIVES AND NOTICES**

1. **Notices.** All notices, demands, statements, or communications provided for by this Contract shall be in writing and may be delivered by deposit in the United States mail, postage prepaid. Notices to the City shall be addressed to the Department Head and (as delineated below in section 1.1) to the project manager responsible for the administration of or the supervision of the scope of work under this Contract. Notices to the Contractor shall be addressed to the party designated by Contractor (as delineated below in section 1.2). Notice shall be deemed delivered (a) upon personal delivery; (b) as of the fifth business day after mailing by United States certified mail, postage prepaid, addressed to the proper party; or (c) as of 12:00 p.m. on the second business day immediately after the day it is deposited with and accepted by Federal Express, or a similar overnight courier service, addressed to the proper party and marked for next business day morning delivery. For the purposes of this Contract, a "business day" means any day Monday through Friday that is not a holiday recognized by the federal government or the State of California.

1. 1 City hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

Nicolas Traylor

City Of Richmond Rent Program

440 Civic Center Plaza, Suite 200

Richmond, CA 94804

1. 2 CONTRACTOR hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

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EXHIBIT D
GENERAL CONDITIONS

1. Independent Contractor. Contractor acknowledges, represents and warrants that Contractor is not a regular or temporary employee, joint venturer or partner of the City, but rather an independent Contractor. This Contract shall not be construed to create an agency, servant, employee, partnership, or joint venture relationship. As an independent Contractor, Contractor shall have no authority to bind City to any obligation or to act as City's agent except as expressly provided herein. Due to the independent Contractor relationship created by this Contract, City shall not withhold state or federal income taxes, the reporting of which shall be Contractor's sole responsibility.
2. Brokers. Contractor acknowledges, represents and warrants that Contractor has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
3. City Property. The rights to applicable plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Contract, which, upon request, are to be delivered to City within a reasonable time, shall be deemed assigned to City. If applicable, Contractor shall prepare check prints upon request. Notwithstanding the foregoing, Contractor shall not be obligated to provide to City proprietary software or data which Contractor has developed or had developed for Contractor's own use; provided, however, that Contractor shall, pursuant to Section 15 below, indemnify, defend and hold harmless City from and against any discovery or Public Records Act request seeking the disclosure of such proprietary software or data.
4. Patents, Trademarks, Copyrights and Rights in Data. Contractor shall not publish or transfer any materials, discoveries, developments, concepts, designs, ideas, know how, improvements, inventions and/or original works of authorship resulting from activities supported by this Contract without the express prior written consent of the City Manager. If anything resulting from activities supported by this Contract is patentable, trademarkable, copyrightable or otherwise legally protectable, City reserves the exclusive right to seek such intellectual property rights. Notwithstanding the foregoing, Contractor may, after receiving City's prior written consent, seek patent, trademark, copyright or other intellectual property rights on anything resulting from activities supported by this Contract. However, City reserves, and Contractor irrevocably grants, a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with the right to transfer, sublicense, practice and exploit said license and the right to make, have made, copy, modify, make derivative works of, use, sell,

import, and otherwise distribute under all applicable intellectual properties without restriction of any kind said license.

Contractor further agrees to assist City, at City's expense, in every proper way to secure the City's rights in any patents, trademarks, copyrights or other intellectual property rights relating thereto, including the disclosure to City of all pertinent information and data with respect thereto. Contractor shall also assist City in the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which City shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, to waive such rights. Contractor shall further assist City in the execution of all applications, specifications, oaths, assignments, recordations and all other instruments which City shall deem necessary in order to assign and convey to City, and any assigns and nominees the sole and exclusive right, title and interest in and to any patents, trademarks, copyrights or other intellectual property rights relating thereto. Contractor further agrees that its obligation to execute or cause to be executed, when it is in Contractor's power to do so, any such instruments or papers shall continue during and at all times after the end of Contractor's services and until the expiration of the last such intellectual property right. Contractor hereby irrevocably designates and appoints City, and its duly authorized officers, agents and servants, as its agent and attorney-in-fact, to act for and in its behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters of patents, copyright and other registrations. This power of attorney is coupled with an interest and shall not be affected by Contractor's subsequent incapacity.

5. Inspection. Contractor's performance, place of business and records pertaining to this Contract are subject to monitoring, inspection, review and audit by authorized representatives of the CITY, the State of California, and the United States Government.

If the project or services set forth in Exhibit A shall be performed on City or other public property, City shall have the right to inspect such work without notice. If such project or services shall not be performed on City or other public property, City shall have the right to inspect such work upon reasonable notice.

6. Services. The project or services set forth in Exhibit A shall be performed to the full satisfaction and approval of City. In the event that the project or services set forth in Exhibit A are also itemized by price, City, in its sole discretion, may, upon notice to Contractor, delete certain items or services set forth in Exhibit A, in which case there shall be a corresponding reduction in the amount of compensation paid to Contractor.

Contractor shall, at its own cost and expense, furnish all facilities and equipment necessary for Contractor to complete the project or perform the services required herein, unless otherwise provided in Exhibit A.

7. **Records.** Contractor shall keep and make available for inspection and copying by authorized representatives of the City, the State of California, and the United States Government, the Contractor's regular business records and such additional records pertaining to this Contract as may be required by the City.

Contractor shall retain all documents pertaining to this Contract for a period of four (4) years after this Contract's termination (or for any further period that is required by law) and until all Federal or State audits are complete and exceptions resolved for this contract's funding period. Upon request, contractor shall make these records available to authorized representatives of the CITY, the State of California, and the United States Government.

Contractor shall keep full and detailed accounts, maintain records, and exercise such controls as may be necessary for proper financial management under this Contract. The Contractor's accounting and control systems shall be satisfactory to City. Contractor's accounting systems shall conform to generally accepted accounting principles and all records shall provide a breakdown of total costs charged under this Contract, including properly executed payrolls, time records, utility bills, invoices and vouchers. The City shall be afforded prompt access to Contractor's records, books, and Contractor shall preserve such project records for a period of at least four (4) years after the termination of this Contract, or for such longer period as may be required by law.

Contractor shall permit City and its authorized representatives and accountants to inspect, examine and copy Contractor's books, records, accounts, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the project or services set forth in Exhibit A, and any and all data relevant to this Contract at any reasonable time for the purpose of auditing and verifying statements, invoices, or bills submitted by Contractor pursuant to this Contract and shall provide such assistance as may be reasonably required in the course of such inspection. Contractor shall also allow City access to the record keeping and accounting personnel of Contractor. City further reserves the right to examine and re-examine said books, records, accounts, and data during the four (4) year period following the termination of this Contract; and Contractor shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatever for four (4) years after the termination of this Contract.

Pursuant to California Government Code § 10527, the parties to this Contract shall be subject to the examination and audit of representatives of the Auditor General of the State of California for a period of three (3) years after final payment under this Contract. The examination and audit shall be confined to those matters connected with the performance of this Contract including, but not limited to, the cost of administering this Contract.

8. Changes and Extra Work. All changes and/or extra work under this Contract shall be performed and paid for in accordance with the following:

Only the City Council or the City Manager may authorize extra and/or changed work. Contractor expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Contractor to secure the authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Contractor thereafter shall be entitled to no compensation whatsoever for performance of such extra and/or changed work.

If Contractor is of the opinion that any work which Contractor has been directed to perform is beyond the scope of this Contract and constitutes extra work, Contractor shall promptly notify City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Contract and constitutes extra work. In the event that City determines that such work does constitute extra work, City shall provide extra compensation to Contractor on a fair and equitable basis. A change order or Contract Amendment providing for such compensation for extra work shall be negotiated between City and Contractor and executed by Contractor and the appropriate City official.

In the event City determines that such work does not constitute extra work, Contractor shall not be paid extra compensation above that provided herein and if such determination is made by City staff, said determination may be appealed to the City Council; provided, however, a written appeal must be submitted to the City Manager within five (5) days after the staff's determination is sent to Contractor. Said written appeal shall include a description of each and every ground upon which Contractor challenges the staff's determination.

9. Additional Assistance. If this Contract requires Contractor to prepare plans and specifications, Contractor shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Contractor shall issue

any necessary addenda to the plans and specifications as requested. In the event Contractor is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of Section 8 of these General Conditions.

10. Professional Ability. Contractor acknowledges, represents and warrants that Contractor and its employees are skilled and able to competently provide the services hereunder, and possess all professional licenses, certifications, and approvals necessary to engage in their occupations. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Contract. Contractor shall perform in accordance with generally accepted professional practices and standards of Contractor's profession. In the event that City, in its sole discretion, desires the removal of any person employed or retained by Contractor to perform services hereunder, such person shall be removed immediately upon receiving notice from City.
11. Business License. Contractor shall obtain a Richmond Business License before performing any services required under this Contract. The failure to so obtain such license shall be a material breach of this Contract and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual or extraordinary circumstances without necessitating any modification of this Contract to reflect such waiver.
12. Termination Without Default. Notwithstanding any provision herein to the contrary, City may, in its sole and absolute discretion and without cause, terminate this Contract at any time prior to completion by Contractor of the project or services hereunder, immediately upon written notice to Contractor. Contractor may terminate this Contract at any time in its sole and absolute discretion and without cause upon 30 days' written notice to City. In the event of termination by either party, Contractor shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; (2) necessary materials or services of others ordered by Contractor for this Contract, prior to receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, provided that Contractor is not able to cancel such orders. Compensation for Contractor in such event shall be determined by City in accordance with the percentage of the project or services completed by Contractor; and all of Contractor's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to City. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.

13. Termination in the Event of Default. Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Contract, City may immediately terminate this Contract by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided in Section 12 of these General Conditions; provided, however, there shall be deducted from such amount the amount of damage, including attorney's fees, expert witness fees and costs, if any, sustained by City by virtue of Contractor's breach of this Contract. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.

14. Conflict of Interest. Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Contract. Contractor further acknowledges, represents and warrants that no City official or employee has any economic interest, as defined in Title 2, California Code of Regulations §§ 18703.1 through 18703.5, with Contractor that would invalidate this Contract. Contractor acknowledges that in the event that Contractor shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Contract, all consideration received under this Contract shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Contract for one (1) year.

15. Indemnification.

(a) If this Contract is a contract for design professional services subject to California Civil Code Section 2782.8(a) and Contractor is a design professional, as defined in California Civil Code Section 2782.8(b)(2), Contractor shall hold harmless, defend and indemnify the City, its officers, agents, employees, and volunteers from and against any and all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Contractor, except where caused by the active negligence, sole negligence, or willful misconduct of the City. To the fullest extent permitted by law, Contractor shall immediately defend and indemnify the City and its officers, agents, employees, and volunteers from and against any and all liabilities, regardless of nature or type, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, any and all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Contractor's obligation to

ITEM F-3
ATTACHMENT 2

For the Contract between the City of
Richmond Rent Board and

- indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party.
- (b) If this Contract is not a contract for design professional services subject to California Civil Code Section 2782.8(a) or Contractor is not a design professional as defined in California Civil Code Section 2782.8(b)(2), Contractor shall indemnify, defend, and hold harmless the City, its officers, agents, employees and volunteers from any and all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by Contractor or any person directly or indirectly employed by, or acting as, the agent for Contractor in the performance of this Contract, including the concurrent or successive passive negligence of the City, its officers, agents, employees or volunteers.
- (c) It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Contractor shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its officers, agents, employees, and volunteers, immediately upon tender to Contractor of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Contractor are responsible for the claim does not relieve Contractor from its separate and distinct obligation to defend under this Section 15. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent counsel if Contractor asserts that liability is caused in whole, or in part, by the negligence or willful misconduct of an indemnified party.
- (d) The review, acceptance or approval of the Contractor's work or work product by any indemnified party shall not affect, relieve or reduce the Contractor's indemnification or defense obligations. This Section 15 survives completion of the services or the termination of this Contract. The provisions of this Section 15 are not limited by, and do not affect, the provisions of this Contract relating to insurance.
- (e) Acceptance of insurance certificates and endorsements required under this Contract does not relieve Contractor from liability under this Section 15. This Section 15 shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.
16. Safety. Contractor acknowledges that the City is committed to the highest standards of workplace safety. Contractor shall perform all work hereunder in full compliance with applicable local, state and federal safety requirements including but not limited to Occupational Safety and Health Administration requirements, and shall assume sole and complete responsibility for the safety of Contractor's employees and any subContractor's employees. If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Contract, Contractor shall immediately notify the City by telephone.
17. Insurance. Insurance requirements are set forth in Exhibit F to this Contract. Contractor shall abide by the insurance requirements set forth in said Exhibit F.
18. Non-Liability of Officials and Employees of the City. No official or employee of the City

ITEM F-3
ATTACHMENT 2

For the Contract between the City of
Richmond Rent Board and

shall be personally liable for any default or liability under this Contract.

- 19. Compliance with Laws.** Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Contract, including without limitation environmental laws, employment discrimination laws and prevailing wage laws. Compliance under this provision includes compliance with all provisions of the Richmond Municipal Code ("Municipal Code"), including Chapters 2.50, 2.52, 2.56, and 2.60, if applicable.

Contractor acknowledges that under § 2.60.070 of the Municipal Code ("Living Wage Ordinance"), Contractor shall promptly provide to City documents and information verifying its compliance with the Living Wage Ordinance. Also as prescribed in § 2.60.070, Contractor shall notify each of its affected employees with regards to the wages that are required to be paid pursuant to the Living Wage Ordinance.

Contractor shall comply with § 2.28.030 of the Municipal Code, obligating every Contractor or subcontractor under a contract or subcontract with the City for public work or for goods or for services to refrain from discriminatory employment or subcontracting practices on the basis of race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee, any applicant for employment or any potential subcontractor.

Contractor acknowledges that the City's Drug Free Workplace Policy, Violence in the Workplace Policy and the Policy Against Workplace Harassment, are available on the City's website at <http://www.ci.richmond.ca.us/workplacepolicies> . Contractor agrees to abide by the terms and conditions of said policies.

- 20. Limitations upon Subcontracting and Assignment.** This Contract binds the heirs, successors, assigns and representatives of Contractor. The Contractor shall not enter into subcontracts for any work contemplated

under this Contract and shall not assign this Contract, nor any portion hereof or monies due or to become due, without the prior written consent of the City Council or its designee.

Contractor acknowledges that the services which Contractor shall provide under this Contract are unique, personal services which, except as otherwise provided herein, Contractor shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in City's sole and absolute discretion. In the event that City, in writing, approves any assignment or subletting of this Contract or the retention of subcontractors by Contractor, Contractor shall provide to City upon request copies of each and every subcontract contract prior to the execution thereof by Contractor and subcontractor. Any assignment by Contractor of any or all of its rights under this Contract without first obtaining City's prior written consent shall be a default under this Contract.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor (if applicable), or of the interest of any general partner or joint venturer or syndicate member if Contractor is a partnership or joint-venture or syndicate, which shall result in a change of control of

ITEM F-3
ATTACHMENT 2

For the Contract between the City of
Richmond Rent Board and

Contractor, shall be deemed an assignment. For this purpose, control shall mean fifty percent or more of the voting power or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

21. Integration. This Contract constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Contractor and City may be used to assist in the interpretation of the Exhibits to this Contract.
22. Modifications and Amendments. This Contract may be modified or amended only by a change order or Contract Amendment executed by both parties and approved as to form by the City Attorney.
23. Conflicting Provisions. In the event of a conflict between these General Conditions and those of any Exhibit or attachment hereto, these General Conditions shall prevail; provided, however, that any Special Conditions as set forth in Exhibit E shall prevail over these General Conditions. In the event of a conflict between the terms and conditions of any two or more Exhibits or attachments hereto, those prepared by City shall prevail over those prepared by the Contractor, and the terms and conditions preferred by the City shall prevail over those preferred by the Contractor.
24. Non-exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Contractor hereunder shall be non-exclusive, and
- City reserves the right to employ other Contractors in connection with the project.
25. Exhibits. All Exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit A which does not pertain to the project description, proposal, scope of services, or method of compensation (as applicable) , or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Contract.
26. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such an obligation is prevented or delayed by reason of acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations enacted after the date of this Contract, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency or other reasons of a like nature not within the reasonable control of such party.
27. Time of the Essence. Time is of the essence of this Contract. Contractor and City agree that any time period set forth in Exhibit A represents their best estimates with respect to completion dates and both Contractor and City acknowledge that departures from the schedule may occur. Therefore, both Contractor and City will use reasonable efforts to notify one another of changes to the schedule. Contractor shall not be responsible for performance delays caused by others, or delays beyond Contractor's control, and such delays shall extend the times for performance of Contractor's work.

ITEM F-3
ATTACHMENT 2

For the Contract between the City of
Richmond Rent Board and

28. **Confidentiality.** Contractor agrees to comply with, and to require its employees, agents and partners to comply with, all applicable State or Federal statutes or regulations respecting confidentially, including but not limited to, the identity of persons served under this Contract, their records, or services provided them, and assures that:
- All applications and records concerning any individual made or kept by Contractor or any public officer or agency in connection with the administration of or relating to services provided under this Contract will be confidential, and will not be open to examination for any purposes not directly connected with the administration of such service.
- No person will publish or disclose or permit or cause to be published or disclosed, any list of persons receiving services, except as may be required in the administration of such service.
29. **Third Parties.** Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Contract shall not be considered "third parties."
30. **Governing Law.** This Contract shall be construed in accordance with the law of the State of California without regard to principles of conflicts of law. This Contract is made in Contra Costa County, California, and any action relating to this Contract shall be instituted and prosecuted in the courts of Contra Costa County, California.
31. **Nonrenewal.** Contractor understands and agrees that there is no representation, implication, or understanding that the services provided by Contractor under this Contract will be purchased or renewed by the City under a new contract following expiration or termination of this Contract, and waives all rights or claims to notice or hearing respecting any failure by City to continue the purchase of all or any failure to continue purchase of all or any such services from Contractor.
32. **Claims.** Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 et seq. The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six months after accrual of the cause of action.
33. **Interpretation.** This Contract shall be interpreted as if drafted by both parties.
34. **Warranty.** In the event that any product shall be provided to the City as part of this Contract, Contractor warrants as follows: Contractor possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets any specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of one hundred and eighty (180) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Contractor, at Contractor's expense, including shipping.

ITEM F-3
ATTACHMENT 2

For the Contract between the City of
Richmond Rent Board and

35. Severability. In the event that any of the provisions or portions or applications thereof of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, City and Contractor shall negotiate an equitable adjustment in the provisions of the Contract with a view

toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions or portions or applications thereof, shall not be affected thereby.

36. Authority. City warrants and represents that the signatory hereto (the Mayor of the City of Richmond or the City Manager) is duly authorized to enter into and execute this Contract on behalf of City. The party signing on behalf of Contractor warrants and represents that he or she is duly authorized to enter into and execute this Contract on behalf of Contractor, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Contract on behalf of Contractor.

37. Waiver. The waiver by City of any breach of any term or provision of this Contract shall not be construed as a waiver of any subsequent breach. Inspections or approvals, or statements by any officer, agent or employee of the City relating to the Contractor's performance, or payments therefore, or any combination of these acts, shall not relieve the Contractor's obligation to fulfill this Contract as prescribed; nor shall the City be thereby stopped from bringing any action for damages or enforcement arising from any failure to comply with any of the terms and conditions of this Contract.

38. Possessory Interest. If this Contract results in the Contractor having possession of, claim to or right to the possession of land or improvements, but does not vest ownership of the land or improvements in the same person, or if this Contract results in the placement of taxable improvements on tax exempt land (Revenue and Taxation Code 107), such interest or improvements may represent a possessory interest subject to property tax, and Contractor may be subject to the payment of property taxes levied on such interest.

39. Performance and Final Acceptance.

Contractor represents that it is experienced, qualified, registered, licensed, equipped, organized and financed to perform the services under this Contract.

Contractor shall perform the services under this Contract with that degree of skill and judgment normally exercised by professional firms performing services of a similar nature in the State of California, and shall be responsible for the professional quality, technical accuracy and coordination of the services it performs under this Contract. In addition to the other rights and remedies which City may have, Contractor shall, at its own expense, correct any services which fail to meet the above standard.

City shall provide Contractor an opportunity to cure errors and omission which may be disclosed during the review of submittals, with no increase in the authorized Contract Payment Limit. Should Contractor fail to make necessary corrections in a timely manner, such corrections shall be made by the City and the cost thereof shall be charged to Contractor.

**ITEM F-3
ATTACHMENT 2**

For the Contract between the City of
Richmond Rent Board and

If warranted, City shall determine, and Contractor may request such determination, that Contractor has satisfactorily completed performance of this Contract. Upon such determination, City shall issue to Contractor a written Notice of Final Acceptance, after which Contractor shall not incur further costs under this Contract. Contractor shall respond to such Notice of Final Acceptance by executing and submitting to City a Release and Certificate of Final Payment.

40. Survival. The rights and obligations of the parties which by their nature survive termination or completion of the services covered by this Contract shall remain in full force and effect after termination or completion.

**ITEM F-3
ATTACHMENT 2**

For the Contract between the City of
Richmond Rent Board and

**EXHIBIT E
SPECIAL CONDITIONS**

The General Conditions are hereby amended to include the following modifications and/or provisions (if applicable):

**ITEM F-3
ATTACHMENT 2**

For the Contract between the City of
Richmond Rent Board and

**EXHIBIT F
INSURANCE PROVISIONS**

During the entire term of this Contract and any extension or modification thereof, the CONTRACTOR shall keep in effect insurance policies meeting the insurance requirements specified in the insurance provisions which are attached hereto and incorporated herein by this reference.

**ITEM F-3
ATTACHMENT 3**

Richmond Grant Funds			
Monthly Status Report 2017-2018			
Agency: Eviction Defense Center			
Report Period: April 2018			
Prepared By: Anne Tamiko Omura			
Clients served:			
	29		
discrimination/reasonable accommodation	4		
Ellis Act			
foreclosure	1		
lease violation/nuisance	3		
LL harrassment			
lock out			
owner move in			
relocation payments			
Rent Board			
rent issues (increase, overcharge, etc)	21		
Repairs/Habitability	20		
security deposit			
Unlawful Detainer	25		
violation Rent Ordinance	3		
other:			
Client Demographics			
Client's served this reporting period	29		
African American	10		
Latino	14		
*immigrant/monolingual Spanish	12		
Asian	1		
*Pacific Islander	1		
*South East Asian			
*South Asian			
Elderly			
disabled	3		
households with minors in the home	11		
victim of domestic violence			
veteran	1		
catastrophically ill			
single parent/guardian home	4		

ITEM F-3
ATTACHMENT 3

Richmond Grant Funds			
Monthly Status Report 2017-2018			
Agency: Eviction Defense Center			
Report Period: May 2018			
Prepared By: Anne Tamiko Omura			
Clients served:			
	60		
discrimination/reasonable accommodation	5		
Ellis Act			
foreclosure	6		
lease violation/nuisance	2		
LL harrassment			
lock out			
owner move in			
relocation payments			
Rent Board			
rent issues (increase, overcharge, etc)	36		
Repairs/Habitability	33		
security deposit			
Unlawful Detainer	44		
violation Rent Ordinance			
retaliation:	33		
other:	3		
Client Demographics			
Client's served this reporting period	60		
African American	27		
Latino	27		
*immigrant/monolingual Spanish	24		
Asian	1		
*Pacific Islander			
*South East Asian	1		
*South Asian			
Elderly	1		
disabled	13		
households with minors in the home	16		
victim of domestic violence			
veteran	1		
catastrophically ill			
single parent/guardian home	7		

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: Since February 2018, Centro Legal de la Raza has had the full-time equivalent of one attorney or paralegal (supervised by an attorney) dedicated to Richmond cases. The current contract expires on June 30, 2018. A contract amendment is necessary to extend the term of the contract and add funds for services in Fiscal Year 2018-19, in accordance with the budget adopted by the Rent Board on April 23, 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 checked="" type="checkbox"/> Other: <u>CONSENT CALENDAR</u> | |
| <input type="checkbox"/> Contract/Agreement | <input type="checkbox"/> Rent Board As Whole | | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | | |

RECOMMENDED ACTION: APPROVE an amendment to the contract for community legal services with Centro Legal de la Raza increasing the amount by \$75,000 for Fiscal Year 2018-19, to a total not to exceed \$112,500, extending the term to June 30, 2019, and modifying the service plan to specify that Centro Legal de la Raza agrees to provide one hundred and twenty-five legal consultations to qualifying tenants per year – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:

F-4.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: FIRST AMENDMENT TO THE CONTRACT WITH CENTRO LEGAL DE LA RAZA FOR COMMUNITY LEGAL SERVICES

STATEMENT OF THE ISSUE:

Since February 2018, Centro Legal de la Raza has had the full-time equivalent of one attorney or paralegal (supervised by an attorney) dedicated to Richmond cases. The current contract expires on June 30, 2018. A contract amendment is necessary to extend the term of the contract and add funds for services in Fiscal Year 2018-19, in accordance with the budget adopted by the Rent Board on April 23, 2018.

RECOMMENDED ACTION:

APPROVE an amendment to the contract for community legal services with Centro Legal de la Raza increasing the amount by \$75,000 for Fiscal Year 2018-19, to a total not to exceed \$112,500, extending the term to June 30, 2019, and modifying the service plan to specify that Centro Legal de la Raza agrees to provide one hundred and twenty-five legal consultations to qualifying tenants per year – Rent Program (Nicolas Traylor 620-6564).

FISCAL IMPACT:

In accordance with the Fiscal Year 2018-19 Rent Program budget, the proposed contract amendment includes the expenditure of \$75,000 for the entirety of the fiscal year.

DISCUSSION:

Background

On June 21, 2017, the Rent Board directed staff to negotiate and execute legal services contracts. Following the City's procurement policies, a Request for Qualifications and Proposals was released on August 11, 2017. Proposals were reviewed by a panel of

stakeholders and staff. Contracts were executed with The Eviction Defense Center and Centro Legal de la Raza on February 1, 2018, with terms ending June 30, 2018.

Performance

Per the original contract, Centro Legal de la Raza is compensated \$6,250 per month to provide 125 legal consultations to qualifying tenants regarding landlord/tenant issues at its office in Oakland. Centro Legal de la Raza further agrees to provide legal representation to qualifying tenants requiring injunctive, declarative, or other legal remedies at a rate of eight cases per year.

The Eviction Defense Center submits reports on a monthly basis detailing the number of clients served and pertinent data regarding their tenancies and demographics (Attachment 3). Client names and addresses have been redacted to preserve attorney/client privilege. Full records are maintained at the Centro Legal de la Raza office for review.

The table below contains a summary of the number of Richmond clients served by Centro Legal de la Raza during the months of February through May 2018.

Clients Served by Centro Legal de la Raza, February – May 2018

Month	Clients Served
February 2018	2
March 2018	4
April 2018	8
May 2018	12
Total	26

Proposed Contract Amendments

Staff members are recommending approval of contract amendments to extend the term of the contract with Centro Legal de la Raza to June 30, 2019, and increase the payment limit of the contract by \$75,000 in accordance with the Fiscal Year 2018-19 Rent Program budget adopted by the Board. Lastly, staff members recommend amending the service plan to specify that Centro Legal de la Raza agrees to provide 125 legal consultations to qualifying tenants per year.

DOCUMENTS ATTACHED:

Attachment 1 – Contract Amendment

Attachment 2 – Original Contract

Attachment 3 – Monthly Reports

**CITY OF RICHMOND RENT PROGRAM
CONTRACT AMENDMENT**

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6564
P.R. No: 21800883 Vendor No: 13142	P.O./Contract No: 4140
Description of Services: Provide legal consultation and representation to Richmond Tenants.	
Amendment No. 1 modifies the: (2 nd or subsequent amendments attach Amendment History page)	
<input checked="" type="checkbox"/> Term, Payment Limit and Service Plan	<input type="checkbox"/> Payment Limit and Service Plan
<input type="checkbox"/> Term and Service Plan	<input type="checkbox"/> Service Plan

The parties to this Contract Amendment do mutually agree and promise as follows:

1. Parties. The parties to this Contract Amendment are the City of Richmond, California Rent Program (City), and the following named Contractor:

Centro Legal de La Raza

Company Name:

Street Address: 3022 International Boulevard, Ste. 410

City, State, Zip Code: Oakland, CA. 94601

Contact Person: Leah Simon-Weisberg

Telephone: (510) 827-1170

Email: lsimonweisberg@centrolegal.org

Business License No: 4005-6678 / Expiration Date: February 22, 2019

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, individual dba as [specify:] _____
 other [specify:] _____

2. Purpose. This Contract Amendment is being entered into to amend the Contract between City and Contractor which was approved by the Rent Board or executed by the Executive Director on February 1, 2018, which **original** term commenced on February 1, 2018 and terminates June 30, 2018 with an **original** contract payment limit of \$37,500.00. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

3. Original Contract Provisions. The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license for this Contract Amendment to be deemed to be in effect.

6. Insurance Coverage Updated and Maintained. Pursuant to the Original Contract, the Contractor shall provide the City with updated insurance certificates, and the Contractor shall maintain insurance coverage, for this Contract Amendment to be deemed to be in effect.

7. Signatures. These signatures attest the parties' agreement hereto:

CITY OF RICHMOND, CALIFORNIA
Rent Program

Centro Legal de La Raza

By _____

(*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

Title: Executive Director

By _____

I hereby certify that the Original Contract and this Amendment have been approved by the Rent Board or executed by the Executive Director.

Title: _____

(*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By _____
Rent Board Clerk

By: _____

Title: _____

Approved as to form:

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313.

By _____
Staff Attorney

List of Attachments:

1. Amendment Provisions
2. Updated Insurance Certificates

Contract Amendment/EJ/TE 09-26-07

AMENDMENT PROVISIONS (TERM, PAYMENT LIMIT AND SERVICE PLAN)

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is

February 1, 2018

(Insert original contract commencement date)

and it terminates

June 30, 2019

(Insert new contract termination date)

unless sooner terminated as provided herein."

2. Paragraph 3 (Payment Limit) of the Original Contract is hereby amended to increase the payment limit by \$ **75,000.00** . Paragraph 3 of the Original Contract is amended to read as follows:

"3. Payment Limit. City's total payments to Contractor under this Contract shall not exceed \$ **112,500.00** including expenses."

"The City of Richmond shall not pay for services that exceed the Contract Payment Limit without the prior written approval of the Executive Director if the total Contract amount does not exceed \$10,000 or without the prior approval of the Rent Board if the total Contract amount is over \$10,000."

3. The Service Plan (Exhibit A) of the Original Contract is hereby amended to include the following tasks and/or services:

Centro Legal de la Raza will be compensated \$6,250 per month and will submit Monthly Status reports and invoices in accordance with Exhibit B. With this funding, Centro Legal de la Raza agrees to provide one hundred and twenty-five legal consultations per year to qualifying tenants related to landlord/tenant issues at its office in Oakland.

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CITY OF RICHMOND RENT BOARD
STANDARD CONTRACT

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: 620-6564
Vendor No: 13142 PR No: 21800883	P.O./Contract No: 4140
Description of Services: Provide counseling and eviction defense services to Richmond Tenants.	

The parties to this STANDARD CONTRACT do mutually agree and promise as follows:

1. **Parties.** The parties to this Contract are the City Of Richmond Rent Board (herein referred to as the "City") and the following named Contractor:

Company Name: Centro Legal de la Raza
 Street Address: 3022 International Boulevard, Suite 410
 City, State, Zip Code: Oakland, CA 94601
 Contact Person: Martina I. Cucullu Lim
 Telephone: (510) 274-2410 Email: mcucullulim@centrolegal.org
 Business License No: Expiration Date:

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation,
 individual dba as [specify:] _____,
 other [specify:] _____

2. **Term.** The effective date of this Contract is February 4 ^{Jm} 2018, and it terminates June 30, 2018, unless terminated as provided herein.
3. **Payment Limit.** City's total payments to Contractor under this Contract shall not exceed \$37,500. City shall not pay for services that exceed the Contract Payment Limit unless a contract amendment has been approved by the Rent Board or Executive Director.
4. **Contractor's Obligations.** Contractor shall provide those services and carry out that work described in the Service Plan (Exhibit A) which is attached hereto and is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
5. **City Obligations.** City shall make to the Contractor those payments described in the Payment Provisions (Exhibit B) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

- 6. Authorized Representatives and Notices. This Contract is subject to the Authorized Representatives and Notices Provisions (Exhibit C) which are attached hereto and are incorporated herein by reference.
- 7. General Conditions. This Contract is subject to the General Conditions (Exhibit D) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
- 8. Special Conditions. This Contract is subject to the Special Conditions (Exhibit E) (if any) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
- 9. Insurance Provisions. This Contract is subject to the Insurance Provisions (Exhibit F) which are attached hereto and are incorporated herein by reference.
- 10. Signatures. These signatures attest the parties' Contract hereto:

RENT PROGRAM

By: [Signature]

Title: Executive Director

I hereby certify that this Contract has been approved by the Rent Board or the Executive Director.

By: [Signature]
Board Clerk

Approved as to form:

By: [Signature]
Board Legal Counsel

CONTRACTOR:

(* The Corporation Chairperson of the Board, President or Vice President should sign below)

By: [Signature]

Title: EXECUTIVE DIRECTOR

Date Signed: 1/31/18

(* The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign below)

By: [Signature]

Title: Finance Manager

Date Signed: 2/1/18

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) must be signed by (a) the Chairperson of the Board, President or Vice-President and (b) the Secretary any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.

LIST OF ATTACHMENTS:

- Service Plan
- Payment Provisions
- Authorized Representatives and Notices
- General Conditions
- Special Conditions
- Insurance Provisions
- Exhibit A
- Exhibit B
- Exhibit C
- Exhibit D
- Exhibit E
- Exhibit F

**EXHIBIT A
SERVICE PLAN**

Contractor shall, to the satisfaction of the **Executive Director**, perform the following services and be compensated as outlined below:

Centro Legal de la Raza will have the full-time equivalent of one attorney or paralegal (supervised by an attorney) dedicated to Richmond cases.

Centro Legal de la Raza will be compensated \$6,250 per month, and will submit monthly invoices in accordance with Exhibit B. With this funding, Centro Legal de la Raza agrees to provide one hundred and twenty-five (125) legal consultations to qualifying tenants related to landlord/tenant issues at its office in Oakland. Centro Legal de la Raza further agrees to provide legal representation to qualifying tenants requiring injunctive, declarative, or other legal remedies at a rate of eight (8) cases per year. In determining which tenants qualify for free legal services, Centro Legal de la Raza will utilize the HUD guidelines to identify "low income" households in Contra Costa County.

Centro Legal de la Raza will create an intake form to track client data. This form shall include, at a minimum, the client's name, address, contact information, race/ethnicity (optional), date of birth, language or other access to justice issues, monthly income and source, household information, monthly rent, landlord name, security deposit, move-in date, last time rent was paid/accepted, the type of notice the Tenant received, a description of the housing problem, and the client's goals. This form may also be used by Rent Program staff to make a direct referral to Centro Legal de la Raza. The form may be faxed to Centro Legal de la Raza with a follow-up call or email to confirm receipt. City agrees that these intakes and all client-related documents and information shall be subject to and protected by California's Attorney-Client Privilege and Attorney-Client Confidentiality. In the event City would like to review the client-related documents and/or obtain information related to clients served pursuant to this Contract, Centro Legal de la Raza must be permitted sufficient time to comply with its duty to maintain attorney/client privilege and client confidentiality by either redacting the documents or obtain written authorization from the client to permit City to review the file. Furthermore, City agrees that a direct referral from the City does not impose any additional obligations upon Centro Legal de la Raza for the provision of services.

Centro Legal de la Raza will submit monthly reports detailing the number of clients served and pertinent data regarding their tenancies and demographics. These reports shall have client names and addresses redacted to preserve attorney/client privilege, with full records maintained at Centro Legal de la Raza for review if necessary.

Under no circumstances shall Centro Legal de la Raza bill for travel time, unless pre-approved by the Executive Director or their designee.

EXHIBIT B

PAYMENT PROVISIONS

{PLEASE NOTE THAT THE RENT PROGRAM SHALL NOT PAY FOR SERVICES THAT EXCEED THE CONTRACT PAYMENT LIMIT UNLESS A CONTRACT AMENDMENT HAS BEEN APPROVED BY THE RENT BOARD OR EXECUTIVE DIRECTOR}

1. Provided Contractor is not in default under this Contract, Contractor shall be compensated as provided below.
2. Any and all payments made pursuant to this Contract shall be subject to the Contract Payment Limit. The Payment Limit includes expenses (phones, photo copying, meals and travel, etc.) Invoices, shall be adequately detailed, based on accurate records, and be in a form reasonably satisfactory to the City. Contractor may be required to provide back-up material upon request.
3. Contractor shall submit timely invoices to the following address:

Attention: City of Richmond Finance Department - Accounts Payable

Project Manager: Nicolas Traylor
4. All invoices that are submitted by Contractor shall be subject to the approval of the City Project Manager, Nicolas Traylor, before payments shall be authorized.
5. The City will pay invoice(s) within 45 days after completion of services to the City satisfaction. The City shall not pay late fees or interest.
6. A Richmond business license shall be obtained before any payment under this Contract shall be authorized and the business license must be kept current during the term of this Contract for payments to continue to be authorized.
7. All insurance coverage required by this Contract shall be provided by the Contractor before this Contract shall be executed by the City. The insurance coverage must be kept current during the term of this Contract for payments to continue to be authorized.

**EXHIBIT C
AUTHORIZED REPRESENTATIVES AND NOTICES**

1. **Notices.** All notices, demands, statements, or communications provided for by this Contract shall be in writing and may be delivered by deposit in the United States mail, postage prepaid. Notices to the City shall be addressed to the Department Head and (as delineated below in section 1.1) to the project manager responsible for the administration of or the supervision of the scope of work under this Contract. Notices to the Contractor shall be addressed to the party designated by Contractor (as delineated below in section 1.2). Notice shall be deemed delivered (a) upon personal delivery; (b) as of the fifth business day after mailing by United States certified mail, postage prepaid, addressed to the proper party; or (c) as of 12:00 p.m. on the second business day immediately after the day it is deposited with and accepted by Federal Express, or a similar overnight courier service, addressed to the proper party and marked for next business day morning delivery. For the purposes of this Contract, a "business day" means any day Monday through Friday that is not a holiday recognized by the federal government or the State of California.

1. 1 City hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

Nicolas Traylor

City Of Richmond Rent Program

440 Civic Center Plaza, Suite 200

Richmond, CA 94804

1. 2 CONTRACTOR hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

MARTINA CUCULLUM
3022 INTERNATIONAL BLVD Ste 410
OAKLAND, CA 94601

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EXHIBIT D
GENERAL CONDITIONS

1. **Independent Contractor.** Contractor acknowledges, represents and warrants that Contractor is not a regular or temporary employee, joint venturer or partner of the City, but rather an independent Contractor. This Contract shall not be construed to create an agency, servant, employee, partnership, or joint venture relationship. As an independent Contractor, Contractor shall have no authority to bind City to any obligation or to act as City's agent except as expressly provided herein. Due to the independent Contractor relationship created by this Contract, City shall not withhold state or federal income taxes, the reporting of which shall be Contractor's sole responsibility.
2. **Brokers.** Contractor acknowledges, represents and warrants that Contractor has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
3. **City Property.** The rights to applicable plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Contract, which, upon request, are to be delivered to City within a reasonable time, shall be deemed assigned to City. If applicable, Contractor shall prepare check prints upon request. Notwithstanding the foregoing, Contractor shall not be obligated to provide to City proprietary software or data which Contractor has developed or had developed for Contractor's own use; provided, however, that Contractor shall, pursuant to Section 15 below, indemnify, defend and hold harmless City from and against any discovery or Public Records Act request seeking the disclosure of such proprietary software or data.
4. **Patents, Trademarks, Copyrights and Rights in Data.** Contractor shall not publish or transfer any materials, discoveries, developments, concepts, designs, ideas, know how, improvements, inventions and/or original works of authorship resulting from activities supported by this Contract without the express prior written consent of the City Manager. If anything resulting from activities supported by this Contract is patentable, trademarkable, copyrightable or otherwise legally protectable, City reserves the exclusive right to seek such intellectual property rights. Notwithstanding the foregoing, Contractor may, after receiving City's prior written consent, seek patent, trademark, copyright or other intellectual property rights on anything resulting from activities supported by this Contract. However, City reserves, and Contractor irrevocably grants, a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with the right to transfer, sublicense, practice and exploit said license and the right to make, have made, copy, modify, make derivative works of, use, sell,

import, and otherwise distribute under all applicable intellectual properties without restriction of any kind said license. This paragraph shall not apply to any Know Your Rights materials and/or attorney-work product resulting from this Contract. Contractor further agrees to assist City, at City's expense, in every proper way to secure the City's rights in any patents, trademarks, copyrights or other intellectual property rights relating thereto, including the disclosure to City of all pertinent information and data with respect thereto. Contractor shall also assist City in the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which City shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, to waive such rights. Contractor shall further assist City in the execution of all applications, specifications, oaths, assignments, recordations and all other instruments which City shall deem necessary in order to assign and convey to City, and any assigns and nominees the sole and exclusive right, title and interest in and to any patents, trademarks, copyrights or other intellectual property rights relating thereto. Contractor further agrees that its obligation to execute or cause to be executed, when it is in Contractor's power to do so, any such instruments or papers shall continue during and at all times after the end of Contractor's services and until the expiration of the last such intellectual property right. Contractor hereby irrevocably designates and appoints City, and its duly authorized officers, agents and servants, as its agent and attorney-in-fact, to act for and in its behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters of patents, copyright and other registrations. This power of attorney is coupled with an interest and shall not be affected by Contractor's subsequent incapacity.

5. Inspection. Contractor's performance, place of business and records pertaining to this Contract are subject to monitoring, inspection, review and audit by authorized representatives of the CITY, the State of California, and the United States Government. If the project or services set forth in Exhibit A shall be performed on City or other public property, City shall have the right to inspect such work without notice. If such project or services shall not be performed on City or other public property, City shall have the right to inspect such work upon reasonable notice, subject to Centro Legal de la Raza's duty to maintain attorney/client privilege and client confidentiality.
6. Services. The project or services set forth in Exhibit A shall be performed to the full satisfaction and approval of City. In the event that the project or services set forth in Exhibit A are also itemized by price, City, in its sole discretion, may, upon notice to Contractor, delete certain items or services set forth in Exhibit A, in which case there shall be a corresponding reduction in the amount of compensation paid to Contractor.

Contractor shall, at its own cost and expense, furnish all facilities and equipment necessary for Contractor to complete the project or perform the services required herein, unless otherwise provided in Exhibit A.

7. Records. Contractor shall keep and make available for inspection and copying by authorized representatives of the City, the State of California, and the United States Government, the Contractor's regular business records and such additional records pertaining to this Contract as may be required by the City.

Contractor shall retain all documents pertaining to this Contract for a period of five (5) years after this Contract's termination (or for any further period that is required by law) and until all Federal or State audits are complete and exceptions resolved for this contract's funding period. Upon request, CONTRACTOR shall make these records available to authorized representatives of the CITY, the State of California, and the United States Government.

Contractor shall keep full and detailed accounts, maintain records, and exercise such controls as may be necessary for proper financial management under this Contract. The Contractor's accounting and control systems shall be satisfactory to City. Contractor's accounting systems shall conform to generally accepted accounting principles and all records shall provide a breakdown of total costs charged under this Contract, including properly executed payrolls, time records, utility bills, invoices and vouchers. The City shall be afforded prompt access to Contractor's records, books, and Contractor shall preserve such project records for a period of at least five (5) years after the termination of this Contract, or for such longer period as may be required by law.

Contractor shall permit City and its authorized representatives and accountants to inspect, examine and copy Contractor's books, records, accounts, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the project or services set forth in Exhibit A, and any and all data relevant to this Contract at any reasonable time for the purpose of auditing and verifying statements, invoices, or bills submitted by Contractor pursuant to this Contract and shall provide such assistance as may be reasonably required in the course of such inspection. Contractor shall also allow City access to the record keeping and accounting personnel of Contractor. City further reserves the right to examine and re-examine said books, records, accounts, and data during the five (5) year period following the termination of this Contract; and Contractor shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatever for five (5) years after the termination of this Contract.

Pursuant to California Government Code § 10527, the parties to this Contract shall be subject to the examination and audit of representatives of the Auditor General of the State of California for a period of three (3) years after final payment under this Contract. The examination and audit shall be confined to those matters connected with the performance of this Contract including, but not limited to, the cost of administering this Contract.

8. Changes and Extra Work. All changes and/or extra work under this Contract shall be performed and paid for in accordance with the following:

Only the City Council or the City Manager may authorize extra and/or changed work. Contractor expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Contractor to secure the authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Contractor thereafter shall be entitled to no compensation whatsoever for performance of such extra and/or changed work.

If Contractor is of the opinion that any work which Contractor has been directed to perform is beyond the scope of this Contract and constitutes extra work, Contractor shall promptly notify City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Contract and constitutes extra work. In the event that City determines that such work does constitute extra work, City shall provide extra compensation to Contractor on a fair and equitable basis. A change order or Contract Amendment providing for such compensation for extra work shall be negotiated between City and Contractor and executed by Contractor and the appropriate City official.

In the event City determines that such work does not constitute extra work, Contractor shall not be paid extra compensation above that provided herein and if such determination is made by City staff, said determination may be appealed to the City Council; provided, however, a written appeal must be submitted to the City Manager within five (5) days after the staff's determination is sent to Contractor. Said written appeal shall include a description of each and every ground upon which Contractor challenges the staff's determination.

9. Additional Assistance. If this Contract requires Contractor to prepare plans and specifications, Contractor shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Contractor shall issue

any necessary addenda to the plans and specifications as requested. In the event Contractor is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of Section 8 of these General Conditions.

10. Professional Ability. Contractor acknowledges, represents and warrants that Contractor and its employees are skilled and able to competently provide the services hereunder, and possess all professional licenses, certifications, and approvals necessary to engage in their occupations. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Contract. Contractor shall perform in accordance with generally accepted professional practices and standards of Contractor's profession. In the event that City, in its sole discretion, desires the removal of any person employed or retained by Contractor to perform services hereunder, such person shall be removed immediately upon receiving notice from City.
11. Business License. Contractor shall obtain a Richmond Business License before performing any services required under this Contract. The failure to so obtain such license shall be a material breach of this Contract and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual or extraordinary circumstances without necessitating any modification of this Contract to reflect such waiver.
12. Termination Without Default. Notwithstanding any provision herein to the contrary, City may, in its sole and absolute discretion and without cause, terminate this Contract at any time prior to completion by Contractor of the project or services hereunder, immediately upon written notice to Contractor. Contractor may terminate this Contract at any time in its sole and absolute discretion and without cause upon 30 days' written notice to City. In the event of termination by either party, Contractor shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; (2) necessary materials or services of others ordered by Contractor for this Contract, prior to receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, provided that Contractor is not able to cancel such orders. Compensation for Contractor in such event shall be determined by City in accordance with the percentage of the project or services completed by Contractor; and all of Contractor's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to City. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.

13. Termination in the Event of Default. Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Contract, City may immediately terminate this Contract by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided in Section 12 of these General Conditions; provided, however, there shall be deducted from such amount the amount of damage, including attorney's fees, expert witness fees and costs, if any, sustained by City by virtue of Contractor's breach of this Contract. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.
14. Conflict of Interest. Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Contract. Contractor further acknowledges, represents and warrants that no City official or employee has any economic interest, as defined in Title 2, California Code of Regulations §§ 18703.1 through 18703.5, with Contractor that would invalidate this Contract. Contractor acknowledges that in the event that Contractor shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Contract, all consideration received under this Contract shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Contract for one (1) year.
15. Indemnification.
- (a) If this Contract is a contract for design professional services subject to California Civil Code Section 2782.8(a) and Contractor is a design professional, as defined in California Civil Code Section 2782.8(b)(2), Contractor shall hold harmless, defend and indemnify the City, its officers, agents, employees, and volunteers from and against any and all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Contractor, except where caused by the active negligence, sole negligence, or willful misconduct of the City. To the fullest extent permitted by law, Contractor shall immediately defend and indemnify the City and its officers, agents, employees, and volunteers from and against any and all liabilities, regardless of nature or type, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, any and all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Contractor's obligation to

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indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party.

- (b) If this Contract is not a contract for design professional services subject to California Civil Code Section 2782.8(a) or Contractor is not a design professional as defined in California Civil Code Section 2782.8(b)(2), Contractor shall indemnify, defend, and hold harmless the City, its officers, agents, employees and volunteers from any and all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by Contractor or any person directly or indirectly employed by, or acting as, the agent for Contractor in the performance of this Contract, including the concurrent or successive passive negligence of the City, its officers, agents, employees or volunteers.
- (c) It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Contractor shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its officers, agents, employees, and volunteers, immediately upon tender to Contractor of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Contractor are responsible for the claim does not relieve Contractor from its separate and distinct obligation to defend under this Section 15. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent counsel if Contractor asserts that liability is caused in whole, or in part, by the negligence or willful misconduct of an indemnified party.
- (d) The review, acceptance or approval of the Contractor's work or work product by any indemnified party shall not affect, relieve or reduce the Contractor's indemnification or defense obligations. This Section 15 survives completion of the services or the termination of this Contract. The provisions of this Section 15 are not limited by, and do not affect, the provisions of this Contract relating to insurance.
- (e) Acceptance of insurance certificates and endorsements required under this Contract does not relieve Contractor from liability under this Section 15. This Section 15 shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.

16. Safety. Contractor acknowledges that the City is committed to the highest standards of workplace safety. Contractor shall perform all work hereunder in full compliance with applicable local, state and federal safety requirements including but not limited to Occupational Safety and Health Administration requirements, and shall assume sole and complete responsibility for the safety of Contractor's employees and any subcontractor's employees. If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Contract, Contractor shall immediately notify the City by telephone.

17. Insurance. Insurance requirements are set forth in Exhibit F to this Contract. Contractor

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shall abide by the insurance requirements set forth in said Exhibit F.

18. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Contract.

19. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Contract, including without limitation environmental laws, employment discrimination laws and prevailing wage laws. Compliance under this provision includes compliance with all provisions of the Richmond Municipal Code ("Municipal Code"), including Chapters 2.50, 2.52, 2.56, and 2.60, if applicable.

Contractor acknowledges that under § 2.60.070 of the Municipal Code ("Living Wage Ordinance"), Contractor shall promptly provide to City documents and information verifying its compliance with the Living Wage Ordinance. Also as prescribed in § 2.60.070, Contractor shall notify each of its affected employees with regards to the wages that are required to be paid pursuant to the Living Wage Ordinance.

Contractor shall comply with § 2.28.030 of the Municipal Code, obligating every Contractor or subcontractor under a contract or subcontract with the City for public work or for goods or for services to refrain from discriminatory employment or subcontracting practices on the basis of race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee, any applicant for employment or any potential subcontractor.

Contractor acknowledges that the City's Drug Free Workplace Policy, Violence in the Workplace Policy and the Policy Against Workplace Harassment, are available on the City's website at <http://www.ci.richmond.ca.us/workplacepolicies> . Contractor agrees to abide by the terms and conditions of said policies.

20. Limitations upon Subcontracting and Assignment. This Contract binds the heirs, successors, assigns and representatives of Contractor. The Contractor shall not enter into subcontracts for any work contemplated under this Contract and shall not assign this Contract, nor any portion hereof or monies due or to become due, without the prior written consent of the City Council or its designee.

Contractor acknowledges that the services which Contractor shall provide under this Contract are unique, personal services which, except as otherwise provided herein, Contractor shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in City's sole and absolute discretion. In the event that City, in writing, approves any assignment or subletting of this Contract or the retention of subcontractors by Contractor, Contractor shall provide to City upon request copies of each and every subcontract contract prior to the execution thereof by Contractor and subcontractor. Any assignment by Contractor of any or all of its rights under this Contract without first obtaining City's prior written consent shall be a default under this Contract.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor (if applicable), or of the interest of any general

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partner or joint venturer or syndicate member if Contractor is a partnership or joint-venture or syndicate, which shall result in a change of control of Contractor, shall be deemed an assignment. For this purpose, control shall mean fifty percent or more of the voting power or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

21. Integration. This Contract constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Contractor and City may be used to assist in the interpretation of the Exhibits to this Contract.
22. Modifications and Amendments. This Contract may be modified or amended only by a change order or Contract Amendment executed by both parties and approved as to form by the City Attorney.
23. Conflicting Provisions. In the event of a conflict between these General Conditions and those of any Exhibit or attachment hereto, these General Conditions shall prevail; provided, however, that any Special Conditions as set forth in Exhibit E shall prevail over these General Conditions. In the event of a conflict between the terms and conditions of any two or more Exhibits or attachments hereto, those prepared by City shall prevail over those prepared by the Contractor, and the terms and conditions preferred by the City shall prevail over those preferred by the Contractor.
24. Non-exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Contractor hereunder shall be non-exclusive, and City reserves the right to employ other Contractors in connection with the project.
25. Exhibits. All Exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit A which does not pertain to the project description, proposal, scope of services, or method of compensation (as applicable), or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Contract.
26. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such an obligation is prevented or delayed by reason of acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations enacted after the date of this Contract, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency or other reasons of a like nature not within the reasonable control of such party.
27. Time of the Essence. Time is of the essence of this Contract. Contractor and City agree that any time period set forth in Exhibit A represents their best estimates with respect to completion dates and both Contractor and City acknowledge that departures from the schedule may occur. Therefore, both Contractor and City will use reasonable efforts to notify one another of changes to the schedule. Contractor shall not be responsible for performance delays caused by others, or delays beyond Contractor's control, and such delays shall extend the times for performance of Contractor's work.

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28. **Confidentiality.** Contractor agrees to comply with, and to require its employees, agents and partners to comply with, all applicable State or Federal statutes or regulations respecting confidentially, including but not limited to, the identity of persons served under this Contract, their records, or services provided them, and assures that:

All applications and records concerning any individual made or kept by Contractor or any public officer or agency in connection with the administration of or relating to services provided under this Contract will be confidential, and will not be open to examination for any purposes not directly connected with the administration of such service.

No person will publish or disclose or permit or cause to be published or disclosed, any list of persons receiving services, except as may be required in the administration of such service.

29. **Third Parties.** Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Contract shall not be considered "third parties."

30. **Governing Law.** This Contract shall be construed in accordance with the law of the State of California without regard to principles of conflicts of law. This Contract is made in Contra Costa County, California, and any action relating to this Contract shall be instituted and prosecuted in the courts of Contra Costa County, California.

31. **Nonrenewal.** Contractor understands and agrees that there is no representation, implication, or understanding that the services provided by Contractor under this Contract will be purchased or renewed by the City under a new contract following expiration or termination of this Contract, and waives all rights or claims to notice or hearing respecting any failure by City to continue the purchase of all or any failure to continue purchase of all or any such services from Contractor.

32. **Claims.** Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 et seq. The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six months after accrual of the cause of action.

33. **Interpretation.** This Contract shall be interpreted as if drafted by both parties.

34. **Warranty.** In the event that any product shall be provided to the City as part of this Contract, Contractor warrants as follows: Contractor possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets any specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of one hundred and eighty (180) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Contractor, at Contractor's expense, including shipping.

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35. Severability. In the event that any of the provisions or portions or applications thereof of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, City and Contractor shall negotiate an equitable adjustment in the provisions of the Contract with a view toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions or portions or applications thereof, shall not be affected thereby.
36. Authority. City warrants and represents that the signatory hereto (the Mayor of the City of Richmond or the City Manager) is duly authorized to enter into and execute this Contract on behalf of City. The party signing on behalf of Contractor warrants and represents that he or she is duly authorized to enter into and execute this Contract on behalf of Contractor, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Contract on behalf of Contractor.
37. Waiver. The waiver by City of any breach of any term or provision of this Contract shall not be construed as a waiver of any subsequent breach. Inspections or approvals, or statements by any officer, agent or employee of the City relating to the Contractor's performance, or payments therefore, or any combination of these acts, shall not relieve the Contractor's obligation to fulfill this Contract as prescribed; nor shall the City be thereby stopped from bringing any action for damages or enforcement arising from any failure to comply with any of the terms and conditions of this Contract.
38. Possessory Interest. If this Contract results in the Contractor having possession of, claim to or right to the possession of land or improvements, but does not vest ownership of the land or improvements in the same person, or if this Contract results in the placement of taxable improvements on tax exempt land (Revenue and Taxation Code 107), such interest or improvements may represent a possessory interest subject to property tax, and Contractor may be subject to the payment of property taxes levied on such interest.
39. Performance and Final Acceptance.

Contractor represents that it is experienced, qualified, registered, licensed, equipped, organized and financed to perform the services under this Contract.

Contractor shall perform the services under this Contract with that degree of skill and judgment normally exercised by professional firms performing services of a similar nature in the State of California, and shall be responsible for the professional quality, technical accuracy and coordination of the services it performs under this Contract. In addition to the other rights and remedies which City may have, Contractor shall, at its own expense, correct any services which fail to meet the above standard.

City shall provide Contractor an opportunity to cure errors and omission which may be disclosed during the review of submittals, with no increase in the authorized Contract Payment Limit. Should Contractor fail to make necessary corrections in a timely manner, such corrections shall be made by the City and the cost thereof shall be charged to Contractor.

If warranted, City shall determine, and Contractor may request such determination, that

ITEM F-4
ATTACHMENT 2

For the Contract between the City of
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Contractor has satisfactorily completed performance of this Contract. Upon such determination, City shall issue to Contractor a written Notice of Final Acceptance, after which Contractor shall not incur further costs under this Contract. Contractor shall respond to such Notice of Final Acceptance by executing and submitting to City a Release and Certificate of Final Payment.

40. Survival. The rights and obligations of the parties which by their nature survive termination or completion of the services covered by this Contract shall remain in full force and effect after termination or completion.

**ITEM F-4
ATTACHMENT 2**

For the Contract between the City of
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**EXHIBIT E
SPECIAL CONDITIONS**

The General Conditions are hereby amended to include the following modifications
and/or provisions (if applicable):

ITEM F-4
ATTACHMENT 2

For the Contract between the City of
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EXHIBIT F
INSURANCE PROVISIONS

During the entire term of this Contract and any extension or modification thereof, the CONTRACTOR shall keep in effect insurance policies meeting the insurance requirements specified in the insurance provisions which are attached hereto and incorporated herein by this reference.

MONTHLY STATUS REPORT			
Agency: Centro Legal			
Report Period: February 2018			
Prepared By: Ruby Renteria			
BASIC STATS			
Total Clients Served:		Number of Consultations:	4
New Clients:	2		
Returning Clients:	0		
Number of Clients selected for legal representation:	0		
		Number of Court Appearances	0
		Number of Letters Sent (e.g. cease and desist, compliance letters)	1
		Number of Tenant petitions filed for a rent adjustment with help of Centro Legal staff	0
		Number of Cases resolved (<i>for cases resolved, please describe outcome below</i>)	0
<u>By specific issue:</u>		<u>Demographics (if known):</u>	
Discrimination	2	Race/Ethnicity	
Conditions/Code Violations/Decrease in Services	2	White	0
Notice: 3-Day, 60-Day, etc.	1	Black or African American	0
Rent Increase	2	American Indian or Alaska Native	0
Landlord Harassment	2	Latino/a/Hispanic	2
Failure to Make Repairs	2	Asian	0
Threats of Eviction	2	Pacific Islander	0
Unlawful Detainer	0	South East Asian	0
Rent Issues (increase, overcharge, etc.)	1	South Asian	0
Other		Protected Status	
		Elderly	0
		Disabled	1
		Households with minors in the house	2
		Victim of Domestic Violence	0
		Veteran	0
		Catastrophically Ill	0
		Single parent/guardian home	0
		Gender	
		Men	2
		Women	0
		Transgender/Nonbinary	0
		Preferred Language Spoken	
		English	
		Spanish	2
		Cantonese or Mandarin	
		Other	
DESCRIPTION OF RESOLVED CASE OUTCOMES (please insert additional rows as necessary)			
<u>Monthly Case Highlights</u>	<u>Description of Services Provided and Outcome</u>		
00031293	Advice & Counsel: We called code enforcement, research to find out whether the unit is covered by rent control. Drafted a Pro-Per demand letter on behalf of the clients and communicated via email, phone, and in person with the client.		
00030754	Advice & Counsel: We reported the conditions to the rental inspection program and they spoke to the management company who agreed to make the repairs. Researched the issues associated with the case. We will follow up with client for additional issues.		

MONTHLY STATUS REPORT			
Agency: Centro Legal			
Report Period: March 2018			
Prepared By: Ruby Renteria			
BASIC STATS			
Total Clients Served:		Number of Consultations:	8
New Clients:	2	Number of Consultations to date:	12
Returning Clients:	2	Number of Clients selected for legal representation:	2
Total Clients Served:	4	Number of Clients selected for legal representation to date:	2
		Number of Court Appearances	0
		Number of Letters Sent (e.g. cease and desist, compliance letters)	2
		Number of Tenant petitions filed for a rent adjustment with help of Centro Legal staff	0
		Number of Cases resolved (<i>for cases resolved, please describe outcome below</i>)	0
<u>By specific issue:</u>		<u>Demographics (if known):</u>	
Discrimination	2	Race/Ethnicity	
Conditions/Code Violations/Decrease in Services	3	White	1
Notice: 3-Day, 60-Day, etc.	4	Black or African American	0
Rent Increase	2	American Indian or Alaska Native	0
Landlord Harassment	4	Latino/a/Hispanic	3
Failure to Make Repairs	3	Asian	0
Threats of Eviction	4	Pacific Islander	0
Unlawful Detainer	1	South East Asian	0
Rent Issues (increase, overcharge, etc.)	1	South Asian	0
Other		Protected Status	
		Elderly	0
		Disabled	2
		Households with minors in the house	2
		Victim of Domestic Violence	0
		Veteran	0
		Catastrophically Ill	0
		Single parent/guardian home	0
		Gender	
		Men	
		Women	0
		Transgender/Nonbinary	0
		Preferred Language Spoken	
		English	1
		Spanish	3
		Cantonese or Mandarin	
		Other	
DESCRIPTION OF RESOLVED CASE OUTCOMES (please insert additional rows as necessary)			
<u>Monthly Case Highlights:</u>	<u>Description of Services Provided and Outcome</u>		
Case # 00031499	<p>Client came into our office seeking assistance with a stay of execution after losing an unlawful detainer case at trial. After meeting with her, our office discovered several affirmative defenses that should have resulted in a dismissal of the unlawful detainer. The defenses included: service of a defective notice, and and failure of the landlord to register the property as required by law. However, despite strong defenses that should have rendered a decision in her favor, Client was unable to adequately allege defenses in her response to the unlawful detainer and a judgement was entered against her. Our office then agreed to represent her. Once our office got involved, we communicated with the landlord and were able to get the unlawful detainer case dismissed. In addition to this, our client received a \$600.00/month rent reduction.</p>		

MONTHLY STATUS REPORT			
Agency: Centro Legal			
Report Period: April 2018			
Prepared By: Ruby Renteria			
BASIC STATS			
Total Clients Served:		Number of Consultations:	8
New Clients:	3	Number of Consultations to date:	20
Returning Clients:	5	Number of Clients selected for legal representation:	2
Total Clients Served:	8	Number of Clients selected for legal representation to date:	4
		Number of Court Appearances	0
		Number of Letters Sent (e.g. cease and desist, compliance letters)	2
		Number of Tenant petitions filed for a rent adjustment with help of Centro Legal staff	1
		Number of Cases resolved (<i>for cases resolved, please describe outcome below</i>)	0
<u>By specific issue:</u>		<u>Demographics (if known):</u>	
Discrimination	6	Race/Ethnicity	
Conditions/Code Violations/Decrease in Services	8	White	1
Notice: 3-Day, 60-Day, etc.	6	Black or African American	0
Rent Increase	3	American Indian or Alaska Native	0
Landlord Harassment	6	Latino/a/Hispanic	6
Failure to Make Repairs	8	Asian	1
Threats of Eviction	8	Pacific Islander	0
Unlawful Detainer	2	South East Asian	0
Rent Issues (increase, overcharge, etc.)	6	South Asian	0
Other		Protected Status	
		Elderly	0
		Disabled	4
		Households with minors in the house	6
		Victim of Domestic Violence	0
		Veteran	0
		Catastrophically Ill	0
		Single parent/guardian home	0
		Gender	
		Men	5
		Women	3
		Transgender/Nonbinary	0
		Preferred Language Spoken	
		English	1
		Spanish	6
		Cantonese or Mandarin	
		Other	1
DESCRIPTION OF RESOLVED CASE OUTCOMES (please insert additional rows as necessary)			
<u>Monthly Case Highlight:</u>			
Case #: 00030754	<p>Clients came into our office seeking assistance with serious habitability issues in their unit. The substandard conditions include, amongst others: mold throughout the home, a ceiling that leaks in several places, and carpets that are completely deteriorated. The conditions have become so severe that their child has developed serious health conditions as a result of them. After meeting with the clients, our office assisted them with reporting the conditions to the rental inspection program and in notifying the landlord. Soon after we got involved, our clients received an offer to settle the claims from the landlord. To date, the landlord has agreed to make all the necessary repairs. Our office will further negotiate additional claims on behalf of the clients.</p>		

MONTHLY STATUS REPORT			
Agency: Centro Legal			
Report Period: May 2018			
Prepared By: Ruby Renteria			
BASIC STATS			
Total Clients Served:		Number of Consultations:	12
New Clients:	5	Number of Consultations to date:	32
Returning Clients:	5	Number of Clients selected for legal representation:	2
Total Clients Served:	10	Number of Clients selected for legal representation to date:	6
		Number of Court Appearances	0
		Number of Letters Sent (e.g. cease and desist, compliance letters)	2
		Number of Tenant petitions filed for a rent adjustment with help of Centro Legal staff	2
		Number of Cases resolved (<i>for cases resolved, please describe outcome below</i>)	0
<u>By specific issue:</u>		<u>Demographics (if known):</u>	
Discrimination	5	Race/Ethnicity	
Conditions/Code Violations/Dicrease in Services	8	White	1
Notice: 3-Day, 60-Day, etc.	8	Black or African American	2
Rent Increase	2	American Indian or Alaska Native	0
Landlord Harrassment	3	Latino/a/Hispanic	7
Failure to Make Repairs	4	Asian	0
Threats of Eviction	10	Pacific Islander	0
Unlawful Detainer	4	South East Asian	0
Rent Issues (increase, overcharge, etc.)	8	South Asian	0
Other		Protected Status	
		Elderly	0
		Disabled	3
		Households with minors in the house	8
		Victim of Domestic Violence	0
		Veteran	0
		Catastophically Ill	0
		Single parent/guardian home	0
		Gender	
		Men	2
		Women	8
		Transgender/Nonbinary	0
		Preferred Language Spoken	
		English	3
		Spanish	7
		Cantonese or Mandarin	
		Other	
DESCRIPTION OF RESOLVED CASE OUTCOMES (please insert additional rows as necessary)			
<u>Monthly Case Highlight:</u>			
Case # 00031806		<p>Clients came into our office after receiving multiple rent increase notices from their landlord. After speaking to the clients, our office discovered that the notices were invalid and unenforceable because they were served verbally and by text message. After further discussions with the clients, our office also discovered that the clients were threatened, forced to do free labor, and that they were being discriminated on the basis of immigration status. Our office wrote a letter a demand letter to the landlord and we have been able to mitigate the threatening behavior. We have also assisted the clients in filling out a RAP petition that is currently ongoing. In addition to this, our investigation as to the labor violations is ongoing.</p>	

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: In December 2016, the City, acting as the Rent Board, solicited quotes from qualified service providers in accordance with the City's procurement policies and entered into a contract with Document Tracking Services to provide translation services to the Rent Program Department. In December, the Executive Director approved a first amendment to the original contract to extend the term through December 31, 2018. Staff members are requesting Board approval of a second amendment to the contract to extend the term through June 30, 2019, and increase the payment limit by \$10,000 of budgeted funds to cover anticipated expenses in Fiscal Year 2018-19.

INDICATE APPROPRIATE BODY

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

ITEM

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

RECOMMENDED ACTION: APPROVE an amendment to the contract for translation services with Document Tracking Services increasing the amount by \$10,000, to a total not to exceed \$19,999, and extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:

F-5.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: SECOND AMENDMENT TO THE CONTRACT WITH DOCUMENT TRACKING SERVICES FOR TRANSLATION SERVICES

STATEMENT OF THE ISSUE:

In December 2016, the City, acting as the Rent Board, solicited quotes from qualified service providers in accordance with the City's procurement policies and entered into a contract with Document Tracking Services to provide translation services to the Rent Program Department. In December, the Executive Director approved a first amendment to the original contract to extend the term through December 31, 2018. Staff members are requesting Board approval of a second amendment to the contract to extend the term through June 30, 2019, and increase the payment limit by \$10,000 of budgeted funds to cover anticipated expenses in Fiscal Year 2018-19.

RECOMMENDED ACTION:

APPROVE an amendment to the contract for translation services with Document Tracking Services increasing the amount by \$10,000, to a total not to exceed \$19,999, and extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

FISCAL IMPACT:

In accordance with the Fiscal Year 2018-19 Rent Program budget, the proposed contract amendment includes the expenditure of \$15,000 for the entirety of the fiscal year. Staff members are requesting the addition of \$10,000 to the contract with Document Tracking Services at this time in the event translation services from an additional service provider are desired to meet other needs (for example, verbal interpretation services for a Rent Adjustment petition hearing.)

DISCUSSION:

Background

In January 2017, the City, acting as the Rent Board, solicited quotes from qualified service providers in accordance with the City's procurement policies and entered into a contract with Document Tracking Services to provide translation services to the Rent Program Department. In December 2017, the Executive Director approved a first amendment to the original contract to extend the term through December 31, 2018. Staff members are requesting Board approval of a second amendment to the contract to extend the term through June 30, 2019, and increase the payment limit by \$10,000 of budgeted funds to cover anticipated expenses in Fiscal Year 2018-19.

Document Tracking Services provides timely translation of a wide range of documents produced by the Rent Program Department through a convenient, easy-to-navigate interface. Staff members are satisfied with the company's performance to date and desire to continue working with Document Tracking Services.

Proposed Contract Amendments

Staff members are requesting approval of contract amendments to extend the term of the contract with Document Tracking Services to June 30, 2019, and increase the payment limit of the contract by \$10,000 in accordance with the Fiscal Year 2018-19 Rent Program budget adopted by the Board.

DOCUMENTS ATTACHED:

Attachment 1 – Second Contract Amendment

Attachment 2 – First Contract Amendment

Attachment 3 – Original Contract

CITY OF RICHMOND RENT PROGRAM
CONTRACT AMENDMENT

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6564
P.R. No: 21800602-00 Vendor No: 12342	P.O./Contract No: 3720
Description of Services: Provide on-going translation support services.	
Amendment No. 2 modifies the: (2nd or subsequent amendments attach Amendment History page)	
<input checked="" type="checkbox"/> Term and Payment Limit	<input type="checkbox"/> Payment Limit and Service Plan
<input type="checkbox"/> Term and Service Plan	<input type="checkbox"/> Service Plan

The parties to this Contract Amendment do mutually agree and promise as follows:

1. Parties. The parties to this Contract Amendment are the City of Richmond, California, Rent Program (City), and the following named Contractor:

Document Tracking Services

Company Name:

Street Address: 10225 Barnes Canyon Road, A200

City, State, Zip Code: San Diego, CA. 92121

Contact Person: Aaron Tarazon

Telephone: (858) 784-0960

Email: translations@doc-tracking.com

Business License No: 40052543 / Expiration Date: March 26, 2019

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation,
 individual dba as [specify:] _____
 other [specify:] _____

2. Purpose. This Contract Amendment is being entered into to amend the Contract between City and Contractor which was approved by the Rent Board or executed by the Executive Director on December 19, 2016, which original term commenced on December 19, 2016 and terminates December 31, 2017 with an original contract payment limit of \$9,999.00. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

3. Original Contract Provisions. The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license for this Contract Amendment to be deemed to be in effect.

6. Insurance Coverage Updated and Maintained. Pursuant to the Original Contract, the Contractor shall provide the City with updated insurance certificates, and the Contractor shall maintain insurance coverage, for this Contract Amendment to be deemed to be in effect.

7. Signatures. These signatures attest the parties' agreement hereto:

CITY OF RICHMOND, CALIFORNIA
Rent Program

CONTRACTOR:
Document Tracking Services

By _____

(*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

Title: Executive Director

By _____

I hereby certify that the Original Contract and this Amendment have been approved by the Rent Board or executed by the Executive Director.

Title: _____

(*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By _____
Rent Board Clerk

By: _____

Title: _____

Approved as to form:

By _____
Staff Attorney

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313.

List of Attachments:

- 1. Amendment Provisions
- 2. Updated Insurance Certificates

ITEM F-5
ATTACHMENT 1

Contract Amendment between the City of Richmond and
Document Tracking Services

Amendment No.
2

P.O./Contract No.
3720

AMENDMENT PROVISIONS (TERM, PAYMENT LIMIT AND SERVICE PLAN)

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is
December 19, 2016

(Insert original contract commencement date)

and it terminates

June 30, 2019

(Insert new contract termination date)

unless sooner terminated as provided herein."

2. Paragraph 3 (Payment Limit) of the Original Contract is hereby amended to increase the payment limit by \$ 10,000. Paragraph 3 of the Original Contract is amended to read as follows:

"3. Payment Limit. City's total payments to Contractor under this Contract as amended shall not exceed \$ 19,999.00 including expenses."

"The City of Richmond shall not pay for services that exceed the Contract Payment Limit without the prior written approval of the Executive Director if the total Contract amount does not exceed \$10,000 or without the prior approval of the Rent Board if the total Contract amount is over \$10,000."

3. The Service Plan (Exhibit A) of the Original Contract is hereby amended to include the following tasks and/or services:

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CITY OF RICHMOND RENT PROGRAM
CONTRACT AMENDMENT

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6564
P.R. No:	Vendor No: 12342
P.O./Contract No: 3720	
Description of Services: Provide on-going translation support services.	
Amendment No. 1 modifies the: (2 nd or subsequent amendments attach Amendment History page)	
<input type="checkbox"/> Term, Payment Limit and Service Plan	<input type="checkbox"/> Payment Limit and Service Plan
<input checked="" type="checkbox"/> Term and Service Plan	<input type="checkbox"/> Service Plan

The parties to this Contract Amendment do mutually agree and promise as follows:

1. **Parties.** The parties to this Contract Amendment are the City of Richmond, California, a municipal corporation (City), and the following named Contractor:

Company Name: Document Tracking Services
Street Address: 10225 Barnes Canyon Road, A200
City, State, Zip Code: San Diego, CA 92121
Contact Person: Aaron Tarazon
Telephone: (858) 784-0960 **Email:**
Business License No: 40052543 / **Expiration Date:** December 27, 2017

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, individual dba as [specify:] _____
 other [specify:] _____

2. **Purpose.** This Contract Amendment is being entered into to amend the Contract between City and Contractor which was approved by the Rent Board or executed by the Executive Director on December 19, 2016, which original term commenced on December 19, 2016 and terminates December 31, 2017 with an original contract payment limit of \$9,999.00. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

3. **Original Contract Provisions.** The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license for this Contract Amendment to be deemed to be in effect.

6. Insurance Coverage Updated and Maintained. Pursuant to the Original Contract, the Contractor shall provide the City with updated insurance certificates, and the Contractor shall maintain insurance coverage, for this Contract Amendment to be deemed to be in effect.

7. Signatures. These signatures attest the parties' agreement hereto:

CITY OF RICHMOND, CALIFORNIA
a municipal corporation

By [Signature]

Title:

I hereby certify that the Original Contract and this Amendment have been approved by the Rent Board or executed by the Executive Director.

By [Signature]
Rent Board Clerk

Approved as to form:

By [Signature]
Legal Counsel

List of Attachments:

- 1. Amendment Provisions
- 2. Updated Insurance Certificates

Contract Amendment/EJ/TE 09-26-07

CONTRACTOR:

Document Tracking Services

(*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

By [Signature]

Title: DIRECTOR

(*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By: _____

Title: _____

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313.

Contract Amendment between the City of Richmond and

Document Tracking Services

Amendment No.

P.O./Contract No.

1

3720

AMENDMENT PROVISIONS (TERM AND SERVICE PLAN)

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is

December 19, 2016

(Insert original contract commencement date)

and it terminates

December 31, 2018

(Insert new contract termination date)

unless sooner terminated as provided herein."

2. The Service Plan (Exhibit A) of the Original Contract is hereby amended to include the following tasks and/or services:

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**CITY OF RICHMOND
SHORT FORM CONTRACT**

**ITEM F-5
ATTACHMENT 3**

Department: City Manager's Office	Project Manager: Gabino Arredondo
Project Manager E-mail: gabino_arredondo@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6606
PR No: 19217	Vendor No: 12342
P.O./Contract No: 2700661 / 3720	
Description of Services: Provide on-going translation support services.	

1. **Parties.** The parties to this Agreement are the City of Richmond (herein referred to as the "City") and the following named Contractor:

(Company) Document Tracking Services
 (Street Address) 10225 Barnes Canyon Rd, A200
 (City State, Zip Code) San Diego, CA 92121
 (Contract Person)
 (E-mail) Aaron Tarazón
 (Telephone) (858) 784-0960
 (Fax Number)
 Richmond Business License No. 40052543
 Expiration Date: 3/14/2017

2. **Term.** The effective date of this Agreement is December 19, 2016 and it terminates December 31, 2017 unless sooner terminated as provided herein.

3. **Payment Limit.** City's total payment to Contractor under this Agreement shall not exceed **(\$10,000.00)** including expenses unless a contract amendment has been approved by the City Council or City Manager.

4. **City's Obligations.** City shall pay the Contractor a not to exceed amount of \$ 9,999.00 as total payment for all services rendered.

5. **Location of Services.** Contractor shall perform the services set forth herein at the following location:
Offices of Document Tracking Services

6. **Contractor's Obligations.**

To the satisfaction of the City's Project Manager, Contractor shall provide the following services:

See attached Scope of Work dated
December 15, 2016, incorporated herein by
this reference.

7. **Supplemental Conditions.** This Contract is subject to the Supplemental Conditions and Special Conditions (if applicable) attached hereto, which are incorporated herein by this reference.

8. **Insurance Provisions.** This Contract is subject to the Insurance Provisions which are attached hereto and are incorporated herein by this reference.

9. **Signatures.** These signatures attest the parties' agreement hereto:

CITY:

CITY OF RICHMOND, CA
 a municipal corporation

By: [Signature]
 City Manager or Designee Signature

CONTRACTOR:

By: [Signature] **SIGN HERE**
 Signature Date: 12/15/16



December 15, 2016

Attn: Gabino Arredondo, Health & Wellness Coordinator

City Manager's Office, City of Richmond

450 Civic Center Plaza, Suite 300

Richmond, CA 94804

Phone: 510-620-6512

Fax: 510-620-6542

E-mail: gabino_arredondo@ci.richmond.ca.us

Re: Ongoing Translation Support

Mr. Arredondo,

The following is a proposal for Document Tracking Services (DTS) to provide ongoing translation support for the City Manager's Office, City of Richmond (Client). It is submitted on behalf of Document Tracking Services, LLC (Employer ID # 20-3469254) by Aaron Tarazon, Director of Operations for Document Tracking Services.

Thank you for your consideration.

Aaron Tarazon

Director of Operations, Document Tracking Services

10225 Barnes Canyon Road, Suite A200

San Diego, CA 92121

858-784-0960: Office Phone

626-628-7497: Mobile Phone

www.doc-tracking.com

Vendor Information

Full Name and Address

Document Tracking Services, LLC
10225 Barnes Canyon Road, A200
San Diego, CA 92121.

DTS Overview: DTS has been assisting schools, districts, and other government organizations in preparing and translating reports, forms, and related documents for 11 years and currently serves ~900+ school districts throughout the United States. DTS has a full staff of educated, native Spanish speaking translators with over 20-years of combined experience specific to public and internal education and government documents and forms. DTS translations are performed by human beings (no machine translation) to preserve the integrity of intended/specialized messages, phrases, and terms.

Key Personnel: The primary point of contact for DTS will be Aaron Tarazon. Mr. Tarazon has worked with DTS for ~10 years and is the Director of DTS. Mr. Tarazon will be assisted by Mr. Kevin Bakke, DTS Support Lead and DTS Support and Translation staff as necessary.

Scope of Service

Translation Services: DTS will provide ongoing Spanish translation support on an ongoing "as needed" basis upon request from the Client. DTS translations are tailored to the community reading documentation and designed to be accessible.

Translation Request Process: Client will submit documents for translation to Mr. Tarazon via email. DTS will also establish an online account area where Client may submit documents for quote and approve translation requests. Mr. Tarazon, or assisting Support Staff will confirm receipt, assign, and return translated documents per the agreed timeline. Client can submit requests for revisions as needed by simply submitting the document with changes highlighted. Revisions will be returned promptly and Client will be charged only for text revised. Translated documents will be returned in the format provided, unless otherwise requested.

Translation Rate: DTS will translate documents at a rate of \$.135/word.

Translation Turnaround Time: Unless otherwise requested and/or agreed upon, turnaround time will be 1,500 words per day.

Invoicing: DTS will bill client monthly for work completed during the previous month (billing cycle). Information included in the invoice are:

- Request Date
- Description (File Name)
- Number of Words
- Fee (\$.135/word)
- Approved By
- Language

Implementation

DTS will begin service upon receipt of an approved contract, purchase order (PO) or memorandum of understanding (MOU) agreeing to the terms and the "not-to-exceed" amount of \$9,999.

Thank you for your consideration.

Aaron Tarazon
Director of Operations, Document Tracking Services
10225 Barnes Canyon Road, Suite A200
San Diego, CA 92121
858-784-0960: Office Phone
626-628-7497: Mobile Phone
www.doc-tracking.com

SUPPLEMENTAL CONDITIONS

1. It is expressly agreed that Contractor is to perform the services described herein as an independent contractor pursuant to California Labor Code Section 3353, under the control of the City as to the result of his work only but not as to the means by which such result is accomplished. Nothing contained herein shall in any way be construed to make Contractor or any of its agents or employees, an agent, employee or representative of the City. Contractor shall be entirely responsible for the compensation of any assistants used by Contractor in providing said services.
2. This Contract shall automatically terminate when the total accumulated compensation paid or due to Contractor under this Contract reaches \$10,000.00. The City shall not be responsible for compensating Contractor for any amounts in excess of \$10,000.00.
3. Either the City or Contractor may cancel this Contract at any time upon giving the other party ten (10) days' written notice of such cancellation. In the event of cancellation, the City shall be liable only to pay to the Contractor compensation for services rendered up to the date of the Contract's cancellation.
4. Contractor shall not assign this Contract, or any part thereof, or any right of the Contractor hereunder without the prior written consent of the City.
5. Contractor shall indemnify, defend and hold the City harmless from and against all claims, demands and causes of action for injury, death or damage to any person or property which may arise or result from the contractor's performance of this Contract or from acts or omissions of any person(s) employed by Contractor.
6. Contractor agrees to observe all applicable laws including, but not limited to, the provisions of Section 2.28.030 of the Municipal Code of the City of Richmond obligating every contractor or subcontractor under a contract or subcontract to the City of Richmond for public works or for goods or service to refrain from discriminatory employment practices on the basis of the race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee of, or applicant for employment with, such contractor or subcontractor.
7. Pursuant to Chapter 7.04 and Section 7.04.160 (f) of the Municipal Code of the City of Richmond, if this Contract does not exceed five thousand dollars (\$5,000.00) and if the Contractor does not make more than five thousand dollars (\$5,000.00) within the City of Richmond during the fiscal year, then the Contractor shall be exempt from obtaining a City of Richmond business license.
8. If this Contract does exceed five thousand dollars (\$5,000.00), or if Contractor does make more than five thousand dollars (\$5,000.00) within the City of Richmond during the fiscal year, then a City of Richmond business license shall be obtained before any payment under this Contract shall be authorized and the business license must be kept current during the term of this Contract for payments to continue to be authorized.

**ITEM F-5
ATTACHMENT 3**

**For the Contract between the City of
Richmond and**

Document Tracking Services

SPECIAL CONDITIONS

The Supplemental Conditions of the Short Form Contract are hereby amended to include the following modifications:

None

**ITEM F-5
ATTACHMENT 3**

**For the Contract between the City of
Richmond and**

Document Tracking Services

INSURANCE PROVISIONS

During the entire term of this Contract and any extension or modification thereof, the CONTRACTOR shall keep in effect insurance policies meeting the insurance requirements specified in the insurance provisions which are attached hereto and incorporated herein by this reference.

**City of Richmond - Insurance Requirements - Type 2:
Professional Services**

In all instances where CONTRACTOR or its representatives will provide professional services (*architects, engineers, construction management, counselors, medical professionals, hospitals, clinics, attorneys, consultants, accountants, etc.*) to the City of Richmond (City), the City requires the following MINIMUM insurance requirements and limits.

CONTRACTOR shall procure and maintain for the duration of the contract, agreement, or other order for work, services or supplies, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors. **Maintenance of proper insurance coverage is a material element of the contract. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

CONTRACTOR agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General Liability insurance, CONTRACTOR shall look solely to its insurance for recovery. CONTRACTOR hereby grants to CITY, on behalf of any insurer providing Commercial General Liability insurance to either CONTRACTOR or CITY with respect to the services of CONSULTANT herein, a waiver of any right to subrogation which any such insurer of said CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsements, naming the City as an additional insured for general liability coverage, as well as a waiver of subrogation for Workers' Compensation insurance, shall be received and approved by the City **before any work may begin**. However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of CONTRACTORS work.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of CONTRACTOR.

- Minimum Scope of Insurance** – the following forms shall be provided and coverage shall be at least as broad as the following:
1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001), and including coverage for bodily and personal injury, property damage, and products and completed operations (if applicable).
 2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto).
 3. Original and Separate Additional Insured Endorsement for General Liability (ISO Form CG 20 10 11/85 or its equivalent) with primary and non-contributory language.
 4. Workers' Compensation Insurance as required by the State of California including Employer's Liability coverage.
 5. Original and Separate Waiver of Subrogation for Workers' Compensation insurance.
 6. Professional Liability or Errors & Omissions Liability Insurance appropriate to the CONTRACTOR's profession (if required.)

Required Coverage	Minimum Limits
Workers' Compensation and Employers' Liability	Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If CONTRACTOR is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If contractor is a sole proprietor (has no employees) than contractor must sign "Contractor Release of Liability" found at: http://www.ci.richmond.ca.us/index.aspx?nid=61 .
General Liability <i>(primary and excess limits combined)</i>	\$2,000,000 per occurrence for bodily injury, personal injury and property damage. If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit (\$4 million aggregate limit) . Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.

City of Richmond - Insurance Requirements - Type 2: Professional Services
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Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage.	
Professional Liability or Errors & Omissions Liability - <i>Required for all professionals including architects, engineers, consultants, construction management, counselors, medical professionals, hospitals, clinics, attorneys and accountants, & other consultants as may be required by the City.</i>	PROJECT COST	REQUIRED LIMIT
	\$0 - \$1 million	\$1 million p/o
	\$1 million - \$5 million	\$2 million p/o
	Over \$5 million	\$5 million p/o

Required Policy Conditions	
Additional Insured Endorsement	<p>Applicable to General Liability coverage.</p> <p>The City of Richmond, its officers, officials, employees, agents and volunteers are to be named as additional insureds for all liability arising out of the operations by or on behalf of the named insured including bodily injury, deaths and property damage or destruction arising in any respect directly or indirectly in the performance of this contract.</p> <p><i>ISO form CG 20 10 (11/85) or its equivalent is required. If the Contractor is supplying their product or providing a service then the endorsement <u>must not</u> exclude products and completed operations coverage. If it does, then CG 20 37 (10/01) is also required. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61.</i></p>
Primary and Noncontributory	<p>The contractor's insurance coverage must be primary coverage as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the contractor and in no way relieves the contractor from its responsibility to provide insurance.</p>
Waiver of Subrogation Endorsement Form	<p>Contractor's insurer will provide a Waiver of Subrogation in favor of the City for Workers' Compensation Insurance during the life of this contract. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61.</p>
Deductibles and Self-Insured Retentions	<p>Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the CONTRACTOR shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses.</p> <p>Contractor is responsible for satisfaction of the deductible and/or self-insured retention for each loss.</p>
A. M. Best Rating	<p>A:VII or Better. If the A.M. Best Rating falls below the required rating, CONTRACTOR must replace coverage immediately and provide notice to City.</p>

Umbrella/Excess Liability Policies

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be as broad as specified for underlying coverage's and cover those insured in the underlying policies.

**City of Richmond - Insurance Requirements - Type 2:
Professional Services**

Claims-Made Policies

If any insurance policy is written on a claims-made form: 1) the retroactive date must be shown, and must be before the date of the contract or the beginning of contract work. 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

Subcontractors

CONTRACTOR shall include all subcontractors as insured under its policies or shall furnish to the City for review and approval, separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

CONTRACTOR agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either CONTRACTOR or any subcontractor to take out or maintain the required insurance policies. The fact that insurance is obtained by CONTRACTOR, and/or CONTRACTOR's subcontractors, will not be deemed to release or diminish the liability of CONTRACTOR, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from CONTRACTOR or any third party will not be limited by the amount of the required insurance coverage.

Verification of Coverage

All original certificates and endorsements shall be received and approved by the City before work may begin. The City of Richmond reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

Original insurance certificates and required policy endorsements shall be mailed or delivered to the Designated Project Manager for the City of Richmond.

Insurance certificates and endorsements may be faxed to the Designated Project Manager. However, CONTRACTOR must mail the original certificates and endorsements to Designated Project Manager once faxed.

Continuous Coverage

CONTRACTOR shall maintain the required insurance for the life of the contract. Should the CONTRACTOR cease to have insurance as required during this time, all work by the CONTRACTOR pursuant to this agreement shall cease until insurance acceptable to the City is provided. In the event that CONTRACTOR fails to comply with the City's insurance requirements, the City may take such action as it deems necessary to protect the City's interests. Such action may include but is not limited to termination of the contract, withholding of payments, or other actions as the City deems appropriate.

If services or the scope of work extend beyond the expiration dates of the required insurance policies initially approved by the City, CONTRACTOR must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

Cancellation

CONTRACTOR shall ensure that coverage shall not be cancelled, reduced or otherwise materially changed except after thirty (30) days' prior written notice has been given to the City.

Reporting Requirements

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: In 2017, the Rent Board entered into an Agreement with Michael Roush for legal services to be provided to the Board and to the Rent Board staff through June 30, 2017. That Agreement was amended to extend the term through June 30, 2018, and increase the payment limit to a total of \$110,000. It was anticipated that a Staff Attorney would be hired before the end of 2017, and therefore the number of hours to be provided by Mr. Roush would be substantially reduced. In actuality, the Staff Attorney was not hired until late April 2018 and the funds allocated to Mr. Roush's agreement have been spent. The Second Amendment increases the available funding for these services by \$20,000 through June 30, 2018. Moreover, because it may be necessary to use Mr. Roush's services during Fiscal Year 2018-2019 for petition hearings when, for example, a party "conflicts out" the Rent Program's Hearing Examiner, to cover office hours during absences of the Staff Attorney or for enforcement purposes, the Agreement extends the contract through June 30, 2019 and increases the payment limits by \$57,000 for services anticipated to be rendered in Fiscal Year 2018-19.

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

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

RECOMMENDED ACTION: APPROVE the Second Amendment to the Legal Services Agreement with Michael Roush increasing the amount by \$20,000 for the remainder of Fiscal Year 2017-18 and \$57,000 for Fiscal Year 2018-19 to a total not to exceed \$187,000, and extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:
F-6.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: SECOND AMENDMENT TO THE LEGAL SERVICES AGREEMENT BETWEEN THE RENT BOARD AND MICHAEL H. ROUSH

STATEMENT OF THE ISSUE:

In 2017, the Rent Board entered into an Agreement with Michael Roush for legal services to be provided to the Board and to the Rent Board staff through June 30, 2017. That Agreement was amended to extend the term through June 30, 2018, and increase the payment limit to a total of \$110,000. It was anticipated that a Staff Attorney would be hired before the end of 2017, and therefore the number of hours to be provided by Mr. Roush would be substantially reduced. In actuality, the Staff Attorney was not hired until late April 2018 and the funds allocated to Mr. Roush's agreement have been spent. The Second Amendment increases the available funding for these services by \$20,000 through June 30, 2018. Moreover, because it may be necessary to use Mr. Roush's services during Fiscal Year 2018-2019 for petition hearings when, for example, a party "conflicts out" the Rent Program's Hearing Examiner, to cover office hours during absences of the Staff Attorney or for enforcement purposes, the Agreement extends the contract through June 30, 2019 and increases the payment limits by \$57,000 for services anticipated to be rendered in Fiscal Year 2018-19.

RECOMMENDED ACTION:

APPROVE the Second Amendment to the Legal Services Agreement with Michael Roush increasing the amount by \$20,000 for the remainder of Fiscal Year 2017-18 and \$57,000 for Fiscal Year 2018-19 to a total not to exceed \$187,000, and extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

FISCAL IMPACT:

In accordance with the adopted Fiscal Year 2017-18 and Fiscal Year 2018-19 Rent Program budgets, the proposed amendment to the Legal Services Agreement includes the expenditure of an additional \$20,000 for the remainder of Fiscal Year 2017-18 and \$57,000 for Fiscal Year 2018-19.

DISCUSSION:

Background

Following approval of the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance by a majority of Richmond voters in 2016, City staff members involved in the launch of the Rent Program on January 3, 2017, recognized a need for legal assistance to help implement the Ordinance and administer the Program. Given Mr. Roush's experience in rent control matters and as a public agency attorney, in 2017, the City, then serving as the Rent Board, entered into a Legal Services Agreement with Mr. Roush for services through June 30, 2017, in the amount of \$30,000. The Rent Board itself (once seated) amended the Agreement in July 2017 to extend the agreement through June 30, 2018 and increase the payment limit from \$30,000 to \$140,000.

In July 2017, it was anticipated that a Staff Attorney would be hired by the end of 2017 and therefore, the hours of legal services to be provided by Mr. Roush would reduce such that the amount available under the Agreement as amended would be adequate. The Staff Attorney, however, was not hired until April 2018 and the \$140,000 allocated to Mr. Roush's contract has been expended. Additional funds need to be allocated to provide funding for Mr. Roush's continued services through June 30, 2018. Accordingly, a Second Amendment to the Legal Services Agreement is attached to provide additional funding (\$20,000) through June 30, 2018 (these funds are already budgeted for in FY 17-18), and to add funds for services rendered in Fiscal Year 2018-19 (\$57,000.)

Proposed Amendments to the Legal Services Agreement

The Second Amendment to the Agreement provides for additional funding for Mr. Roush's services in the amount of \$20,000 through June 30, 2018, that will cover the months of May and June. Because the Board now has a full time Staff Attorney, it is not anticipated that all of those funds will be necessary as the number of hours that Mr. Roush is now spending on Board and staff business have been reduced.

In addition, Mr. Roush's legal services may be necessary in fiscal year 2018-2019. For example, Mr. Roush may need to serve as a hearing examiner, for example, if a party disqualifies the full time hearing examiner. Furthermore, Mr. Roush may need to cover office hours when the staff attorney is on vacation. Rent Board staff members may also request that Mr. Roush engage in actions to enforce the Ordinance through legal channels. Accordingly, the Second Amendment to the Agreement provides funding (\$57,000) for these services during Fiscal Year 2018-2019.

DOCUMENTS ATTACHED:

- Attachment 1 – Second Amendment to the Legal Services Agreement
- Attachment 2 – First Amendment to the Legal Services Agreement
- Attachment 3 – Original Legal Services Agreement

**SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES
BETWEEN
THE CITY OF RICHMOND RENT BOARD
AND
MICHAEL H. ROUSH
ATTORNEY AT LAW**

This Second Amendment to the Agreement for Legal Services between the City or Richmond Rent Board (“Rent Board”) and Michael H. Roush, Attorney at Law, (“Special Counsel”) (“the Second Amendment”) is entered into as of June 20, 2018 between the Rent Board and Special Counsel with reference to the following facts:

RECITALS

WHEREAS, the Rent Board and Special Counsel entered into a Legal Services Agreement to provide legal services to the Rent Board and the Rent Program staff on an interim basis, as requested by the Rent Board and Rent Program staff; and

WHEREAS, the Agreement was first amended on July 19, 2017 to increase the overall compensation through June 30, 2018 to \$110,000 (“the First Amendment”); and

WHEREAS, the Rent Board now desires to amend the Agreement further (“the Second Amendment”) to increase the compensation limit to cover the cost of legal services through June 30, 2019 by Seventy Seven Thousand Dollars (\$20,000 for FY ending 6/30/18 and \$57,000 for FY ending 2019); and

WHEREAS, there are funds in the Rent Board’s Fiscal Year 2017-2018 and Fiscal Year 2018-2019 budgets to cover such increase.

NOW, THEREFORE, in consideration of the recitals and other mutual covenants and promises set forth herein and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Rent Board and Special Counsel agree as follows:

1. The total compensation for legal services and reimbursement shall be charged in accordance with Attachment 1 of the First Amendment and shall not exceed Two Hundred Seventeen Thousand Dollars (\$187,000 [\$30,000 for FY ending 6/30/17; \$110,000 for FY ending 6/30/18 and \$57,000 for FY ending 6/30/19]).
2. Except as provided in this Second Amendment, all other provisions of the Agreement, as amended, shall remain in full force and effect.
3. This Second Amendment may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**ITEM F-6
ATTACHMENT 1**

IN WITNESS WHEREOF, the Rent Board and Special Counsel have caused this Second Amendment to be effective as of the last date written above.

CITY OF RICHMOND RENT BOARD

MICHAEL H. ROUSH, ATTORNEY AT LAW

Nicolas Traylor, Executive Director

Michael H. Roush

**FIRST AMENDMENT TO AGREEMENT FOR LEGAL SERVICES
BETWEEN
THE CITY OF RICHMOND
RENT BOARD
AND
MICHAEL H. ROUSH
Attorney at Law**

This First Amendment to the Agreement for Legal Services between the City of Richmond Rent Board ("Rent Board") and Michael H. Roush Attorney at Law ("Special Counsel") (the "First Amendment") is entered into as of July 19, 2017, by and between the Rent Board and Special Counsel with reference to the following facts:

RECITALS

WHEREAS, the Rent Board and Special Counsel entered into that certain Legal Services Agreement ("Original Agreement") for representation of the Rent Board and Rent Board-related entities; and

WHEREAS, the Rent Board now desires for Special Counsel to continue its representation of the Rent Board and to increase the compensation limit by Eighty Thousand Dollars (\$80,000); and

WHEREAS, the Rent Board and Special Counsel desire to amend the Original Agreement pursuant to this First Amendment.

NOW, THEREFORE, in consideration of the recitals hereof, and other mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Rent Board and Special Counsel agree as follows:

1. Amendment.
 - a. Exhibit A of the Original Agreement, "Scope of Work and Schedule of Fees & Charges," is hereby amended to read as shown in Attachment 1 to this First Amendment.
 - a. Paragraph 3, "Term of the Agreement," of the Original Agreement is hereby deleted in its entirety and replaced with the following:

"The services of Special Counsel are to commence upon the Effective Date of this Agreement and shall terminate on JUNE 30, 2018, unless the parties extend the Agreement in writing. The services shall be undertaken and completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care."

**ITEM F-6
ATTACHMENT 2**

2. Effect of First Amendment. Except as provided in this First Amendment, all other terms of the Original Agreement shall remain in full force and effect.
3. Counterparts. This First Amendment may be executed in counterparts each of which shall be an original and all of which shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the Rent Board and Special Counsel have caused this First Amendment to be effective as of the last date written below.

**CITY OF RICHMOND
RENT BOARD**

**MICHAEL H. ROUSH
Attorney at Law**

Executive Director

By: _____

Name: _____

Title _____

Attachment 1

SCOPE OF WORK AND SCHEDULE OF FEES & CHARGES

Scope of work:

Special Counsel shall provide legal service to the Rent Program on an interim basis, as requested by the Rent Program.

City of Richmond Rent Board Contact: Executive Director

Schedule of Fees & Charges:

Hourly Rates

MICHAEL ROUSH \$250/hour

COMPENSATION

Total compensation for legal services and reimbursements shall be charged in accordance with this Exhibit "A" and shall not exceed the sum of One Hundred and Ten Thousand Dollars (\$110,000) for attorneys' fees.

LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF RICHMOND
AND
MICHAEL H. ROUSH
Attorney at Law

PREAMBLE

This legal services agreement (“Agreement”) is made and entered into on this 5th day of APRIL 30 2017 (the “Effective Date”) by and between the City of Richmond, California, a chartered California municipal corporation (“City”), with its principal place of business located at 450 Civic Center Plaza, Richmond, California 94804 and Michael H. Roush Attorney at Law comprised of attorneys licensed to practice law in the State of California (“Special Counsel”) with its principal place of business located at 5571 Corte Sierra, Pleasanton, CA 94566. Special Counsel may be referred to herein individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

The following recitals are as follows:

- A. City desires to secure professional services more fully described in this Agreement; and,
- B. Special Counsel represents that it has the professional qualifications, expertise, necessary licenses and desire to provide legal services of the quality and type, which meet objectives, and requirements of City.

AGREEMENT PROVISIONS

The Parties agree as follows:

1. **RETENTION OF FIRM.**
 - A. City hereby confirms, retains and authorizes Special Counsel to represent City and provide legal services as may be requested, from time to time, orally or in writing, by authorized representatives of City on an as-needed basis. By this Agreement, City is retaining Special Counsel and not individual members of the Special Counsel. Special Counsel’s client is the City, as a public entity, and not any of its individual members, groups of individuals or any other entity.
 - B. The Special Counsel shall report to and receive direction from the City Attorney only and not from any other Department Head or City staff.
 - C. Special Counsel shall perform such legal services for and on behalf of City under the primary direction of the City Attorney. Special Counsel shall undertake, subject to

approval of the City Attorney, additional duties as may be authorized by City from time to time under the terms and conditions of this Agreement.

2. DESCRIPTION OF SERVICES TO BE PROVIDED.

These services may include, but are not limited to, providing advice and counsel on legal matters affecting City, performing legal research, representing City in judicial proceedings in state and/or federal court or other dispute resolution forums or before administrative agencies, negotiating contracts and drafting contracts, correspondence and other legal documents as may become necessary. These services shall also include the preparation and delivery of status reports to City as specified in paragraph 11 of this Agreement.

3. TERM OF AGREEMENT.

The services of Special Counsel are to commence upon the Effective Date of this Agreement and shall terminate on DECEMBER 31, 2017, unless the parties extend the Agreement in writing. The services shall be undertaken and completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care.

4. ASSIGNMENT OF DUTIES.

It is contemplated that no other attorney will be assigned from Special Counsel other than MICHAEL H. ROUSH. It is agreed by and between the Parties that should it be desirable for any attorney other than MICHAEL H. ROUSH to work under this Agreement, such attorney may only be added with the express oral consent of the City Attorney. Should any associate in the Special Counsel be assigned any task under this Agreement that exceeds three (3) billable hours per month, City Attorney should approve the assignment of such associate orally.

5. PUBLIC FUNDING.

Special Counsel and City mutually recognize that Special Counsel's services under this Agreement are being paid for with tax dollars from citizens and taxpayers of the City of Richmond, California, and that, given this fact, a heightened duty of care exists in both Special Counsel and City to ensure that Special Counsel scrupulously adheres to principles of moderation, frugality and cost consciousness in carrying forth the goals of this Agreement. Special Counsel and each of its attorneys pledge themselves to scrupulously observe a duty of reasonableness and cost effective representation in all aspects of this Agreement.

6. PAYMENT FOR SERVICE.

In consideration for Special Counsel's performance of legal services on behalf of City under the terms of this Agreement, and upon review and approval of Special Counsel's bill by the City Attorney, Special Counsel shall be compensated at the preapproved hourly rates and for authorized expenses set forth in the "Scope of Work and Schedule of Fees and Charges" set forth in **Exhibit A**, attached and incorporated by this reference. Fees for services performed by retained consultants, subcontractors, experts or other personnel may be billed to City only if approved in writing by the City Attorney. **Exhibit A** may be amended from time to time by letter agreement duly signed and approved by the City Attorney.

7. BILLING INVOICES.

Special Counsel shall, within fifteen (15) days after the end of each month in which services are performed under this Agreement, submit to the City an itemized bill describing in detail the specific services performed as set forth in this Agreement. Special Counsel shall adhere to the Protocols and Guidelines set forth in **Exhibit B**, attached and incorporated by this reference. The bill shall be submitted to:

City Attorney's Office
City of Richmond
450 Civic Center Plaza, Suite 340
Richmond, CA 94804
Attn : Bruce Reed Goodmiller, City Attorney

8. PROJECT PLAN AND BUDGET AND RESERVES.

Special Counsel shall provide a project plan and budget for any project or case assigned to Special Counsel under this Agreement. Project plans and budgets shall conform to the guidelines set forth in **Exhibit C** (Project Plan and Budget) and **Exhibit D** (Mandatory Case Reporting Policy), when the case is reportable to the City's excess insurance carrier, California Joint Powers Risk Management Authority (CJPRMA). If the case is reportable to CJPRMA, Special Counsel shall provide an initial report notifying them of the claim or lawsuit within 30 days of receipt of the assignment and the estimated exposure. The City Attorney and Risk Manager shall be copied on all correspondence sent to CJPRMA.

9. LITIGATION GUIDELINES.

When litigation is included in the scope of work, litigation guidelines as specified in **Exhibit E** are to be followed.

10. BILLING.

Special Counsel shall scrupulously examine all bills submitted for services rendered under this Agreement to assure that appropriate billing judgment is employed in billing

City for service. Special Counsel shall not bill for hours other than those hours expressly devoted to the tasks approved in advance by the City Attorney. Special Counsel agrees it will not bill for time, which is not specifically devoted to the task(s). Special Counsel shall not use legal professionals for secretarial work and under no circumstances shall Special Counsel have lawyers billing for making copies, scheduling appointments or taking care of matters or work that would otherwise be work performed by a law clerk, assistant or secretary.

11. STATUS REPORTS.

Special Counsel shall, every thirty (30) days, submit via electronic mail a written update setting forth a summary of activities performed on behalf of City during the preceding month, the current status of each pending matter, results obtained or expected to be obtained, a summary of invoices for the preceding month and other information relating to the services rendered as City may reasonably request. The update should be emailed to the City Attorney with a copy to the Risk Manager and CJPRMA, if applicable. Please keep the status reports brief and spend no more than one (1) hour billing for your time. Please also attach any referenced filings to your status report.

12. TERMINATION.

Either Party may terminate this Agreement by providing written notice to the other. Any termination hereunder shall become effective immediately upon receipt of written notice of termination; provided, however, that Special Counsel may exercise its right of termination only to the extent and under terms and conditions consistent with the obligations of Special Counsel under the Rules of Professional Conduct of the State Bar of California; and provided, that in the event of termination, the amount due Special Counsel for services rendered and costs and expenses incurred prior to termination shall remain due and payable. Special Counsel agrees to turn over to any attorney substituted in its place, the entire file and attorney work product regarding any such matter within seven (7) days of any such termination.

13. CONFLICTS OF INTEREST.

- A. No member of the governing body of the City, and no other officer, employee or agent of the City who exercises any discretion, function or responsibility in connection with the carrying out of any project to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement.
- B. Special Counsel agrees to secure the informed written consent of the City Attorney before accepting any representation adverse to the City (actual or apparent) during the term of this Agreement, and to forego the representation if the City Attorney, in his or her sole discretion, objects for any reason. This provision is intended to supercede all applicable rules of professional conduct relating to conflict of interest.

14. ASSIGNMENTS AND SUCCESSORS IN INTEREST.

City and Special Counsel bind themselves, their partners, successors, assigns, executors and administrators to the terms of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for in this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of the City Attorney.

15. AUDITS, RECORDS, AND DOCUMENTATION.

- A. The City and any other federal, State or local governmental agency, and any of their authorized auditors or representatives, including auditors, shall have access to, and the right to audit and reproduce any of Special Counsel's records to the extent the City or such other governmental agency deems necessary to ensure that City is paying only the amounts to which Special Counsel is properly entitled or for other purposes relating to the Agreement. Special Counsel shall assist the City in responding to any requests from the City's auditors, and Special Counsel shall not bill the City for any time spent responding to any such audit requests.
- B. Special Counsel shall maintain complete and accurate records of the services provided to City and expenses incurred on behalf of City. Special Counsel shall maintain and preserve all such records for at least three (3) years after termination of the Agreement or until an audit has been completed and accepted in writing by City. Upon written notice by the City, the Special Counsel shall promptly make all such records available to auditors or other representatives of the City or other governmental agencies.

16. NON-DISCRIMINATION.

- A. As set forth in Chapter 2.28 of Richmond Municipal Code, no discrimination will be made in the employment of any person under this Agreement because of race, religious creed, sex, sexual orientation, national origin or ancestry. Special Counsel agrees to meet all requirements of the Richmond Municipal Code pertaining to nondiscrimination in employment.
- B. If Special Counsel is found in violation of the nondiscrimination provisions of the State of California Fair Employment Practices Act or similar provisions of federal law or executive order in the performance of this Agreement, it will be in default of this Agreement. Thereupon, City will have the power to cancel or suspend this Agreement, in whole or in part.

17. HOLD HARMLESS/INDEMNIFICATION.

Special Counsel agrees to indemnify, hold harmless, release and defend to the maximum extent permitted by law, and covenants not to sue, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including

attorney's fees and costs of litigation) which in whole or in part result from, or arise out of, any negligent acts, errors or omissions (including, without limitation, professional negligence) of Special Counsel, its employees, representatives, subcontractors, or agents in connection with the performance of this Agreement. This Agreement to indemnify, hold harmless, release and defend includes, but is not limited to, personal injury (including death at any time) and property or other damage (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, Special Counsel and its employees or agents, and members of the general public).

18. INSURANCE REQUIREMENTS.

Special Counsel shall maintain in full force and effect the following insurance policies:

- A. ~~Commercial general liability policy (bodily injury and property damage);~~ *MLR*
- B. Worker's compensation/employer's liability policy;
- C. Business automobile liability insurance policy; and,
- D. Professional liability policy.

Said policies shall be maintained with respect to employees and vehicles assigned to the performance of work under this Agreement with coverage amounts, endorsements, certificates of insurance and coverage verifications as defined in **Exhibit F**, attached to this Agreement and incorporated by this reference.

19. CONFIDENTIALITY AND DISCLOSURE.

The data, information and reports acquired or prepared by Special Counsel in connection with matters upon which the City has retained Special Counsel shall not be shown or distributed to any other public or private person or entity except as authorized by the City Attorney and in no event prior to having been first disclosed to the City Attorney. All information, documents, records, reports, data or other materials furnished by City to Special Counsel or other such information, documents, records, data or other materials to which the Special Counsel has access during its performance pursuant to this Agreement are deemed confidential and shall remain the property of City. Special Counsel shall not make oral or written disclosure of such documents or materials, other than as necessary for its performance under this Agreement, without the prior written approval of the City Attorney.

20. AMENDMENTS.

This Agreement, including any Exhibits attached to it, represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may be modified only by a written amendment duly executed by the Parties to this Agreement.

21. ENGAGEMENT OF OTHER COUNSEL, SPECIALISTS, OR EXPERTS.

Special Counsel will not engage or otherwise incur an obligation to pay other counsel, specialists, or experts for services in connection with this Agreement without the prior written approval of the City Attorney.

22. NOTICES.

All notices, invoices, reports or other communication to the Parties shall be properly sent via electronic mail to bruce_goodmiller@ci.richmond.ca.us and cc to patrick_seals@ci.richmond.ca.us and to Special Counsel at its principal place of business listed on page one of this Agreement.

Either Party may change its address for receipt of notices under this Agreement by notice given in the manner provided herein.

23. LAW GOVERNING AGREEMENT.

This Agreement shall be interpreted under the laws of the State of California. All claims or controversies arising out of or related to performance under this Agreement shall be submitted to and resolved in a forum within Contra Costa County.

24. INVALID PROVISIONS.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, in full or in part, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid and enforceable, and the other provisions of this Agreement shall not be affected thereby.

25. LICENSE REQUIREMENTS.

Special Counsel shall demonstrate that the attorney(s) who provide legal services to City under this Agreement are licensed to practice law in the State of California and, if not, indicate to the satisfaction of the City Attorney why such license is not required to perform the services required.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

MICHAEL H. ROUSH

Attorney at Law

By: Michael H. Roush

Title: PRINCIPAL

CITY OF RICHMOND

William M. Lindsay
Mayor/ City Manager

Name: William M. Lindsay

APPROVED AS TO FORM:

Bruce Reed Goodmiller
City Attorney
Bruce Reed Goodmiller

ATTEST:

Danella Christ
City Clerk

Exhibit A

SCOPE OF WORK AND SCHEDULE OF FEES & CHARGES

Scope of work:

Special Counsel shall, under general supervision of the City Attorney, provide legal service to the Rent Program on an interim basis.

City of Richmond Contact Attorney: Bruce Reed Goodmiller Rachel Sommovilla

Schedule of Fees & Charges:

Hourly Rates

PARTNER(S)	\$250/hour
-------------------	-------------------

COMPENSATION

Only those costs and expenses set forth in Section III of Exhibit "B", entitled "Reimbursements" shall be paid to Special Counsel.

Total compensation for legal services and reimbursements shall be charged in accordance with Exhibits "A" and "B" and shall not exceed the sum of Ten Thousand Dollars (\$10,000) for attorneys' fees.

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Exhibit B

BILLING PROTOCOLS/GUIDELINES

The City of Richmond (“City”) has adopted the following protocols for billing, budgeting, and planning for projects involving outside counsel. Special Counsel will be required to comply with this protocol. If you have questions concerning it, please contact the City Attorney for clarification. In the event you wish to negotiate changes due to the internal operation of your firm, please raise them in writing as soon as possible. Any changes to this protocol will need prior, written approval from the City Attorney. In the interest of fairness, all Special Counsel is required to comply with this protocol. This protocol is also to be used in conjunction with any new proposal for services.

These protocols and guidelines are instituted to ensure that Special Counsel conveys the information necessary for the City Attorney to manage outside projects and litigation. Also, because these guidelines are set out in advance, they are designed to minimize any confusion or misunderstanding. Compliance with these guidelines should enhance the attorney-client relationship. If you have any comments or suggestions that could improve this system, please feel free to contact the City Attorney.

I. BILLING FORMAT

Unless otherwise agreed, the following information must be provided in monthly bills:

- a. A detailed description of work, in time increments of .1 hour (one tenth of an hour) for and by each and every individual billing services.
- b. Identification of the lawyer who is in charge of the matter.
- c. Reasonably detailed disbursement breakdowns with backup documentation of any individual charge exceeding \$100.00.
- d. Each billing item must be separately stated on a separate line identifying the attorney, the time spent and the exact nature of the service rendered.
- e. When charges are made for research time, the specific issue being researched and the need for the research should be identified.
- f. Each item billed should be coded to a specific litigation budget line item, if applicable.
- g. The City Attorney reserves the right to request various levels of detail and specific formats (such as columnar comparisons with established budgets).

Exhibit B

II. BILLING GUIDELINES

- a. All tasks set forth in Special Counsel's billing documentation shall be specific and detailed. Overly generalized listings of task descriptions such as "review contract" or "prepare for negotiations" are not acceptable.
- b. Billings under this Agreement shall not be provided in more than six (6) minute increments and shall represent the devotion of a full six minutes before an increment is billed. Under no circumstances shall Special Counsel use "block billing" procedures, wherein a list or series of activities is done each day with only an aggregate amount of time specified.
- c. Special Counsel shall keep the City advised of the identity and billing rates of those people working on the project account.
- d. All time shall be billed within 30 days of performance of the service.
- e. Counsel shall advise City whenever it anticipates the amount of services necessary to properly execute the task will exceed the amount of the contract. When accrued billings are equal to eighty percent (80%) of the Payment Limit, written notice shall be given to the City as soon as possible, via e-mail, to the City Attorney's Office, of this fact. In order to satisfy this notification requirement, Counsel shall monitor its accrued billings on a weekly basis and immediately notify the City Attorney if the eighty percent (80%) threshold is met. Special Counsel acknowledges the fiscal constraints on City funding and therefore Special Counsel assumes risk of non-payment for services rendered in the event the amount of services rendered exceeds the amount of the contract unless prior written authorization is received. Authorization to exceed the amount set forth in **Exhibit A** may be given only by City Attorney in writing.
- f. Only those attorneys approved by the City may bill on the case.
- g. The City expects the attorney assigned to the case to handle all significant matters in the litigation. The City Attorney must approve in advance the assignment of other attorneys to the litigation or project. The City may request that the assigned work be instead handled by the primary attorney.
- h. Special Counsel shall not charge for more than one attorney at any hearing, deposition, or meeting of any kind without advance approval of the City Attorney.
- i. No more than two paraprofessionals may bill on a particular case without the prior approval of the City.
- j. The City has retained Special Counsel for its expertise, and therefore expects not to be billed for introductory or background research. City appreciates

Exhibit B

when Special Counsel has researched an issue previously and uses that research on present cases or projects. Do not charge the City for work Special Counsel has done and billed another client for in the past.

- k. Within thirty (30) days of the Effective Date of this Agreement, Special Counsel shall provide any manuals or policies describing Special Counsel's billing practices.
- l. The City does not allow "double billing" of any sort. If Special Counsel is working on another client's matter, do not bill City for that time. This applies to travel time or any other matter.
- m. Training time is not billable. Law clerks may be used only with prior approval.
- n. City will not pay for new attorneys to "get up to speed" on a file unless it has been preapproved.
- o. If a matter arises that requires Special Counsel to open a new file, the City Attorney should be informed immediately.
- p. City reserves the right to require additional substantiation of any item of claimed expense.

III. REIMBURSEMENTS

- a. The City will reimburse Special Counsel for the following expenses, and for no other expenses:
 - Actual printing costs;
 - Copying costs at \$.12 / page (for legal documents and file materials, but not library materials);
 - Actual cost of postage (including express mail delivery charges);
 - Facsimile charges at the rate of \$0.25 per page;
 - Computer research support services (e.g., Westlaw, LEXIS or computer time or services) at actual cost, but not to exceed 15% of the total fees for all legal services;
 - Actual cost of long distance telephone calls;
 - Transcription and reporter's fees; and
 - Reasonable travel. The City does not pay for meals unless Attorney is required to be away from office for one full day. All meals and/or travel reimbursements will be subject to approval by the City Attorney. Travel expenses are limited to the lesser of actual expenses or expenses that would be authorized for City employee travel pursuant to City policy.
- b. The City Attorney must approve in advance any single reimbursement item in excess of \$250.

Exhibit B

- c. Any expense other than those listed in section “a.” must be approved by the City Attorney in writing and in advance in an approved budget.
- d. No compensation shall be allowed for administrative overhead or premiums added to the direct cost of research support or other services.
- e. Court filings shall be prepared in a timely manner so that “rush” or “expedited” messenger fees are not incurred.
- f. Messenger and other charges in excess of actual costs are not permitted. City does not allow cost, plus a percentage, for actual outside costs
- g. City does not pay for secretarial time or secretarial overtime. City does not pay attorneys or paralegals for secretarial tasks or tasks that should not be included in Special Counsel’s overhead. For example, faxing, mailing, arranging for messengers and calendaring are not acceptable charges.
- h. City does not pay for billing or discussions of bills, including discussions initiated by the City or City’s requests for additional information about a bill.
- i. The practice of minimum billing charges is prohibited. Please charge for actual time spent. For example, a minimum of .2 for phone calls or .4 for letters is unreasonable unless it is an accurate measure of time spent.
- j. Do not charge for file opening or file closing. These are not true legal services, tasks or adequate descriptions of legal activities.

Exhibit C

PROJECT PLAN AND BUDGET

Project plans and budgets should conform to the following guidelines:

- a. The project plan shall include a projection of recommended strategies and actions to be taken in the project and a range of costs for each such strategy or action.
- b. If the scope of work includes representation of the City in litigation, the project plan shall include the following elements, with explanations:
 - Anticipated total costs;
 - The primary issues;
 - The probability of success; and
 - A settlement/trial recommendation

The project plan will be modified during the litigation as the need arises.

- c. The project budget shall include an estimate of the attorneys' hours and fees and disbursements during each phase and/or activity. All anticipated expenses must be listed and costs estimated.
- d. In the event of litigation, the project budget shall include, but not be limited to, estimates for:
 - Pre-commencement (legal and factual research for the complaint or answer);
 - Pleadings;
 - Preliminary motions;
 - Initial discovery;
 - Factual investigation of merits (interviewing clients, employees and third parties);
 - Review and abstract City's documents;
 - Expert (non-medical) investigation and reports;
 - Medical experts and examinations;
 - Legal research on merits;
 - More thorough discovery (including the identity of deponents and expected costs of each deposition and preparation);
 - Settlement negotiations;
 - Trial preparation; and
 - Trial.
- e. The project budget should include the anticipated cost of each line item, the time allotted to complete it and the professional level of the person handling it.
- f. The project budget is not a fixed fee agreement and is subject to revision.
- g. Special Counsel shall provide revisions to the project plan or budget at the request of the City Attorney.

Exhibit C

- h. Special Counsel understands and agrees that major unjustified deviations from the project budget, or failure to timely submit a project budget or revisions, if requested, may constitute a breach and result in termination of this Agreement.

Exhibit D

California Joint Powers Risk Management Authority
Mandatory Case Reporting Policy

Pursuant to Section VII (Conditions) of the Memorandum of Coverage, the following rule is applicable to all cases reported to CJPRMA.

The Authority shall be entitled to complete access to the covered party's claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The covered party shall be responsible to report the progress of the litigation and any significant developments at least quarterly to the Authority, and to provide the Authority with simultaneous copies of all correspondence provided to the covered party by its defense attorneys and/or its agents.

In addition, the CJPRMA Board of Directors has adopted the following mandatory case reporting standards:

- 1) Defense counsel is expected to provide a written analysis of liability and exposure in any reported claim no later than ninety days following receipt of the file from the member agency. CJPRMA understands that the liability picture may develop as discovery is ongoing, but this does not excuse the responsibility of providing an early, objective analysis of the file, subject to later developments. An early analysis not only permits the JPA member to set an accurate reserve level, but also permits the member entity to decide whether to actively litigate the case, try to settle the case, or limit discovery based upon the exposure.
- 2) The initial status report should provide, at a minimum, a brief synopsis of the facts giving rise to the lawsuit; the status of the pleadings, including any discussions of demurrers or motions to dismiss, or cross-complaints; a summary and analysis of plaintiff's injuries, damages and exposures in the case; an initial impression of liability; any requests for additional investigation; a brief outline of the discovery planned; and an evaluation of anticipated litigation costs. The report need not be lengthy, and typically might not exceed three to five pages, but must address the issues directly and in a straightforward manner so that the member entity and CJPRMA can set cost and loss reserves as necessary.
- 3) Defense counsel is responsible to report, in writing, the setting of a trial date, settlement conference date, hearing date on motion for summary judgment or similar dispositive motion in any litigated case, within one week of the date on which a court establishes such date.
- 4) Defense counsel is responsible to report, in writing, all settlement demands or offers within one week of the time the offer is made or the demand is received.

Exhibit D

- 5) Defense counsel is responsible to report, in writing, on the substance of all depositions taken in the case. This need not be a multi-page deposition summary, but must, at a minimum, include a concise report of major events occurring at the deposition, and an evaluation of the effect of the deposition testimony on the case.
- 6) Finally, no later than sixty days before the date set for trial in any case, defense counsel is responsible to report, in writing, on (1) an assessment of liability in the case, (2) the adverse potential exposure if liability is found, (3) a concise summary of injuries sustained and/or claims, (4) an assessment of any other factors (such as local jury tendencies, appearance of important witnesses, etc.) that may affect the liability analysis or exposure assessment, and (5) an opinion on the settlement value of the case.
- 7) All status reports from defense counsel must be copied to the CJPRMA Board member whose entity is involved in the claim.

This policy is designed to protect the member entity and CJPRMA, so that they can make informed litigation decisions on reported cases. Past experience has shown that defense counsel retained by the member entities of CJPRMA are high-caliber, hard working attorneys who have done very well for their clients, and CJPRMA is grateful for their efforts. Defense counsel are cautioned, however, that case reporting is given a high priority by CJPRMA and its members, and is a major consideration in evaluating counsel's performance.

Exhibit E

LITIGATION GUIDELINES

The following guidelines should be followed when the scope of work includes representing the City in litigation:

- a. The Special Counsel shall consult the City Attorney regarding the component parts of litigation handled so that the City Attorney, in consultation with the City Council, if necessary, can determine whether a particular activity is reasonable in light of its costs and benefits.
- b. The City Attorney must approve the identity and number of staff assigned to the litigation, and any changes.
- c. All pleadings shall be submitted to the City Attorney for review prior to filing.
- d. Copies of major work product, pleadings, motions, orders, decisions, research memoranda, reports on significant developments, and quarterly status reports shall be submitted to keep the City Attorney advised of any major developments in the lawsuit. Such copies shall be provided in electronic format compatible with software in the City Attorney's office.
- e. Generally, the City Attorney will rely upon Special Counsel for guidance on litigation strategy. Nonetheless, prior approval from the City Attorney is necessary for demurrers, motions for summary judgment and discovery motions.
- f. City expects that Special Counsel will resolve all discovery disputes without court intervention. If this is impossible due to the conduct of others, please inform the City Attorney immediately. City's intent is to have discovery be fair and open with the money spent on reviewing relevant items that are discovered, not on discovery battles.
- g. Provide full descriptions of legal tasks performed. This will help the City Attorney follow case development and understand Firm's strategy.
- h. Some types of litigation-related expenses require prior approval by the City Attorney, including, but not limited to, experts and investigators. Expenses over a certain dollar amount always require prior approval. See Section III (Reimbursements) of Exhibit B (Billing Protocols and Guidelines) of this Agreement for a list of those expenses that may be reimbursed.

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LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF RICHMOND
AND
MICHAEL H. ROUSH
Attorney at Law

PREAMBLE

This legal services agreement (“Agreement”) is made and entered into on this 5th day of APRIL 30 2017 (the “Effective Date”) by and between the City of Richmond, California, a chartered California municipal corporation (“City”), with its principal place of business located at 450 Civic Center Plaza, Richmond, California 94804 and Michael H. Roush Attorney at Law comprised of attorneys licensed to practice law in the State of California (“Special Counsel”) with its principal place of business located at 5571 Corte Sierra, Pleasanton, CA 94566. Special Counsel may be referred to herein individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

The following recitals are as follows:

- A. City desires to secure professional services more fully described in this Agreement; and,
- B. Special Counsel represents that it has the professional qualifications, expertise, necessary licenses and desire to provide legal services of the quality and type, which meet objectives, and requirements of City.

AGREEMENT PROVISIONS

The Parties agree as follows:

1. RETENTION OF FIRM.

- A. City hereby confirms, retains and authorizes Special Counsel to represent City and provide legal services as may be requested, from time to time, orally or in writing, by authorized representatives of City on an as-needed basis. By this Agreement, City is retaining Special Counsel and not individual members of the Special Counsel. Special Counsel’s client is the City, as a public entity, and not any of its individual members, groups of individuals or any other entity.
- B. The Special Counsel shall report to and receive direction from the City Attorney only and not from any other Department Head or City staff.
- C. Special Counsel shall perform such legal services for and on behalf of City under the primary direction of the City Attorney. Special Counsel shall undertake, subject to

approval of the City Attorney, additional duties as may be authorized by City from time to time under the terms and conditions of this Agreement.

2. DESCRIPTION OF SERVICES TO BE PROVIDED.

These services may include, but are not limited to, providing advice and counsel on legal matters affecting City, performing legal research, representing City in judicial proceedings in state and/or federal court or other dispute resolution forums or before administrative agencies, negotiating contracts and drafting contracts, correspondence and other legal documents as may become necessary. These services shall also include the preparation and delivery of status reports to City as specified in paragraph 11 of this Agreement.

3. TERM OF AGREEMENT.

The services of Special Counsel are to commence upon the Effective Date of this Agreement and shall terminate on DECEMBER 31, 2017, unless the parties extend the Agreement in writing. The services shall be undertaken and completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care.

4. ASSIGNMENT OF DUTIES.

It is contemplated that no other attorney will be assigned from Special Counsel other than MICHAEL H. ROUSH. It is agreed by and between the Parties that should it be desirable for any attorney other than MICHAEL H. ROUSH to work under this Agreement, such attorney may only be added with the express oral consent of the City Attorney. Should any associate in the Special Counsel be assigned any task under this Agreement that exceeds three (3) billable hours per month, City Attorney should approve the assignment of such associate orally.

5. PUBLIC FUNDING.

Special Counsel and City mutually recognize that Special Counsel's services under this Agreement are being paid for with tax dollars from citizens and taxpayers of the City of Richmond, California, and that, given this fact, a heightened duty of care exists in both Special Counsel and City to ensure that Special Counsel scrupulously adheres to principles of moderation, frugality and cost consciousness in carrying forth the goals of this Agreement. Special Counsel and each of its attorneys pledge themselves to scrupulously observe a duty of reasonableness and cost effective representation in all aspects of this Agreement.

6. PAYMENT FOR SERVICE.

In consideration for Special Counsel's performance of legal services on behalf of City under the terms of this Agreement, and upon review and approval of Special Counsel's bill by the City Attorney, Special Counsel shall be compensated at the preapproved hourly rates and for authorized expenses set forth in the "Scope of Work and Schedule of Fees and Charges" set forth in **Exhibit A**, attached and incorporated by this reference. Fees for services performed by retained consultants, subcontractors, experts or other personnel may be billed to City only if approved in writing by the City Attorney. **Exhibit A** may be amended from time to time by letter agreement duly signed and approved by the City Attorney.

7. BILLING INVOICES.

Special Counsel shall, within fifteen (15) days after the end of each month in which services are performed under this Agreement, submit to the City an itemized bill describing in detail the specific services performed as set forth in this Agreement. Special Counsel shall adhere to the Protocols and Guidelines set forth in **Exhibit B**, attached and incorporated by this reference. The bill shall be submitted to:

City Attorney's Office
City of Richmond
450 Civic Center Plaza, Suite 340
Richmond, CA 94804
Attn : Bruce Reed Goodmiller, City Attorney

8. PROJECT PLAN AND BUDGET AND RESERVES.

Special Counsel shall provide a project plan and budget for any project or case assigned to Special Counsel under this Agreement. Project plans and budgets shall conform to the guidelines set forth in **Exhibit C** (Project Plan and Budget) and **Exhibit D** (Mandatory Case Reporting Policy), when the case is reportable to the City's excess insurance carrier, California Joint Powers Risk Management Authority (CJPRMA). If the case is reportable to CJPRMA, Special Counsel shall provide an initial report notifying them of the claim or lawsuit within 30 days of receipt of the assignment and the estimated exposure. The City Attorney and Risk Manager shall be copied on all correspondence sent to CJPRMA.

9. LITIGATION GUIDELINES.

When litigation is included in the scope of work, litigation guidelines as specified in **Exhibit E** are to be followed.

10. BILLING.

Special Counsel shall scrupulously examine all bills submitted for services rendered under this Agreement to assure that appropriate billing judgment is employed in billing

City for service. Special Counsel shall not bill for hours other than those hours expressly devoted to the tasks approved in advance by the City Attorney. Special Counsel agrees it will not bill for time, which is not specifically devoted to the task(s). Special Counsel shall not use legal professionals for secretarial work and under no circumstances shall Special Counsel have lawyers billing for making copies, scheduling appointments or taking care of matters or work that would otherwise be work performed by a law clerk, assistant or secretary.

11. STATUS REPORTS.

Special Counsel shall, every thirty (30) days, submit via electronic mail a written update setting forth a summary of activities performed on behalf of City during the preceding month, the current status of each pending matter, results obtained or expected to be obtained, a summary of invoices for the preceding month and other information relating to the services rendered as City may reasonably request. The update should be emailed to the City Attorney with a copy to the Risk Manager and CJPRMA, if applicable. Please keep the status reports brief and spend no more than one (1) hour billing for your time. Please also attach any referenced filings to your status report.

12. TERMINATION.

Either Party may terminate this Agreement by providing written notice to the other. Any termination hereunder shall become effective immediately upon receipt of written notice of termination; provided, however, that Special Counsel may exercise its right of termination only to the extent and under terms and conditions consistent with the obligations of Special Counsel under the Rules of Professional Conduct of the State Bar of California; and provided, that in the event of termination, the amount due Special Counsel for services rendered and costs and expenses incurred prior to termination shall remain due and payable. Special Counsel agrees to turn over to any attorney substituted in its place, the entire file and attorney work product regarding any such matter within seven (7) days of any such termination.

13. CONFLICTS OF INTEREST.

- A. No member of the governing body of the City, and no other officer, employee or agent of the City who exercises any discretion, function or responsibility in connection with the carrying out of any project to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement.
- B. Special Counsel agrees to secure the informed written consent of the City Attorney before accepting any representation adverse to the City (actual or apparent) during the term of this Agreement, and to forego the representation if the City Attorney, in his or her sole discretion, objects for any reason. This provision is intended to supercede all applicable rules of professional conduct relating to conflict of interest.

14. ASSIGNMENTS AND SUCCESSORS IN INTEREST.

City and Special Counsel bind themselves, their partners, successors, assigns, executors and administrators to the terms of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for in this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of the City Attorney.

15. AUDITS, RECORDS, AND DOCUMENTATION.

- A. The City and any other federal, State or local governmental agency, and any of their authorized auditors or representatives, including auditors, shall have access to, and the right to audit and reproduce any of Special Counsel's records to the extent the City or such other governmental agency deems necessary to ensure that City is paying only the amounts to which Special Counsel is properly entitled or for other purposes relating to the Agreement. Special Counsel shall assist the City in responding to any requests from the City's auditors, and Special Counsel shall not bill the City for any time spent responding to any such audit requests.
- B. Special Counsel shall maintain complete and accurate records of the services provided to City and expenses incurred on behalf of City. Special Counsel shall maintain and preserve all such records for at least three (3) years after termination of the Agreement or until an audit has been completed and accepted in writing by City. Upon written notice by the City, the Special Counsel shall promptly make all such records available to auditors or other representatives of the City or other governmental agencies.

16. NON-DISCRIMINATION.

- A. As set forth in Chapter 2.28 of Richmond Municipal Code, no discrimination will be made in the employment of any person under this Agreement because of race, religious creed, sex, sexual orientation, national origin or ancestry. Special Counsel agrees to meet all requirements of the Richmond Municipal Code pertaining to nondiscrimination in employment.
- B. If Special Counsel is found in violation of the nondiscrimination provisions of the State of California Fair Employment Practices Act or similar provisions of federal law or executive order in the performance of this Agreement, it will be in default of this Agreement. Thereupon, City will have the power to cancel or suspend this Agreement, in whole or in part.

17. HOLD HARMLESS/INDEMNIFICATION.

Special Counsel agrees to indemnify, hold harmless, release and defend to the maximum extent permitted by law, and covenants not to sue, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including

attorney's fees and costs of litigation) which in whole or in part result from, or arise out of, any negligent acts, errors or omissions (including, without limitation, professional negligence) of Special Counsel, its employees, representatives, subcontractors, or agents in connection with the performance of this Agreement. This Agreement to indemnify, hold harmless, release and defend includes, but is not limited to, personal injury (including death at any time) and property or other damage (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, Special Counsel and its employees or agents, and members of the general public).

18. INSURANCE REQUIREMENTS.

Special Counsel shall maintain in full force and effect the following insurance policies:

- ~~A. Commercial general liability policy (bodily injury and property damage);~~ MHA
- B. Worker's compensation/employer's liability policy;
- C. Business automobile liability insurance policy; and,
- D. Professional liability policy.

Said policies shall be maintained with respect to employees and vehicles assigned to the performance of work under this Agreement with coverage amounts, endorsements, certificates of insurance and coverage verifications as defined in **Exhibit F**, attached to this Agreement and incorporated by this reference.

19. CONFIDENTIALITY AND DISCLOSURE.

The data, information and reports acquired or prepared by Special Counsel in connection with matters upon which the City has retained Special Counsel shall not be shown or distributed to any other public or private person or entity except as authorized by the City Attorney and in no event prior to having been first disclosed to the City Attorney. All information, documents, records, reports, data or other materials furnished by City to Special Counsel or other such information, documents, records, data or other materials to which the Special Counsel has access during its performance pursuant to this Agreement are deemed confidential and shall remain the property of City. Special Counsel shall not make oral or written disclosure of such documents or materials, other than as necessary for its performance under this Agreement, without the prior written approval of the City Attorney.

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MICHAEL H. ROUSH

Attorney at Law

By: Michael H. Roush

Title: PRINCIPAL

CITY OF RICHMOND

W. Day
Mayor/ City Manager

Name: William K. Lindsey

APPROVED AS TO FORM:

Bruce Reed Goodmiller
City Attorney
Bruce Reed Goodmiller

ATTEST:

Pamela Christi
City Clerk

Exhibit A

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Hourly Rates

PARTNER(S)	\$250/hour
-------------------	-------------------

COMPENSATION

Only those costs and expenses set forth in Section III of Exhibit "B", entitled "Reimbursements" shall be paid to Special Counsel.

Total compensation for legal services and reimbursements shall be charged in accordance with Exhibits "A" and "B" and shall not exceed the sum of Ten Thousand Dollars (\$10,000) for attorneys' fees.

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Exhibit B

BILLING PROTOCOLS/GUIDELINES

The City of Richmond ("City") has adopted the following protocols for billing, budgeting, and planning for projects involving outside counsel. Special Counsel will be required to comply with this protocol. If you have questions concerning it, please contact the City Attorney for clarification. In the event you wish to negotiate changes due to the internal operation of your firm, please raise them in writing as soon as possible. Any changes to this protocol will need prior, written approval from the City Attorney. In the interest of fairness, all Special Counsel is required to comply with this protocol. This protocol is also to be used in conjunction with any new proposal for services.

These protocols and guidelines are instituted to ensure that Special Counsel conveys the information necessary for the City Attorney to manage outside projects and litigation. Also, because these guidelines are set out in advance, they are designed to minimize any confusion or misunderstanding. Compliance with these guidelines should enhance the attorney-client relationship. If you have any comments or suggestions that could improve this system, please feel free to contact the City Attorney.

I. BILLING FORMAT

Unless otherwise agreed, the following information must be provided in monthly bills:

- a. A detailed description of work, in time increments of .1 hour (one tenth of an hour) for and by each and every individual billing services.
- b. Identification of the lawyer who is in charge of the matter.
- c. Reasonably detailed disbursement breakdowns with backup documentation of any individual charge exceeding \$100.00.
- d. Each billing item must be separately stated on a separate line identifying the attorney, the time spent and the exact nature of the service rendered.
- e. When charges are made for research time, the specific issue being researched and the need for the research should be identified.
- f. Each item billed should be coded to a specific litigation budget line item, if applicable.
- g. The City Attorney reserves the right to request various levels of detail and specific formats (such as columnar comparisons with established budgets).

Exhibit B

II. BILLING GUIDELINES

- a. All tasks set forth in Special Counsel's billing documentation shall be specific and detailed. Overly generalized listings of task descriptions such as "review contract" or "prepare for negotiations" are not acceptable.
- b. Billings under this Agreement shall not be provided in more than six (6) minute increments and shall represent the devotion of a full six minutes before an increment is billed. Under no circumstances shall Special Counsel use "block billing" procedures, wherein a list or series of activities is done each day with only an aggregate amount of time specified.
- c. Special Counsel shall keep the City advised of the identity and billing rates of those people working on the project account.
- d. All time shall be billed within 30 days of performance of the service.
- e. Counsel shall advise City whenever it anticipates the amount of services necessary to properly execute the task will exceed the amount of the contract. When accrued billings are equal to eighty percent (80%) of the Payment Limit, written notice shall be given to the City as soon as possible, via e-mail, to the City Attorney's Office, of this fact. In order to satisfy this notification requirement, Counsel shall monitor its accrued billings on a weekly basis and immediately notify the City Attorney if the eighty percent (80%) threshold is met. Special Counsel acknowledges the fiscal constraints on City funding and therefore Special Counsel assumes risk of non-payment for services rendered in the event the amount of services rendered exceeds the amount of the contract unless prior written authorization is received. Authorization to exceed the amount set forth in **Exhibit A** may be given only by City Attorney in writing.
- f. Only those attorneys approved by the City may bill on the case.
- g. The City expects the attorney assigned to the case to handle all significant matters in the litigation. The City Attorney must approve in advance the assignment of other attorneys to the litigation or project. The City may request that the assigned work be instead handled by the primary attorney.
- h. Special Counsel shall not charge for more than one attorney at any hearing, deposition, or meeting of any kind without advance approval of the City Attorney.
- i. No more than two paraprofessionals may bill on a particular case without the prior approval of the City.
- j. The City has retained Special Counsel for its expertise, and therefore expects not to be billed for introductory or background research. City appreciates

Exhibit B

when Special Counsel has researched an issue previously and uses that research on present cases or projects. Do not charge the City for work Special Counsel has done and billed another client for in the past.

- k. Within thirty (30) days of the Effective Date of this Agreement, Special Counsel shall provide any manuals or policies describing Special Counsel's billing practices.
- l. The City does not allow "double billing" of any sort. If Special Counsel is working on another client's matter, do not bill City for that time. This applies to travel time or any other matter.
- m. Training time is not billable. Law clerks may be used only with prior approval.
- n. City will not pay for new attorneys to "get up to speed" on a file unless it has been preapproved.
- o. If a matter arises that requires Special Counsel to open a new file, the City Attorney should be informed immediately.
- p. City reserves the right to require additional substantiation of any item of claimed expense.

III. REIMBURSEMENTS

- a. The City will reimburse Special Counsel for the following expenses, and for no other expenses:
 - Actual printing costs;
 - Copying costs at \$.12 / page (for legal documents and file materials, but not library materials);
 - Actual cost of postage (including express mail delivery charges);
 - Facsimile charges at the rate of \$0.25 per page;
 - Computer research support services (e.g., Westlaw, LEXIS or computer time or services) at actual cost, but not to exceed 15% of the total fees for all legal services;
 - Actual cost of long distance telephone calls;
 - Transcription and reporter's fees; and
 - Reasonable travel. The City does not pay for meals unless Attorney is required to be away from office for one full day. All meals and/or travel reimbursements will be subject to approval by the City Attorney. Travel expenses are limited to the lesser of actual expenses or expenses that would be authorized for City employee travel pursuant to City policy.
- b. The City Attorney must approve in advance any single reimbursement item in excess of \$250.

Exhibit B

- c. Any expense other than those listed in section “a.” must be approved by the City Attorney in writing and in advance in an approved budget.
- d. No compensation shall be allowed for administrative overhead or premiums added to the direct cost of research support or other services.
- e. Court filings shall be prepared in a timely manner so that “rush” or “expedited” messenger fees are not incurred.
- f. Messenger and other charges in excess of actual costs are not permitted. City does not allow cost, plus a percentage, for actual outside costs
- g. City does not pay for secretarial time or secretarial overtime. City does not pay attorneys or paralegals for secretarial tasks or tasks that should not be included in Special Counsel’s overhead. For example, faxing, mailing, arranging for messengers and calendaring are not acceptable charges.
- h. City does not pay for billing or discussions of bills, including discussions initiated by the City or City’s requests for additional information about a bill.
- i. The practice of minimum billing charges is prohibited. Please charge for actual time spent. For example, a minimum of .2 for phone calls or .4 for letters is unreasonable unless it is an accurate measure of time spent.
- j. Do not charge for file opening or file closing. These are not true legal services, tasks or adequate descriptions of legal activities.

Exhibit C

PROJECT PLAN AND BUDGET

Project plans and budgets should conform to the following guidelines:

- a. The project plan shall include a projection of recommended strategies and actions to be taken in the project and a range of costs for each such strategy or action.
- b. If the scope of work includes representation of the City in litigation, the project plan shall include the following elements, with explanations:
 - Anticipated total costs;
 - The primary issues;
 - The probability of success; and
 - A settlement/trial recommendation

The project plan will be modified during the litigation as the need arises.

- c. The project budget shall include an estimate of the attorneys' hours and fees and disbursements during each phase and/or activity. All anticipated expenses must be listed and costs estimated.
- d. In the event of litigation, the project budget shall include, but not be limited to, estimates for:
 - Pre-commencement (legal and factual research for the complaint or answer);
 - Pleadings;
 - Preliminary motions;
 - Initial discovery;
 - Factual investigation of merits (interviewing clients, employees and third parties);
 - Review and abstract City's documents;
 - Expert (non-medical) investigation and reports;
 - Medical experts and examinations;
 - Legal research on merits;
 - More thorough discovery (including the identity of deponents and expected costs of each deposition and preparation);
 - Settlement negotiations;
 - Trial preparation; and
 - Trial.
- e. The project budget should include the anticipated cost of each line item, the time allotted to complete it and the professional level of the person handling it.
- f. The project budget is not a fixed fee agreement and is subject to revision.
- g. Special Counsel shall provide revisions to the project plan or budget at the request of the City Attorney.

Exhibit C

- h. Special Counsel understands and agrees that major unjustified deviations from the project budget, or failure to timely submit a project budget or revisions, if requested, may constitute a breach and result in termination of this Agreement.

Exhibit D

California Joint Powers Risk Management Authority
Mandatory Case Reporting Policy

Pursuant to Section VII (Conditions) of the Memorandum of Coverage, the following rule is applicable to all cases reported to CJPRMA.

The Authority shall be entitled to complete access to the covered party's claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The covered party shall be responsible to report the progress of the litigation and any significant developments at least quarterly to the Authority, and to provide the Authority with simultaneous copies of all correspondence provided to the covered party by its defense attorneys and/or its agents.

In addition, the CJPRMA Board of Directors has adopted the following mandatory case reporting standards:

- 1) Defense counsel is expected to provide a written analysis of liability and exposure in any reported claim no later than ninety days following receipt of the file from the member agency. CJPRMA understands that the liability picture may develop as discovery is ongoing, but this does not excuse the responsibility of providing an early, objective analysis of the file, subject to later developments. An early analysis not only permits the JPA member to set an accurate reserve level, but also permits the member entity to decide whether to actively litigate the case, try to settle the case, or limit discovery based upon the exposure.
- 2) The initial status report should provide, at a minimum, a brief synopsis of the facts giving rise to the lawsuit; the status of the pleadings, including any discussions of demurrers or motions to dismiss, or cross-complaints; a summary and analysis of plaintiff's injuries, damages and exposures in the case; an initial impression of liability; any requests for additional investigation; a brief outline of the discovery planned; and an evaluation of anticipated litigation costs. The report need not be lengthy, and typically might not exceed three to five pages, but must address the issues directly and in a straightforward manner so that the member entity and CJPRMA can set cost and loss reserves as necessary.
- 3) Defense counsel is responsible to report, in writing, the setting of a trial date, settlement conference date, hearing date on motion for summary judgment or similar dispositive motion in any litigated case, within one week of the date on which a court establishes such date.
- 4) Defense counsel is responsible to report, in writing, all settlement demands or offers within one week of the time the offer is made or the demand is received.

Exhibit D

- 5) Defense counsel is responsible to report, in writing, on the substance of all depositions taken in the case. This need not be a multi-page deposition summary, but must, at a minimum, include a concise report of major events occurring at the deposition, and an evaluation of the effect of the deposition testimony on the case.
- 6) Finally, no later than sixty days before the date set for trial in any case, defense counsel is responsible to report, in writing, on (1) an assessment of liability in the case, (2) the adverse potential exposure if liability is found, (3) a concise summary of injuries sustained and/or claims, (4) an assessment of any other factors (such as local jury tendencies, appearance of important witnesses, etc.) that may affect the liability analysis or exposure assessment, and (5) an opinion on the settlement value of the case.
- 7) All status reports from defense counsel must be copied to the CJPRMA Board member whose entity is involved in the claim.

This policy is designed to protect the member entity and CJPRMA, so that they can make informed litigation decisions on reported cases. Past experience has shown that defense counsel retained by the member entities of CJPRMA are high-caliber, hard working attorneys who have done very well for their clients, and CJPRMA is grateful for their efforts. Defense counsel are cautioned, however, that case reporting is given a high priority by CJPRMA and its members, and is a major consideration in evaluating counsel's performance.

Exhibit E

LITIGATION GUIDELINES

The following guidelines should be followed when the scope of work includes representing the City in litigation:

- a. The Special Counsel shall consult the City Attorney regarding the component parts of litigation handled so that the City Attorney, in consultation with the City Council, if necessary, can determine whether a particular activity is reasonable in light of its costs and benefits.
- b. The City Attorney must approve the identity and number of staff assigned to the litigation, and any changes.
- c. All pleadings shall be submitted to the City Attorney for review prior to filing.
- d. Copies of major work product, pleadings, motions, orders, decisions, research memoranda, reports on significant developments, and quarterly status reports shall be submitted to keep the City Attorney advised of any major developments in the lawsuit. Such copies shall be provided in electronic format compatible with software in the City Attorney's office.
- e. Generally, the City Attorney will rely upon Special Counsel for guidance on litigation strategy. Nonetheless, prior approval from the City Attorney is necessary for demurrers, motions for summary judgment and discovery motions.
- f. City expects that Special Counsel will resolve all discovery disputes without court intervention. If this is impossible due to the conduct of others, please inform the City Attorney immediately. City's intent is to have discovery be fair and open with the money spent on reviewing relevant items that are discovered, not on discovery battles.
- g. Provide full descriptions of legal tasks performed. This will help the City Attorney follow case development and understand Firm's strategy.
- h. Some types of litigation-related expenses require prior approval by the City Attorney, including, but not limited to, experts and investigators. Expenses over a certain dollar amount always require prior approval. See Section III (Reimbursements) of Exhibit B (Billing Protocols and Guidelines) of this Agreement for a list of those expenses that may be reimbursed.

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: In November 2017, the Rent Board entered into a contract with Dr. Kenneth Baar for the preparation of Rent Adjustment Regulations. The original contract expires in June 2018. A contract amendment is necessary to extend the term of the contract through Fiscal Year 2018-19 to allow Dr. Baar to continue providing consulting services to the Rent Board and Rent Program Department utilizing funds allocated in the first contract amendment, approved by the Rent Board in April 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 checked="" type="checkbox"/> Other: <u>CONSENT CALENDAR</u> |
| <input type="checkbox"/> Contract/Agreement | <input type="checkbox"/> Rent Board As Whole | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | |

RECOMMENDED ACTION: APPROVE an amendment to the contract for preparation of rent adjustment regulations for consideration by the Rent Board with Kenneth Baar extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:

F-7.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: SECOND AMENDMENT TO THE CONTRACT WITH KENNETH BAAR FOR PREPARATION OF RENT ADJUSTMENT REGULATIONS

STATEMENT OF THE ISSUE:

In November 2017, the Rent Board entered into a contract with Dr. Kenneth Baar for the preparation of Rent Adjustment Regulations. The original contract expires in June 2018. A contract amendment is necessary to extend the term of the contract through Fiscal Year 2018-19 to allow Dr. Baar to continue providing consulting services to the Rent Board and Rent Program Department utilizing funds allocated in the first contract amendment, approved by the Rent Board in April 2018.

RECOMMENDED ACTION:

APPROVE an amendment to the contract for preparation of rent adjustment regulations for consideration by the Rent Board with Kenneth Baar extending the term to June 30, 2019 – Rent Program (Nicolas Traylor 620-6564).

FISCAL IMPACT:

The proposed contract amendment does not extend the payment limit of the Board's existing contract. As such, there is no fiscal impact at this time. The funds remaining in the contract will "roll over" to the 2018-19 Fiscal Year.

DISCUSSION:

Dr. Kenneth Baar is a subject matter expert on Fair Return standards not just in California, but nationally and internationally. Dr. Baar assisted in the preparation of the Board's adopted Maintenance of Net Operating Income (MNOI) Rent Adjustment Regulation, has prepared a memorandum on capital improvement rent adjustment policy considerations, and is working on the development of a historically low rent adjustment petition.

Proposed Contract Amendments

Staff members are recommending an amendment to the contract with Dr. Kenneth Baar extending the term of the contract through the Fiscal Year 2018-19.

DOCUMENTS ATTACHED:

Attachment 1 – Second Contract Amendment

Attachment 2 – First Contract Amendment

Attachment 3 – Original Contract

**CITY OF RICHMOND RENT PROGRAM
CONTRACT AMENDMENT**

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6564
P.R. No: 21800706-00 Vendor No: 12940	P.O./Contract No: 4003
Description of Services: Provide consultation services to Rent Program Department.	
Amendment No. <u>2</u> modifies the: (2nd or subsequent amendments attach Amendment History page)	
<input type="checkbox"/> Term, Payment Limit and Service Plan	<input type="checkbox"/> Payment Limit and Service Plan
<input checked="" type="checkbox"/> Term	<input type="checkbox"/> Service Plan

The parties to this Contract Amendment do mutually agree and promise as follows:

1. Parties. The parties to this Contract Amendment are the City of Richmond, California, Rent Program (City), and the following named Contractor:

Company Name: Kenneth Baar
 Street Address: 17 Katrine Street
 City, State, Zip Code: West End, Queensland, 4101 Australia
 Contact Person: Kenneth Baar
 Telephone: (510) 717-2025 Email: kenbaar@aol.com
 Business License No: 40055945 / Expiration Date: November 14, 2018

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, individual dba as [specify:] _____
 other [specify:] _____

2. Purpose. This Contract Amendment is being entered into to amend the Contract between City and Contractor which was approved by the Rent Board or executed by the Executive Director on November 20, 2017, which **original** term commenced on November 20, 2017 and terminates June 30, 2018 with an **original** contract payment limit of \$9,999.00. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

3. Original Contract Provisions. The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

**ITEM F-7
ATTACHMENT 1**

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license for this Contract Amendment to be deemed to be in effect.

6. Insurance Coverage Updated and Maintained. Pursuant to the Original Contract, the Contractor shall provide the City with updated insurance certificates, and the Contractor shall maintain insurance coverage, for this Contract Amendment to be deemed to be in effect.

7. Signatures. These signatures attest the parties' agreement hereto:

CITY OF RICHMOND, CALIFORNIA
Rent Program

CONTRACTOR:

By _____ Date _____

Kenneth Baar

(*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

Title: Executive Director

By _____ Date _____

I hereby certify that the Original Contract and this Amendment have been approved by the Rent Board or executed by the Executive Director.

Title: _____

(*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By _____ Date _____
Rent Board Clerk

By: _____ Date _____

Title: _____

Approved as to form:

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313.

By _____
Staff Attorney

- List of Attachments:
1. Amendment Provisions
2. Updated Insurance Certificates

Contract Amendment between the City of Richmond and

Kenneth Baar

Amendment No.

2

P.O./Contract No.

4003**AMENDMENT PROVISIONS (TERM)**

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is

November 20, 2017

(Insert original contract commencement date)

and it terminates

June 30, 2019

(Insert new contract termination date)

unless sooner terminated as provided herein."

Contract Amendment between the City of Richmond and

Kenneth Baar

Amendment No.

P.O./Contract No.

2

4003

AMENDMENT PROVISIONS (AMENDMENT HISTORY)

The **first** Contract Amendment was approved by the Rent Board or executed by the Executive Director on November 20, 2017 for one or more of the following provisions (check those that apply):

- Increased contract payment limit by \$ 20,001.00 for a payment limit not to exceed \$ 30,000.00.
- Term Amendment (insert new termination date): _____
- Service Plan

The **second** Contract Amendment was approved by the Rent Board or executed by the Executive Director on June 12, 2018 for one or more of the following provisions (check those that apply):

- Increased contract payment limit by \$ 0.00 for a payment limit not to exceed \$ 30,000.00.
- Term Amendment (insert new termination date): June 30, 2019
- Service Plan

The **third** Contract Amendment was approved by the Rent Board or executed by the Executive Director on _____ for one or more of the following provisions (check those that apply):

- Increased contract payment limit by \$ _____ for a payment limit not to exceed \$ 30,000.00.
- Term Amendment (insert new termination date): _____
- Service Plan

The **fourth** Contract Amendment was approved by City Council of the City of Richmond or executed by the City Manager on _____ for one or more of the following provisions (check those that apply):

- Increased contract payment limit by \$ _____ for a payment limit not to exceed \$ 30,000.00.
- Term Amendment (insert new termination date): _____
- Service Plan

The **fifth** Contract Amendment was approved by City Council of the City of Richmond or executed by the City Manager on _____ for one or more of the following provisions (check those that apply):

- Increased contract payment limit by \$ _____ for a payment limit not to exceed \$ 30,000.00.
- Term Amendment (insert new termination date): _____
- Service Plan

**CITY OF RICHMOND RENT BOARD
CONTRACT AMENDMENT**

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: Nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6576
Vendor No: 12940 PR No: 21800706	P.O./Contract No: 4003
Description of Services: Provide consultation services to Rent Program Department.	
Amendment No. 1 modifies the payment limit.	

The parties to this contract amendment do mutually agree and promise as follows:

- Parties.** The parties to this Contract are the City Of Richmond Rent Board (herein referred to as the "City") and the following named Contractor:

Company Name: Kenneth Baar

Street Address: 17 Katrine Street

City, State, Zip Code: West End, Queensland, 4101 Australia

Contact Person: Kenneth Baar

Telephone: 510-717-2025

Email: kenbaar@aol.com

Business License No: 40055945

Expiration Date: 11/14/18

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation,
 individual dba as [specify:] _____,
 other [specify:] _____

- Purpose.** This Contract Amendment is being entered into to amend the Contract between City and Contractor which was approved by the Rent Board of the City of Richmond or executed by the Executive Director on November 20, 2017, which original term commenced on November 20, 2017, and terminates June 30, 2018, with an original contract payment limit of \$9,999.00. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by this reference.
- Original Contract Provisions.** The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.
- Amendment Provisions.** This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.
- City of Richmond Business License Active Status Maintained.** Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license for this Contract Amendment to be deemed in effect.

6. Insurance Coverage Updated and Maintained. Pursuant to the Original Contract, the Contractor shall provide the City with updated insurance certificates, and the Contractor shall maintain insurance coverage, for this Contract Amendment to be deemed in effect.

7. Signatures. These signatures attest the parties' agreement hereto:

RENT BOARD:

CONTRACTOR:

By:



(* The Corporation Chairperson of the Board, President or Vice President should sign below)

Title: Executive Director

By:



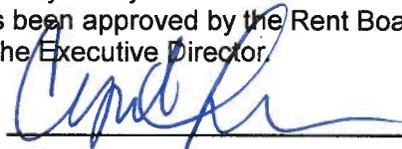
Title: Principal

I hereby certify that this Contract has been approved by the Rent Board or the Executive Director.

Date Signed:

March 14, 2018

By:

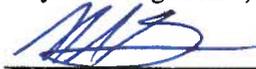


Board Clerk

(* The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign below)

Approved as to form:

By:



By:



Board Legal Counsel

Title:

Chair

Date Signed:

April 18, 2018

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) must be signed by (a) the Chairperson of the Board, President or Vice-President and (b) the Secretary any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.

LIST OF ATTACHMENTS:

Amendment Provisions Exhibit A

Standard Contract/EJ/TE 9-26-07

**EXHIBIT A
AMENDMENT PROVISIONS**

1. Paragraph 3 (Payment Limit) is hereby amended to increase the payment limit by \$20,001. Paragraph 3 of the Original Contract is hereby amended to read as follows:

"3. Payment Limit. City's total payments to Contractor under this Contract shall not exceed \$30,000. City shall not pay for services that exceed the Contract Payment Limit unless a contract amendment has been approved by the City Council, Rent Board, or Executive Director."

CITY OF RICHMOND RENT BOARD
STANDARD CONTRACT

Department: Rent Program	Project Manager: Nicolas Traylor
Project Manager E-mail: Nicolas_traylor@ci.richmond.ca.us	Project Manager Phone No: (510) 620-6576
Vendor No: 12940 PR No:	P.O./Contract No: 4003
Description of Services: Provide consultation services to Rent Program Department.	

The parties to this STANDARD CONTRACT do mutually agree and promise as follows:

1. **Parties.** The parties to this Contract are the City Of Richmond Rent Board (herein referred to as the "City") and the following named Contractor:

Company Name: Kenneth Baar

Street Address: 17 Katrine Street

City, State, Zip Code: West End, Queensland, 4101 Australia

Contact Person: Kenneth Baar

Telephone: 510-717-2025

Email: kenbaar@aol.com

Business License No: 40055945

Expiration Date: 11/14/18

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation,
 individual dba as [specify:] _____,
 other [specify:] _____

2. **Term.** The effective date of this Contract is November 20, 2017, and it terminates June 30, 2018, unless terminated as provided herein.
3. **Payment Limit.** City's total payments to Contractor under this Contract shall not exceed \$9,999. City shall not pay for services that exceed the Contract Payment Limit unless a contract amendment has been approved by the Rent Board or Executive Director.
4. **Contractor's Obligations.** Contractor shall provide those services and carry out that work described in the Service Plan (Exhibit A) which is attached hereto and is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
5. **City Obligations.** City shall make to the Contractor those payments described in the Payment Provisions (Exhibit B) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

ITEM F-7
ATTACHMENT 3

For the Contract between the City of
Richmond Rent Board and

KENNETH BAAR

6. Authorized Representatives and Notices. This Contract is subject to the Authorized Representatives and Notices Provisions (Exhibit C) which are attached hereto and are incorporated herein by reference.
7. General Conditions. This Contract is subject to the General Conditions (Exhibit D) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
8. Special Conditions. This Contract is subject to the Special Conditions (Exhibit E) (if any) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
9. Insurance Provisions. This Contract is subject to the Insurance Provisions (Exhibit F) which are attached hereto and are incorporated herein by reference.
10. Signatures. These signatures attest the parties' Contract hereto:

RENT BOARD:

By: 

Title: Executive Director

I hereby certify that this Contract has been approved by the Rent Board or the Executive Director.

By: 

Board Clerk

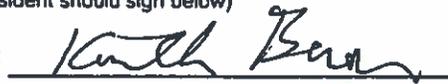
Approved as to form:

By: 

Board Legal Counsel

CONTRACTOR:

(* The Corporation Chairperson of the Board, President or Vice President should sign below)

By: 

Title: Principal

Date Signed: Nov 30, 2017

(* The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign below)

By: _____

Title: _____

Date Signed: _____

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) must be signed by (a) the Chairperson of the Board, President or Vice-President and (b) the Secretary any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.

**ITEM F-7
ATTACHMENT 3**

For the Contract between the City of
Richmond Rent Board and

KENNETH BAAR

LIST OF ATTACHMENTS:

Service Plan	Exhibit A
Payment Provisions	Exhibit B
Authorized Representatives and Notices	Exhibit C
General Conditions	Exhibit D
Special Conditions	Exhibit E
Insurance Provisions	Exhibit F

Standard Contract/EJ/TE 9-26-07

**EXHIBIT A
SERVICE PLAN**

Contractor shall, to the satisfaction of the Rent Board or Executive Director, perform the following services and be compensated as outlined below:

SCOPE OF SERVICES

1. Prepare a memo and agenda report for consideration by the Rent Board on "fair return standards" as referenced in Richmond Municipal Code Section 11.100.070, including discussion of policy and legal issues.
2. Draft Rent Board regulations setting forth substantive standards applicable to fair return applications.
3. Attend a public hearing on fair return issues subject to the condition that the hearing is held between December 20, 2017, and January 12, 2018, either on December 20th or a date agreed upon by Contractor and the City.
4. Provide comments and analysis on other policy and legal matters as agreed to by contractor and Executive Director.

RATE

Contractor will be compensated at a rate of \$290 per hour, in an amount not to exceed \$9,999, with the approval of the Executive Director.

Contractor shall not bill for travel time.

EXHIBIT B
PAYMENT PROVISIONS

{PLEASE NOTE THAT THE RENT PROGRAM SHALL NOT PAY FOR SERVICES THAT EXCEED THE CONTRACT PAYMENT LIMIT UNLESS A CONTRACT AMENDMENT HAS BEEN APPROVED BY THE RENT BOARD OR EXECUTIVE DIRECTOR}

1. Provided Contractor is not in default under this Contract, Contractor shall be compensated as provided below.
2. Any and all payments made pursuant to this Contract shall be subject to the Contract Payment Limit. The Payment Limit includes expenses (phones, photo copying, meals and travel, etc.) Invoices, shall be adequately detailed, based on accurate records, and be in a form reasonably satisfactory to the City. Contractor may be required to provide back-up material upon request.
3. Contractor shall submit timely invoices to the following address:

Attention: City of Richmond Finance Department - Accounts Payable

Project Manager: Nicolas Traylor

P.O. Box 4046

Richmond, CA 94804

4. All invoices that are submitted by Contractor shall be subject to the approval of the City Project Manager, Nicolas Traylor before payments shall be authorized.
5. The City will pay invoice(s) within 45 days after completion of services to the City satisfaction. The City shall not pay late fees or interest.
6. A Richmond business license shall be obtained before any payment under this Contract shall be authorized and the business license must be kept current during the term of this Contract for payments to continue to be authorized.
7. All insurance coverage required by this Contract shall be provided by

the Contractor before this Contract shall be executed by the City.
The insurance coverage must be kept current during the term of this
Contract for payments to continue to be authorized.

EXHIBIT C
AUTHORIZED REPRESENTATIVES AND NOTICES

1. **Notices.** All notices, demands, statements, or communications provided for by this Contract shall be in writing and may be delivered by deposit in the United States mail, postage prepaid. Notices to the City shall be addressed to the Department Head and (as delineated below in section 1.1) to the project manager responsible for the administration of or the supervision of the scope of work under this Contract. Notices to the Contractor shall be emailed to Kenbaar@aol.com and if Contractor does not confirm receipt within two days, shall be sent by overnight mail to 449 15th street, suite 301, Oakland, Ca. 94612, and addressed to the party designated by Contractor (as delineated below in section 1.2). Notice to City shall be deemed delivered (a) as of the fifth business day after mailing by United States certified mail, postage prepaid, addressed to the proper party; or (b) as of 12:00 p.m. on the second business day immediately after the day it is deposited with and accepted by Federal Express, or a similar overnight courier service, addressed to the proper party and marked for next business day delivery. For the purposes of this Contract, a "business day" means any day Monday through Friday that is not a holiday recognized by the federal government or the State of California.

- 1.1 City hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

Nicolas Traylor

City Of Richmond Rent Program

440 Civic Center Plaza, Suite 200

Richmond, CA 94804

- 1.2 CONTRACTOR hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

Kenneth Baar

kenbaar@aol.com

EXHIBIT D
GENERAL CONDITIONS

1. **Independent Contractor.** Contractor acknowledges, represents and warrants that Contractor is not a regular or temporary employee, joint venturer or partner of the City, but rather an independent Contractor. This Contract shall not be construed to create an agency, servant, employee, partnership, or joint venture relationship. As an independent Contractor, Contractor shall have no authority to bind City to any obligation or to act as City's agent except as expressly provided herein. Due to the independent Contractor relationship created by this Contract, City shall not withhold state or federal income taxes, the reporting of which shall be Contractor's sole responsibility.
2. **Brokers.** Contractor acknowledges, represents and warrants that Contractor has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
3. **City Property.** The rights to applicable plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Contract, which, upon request, are to be delivered to City within a reasonable time, shall be deemed assigned to City. If applicable, Contractor shall prepare check prints upon request. Notwithstanding the foregoing, Contractor shall not be obligated to provide to City proprietary software or data which Contractor has developed or had developed for Contractor's own use; provided, however, that Contractor shall, pursuant to Section 15 below, indemnify, defend and hold harmless City from and against any discovery or Public Records Act request seeking the disclosure of such proprietary software or data.
4. **Patents, Trademarks, Copyrights and Rights in Data.** Contractor shall not publish or transfer any materials, discoveries, developments, concepts, designs, ideas, know how, improvements, inventions and/or original works of authorship resulting from activities supported by this Contract without the express prior written consent of the City Manager. If anything resulting from activities supported by this Contract is patentable, trademarkable, copyrightable or otherwise legally protectable, City reserves the exclusive right to seek such intellectual property rights. Notwithstanding the foregoing, Contractor may, after receiving City's prior written consent, seek patent, trademark, copyright or other intellectual property rights on anything resulting from activities supported by this Contract. However, City reserves, and Contractor irrevocably grants, a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with the right to transfer, sublicense, practice and exploit said license and the right to make, have made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute under all applicable intellectual properties

without restriction of any kind said license.

Contractor further agrees to assist City, at City's expense, in every proper way to secure the City's rights in any patents, trademarks, copyrights or other intellectual property rights relating thereto, including the disclosure to City of all pertinent information and data with respect thereto. Contractor shall also assist City in the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which City shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, to waive such rights. Contractor shall further assist City in the execution of all applications, specifications, oaths, assignments, recordations and all other instruments which City shall deem necessary in order to assign and convey to City, and any assigns and nominees the sole and exclusive right, title and interest in and to any patents, trademarks, copyrights or other intellectual property rights relating thereto. Contractor further agrees that its obligation to execute or cause to be executed, when it is in Contractor's power to do so, any such instruments or papers shall continue during and at all times after the end of Contractor's services and until the expiration of the last such intellectual property right. Contractor hereby irrevocably designates and appoints City, and its duly authorized officers, agents and servants, as its agent and attorney-in-fact, to act for and in its behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters of patents, copyright and other registrations. This power of attorney is coupled with an interest and shall not be affected by Contractor's subsequent incapacity.

5. Inspection. Contractor's performance, place of business and records pertaining to this Contract are subject to monitoring, inspection, review and audit by authorized representatives of the CITY, the State of California, and the United States Government.

If the project or services set forth in Exhibit A shall be performed on City or other public property, City shall have the right to inspect such work without notice. If such project or services shall not be performed on City or other public property, City shall have the right to inspect such work upon reasonable notice.

6. Services. The project or services set forth in Exhibit A shall be performed to the full satisfaction and approval of City. In the event that the project or services set forth in Exhibit A are also itemized by price, City, in its sole discretion, may, upon notice to Contractor, delete certain items or services set forth in Exhibit A, in which case there shall be a corresponding reduction in the amount of compensation paid to Contractor.

Contractor shall, at its own cost and expense, furnish all facilities and equipment necessary for Contractor to complete the project or perform the services required herein, unless otherwise provided in Exhibit A.

7. **Records.** Contractor shall keep and make available for inspection and copying by authorized representatives of the City, the State of California, and the United States Government, the Contractor's regular business records and such additional records pertaining to this Contract as may be required by the City.

Contractor shall retain all documents pertaining to this Contract for a period of five (5) years after this Contract's termination (or for any further period that is required by law) and until all Federal or State audits are complete and exceptions resolved for this contract's funding period. Upon request, CONTRACTOR shall make these records available to authorized representatives of the CITY, the State of California, and the United States Government.

Contractor shall keep full and detailed accounts, maintain records, and exercise such controls as may be necessary for proper financial management under this Contract. The Contractor's accounting and control systems shall be satisfactory to City. Contractor's accounting systems shall conform to generally accepted accounting principles and all records shall provide a breakdown of total costs charged under this Contract, including properly executed payrolls, time records, utility bills, invoices and vouchers. The City shall be afforded prompt access to Contractor's records, books, and Contractor shall preserve such project records for a period of at least five (5) years after the termination of this Contract, or for such longer period as may be required by law.

Contractor shall permit City and its authorized representatives and accountants to inspect, examine and copy Contractor's books, records, accounts, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the project or services set forth in Exhibit A, and any and all data relevant to this Contract at any reasonable time for the purpose of auditing and verifying statements, invoices, or bills submitted by Contractor pursuant to this Contract and shall provide such assistance as may be reasonably required in the course of such inspection. Contractor shall also allow City access to the record keeping and accounting personnel of Contractor. City further reserves the right to examine and re-examine said books, records, accounts, and data during the five (5) year period following the termination of this Contract; and Contractor shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatever for five (5) years after the termination of this Contract.

Pursuant to California Government Code § 10527, the parties to this Contract shall be subject to the examination and audit of representatives of the Auditor General of the State of California for a period of three (3) years after final payment under this Contract. The examination and audit shall be confined to those matters connected with the performance of this Contract including, but not limited to, the cost of administering this Contract.

8. **Changes and Extra Work.** All changes and/or extra work under this Contract shall be performed and paid for in accordance with the following:

Only the City Council or the City Manager may authorize extra and/or changed work. Contractor expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Contractor to secure the authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Contractor thereafter shall be entitled to no compensation whatsoever for performance of such extra and/or changed work.

If Contractor is of the opinion that any work which Contractor has been directed to perform is beyond the scope of this Contract and constitutes extra work, Contractor shall promptly notify City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Contract and constitutes extra work. In the event that City determines that such work does constitute extra work, City shall provide extra compensation to Contractor on a fair and equitable basis. A change order or Contract Amendment providing for such compensation for extra work shall be negotiated between City and Contractor and executed by Contractor and the appropriate City official.

In the event City determines that such work does not constitute extra work, Contractor shall not be paid extra compensation above that provided herein and if such determination is made by City staff, said determination may be appealed to the City Council; provided, however, a written appeal must be submitted to the City Manager within five (5) days after the staff's determination is sent to Contractor. Said written appeal shall include a description of each and every ground upon which Contractor challenges the staff's determination.

9. **Additional Assistance.** If this Contract requires Contractor to prepare plans and specifications, Contractor shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Contractor shall issue

any necessary addenda to the plans and specifications as requested. In the event Contractor is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of Section 8 of these General Conditions.

10. Professional Ability. Contractor acknowledges, represents and warrants that Contractor and its employees are skilled and able to competently provide the services hereunder, and possess all professional licenses, certifications, and approvals necessary to engage in their occupations. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Contract. Contractor shall perform in accordance with generally accepted professional practices and standards of Contractor's profession. In the event that City, in its sole discretion, desires the removal of any person employed or retained by Contractor to perform services hereunder, such person shall be removed immediately upon receiving notice from City.
11. Business License. Contractor shall obtain a Richmond Business License before performing any services required under this Contract. The failure to so obtain such license shall be a material breach of this Contract and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual or extraordinary circumstances without necessitating any modification of this Contract to reflect such waiver.
12. Termination Without Default. Notwithstanding any provision herein to the contrary, City may, in its sole and absolute discretion and without cause, terminate this Contract at any time prior to completion by Contractor of the project or services hereunder, immediately upon written notice to Contractor. Contractor may terminate this Contract at any time in its sole and absolute discretion and without cause upon 30 days' written notice to City. In the event of termination by either party, Contractor shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; (2) necessary materials or services of others ordered by Contractor for this Contract, prior to receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, provided that Contractor is not able to cancel such orders. Compensation for Contractor in such event shall be determined by City in accordance with the percentage of the project or services completed by Contractor; and all of Contractor's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to City. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.

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13. **Termination in the Event of Default.** Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Contract, City may immediately terminate this Contract by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided in Section 12 of these General Conditions; provided, however, there shall be deducted from such amount the amount of damage, including attorney's fees, expert witness fees and costs, if any, sustained by City by virtue of Contractor's breach of this Contract. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.
14. **Conflict of Interest.** Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Contract. Contractor further acknowledges, represents and warrants that no City official or employee has any economic interest, as defined in Title 2, California Code of Regulations §§ 18703.1 through 18703.5, with Contractor that would invalidate this Contract. Contractor acknowledges that in the event that Contractor shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Contract, all consideration received under this Contract shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Contract for one (1) year.
15. **Indemnification.**
- (a) If this Contract is a contract for design professional services subject to California Civil Code Section 2782.8(a) and Contractor is a design professional, as defined in California Civil Code Section 2782.8(b)(2), Contractor shall hold harmless, defend and indemnify the City, its officers, agents, employees, and volunteers from and against any and all claims, damages, losses, and expenses including attorneys' fees arising out of, or pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Contractor, except where caused by the active negligence, sole negligence, or willful misconduct of the City. To the fullest extent permitted by law, Contractor shall immediately defend and indemnify the City and its officers, agents, employees, and volunteers from and against any and all liabilities, regardless of nature or type, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, any and all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Contractor's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party.
- (b) If this Contract is not a contract for design professional services subject to California Civil Code Section 2782.8(a) or Contractor is not a design professional as defined in California Civil Code Section 2782.8(b)(2), Contractor shall indemnify, defend, and hold harmless the City, its officers, agents, employees and volunteers from any and all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any

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person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by Contractor or any person directly or indirectly employed by, or acting as, the agent for Contractor in the performance of this Contract, including the concurrent or successive passive negligence of the City, its officers, agents, employees or volunteers.

- (c) It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Contractor shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its officers, agents, employees, and volunteers, immediately upon tender to Contractor of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Contractor are responsible for the claim does not relieve Contractor from its separate and distinct obligation to defend under this Section 15. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent counsel if Contractor asserts that liability is caused in whole, or in part, by the negligence or willful misconduct of an indemnified party.
- (d) The review, acceptance or approval of the Contractor's work or work product by any indemnified party shall not affect, relieve or reduce the Contractor's indemnification or defense obligations. This Section 15 survives completion of the services or the termination of this Contract. The provisions of this Section 15 are not limited by, and do not affect, the provisions of this Contract relating to insurance.
- (e) Acceptance of insurance certificates and endorsements required under this Contract does not relieve Contractor from liability under this Section 15. This Section 15 shall apply whether or not such insurance policies are determined to be applicable to any such damages or claims for damages.
16. **Safety.** Contractor acknowledges that the City is committed to the highest standards of workplace safety. Contractor shall perform all work hereunder in full compliance with applicable local, state and federal safety requirements including but not limited to Occupational Safety and Health Administration requirements, and shall assume sole and complete responsibility for the safety of Contractor's employees and any subcontractor's employees. If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Contract, Contractor shall immediately notify the City by telephone.
17. **Insurance.** Insurance requirements are set forth in Exhibit F to this Contract. Contractor shall abide by the insurance requirements set forth in said Exhibit F.
18. **Non-Liability of Officials and Employees of the City.** No official or employee of the City shall be personally liable for any default or liability under this Contract.

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19. **Compliance with Laws.** Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Contract, including without limitation environmental laws, employment discrimination laws and prevailing wage laws. Compliance under this provision includes compliance with all provisions of the Richmond Municipal Code ("Municipal Code"), including Chapters 2.50, 2.52, 2.56, and 2.60, if applicable.

Contractor acknowledges that under § 2.60.070 of the Municipal Code ("Living Wage Ordinance"), Contractor shall promptly provide to City documents and information verifying its compliance with the Living Wage Ordinance. Also as prescribed in § 2.60.070, Contractor shall notify each of its affected employees with regards to the wages that are required to be paid pursuant to the Living Wage Ordinance.

Contractor shall comply with § 2.28.030 of the Municipal Code, obligating every Contractor or subcontractor under a contract or subcontract with the City for public work or for goods or for services to refrain from discriminatory employment or subcontracting practices on the basis of race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee, any applicant for employment or any potential subcontractor.

Contractor acknowledges that the City's Drug Free Workplace Policy, Violence in the Workplace Policy and the Policy Against Workplace Harassment, are available on the City's website at <http://www.ci.richmond.ca.us/workplacepolicies> . Contractor agrees to abide by the terms and conditions of said policies.

20. **Limitations upon Subcontracting and Assignment.** This Contract binds the heirs, successors, assigns and representatives of Contractor. The Contractor shall not enter into subcontracts for any work contemplated under this Contract and shall not assign this Contract, nor any portion hereof or monies due or to become due, without the prior written consent of the City Council or its designee.

Contractor acknowledges that the services which Contractor shall provide under this Contract are unique, personal services which, except as otherwise provided herein, Contractor shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in City's sole and absolute discretion. In the event that City, in writing, approves any assignment or subletting of this Contract or the retention of subcontractors by Contractor, Contractor shall provide to City upon request copies of each and every subcontract contract prior to the execution thereof by Contractor and subcontractor. Any assignment by Contractor of any or all of its rights under this Contract without first obtaining City's prior written consent shall be a default under this Contract.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor (if applicable), or of the interest of any general partner or joint venturer or syndicate member if Contractor is a partnership or joint-venture or syndicate, which shall result in a change of control of Contractor, shall be deemed an assignment. For this purpose, control shall mean fifty percent or more of the voting power or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

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21. **Integration.** This Contract constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Contractor and City may be used to assist in the interpretation of the Exhibits to this Contract.
22. **Modifications and Amendments.** This Contract may be modified or amended only by a change order or Contract Amendment executed by both parties and approved as to form by the City Attorney.
23. **Conflicting Provisions.** In the event of a conflict between these General Conditions and those of any Exhibit or attachment hereto, these General Conditions shall prevail; provided, however, that any Special Conditions as set forth in Exhibit E shall prevail over these General Conditions. In the event of a conflict between the terms and conditions of any two or more Exhibits or attachments hereto, those prepared by City shall prevail over those prepared by the Contractor, and the terms and conditions preferred by the City shall prevail over those preferred by the Contractor.
24. **Non-exclusivity.** Notwithstanding any provision herein to the contrary, the services provided by Contractor hereunder shall be non-exclusive, and City reserves the right to employ other Contractors in connection with the project.
25. **Exhibits.** All Exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit A which does not pertain to the project description, proposal, scope of services, or method of compensation (as applicable), or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Contract.
26. **Force Majeure.** Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such an obligation is prevented or delayed by reason of acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations enacted after the date of this Contract, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency or other reasons of a like nature not within the reasonable control of such party.
27. **Time of the Essence.** Time is of the essence of this Contract. Contractor and City agree that any time period set forth in Exhibit A represents their best estimates with respect to completion dates and both Contractor and City acknowledge that departures from the schedule may occur. Therefore, both Contractor and City will use reasonable efforts to notify one another of changes to the schedule. Contractor shall not be responsible for performance delays caused by others, or delays beyond Contractor's control, and such delays shall extend the times for performance of Contractor's work.
28. **Confidentiality.** Contractor agrees to comply with, and to require its employees, agents and partners to comply with, all applicable State or Federal statutes or regulations respecting confidentiality, including but not limited to, the identity of persons served under this Contract,

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their records, or services provided them, and assures that:

All applications and records concerning any individual made or kept by Contractor or any public officer or agency in connection with the administration of or relating to services provided under this Contract will be confidential, and will not be open to examination for any purposes not directly connected with the administration of such service.

No person will publish or disclose or permit or cause to be published or disclosed, any list of persons receiving services, except as may be required in the administration of such service.

29. **Third Parties.** Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Contract shall not be considered "third parties."
30. **Governing Law.** This Contract shall be construed in accordance with the law of the State of California without regard to principles of conflicts of law. This Contract is made in Contra Costa County, California, and any action relating to this Contract shall be instituted and prosecuted in the courts of Contra Costa County, California.
31. **Nonrenewal.** Contractor understands and agrees that there is no representation, implication, or understanding that the services provided by Contractor under this Contract will be purchased or renewed by the City under a new contract following expiration or termination of this Contract, and waives all rights or claims to notice or hearing respecting any failure by City to continue the purchase of all or any failure to continue purchase of all or any such services from Contractor.
32. **Claims.** Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 et seq. The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six months after accrual of the cause of action.
33. **Interpretation.** This Contract shall be interpreted as if drafted by both parties.
34. **Warranty.** In the event that any product shall be provided to the City as part of this Contract, Contractor warrants as follows: Contractor possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets any specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of one hundred and eighty (180) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Contractor, at Contractor's expense, including shipping.

For the Contract between the City of
Richmond Rent Board and

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35. **Severability.** In the event that any of the provisions or portions or applications thereof of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, City and Contractor shall negotiate an equitable adjustment in the provisions of the Contract with a view toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions or portions or applications thereof, shall not be affected thereby.
36. **Authority.** City warrants and represents that the signatory hereto (the Mayor of the City of Richmond or the City Manager) is duly authorized to enter into and execute this Contract on behalf of City. The party signing on behalf of Contractor warrants and represents that he or she is duly authorized to enter into and execute this Contract on behalf of Contractor, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Contract on behalf of Contractor.
37. **Waiver.** The waiver by City of any breach of any term or provision of this Contract shall not be construed as a waiver of any subsequent breach. Inspections or approvals, or statements by any officer, agent or employee of the City relating to the Contractor's performance, or payments therefore, or any combination of these acts, shall not relieve the Contractor's obligation to fulfill this Contract as prescribed; nor shall the City be thereby stopped from bringing any action for damages or enforcement arising from any failure to comply with any of the terms and conditions of this Contract.
38. **Possessory Interest.** If this Contract results in the Contractor having possession of, claim to or right to the possession of land or improvements, but does not vest ownership of the land or improvements in the same person, or if this Contract results in the placement of taxable improvements on tax exempt land (Revenue and Taxation Code 107), such interest or improvements may represent a possessory interest subject to property tax, and Contractor may be subject to the payment of property taxes levied on such interest.
39. **Performance and Final Acceptance.**

Contractor represents that it is experienced, qualified, registered, licensed, equipped, organized and financed to perform the services under this Contract.

Contractor shall perform the services under this Contract with that degree of skill and judgment normally exercised by professional firms performing services of a similar nature in the State of California, and shall be responsible for the professional quality, technical accuracy and coordination of the services it performs under this Contract. In addition to the other rights and remedies which City may have, Contractor shall, at its own expense, correct any services which fail to meet the above standard.

City shall provide Contractor an opportunity to cure errors and omission which may be disclosed during the review of submittals, with no increase in the authorized Contract Payment Limit. Should Contractor fail to make necessary corrections in a timely manner, such corrections shall be made by the City and the cost thereof shall be charged to Contractor.

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If warranted, City shall determine, and Contractor may request such determination, that Contractor has satisfactorily completed performance of this Contract. Upon such determination, City shall issue to Contractor a written Notice of Final Acceptance, after which Contractor shall not incur further costs under this Contract. Contractor shall respond to such Notice of Final Acceptance by executing and submitting to City a Release and Certificate of Final Payment.

40. Survival. The rights and obligations of the parties which by their nature survive termination or completion of the services covered by this Contract shall remain in full force and effect after termination or completion.

KENNETH BAAR

**EXHIBIT E
SPECIAL CONDITIONS**

The General Conditions are hereby amended to include the following modifications and/or provisions (if applicable):

Insurance requirements modified per Risk Manager on 10/10/17.

City has reviewed Contractor's insurance documents and has deemed that they meet contract conditions.

KENNETH BAAR

**EXHIBIT F
INSURANCE PROVISIONS**

During the entire term of this Contract and any extension or modification thereof, the CONTRACTOR shall keep in effect insurance policies meeting the insurance requirements specified in the insurance provisions which are attached hereto and incorporated herein by this reference.

**SEE MODIFIED INSURANCE REQUIREMENTS APPROVED BY RISK MANAGER
10/10/17.**

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: Section 11.100.070(b) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance provides no later than June 30 each year, the Board shall announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year. Adoption of a regulation is necessary to establish the amount of the 2018 Annual General Adjustment applicable to those tenancies that were in effect as of September 1, 2017.

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

- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing Regulation Other:
- Contract/Agreement Rent Board As Whole
- Grant Application/Acceptance Claims Filed Against City of Richmond
- Resolution Video/PowerPoint Presentation (contact KCRT @ 620.6759)

RECOMMENDED ACTION: ADOPT Regulation 17-11, establishing the 2018 Annual General Adjustment in the amount of 3.6% for tenancies commencing prior to September 1, 2017 – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

AGENDA ITEM NO:

G-1.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Charles Oshinuga, Staff Attorney

SUBJECT: REGULATION ESTABLISHING THE 2018 ANNUAL GENERAL ADJUSTMENT

STATEMENT OF THE ISSUE:

Section 11.100.070(b) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance provides no later than June 30 each year, the Board shall announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year. Adoption of a regulation is necessary to establish the amount of the 2018 Annual General Adjustment applicable to those tenancies that were in effect as of September 1, 2017.

RECOMMENDED ACTION:

ADOPT Regulation 17-11, establishing the 2018 Annual General Adjustment in the amount of 3.6% for tenancies commencing prior to September 1, 2017 – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

FISCAL IMPACT:

There is no fiscal impact to the City at this time.

DISCUSSION:

Background

As provided in Section 11.100.070(b)(1) of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance ("Ordinance") the Annual General Adjustment is equal to one hundred percent (100%) of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region) as reported by

ITEM G-1

the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year (Attachment 2).¹

No later than June 30 of each year, the Rent Board must announce the amount of the Annual General Adjustment for the current year. This adjustment is the Maximum Allowable Rent that may take effect September 1 of each year.

Calculation of the Maximum Allowable Rent

As written, Regulation 17-11 establishes a rent ceiling for Controlled Rental Units, equivalent to the Base Rent plus all applicable Annual General Adjustments. As such, landlords may choose to delay or “bank” application of an Annual General Adjustment for a particular year without losing the opportunity to use such an increase in the future. To reduce the risk of error, staff members utilize the U.S. Department of Labor, Bureau of Labor Statistics’ determination of the CPI in a given 12-month period. The chart in Attachment 2 contains the CPI percentage for the last 30 years.

The change in the Consumer Price Index and corresponding AGA for 2018 is 3.6%.

Next Steps

Staff members are currently drafting a revised rent increase notice template for Landlord use based on the new 2018 Annual General Adjustment. It is anticipated these forms will be published on the Rent Program website (www.richmondrent.org) upon adoption by the Rent Board.

In addition, staff members are planning a mass mailing to community members announcing the 2018 AGA, which is anticipated to be mailed in July 2018.

DOCUMENTS ATTACHED:

Attachment 1 – Regulation 17-11, Establishing the 2018 Annual General Adjustment

Attachment 2 – Bureau of Labor Statistics Consumer Price Index Table – All Urban Consumers

¹ Since the Consumer Price Index is not announced for the San Francisco-Oakland-San Jose region in March, staff established utilization of the amount published in February.

ITEM G-1 ATTACHMENT 1

RICHMOND RENT BOARD REGULATION 17-11 Regarding Establishment of the 2018 Annual General Adjustment

Whereas, the Richmond Fair Rent, Just Cause For Eviction and Homeowner Protection Ordinance (Chapter 11.100, Richmond Municipal Code) provides that no later than June 30 of each year the Board shall announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year. Section 11.100.070 (b), RMC; and

Whereas, the Annual General Adjustment shall equal one-hundred (100%) percent of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region, or any other successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics)(CPI) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year and

Whereas, on September 1, 2017, Landlords were entitled to increase the Maximum Allowable Rent in an amount not to exceed 3.4% for tenancies in effect prior to September 1, 2016, as provided in Richmond Municipal Code Section 11.100.070 (b) (3), assuming a Landlord served a Tenant with the legally required notice of a rent increase under State law; and

Whereas, the percentage increase in the CPI from 2017-2018, as set forth in recital 2, is 3.6%

**NOW, THEREFORE, THE RICHMOND RENT BOARD ADOPTS THE FOLLOWING
REGULATION:**

1. Richmond Municipal Code Section 11.100.070(a), establishes the Base Rent Ceiling as the Rent that was in effect on July 21, 2015, or, for tenancies that began after July 21, 2015, the rent that was charged at the inception of the tenancy, plus any adjustments of the Base Rent granted by the Board.
2. The 2018 Annual General Adjustment is not to exceed 3.6%.
3. The Annual General Adjustment granted by this Regulation shall become effective on September 1, 2018, provided that the landlord is otherwise entitled to the adjustment pursuant to the provisions of the Richmond Fair Rent, Just Cause For Eviction and Homeowner Protection Ordinance, and any other applicable Regulation.
4. Where the landlord is entitled to the adjustment pursuant to the provisions of the Richmond Fair Rent, Just Cause For Eviction and Homeowner Protection Ordinance, and any other applicable Regulation, the Annual General Adjustment granted by this Regulation does not automatically provide for a rent increase. A Landlord may increase Rent by the 2018 Annual General Adjustment for tenancies in effect prior to September 1, 2017, only if the Landlord (a) files a copy of the notice of the rent increase with the Board after serving the Tenant with such notice, (b) serves the Tenant with a legally required notice of a rent increase under State law and (c) thereafter files with the Board a copy of the proof of service of such notice to the Tenant, consistent with Richmond Municipal Code Section 11.100.060(s).

Databases, Tables & Calculators by Subject

SHARE ON: [f](#) [t](#) [in](#)

Change Output Options: From: To:
 include graphs include annual averages

[More Formatting Options](#)

Data extracted on: June 15, 2018 (2:34:21 PM)

CPI-All Urban Consumers (Current Series)

12-Month Percent Change

Series Id: CUURS49BSA0,CUUSS49BSA0

Not Seasonally Adjusted

Series Title: All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted

Area: San Francisco-Oakland-Hayward, CA

Item: All items

Base Period: 1982-84=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1988	5.2	4.0	4.7	3.4	4.1	4.4	4.4	5.1	4.7	4.4	4.2	4.4	4.4	4.3	4.5
1989	4.7	5.2	5.7	5.6	5.5	5.1	5.4	5.0	3.8	4.3	4.1	3.9	4.9	5.3	4.4
1990	3.6	4.2	3.3	4.2	3.6	4.3	3.8	3.9	5.7	5.6	5.9	6.0	4.5	3.8	5.2
1991	6.4	5.3	4.8	3.9	4.1	4.6	4.5	4.5	4.3	3.7	3.8	3.5	4.4	4.9	4.0
1992	2.6	3.6	4.1	4.3	4.2	3.1	2.9	2.6	2.9	3.4	3.1	3.2	3.3	3.6	3.0
1993	3.4	3.2	2.7	3.7	3.5	3.0	2.7	2.5	1.9	1.9	2.1	1.9	2.7	3.3	2.2
1994	1.7	1.3	1.7	0.8	1.0	1.4	1.9	2.2	2.0	1.6	1.8	1.6	1.6	1.3	1.8
1995	1.9	2.1	2.0	2.4	2.0	2.4	1.7	1.4	1.9	2.1	1.7	1.8	2.0	2.2	1.8
1996	1.7	1.8	1.2	1.6	2.5	2.3	2.9	2.7	2.6	2.8	3.0	2.6	2.3	1.9	2.8
1997	2.7	3.1	4.1	3.7	3.0	3.1	3.0	3.6	3.4	3.6	3.6	4.2	3.4	3.2	3.6
1998		3.4		3.1		3.4		3.3		2.9		3.0	3.2	3.3	3.1
1999		3.8		4.6		3.8		4.1		4.8		4.2	4.2	4.0	4.4
2000		4.2		3.8		4.2		4.7		4.7		5.5	4.5	4.0	4.8
2001		6.5		5.8		6.6		5.1		4.5		3.5	5.4	6.2	4.7
2002		1.8		2.1		1.2		1.3		1.4		1.4	1.6	1.9	1.4
2003		3.3		2.2		1.6		1.4		1.0		1.1	1.8	2.3	1.2
2004		0.2		0.5		1.4		1.2		2.0		2.2	1.2	0.7	1.7
2005		1.6		2.1		1.1		2.2		2.8		2.0	2.0	1.7	2.2
2006		2.9		3.2		3.9		3.8		2.5		3.4	3.2	3.2	3.3
2007		3.2		3.3		3.4		2.6		3.3		3.8	3.3	3.3	3.2
2008		2.8		2.9		4.2		4.2		3.6		0.0	3.1	3.3	3.0
2009		1.2		0.8		0.2		0.2		0.1		2.6	0.7	0.7	0.8
2010		1.8		1.7		1.1		1.0		0.9		1.5	1.4	1.7	1.1
2011		1.7		2.8		2.4		2.9		3.2		2.9	2.6	2.2	3.0
2012		3.0		2.1		2.6		2.8		3.2		2.2	2.7	2.6	2.8
2013		2.4		2.4		2.6		2.0		1.6		2.6	2.2	2.4	2.1
2014		2.4		2.8		3.0		3.0		3.2		2.7	2.8	2.7	3.0
2015		2.5		2.4		2.3		2.6		2.6		3.2	2.6	2.5	2.7
2016		3.0		2.7		2.7		3.1		3.6		3.5	3.0	2.8	3.2
2017		3.4		3.8		3.5		3.0		2.7		2.9	3.2	3.6	2.9
2018		3.6		3.2											

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: The Rent Board uses two different nomenclatures in adopting its Regulations (e.g numbered regulations, such as Regulation 17-01, and chaptered regulations, such as Regulation Chapter 8). This may be a source of confusion and complicate the task of locating and understanding the Regulations for the community. To minimize this potential confusion and improve accessibility, staff members are recommending centralization of existing Regulations, through a reformatting process known as "Chapterization." Because of the extent of work Chapterization presents, staff members have opted to take an incremental approach to this process. For the purposes of this meeting, staff members are recommending Chapterization of Regulation 17-01 and Regulation 17-03 into Chapter 2.

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

- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing Regulation Other:
- Contract/Agreement Rent Board As Whole
- Grant Application/Acceptance Claims Filed Against City of Richmond
- Resolution Video/PowerPoint Presentation (contact KCRT @ 620.6759)

RECOMMENDED ACTION: APPROVE the Chapterization of Regulation 17-01 and Regulation 17-03 into Chapter 2 and PROVIDE direction to staff regarding how future Chaptered Regulations should be presented to the Rent Board – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

AGENDA ITEM NO:

G-2.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Charles Oshinuga, Staff Attorney

SUBJECT: CHAPTERIZATION OF REGULATION 17-01 AND REGULATION 17-03
TO CHAPTER 2 OF THE REGULATIONS

STATEMENT OF THE ISSUE:

The Rent Board uses two different nomenclatures in adopting its Regulations (e.g. numbered regulations, such as Regulation 17-01, and chaptered regulations, such as Regulation Chapter 8). This may be a source of confusion and complicate the task of locating and understanding the Regulations for the community. To minimize this potential confusion and improve accessibility, staff members are recommending centralization of existing Regulations, through a reformatting process known as "Chapterization." Because of the extent of work Chapterization presents, staff members have opted to take an incremental approach to this process. For the purposes of this meeting, staff members are recommending Chapterization of Regulation 17-01 and Regulation 17-03 into Chapter 2.

RECOMMENDED ACTION:

APPROVE the Chapterization of Regulation 17-01 and Regulation 17-03 into Chapter 2 and PROVIDE direction to staff regarding how future Chaptered Regulations should be presented to the Rent Board – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

Currently, regulations adopted by the Rent Board to further the intent and purpose of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (Rent Ordinance) are decentralized and exist in two distinct formats: a chapter format

ITEM G-2

and an unchaptered format. As it exists, staff members find the formatting of the Regulations to be inconsistent with other rent control jurisdictions. Additionally, because the Regulations are not centralized, the public has expressed difficulty in locating the Regulations and staff members are concerned that inconsistent formatting may lead to the appearance that certain Regulations are more important than others. To minimize confusion and create consistency, staff members are proposing centralizing the Regulations into a Chapter format. Because of the extent of work Chapterization presents, staff members have opted to take an incremental approach to this process. Thus, Staff has started by first Chaptering Regulation 17-01 and Regulation 17-03 into Chapter 2. Staff members propose starting with these Regulations because they are relevant to the items being presented in conjunction with this item at the June 20, 2018, Regular Meeting.

Conclusion

Staff members recommend that the Rent Board approve the Chaptering of Regulation 17-01 and Regulation 17-03 into Chapter 2 and provide further direction to staff regarding how future Chaptered Regulations should be presented to the Board.

DOCUMENTS ATTACHED:

Attachment 1 – Chapter 2 of the Regulations

Attachment 2 – Regulation 17-01

Attachment 3 – Regulation 17-03

ITEM G-2 ATTACHMENT 1

Chapter 2: APPLICABILITY

200. Purpose

The purpose of this Chapter 2 is to describe those categories of properties which are exempt from the Ordinance and to provide a process and procedure for those Controlled Rental Units seeking to establish an exemption from this Ordinance.

201. Rental Units Exempt from both the Rent Control (R.M.C § 11.100.070) and Just Cause from Eviction (R.M.C § 11.100.050) Provisions of the Ordinance

- A. Rental Units in hotels, motels, inns, tourist homes and rooming and boarding houses that are rented primarily to transient guests for a period of fewer than 14 days;
- B. Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, or non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
- C. Rental Units for which there is a Temporary Tenancy, as defined in R.M.C § 11.100.030(q);
- D. Rental Units that are lawful and in compliance with the Small, Second Unit Ordinance of the City (R.M.C § 11.15.04) if the Primary Residence is occupied by the property owner; and
- E. Rental Units where the Rental Unit is the Primary Residence of the property owner and the property owner shares with a Tenant(s) a bathroom or kitchen.

202. Governmentally Subsidized Rental Units Exempt from the Rent Control Provisions of the Ordinance

The following rental units are exempt from the rent control (RMC 11.100.070), but not the just cause for eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental units in which a tenant household holds a Section 8 Housing Choice Voucher and where the rent not does exceed the Payment Standard as published by the U.S. Department of Housing and Urban Development.
- B. Rental units for which the rent is subsidized by the Project-Based Section 8 Program
- C. Rental units that are “rent restricted” in a Low Income Housing Tax Credit Program Project. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.
- D. Rental units for which the rent is subsidized by the Section 202 Supportive Housing for the Elderly Program

ITEM G-2 ATTACHMENT 1

E. Rental units that are “rent restricted” under a regulatory agreement between a governmental agency and a property owner. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

203. Other Rental Units Exempt from the Rent Control Provisions of the Ordinance

In addition to rental units that are exempt from rent control under R.M.C § 11.100.100.030 (d)(1)(2)(4) (5) and (6), rental units which a governmental unit, agency or authority owns, operates or manages are exempt from the rent control provisions of the Ordinance. Section 11.100.030 (d)(3), Richmond Municipal Code.

204. Exemption Only Applies if Rental Unit is in Compliance with Applicable Laws and Regulations

The exemption from rent control (RMC 11.100.070) as described in Section 202 and Section 203 of this Regulation only applies so long as the rental unit is in compliance with all applicable laws and regulations, and for which there is in effect (a) a tenant with a Section 8 Housing Choice Voucher in the rental unit, (b) the rental unit is in a Project-Based Section 8 Program, and/or (c) the rental unit is rent restricted under a regulatory agreement and/or declaration of restrictive covenants.

Nothing in this section shall preclude tenants residing in rental units described in Section 202 of this Regulation from seeking advice or assistance from the Rent Program concerning applicable provisions of the Ordinance and utilizing the remedies provided in the Ordinance to the extent permitted by Federal, State, and local law.

ITEM G-2 ATTACHMENT 2

RICHMOND RENT BOARD REGULATION 17-01

Regarding the Exemption of Certain Rental Units from Rent Control (RMC 11.100.070)

1. Purpose

The Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (“Ordinance”) provides that rental units in which governmentally subsidized Tenants reside are exempt from the rent control provisions of the Ordinance only if applicable federal, state or administrative regulations specifically exempt such units from municipal rent control. Section 11.100.030 (d)(3), Richmond Municipal Code. The purpose of this Regulation is to clarify the exemption from the rent control provisions of the Ordinance to certain rental units in which governmentally subsidized tenants reside because the rents for these units are already regulated through governmental regulation. Such units would still be subject to the just cause provisions of the Ordinance under Section 11.100.050.

2. Rental Units in Which Governmentally Subsidized Tenants Reside That are Exempt from the Rent Control Provisions of the Ordinance

The following rental units are exempt from the rent control (RMC 11.100.070), but not the just cause for eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental units in which a tenant household holds a Section 8 Housing Choice Voucher and where the rent not does exceed the Payment Standard as published by the U.S. Department of Housing and Urban Development.
- B. Rental units for which the rent is subsidized by the Project-Based Section 8 Program
- C. Rental units that are “rent restricted” in a Low Income Housing Tax Credit Program Project. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.
- D. Rental units for which the rent is subsidized by the Section 202 Supportive Housing for the Elderly Program
- E. Rental units that are “rent restricted” under a regulatory agreement between a governmental agency and a property owner. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

3. Other Rental Units That are Exempt from the Rent Control Provisions of the Ordinance

In addition to rental units that are exempt from rent control under Section 11.100.100.030 (d)(1)(2)(4) (5) and (6), Richmond Municipal Code, as implemented by Rent Board Regulation 17-03, rental units which a governmental unit, agency or authority owns, operates or manages are exempt from the rent control provisions of the Ordinance. Section 11.100.030 (d)(3), Richmond Municipal Code.

4. Exemption Only Applies if Rental Unit is in Compliance with Applicable Laws and Regulations

The exemption from rent control (RMC 11.100.070) as described in Section 2 of this Regulation 17-01 only applies so long as the rental unit is in compliance with all applicable laws and regulations, and for which there is in effect (a) a tenant with a Section 8 Housing Choice Voucher in the rental unit, (b) the rental unit is in a Project-Based Section 8 Program, and/or (c) the rental unit is rent restricted under a regulatory agreement and/or declaration of restrictive covenants.

ITEM G-2 ATTACHMENT 3

RICHMOND RENT BOARD REGULATION 17-03

Regarding Rental Units Exempt from the Rent Control and Just Cause for Eviction Provisions of the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (Chapter 11.100, Richmond Municipal Code)

The following Rental Units are exempt from the Rent Control (11.100.070) and the Just Cause for Eviction (11.100.050) provisions of the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance. Landlords of the following Rental Units are not required to file with the Board rental increase notices, changes in terms of tenancies or tenancy termination notices, or copies of a proof of service of such notices on a tenant:

- (a) Rental Units in hotels, motels, inns, tourist homes and rooming and boarding houses that are rented primarily to transient guests for a period of fewer than 14 days;
- (b) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, or non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
- (c) Rental Units for which there is a Temporary Tenancy, as defined in Section 11.100.030 (q), RMC;
- (d) Rental Units that are lawful and in compliance with the Small, Second Unit Ordinance of the City (Section 11.15.04 RMC) if the Primary Residence, as defined in Section 11.100.030 (h), RMC is occupied by the property owner; and
- (e) Rental Units where the Rental Unit is the Primary Residence of the property owner and the property owner shares with a Tenant(s) a bathroom or kitchen.

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: The purpose statement of Regulation 400 should be amended to ensure compliance with Civil Code 1947.7, a California statute that partially governs rent registration requirements promulgated by local jurisdictions. Staff members recommend amending Regulation 400 to contain a statement that clarifies that application of Civil Code 1947.7. In addition, Regulation 402 authorizes the Rent Program to implement rent registration but does not allow for the collection of Tenant information. As it is permitted under Civil Code 1947.7 and necessary to effectuate the purpose of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance ("Rent Ordinance"), staff members are requesting that tenant information be added to the list of registrable items, as well as a statement that would allow staff members to modify the list of registrable items when reasonably necessary.

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

- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing Regulation Other:
- Contract/Agreement Rent Board As Whole
- Grant Application/Acceptance Claims Filed Against City of Richmond
- Resolution Video/PowerPoint Presentation (contact KCRT @ 620.6759)

RECOMMENDED ACTION: AMEND Rent Board Regulation 400 to include a reference to Civil Code 1947.7, as amended, and AMEND Rent Board Regulation 402, authorizing the registration of tenant information and any other information reasonably requested by the Rent Program to effectuate the purpose of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

AGENDA ITEM NO:

G-3.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Charles Oshinuga, Staff Attorney

SUBJECT: AMENDMENTS TO REGULATIONS 400 AND 402

STATEMENT OF THE ISSUE:

The purpose statement of Regulation 400 should be amended to ensure compliance with Civil Code 1947.7, a California statute that partially governs rent registration requirements promulgated by local jurisdictions. Staff members recommend amending Regulation 400 to contain a statement that clarifies that application of Civil Code 1947.7. In addition, Regulation 402 authorizes the Rent Program to implement rent registration but does not allow for the collection of Tenant information. As it is permitted under Civil Code 1947.7 and necessary to effectuate the purpose of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance ("Rent Ordinance"), staff members are requesting that tenant information be added to the list of registrable items, as well as a statement that would allow staff members to modify the list of registrable items when reasonably necessary.

RECOMMENDED ACTION:

AMEND Rent Board Regulation 400 to include a reference to Civil Code 1947.7, as amended, and AMEND Rent Board Regulation 402, authorizing the registration of tenant information and any other information reasonably requested by the Rent Program to effectuate the purpose of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

Background

Staff members have reviewed the existing Regulations and discovered deficiencies that need to be reconciled with the edicts of the Rent Ordinance to ensure effective administration and compliance with the provisions of the Rent Ordinance. To that end, staff members are bringing forth two Regulations to be amended by the Rent Board. Staff members anticipate in the near future it will request the Rent Board consider additional amendments to existing Regulations for clarity and consistency. For now, staff members are proposing the Rent Board amend the following two Regulations:

- 1) Regulation 400 - Purpose
- 2) Regulation 402(A)(1) - Required Rent Registration

The purpose statement in Regulation 400 needs to be clarified to state compliance with Civil Code 1947.7 et seq, as amended.

Since Chapter 4 deals with registration requirements and fees, it elicits the principles set forth in Civil Code 1947.7 et seq. Not only does Code 1947.7 et seq., set forth the meaning of “substantial compliance,” it also partially governs registration requirements. In pertinent part, Civil Code 1947.7(g) authorizes the Rent Program to request that owners provide tenant information and permits the Rent Board to compel owners to provide tenant names. Additionally, Civil Code 1947.7(g) explains that tenant information gathered through a rent registry is confidential information consistent with the information practices act.

To ensure that the Rent Program’s registry and noncompliance findings are consistent with the principles espoused in Civil Code 1947.7 et seq., it is prudent that the Rent Board include a reference to said Civil Code in its Regulation. To that end, Staff is proposing amending Chapter 4’s purpose statement to include a reference to Civil Code 1947.7, et seq., as amended.

Regulation 402(A)(1) must be amended to include tenant name and information.

As mentioned in prior Rent Board meetings, staff members find rent registration necessary to effectuate the purposes of the Rent Ordinance. An integral piece of information in developing an effective registry is tenant information. Tenant information allows staff to determine the applicability of vacancy rent increases permitted by the Costa-Hawkins Rental Housing Act by allowing staff members to determine when all original occupants have vacated the Rental Unit. In addition, rent registration allows for the creation of a comprehensive inventory of the Rent Ceilings among all Controlled Rental Units, the validity of rent increases, and more accurately monitor eviction rates. Even the State has anticipated the integral nature of this information to a rent registry’s success, and pursuant to Civil Code 1947.7(g), has authorized the Rent Board to

ITEM G-3

request that owners provide tenant information and permits the Rent Board to compel owners to provide tenant names.

Furthermore, because Regulation 402(A)(1) does not currently identify tenant information as an element of rent registration, the Rent Board cannot launch rent registration in an effective manner. Staff members therefore propose an amendment to Regulation 402(A)(1) that includes the number of tenants occupying the unit and tenant names.

Additionally, to avoid possible future occurrences where the Rent Program must continuously seek approval from the Rent Board to gather pertinent and anticipated information through its registry, staff members are also recommending an additional amendment to Regulation 402(A)(1), to include a phrase that would permit staff to reasonably request information not specifically delineated in Regulation 402(A)(1). This would allow staff members the flexibility of addressing fluid issues on the ground.

Conclusion

For the aforementioned reasons, staff members are proposing amendments to Regulation 400 to broaden its purpose statement and to Regulation 402(A)(1), authorizing staff members to collect tenant information, namely the tenant's name and the number of tenant occupants residing in a dwelling unit, and include a general statement that would allow staff to gather additional pertinent information that is reasonably requested.

DOCUMENTS ATTACHED:

Attachment 1 – Regulation 400 (Redlined Version)

Attachment 2 – Regulation 400 (Clean Version)

Attachment 2 – Regulation 402 (Redlined Version)

Attachment 2 – Regulation 402 (Clean Version)

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ITEM G-3 ATTACHMENT 1

Chapter 4: REGISTRATION AND FEES

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. The purpose of this Chapter 4 is to enable the Rent Board to monitor and control allowable rents as mandated by the Ordinance, and to charge and collect fees for the purposes of covering the cost of administering the Ordinance. All registration requirements are subject to California Civil Code Section 1947.7 et.seq, as may be amended.

**ITEM G-3
ATTACHMENT 2**

Chapter 4: REGISTRATION AND FEES

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. The purpose of this Chapter 4 is to enable the Rent Board to monitor and control allowable rents as mandated by the Ordinance, and to charge and collect fees for the purposes of covering the cost of administering the Ordinance. All registration requirements are subject to California Civil Code Section 1947.7 et.seq, as may be amended.

ITEM G-3 ATTACHMENT 3

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 December 30, 2016, an explanation of the circumstances of the termination of the previous tenancy sufficiently detailed to demonstrate whether the unit qualifies for a vacancy rent increase or not, as described in Chapter 7 Vacancy Rent Increases;
 - d. The Base Rent currently in effect for each individual unit and the housing services included in the rent or the reason the Rental Unit is exempt from rent control and has no current Base Rent;
 - e. The number of Tenants occupying the unit and Tenants names; and
 - f. Such other information reasonably requested by the Rent Program.

- (2) Paid to the City of Richmond the Rental Housing Fee, Business License Tax, and any 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 termination of tenancies, subsequent changes in the provision of Housing Services, and rent increases if required pursuant to Regulation 17-10.

B. In designating a Rental Unit as properly registered, the Board's intent is to facilitate the rent registration and individual adjustment of Maximum Allowable Rent 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 Maximum Allowable Rent or any other information provided on the rent registration statement. Nothing in this Regulation shall preclude 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

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**ITEM G-3
ATTACHMENT 3**

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

**ITEM G-3
ATTACHMENT 4**

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 December 30, 2016, an explanation of the circumstances of the termination of the previous tenancy sufficiently detailed to demonstrate whether the unit qualifies for a vacancy rent increase or not, as described in Chapter 7 Vacancy Rent Increases;
 - d. The Base Rent currently in effect for each individual unit and the housing services included in the rent or the reason the Rental Unit is exempt from rent control and has no current Base Rent;
 - e. The number of Tenants occupying the unit and Tenants names; and
 - f. Such other information reasonably requested by the Rent Program.
- (2) Paid to the City of Richmond the Rental Housing Fee, Business License Tax, and any 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 termination of tenancies, subsequent changes in the provision of Housing Services, and rent increases if required pursuant to Regulation 17-10.

B. In designating a Rental Unit as properly registered, the Board's intent is to facilitate the rent registration and individual adjustment of Maximum Allowable Rent 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 Maximum Allowable Rent or any other information provided on the rent registration statement. Nothing in this Regulation shall preclude 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.

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- (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

ITEM G-3 ATTACHMENT 4

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

(2)

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: As staff members continue to serve and engage the public on a daily basis, it has become apparent that many landlords and tenants have questions regarding the applicability of the Rent Ordinance to their unit. In a majority of cases, the answer is straightforward, as the existing exemptions described in the Rent Ordinance squarely fits a given situation; however, there exist a handful of cases where the applicability of the Rent Ordinance is not so straightforward. In these cases, landlords and tenants seek official determinations as to the exempt status of a given unit. Because the current Regulations do not describe a process where such a formal determination can be issued, many landlords and tenants are left without clarity. Staff members are proposing the adoption of Regulations that would provide a process whereby a party can request an administrative determination and a subsequent hearing as to the exempt status of a particular unit or property.

INDICATE APPROPRIATE BODY

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|---|---|--|--|---|
| <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> | |

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|---|--|---------------------------------|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | |
| <input type="checkbox"/> Public Hearing | <input checked="" type="checkbox"/> Regulation | <input type="checkbox"/> Other: |
| <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: ADOPT (1) Regulation 205, authorizing Staff to process landlord requests for an administrative determination as to the applicability of the Rent Ordinance to a particular unit or property; (2) Regulation 206, creating an administrative determination process and procedure as it relates to request made to determine the applicability of the Rent Ordinance to a particular unit or property; (3) Regulation 207, authorizing a tenant petition challenging the exempt status of particular unit or property; (4) Regulation 416, authorizing petitions and procedures for rent-withholding based on a landlord's failure to comply with Reporting requirements set forth in Richmond Municipal Code Section 11.100.060(s), including failure to pay the Residential Rental Housing Fee; (5) Regulation 417, describing the parties to a petition brought under Regulation 416; (6) Regulation 418, permitting the Board to initiate a rent withholding process in lieu of a tenant petition; (7) Regulation 419, explaining that the principles of substantial compliance apply to petitions brought under Regulation 416; (8) Regulation 420, describing that if compliance occurs prior to the set hearing, the tenant petition must be dismissed; (9) Regulation 421, creating standards that a Hearing Officer's decision must meet; and (10) Regulation 424, authorizing the use of an escrow account to hold the withheld rent until compliance occurs – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

AGENDA ITEM NO:

G-4.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Charles Oshinuga, Staff Attorney

SUBJECT: REGULATIONS ADDING AN ADMINISTRATIVE DECISION AND PETITION AUTHORIZATION PROCESS TO ADDRESS DISPUTES RELATING TO EXEMPT STATUS OF A RENTAL UNIT AND RENT-WITHOLDING FOR NON-COMPLIANT RENTAL UNITS

STATEMENT OF THE ISSUE:

As staff members continue to serve and engage the public on a daily basis, it has become apparent that many landlords and tenants have questions regarding the applicability of the Rent Ordinance to their unit. In a majority of cases, the answer is straightforward, as the existing exemptions described in the Rent Ordinance squarely fits a given situation; however, there exist a handful of cases where the applicability of the Rent Ordinance is not so straightforward. In these cases, landlords and tenants seek official determinations as to the exempt status of a given unit. Because the current Regulations do not describe a process where such a formal determination can be issued, many landlords and tenants are left without clarity. Staff members are proposing the adoption of Regulations that would provide a process whereby a party can request an administrative determination and a subsequent hearing as to the exempt status of a particular unit or property.

In conjunction with the need to provide a process to determine the exempt status of a unit or property, staff members are also proposing a set of Regulations that would permit a tenant to file a petition based on a landlord's failure to comply with reporting requirements as described in Richmond Municipal Code Section 11.100.060(s). These Regulations would use existing petition, hearing, and appeals processes to properly aid in the adjudication of petitions.

RECOMMENDED ACTION:

ADOPT (1) Regulation 205, authorizing Staff to process landlord requests for an administrative determination as to the applicability of the Rent Ordinance to a particular unit or property; (2) Regulation 206, creating an administrative determination process

and procedure as it relates to request made to determine the applicability of the Rent Ordinance to a particular unit or property; (3) Regulation 207, authorizing a tenant petition challenging the exempt status of particular unit or property; (4) Regulation 416, authorizing petitions and procedures for rent-withholding based on a landlord's failure to comply with Reporting requirements set forth in Richmond Municipal Code Section 11.100.060(s), including failure to pay the Residential Rental Housing Fee; (5) Regulation 417, describing the parties to a petition brought under Regulation 416; (6) Regulation 418, permitting the Board to initiate a rent withholding process in lieu of a tenant petition; (7) Regulation 419, explaining that the principles of substantial compliance apply to petitions brought under Regulation 416; (8) Regulation 420, describing that if compliance occurs prior to the set hearing, the tenant petition must be dismissed; (9) Regulation 421, creating standards that a Hearing Officer's decision must meet; and (10) Regulation 424, authorizing the use of an escrow account to hold the withheld rent until compliance occurs – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

Background

Chapter 2 of the Rent Board's adopted Regulations outline which units are fully and/or partially exempt from the Rent Ordinance. However, the current Regulations lack a process whereby a landlord or tenant can challenge the existing exempt status of a rental unit or request an official determination of the applicability of the Rent Ordinance to a particular unit or property. This is an issue. In fact, many landlords and tenants have sought to challenge the applicability of the Rent Ordinance to a unit, but because the Regulations do not describe a process whereby such a decision can be rendered, many landlords and tenants are left unsatisfied with staff member's response to their inquiry. To remedy the situation, staff members are proposing a group of Regulations that would create a procedure for landlords and tenants to avail themselves to determine the applicability of the Rent Ordinance to a given unit.

Additionally, the exempt status of a rental unit often times elicits concerns related to compliance. When a unit is covered by the Ordinance, the landlord must adhere to specific reporting and notice filing requirements that may not have been followed if they were under the impression that a unit is exempt. For instance, if a landlord's property had been operating as an exempt property, but an administrative determination had been issued rendering the property not exempt from the Rent Ordinance, the landlord would owe the Residential Rental Housing Fee (including any late fees) and would need to comply with filing notice of rent increases, terminations, etc., with the Rent Program. When particular issues of noncompliance arise, the Rent Ordinance empowers tenants to withhold rent; however, the Regulations do not describe the procedures by which a

tenant can withhold rent due to a landlord's failure to adhere to the Rent Ordinance's reporting requirements. To address this issue, staff members are proposing a series of Regulations that would create a process whereby a tenant may bring a petition for rent withholding based on a failure to comply with reporting requirements as described in Richmond Municipal Code Section 11.100.060(s).

Regulations creating a process whereby landlords and tenants can request an official administrative determination regarding the applicability of the Rent Ordinance to a particular unit.

To execute its day-to-day task, staff members are authorized to make administrative decisions and determinations on various matters, including whether a unit falls within the purview of the Rent Ordinance. Where the issue is straightforward, administrative decisions regarding whether a unit falls within the purview of the Rent Ordinance are left undisputed. However, where the facts are less clear, a landlord or tenant may disagree with the determination made by a staff member. When such a disagreement arises, there is not currently a process where a landlord or tenant can challenge the determination made by a staff member. Because a determination as to the applicability of the Rent Ordinance vests particular rights and obligations on both landlords and tenants, it is prudent for staff members to create a formal process permitting petitions based on the exempt status of a particular unit or property. To that end, staff members are proposing a series of Regulations to address this issue.

The Regulations would permit a landlord to request a formal administrative determination as to the applicability of the Rent Ordinance to a particular property or unit, and it would create deadlines by which an administrative decision must be issued. The Regulations would also create standards an administrative determination would have to meet before its issuance, and it would authorize staff members to gather the information necessary to determine whether a unit or property falls within the purview of the Rent Ordinance. Finally, it would permit landlords to challenge administrative determinations through the hearing process, and it would allow for tenants to bring petitions challenging the exempt status of a particular unit or property. Such a tenant petition would be brought under a petition for rent-withholding.

The Rent Ordinance authorizes petitions and Rent Board action for Rent Withholding

Richmond Municipal Code Section 11.100.060(s)(2) authorizes tenants and the Rent Board to engage in a rent-withholding process based on failure to adhere to reporting requirements. This section is reproduced below:

“If the Board, after the Landlord has proper notice and after a hearing, determines that Landlord has willfully and knowingly failed to properly report, as described above, any rental increase notices, change of terms of tenancy or tenancy termination, or pay the rental housing fee, the Board may authorize the Tenant of such a non-reporting unit or where

the rent housing fee is unpaid to withhold all or a portion of the rent for the rental unit until such time as the rental housing fee is paid or notice filed.”

Despite the authorization of such petitions, the Rent Board currently lacks Regulations that describes the processes and procedures whereby a tenant and/or the Rent Board can exercise the aforementioned right. Given that staff members are proposing Regulations pertaining to the exempt status of a particular unit or property, staff members are anticipating a potential increase in complaint-driven issues. This increase may cascade into a need to address failures to adhere to the reporting requirements set forth in the Rent Ordinance.

Potential for enhanced compliance and tangential consequences

Over the past several months, staff members have continued to engage in efforts to increase compliance with the requirements of the Rent Ordinance and Rent Program. While such efforts have led to an increase in Residential Rental Housing Fee being paid, and greater compliance with particular notices being filed with the Rent Program, staff members recognize that there is much work to be done to increase compliance to a standard comparable to other successful rent programs. Consequently, staff members are working to retain a contract compliance officer in Fiscal Year 2018-19 and revamp its approach in its compliance enforcement. As staff members continue to increase compliance and enforcement-related activities, staff members anticipate there will be an increase in compliant-driven issues. To that end, staff members would like to ensure that the Rent Board and the community at large are in a position to address compliance issues that staff members or Richmond residents may discover. Thus, staff members find a compelling need to put forth Regulations that describe the procedures and processes of a right and obligation that has been conferred by the Ordinance.

Regulations authorizing Tenant Petition for Rent-Withholding

To address these issues, staff members are proposing a series of Regulations that establish procedures whereby the Rent Board or the Tenant can engage in a process to determine whether compliance with reporting requirements were met and whether the withholding of rent is appropriate. Specifically, the Regulations would create a petition and hearing process for rent-withholding based on a failure to adhere to reporting requirements, including a failure to pay Residential Rental Housing Fee, authorize staff members to engage in information gathering to determine whether reporting requirements were adhered to, describe the parties to such a petition, reiterate that the Rent Board is permitted to engage the process separate from the tenant petition, and create standards by which a hearing decision must adhere.

Conclusion

Staff members recommend the Rent Board adopt the aforementioned Regulations to adequately address landlord and tenant concerns regarding the applicability of the Rent

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Ordinance and the myriad issues that are anticipated to arise as staff members engage in greater compliance and enforcement activities.

DOCUMENTS ATTACHED:

Attachment 1 – Chapter 2 containing proposed Regulations 205, 206, and 207..
(Redlined Version)

Attachment 2 – Chapter 2 containing proposed Regulations 205, 206, and 207. (Clean Version)

Attachment 3 – Chapter 4 containing proposed Regulations 416-421, and Regulation 424. (Redlined Version)

Attachment 4 – Chapter 4 containing proposed Regulations 416-421, and Regulation 424. (Clean Version)

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ITEM G-4 ATTACHMENT 1

Chapter 2: **APPLICABILITY**

200. Purpose

The purpose of this Chapter 2 is to describe those categories of properties which are exempt from the Ordinance and to provide a process and procedure for those Controlled Rental Units seeking to establish an exemption from this Ordinance.

201. **Rental Units Exempt from both the Rent Control (R.M.C § 11.100.070) and Just Cause for Eviction (R.M.C § 11.100.050) Provisions of the Ordinance.**

The following Rental Units are exempt from both rent control (RMC 11.100.070) and Just Cause for Eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental Units in hotels, motels, inns, tourist homes and rooming and boarding houses that are rented primarily to transient guests for a period of fewer than 14 days.
- B. Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, or non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
- C. Rental Units for which there is a Temporary Tenancy, as defined in R.M.C § 11.100.030(q);
- D. Rental Units that are lawful and in compliance with the Small, Second Unit Ordinance of the City (R.M.C § 11.15.04) if the Primary Residence is occupied by the property owner; and
- E. Rental Units where the Rental Unit is the Primary Residence of the property owner and the property owner shares with a Tenant(s) a bathroom or kitchen.

202. **Governmentally Subsidized Rental Units Exempt from the Rent Control Provisions of the Ordinance.**

The following Rental Units are exempt from the rent control (RMC 11.100.070), but not the just cause for eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental Units in which a Tenant household holds a Section 8 Housing Choice Voucher and where the rent not does exceed the Payment Standard as published by the U.S. Department of Housing and Urban Development.
- B. Rental Units for which the rent is subsidized by the Project-Based Section 8 Program
- C. Rental Units that are “rent restricted” in a Low Income Housing Tax Credit Program Project. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.
- D. Rental Units for which the rent is subsidized by the Section 202 Supportive Housing for the Elderly Program

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E. Rental Units that are “rent restricted” under a regulatory agreement between a governmental agency and a property owner. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

203. Other Rental Units Exempt from the Rent Control Provisions of the Ordinance.

In addition to Rental Units that are exempt from rent control under R.M.C § 11.100.030 (d)(1)(2)(4) (5) and (6), Rental Units which a governmental unit, agency or authority owns, operates or manages are exempt from the rent control provisions of the Ordinance. Section 11.100.030 (d)(3), Richmond Municipal Code.

204. Exemption Only Applies if Rental Unit is in Compliance with Applicable Laws and Regulations.

The exemption from rent control (RMC 11.100.070) as described in ~~Section-Regulation~~ 202 and ~~Section-Regulation~~ 203 of this Regulation only applies so long as the Rental Unit is in compliance with all applicable laws and regulations, and for which there is in effect (a) a Tenant with a Section 8 Housing Choice Voucher in the Rental Unit, (b) the Rental Unit is in a Project-Based Section 8 Program, and/or (c) the Rental Unit is rent restricted under a regulatory agreement and/or declaration of restrictive covenants.

Nothing in this section shall preclude Tenants residing in Rental Units described in ~~Section Regulation 202-of this Regulation~~ from seeking advice or assistance from the Rent Program concerning applicable provisions of the Ordinance and utilizing the remedies provided in the Ordinance to the extent permitted by Federal, State, and local law.

205. Application for Exemption Determination.

Notwithstanding Regulation 403, a Landlord may request that an administrative decision be rendered regarding the applicability of R.M.C. 11.100 et.seq (Fair Rent, Just Cause For Eviction, and Homeowner Protection Ordinance) on a property or unit owned or occupied by the requesting party. All requests for an administrative decision regarding exemption must be made on an approved Rent Program form. The Landlord must complete the approved form and attach sufficient information and documentation demonstrating a claimed exemption. The Landlord shall have the burden of proof of demonstrating a claimed exemption.

206. Issuing an Administrative Decision on Exemption Status.

A. In rendering an administrative decision, the Executive Director or assigned staff member may conduct an independent investigation into the underlying facts and rely on information and documentation obtained thereof.

B. All administrative decisions under this Regulation must be made in writing, provide an explanation of the basis for the decision with citations to R.M.C. 11.100 et.seq (Fair Rent, Just Cause For Eviction, and Homeowner Protection Ordinance), and adequately describe the evidence relied on in reaching the decision.

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- C. All administrative decisions under this Regulation must be rendered within 30 business days from the date of application. The Rent Program shall notify the Landlord and all Tenants in the affected unit, of its exemption determination.
- D. If the Landlord disagrees with the Executive Director or assigned staff member's administrative decision, the Landlord may, within 15 days from the date of the administrative decision plus any additional time permitted under California Code of Civil Procedure Section 1013(a), as amended, file a request for hearing on exemption status. The hearing shall be conducted in accordance with the rules and procedures set forth in Chapter 8 of these Regulations.

207. Challenging a Rental Unit's Exempt Status.

- A. Where a Rental Unit has been determined to be or treated as an exempt Rental Unit, a Tenant occupying said Rental Unit or his or her designee, may challenge the Rental Unit's exemption status by filing a Tenant petition for rent withholding, pursuant to Chapter 4 of these Regulations. Such a petition shall not be granted if the challenged Rental Unit has been determined exempt pursuant to Regulation 206, unless the Tenant can demonstrate that there has been a material change in facts after the first hearing was held, or that the information supplied by the Landlord in support of the exemption was misleading and/or false.

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ITEM G-4 ATTACHMENT 2

Chapter 2: APPLICABILITY

200. Purpose

The purpose of this Chapter 2 is to describe those categories of properties which are exempt from the Ordinance and to provide a process and procedure for those Controlled Rental Units seeking to establish an exemption from this Ordinance.

201. Rental Units Exempt from both the Rent Control (R.M.C § 11.100.070) and Just Cause for Eviction (R.M.C § 11.100.050) Provisions of the Ordinance.

The following Rental Units are exempt from both rent control (RMC 11.100.070) and Just Cause for Eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental Units in hotels, motels, inns, tourist homes and rooming and boarding houses that are rented primarily to transient guests for a period of fewer than 14 days.
- B. Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, or non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
- C. Rental Units for which there is a Temporary Tenancy, as defined in R.M.C § 11.100.030(q);
- D. Rental Units that are lawful and in compliance with the Small, Second Unit Ordinance of the City (R.M.C § 11.15.04) if the Primary Residence is occupied by the property owner; and
- E. Rental Units where the Rental Unit is the Primary Residence of the property owner and the property owner shares with a Tenant(s) a bathroom or kitchen.

202. Governmentally Subsidized Rental Units Exempt from the Rent Control Provisions of the Ordinance.

The following Rental Units are exempt from the rent control (RMC 11.100.070), but not the just cause for eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental Units in which a Tenant household holds a Section 8 Housing Choice Voucher and where the rent not does exceed the Payment Standard as published by the U.S. Department of Housing and Urban Development.
- B. Rental Units for which the rent is subsidized by the Project-Based Section 8 Program
- C. Rental Units that are “rent restricted” in a Low Income Housing Tax Credit Program Project. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

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- D. Rental Units for which the rent is subsidized by the Section 202 Supportive Housing for the Elderly Program
- E. Rental Units that are “rent restricted” under a regulatory agreement between a governmental agency and a property owner. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

203. Other Rental Units Exempt from the Rent Control Provisions of the Ordinance.

In addition to Rental Units that are exempt from rent control under R.M.C § 11.100.030 (d)(1)(2)(4) (5) and (6), Rental Units which a governmental unit, agency or authority owns, operates or manages are exempt from the rent control provisions of the Ordinance. Section 11.100.030 (d)(3), Richmond Municipal Code.

204. Exemption Only Applies if Rental Unit is in Compliance with Applicable Laws and Regulations.

The exemption from rent control (RMC 11.100.070) as described in Regulation 202 and Regulation 203 of this Regulation only applies so long as the Rental Unit is in compliance with all applicable laws and regulations, and for which there is in effect (a) a Tenant with a Section 8 Housing Choice Voucher in the Rental Unit, (b) the Rental Unit is in a Project-Based Section 8 Program, and/or (c) the Rental Unit is rent restricted under a regulatory agreement and/or declaration of restrictive covenants.

Nothing in this section shall preclude Tenants residing in Rental Units described in Regulation 202 from seeking advice or assistance from the Rent Program concerning applicable provisions of the Ordinance and utilizing the remedies provided in the Ordinance to the extent permitted by Federal, State, and local law.

205. Application for Exemption Determination.

Notwithstanding Regulation 403, a Landlord may request that an administrative decision be rendered regarding the applicability of R.M.C. 11.100 et.seq (Fair Rent, Just Cause For Eviction, and Homeowner Protection Ordinance) on a property or unit owned or occupied by the requesting party. All requests for an administrative decision regarding exemption must be made on an approved Rent Program form. The Landlord must complete the approved form and attach sufficient information and documentation demonstrating a claimed exemption. The Landlord shall have the burden of proof of demonstrating a claimed exemption.

206. Issuing an Administrative Decision on Exemption Status.

- A. In rendering an administrative decision, the Executive Director or assigned staff member may conduct an independent investigation into the underlying facts and rely on information and documentation obtained thereof.

ITEM G-4 ATTACHMENT 2

- B. All administrative decisions under this Regulation must be made in writing, provide an explanation of the basis for the decision with citations to R.M.C. 11.100 et.seq (Fair Rent, Just Cause For Eviction, and Homeowner Protection Ordinance), and adequately describe the evidence relied on in reaching the decision.
- C. All administrative decisions under this Regulation must be rendered within 30 business days from the date of application. The Rent Program shall notify the Landlord and all Tenants in the affected unit, of its exemption determination.
- D. If the Landlord disagrees with the Executive Director or assigned staff member's administrative decision, the Landlord may, within 15 days from the date of the administrative decision plus any additional time permitted under California Code of Civil Procedure Section 1013(a), as amended, file a request for hearing on exemption status. The hearing shall be conducted in accordance with the rules and procedures set forth in Chapter 8 of these Regulations.

207. Challenging a Rental Unit's Exempt Status.

- A. Where a Rental Unit has been determined to be or treated as an exempt Rental Unit, a Tenant occupying said Rental Unit or his or her designee, may challenge the Rental Unit's exemption status by filing a Tenant petition for rent withholding, pursuant to Chapter 4 of these Regulations. Such a petition shall not be granted if the challenged Rental Unit has been determined exempt pursuant to Regulation 206, unless the Tenant can demonstrate that there has been a material change in facts after the first hearing was held, or that the information supplied by the Landlord in support of the exemption was misleading and/or false.

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ITEM G-4 ATTACHMENT 3

Chapter 4: REGISTRATION ~~AND FEES 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. The purpose of this Chapter 4 is to enable the Rent Board to monitor and control allowable rents as mandated by the Ordinance, and to charge and collect fees for the purposes of covering the cost of administering the Ordinance. All registration requirements are subject to California Civil Code Section 1947.7 et.seq, as may be amended.

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.
- B. For tenancies that commenced after July 21, 2015, the Base Rent is the initial rental rate in effect on the date the tenancy begins. "Initial rental rate" is defined under Section 700(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 December 30, 2016, an explanation of the circumstances of the termination of the previous tenancy sufficiently detailed to demonstrate whether the unit qualifies for a vacancy rent increase or not, as described in Chapter 7 Vacancy Rent Increases;
 - d. The Base Rent currently in effect for each individual unit and the housing services included in the rent or the reason the Rental Unit is exempt from rent control and has no current Base Rent;
 - e. The number of Tenants occupying the unit and Tenants names; and
 - f. Such other information reasonably requested by the Rent Program.
 - (2) Paid to the City of Richmond the Rental Housing Fee, Business License Tax, and any penalties due for the unit and all the units in the same property; and

ITEM G-4 ATTACHMENT 3

- (3) Filed with the Board, for the unit and all the units in the same property, notification of all termination of tenancies, subsequent changes in the provision of Housing Services, and rent increases if required pursuant to Regulation 17-10.

- B. In designating a Rental Unit as properly registered, the Board's intent is to facilitate the rent registration and individual adjustment of Maximum Allowable Rent 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 Maximum Allowable Rent or any other information provided on the rent registration statement. Nothing in this Regulation shall preclude 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) calendar days of the date a Rental Unit formerly exempt from the rent control provisions of the Ordinance (Section 11.100.030(d) (1)-(6)) becomes a Controlled Rental Unit under the Ordinance, the Landlord shall file an initial registration statement, or an amended registration statement if an initial registration statement has been previously filed, for the Rental Unit.

- B. Within sixty (60) calendar days of the date a Controlled Rental Unit becomes exempt from rent control 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) calendar 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) calendar 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) calendar 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.

ITEM G-4 ATTACHMENT 3

C. 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.

405-15. (RESERVED)

416. Authorization of Petitions for Rent Withholding.

A. Tenants seeking authorization to withhold rent pursuant to R.M.C §11.100.060(s), must file a petition provided by the Rent Program. If the petition to withhold rent is based on a Landlord's failure to pay the Residential Rental Housing Fee and such a petition implicates the exemption status of the challenged Rental Unit or property, the Tenant shall include a brief statement describing the basis of the petition and the evidence relied on to substantiate the assertion that there has been a failure to pay the Residential Rental Housing Fee.

B. A copy of any rent withholding petition based on a failure to pay the Residential Rental Housing Fee that implicates the exemption status of the challenged Rental Unit or property, shall be forwarded to the Executive Director and the Executive Director shall investigate or direct a Rent Program Staff member(s) to investigate the basis for the petition and prepare a report stating the findings of the investigation. Such investigation may include, but is not limited to, inspection of the property, investigation of public's records, and any other reasonable means ascertaining the status of the property.

C. Submittal of petitions, conducting of hearings, and requesting appeals must be performed in a manner consistent with Chapter 8 of these Regulations

417. Parties

Specific only to petitions brought under Regulation 416 or Regulation 206, the parties to a proceeding on a rent withholding petition shall be the petitioner, the Tenants of any affected unit, the Landlord, and the Rent Board as represented by the administrative staff member(s).

418. Board Action in lieu of Tenant Petition

Pursuant to R.M.C § 11.100.060(s) and this Regulation, in lieu of the a Tenant petition filed under Regulation 416, the Board is authorized to initiate the rent withholding process or may continue with a proceeding initiated by a Tenant even if the petitioner requests a dismissal, or fails to prosecute the petition.

419. Failure to Comply with Reporting Requirements Set Forth in Richmond Municipal Code Section 11.100.060(s)

In determining whether a Landlord has failed to comply with reporting requirements set out in Richmond Municipal Code Section 11.100.060(s), the Hearing Officer shall apply the criteria for substantial compliance consistent with Civil Code 1947.7, et.seq, as amended.

420. Compliance with Reporting Requirements Set Forth in Richmond Municipal Code Section 11.100.060(s), Prior to a Hearing

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ITEM G-4 ATTACHMENT 3

Prior to the hearing, if the Hearing Examiner determines that the Landlord has complied with the reporting requirements set out in Richmond Municipal Code Section 11.100.060(s), and as specifically alleged by the petition or the action, the petition shall be dismissed and all parties shall be notified of the dismissal.

421. Decisions on Tenant Petitions for Rent Withholding.

- A. At the conclusion of the hearing, the Hearing Examiner shall issue a written decision in a manner consistent with Chapter 8 of these Regulations.
- B. Notwithstanding Regulation 421(B), the Hearing Examiner's written decision shall contain findings of fact and legal conclusions. If the Hearing Examiner determines that the Landlord has willfully and knowingly failed to meet the reporting obligations set forth in Richmond Municipal Code Section 11.100.060(s), and/or specified in the Petition, the Hearing Examiner shall issue an order directing the Landlord to comply with said reporting obligations, including payment of the Residential Rental Housing Fee, and authorize the petitioning Tenant(s) to withhold payment of rent beginning with the next regularly scheduled rent payment after the effective date of the order, until such time as all affected units on the property are brought into compliance. Any rent withheld pursuant to this section may be paid into escrow pursuant to Regulation 424.
- C. Rent withholding orders shall become effective 30 days following the date on which the decision is mailed to the parties unless, within that time, the Landlord complies with the reporting requirements alleged to have been violated or asserts a timely appeal. Where a Landlord files an appeal, the rent withholding order will be stayed pending appeal.
- D. Notwithstanding the appeals process set forth in Chapter 8 of these Regulations, in the event that the Rent Board initiates a hearing pursuant to Regulation 849 or is a party to a hearing based on a petition relating to reporting requirements set forth in Richmond Municipal Code Section 11.100.060(s), a Hearing Examiner's decision on the issues presented shall be considered final and the parties administrative remedies deemed exhausted.

418-423. (RESERVED)

424. Escrow Account for Rent Withholdings

- A. Consistent with Regulations 852 through 857, where a Hearing Examiner issues an order to withhold rent, the Hearing Examiner may also order that all withheld rent be paid into an escrow account maintained by the Board to be collected and held until such a time the Landlord complies with the Hearing Examiner's decision. When the Hearing Examiner has received sufficient proof that the Landlord has complied with the Hearing Examiner's order, the Hearing Examiner shall determine what, if any, portion of the withheld rent is owed to the Landlord and shall have the monies distributed from the escrow account accordingly.

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**ITEM G-4
ATTACHMENT 3**

B. In no event shall the amount of rent ordered to be withheld and deposited into escrow be construed as a determination of the lawfulness of the amount of rent being demanded or charged by the Landlord.

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ITEM G-4 ATTACHMENT 4

Chapter 4: REGISTRATION AND FEES

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. The purpose of this Chapter 4 is to enable the Rent Board to monitor and control allowable rents as mandated by the Ordinance, and to charge and collect fees for the purposes of covering the cost of administering the Ordinance. All registration requirements are subject to California Civil Code Section 1947.7 et.seq, as may be amended.

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ITEM G-4 ATTACHMENT 4

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: In November 2017, the Rent Board adopted Regulation 17-01, exempting affordable housing from the rent control provisions of the Rent Ordinance. However, residents in some of Richmond's affordable housing developments have recently voiced concerns about large rent increases and housing quality. Given that over 20 percent of the city's rental units receive government assistance through subsidy or tax incentives, it is important to fully consider the specific regulatory requirements of affordable housing, as well as the particular needs of residents.

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

- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing Regulation Other:
- Contract/Agreement Rent Board As Whole
- Grant Application/Acceptance Claims Filed Against City of Richmond
- Resolution Video/PowerPoint Presentation (contact KCRT @ 620.6759)

RECOMMENDED ACTION: RECEIVE a presentation of a partial Client Report completed by Graduate Student Fellow Philip Verma, prepared in partial satisfaction for the degree of Master of City Planning, regarding promoting stability and quality in affordable housing developments in Richmond.

AGENDA ITEM NO:
H-1.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Paige Roosa, Deputy Director
Philip Verma, Graduate Student Fellow

SUBJECT: PRESENTATION AND REPORT ON AFFORDABLE HOUSING AND THE RICHMOND RENT ORDINANCE

STATEMENT OF THE ISSUE:

In November 2017, the Rent Board adopted Regulation 17-01, exempting affordable housing from the rent control provisions of the Rent Ordinance. However, residents in some of Richmond's affordable housing developments have recently voiced concerns about large rent increases and housing quality. Given that over 20 percent of the city's rental units receive government assistance through subsidy or tax incentives, it is important to fully consider the specific regulatory requirements of affordable housing, as well as the particular needs of residents.

RECOMMENDED ACTION:

RECEIVE a presentation of a partial Client Report completed by Graduate Student Fellow Philip Verma, prepared in partial satisfaction for the degree of Master of City Planning, regarding promoting stability and quality in affordable housing developments in Richmond.

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

Background

In November 2016, Richmond voters approved The Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (hereafter referred to as the "Rent Ordinance").

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Subsequently, the Rent Board considered how and whether to regulate affordable housing, which comprises over 20 percent of the city's rental stock. While Section 11.100.030(d)(3) of the Rent Ordinance exempts affordable rental units "if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control" it does not categorically exclude affordable housing. This report for the City of Richmond's Rent Program examines this question in detail, particularly the relationship between the Rent Ordinance and federal and state affordable housing regulations in terms of housing affordability, stability and quality.

Contents of Attached Report

- History and context of Richmond and federal housing policy, including a description of the primary affordable housing programs
- Characteristics of affordable housing in Richmond, including where it is located, who lives there, and the primary types of inquiries received by the Rent Program
- A review of academic literature regarding resident experiences in affordable housing and the intersection of housing and health
- Analysis of how the Rent Program could approach affordable housing, including a review of legal decisions, policies, and interviews with other jurisdictions' rent programs.

DOCUMENTS ATTACHED:

Attachment 1 – Promoting Stability and Quality in Affordable Housing through the Richmond Rent Program

**Promoting Stability and Quality in Affordable Housing through the
Richmond Rent Program**

Philip D. Verma

CLIENT REPORT

Submitted in partial satisfaction of the requirements for the degree

of

MASTER OF CITY PLANNING

in the

Department of City and Regional Planning

of the

UNIVERSITY OF CALIFORNIA, BERKELEY

APPROVED

Professor Carolina Reid, PhD

Professor Carol Galante, MCP

Paige Roosa, MCP

Spring 2018

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Executive Summary

This report for the City of Richmond's Rent Program considers how best to treat affordable housing under the Rent Ordinance, which voters approved in November 2016. *Affordable housing* here refers to rental units that are accessible to low-income households due to receiving government subsidies or tax incentives. Under this definition, over 20 percent of Richmond's rental housing is affordable. Residents of affordable housing often have limited housing options, and therefore limited leverage, when raising concerns in affordable housing. At the same time, there is already a complex set of federal and state rules and administrative structures that govern different types of affordable housing. Understanding the nuances and interactions of these will help the Rent Board and Rent Program better support the needs of residents, while avoiding duplicative requirements that affect Richmond's larger housing affordability and stability goals.

The structure of report is as follows. First, it offers some history and context, both of Richmond and federal housing policy more generally. Racial segregation and discrimination in the mid-20th century left their mark on Richmond's geography of housing and jobs. More recently, the foreclosure crisis and rapidly-rising rents across the region have put greater pressure on Richmond's low-income communities of color. Affordable housing is a crucial tool to counteract these pressures. Rent control and 'just cause' eviction protections are another. The aims of developing new affordable housing and regulating existing housing are sometimes in conflict. Applying rent control and just cause to affordable housing is particularly controversial, as the Rent Program found when it began to implement the Rent Ordinance.

Second, the report highlights the nature of Richmond's affordable housing, including where it is located, who lives there, and some of the main inquiries and complaints the Rent Program has received. This preliminary data provides insights into the primary concerns of affordable housing residents in Richmond, which include rent increases, terminations of tenancy, and repairs. It is important to emphasize that the vast majority of HUD-subsidized households in the city are Black and very low-income; around one-fifth include a person with a disability. Given historical and current racialized inequities in Richmond, it is important that the city carefully consider the needs of affordable housing residents and support their right to stable, decent housing.

Finally, the report reviews policies, legal decisions and academic literature about resident rights and health in affordable housing. The general conclusions from the literature and interviews with stakeholders was that adding rent control to affordable housing would be duplicative and time-consuming to administer; it might also disincentivize affordable housing production and provision in Richmond. However, stronger municipal eviction regulations should apply to affordable housing, to ensure that residents are equally protected under the law. Since the Rent Board opted to exempt affordable housing from rent control through Regulation 17-01, a number of concerns have surfaced for residents and program staff. The general challenge is that affordable housing residents cannot use the rent adjustment petition system to address grievances about rent increases, evictions or repairs. There are avenues already for tenants to make complaints, both internally to management companies and externally to oversight agencies. Understanding how these systems work and identifying potential gaps will help the Rent Board and Rent Program better support all Richmond renters through regulation, education or outreach.

Background

Local Context: Richmond's Unique Housing History

Located in the northwest corner of the East Bay, the City of Richmond was primarily rural up until the Second World War (D. Graves, 2004). With the expansion of war industries, especially the Kaiser Shipyards, the city's population more than quadrupled between 1940 and 1945, exceeding 100,000 residents by 1945. The Black population grew particularly fast due to immigration to Richmond from the South, increasing from under 300 to 14,000 by the end of the war, and nearly doubling again by 1947 (Rothstein, 2017). The Richmond Housing Authority, established in 1941, soon became one of the country's largest, producing 23,000 housing units in a span of four years (D. Graves, 2004). Public housing in Richmond was explicitly segregated, with temporary housing for Black residents situated near the railroad tracks and the shipyard, and more permanent, more solidly constructed housing located inland for whites. According to the housing authority's then director, this was a way of "keeping social harmony" in a city that was once nearly all-white (cited in Rothstein, 2017, p. 6). After the war ended, approximately half of the city's Black population still lived in temporary war housing. Many new arrivals, unable to obtain loans from the Federal Housing Authority due to discriminatory lending practices, built makeshift housing in unincorporated North Richmond. As white residents increasingly moved out of Richmond into new white-only subdivisions like Rollingwood, Black families began moving into the city's southern, formerly white neighborhoods (Rothstein, 2017). During the 1950s, the city also annexed large tracts of land to the north and east of the historic core, facilitating similar processes of suburban development within the city limits (Further the Work, n.d.). Despite ongoing demographic change, patterns of racial segregation and racialized housing inequities endure today.

Structural economic changes in the postwar era negatively affected Richmond's economy, tax base, and inner-city housing stock. Factories that had once clustered in Richmond began to move south in search of cheaper, vacant land. The Kaiser Shipyards closed soon after the war ended in 1945, while in 1955, Ford closed its large plant in Richmond and moved production to Milpitas (Rothstein, 2017). The city's population decreased from 101,500 in 1947 to 71,900 in 1960 and remained around these levels until the late 1980s. The downtown commercial core also declined during this period, with the opening of Hilltop Mall, far from the downtown, in 1976 (Richmond Chamber of Commerce, 2018). Concurrently, Asian immigrant families began making Richmond their home, followed by Latin American families in the 1980s. While this influx increased the city population and need for city services, Richmond lacked the tax base to fund the public sector, especially after the passage of Proposition 13 in 1978 (Further the Work, n.d.). Crime rates and drug violence remained high in the city throughout the 1980s and 1990s. This contributed to a negative image of the city and discouraged business investment, compounding the city's employment and fiscal challenges (Butt, 1998).

In recent years, the City of Richmond has progressed in several areas, including reductions in homicide rates, improved health outcomes, increased civic engagement and employment, and revitalized parks and public spaces. These improvements have prompted discussions of Richmond's "renaissance" by local media and politicians (Corburn, Curl, Arredondo, & Malagon, 2014). However, residents and housing advocates have raised concerns that these very improvements could lead to gentrification and the displacement of the city's historically

working-class communities of color. Between 2000 and 2013, Richmond lost 12,500 Black residents, a more than 30 percent decrease. Meanwhile, the Black population dropped by 27 percent in Oakland and 23 percent in San Francisco (Moore, Gambhir, & Tseng, 2015). These three cities were historically the main centers of the Bay Area's Black population. Displacement of low-income people of color, especially Black households, from the region's inner core has prompted concerns about the re-segregation of the Bay Area. At the same time, local politicians and journalists reported a more complicated story about demographic change. They noted Black families leaving Richmond due to violence, foreclosures and limited job opportunities, along with the simultaneous in-migration of Asians and Latinos (Roosa, 2016).

The late 2000s foreclosure crisis had a notable impact on housing and tenure in Richmond. Between 2005 and 2015, Richmond went from a majority-owner to a majority-renter city. Given that nationally Black and Latino homebuyers were three times more likely to receive risky loans than their white counterparts, this tenure shift in Richmond has particular implications for racial inequality (Bissell & Moore, 2018). There has also been an increase in cash purchases of homes, a typical sign of real estate speculation. Rising housing costs disproportionately affect Black and Latino households in Richmond, the majority of who are renters. Unsurprisingly, the number of overcrowded households in Richmond nearly doubled over the past decade; the City now has one of the highest rates of crowding in the region (Bissell & Moore, 2018). Given overcrowding's association with poor health and educational outcomes – including respiratory and mental illness, and lower reading and mathematical abilities – this dramatic change could undermine many of the city's equity goals (City of Richmond, 2013). At the same time, it is important to acknowledge Richmond's accomplishments in supporting affordable housing production in a region that has largely struggled to meet production targets (Arredondo, 2018). Between 2007 and 2014, the city permitted 31 percent of its target number of low and very-low income units. Although this may not seem like a high number, Contra Costa County as a whole has only permitted 22 percent of these units. Richmond ranks fourth in the county in terms of the number of permitted low and very-low income units and these units as a percentage of the target (Bissell & Moore, 2018).

The Rent Ordinance

In response to these regional and local concerns about gentrification and displacement, the Richmond City Council began discussing possible housing policy options in February 2015 (Roosa, 2016). The City Council ultimately adopted an ordinance in August 2015 that included both rent control and “just cause” eviction protections. The California Apartment Association (CAA) quickly launched a successful petition drive to oppose the ordinance. Following the referendum, The City Council repealed the ordinance in November 2015 and advocates opted instead to place a measure on the ballot the following year (Ioffe, 2015). Measure L was approved in November 2016 by over 60 percent of Richmond voters. The CAA filed a subsequent lawsuit against the city, arguing the Ordinance violated due process protections and state law, but ultimately withdrew the suit without prejudice in May 2017 (Katayama, 2017).

The Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (the full name of Measure L, hereafter “Rent Ordinance”) contains two main provisions. The first is rent control, which limits rent increases on multi-unit properties built before 1996 in accordance with the Costa-Hawkins Rental Housing Act. The Base Rent is set as the rent charged in July 2015, with

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subsequent annual increases limited to 100 percent of the change in the Consumer Price Index, a measure of inflation. Landlords of Controlled Rental Units can petition the Rent Board for an individual rent increase, due to increases in property taxes, maintenance costs, or capital improvements, to ensure the Landlord's ability to receive a "fair return" on their rental property investment. Tenants can also submit a petition for a rent adjustment if the landlord has decreased the housing services provided or is not complying with housing, health or safety codes. The just cause provisions, meanwhile, establish eight criteria for terminating tenancy. Four of these address situations where the tenant is at fault, including failure to pay rent, breach of lease, nuisance, and failure to give access. The other four are considered "no-fault" evictions, giving the owner ability to make substantial repairs, move themselves or a qualifying relative into the rental unit, or withdraw the unit from the rental market pursuant to the Ellis Act. In these cases of "no-fault" termination of tenancy, landlords are required to provide either temporary or permanent relocation payments to the tenant in accordance with the City's Relocation Ordinance, contained within Chapter 11.102 of the municipal code.

The Rent Ordinance's passage also required the formation of a Rent Program Department and appointment of a five-member Rent Board. The Rent Program is responsible for implementing the ordinance by monitoring and enforcing compliance with program requirements, counseling landlords and tenants on their rights and responsibilities under the Ordinance and related State laws, and administering hearings for individual rent adjustment petitions and excess rent complaints. The Rent Board, meanwhile, meets monthly to hear testimony from the public, adopt budgets and regulations, and provide policy direction to staff in accordance with the ordinance and in most cases, following recommendations from Rent Program staff members. Since the passage of the Rent Ordinance, one of the main policy questions facing the Rent Program and Rent Board was how and whether to regulate affordable housing, which comprises over 20 percent of the city's rental stock. While the Rent Ordinance exempts affordable rental units "if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control" (RMC 11.100.030(d)(3)), it does not categorically exclude affordable housing. In this respect, Richmond's ordinance is similar to Los Angeles', which only excludes projects that are owned by HUD or that receive HUD insurance and subsidy, which are categorically exempt under federal law (Gosden, 2018).¹

This took some affordable housing developers and owners by surprise; many did not realize they would be under rent control until their tenants began receiving postcards from the Rent Program in May 2017. This created considerable confusion for property managers, residents, and owners. Said an asset manager with a local nonprofit developer, "when passing ordinances, most cities speak with the regulatory agencies first, then make changes. Richmond went to the people first, who voted on it, and now have to deal with the consequences" (Harris, 2018). Several developers and owners active in Richmond met with Rent Program staff during Summer 2017 to discuss their concerns about applying rent control and registration fees to affordable housing. The fees were of particular concern because they were applied retroactively for fiscal year 2017. By the time registration fees were assessed in May 2017, their budgets for FY 2017 had already been approved and they were finishing up budgets for FY 2018. Owners, particularly non-profit ones, could not go back and amend the approved budget, nor could they pass along costs to residents.

¹ See 24 CFR Part 246 for more details on what types of subsidies are excluded from local rent control <https://www.law.cornell.edu/cfr/text/24/part-246>

Stakeholders asserted that the fees would lead to a negative cash flow for projects, while duplicating services already provided in-house (Harris, 2018). In response to these concerns, the Rent Board considered whether to exempt affordable housing from the Rent Ordinance. Some of the research contained in this report helped inform the Rent Board's decision in November 2017 to exempt affordable rental units from the rent control provisions of the Ordinance, but not from the just cause for eviction and fee payment requirements of the law. Although many jurisdictions in California exempt affordable units from rent control, the large proportion of affordable units in Richmond has required staff members to carefully consider the impact and possible ramifications of exemption. The Board ultimately approved a partial exemption, but there is much work to be done to support residents of affordable housing in Richmond.

Affordable Housing Types and Trends

The broad term “affordable housing” encompasses a range of subsidy and incentive programs at the federal, state and local level. This report will use this terminology to refer to rental units that are accessible to low-income households due to government subsidies or tax incentives. Importantly, not all housing in this category is actually affordable to very low-income households and there is also market-rate housing that is affordable without government supports. However, this report still uses “affordable housing” as the most comprehensible and inclusive terminology for policymakers and the public.

Nationally and in Richmond, the two most prominent sources of affordable housing are the Section 8 Program (and its various subtypes) and Low-Income Housing Tax Credits (LIHTC). In 1973, the federal government ceased direct funding of new housing production, relying more on state and local agencies, as well as private investors and developers (Orlebeke, 2000). The expansion of Section 8, LIHTC, and other programs has been the subject of considerable debate, particularly about the increased reliance on public-private partnerships. Although these arrangements enable governments to share financial risk, leverage investment, and utilize private-sector efficiencies and skills, they can reduce housing access for vulnerable groups, increase overall costs, and reduce accountability (HUD Office of Policy Development and Research, 2015). Section 8 and LIHTC are quite different in terms of administration, rent determinations, and oversight. Some background on the different sources of housing assistance is therefore helpful when considering the application of rent control and just cause for eviction policies on these programs.

Section 8 Program and Subtypes *2,527 units in Richmond*

Section 8 is funded through HUD and comprises three subtypes. When the program began in 1974, it subsidized new construction and substantial rehabilitation of low-income housing. In 1983, the Reagan administration ended this program; today **Project-Based Section 8** (sometimes known as “NC/SR” or “PBRA”) is a preservation-only program that funds the operations and maintenance of existing units. HUD replaced PBRA with a new form of Section 8: **Housing Choice Vouchers (HCVs)**. Rather than funding new development, vouchers are a demand-side strategy designed to help low-income tenants access to the private rental market. Unlike PBRA, HCVs are administered by local public housing authorities (PHAs), which receive their allocations from HUD. PHAs may allocate up to 20 percent of their vouchers to help finance

new housing development or rehabilitation. To add to the semantic confusion, these are commonly referred to as “**project-based vouchers**” (PBVs). Despite these distinctions, these three subtypes of Section 8 share income eligibility and rent determinations. The program is designed to serve very low-income households, and participants generally spend no more than 30 percent of their income on rent (Schwartz, 2010).

Low-Income Housing Tax Credit (LIHTC) Program

2,702 units in Richmond²

LIHTC’s administration and structure are quite different from HUD programs. LIHTC began in 1986 and is now the primary funding source for affordable housing production in the U.S. The program produced nearly 3 million units between 1987 and 2015, according to HUD.³ Unlike other federal housing programs, LIHTC is administered by the Internal Revenue Service (IRS), which is part of the Treasury Department. This is because LIHTC is not a subsidy program; rather, it is an incentive that uses the tax code to encourage banks and other for-profit entities to invest in affordable housing in exchange for lower tax liability.⁴ The Treasury Department distributes the credits to state Housing Finance Agencies (HFAs), which then give them to housing developers to help raise equity. Unlike Section 8 and other HUD programs, in which the rent charged is calculated as a percentage of household income, LIHTC uses Area Median Income (AMI) to determine eligibility and rent (Schwartz, 2010). Some LIHTC residents therefore end up spending more than 30 percent of their income on rent. This is especially true if household income decreases, since management companies are not required to recalculate the rent so long as the household remains income-eligible for the unit (Maddock, 2017). Statewide, around 44 percent of LIHTC residents are considered rent-burdened, meaning more than 30 percent of their income goes to rent (HUD Office of Policy Development and Research, 2018). Therefore, although LIHTC has been successful in creating below-market rate housing, on its own it does not reach very low-income households with the greatest housing need (Schwartz, 2010).⁵ That said, developers frequently combine tax credits with other funding sources, especially Section 8, to reach lower-income households. This is certainly true in Richmond, where over half of LIHTC units receive a HUD subsidy as well.

Rental Assistance Demonstration (RAD)

155 Units Converted

The trends towards devolution and private investment in federally-funded affordable housing have continued with HUD’s Rental Assistance Demonstration (RAD). RAD allows public housing authorities (PHAs) to convert their funding stream from annual appropriations—which have never been sufficient to cover costs—to long-term Section 8 contracts. This in turn allows

² This total includes LIHTC units with Section 8 subsidies, so there is overlap between the two figures. See “*Affordable Housing in Richmond*” and *Appendix A1* for a more detailed breakdown of units.

³ For more details and data on LIHTC, see <https://www.huduser.gov/portal/datasets/lihtc.html>.

⁴ There are two types of housing tax credits: 9 percent credits (which are more valuable and awarded through a competitive application process) and 4 percent credits, which are worth less but do not undergo a competitive process. In both types, LIHTC developers can either set aside a minimum 20 percent of units to households earning less than 50 percent AMI, or 40 percent of units below 60 percent AMI. The rent is then set at 30 percent of that threshold.

⁵ HUD defines “very low income” as a household earning below 50 percent AMI.

the PHAs to take on debt and, in some cases, seek LIHTC investors to rehab or rebuild distressed units. In cases where a RAD project uses tax credits, ownership must transfer to private entity (Hanlon, 2017). RAD, which the Richmond Housing Authority is currently using on two properties, has also been the subject of intense debate.⁶ Concerns about resident rights and long-term affordability under RAD led HUD to include fairly comprehensive rules around mortgage terms, automatic contract renewals, one-to-one unit replacement, and residents' right to return (Smetak, 2014). Many PHAs have enthusiastically embraced the program; initial evaluations have shown that the program is accomplishing its goals of stabilizing and renovating the nation's public housing stock. However, since RAD is still a new program, continued research, monitoring and advocacy will be important to ensure its long-term effectiveness (Hanlon, 2017).

Methodology

The findings in this report rely on a variety of sources. These include academic studies, policy documents, internal Rent Program data, and publicly-available data on demographics, neighborhood conditions and public health. Interviews with a range of stakeholders complemented these initial findings, highlighting issues that were apparent from other sources.

Literature and Policy Review

A review of relevant literature and policies helped set context and frame the problem of resident rights in affordable housing. The literature review covered three primary topics: the evolution of federal housing policies over the past forty years, resident rights in affordable housing, and the relationship between housing and health. Academic articles, advocacy reports, and government documents helped form the key policy questions in this report. Similarly, in-depth analysis of federal policies, court cases and other cities' rent ordinances helped inform the findings in this report.

Data Sources

Analysis of secondary data from the American Community Survey (ACS), the Department of Housing and Urban Development (HUD), the California Tax Credit Allocation Committee (TCAC), and the Centers for Disease Control (CDC) helped provide context about demographics, rental housing stock, health conditions, and affordable housing units. In 2017, Rent Program staff compiled the City's first complete database of affordable housing units, including public housing, tax-credit housing, and units with various types of HUD subsidies. This data helped staff and Rent Board members understand the landscape of affordable housing in the city and guided the legal and policy research for this report.

In addition, an analysis of the Rent Program's inquiry log highlighted some of the main issues facing Richmond's affordable housing residents and the concentration of inquiries from specific developments. Since the Rent Program opened in January 2017, staff has received thousands of calls and in-person visits from both landlords and tenants wanting to know more about how the Rent Ordinance affects them. Since housing type (e.g. market-rate or affordable) was not noted consistently during the early months of the program, the data on affordable housing is likely incomplete. Nevertheless, it offers a preliminary snapshot of some of the main issues staff encountered during the first year of the program. Continued monitoring and tracking of

⁶ The two RHA properties that have converted through RAD are Friendship Manor and Triangle Court.

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affordable housing inquiries will provide useful data as the Rent Program works with owners, tenants and property managers of these units.

Interviews

To identify solutions to these challenges, the Rent Program reached out to various stakeholders, including legal advocates, affordable housing developers and managers, and directors of similar programs in other California cities. **Table 1** contains a list of individuals interviewed for this report. All interviews were conducted by phone—with the exception of the housing authority—and lasted between 30 minutes and one hour. Three of them asked to be referred to only by their organization or agency, rather than by name.

Table 1. List of Interviewees

Name	Title	Affiliation
Gabino Arredondo	Health and Wellness Coordinator	Richmond City Manager’s Office
Susan Gosden	Senior Management Analyst	Los Angeles Rent Stabilization Division
Grayling Harris	Asset Manager	Community Housing Development Corporation (CHDC)
Desiree Hensley	Associate Professor	University of Mississippi School of Law
Jennifer Kauffman	Management Analyst	Alameda Rent Program
Lauren Maddock	Board Member	Richmond Rent Board (also a project developer with Mercy Housing)
Steve McElroy	Vice President	The John Stewart Company
Oraneet Shikmah Orevi	Staff Attorney	Bay Area Legal Aid
Victor Ramirez	Manager	East Palo Alto Rent Stabilization Program
Lina Velasco	Planning Manager	City of Richmond, Planning Division
-	-	California Affordable Housing Initiatives, Inc. (CAHI)
-	-	TCAC Compliance Program
-	-	Richmond Housing Authority

Affordable Housing in Richmond

Overall Profile

Approximately 21 percent of Richmond’s estimated 20,018 rental units are rent-restricted in some way, either through HUD subsidies, tax credits, or local regulatory agreements.⁷ *Appendix AI* contains a detailed breakdown of the 25 affordable housing developments and the various funding sources for each. As

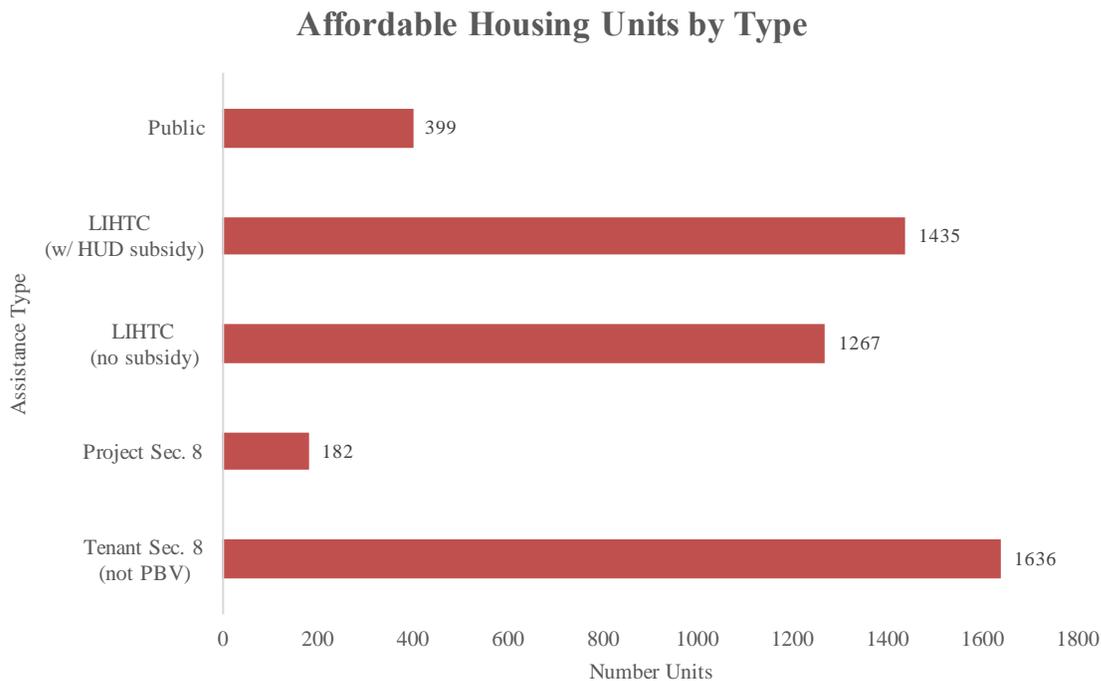
Figure 1 indicates, LIHTC is the most primary funding source for affordable housing in Richmond, encompassing 2,702 units. Over half of these units also receive HUD subsidies, namely HCVs, but also project-based Section 8, Section 202 (for the elderly) and Section 236 (mortgage interest subsidy) assistance. Combining HUD subsidies with tax credits helps finance affordable housing development and provides deeper affordability for residents. It also affects the rights and rules under which the tenant operates. A resident of a LIHTC development that also receives a project-based voucher would primarily deal with the local housing authority to deal with inspections and income recertification, rather than the management company (TCAC Compliance Program Management, 2018). In addition, there are over 1,600 households with Housing Choice Vouchers on the private market. This estimate does not include tenant-based vouchers that are project-based, which are included in the “LIHTC with HUD subsidy” category. Finally, there are an estimated 182 project-based Section 8 units that operate through direct contracts with HUD and 399 public housing units administered by the Richmond Housing Authority. This last figure includes 155 units that have undergone RAD conversions at Friendship Manor and Triangle Court. These units now have project-based vouchers, with additional financing through tax credits, Community Development Block Grant (CDBG) Section 108 loans, and HOME Investment Partnership Program funds. Since they received tax credits, Friendship Manor and Triangle Court are currently managed by RHA Housing Corporation, a nonprofit affiliate of the housing authority.⁸ The other two RHA projects, Nystrom Village and Nevin Plaza, may undergo a RAD conversion or else a Section 18 demolition/disposition process within the next two years (Richmond Housing Authority, 2018).

⁷ For details on estimates, see “Fiscal Year 2018-19 Budget and Rental Housing Fee Study” (Rent Program report to Rent Board, April 23, 2018)

https://www.ci.richmond.ca.us/DocumentCenter/View/46388/Compiled-Item-F-1_4-23-18

⁸ See Resolution No. 87-14, adopted October 7, 2014 <http://www.ci.richmond.ca.us/Archive/ViewFile/Item/6211>

Figure 1. Number of Affordable Units by Type



Source: Richmond Rent Program, 2017; HUD, 2017

Resident Characteristics

To contextualize the needs of affordable housing residents, this report profiles LIHTC and HUD-assisted households. HUD provides a report on residents in public housing, project-based Section 8, and with Housing Choice Vouchers. This data exists at the city and census tract level and includes information about race, income, age, family composition and disability, among other characteristics. The data on LIHTC, a more indirectly-administered program, is less granular and consequently less detailed. HUD’s Office of Policy Development and Research provides a national report about LIHTC residents, with state-level data. The report acknowledges significant underreporting of certain individual characteristics; race and ethnicity, for example, are not required on HUD’s LIHTC Tenant Data Collection Form (HUD Office of Policy Development and Research, 2018). The tract-level data shows that over 75 percent of Richmond’s HUD-assisted households are extremely low-income; a similar percentage are Black. HCVs and public housing serve a higher proportion of disabled and senior residents, in comparison to project-based Section 8, which has a far higher share of households with children. Since LIHTC demographic statistics are reported for California as a whole, they may not be accurate for Richmond’s context; however, a few notable characteristics emerge. Nearly half of households in LIHTC units are extremely low-income, a significant but smaller figure compared to Section 8 and public housing (including at the state level). Over 40 percent of LIHTC households are rent-burdened, while over 12 percent are severely rent-burdened (see **Box 1**).

Table 2. Profile of HUD-Assisted Households in Richmond

	Project-Based Section 8	Housing Choice Vouchers	Public Housing
	<i>924 households</i>	<i>1622 households</i>	<i>406 households</i>
Extremely low income (< 30% AMI)	79%	75%	75%
Very low income (< 50% AMI)	96%	94%	90%
Black	73%	78%	77%
Hispanic	17%	8%	14%
Asian/Pacific Islander	7%	7%	3%
White	1%	6%	5%
Head of household 62+	15%	34%	28%
Household member with disability	9%	27%	30%
Households with children	57%	35%	35%
Female-headed household	79%	79%	68%

Source: HUD Picture of Subsidized Households, 2017

Box 1. Profile of LIHTC Residents in California (as of December 2015)

- **Race:** 31.1% Hispanic, 20.3% White, 13.9% Black, 10.8% Asian
- **Income:** 46.4% of households are extremely low income (< 30% AMI), 79.5% are very low income (< 50% AMI)
- **Rent Burden:** 44.2% of households are rent-burdened (> 30% of income to rent), 12.3% are severely rent-burdened (> 50% of income)
- **Disability:** 5.3% of residents are disabled
- **Other Subsidies:** 37.9% households receive a rental subsidy. Nearly half of these are Section 8 vouchers.

Source: HUD Office of Policy Development and Research, 2018

Neighborhood Characteristics

The City of Richmond contains a high concentration of both LIHTC and Section 8 units, especially in its centrally-located, lower-income neighborhoods. Central Richmond has historically had a lower median household income compared to other parts of the city, in addition to high levels of unemployment, violence and environmental hazards. This geographic concentration reflects what many researchers have observed: both people and place-based affordable housing programs have perpetuated segregation, especially for communities of color (DeLuca et al., 2013; Tegeler, 2005). *Appendix A2* illustrates this point through maps and charts of affordable housing developments and subsidized households in Richmond. The Iron Triangle

houses 11 affordable housing developments, while Richmond Annex contains seven, including several of the city's largest. Lastly, there are three large developments in the Hilltop area to the north.⁹ TCAC's opportunity maps categorize all these tracts as lower-resource areas. It is important to note that TCAC categorizes most of Richmond as "low-resource," with the exception of Point Richmond and neighborhoods in the hills. Most of these tracts are also considered racially-segregated, with over 90 percent of residents being people of color in a majority of cases.

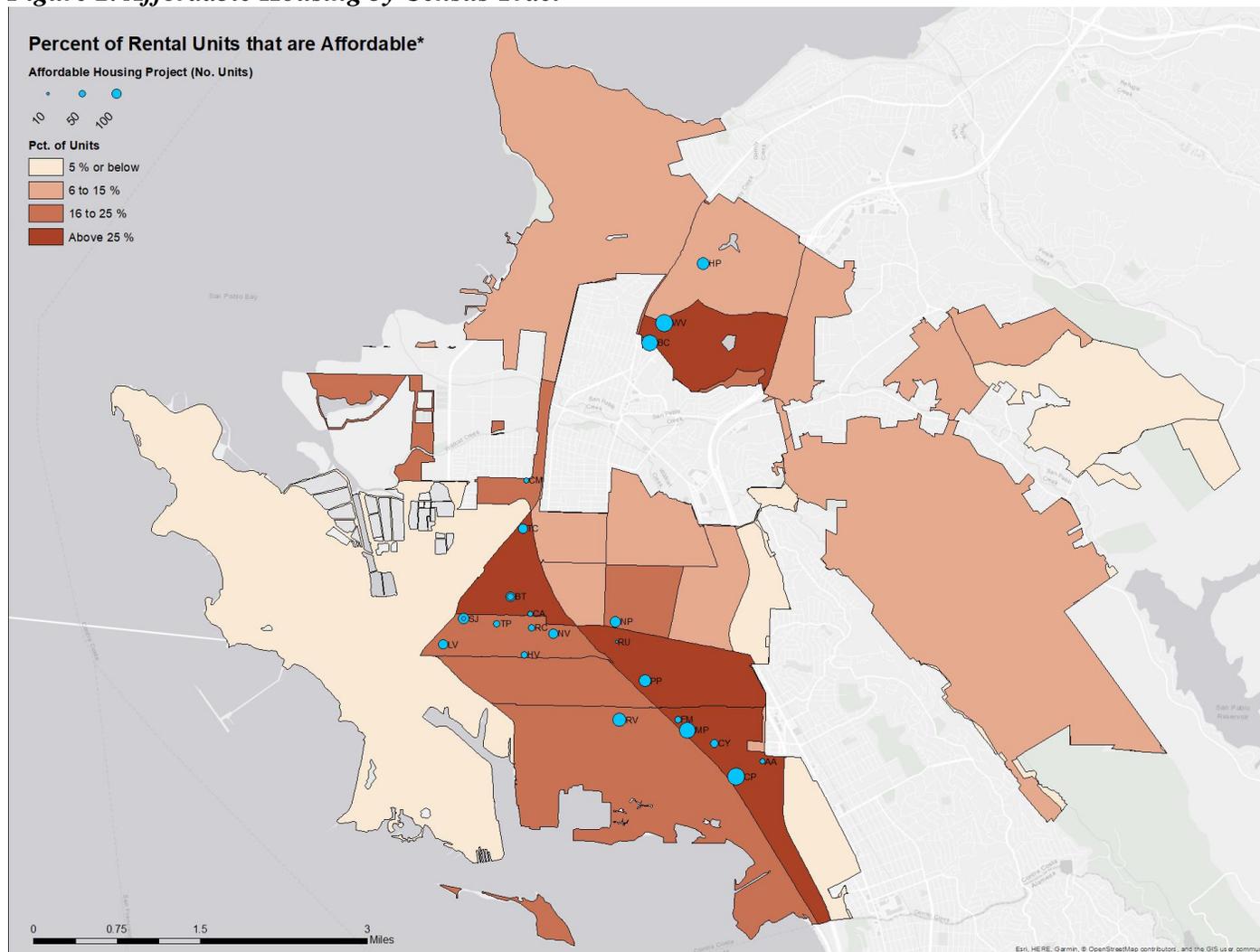
There are some similar trends with Housing Choice Vouchers in the private market, that is, those that are not located in LIHTC or other projects. HCV households are concentrated in central and south Richmond, including the Iron Triangle, Marina Bay, and the Civic Center area (see

Figure 2). Four census tracts have more than 200 voucher households each, representing between 20 and 30 percent of the rental stock in those neighborhoods.¹⁰ To further understand the characteristics of neighborhoods where HCV households end up, *Appendix A2* includes a few graphs comparing voucher concentrations with key health and demographic indicators. Generally, Richmond households with a Housing Choice Voucher live in lower-opportunity, segregated neighborhoods with lower environmental health conditions. Statistical tests reveal a moderate but significant association between the number of vouchers and these indicators. In terms of public health, people in these neighborhoods also experience higher rates of asthma and blood pressure, and worse mental health. While there are many possible causal explanations for these associations, together, these findings suggest that Richmond's affordable housing residents are more likely to live in neighborhoods where they are exposed to health stressors and have limited economic and educational opportunities. As staff members and Board members consider policies concerning affordable housing units, it is important to understand the stressors and challenges residents of affordable housing in Richmond face.

⁹ The Iron Triangle is defined here as Contra Costa Census Tracts 3760 and 3770. Richmond Annex is defined as tracts 3810 and 3820 and the Hilltop area as tracts 3650.03 and 3671.

¹⁰ These are census tracts 3740, 3760, 3790 and 3800.

Figure 2. Affordable Housing by Census Tract



Source: Richmond Rent Program, 2017; HUD, 2017 (see *Appendix A2* for key to project abbreviations)

Note: Affordable housing refers to deed-restricted housing (LIHTC, project-based HUD) and tenant-based vouchers

Main Issues Facing Residents

An analysis of the Rent Program’s inquiry log from January to October 2017 provided an opportunity to identify leading concerns expressed by affordable housing residents who contacted the Rent Program. Many landlords and property managers of affordable developments and units also contacted the Rent Program with questions and concerns. During this period in 2017, staff received 99 inquiries regarding affordable housing, both in-person and by phone. This is likely an underestimate, since the program’s initial case management system did not ask about housing type. Therefore, this analysis only captures cases where the person mentioned living in affordable housing or where addresses matched the Rent Program’s inventory of developments. In cases where the same person contacted the program multiple times, it was only counted once. Furthermore, based on interactions with residents at community events, staff found that many mistakenly believed the Rent Program does not assist tenants in affordable housing units and therefore have not sought help. As education and outreach efforts continue, the Rent Program should continue to monitor the main issues facing affordable housing residents to best allocate resources and develop policies as needed.

As the tables below indicate, about twice as many tenants called as landlords. There were also several calls from property managers at LIHTC developments, as well as realtors and prospective buyers of buildings with current Section 8 residents. Among tenants, the primary concerns were the legality of rent increases, termination notices, and repairs that had not been addressed. Landlords were primarily concerned with understanding whether and how the ordinance applied to their units, whether they had to enroll and pay the Rental Housing Fee, and the just cause for eviction protections. Specific affordable housing developments also stand out in this analysis; Monterey Pines, Baycliff Apartments, and Heritage Park at Hilltop Apartments—all LIHTC developments managed by for-profit entities—collectively represent a third of the inquiries. Housing Choice Vouchers on the private market account for another 40 percent. Many tenants with concerns about evictions and rent increases in affordable housing also had complaints about conditions and repairs that had not yet been addressed by the landlord.

Table 3. Number of Inquiries by Identity and Issue (Jan-Oct 2017)

	Tenant	Landlord
Rent increase	19	3
Eviction	16	8
Repairs	14	0
General ordinance	6	8
Program enrollment	0	5
Other	6	3
Total	61	27

Source: Richmond Rent Program, 2017

Table 4. Number and Type of Tenant Inquiries by Development (Jan-Oct 2017)

Development	Total	Primary Issue
Monterey Pines	17	Eviction
Baycliff	10	Rent Increase
Heritage Park	6	Rent Increase
Pullman Point	4	Rent Increase
Lillie Mae Jones	3	Repairs
Richmond Village	3	Eviction
St. Johns Apartments	3	Eviction
Liberty Village	2	Repairs
Cypress Pines (formerly Deliverance Temple)	2	Eviction
Housing Choice Vouchers (on private market)	41	Eviction

Source: Richmond Rent Program, 2017

Reframing Affordable Housing Debates

Since the federal government ceased direct funding of new housing production in 1973, Section 8 and LIHTC have grown considerably in size and scope (Orlebeke, 2000). These programs operate within the private housing market to build new units or subsidize existing ones, so that they are more affordable to lower-income households. Administration and oversight of these programs has also shifted increasingly to state and local governments. This shift over the past forty years has prompted extensive debate within academic and policy circles. Especially as federal funding for rental housing has decreased, there has been much discussion of how best to use limited resources to address concentrated poverty, racial segregation, and rising rent burdens (Tegeler, 2005). However, these discussions have not adequately considered residents’ experiences or health in different types of affordable housing. This section of the report aims to re-center tenants’ perspectives and well-being within debates over affordable housing priorities.

Resident Experience and Rights

Responding to the retrenchment of public funding for housing over the past forty years, market-based solutions have successfully leveraged private capital and incentivized production of affordable housing using private funds. Yet a closer look at resident experiences in these developments highlights several tensions in terms of ensuring housing quality and tenants’ rights in private housing designed for public benefit (Smetak, 2014). A key question is therefore whether and how state and local government can “fill the accountability gap caused by privatization” (Lee, 2015, p. 762). This report considers these questions, particularly with respect to housing stability and quality. Given their mandate to address the “shortage of decent, safe, affordable, and sanitary housing in the City of Richmond” as stated in the Rent Ordinance, the Rent Board and Rent Program are in a unique position to address some of these issues.

Studies evaluating affordable housing programs have typically focused on their economic effectiveness, neighborhood effects, and impact on participants' lives. For example, proponents of LIHTC have emphasized its flexibility and effectiveness at producing low-income units, while critics have highlighted high transaction costs and vulnerability to changes in financial markets (Schwartz, 2010). Analyses of the Housing Choice Voucher program have focused principally on the socioeconomic characteristics of the neighborhoods where participants end up living. Specifically, they evaluate how successful vouchers are at providing low-income households full access to the private rental market. In general, it appears that HCVs have helped low-income households reduce their rent burdens, and reducing the number of overcrowded households and risk of homelessness; however, the program has been less successful at promoting access to higher-income neighborhoods with better-performing schools (Ellen, 2017). Nationally, most voucher-holders, especially Black and Latino households, end up in low-income, segregated neighborhoods (DeLuca, Garboden, & Rosenblatt, 2013). Similarly, concerns that LIHTC rules actually further concentrated poverty and racial segregation prompted a 2015 Supreme Court ruling and a HUD regulation on fair housing.¹¹ The Tax Credit Allocation Committee (TCAC), California's HFA, recently developed an "Opportunity Mapping Methodology" to guide the LIHTC allocation process towards neighborhoods that would improve economic mobility and child development.¹² Lastly, a smaller body of research has looked at the impact of project and tenant-based housing assistance programs on the surrounding neighborhood. Many of these studies have attempted to assess the potential impact of affordable housing provision on property values and crime rates (Diamond & McQuade, 2016; Ellen, 2017).

These people and place-based questions are important to address, especially in the context of limited resources. What has been largely missing from this discussion, however, is the impact of different affordable housing models on residents' rights or experiences (Hensley, 2014; Teater, 2011). The decentralization of authority and increased reliance on market incentives have arguably reduced low-income residents' ability to organize for fair treatment and better living conditions (Lee, 2015). Under public housing law, residents have the right to continued occupancy, administrative grievance procedures, and participation in governance through resident councils. These federal rights extend to project-based Section 8 and other HUD multifamily housing, but not to HCVs or LIHTC (Orevi, 2018). Channels of communication between residents and PHAs are likely to be more limited in private settings, while dispersed ownership may make tenant mobilization harder (Lee, 2015). Public housing authorities overseeing HCVs tend to avoid involvement with landlord-tenant disputes, for example. LIHTC tenants, meanwhile, have the right to sue the IRS and state HFA to enforce the development's land use restriction agreement, but this right is not disclosed in tenant's leases. Moreover, such a case would be far more legally complex than an administrative grievance hearing (Hensley, 2014). Despite these changes, there are also examples of agencies and developers incorporating resident rights into practice. For example, HUD made resident outreach and participation a key requirement of the RAD conversion process. Many PHAs using RAD have also prioritized resident education and oversight in the process (Hanlon, 2017). Lastly, many mission-driven entities managing LIHTC properties incorporate on-site resident services, which can help improve residents' treatment and experiences (Maddock, 2017).

¹¹ See *Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project, Inc.* 576 U.S. ____ (2015) and HUD's "Affirmatively Furthering Fair Housing" Final Rule.

¹² For more on TCAC's opportunity methodology and maps, see <http://www.treasurer.ca.gov/ctcac/opportunity.asp>

Limited grievance and oversight mechanisms can have negative implications for residents' experiences in affordable housing. Analyzing the effectiveness of these programs from the resident perspective, rather than just their macro social or economic effects, is therefore critical. In general, low-income residents have limited housing options and less leverage over landlords who fail to make repairs or ignore tenant protections, particularly when a household is unable to pay the rent on time each month. This is especially true for residents with Section 8 vouchers, which operate almost entirely within the private market (Desmond, 2016). Tenants searching for a unit with a voucher often find limited housing options due to low credit scores, source of income discrimination, and the bureaucratic requirements of the program, including a 60-day time limit for searching.¹³ Many end up accepting a sub-optimal unit or neighborhood to prevent their voucher from expiring. Rather than allowing low-income prospective tenants full and free access to the private market, vouchers thus provide entry into a "Section 8 submarket" in lower-income neighborhoods with lower-quality units (E. Graves, 2016). Importantly, HUD bases its Fair Market Rents (FMR) for Section 8 units on the region, not the individual city or neighborhood. This was theoretically designed to facilitate greater social mobility for voucher holders within a housing authority's jurisdiction. In practice, however, it can produce windfalls for landlords in low-income neighborhoods, rather than greater access to opportunity for tenants (Desmond, 2016). Richmond is within HUD's Oakland-Fremont Metro FMR Area, which includes all of Alameda and Contra Costa Counties. The 2018 two bedroom FMR is \$2,329. The most recent ACS median rent estimate for a two bedroom unit in Richmond, meanwhile, is \$1,350; Zillow and Apartment List, which base their estimates on rental listings provide much higher figures for 2018, at \$2,390 and \$2,639, respectively.¹⁴ Housing Authority staff typically negotiate with participating landlords to determine the reasonable rent using its FMR-based payment standard and an assessment of comparable units in the area (Richmond Housing Authority, 2018).

A recent qualitative study of the HCV program examined how all these dynamics play out on the ground for residents. It aimed to understand voucher households' "perceptions, explanations and beliefs about the services, processes and outcomes of the HCV program" (Teater, 2011, p. 507). Participants in the study identified barriers with the program, including disrespect from PHA staff, stigma from landlords, income rules that discourage work, and an ineffective inspection process. With regards to LIHTC, there is also little academic or government research on the experiences of LIHTC residents, more than 30 years after the program began. This contrasts sharply with both Section 8 and public housing residents, whose lives have been documented extensively in urban sociology and other social science literature. The Turner Center for Housing Innovation at UC Berkeley will shortly be releasing the results of an in-depth survey it conducted with more than 200 LIHTC residents across California in 2017.

¹³ California state law prohibits source of income discrimination but Section 8 subsidies are not considered income under this law.

¹⁴ ACS tends to underestimate market rents, since it self-reported and includes all renters. Estimates that use official rental listing data (Zillow, Zumper, Apartment List) tend to overestimate rents, since their datasets skew towards luxury and high-end listings. See Apartment List's discussion of this issue for more.
<https://www.apartmentlist.com/rentonomics/apartment-list-new-rent-methodology/>

Public Health

The effect of affordable housing on resident health has also been overlooked within these policy debates (Human Impact Partners, Advancement Project, & National People's Action, 2012). Yet housing affordability, stability and quality are clear *social determinants of health*, social and economic forces that affect people's health over their lifetime (Los Angeles County Department of Public Health, 2015). For example, high housing costs can act as a chronic mental health stressor and force low-income families to make difficult tradeoffs in terms of food, healthcare and housing quality. Similarly, foreclosures, evictions and general housing insecurity can result in more frequent feelings of depression, anxiety and hopelessness and are also positively associated with parental stress, behavioral issues in children, and teen pregnancy (Desmond & Kimbro, 2015; Los Angeles County Department of Public Health, 2015). Lastly, poor housing conditions negatively affect both physical and mental health. For example, lead poisoning from old paint and pipes can result in neurological damage, learning disabilities and increased aggression (Bashir, 2002). There are also chronic respiratory stressors in indoor environments, including mold, dust mites, inadequate ventilation, poor quality heating, and construction materials that emit chemicals. Experts have emphasized the importance of cumulative impact of these problems, which over the life course act as a "multiple housing deprivation" (Howden-Chapman, 2004, p. 163). This impact is especially pronounced for people who are exposed to environmental health stressors as children. A recent study by the Los Angeles County Department of Public Health emphasized the serious health effects of the three dimensions of housing: *affordability, stability and quality* (Los Angeles County Department of Public Health, 2015). The interactions between these social determinants produce and reinforce health inequities.

It is perhaps unsurprising, then, that stable, good-quality affordable housing can improve health outcomes. More affordable rents and lower rent burdens increase resources for families to spend on goods and services that result in improved health outcomes. Since this is a relatively new area of research, there are fewer studies highlighting the specific health benefits of affordable housing. A recent public health study found that low-income adults who lived in public or project-based housing had lower levels of psychological distress and improved health relative to their peers who were on a waitlist for assistance (Fenelon et al., 2017). Interestingly, the study found no significant difference between people with tenant-based vouchers and unsubsidized renters on the private market. Studies have also revealed that housing is an especially important predictor of health outcomes for people with special needs. Housing stability is the most important predictor of HIV health outcomes and can help reduce hospital admissions and length of stay for people struggling with mental health issues and homelessness (Parekh & Krutsick, 2017). This may be especially true for LIHTC developments, which often incorporate on-site resident support services. Finally, newer affordable housing projects—primarily built using tax credits—are often higher-quality than other private or public housing available to low-income households. Well-built and maintained affordable housing can therefore support broader health equity goals by limiting exposure to lead-based paint, allergens, and other unsafe conditions (Maqbool, Viveiros, & Ault, 2015). These findings underscore the importance of stable, good-quality affordable housing for the broader health and well-being of lower-income people and communities.

During the past few decades, researchers, advocates and policymakers from the housing and public health spheres have sought to bring the two closer together. Public health advocates have

advocated for greater attention to health concerns within housing policies, especially LIHTC. Recent reports have argued that public and private healthcare resources should be used more to fund tax-credit developments. They have also highlighted the importance of locating developments in neighborhoods with better health outcomes, and suggested incorporating health impact assessments into tax credit allocation plans (Parekh & Krutsick, 2017; Shi, Samuels, & Pollack, 2017). The federal government has also emphasized the link between health and housing through more intersectional policies and frameworks. The Clinton administration, for example, emphasized lead remediation in public housing and housing supports for medically-vulnerable groups. A decade later, the Obama administration linked health and housing more explicitly. HUD's 2010 strategic plan advocated greater coordination with the Department of Health and Human Services and planned to incorporate health metrics into its policies and grants. In addition, the passage of the Affordable Care Act in 2010 encouraged a cross-sector collaboration through a "Health in All Policies" (HiAP) approach that addressed the social determinants of health (Bostic, Thornton, Rudd, & Sternthal, 2012). The Affordable Care Act established several councils to think about these health issues across various policy domains, including housing and urban development.

In 2014, Richmond became the first city in the United States to adopt a HiAP framework, ordinance, and strategy.¹⁵ Richmond's government, in collaboration with community partners and academics, examined the root social causes of health inequities. One of the creators of the city's strategy asserted that HiAP "creates a clear narrative showing that structural conditions like housing have both short and long-term impacts on families" (Arredondo, 2018). The HiAP framework identified cumulative toxic stressors and structural racism as underlying sources of health disparities between different racial or income groups (Corburn et al., 2014). The first concept recognized that people biologically embody social and environmental stressors like violence, pollution, eviction and discrimination. Moreover, these stressors can intersect and compound health inequities, hence their cumulative nature. For example, a person who loses days of work due to a pollution-induced asthma attack may fall behind on rent and face an eviction. Additionally, the focus on structural racism highlights how "seemingly neutral policies and practices can function in racist ways by disempowering communities of color and perpetuating unequal historic conditions" (Corburn et al., 2014, p. 628). The city's official HiAP strategy and ordinance identified the residential and built environment as one of its six intervention areas. Specific health stressors included habitability issues like indoor air quality, inadequate heating and ventilation, lead-based paint, rodent and pest infestations and noise. The strategy also highlighted the health impacts of high housing costs and eviction: stress, crowding, loss of social networks, homelessness, and increased risk of low quality housing (City of Richmond, 2013). Richmond's visionary approach to health policy provides a useful framework regarding the role of local governments in supporting residents' health and well-being, including in affordable housing.

¹⁵ The latest version of the Health in All Policies Ordinance (No. 27-15, adopted December 2015) amended RMC 9.15 <http://www.ci.richmond.ca.us/ArchiveCenter/ViewFile/Item/6999>

Applying the Rent Ordinance to Affordable Housing

The Rent Ordinance exempts affordable rental units “only if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control” (RMC 11.100.030(d)(3)), but it does not categorically exclude affordable housing. This statement required regulatory clarification by the Rent Board, based on an analysis conducted by Rent Program staff members and feedback from affordable housing stakeholders and community members. On November 15, 2017, the Rent Board unanimously voted to adopt Regulation 17-01, “Exemption of Subsidized Units from the Rent Control Provisions of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance.” The Rent Board based its decision on a comparison of rent determinations and eviction protections under HUD, LIHTC and the rent ordinance. More information on this can be found in *Appendix B1*.

Rent Control

As discussed in an earlier section of this report, different affordable housing programs link rental rates to household income in distinct ways. Households who meet HUD’s eligibility requirements generally pay no more than 30 percent of their income on rent. These programs target very low-income families, seniors and people with disabilities; for example, 75 percent of Section 8 vouchers must go to extremely low-income households earning less than 30 percent of the Area Median Income (AMI) (Schwartz, 2010). LIHTC’s eligibility rules and rent determinations are more complicated, since they are based on AMI, rather than household income. State tax-credit agencies allow annual rent increases based on changes in AMI and CPI (inflation), regardless of income changes. In cases where a LIHTC resident also receives Section 8 assistance, the tenant portion of rent would still be 30 percent of their income and HUD or the housing authority would pay the difference.

Given these different affordability rules, the Rent Board considered whether rent control should apply to the approximately 4,211 units of affordable housing in Richmond. While there are no federal or state laws requiring that cities exempt these units from rent control, the Rent Program’s Executive Director strongly recommended that the board do so to avoid regulatory duplication and reduce administrative complexity.¹⁶ Most California jurisdictions with rent control exempt affordable housing, including Berkeley, San Francisco, San Jose, and Mountain View, for several reasons. First, rents in these units are already regulated, in that rents are tied directly or indirectly to household income. Although this does not guarantee that a family can afford the rent long-term, especially in the case of the LIHTC program, adding municipal rent control would not fundamentally change this issue if the rent charge consumes a large portion of a household’s monthly income. Furthermore, affordable housing stakeholders argued that rent increases in affordable housing would seldom be more than what rent control would allow, except in the case of HUD authorizing an Operating Cost Adjustment Factor (OCAF) for a Section 8 renewal contract (McElroy, 2018). In this case, the tenant portion would still be 30 percent of income but the government portion would go up. Moreover, a municipal rent program would likely not have the authority to adjust the housing authority’s portion of a Section 8 rent, since they are determined by federal guidelines. Experiences from peer cities echo this challenge;

¹⁶ See “Exemption Of Subsidized Units From The Rent Control Provisions Of The Fair Rent, Just Cause For Eviction, And Homeowner Protection Ordinance” (Agenda Report to Rent Board, November 15, 2017) <https://www.ci.richmond.ca.us/DocumentCenter/View/45177/111517-Item-G-1>

while East Palo Alto's rent ordinance initially covered affordable housing, the city amended this in 2010, due to difficulties with implementation and conflicts with federal regulations, especially Section 8 (Ramirez, 2018).

One concern raised regarding rent increases in the LIHTC program is a scenario in which AMI increases rapidly due to gentrification or other forces, but low-income households' incomes remain stagnant. In this case, eligibility levels and rents would increase, potentially pushing out low-income households over time and replacing them with slightly higher-income occupants (Hensley, 2018). LIHTC rent and income limits in Richmond are based on a combined AMI for Alameda and Contra Costa Counties, which encompass much wealthier jurisdictions than Richmond. For example, maximum rents allowed by TCAC have increased 24 percent from 2015 to 2018, including a 12 percent jump from 2017 to 2018. However, this came after six years of minimal increases averaging 1 percent per year. For more data on historic AMIs and how Richmond compares to the region in terms of household income, see *Appendix A2*. Although households in LIHTC projects were theoretically saving money during those years, competing expenses like healthcare, education and transportation may exhaust those minimal savings, especially for households with low or fixed incomes, and a large rent increase like this may be untenable for them. It is important to recognize that this is a maximum rent; it is not obligatory. Some mission-driven developers, for example, have internal policies limiting annual rent increases to 10 percent and capping rent at 45 percent of household income. From the government side, San Francisco imposes additional regulatory agreements on LIHTC developments to prevent large rent increases, even when TCAC allows it. In these cases, the city is putting money or land into development projects and can therefore require this regulatory agreement as a condition of the financing support (Maddock, 2017).

On the other hand, applying rent control to LIHTC could have negative consequences for new affordable housing development. Since rents in LIHTC developments increase based on TCAC rent schedules, adding local rent control would make underwriting new projects more complicated. This could potentially reduce affordable housing development in Richmond. Developers also argued that the high registration fees will diminish new affordable housing in the city and make it harder to maintain the existing stock (Harris, 2018). Existing LIHTC developments might also find that without these increases, they would not generate enough revenue to cover their debt-service agreements with lenders (Maddock, 2017). Finally, the Executive Director raised concerns that imposing rent control to affordable housing could lead to legal challenges based on contract rights or pre-emption. Given these considerations, the Rent Board ultimately decided to exempt affordable housing from rent control through Regulation 17-01.¹⁷

Eviction Protections

Whereas most California jurisdictions with rent control and just cause for eviction policies typically exempt affordable housing from limitations on the amount of rent that may be charged, the applicability of just cause eviction protections is more variable. Part of this is a result of eviction protections that vary by city. For example, Alameda has a more moderate rent

¹⁷ However, if a unit is out of compliance with its regulatory agreement, the the Rent Board may remove the rent control exemption. For full text of Regulation 17-01, see <https://www.ci.richmond.ca.us/DocumentCenter/View/45316/17-01>

stabilization program and more limited eviction protections than Richmond's; it also exempts all units with a regulatory agreement from the ordinance (Kauffman, 2018). San Jose's Tenant Protection Ordinance covers all buildings with three or more units, so affordable housing developments would be subject to just cause for eviction requirements, while HCV households in a single-family home would not. Los Angeles is perhaps the strictest. It exempts affordable housing from the rent ordinance only if it has a government regulatory agreement for a minimum of 55 years, TCAC's current minimum affordability standard (Gosden, 2018).

To analyze the impact of applying just cause for eviction protections on affordable housing developments, it is important to first understand the existing eviction protections in different types of affordable housing. Regulations generally include eviction protection provisions, either in their subsidy contracts or deed restriction agreements. Termination of tenancy in HUD-subsidized housing, both project and tenant-based, requires "good cause." These "good causes" include material noncompliance with lease, criminal activity, alcohol abuse, and property damage, among others. HUD's definition of "good cause" is quite broad. Its Housing Assistance Payment (HAP) contracts state that this can include "a business or economic reason for termination of tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent)." The definition of "good cause" in tax-credit housing is even broader. Developments receiving tax credits must have good cause eviction regulations within their deed restrictions. However, there is no standard definition of good cause within federal or state LIHTC regulations; rather, it is determined by courts on a case-by-case basis (National Housing Law Project, 2017; TCAC Compliance Program Management, 2018). According to one affordable housing owner, most legal actions in their developments are for noncompliance with recertification, failure to report income changes, or nonpayment of rent. Stakeholders expressed that owners tend not to take legal action for a lease violation unless it entails illegal activities like drug trafficking, gun violence or intense physical altercations (Harris, 2018; McElroy, 2018). Legal advocates, however, have expressed concerns about evictions for de minimus breaches of the lease as a way around new protections. They allege that landlords have changed parking rules and improperly characterized home care as subletting as a way to evict long-time, low-income tenants (Orevi, 2018).

Unlike the rent control portion of the Rent Ordinance, which could arguably conflict with federal and state affordability requirements, local just cause for eviction provisions strengthen tenant protections in affordable housing. Richmond's Rent Ordinance does not allow a landlord to terminate a tenancy for business or economic reasons. A landlord may not evict a tenant to rent at a higher rate; indeed, this is one of the main purposes of just cause protections. Courts in California have ruled that where local ordinances offer stricter eviction protections than federal requirements, local regulation prevails. In *Barrientos v. 1801-1825 Morton LLC* (2009), the U.S. Court of Appeals for the Ninth Circuit held that a landlord in Los Angeles could not terminate a voucher-holder's tenancy for business or economic reasons, because it violated the city's Rent Stabilization Ordinance. While the building owner argued that federal and state regulations preempted L.A.'s ordinance, HUD submitted an amicus brief to the court stating that its definition of good cause was deliberately broad and that where local regulations prohibit a termination of tenancy for business reasons, these apply to subsidized units equally. The circuit court's decision stated that Section 8 was designed to integrate with the rental market; therefore, "Congress could not have intended for assisted tenants to be less well-off than unassisted tenants in rent control areas such as Los Angeles." Subsequent cases, including *Crisales v. Estrada*

(2012) and *Anchor Pacifica Management Co. v. Green* (2012), have upheld the applicability of local regulations to units subsidized with federal subsidies or local redevelopment funds.

Given these precedents and the importance of protecting affordable housing residents in good standing from unnecessary, unwarranted, discriminatory, or arbitrary eviction, the Rent Board voted to subject affordable rental units to the Rent Ordinance's just cause for eviction provisions, as well as enrollment and fee payment requirements. One outstanding concern regarding this applicability is whether actions that are themselves not considered just cause to evict but are in violation of a lease could be used to terminate tenancy. Specifically, the Rent Ordinance generally allows tenants to write to the landlord request a one-for-one tenant replacement; if the landlord does not respond within 14 days, the request is automatically granted. Residents of affordable housing are typically prohibited from subletting a bedroom in a subsidized or deed-restricted unit, since they would profit off this assistance and presumably not include this income as part of their income for rent determinations. In addition, this would circumvent the waitlists for these units, potentially violating federal fair housing law. Although violating the lease is a just cause for eviction per the City's Rent Ordinance, affordable housing stakeholders are not sure how a court would decide in this matter (Harris, 2018; McElroy, 2018). Especially in the current political climate around housing and homelessness in the Bay Area, judges are unlikely to evict for issues other than nonpayment of rent or illegal activity (Maddock, 2017). At the same time, if a tenant followed the local noticing requirements for subleasing, the owner of an affordable unit could respond within 14 days and explain why this was not allowed under federal regulation. This is an issue that the Rent Board should pay attention to, as it may require further clarification through regulation.

Housing Quality and Grievance Procedures

The Richmond Rent Program has received numerous complaints from tenants in affordable housing, from both residents with Housing Choice Vouchers and those living in LIHTC developments. One of the challenges that results from the exemption of affordable housing from rent control is that residents of these units cannot use the petition process to adjust their rents or put pressure on noncompliant landlords. Richmond tenants who are covered by rent control can file a petition to decrease the maximum allowable rent if there has been a substantial reduction in services, living space, furnishings, or housing quality. Specifically, tenants in controlled units can request a rent increase based on breach of the Implied Warranty of Habitability, as outlined in California Civil Code 1941.1. This is a key benefit of a robust rent control system that is typically overshadowed by debates over its effects on the housing market (Blumgart, 2015). The system gives tenants more leverage than they would otherwise have to enforce their right to decent housing. Therefore, although exempting affordable housing from rent control is sensible to city administration and housing developers, it puts these residents in a difficult position. As the city's own HiAP strategy noted, "Many tenants are reluctant to complain to landlords about physically unsafe conditions because they fear they will be evicted, and will be unable to find other affordable housing" (City of Richmond, 2013). Part of the research process for this report was to understand existing tenant protection and oversight systems at the state and local level. Having a clear assessment of challenges, rights and remedies in different types of affordable housing will help the Rent Program work with landlords, tenants and property managers to resolve issues as they arise.

Housing Choice Vouchers

Tenants with Housing Choice Vouchers face a unique set of issues. As noted previously, the instability they face within the private rental market can lead them to accept substandard units or not report conditions to the housing authority (Desmond, 2016). This is perhaps more extreme in cities without just cause for eviction requirements, but staff counselors' experiences have shown this is to be a problem in Richmond as well. Landlords who participate in the Section 8 program must undergo a Housing Quality Standards (HQS) inspection before the contract is approved by the housing authority and every year thereafter. HQS can be a double-edged sword for residents. On the one hand, it theoretically improves the overall quality of housing by holding the termination of the HAP contract as leverage. On the other, this puts tenants in a difficult position, especially in tight housing markets. If an owner fails HQS but indicates they will fix the problem, the housing authority abates the rent payment until they make the repairs. If they do not make repairs, a notice goes out to the tenant that they can either get a transfer voucher to find a new apartment or stay in their home and pay the difference (Richmond Housing Authority, 2018). The latter is often not an option for low-income tenants, which might explain why conditions are the most common reason why voucher-holders across the country move (DeLuca et al., 2013). Additionally, qualitative evidence from other cities has shown distrust of the HQS process and inspectors themselves, by both landlords and tenants (E. Graves, 2016; Teater, 2011).

There is also the possibility that landlords might use HQS failure to opt out of Section 8 or remove a tenant without going through the formal eviction process. According to Los Angeles' Rent Stabilization Division, this is a clear loophole in federal Section 8 rules that local agencies cannot easily close. In these sorts of cases, L.A.'s staff typically provide legal referrals and encourage tenants to work with their Section 8 advisor to issue a transfer voucher if the repairs are not made (Gosden, 2018). Indeed, Rent Program staff members have observed landlords in the Section 8 program utilize this approach to evict tenants with Housing Choice Vouchers. An attorney with Bay Area Legal Aid in Richmond stated, "we feel strongly that a landlord should not be rewarded for failing to do their job...They're causing the problem and then trying to terminate the tenant based on this" (Orevi, 2018). She argued that a landlord should not be able to terminate tenancy for nonpayment of the full contract rent if the termination of Section 8 assistance was due to a habitability problem caused by the landlord's neglect. However, she acknowledged that this issue has not yet been litigated. The L.A. Municipal Code also previously included a provision stating, "It shall be unlawful for any landlord to terminate or fail to renew a rental assistance contract with the Housing Authority of the City of Los Angeles (HACLA), and then demand that the tenant pay rent in excess of the tenant's portion of the rent under the rental assistance contract" (LAMC Sec 151.04B). After a successful 2006 lawsuit by the landlord association, the city amended this provision to state that the landlord may not demand the excess rent for 90 days after serving notice of termination.¹⁸ One of the challenges is that the housing authority needs participating landlords for the HCV program to work. Staff in various cities brought this up as a consideration when asked about regulating Section 8 tenancies through the Rent Program. According to the Alameda Rent Program, "One of the reasons Section 8 units are exempt is that we were worried about adding additional restrictions that would discourage individual landlords from participating in the program" (Kauffman, 2018). At the same time,

¹⁸ See *Apartment Association of Los Angeles County Inc. v. City of Los Angeles* (136 Cal.App.4th 119)

loopholes around municipal and federal tenant protections undermine housing affordability and stability aims.

Project-Based Section 8

Project-based Section 8 is subject to HUD’s comparably rigorous inspection system, the Real Estate Assessment Center (REAC). HUD uses REAC for both public housing and project-based developments that have direct contracts with the Office of Multifamily Housing. Projects are scored on a scale from 1 to 100, with 60 as a minimum passing score. The frequency of REAC inspections depends on a project’s past scoring. If a project scores 90 or above, inspections happen every 3 years; projects between 80 and 89 are inspected every 2 years, while those below 80 are inspected annually (McElroy, 2018). As **Table 5** indicates, all of Richmond’s multifamily projects currently have scores above 60, mostly in the 80s and 90s. Barrett Plaza and Monterey Pines are the two exceptions to this, with scores in the 60s and 70s. Looking at the past three inspections available on HUD’s REAC report, Arbors, Crescent Park, Deliverance Temple, Rubicon and St John’s also scored below 70 in recent years.

Table 5. REAC Inspection Scores for Richmond’s HUD Multifamily Projects

	REAC Inspection Score¹⁹	Date of Last Inspection	No. HUD Project-Based Units
Arbors Apts.	93b	9/2/2014	23
Barrett Plaza Townhouses	74c*	4/5/2016	58
Barrett Terrace Apts.	82c*	3/6/2015	114
Crescent Park	93c*	1/25/2016	341
Deliverance Temple	87c	4/5/2016	82
Monterey Pines²⁰	68c*	12/15/2016	0
Pullman Point	85c*	11/3/2016	192
Rubicon Homes	95b	6/30/2014	10
St John’s Apts.	96c*	8/12/2014	155

Source: HUD Office of Multifamily Housing Programs, 2018; Richmond Rent Program, 2017

¹⁹ The letters and symbols after the numerical score indicate the following: b (non-life threatening health and safety deficiencies), c (at least one life threatening health and safety deficiency), * (at least one inoperable smoke detector). For more, see <http://www.lomod.org/OwnersAgents/reacinspectioncores.aspx> and <https://www.hud.gov/sites/dfiles/Housing/documents/california.pdf>

²⁰ Monterey Pines does not currently have any project-based Section 8 units. It previously had a HUD-financed loan, which is why there was a REAC inspection. After the recent resyndication of tax credits, all units are below 60% AMI, meaning that they will not be subject to REAC in the future.

Residents of project-based HUD developments have similar grievance rights to people living in public housing. The first step in both HUD and LIHTC projects is typically to meet with the property manager or the project supervisor, if the complaint is with the property manager. The tenant may write to the supervisor that they want a grievance hearing, which the supervisor in most cases is required to acknowledge within ten business days. The supervisor's decision must be based on the signed lease and house rules, as well as the law (Harris, 2018). If a resident in a project-based Section 8 unit is dissatisfied, they can then contact HUD's Office of Multifamily Housing Programs directly or contact California Affordable Housing Initiatives (CAHI). CAHI monitors tenant files and the physical status of almost 600 project-based Section 8 properties in Northern California. When a tenant complains, CAHI's Contact Center will get in touch with site staff, then follow up with the central management office if site staff are unresponsive. Most of the complaints are related to maintenance issues, followed by rent determinations. CAHI staff will review complaints and determine whether there is a violation of federal regulations or fair housing law, particularly the provisions in HUD Handbook 4530.3 "Occupancy Requirements of Subsidized Multifamily Housing Programs." If staff are unable to resolve a dispute to the resident's satisfaction, the resident would have to pursue independent legal action (California Affordable Housing Initiatives, 2018). One concern specific to project-based Section 8 that emerged in discussions with legal advocates was management companies responding to maintenance requests by sending inspectors to look for any minor lease violations on which they could terminate tenancy (Orevi, 2018).

LIHTC

One of the main challenges for LIHTC is maintaining building quality and oversight once the compliance period has ended. A project must be rent-restricted for 55 years under TCAC regulations but the initial compliance period only lasts for fifteen years (in the case of a re-syndication of tax credits for the development, this period resets.) During the compliance period, owners are expected to inspect all units on the property annually and certify this to TCAC. State compliance officers will also inspect a development's common areas and 20 percent of randomly-selected units every three years (California Tax Credit Allocation Committee, 2017; Hensley, 2014). LIHTC units must adhere to Uniform Physical Conditions Standards, which can be less strict than HQS (Maddock, 2017). After the compliance period ends, inspections happen every five years. If TCAC identifies noncompliant properties, they issue a report listing the problems and typically give ownership 30 days to fix them. Although most of the time owners make the necessary repairs, if they do not, TCAC reports this noncompliance to the Internal Revenue Service (IRS). TCAC has no influence over what happens next, since tax credits are a federal IRS function (TCAC Compliance Program Management, 2018). The LIHTC system to some degree assumes investors will pressure owners and management companies to keep up good conditions, for fear of having the IRS recapture the tax credits. However, this is a fairly indirect system in comparison with HUD's recapture mechanisms, for example.

This arrangement also creates significant variability in the quality of a LIHTC project and its services. Projects that have more proactive on-site resident services operated by third parties are often better managed, as there is a healthy tension there between the property management and resident services staff (Maddock, 2017). Greater separation between these two functions—including third-party resident services providers—can help tenants feel more comfortable bringing up concerns. These resident services are more common among developments receiving competitive 9 percent tax credits, since these services increase a project's score in the application

process. Projects financed with non-competitive 4 percent credits tend not to offer as many amenities, since developers only have to promise to meet minimum affordability requirements to receive the tax credits (Maddock, 2017). Additionally, developers seeking 9 percent credits are often more experienced and are therefore more familiar with TCAC regulations and compliance procedures (TCAC Compliance Program Management, 2018). If LIHTC residents are dissatisfied with the internal grievance process, they can also call TCAC's Compliance Program and speak with a dedicated manager who works with tenants. Not every state has such a system; HFAs can take complaints from residents, but are not required to do so (Hensley, 2018). This is a useful mechanism but many tenants and advocates are not very familiar with LIHTC rules. LIHTC lease agreements can be around 50 pages long and compliance procedures may not be immediately clear from TCAC's website (Maddock, 2017).

Conclusions

When Richmond voters approved Measure L in November 2016, they approved a broad ordinance that required significant clarification. The question of how the Rent Ordinance should apply to different types of affordable housing is an important one, given that over 20 percent of Richmond's rental housing is affordable through a subsidy or deed restriction. Additionally, many affordable housing residents would have difficulty finding alternative housing in the broader private market, due to their race, socioeconomic status, disability, or family composition. Promoting these residents' rights to affordable, stable and good-quality housing is therefore important for supporting equity and public health goals.

In researching and writing this report, several themes emerged. First, "affordable housing" is a broad term that encompasses many types of assistance and oversight structures. Different types of affordable housing face distinct sets of concerns. Housing instability and poor quality emerged as key concerns for households with tenant-based vouchers, while LIHTC residents struggle more often with rising rents and cost burdens. Understanding the nuances of these programs is vital for crafting local policies and strategies to support residents. Additionally, discussions with various stakeholders highlighted the importance of mission-driven owners and property managers, which often incorporate more holistic resident services and tenant protections. Second, there are already a number of processes and forums for tenants in different types of affordable housing to lodge grievances. The Rent Program only learned about these through the process of conducting research for this report. Having this basic information will help staff better assist affordable housing residents who call or come into the office.

Finally, education and communication are vital for everyone involved. Early on, miscommunication and mixed messages from the Rent Program regarding affordable housing created confusion and challenges for both developers and residents. More than a year later, the Rent Program has built stronger working relationships with owners and property managers. It also has initiated conversations with other departments and agencies to educate them about the Rent Ordinance and strategize together how to improve housing quality and stability in Richmond more holistically. As Richmond's Rent Program continues to develop, it will likely continue to receive inquiries and complaints from residents in affordable housing. It is important for all stakeholders – other city agencies, developers, and legal advocates – to continue communicating with and educating the Rent Program about what is happening on the ground. Centering tenants' issues in data collection and outreach efforts will help ensure that some of

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Richmond's most vulnerable residents are protected and treated fairly in affordable housing. At the same time, it is important for the City of Richmond and the Rent Board to keep long-term affordability goals in mind as it develops regulations and strategies for affordable housing. Continued dialogue and creative solutions that are tailored to Richmond's unique history and diverse communities will support long-term housing affordability, stability and quality.

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Appendix A1

CITY OF RICHMOND DRAFT EXISTING DEED-RESTRICTED AFFORDABLE HOUSING

Basic Information				Subsidy										Ownership and		
DEVELOPMENT NAME	ADDRESS	YEAR BUILT (s)	APN	PROJECT-BASED SECTION B Direct Contract with HUD	SECTION B CONTRACT EXPIRATION	TENANTS WITH A HOUSING CHOICE VOUCHER (TENANT BASED SECTION B)	SECTION 202 UNITS	SECTION 42 (LH) TO UNITS	SECTION 236 UNITS	PUBLIC HOUSING UNITS/UNITS OWNED BY THE RICHMOND HOUSING AUTHORITY	BELOW MARKET RATE "MARK" UNITS	TOTAL SUBSIDIZED UNITS	COMPLIANCE END YEAR (LH) TO PROPERTIES ONLY	REGULATORY AGREEMENT AND DATES OF RECORDING	OWNER ON RECORD NAME & ADDRESS	OWNERSHIP ENTITY
Data Source	Regulatory Agreements, Restrictive Covenants, 2015-2022 Housing Element	ParcelQuest (County Assessor Data)	ParcelQuest (County Assessor Data)	HUD, California Housing Partnership Corporation	California Housing Partnership Corporation	Richmond Housing Authority	Richmond Housing Authority	HUD	Richmond Housing Authority	Richmond Housing Authority, ParcelQuest (County Assessor Data)	Regulatory Agreement	Regulatory Agreements, Restrictive Covenants, 2015-2022 Housing Element, California Housing Partnership Corporation	California Housing Partnership Corporation	Housing Division, Contra Costa County Recorder	ParcelQuest (County Assessor Data)	ParcelQuest (County Assessor Data), California Housing Partnership Corporation
1	Arbors Apartments	5127-5331 Creeley Avenue	1965	509-390-004	23	8/31/26		35				36	2063		ARBORS PRESERVATION LP	John Stewart Company (County), Resources for Community Development (RCD)(California Housing Partnership Corporation)
2	Barrett Plaza Townhouses	740 Barnett Ave, Richmond, CA 94801	1975	534-392-001	58	12/31/31			58			58	2070		BARRETT PLAZA HOUSING CORP	Community Housing Development Corporation, Managed by CHDC
3	Barrett Terrace Apartments	708 Barnett Ave, Richmond, CA 94801	1975	538-440-001	114	12/31/21			114			115			BARRETT TERRACE HOUSING CORP	Community Housing Development Corporation, Managed by CHDC
4	BayCliff Apartments	288 Lancaster Dr, Richmond, CA 94806	1977	414-300-005			118	342				342	2059	Regulatory Agreement and Declaration of Restrictive Covenants 11/29/06	FF Hills LP	FF Hills LP
5	Carquinez	400 Harbour Way, Richmond, CA 94801	1980	540-420-003			30	39				36	2064	Regulatory Agreement and Declaration of Restrictive Covenants 11/24/06	Carquinez Associates	Carquinez Associates
6	Chesley Mutual Housing	802 Chesley Ave, Richmond, CA 94801	2005 (s)	561-251-003				30				30	2059	Regulatory Agreement and Declaration of Restrictive Covenants 12/27/08	CHESELY AVE LTD PARTNERSHIP	Community Housing Development Corporation, Managed by Eden Housing
7	Crescent Park	5000 Hartnett Ave, Richmond, CA 94804	1968	509-242-003	341	12/31/26	13	378				378	2062	Regulatory Agreement and Declaration of Restrictive Covenants 07/06/07	CRESCENT PARK EAH LP	EAH Housing
8	Deliverance Temple	4312 Potrero Ave, Richmond, CA 94804	1974	509-370-028	82	2/28/37		82				82	2070	Regulatory Agreement - Federal and State Credits (12/09/03) & HAP Contract 10/0/09	DT Venture LP	MRK Partners, Inc.
9	Friendship Manor (RAD Conversion)	564 Stege Avenue, Richmond, CA 94804	1972 (b)	513-171-007			43			57		57	2069	Regulatory Agreement and Declaration of Restrictive Covenants 12/22/15	Richmond Housing Authority	City of Richmond Housing Authority Managed by John Stewart
10	Harborview Senior Apartments	25 Harbour Way, Richmond, CA 94801	2016 (s)	538-430-020			46	61				62	2068	Regulatory Agreement and Declaration of Restrictive Covenants 08/15/14	RICHMOND PACIFIC ASSOCIATES	Richmond Pacific Associates
11	Heritage Park at Hilltop	3811 Lakeside Drive, Richmond, CA 94806	2000 (s)	405-373-022			94	95				192	2054	No Reg Agreement, but we have Density Bonus Agreement 02/28/03	HILLTOP GROUP LP	Hilltop Group LP
12	Liberty Village Apartments	298 W Clansdor Ave, Richmond, CA 94801	1942	538-012-003				100				100	2068	Regulatory Agreement 11/01/00	LH LIBERTY VILLAGE LP	LH Liberty Village LLC
13	Lille Mae Jones Plaza	120 Macdonald Ave, Richmond, CA 94801	2011 (s)	538-181-037			18					26	2065	Regulatory Agreement and Declaration of Restrictive Covenants (no date of recording), Modification of Regulatory Agreement and Declaration of Restrictive Covenants 05/07/20	LILLE MAE JONES PLAZA LP	East Bay Asian Local Development Corp (County), CHDC of North Richmond (California Housing Partnership Corporation)
14	Monterey Place Apartments	480 S 37th St, Richmond, CA 94804	1971	513-185-011			50	124				124	2070	Regulatory Agreement and Declaration of Restrictive Covenants 12/20/03	Monterey Venture LP	Apartment Management Consultants LLC
15	Nevin Plaza	2400 Nevin Avenue, Richmond, CA 94804	1973	515-261-001						142		142			Richmond Housing Authority	Richmond Housing Authority
16	Nyctrom Village	222 Marina Way South, Richmond, CA 94804	1950	544-112-001						102		102			Richmond Housing Authority	City of Richmond Housing Authority Managed by John Stewart
17	Pullman Point (Formerly Richmond Townhouses)	2989 Pullman Ave, Richmond, CA 94804	1973	513-010-019	192	7/29/24		199	192			199	2056	First Amendment to First Amendment and Restated Regulatory Agreement 12/06/13	CARLSON BULLEWARD LP	Primary Owner - Community Housing Development Corporation and Limited Partner John Stewart Company
18	Richmond City Center Apartments	1000 Macdonald Ave	1994	540-460-009			14	63				63	2067		RICHMOND HOLDING ASSOCIATES LP	Richmond Housing Associates
19	Richmond Village (Formerly Easter Hill)	700 S 38th St, Richmond, CA 94804	2008 (s)	549-240-001			60	241				241	2060 & 2061	Regulatory Agreement and Declaration of Restrictive Covenants - Easter Hill Phase I (12/24/04), Regulatory Agreement and Declaration of Restrictive Covenants - Easter Hill Phase II (11/21/06)	Richmond Housing Authority	Richmond Housing Authority (County), McCormick Baron, Salazar, Inc. (California Housing Partnership Corporation)
20	Rubicon Homes	2500 Bissell Ave, Richmond, CA 94804	1950	515-312-004	10	8/31/27	OH 202 project - lease matured		10			10			Rubicon Programs Incorporated	Rubicon Programs Incorporated

Basic Information				Subsidy											Ownership and	
DEVELOPMENT NAME	ADDRESS	YEAR BUILT (a)	APN	PROJECT-BASED SECTION 8 DIRECT CONTRACT WITH HUD	SECTION 8 CONTRACT EXPIRATION	TENANTS WITH A HOUSING CHOICE VOUCHER (TENANT-BASED SECTION 8)	SECTION 202 UNITS	SECTION 42 (LHIC) UNITS	SECTION 236 UNITS	PUBLIC HOUSING UNITS/UNITS OWNED BY THE RICHMOND HOUSING AUTHORITY	BELOW MARKET RATE "BMR" UNITS	TOTAL SUBSIDIZED UNITS	COMPLIANCE END YEAR (LHIC PROPERTIES ONLY)	REGULATORY AGREEMENT AND DATE(S) OF RECORDING	OWNER ON RECORD NAME & ADDRESS	OWNERSHIP ENTITY
Data Source	Regulatory Agreements; Restrictive Covenants; 2015-2023 Housing Element	ParcelQuest (County Assessor Data)	ParcelQuest (County Assessor Data)	HUD, California Housing Partnership Corporation	California Housing Partnership Corporation	Richmond Housing Authority	Richmond Housing Authority	HUD	Richmond Housing Authority	Richmond Housing Authority; ParcelQuest (County Assessor Data)	Regulatory Agreement	Regulatory Agreements; Restrictive Covenants; 2015-2023 Housing Element; California Housing Partnership Corporation	California Housing Partnership Corporation	Housing Division, Contra Costa County Recorder	ParcelQuest (County Assessor Data)	ParcelQuest (County Assessor Data); California Housing Partnership Corporation
21	St Johns Apartments	121 W Macdonald Ave, Richmond, CA 94801	1990	538-011-002	155	6/30/13		158				158	2068	Regulatory Agreement (7/22/13)	ST JOHN'S PARTNERS LP	US Residential Corporation
22	Triangle Court (RAD Conversion)	80 Triangle Court, Richmond, CA 94801	1988	561-280-007			75				98	98	2066	Regulatory Agreement and Declaration of Restrictive Covenants (12/22/13)	Richmond Housing Authority	Richmond Housing Authority
23	Trinity Plaza Senior Apartments (Formerly MacDonald Senior Apartments)	350 & 410 Macdonald Ave, Richmond, CA 94805	2009 (c)	538-210-027			64	66				66	2062	Regulatory Agreement and Declaration of Restrictive Covenants (10/12/07)	Richmond Labor & Love Comm Dev	Richmond Labor & Love Community Development (County); Related Development Company of California, LLC (California Housing Partnership Corporation)
24	VUE @ 3600 (Formerly Summit at Hilltop)	3600 Sierra Ridge Road	1990	405-490-013								96		Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (7/15/10)	US Reif Sierra Ridge Road	US Reif Sierra Ridge Road
25	Westridge Apartments	2490 Lancaster Dr, Richmond, CA 94806	1973	414-310-008 & 414-310-007			55	394						Regulatory Agreement and Declaration of Restrictive Covenants (3/25/16)	Merito Westridge Affordable Partner	Alliance Residential Company (County); Klein Financial Corp/Merito Capital
SUM					975	683	95	2,702	374	399		3,414				

SECTION 8 HOUSING CHOICE VOUCHERS ADMINISTERED BY RICHMOND HOUSING AUTHORITY (as of May 2017)	
Category	Number
Number of Units with Active Voucher	1,552
Total Possible Vouchers	1,851

Notes:
(a) Information on year construction began was provided by the Contra Costa County Assessor. The Planning and Building Services Departments
(b) Associated with the parent address of 603 South 37th Street.
(c) The Costa-Hawkins Rental Housing Act (California Civ. Code 1954.50) exempts units which received a certificate of occupancy after February

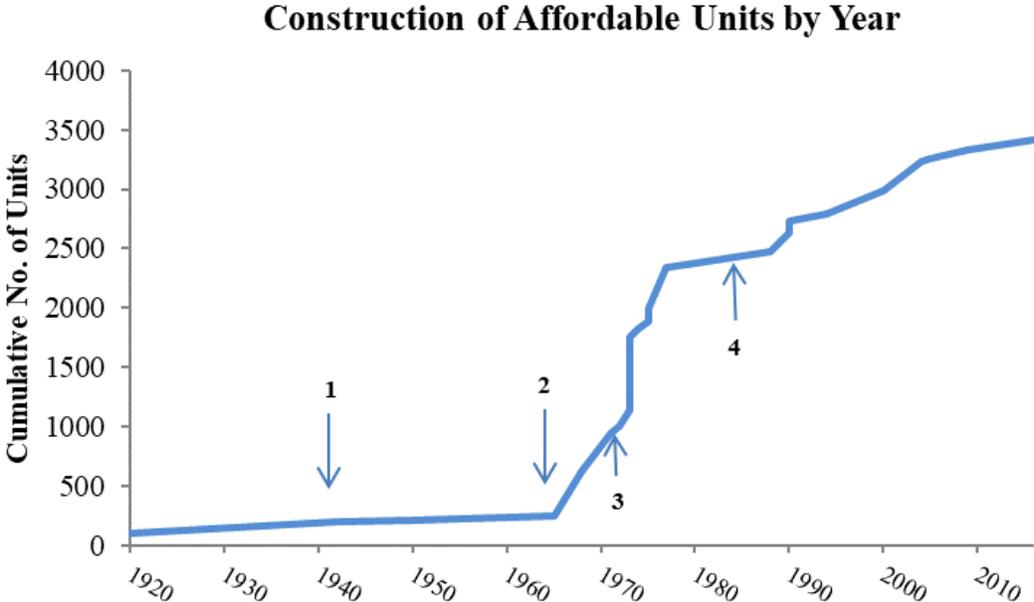
DEFINITIONS	
LHIC	Low Income Housing Tax Credit
Section 8 - Project Based	Units Subsidized by Section 8 Program
Section 8 - Tenant Based	Tenants with a Section 8 Voucher
Section 202 (Senior)	Section 202 Supportive Housing for the Elderly Program
Section 236	Preservation of

Appendix A2 - Profile of Affordable Housing in Richmond

Table 1. Project Abbreviation Key

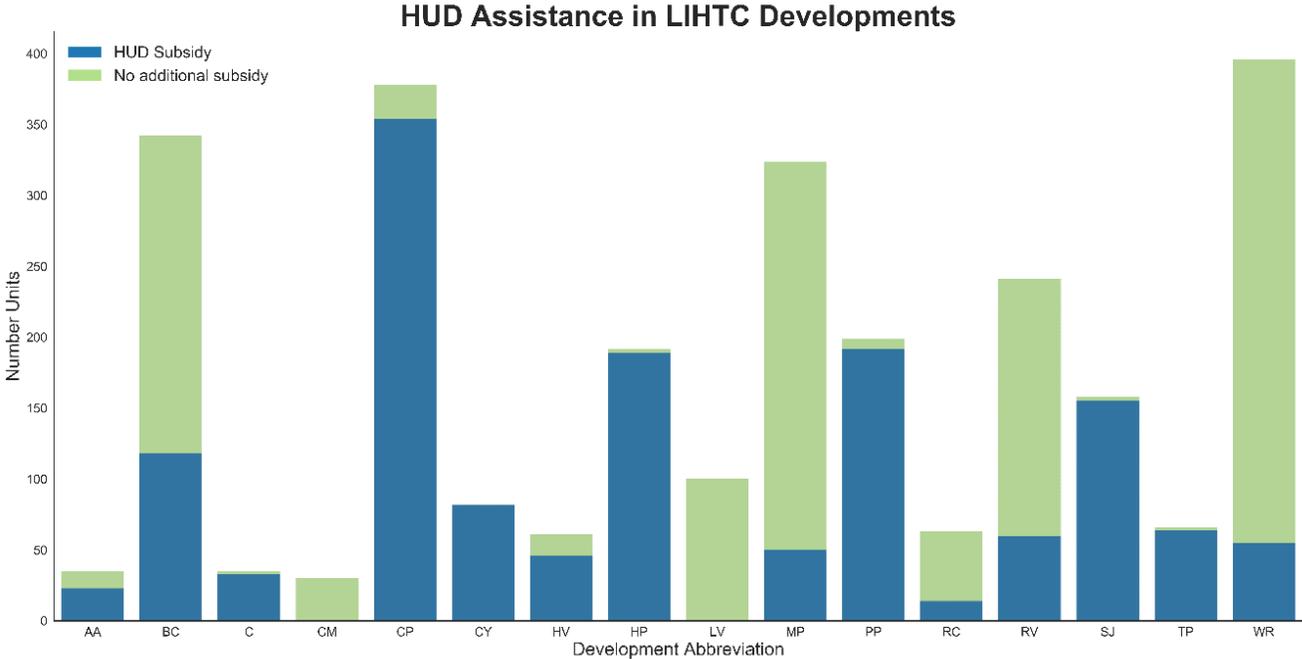
Abbreviation	Project Name
AA	Arbors Apartments
BP	Barrett Plaza
BT	Barrett Terrace
BC	Baycliff Apartments
CA	Carquinez
CM	Chesley Mutual
CP	Crescent Park
CY	Cypress Pines (formerly Deliverance Temple)
FM	Friendship Manor
HP	Heritage Park
HV	Harborview Senior Apts.
LM	Lillie Mae Jones
LV	Liberty Village
MP	Monterey Pines
NP	Nevin Plaza
NV	Nystrom Village
PP	Pullman Point
RC	Richmond City Center Apts.
RV	Richmond Village
RU	Rubicon Homes
SJ	St. Johns Apartments
TC	Triangle Court
TP	Trinity Plaza Senior Apts.
WR	Westridge Apts.

Figure 1. Construction of Affordable Units by Year



Source: Richmond Rent Program, 2017
 Key: 1) 1941 – RHA established; 2) 1961-68 – HUD implements a range of construction assistance programs
 3) 1973/74 - Federal government places moratorium on new housing and establishes Section 8;
 4) 1986 - Congress creates LIHTC through tax reform act

Figure 2. HUD Assistance in LIHTC Developments



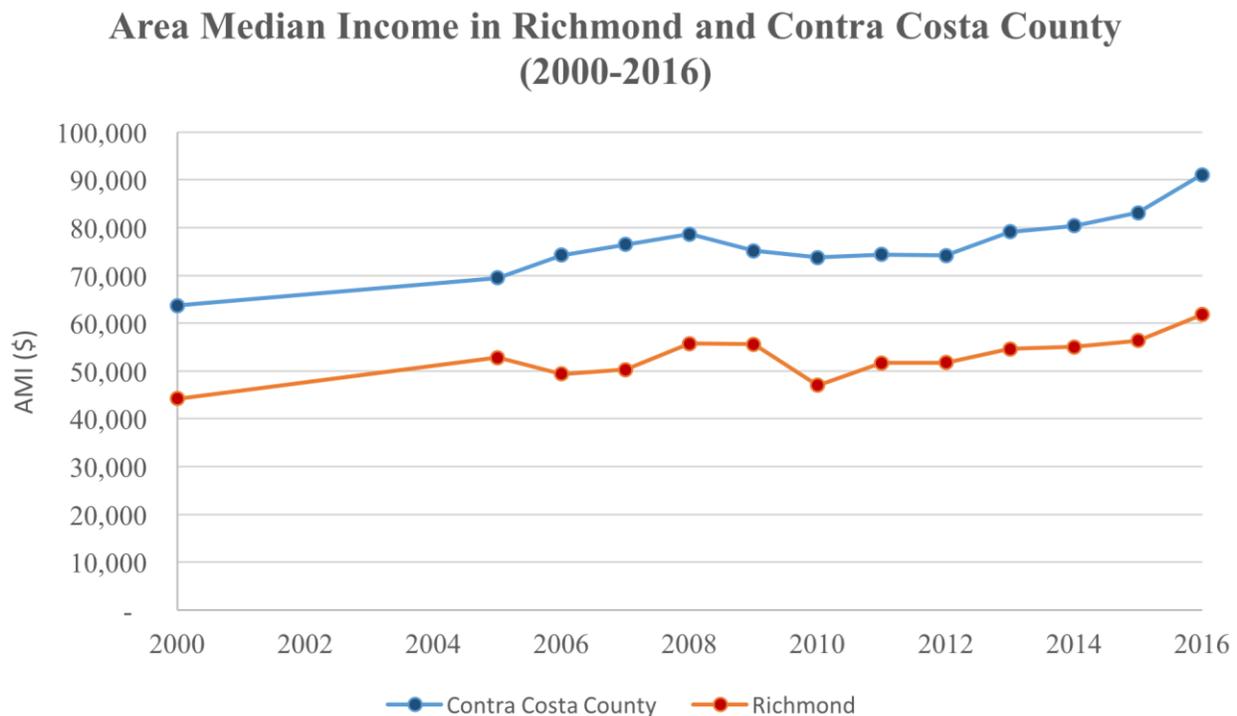
Source: Richmond Rent Program, 2017 (see Appendix A1 for more information on subsidy types)

Table 2. Comparison of City, County and TCAC Regional AMI (\$)

Household Size	Contra Costa County	Richmond	TCAC Median Income ¹
1	45,971	40,057	81,400
2	96,702	67,718	93,000
3	110,411	70,069	104,600
4	121,340	71,815	116,200
5	104,394	74,388	125,500
6	103,000	60,811	134,800
Overall AMI	91,045	61,814	N/A

Source: ACS 1-Year Estimates (Table B19019, 2016); TCAC Income Limits (2018)

Figure 3. Area Median Income in Richmond and Contra Costa County (2000-2016)

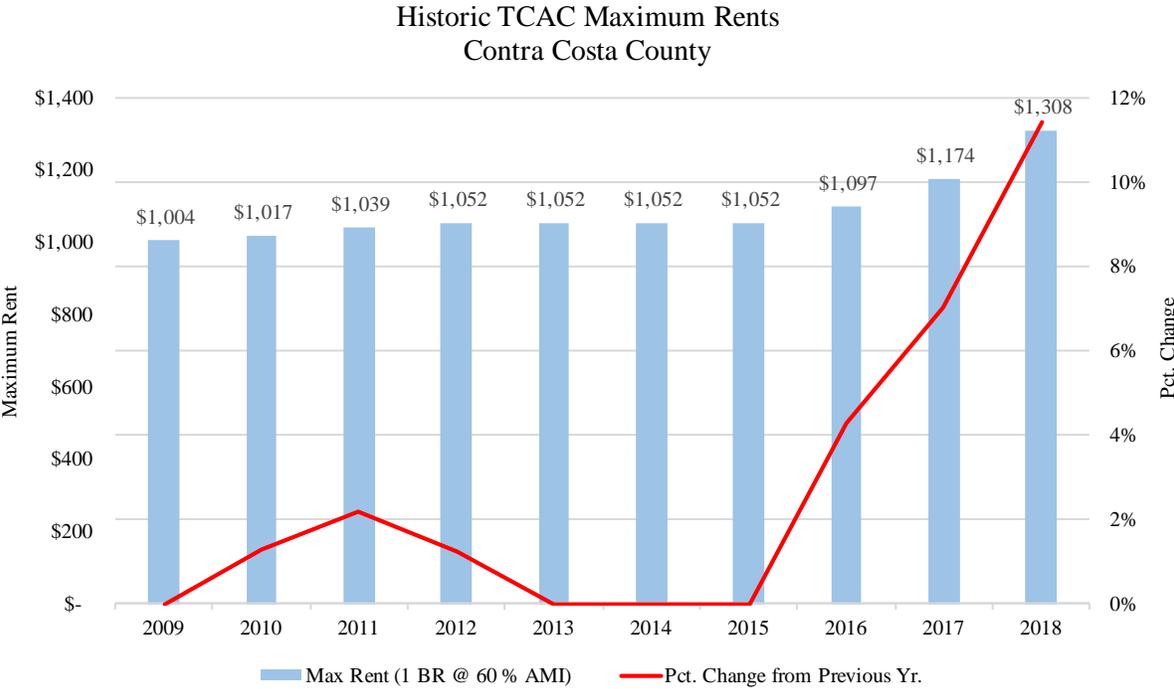


Source: ACS 1-Year Estimates (Table B19019, 2005-2016); U.S. Census (Table P053, 2000)

¹ These income limits are for projects placed in service prior to 2008 in the Oakland-Fremont HUD Metro FMR Area. 50 or 60% AMI limits in LIHTC projects would be based on this estimate.

<http://www.treasurer.ca.gov/ctcac/rentincome/18/income/01-income-limits-pis-before-123108.pdf>

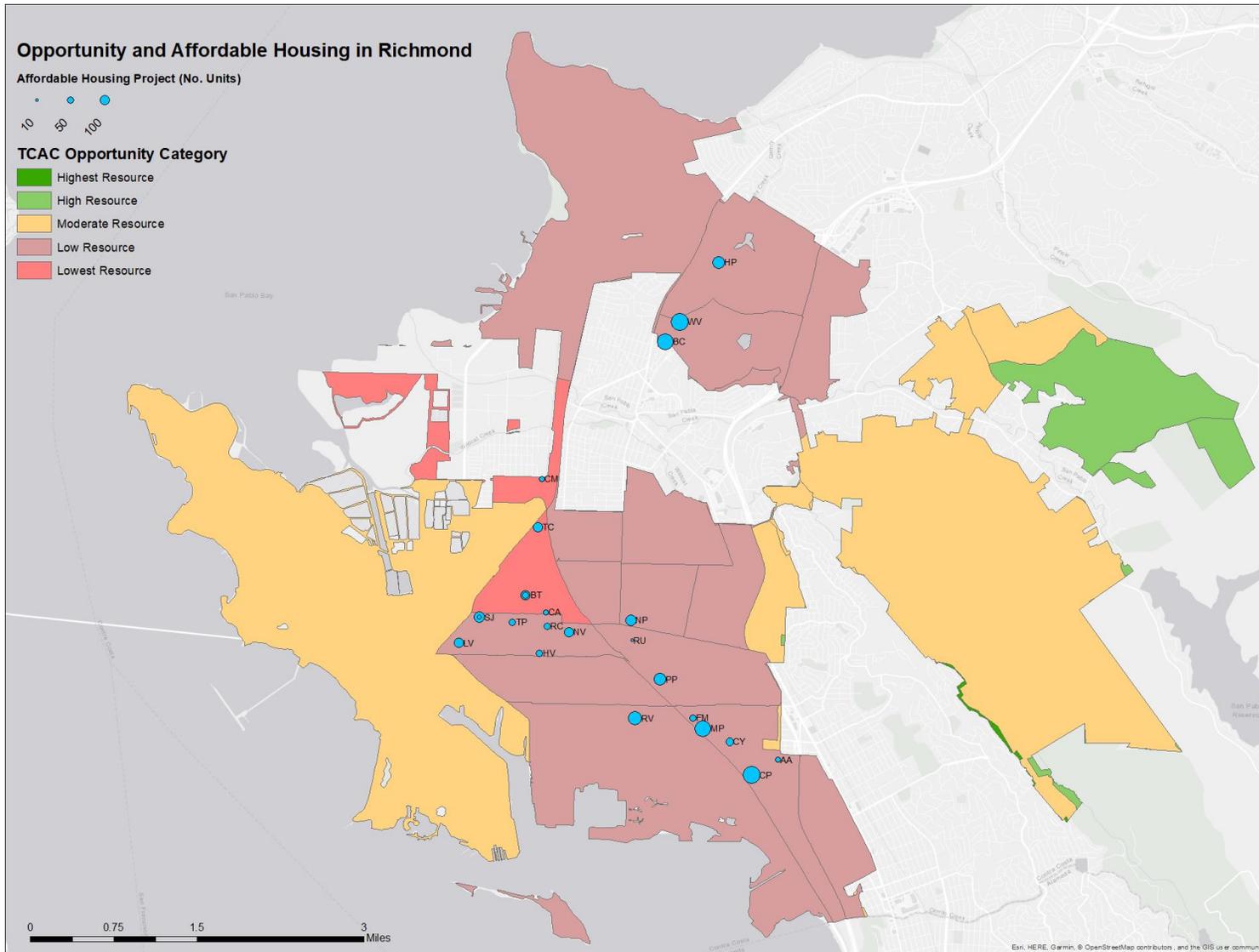
Figure 4. TCAC Maximum Rent (2009-2018)



Source: TCAC, 2018

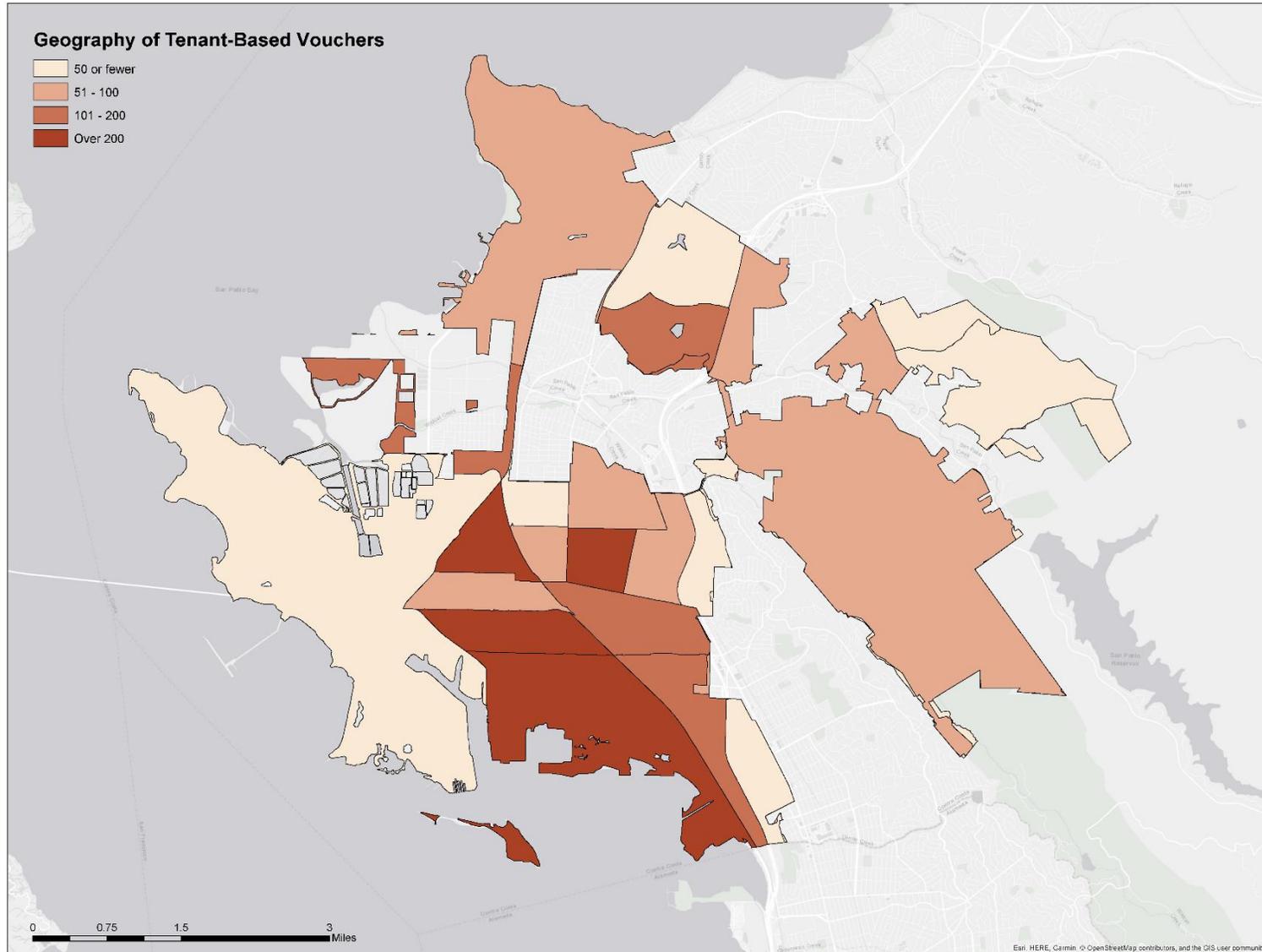
Note: This data labels note the maximum rent (at 60% AMI) for a one-bedroom unit placed into service prior to 12/31/08. For more, see <http://www.treasurer.ca.gov/ctcac/compliance/limits.asp>.

Figure 5. Opportunity and Affordable Housing in Richmond



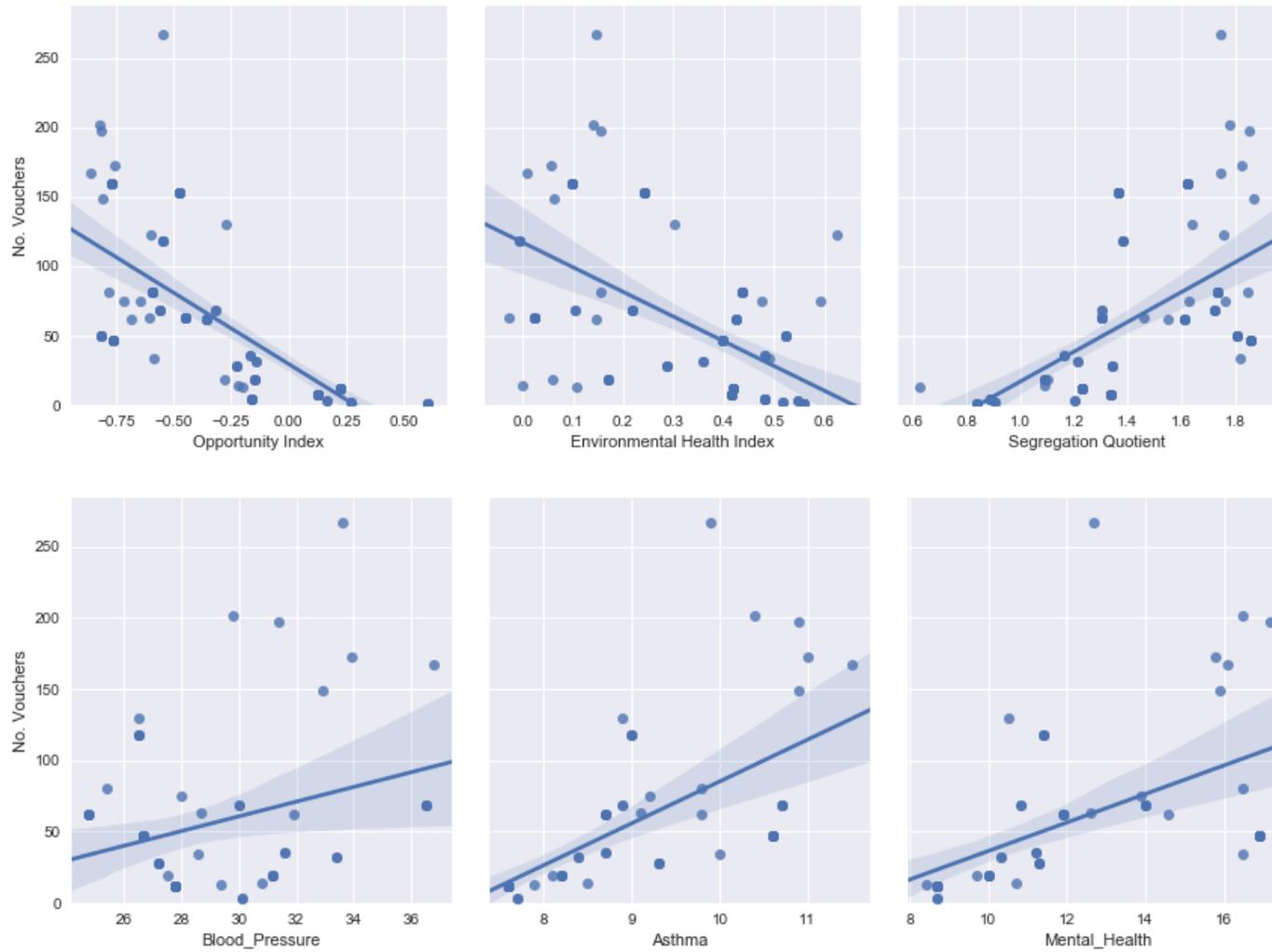
Source: Richmond Rent Program, 2017; TCAC “Opportunity Maps”, 2017

Figure 6. Geography of Tenant-Based Vouchers in Richmond



Source: HUD "Picture of Subsidized Households", 2017

Figure 7. Demographic, Environmental and Health Characteristics of Section 8 Neighborhoods



Source: HUD “Picture of Subsidized Households”; TCAC “Opportunity Maps”; Centers for Disease Control “500 Cities” (all 2017)

Program	Housing Choice Vouchers <i>(Tenant-based Section 8)</i>	Project-Based Multifamily ¹	LIHTC	Richmond Rent Ordinance
Administered by:	Housing Authority (HA)	HUD	CA Tax Credit Allocation Committee (TCAC)	Richmond Rent Program
Termination of Tenancy	<ul style="list-style-type: none"> - Termination allowed for material noncompliance with lease, criminal activity, property damage, “other good cause” (as defined by states/localities)² - Good cause can include business or economic reasons, such as wanting to increase rents beyond HUD limits³ 		<ul style="list-style-type: none"> - Properties must have ‘good cause’ eviction requirements within their deed restrictions⁴ - No standard definition of ‘good cause’ within federal or state LIHTC regulations, determined by courts on case-by-case basis⁵ 	<ul style="list-style-type: none"> - Set of 8 reasons for “just cause” evictions - Relocation payments required for no-fault evictions
Rent Regulation	<ul style="list-style-type: none"> - HUD bases tenant rent on 30% income standard, tenants recertify annually⁶ - Government portion (paid by HUD or HA) based on Fair Market Rent⁷ - Resident must report income changes between recertifications → HA or project is required to recalculate accordingly 		<ul style="list-style-type: none"> - Rents based on income brackets (pct. Area Median Income), as opposed to direct pct. of household income (as in HUD)⁸ - Management companies look at past 2 years of gross income and ask employers about potential future raises⁹ - Not required to immediately recalculate rent if income changes 	<ul style="list-style-type: none"> - Rent control applies to most multifamily units built before 1996 - Sets base rent to July 2015 levels and allows for subsequent increases based on Consumer Price Index (CPI)
Habitability	<ul style="list-style-type: none"> - Housing Quality Standards (HQS) inspections by HA: fairly strict standards¹⁰ - HQS may also make residents wary of reporting problems for fear of losing housing, especially in tight markets¹¹ 	<ul style="list-style-type: none"> - HUD’s Real Estate Assessment Center (REAC) inspects properties and releases physical inspection score¹² - If a project scores below 70, HUD can recapture funds or fire management companies¹³ 	<ul style="list-style-type: none"> - Compliance section at TCAC inspects properties annually during first 15 years only¹⁴ - No monitoring after this 15-year period, even though affordability term much longer - Inspection of 20% randomly selected units, mostly looking for physical or severe habitability problems¹⁵ 	<ul style="list-style-type: none"> - <i>For controlled units:</i> petition process for downward rent adjustment if substantial deterioration of unit or lack of services - <i>For non-controlled units:</i> program staff will refer case to Richmond Rental Inspection Program or Building Official
Grievances and Oversight	<ul style="list-style-type: none"> - Right to informal review or hearing with HA to dispute voucher termination or rent calculations¹⁶ - HA does not usually get involved in landlord-tenant disputes 	<ul style="list-style-type: none"> - Right to administrative grievance hearing, similar to public housing¹⁷ 	<ul style="list-style-type: none"> - TCAC Compliance Section has some authority but many tenants do not know what LIHTC or TCAC are¹⁸ - Most complaints or issues dealt with internally (through management or development company)¹⁹ - LIHTC regulations are within tax code, making it harder for residents to bring claims against management²⁰ 	<ul style="list-style-type: none"> - Rent Program has authority to issue warning notices to landlords about termination of tenancy, habitability, or illegal rent increases - Petition process for controlled units

References

- ¹ This category refers to multifamily housing administered through direct contracts with HUD, including project-based Section 8, Section 202 (senior) and Section 236 (mortgage interest subsidy) housing
- ² U.S. Department of Housing and Urban Development (HUD) “HUD Multifamily Occupancy Handbook Chapter 8,” November 2013, accessed November 1, 2017, https://www.hud.gov/sites/documents/DOC_35654.PDF.
- ³ National Housing Law Project (NHLP), “Barrientos v. 1801-1825 Morton, LLC”, accessed October 18, 2017, <http://nhlp.org/node/1130>.
- ⁴ NHLP, “Good Cause Eviction,” accessed November 7, 2017, <http://nhlp.org/resourcecenter?tid=106>
- ⁵ Tenants Union of Washington State, “Low Income Housing Eviction,” accessed October 27, 2017, <http://www.tenantsunion.org/en/rights/low-income-housing-eviction>.
- ⁶ HUD, “HUD Multifamily Occupancy Handbook Chapter 7,” November 2013, accessed November 1, 2017, <https://www.hud.gov/sites/documents/43503C7HSGH.PDF>.
- ⁷ HUD, “Fair Market Rents,” accessed November 7, 2017, <https://www.huduser.gov/portal/datasets/fmr.html>.
- ⁸ Alex Schwartz, *Housing Policy in the United States* (New York: Routledge, 2010).
- ⁹ Interview with Lauren Maddock, October 23, 2017.
- ¹⁰ HUD, “Housing Quality Standards – Frequently Asked Questions”, accessed November 7, 2017, https://www.hud.gov/sites/documents/DOC_9143.PDF.
- ¹¹ Schwartz, *Housing Policy in the United States*.
- ¹² HUD, “Physical Inspection Scores,” accessed November 3 2017, <https://www.huduser.gov/portal/datasets/pis.html>.
- ¹³ HUD, “Physical Requirements,” https://www.hud.gov/sites/documents/21514_preoccphysical.doc
- ¹⁴ California Tax Credit Allocation Committee, “Compliance Online Reference Manual”, accessed October 27, 2017, <http://www.treasurer.ca.gov/ctcac/compliance/manual/manual.pdf>.
- ¹⁵ Desiree Carole Hensley, “Out in the Cold: The Failure of Tenant Enforcement of the Low-Income Housing Tax Credit,” SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, September 3, 2014), accessed October 17, 2017, <https://papers.ssrn.com/abstract=2491366>.
- ¹⁶ South Carolina Appleseed Legal Justice Center, “Grievance Procedures in Public Housing, Subsidized Housing and Section 8 Programs”, October 2012, accessed November 3, 2017, <http://www.scjustice.org/brochure/grievance-procedures/>.
- ¹⁷ Interview with Oraneet Shikmah Orevi, February 20, 2018.
- ¹⁸ Hensley, “Out in the Cold.”
- ¹⁹ Interview with Lauren Maddock, October 23, 2017.
- ²⁰ Hensley, “Out in the Cold.”

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: Residents at Heritage Park at Hilltop Apartments, a 192-unit Low Income Housing Tax Credit (LIHTC) development for individuals age 55 years or older, have voiced concerns about recent rent increases effective July 1, 2018, and issues associated with refuse removal and security of the premises. At the May 16, 2018, Regular Meeting, Rent Boardmembers directed staff to return in June with an update on their efforts to address resident concerns regarding rent increases in Low Income Housing Tax Credit (LIHTC) housing developments. Staff members are requesting the Board appoint an ad hoc Rent Board committee to assist staff in developing an agreement with LIHTC providers based on a proposal put forth by affordable housing providers to reduce the potential for "rent shock" among LIHTC Rental Units.

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: (1) RECEIVE an update regarding rent increases in Low Income Housing Tax Credit (LIHTC) properties and (2) APPOINT an ad hoc Rent Board committee (consisting of two Boardmembers) to work with staff to develop an agreement with Low Income Housing Tax Credit (LIHTC) providers that would limit rent increases applied in any twelve-month period to Rental Units in LIHTC developments to the lesser of (a) the maximum rent permitted by the State Tax Credit Allocation Committee or (b) the Annual General Adjustment percentage rent increase for that year plus no more than five percent of deferred rent increases – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

AGENDA ITEM NO:

H-2.

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AGENDA REPORT

DATE: June 20, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Paige Roosa, Deputy Director
Charles Oshinuga, Staff Attorney

SUBJECT: RENT INCREASES IN TAX CREDIT PROPERTIES

STATEMENT OF THE ISSUE:

Residents at Heritage Park at Hilltop Apartments, a 192-unit Low Income Housing Tax Credit (LIHTC) development for individuals age 55 years or older, have voiced concerns about recent rent increases effective July 1, 2018, and issues associated with refuse removal and security of the premises. At the May 16, 2018, Regular Meeting, Rent Boardmembers directed staff to return in June with an update on their efforts to address resident concerns regarding rent increases in Low Income Housing Tax Credit (LIHTC) housing developments. Staff members are requesting the Board appoint an ad hoc Rent Board committee to assist staff in developing an agreement with LIHTC providers based on a proposal put forth by affordable housing providers to reduce the potential for “rent shock” among LIHTC Rental Units.

RECOMMENDED ACTION:

(1) RECEIVE an update regarding rent increases in Low Income Housing Tax Credit (LIHTC) properties and (2) APPOINT an ad hoc Rent Board committee (consisting of two Boardmembers) to work with staff to develop an agreement with Low Income Housing Tax Credit (LIHTC) providers that would limit rent increases applied in any twelve-month period to Rental Units in LIHTC developments to the lesser of (a) the maximum rent permitted by the State Tax Credit Allocation Committee or (b) the Annual General Adjustment percentage rent increase for that year plus no more than five percent of deferred rent increases – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item. The cost of providing counseling and regulatory services to the community is captured in the Fiscal Year 2017-18 and Fiscal Year 2018-19 Rent Program budgets.

DISCUSSION:

Background

Heritage Park at Hilltop Apartments is a 192-unit development located at 3801-3815 Lakeside Drive, Richmond, CA 94806. The property is owned by Hilltop Group LP, operating as USA Properties Fund, whose corporate office is in Roseville, CA.

At the April 23, 2018, Special Meeting of the Richmond Rent Board and May 1, 2018, Regular Meeting of the Richmond City Council, more than a dozen residents from Heritage Park at Hilltop Apartments voiced their concerns about recent rent increase notices and maintenance on the premises. Specifically, residents commented on the financial burden posed by a rent increase in excess of ten percent, as well as the perceived lack of refuse removal on the premises and inadequacy of security systems.

On November 15, 2017, the Rent Board adopted Regulation 17-01, regarding the exemption of approximately 4,283 governmentally subsidized rental housing units (including the Housing Choice Voucher Program, Project-Based Section 8 Program, Low Income Housing Tax Credit Program, and Supportive Housing for the Elderly Program) from the rent control provisions of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (Attachment 1). For this reason, as well as the fact that Heritage Park at Hilltop Apartments was constructed in 2000 and is therefore exempt from rent regulation pursuant to the Costa-Hawkins Rental Housing Act, the Rent Program Department does not currently regulate the Maximum Allowable Rent at Heritage Park at Hilltop Apartments.

To address these issues, at their meeting on May 16, 2018, the Rent Board provided the following direction to staff:

- Attend the May 18, 2018, conference call with affordable housing providers organized by staff and continue investigations into resident concerns;
- Discuss the situation with the Richmond Housing Authority to see what support they can provide, particularly in terms of providing additional Housing Choice Vouchers to residents facing rent increases; and,
- Provide the Board with a memorandum describing the legal options available to the Board to address the rent increases at Heritage Park at Hilltop Apartments.
[A confidential memorandum will be provided to the Board.]

Each of these action items, with the exception of the legal memorandum, are described in further detail below.

May 18, 2018 Conference Call with Affordable Housing Providers

On May 18, 2018, the Executive Director and Deputy Director hosted a conference call with affordable housing providers to share concerns and solicit proposals regarding the implications of “rent shock” following the Tax Credit Allocation Committee (TCAC) new rent maximums. A list of developments represented, participants, and minutes from the discussion are contained in Attachment 2.

Capacity of the Richmond Housing Authority to Provide Additional Housing Choice Vouchers

At the May 16, 2018, Regular Meeting, the Board directed staff to inquire with the Richmond Housing Authority regarding the possibility of allocating additional Housing Choice Vouchers (Section 8) to residents at Heritage Park facing a rent increase.

According to Consultant Tia Ingram of the Richmond Housing Authority, admission in the Housing Choice Voucher (Section 8) program is by wait list only. All Richmond wait lists are currently closed with over 1,000 households waiting for assistance. Furthermore, there is no preference on the wait list for “rent burdened” households, so a Heritage Park household, if on the waitlist, would have to wait until the application reached the top for admission.

Furthermore, the Richmond Housing Authority and other housing authorities in the Bay Area are currently facing a shortfall of Housing Choice Vouchers and there is a possibility that the Housing Authority will not have sufficient funding to continue supporting all current contracts. In response, the Housing Authority has ceased issuing additional Housing Choice Vouchers and has restricted the ability of assisted households to move to a different unit. Given these findings, it is highly unlikely that the Housing Authority will be able to supply Housing Choice Vouchers to affected households.

Proposed Agreement

The primary purpose of the May 18, 2018, conference call with affordable housing providers was to solicit proposals regarding how providers can ensure tenants in Tax Credit properties will be sheltered from “rent shock” in lieu of the Rent Board rescinding Regulation 17-01, which exempts rent-restricted units (including units exempt from the rent control provisions of the Ordinance. As a result of the conversation as well as further collaboration among the providers, a proposal has been brought forth by several of Richmond’s largest tax credit property owners, whereby affordable housing providers would voluntarily agree to limit rent increases served in any twelve-month period in LIHTC developments to the lesser of (a) the maximum rent permitted by the State Tax Credit Allocation Committee or (b) the Annual General Adjustment percentage rent increase for that year plus no more than five percent of deferred rent increases.

Letters indicating a voluntary willingness to comply with such a limitation on rent increases were received from representatives of USA Properties Fund (Heritage Park at Hilltop Apartments)¹, The John Stewart Company (Arbors Apartments, Friendship Manor, Triangle Court, Pullman Point, Rubicon Homes), EAH Housing (Crescent Park), MRK Partners (Monterey Pines, Cypress Pines (formerly Deliverance Temple)), Fairfield Residential (Baycliff Apartments) and Klein Financial Corporation (Westridge at Hilltop Apartments) (Attachment 3). In total, the proposal has been approved by representatives of 2,119 deed-restricted units in Richmond, which amounts to approximately 63 percent of the total deed-restricted units in affordable housing developments in Richmond.

This concept of “banking” rent increases permitted by the Tax Credit Allocation Committee is illustrated in an example below. It is anticipated the mechanics of this concept would be further explained in a formal agreement entered into between the Rent Board and affordable housing providers.

EXAMPLE CALCULATION (*for illustrative purposes only*)

Year	Annual General Adjustment (AGA) Rent Increase	Rent Increase Permitted by the Tax Credit Allocation Committee (TCAC)	Total Permitted Rent Increase The lesser of (AGA) + 5% of any “Banked” Rent Increase OR the rent adjustment permitted by TCAC	Portion of “Banked” Rent Increase
2016 (starting year)	3.0%	4.0%	3.0%	1.0%
2017	3.4%	7.0%	4.4%	2.6%
2018	3.6%	12.0%	6.2%	5.8%
2019	3.2%	8.0%	8.2%*	0.8%

**Capped by the 5% banking limitation*

Conclusion

According to the California Tax Credit Allocation Committee Compliance Program Manager, TCAC does not regulate the frequency or the percentage of changes in the maximum rent for LIHTC units; it only provides a rent limit that an owner cannot exceed. LIHTC property owners may raise rent any time during the lease period if the limit is not exceeded. As such, without additional limitations on the amount of the rent increase that can be imposed at any one time, low-income tenants on fixed incomes, such as the residents of Heritage Park at Hilltop Apartments, may experience “rent shock” that results in potential displacement or significant financial hardship.

¹ In lieu of a formal letter, a representative from USA Properties Fund sent staff members an email indicating their willingness to support the proposal set forth by affordable housing providers.

The willingness of affordable housing providers to limit rent increases in accordance with their proposal is anticipated to reduce the potential for “rent shock” for tenants in Tax Credit Rental Units; however, it is important to note that in years with uncharacteristically high inflation, additional measures may be necessary to avoid the imposition of significantly large rent increases. The Board may seek to renegotiate the terms of the agreement should inflation increase significantly. Staff members therefore recommend the Board appoint an ad hoc Rent Board committee (consisting of two Boardmembers) to work with staff members to develop an agreement with Low Income Housing Tax Credit (LIHTC) providers that would limit rent increases applied in any twelve-month period to Rental Units in LIHTC developments to the lesser of (a) the maximum rent permitted by the State Tax Credit Allocation Committee or (b) the Annual General Adjustment percentage rent increase for that year plus no more than five percent of deferred rent increases.

DOCUMENTS ATTACHED:

Attachment 1 – Rent Board Regulation 17-01

Attachment 2 – May 18, 2018, Conference Call Meeting Minutes

Attachment 3 – Letters from Affordable Housing Providers

Attachment 4 – Email to Members of the City Council and Rent Board

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RICHMOND RENT BOARD REGULATION 17-01
Regarding the Exemption of Certain Rental Units from Rent Control (RMC 11.100.070)

1. Purpose

The Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (“Ordinance”) provides that rental units in which governmentally subsidized Tenants reside are exempt from the rent control provisions of the Ordinance only if applicable federal, state or administrative regulations specifically exempt such units from municipal rent control. Section 11.100.030 (d)(3), Richmond Municipal Code. The purpose of this Regulation is to clarify the exemption from the rent control provisions of the Ordinance to certain rental units in which governmentally subsidized tenants reside because the rents for these units are already regulated through governmental regulation. Such units would still be subject to the just cause provisions of the Ordinance under Section 11.100.050.

2. Rental Units in Which Governmentally Subsidized Tenants Reside That are Exempt from the Rent Control Provisions of the Ordinance

The following rental units are exempt from the rent control (RMC 11.100.070), but not the just cause for eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental units in which a tenant household holds a Section 8 Housing Choice Voucher and where the rent not does exceed the Payment Standard as published by the U.S. Department of Housing and Urban Development.
- B. Rental units for which the rent is subsidized by the Project-Based Section 8 Program
- C. Rental units that are “rent restricted” in a Low Income Housing Tax Credit Program Project. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.
- D. Rental units for which the rent is subsidized by the Section 202 Supportive Housing for the Elderly Program
- E. Rental units that are “rent restricted” under a regulatory agreement between a governmental agency and a property owner. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

3. Other Rental Units That are Exempt from the Rent Control Provisions of the Ordinance

In addition to rental units that are exempt from rent control under Section 11.100.100.030 (d)(1)(2)(4) (5) and (6), Richmond Municipal Code, as implemented by Rent Board Regulation 17-03, rental units which a governmental unit, agency or authority owns, operates or manages are exempt from the rent control provisions of the Ordinance. Section 11.100.030 (d)(3), Richmond Municipal Code.

4. Exemption Only Applies if Rental Unit is in Compliance with Applicable Laws and Regulations

The exemption from rent control (RMC 11.100.070) as described in Section 2 of this Regulation 17-01 only applies so long as the rental unit is in compliance with all applicable laws and regulations, and for which there is in effect (a) a tenant with a Section 8 Housing Choice Voucher in the rental unit, (b) the rental unit is in a Project-Based Section 8 Program, and/or (c) the rental unit is rent restricted under a regulatory agreement and/or declaration of restrictive covenants.

**CITY OF RICHMOND RENT PROGRAM
Discussion with Affordable Housing Providers**

**May 18, 2018
11:00 AM - 12:00 PM**

DRAFT MEETING MINUTES

I. Introductions

Attendees:

- ❖ The John Stewart Company – Arbors, Friendship Manor, Triangle Court, Pullman Point, Rubicon Homes (*Jack Gardner, Steve McElroy*)
- ❖ CHDC – Barrett Plaza, Barrett Terrace, Chesley Mutual Housing, Lillie Mae Jones Plaza (*Grayling Harris*)
- ❖ Fairfield Residential – Baycliff Apartments (*Tim Kinnicutt, Kristi Fuller, Tony Duplisse, Gina Metzger*)
- ❖ The Carquinez (*Marcela Soto*)
- ❖ EAH Housing – Crescent Park (*Theresa Parker, Catina Wilson, Stacey Smith, Mike Damani*)
- ❖ Eden Housing – Crescent Park (*Darnell Williams*)
- ❖ MRK Partners – Monterey Pines, Cypress Pines (formerly Deliverance Temple) (*Sydne Garchik, Bryan Russell, Renee Lee, Cathy Coler*)
- ❖ USA Properties Fund – Heritage Park at Hilltop (*Angie Monges*)
- ❖ Richmond Housing Authority – Nevin Plaza, Nystrom Village (*Yvette Woods*)
- ❖ Richmond Housing Associates – Richmond City Center Apartments (*Butu Malone*)
- ❖ Richmond Village (*Tyrone Payne*)
- ❖ Klein Financial – Westridge at Hilltop (*Alan Bogomilsky*)
- ❖ Greystar Residential – VUE @ 3600 (*Ahshalic Johnson*)

II. Review of Concerns

-Executive Director previously recommended exempting LIHTC and other affordable housing from rent control due to concerns about additional regulations (genesis of Rent Board Regulation 17-01).

-Recent increases at LIHTC properties have concerned the Rent Board. Heritage Park and Baycliff saw increases of approximately 12% - these rent increases pose unique challenges for seniors and others with fixed incomes.

-Many Senior residents recently testified at City Council and Rent Board meetings about rent shock. The Rent Board is now considering re-regulating LIHTC units.

-A concern was raised about the amount of data and information provided to the Rent Board to ensure that they are aware of historic TCAC maximum rents.

ITEM H-2 ATTACHMENT 2

- Some property owners remarked they have not and do not plan to raise rents to the 2018 TCAC maximum rents.
- Many properties have multiple layers or forms of subsidy – e.g. a tax credit property may have Section 8 units, so they are further restricted in the extent to which tenant rents may be adjusted.
- What is the definition of “rent shock”? Affordable housing providers often need to impose permitted rent increases to catch up after years of low or no rent increases. Maybe we could have more communication with residents about the reasons behind the rent increases.
- Operating and maintenance costs increase each year; annual rent increases are comparatively small.
- Some developments have internal policies to guide the process of increasing rents (e.g. looking at household income.)
- If the Board were to re-regulate LIHTC units, how would that look in properties where some units also have Section 8 subsidy?
- What is a reasonable ratio for “rent burden”? This isn’t mandated, but some organizations self-regulate. It’s more than a communication effort; it’s about internal policies that are compassionate and reasonable.
- Importance of examining rent burden in addition to percentage rent increases. Households with higher incomes may be able to absorb a 10% increase but this could be detrimental for low-income households.
- There should be a carve-out in the regulation that excludes tenant-based Housing Choice Vouchers (Section 8) since these rents are already regulated (rent cannot exceed 30% of income.) If owner is charging less than the Payment Standard, it should not be subject to the City’s rent control.
- Our company doesn’t impose 10% rent increases at once.
- There is a need for greater communication for the Boardmembers. Some companies don’t plan to impose the full rent increase, but the fact that there have been little to no rent increases in prior years should be strongly considered.
- It is important to consider that LIHTC providers weren’t aware of the amount of the 2018 rent increase when the Board was considering the exemption. Therefore, it seems unfair to say that the Board was misled in their consideration of the exemption.
- Concurrence around the fact that Tenant and Project-Based Housing Choice Vouchers (Section 8) should continue to be exempt, regardless of what happens with the strictly LIHTC units, since income is considered in the calculation of rent.

-Even though we could have applied a higher rent increase to our BMR units, we chose to raise rents in accordance with the Annual General Adjustment rent increases published by the Rent Program to avoid any problems or confusion. We don't understand why the BMR maximum rents increased so much in Richmond in 2018.

-There is a need for tenant education to help them distinguish between the Tenant-based portion of rent and other types of subsidies. Our tenants don't necessarily understand the difference between Section 8 and LIHTC subsidies. The City could distribute a pamphlet explaining this in greater detail.

-Rents in LIHTC developments are heavily regulated by the IRS and TCAC. There were no rent increases between 2011 and 2015, meanwhile, our expenses continued to increase. 2018 is an anomaly, and essentially allows us to catch up after many years of minimal rent increases. We didn't increase rents this year, but we plan to push through the rent increases over time to recover cost increases.

III. **Discussion of Potential Policy Solutions**

-There are examples of cases where governmental agencies have entered into agreements with rental property management companies to maintain rents at certain levels during specific economic circumstances. We negotiated directly with the Housing Authority.

-We don't know what will happen to the area median income (AMI) next year, so better communication is important. We regret that the sudden increase was surprising to individuals, but this was an unusually large increase - we haven't seen an increase of this magnitude in 30 years. Maybe each year when the new Maximum Rents are announced by TCAC, the Rent Program could meet with affordable housing owners and property managers to review the permitted increases and devise appropriate procedures or standards for rent increases.

-It becomes difficult to adjust rents based on household income since, for 100% LIHTC properties, after two years, residents self-certify their income. This could be problematic if income translated to the rent amount, since there could be an incentive to falsify information.

-An affordable rent calculated at 30% of household income is the standard for the Housing Choice Voucher (Section 8) Program. Hesitation about applying a similar standard to LIHTC units since it's an incredible amount of work to individually calculate rent based on income. There are many exemptions that apply when calculating household income and this creates concerns about the reliability of self-determination or certification of household income.

-There should be an acknowledgment that TCAC does not allow rent increases every year - we need a "banking" regulation. Denying the ability to recover previous rent

increases will cause decline and disinvestment in properties in Richmond. Our net income has decreased 14% in the last year, while expenses have increased 20%. There could be a policy established that says a rent increase in a given year cannot exceed two times the approved Annual General Adjustment (AGA) per the Rent Program.

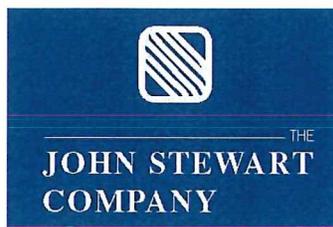
-The Board needs to understand that LIHTC housing providers will not be able to apply the AGA rent increase when TCAC does not allow it.

-Unlike rent control policies, TCAC does not allow pass-throughs for capital improvements. There's no "fair return" petition.

-The current Rent Board Regulation 17-09 regarding banking of AGA rent increases (5% plus the current year's AGA) would be doable.

IV. **Next Steps**

-LIHTC housing providers are encouraged to continue to discuss and consider policies to avoid "rent shock" for Tenants, and to send any proposals to Rent Program staff. Rent Program staff members will be reporting back to the Rent Board at its meeting in June and requesting further direction from the Board as to how to proceed given resident concerns.



Nicolas Traylor
Executive Director
City of Richmond Rent Board
440 Civic Center Plaza, Suite 200
Richmond, CA 94804

June 5, 2018

Re: Affordable Housing Rent Control

Dear Nicholas,

This letter is in response to your request for the City's affordable housing ownership group to propose a plan to protect residents living in restricted affordable developments against "rent shock." As you know, rents for tax credit units are heavily restricted, with some projects having multiple regulatory agreements (TCAC, CDLAC, HUD, etc.), and their annual rent increases are therefore governed by their specific affordability rules. The large 2018 TCAC allowable rent increase was an anomaly and was most likely a catch up for several years with little or no increases. For example, there were no rent increases from 2012 to 2015, a period during which expenses continued to increase, putting a significant financial strain on the City's affordable housing properties. Even a longer period analysis demonstrates that normal TCAC rent increases are extremely fair, as the average annual rent increase for a 1-bedroom unit restricted to 50% AMI occupancy rent was only 2.6% between 2000 and 2017 (Exhibit 1). And please note that not all property owners increased their rents to the 2018 allowable maximum (while those that did might have been forced to due to severe financial obligations caused by the long period of minimal or no rent increases). Therefore, given the variable but reasonable nature of the annual rent increases typically allowed by TCAC, we believe restricted affordable units should continue to be exempt from the "rent control" portion of the City's Fair Rent/Just Cause Ordinance.

In the event that this is not politically possible, we propose the following:

To the extent a Landlord has not increased Rent up to the Maximum Tax Credit Allocation Committee (TCAC) Rent Level, the Landlord shall have the ability to apply deferred rent increases; however, the net rent increase in any one twelve- month period shall not exceed the current year Annual General Adjustment Rent Increase plus five percent (5%) of the Rent charged at any time during the preceding 12-month period.

"Banking" of the TCAC Maximum Rent shall be calculated based on simple addition without compounding. For example, an increase of three percent (3%) plus three-point four percent (3.4%) is equal to a combined increase of six point four percent (6.4%), not six point five percent (6.5%).



After the TCAC publishes the Maximum Rent Levels for Contra Costa County, representatives of the TCAC financed properties in the City of Richmond will meet with the Richmond Rent Board Staff to discuss the application of the new TCAC Maximum Rent Levels and how they will be applied to TCAC financed properties.

Regardless of the outcome regarding rent control, the City's affordable property owners should not be required to pay the portion of the Annual Rent Board fee associated with Rent Control. Each affordable property already incurs significant costs to comply with their existing rent restrictions and the City's affordable properties cannot afford another fee. The imposition of any such fee simply reduces the resources available for the affordable property owners to properly maintain their properties and provide services to their residents.

Our goal is to provide safe and affordable housing and additional regulations and fees make it difficult to fulfil our mission.

Respectfully submitted,



Steve McElroy
Vice President

cc: Jack Gardner, President

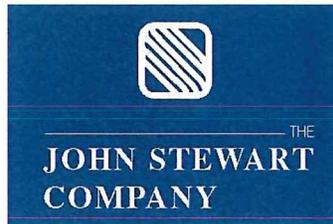


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2018	\$1,090	11.5%	11.5%	3.1%

Note: Same percentage increases apply for all unit types and set asides.

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Expanding the range of opportunities for all by
developing, managing and promoting quality
affordable housing and diverse communities.



June 6, 2018

Nicolas Traylor
Executive Director,
City of Richmond Rent Board
Via Email

Re: Affordable Housing Rent Control

Dear Nicolas,

This letter is in response to your request for the City's affordable housing ownership group to propose a plan to protect residents living in restricted affordable developments against "rent shock". As you know, rents for tax credit units are heavily restricted with some projects having multiple regulatory agreements (TCAC, CDLA, HUD, etc.) and therefore the annual increase in rents is governed by the property's specific affordability rules. The large 2018 TCAC allowable rent increase was an anomaly. There were **no** rent increases from 2012 to 2015 while expenses continued to increase, putting a significant financial strain on the City's affordable housing properties. A longer period analysis demonstrates that the normal TCAC rent increases are extremely fair, as the average 1 bedroom 50% AMI rent increase between 2000 and 2017 was only 2.6% (Exhibit 1). Also, not all property owners increased rents to the 2018 maximum allowed and others might have been forced to process the maximum rent increases due to severe financial obligations caused by the long period of minimal or no rent increases. Therefore, given the variable but reasonable nature of the annual rent increases allowed by TCAC, we believe restricted affordable units should continue to be exempt from the "rent control" portion of the City's Fair Rent/Just Cause Ordinance. In the event this is not possible, we propose the following:

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ITEM H-2 ATTACHMENT 3

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Respectfully submitted,

Mary Murtagh
President and CEO

ITEM H-2 ATTACHMENT 3

Nicolas Traylor
Executive Director
City of Richmond Rent Board
440 Civic Center Plaza, Suite 200
Richmond, CA 94804

June 5, 2018

Re: Affordable Housing Rent Control

Dear Nicholas,

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ITEM H-2 ATTACHMENT 3

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Respectfully submitted,



Sydne Garchik
MRK Partners
Owners of Cypress and Monterey Pines

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Note: Same percentage increases apply for all unit types and set asides.

ITEM H-2 ATTACHMENT 3

Nicolas Traylor
Executive Director
City of Richmond Rent Board
440 Civic Center Plaza, Suite 200
Richmond, CA 94804

June 11, 2018

Re: Affordable Housing Rent Control

Dear Nicholas,

This letter is in response to your request for the City's affordable housing ownership group to propose a plan to protect residents living in restricted affordable developments against "rent shock". As you know, rents for tax credit units are heavily restricted with some projects having multiple regulatory agreements (TCAC, CDLA, HUD, etc.) and therefore the annual increase in rents is governed by the property's specific affordability rules. The large 2018 TCAC allowable rent increase was an anomaly and was most likely a catch up for several years with little or no increases. For example, there were no rent increases from 2012 to 2015 while expenses continued to increase putting a significant financial strain on the City's affordable housing properties. Even a longer period analysis demonstrates that the normal TCAC rent increases are extremely fair as the average 1 bedroom 50% AMI rent increase between 2000 and 2017 was only 2.6% (Exhibit 1). Also, not all property owners increased rents to the 2018 maximum allowed and others might have been forced to process the maximum rent increases due to severe financial obligations caused by the long period of minimal or no rent increases. Therefore, given the variable but reasonable nature of the annual rent increases allowed by TCAC, we believe restricted affordable units should continue to be exempt from the "rent control" portion of the City's Fair Rent/Just Cause Ordinance. In the event this is not possible, we propose the following:

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ITEM H-2 ATTACHMENT 3

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Respectfully submitted,



Alan Bogomilsky
Klein Financial Corporation (KFC)
KFC is Part Owner - Westridge at Hilltop Apartments

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Nicolas Traylor
Executive Director
City of Richmond Rent Board
440 Civic Center Plaza, Suite 200
Richmond, CA 94804

June 5, 2018

Re: Affordable Housing Rent Control

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Respectfully submitted,



Paul Kudirka
Fairfield Residential
Owner of Baycliff Apartments

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Note: Same percentage increases apply for all unit types and set asides.

Paige Roosa

From: Nicolas Traylor
Sent: Monday, June 11, 2018 1:38 PM
Cc: Bill Lindsay; Bruce Goodmiller; Rachel Sommovilla; Trina Jackson; Paige Roosa; Charles Oshinuga
Subject: Update on Rent Increases at Heritage Park
Attachments: 5_18_18 Meeting Minutes.pdf

Dear Mayor Butt, Members of the City Council, Chair Gray, and Members of the Rent Board:

As you may recall, many residents at Heritage Park at Hilltop Apartments have attended recent City Council and Rent Board meetings to express their concerns regarding notices of large rent increases due to take effect July 1, as well as security, and refuse removal issues at the property. Several of you have been in communication with Deputy Director, Paige Roosa, and me, to determine how to best remedy the potential for “rent shock” these rent increases pose for Senior tenants on fixed incomes. Thank you for your participation and assistance in devising potential solutions. I write today with an exciting update regarding rent increases at Heritage Park.

On Friday, May 18, 2018, as directed by the Rent Board, Paige and I hosted a conference call with Richmond’s affordable housing providers (including the Regional Manager of USA Multifamily Management, Inc., the ownership entity of Heritage Park at Hilltop Apartments) to express our concerns about the new rent maximums published by the Tax Credit Allocation Committee and the potential these new limits have to result in substantial rent increases for existing tenants in tax credit properties who do not currently benefit from other forms of housing subsidy (such as the Section 8 program.) We solicited policy proposals from the group that would ensure tenants in tax credit properties are not subjected to exceptionally large (10+ percent) rent increases in any one year. Through an effort spearheaded by the John Stewart Company, many affordable housing providers (regardless of exempt status pursuant to the Costa-Hawkins Rental Housing Act) have expressed a willingness to adhere to the Rent Board’s “banking” regulation for rent-controlled units, which limits annual rent increases to the Annual General Adjustment rent increase plus up to five percent of any “banked” rent increases (due to deferred rent increases in prior years.) It remained unclear, however, whether the owners of Heritage Park at Hilltop Apartments shared this position.

This past Friday, June 8, 2018, Paige and I received notification from the ownership entity of Heritage Park at Hilltop Apartments of their intent to comply with the proposal put forth by fellow affordable housing providers and amend the rent increase notices originally effective July 1, 2018. While it is evident there are details that have yet to be determined, I wanted to alert you of this new development in a timely manner, as it may alter plans for upcoming City Council and Rent Board meetings. At the June 20, 2018, Regular Meeting of the Rent Board, we will provide a formal update to the Board and members of the public regarding the outcomes and recommended action concerning our communication and negotiation with affordable housing providers.

Many thanks are owed to participating affordable housing providers (see attached minutes from our conference call on May 18), members of the Rent Board and City Council, and Heritage Park residents for bringing this issue to our attention and taking creative steps to reach what I hope is a reasonable resolution.

We will continue to attend to this issue and keep you updated of any significant future developments. In the meantime, please feel free to contact me should you have any concerns or wish to discuss further.

Nicolas Traylor

Executive Director- City of Richmond Rent Program
510-620-6564

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 20, 2018

Final Decision Date Deadline: June 20, 2018

STATEMENT OF THE ISSUE: In fall 2017, the Rent Program Department embarked on the first billing cycle of the Rental Housing Fee. Since the Rental Housing Fee is the Rent Program's sole source of revenue for the foreseeable future, staff members utilized a proactive approach to billing and collection. At the request of the Rent Board Chair, staff members have prepared a presentation of the methodology for billing of the Rental Housing Fee.

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 a presentation regarding the methodology employed for the first billing cycle of the Rental Housing Fee – Rent Program (Nicolas Traylor 620-6564.)

AGENDA ITEM NO:

H-3.

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AGENDA REPORT

DATE: June 20, 2018
TO: Chair Gray and Members of the Rent Board
FROM: Nicolas Traylor, Executive Director
SUBJECT: RENTAL HOUSING FEE BILLING METHODOLOGY

STATEMENT OF THE ISSUE:

In fall 2017, the Rent Program Department embarked on the first billing cycle of the Rental Housing Fee. Since the Rental Housing Fee is the Rent Program's sole source of revenue for the foreseeable future, staff members utilized a proactive approach to billing and collection. At the request of the Rent Board Chair, staff members have prepared a presentation of the methodology for billing of the Rental Housing Fee.

RECOMMENDED ACTION:

RECEIVE a presentation regarding the methodology employed for the first billing cycle of the Rental Housing Fee – Rent Program (Nicolas Traylor 620-6564.)

FISCAL IMPACT:

There is no fiscal impact related to this item. As of June 8, 2018, the Rent Program Department has collected approximately \$1.8 million in Rental Housing Fee revenue from 12,491 Rental Units. This figure represents approximately 64 percent of the total Rental Housing Fees assessed for Fiscal Year 2016-17 and Fiscal Year 2017-18.

DISCUSSION:

Background

The Rent Program Department is designed to function as a cost-recovery department that operates without financial assistance from the City's General Fund.¹ Instead, the Department is funded by a Residential Rental Housing Fee, paid by all Landlords of Rental Units in the City of Richmond in accordance with Section 11.100.060(l)(1) of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. The amount

¹ At their meeting on December 20, 2017, Rent Boardmembers approved a [Reimbursement Agreement](#) between the Rent Board and City of Richmond to repay funds advanced by the City for program startup.

of the Rental Housing Fee is determined annually by the City Council following a recommendation from the Rent Board.

Billing Methodology

In July 2017, IT Department staff members initiated the creation of the Rent Program's first comprehensive database of rental units in the City of Richmond utilizing a combination of data from the following sources:

- Rent Program enrollment form submission data;
- Residential Rental Inspection Program data;
- Section 8 Housing Choice Voucher data;
- The inventory of deed-restricted, affordable housing developments compiled by Rent Program staff members;
- Rental Business License data; and
- Contra Costa County Assessor data.

The first billing cycle of the Rental Housing Fee was completed with assistance from the City's IT and Finance Departments with Management Partners, a management consulting firm, operating in an advisory role. In November 2017, Rent Program staff members embarked on the first billing cycle of the Rental Housing Fee. Invoices were mailed to approximately 23,500 Rental Units identified in the City's database of total Rental Units. In many respects, the first billing cycle functioned as an additional public education and exemption verification project; approximately 4,087 suspected Rental Units mailed invoices for the Rental Housing Fee have been removed from the database following verification of exemption. This represents a correction rate of approximately 17 percent.

A description of each task associated with the first billing cycle, including an explanation of potential sources of error, is contained in Attachment 1.

Expense and Revenue Summary

Table 1, below, contains a summary of funds expended and collected for departmental operations in Fiscal Years 2016-17 and 2017-18. The discrepancy in funds expended versus those budgeted, particularly in Fiscal Year 2017-18, is due to the absence of the Rent Program Services Analysts, Hearing Examiner, and Staff Attorney positions (three highly paid positions) for the entirety of the fiscal year.

The projected expenditures for Fiscal Year 2017-18 indicate the Department will have a negative fund balance by the close of the 2017-18 Fiscal Year, unless robust compliance efforts are undertaken to collect unpaid Rental Housing Fee revenue. Additionally, given the litigious nature of Rent Programs, it is important the Department establish adequate reserves for unanticipated expenses.

Table 1: Expense and Revenue Summary

Fiscal Year	Budgeted Amount (Excluding Reserves)	FUNDS EXPENDED	Revenue Collected (as of 6/11/18)
2016-17	\$920,347	\$789,592	\$789,592²
2017-18	\$1,940,271	\$1,148,897³	\$1,034,853
Total	\$2,860,618	\$1,938,489	\$1,824,445

Source: City of Richmond Rent Program, 2018 (reports generated using TrakIT and MUNIS software systems.)

Next Steps

Staff members are continuing to process completed Declaration of Owner Occupation and/or Exemption forms. In the coming weeks, staff members will mail an additional 1,000 Rental Housing Fee invoices for past due payment to property owners. Unpaid fees will be referred to the Staff Attorney and Compliance Officer for investigation and possible legal action.

DOCUMENTS ATTACHED:

Attachment 1 – Billing Methodology

² The 2016-17 and 2017-18 Rental Housing Fees were billed concurrently beginning in October 2017. As such, the figure shown represents an allocation of the total revenue collected to cover expenses incurred in FY 2016-17.

³ Represents YTD and projected expenditures for the entire fiscal year.

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ITEM H-3 ATTACHMENT 1

City of Richmond Rent Program

FY 2016-17 & FY 2017-18 RENTAL HOUSING FEE BILLING METHODOLOGY

#	Date	Task	Data Source(s)	Unanticipated Outcomes
1	July 2017	<p><i>Phase One of Database Creation</i></p> <ul style="list-style-type: none"> -Individual unit records are created in Traktit -Fees are assessed on each record 	<ul style="list-style-type: none"> (a) Residential Rental Inspection Program database of rental units (b) Rent Program enrollment form (c) Inventory of Affordable Rental Units prepared by Rent Program staff members 	<ul style="list-style-type: none"> -The Residential Rental Inspection Program operates on a three-year inspection cycle; therefore, some data received was “stale” – e.g. there were ownership and rental status changes that were not captured in the database. -Validation of submission data is not possible using CivicPlus online forms. As such, information in the enrollment form could not be verified prior to submission.
2	September 2017	<ul style="list-style-type: none"> -Rent Program staff mail a packet of information to all owners of <i>suspected</i> rental units, using the following criteria: <ul style="list-style-type: none"> (1) No Homeowner’s Tax Exemption filed; OR (2) Site address and owner’s mailing address are different -Owners are asked to either enroll their rental units or complete the Declaration of Owner Occupation and/or Exemption if the property is not rented. To claim owner-occupied status, property owner must submit a copy of their PG&E (or solar energy) bill. 	<p>Contra Costa County Assessor Data</p>	<ul style="list-style-type: none"> -Many property owners who live in their homes may not know about the Homeowner’s Tax Exemption; therefore, this is not always a reliable indicator of rental status. -Some property owners prefer to have their address on file with the County as a PO box. In this case, the site address and mailing address would not match; however, this may not always indicate rented status.

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#	Date	Task	Data Source(s)	Unanticipated Outcomes
3	October – November 2017	-Rental Housing Fee invoices are printed and mailed	Rental Unit data in TrakIt	Owner mailing addresses on file with the County are not always accurate; hundreds of invoices were returned to sender or came back as undeliverable due to incomplete or incorrect address.
4	February 2, 2018	<i>Rental Housing Fee is due</i>		
5	April 2018	<p><i>Phase Two of Database Creation</i></p> <p>-Additional unit records are created in TrakIt; fees are assessed on each record</p> <p>-Late fees are assessed on each record with outstanding Rental Housing Fees</p>	<p>(a) Rental Units participating in the Section 8 Housing Choice Voucher Program</p> <p>(b) Properties with a “Rental” Business License</p>	-Many commercial properties have been issued a Rental Business License that is not necessarily a <i>residential</i> business license. On the Business License application form, APN was not consistently recorded; therefore, staff members were unable to verify residential land use as recorded with the County. There were also unintended benefits: through this exercise, staff members identified multiple Rental Units housed on the same parcel with commercial uses
6	May/June 2018	Past due invoices with late fees assessed are printed and mailed to all units in database with outstanding Rental Housing Fee(s).	Rental Unit data in TrakIt	<p>-Original invoices mailed to an outdated address may have never made it to the owner.</p> <p>-Owner Declarations for owner-occupied properties may have never been completed and returned to the Rent Program for processing.</p> <p>-Over 500 returned Declarations were submitted incomplete or incorrectly and were unable to be processed.</p>

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