

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: July 18, 2018

Final Decision Date Deadline: July 18, 2018

STATEMENT OF THE ISSUE: The minutes of the June 20, 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

- | | | |
|---|--|--|
| <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 June 20, 2018 Regular Meeting – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

G-1.

RICHMOND, CALIFORNIA, June 20, 2018

The Regular Meeting of the Richmond Rent Board was called to order at 5:01 P.M.

PLEDGE TO THE FLAG

ROLL CALL

Present: Boardmembers Combs, Finlay, Maddock and Chair Gray.

Absent: Vice Chair Gerould.

(Vice Chair Gerould present as of 5:06 P.M.)

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

Item H-3 was removed from Rent Board as a Whole for discussion before Item G-1 under Regulations.

PUBLIC FORUM

Cordell Hindler invited the Rent Board to attend several community events in the month of June. He also mentioned that Executive Director, Nicolas Traylor will provide a presentation on Rent Control at the Richmond Neighborhood Coordinating Council at their July 9th meeting. He also congratulated Chair Gray on the new edition to his family.

Lori D. Wickliff expressed her concerns about the fairness of the Rent Board meetings. She feels that the meetings should be fair and objective to hear from both Landlords and Tenants. She also expressed how Richmond property owners provide housing to tenants with low rents and that they should not be compared to other cities that have higher rents. She also expressed her concerns about the Rent Board working with Kenneth Baar and feels that the Rent Program should hire a local contractor who can be more accessible when it comes to writing the Rent Board laws. She also feels that the Rent Program should consider hiring another contractor to represent property owners so that there can be a sense of fairness.

Several residents from Heritage Park Apartments expressed gratitude to Rent Program Staff, Executive Director, Nicolas Traylor and other City officials, for negotiating a proposed agreement with Heritage Park Apartments Property Management in regards to the increased rents and safety concerns on the property. The following individuals gave comments: Marilyn Tims, Otha Fowler, Audrey Jenkins, Susan Singh, Elouise (no last name provided), James Daniels, Stephen Heninger, Ana Orè, and Elsa Stevens.

Linda Newton expressed concerns regarding the length of the agenda and how the information was too much for one meeting. She also expressed her concerns about the contract extension and the salary increase for Michael Roush and how it relates to the Rent Program budget and opposed the contract extension for Kenneth Baar. She also mentioned that the AURHP has commented on Kenneth Baar's performance of how he uses the language of other jurisdictions Ordinances and how he is not a so-called "Sole Source" provider. She also feels that the Board should consider contracting with Michael St. John as an alternative to form a balance when it comes to the Board making decisions that affect landlords and tenants and the citizens of Richmond.

Alonzo Chess expressed concerns regarding exemptions in regards to Section 8 tenancies and the Rent Program. He also would like clarity in regards to the difference between a property owner and a landlord. He also would like to know if the Rent Board supersedes the authority of the Housing Authority when it comes to inspections, rent increases and decreases. He feels that the Rent Board should revisit the laws in regards to partial exemption requirements for Section 8 tenancies. He mentioned that the Housing Authority offers similar resources as the Rent Program and feels that Section 8 tenancies should be fully exempt. He also expressed that the cost to register tenancies causes a hardship on a working class property owner.

RENT BOARD CONSENT CALENDAR

On motion of Boardmember Combs, seconded by Vice Chair Gerould, the item(s) marked with an (*) were approved with Chair Gray abstaining from the vote for Item F-6.

*F-1. Approve the minutes of the May 16, 2018, Regular Meeting of the Richmond Rent Board.

*F-2. Receive the May 2018 Rent Program Monthly Report.

*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.

*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.

*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.

*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.

*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.

REGULATIONS

H-3. This item was removed from Rent Board as a Whole for discussion before Item G-1 under Regulations. The matter to receive a presentation regarding the methodology employed for the first billing cycle of the Rental Housing Fee was presented by Deputy Director, Paige Roosa. The presentation included the background of the Rental Housing Fee, the basic approach for billing of the Fee, an overview of the Rental Housing Fee billing process, tasks which included database development, mass mailing to suspected rental property owners, printing and mailing invoices, Rental Housing Fee due date, new and past due

invoices printed and mailed, next steps and the recommended action. Discussion ensued. There were no public comments on this item. No action was taken.

G-1. The matter to adopt Regulation 17-11, establishing the 2018 Annual General Adjustment in the amount of 3.6% for tenancies commencing prior to September 1, 2017 was presented by Staff Attorney, Charles Oshinuga. The presentation included legal principals to keep in mind, AGA background, what does proposed Regulation 17-11 do, and the recommended action. Discussion ensued. There were no public comments on this item. A motion by Boardmember Maddock, seconded by Vice Chair Gerould, to adopt Regulation 17-11, establishing the 2018 Annual General Adjustment in the amount of 3.6% for tenancies commencing prior to September 1, 2017, was passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock, Vice Chair Gerould and Chair Gray. **Noes:** None. **Abstentions:** None. **Absent:** None.

G-2. The matter to 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 was presented by Staff Attorney, Charles Oshinuga. The presentation included chapterization background, proposed chapterization, and the recommended action. Discussion ensued. There were no public comments on this item. A motion by Chair Gray, seconded by Boardmember Combs, to approve the Chapterization of Regulation 17-01 and Regulation 17-03 into Chapter 2, and provide the following direction to staff: present to the Rent Board the entire chaptered Regulations as a whole at the next meeting, but that the proposed chapter format be circulated for community comment and review prior to publishing the proposed chapter format in the Rent Board's agenda packet, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould and Chair Gray. **Noes:** None. **Abstentions:** None. **Absent:** None.

G-3. The matter to 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, was presented by Staff Attorney, Charles Oshinuga. The presentation included rent registry background, rent registry civil code section 1947.7(g), what does proposed Regulation 400 do, what does proposed

Regulation 402(A)(1) do, and the recommended action. Discussion ensued. The following individual gave comments: Lori D. Wickliff. A motion by Chair Gray, seconded by Vice Chair Gerould, to 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, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock, Vice Chair Gerould and Chair Gray. **Noes:** None. **Abstentions:** None. **Absent:** None.

G-4. The matter to 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, was presented by Staff Attorney, Charles Oshinuga. The presentation included background information on how exemption status is determined, a review of Richmond Municipal Code Section 11.100.060(s), purpose of proposed Regulations 205, 206, 207, 416, 417, 418, 419, 420, 421, and 424, the proposed Regulations 205, 206, 207, 416, 417, 418, 419, 420, 421, and 424 and the recommended action. Discussion ensued. The following individuals gave comments: Lori D. Wickliff and Linda Newton. A motion by Chair Gray, seconded by Boardmember Maddock, to adopt Regulations 205, 206, 207, 416, 417, 418, 419, 420, 421, and 424, passed by the following vote:

Ayes: Boardmembers Combs, Finlay, Maddock, Vice Chair Gerould and Chair Gray. **Noes:** None. **Abstentions:** None. **Absent:** None.

RENT BOARD AS A WHOLE

H-1. The matter to 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 was presented by Graduate Student Fellow Philip Verma. The presentation included an outline, key terms, the definition of Section 8, Section 8 rules and administration, the definition of Low-Income Housing Tax Credits (LIHTC), LIHTC rules and administration, inspections and grievances, types of affordable housing in Richmond, geography of affordable housing, Section 8 households in Richmond, LIHTC households in California, a graph of permitted rent ceilings in LIHTC, and the recommended action. Discussion ensued. There were no public comments on this item. No action was taken.

H-2. The matter to (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 was presented by Executive Director, Nicolas Traylor. The presentation included the background, capacity of the Richmond Housing Authority to provide assistance, May 2018 meeting with affordable housing providers, proposal from affordable housing providers, affordable housing providers in support of proposed agreement, proposed next steps and the recommended action. Discussion ensued. There were no public comments on this item. A motion by Chair Gray, seconded by Boardmember Combs, to receive an update regarding rent increases in Low Income Housing Tax Credit (LIHTC) properties and appoint Boardmember Maddock and Vice Chair Gerould to serve as the ad hoc Rent Board committee, 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, 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 gave a brief report on the upcoming Realtors and Property Managers workshop on July 14th. He also gave a brief report on the success of the Tenant 101 Community Workshop held on June 9, 2018. He also gave an update on the new Administrative Aide starting on June 25th.

Chair Gray mentioned that he reached out to other City staff last Monday to understand where the Rent Program stands financially in terms of repaying the City. He informed that as that date, our department was considered in the black and that we have repaid the funds borrowed from the city's general fund.

Boardmember Maddock briefly mentioned that she asked staff to prepare a quarterly financial report to present to the Rent Board. A sample of the quarterly report was distributed to Boardmembers for feedback to ensure it achieves the desired purpose.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:59 P.M.

Cynthia Shaw and Ramona Howell
Staff Clerks

(SEAL)

Approved:

David Gray, Chair