

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: September 19, 2018

Final Decision Date Deadline: September 19, 2018

STATEMENT OF THE ISSUE: The Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (Rent Ordinance) and Rent Board Regulation 603 requires Landlords to file a copy of any notice of rent increase served on a Tenant of a Controlled Rental Unit, with a proof of service, to the Rent Board within two business days of having served the Tenant. Staff members are proposing increasing the time that Landlords have to file a notice of rent increase with the Rent Board from two to 10 business days to ensure all Landlords, particularly those of large complexes, have a reasonable amount of time to achieve compliance with this requirement.

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 an amendment to Regulation 603(A), modifying the requirement that Landlords file notices of rent increase with the Rent Board within two business days to require that Landlords file notices of rent increase with the Rent Board within 10 business days – Rent Program (Nicolas Traylor 620-6564).

AGENDA ITEM NO:

H-4.



AGENDA REPORT

DATE: September 19, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: FILING OF RENT INCREASE NOTICES WITH THE RENT BOARD

STATEMENT OF THE ISSUE:

The Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (Rent Ordinance) and Rent Board Regulation 603 requires Landlords to file a copy of any notice of rent increase served on a Tenant of a Controlled Rental Unit, with a proof of service, to the Rent Board within two business days of having served the Tenant. Staff members are proposing increasing the time that Landlords have to file a notice of rent increase with the Rent Board from two to 10 business days to ensure all Landlords, particularly those of large complexes, have a reasonable amount of time to achieve compliance with this requirement.

RECOMMENDED ACTION:

ADOPT an amendment to Regulation 603(A), modifying the requirement that Landlords file notices of rent increase with the Rent Board within two business days to require that Landlords file notices of rent increase with the Rent Board within 10 business days – Rent Program (Nicolas Traylor 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

Background

As the Richmond Rent Program evolves, staff members are continually evaluating, and, if necessary, proposing revisions to Rent Board Regulations to ensure they are effectuating the purpose of the Ordinance and are administratively practical.

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In their engagement with community members, staff members have recognized that the two-day requirement for the filing of rent increase notices may be overly burdensome for some Landlords, particularly those of large complexes or where the owner is Elderly or may have limited computer access or familiarity. Furthermore, since notices of rent increase typically do not take effect for 30 days, the drastic reduction in the number of days the Landlord has to file the notice with the Rent Program after service on the Tenant does not serve a significant purpose.

As such, staff members are recommending amending Regulation 603 (A) to extend the rent increase notice submission deadline from two business days to 10 business days, because generally rent increase notices do not become effective for 30 calendar days, permitting staff adequate time to review the rent increase notice for compliance on a case by case basis. Furthermore, Regulation 603 (A) prohibits a Landlord from taking rent increases in cases where they submitted the notice of rent increase with the Rent Board after the two business day deadline. Since failure to timely submit a rent increase notice renders a landlord's rent increase notice null and void, staff members find it reasonable to provide Landlords additional time to comply.

Providing Landlords additional time to submit rent increase notices would not defeat the purpose of requiring Landlords to submit rent increase notices to the Rent Board.

Generally, Rent increase notices become effective 30 calendar days from the date of service. This permits staff members up to 28 calendar days to review the notice for compliance, and perform any necessary compliance measures. Staff members are of the opinion that providing Landlords with additional time to submit rent increase notices would not defeat staff member's efforts of ensuring that the rent increase notice complies with the Rent Ordinance. When coupled with the consequence of having one's rent increase rendered null and void for failing to timely submit the rent increase notice to the Rent Board, staff members find a compelling basis for extending the time for submitting the rent increase notices to the Rent Program. To that end, staff members are proposing amending Regulation 603(A) to extend the deadline to submit rent increase notices from two business days to 10 business days.

DOCUMENTS ATTACHED:

Attachment 1 –Rent Board Regulation 603 (Redline Version)

Attachment 2 –Rent Board Regulation 603 (Clean Version)

ITEM H-4 ATTACHMENT 1

603. Notices of Rent Increase

A. Controlled Rental Units.

Landlords of Controlled Rental Units, as defined in the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (Chapter 11.100, Richmond Municipal Code, Section 11.100.030 (d), except those Rental Units that are “exempt” pursuant to Rent Board regulation, or are described in 603(B) of this Regulation, shall file with the Board within ~~two~~ **ten (210)** business days *after* the Landlord has served a Tenant with a notice of a rent increase, a copy of such notice with a proof of service, including time and date of service, using, absent extraordinary circumstances, the appropriate online form on the Rent Program website. If a Landlord does not file with the Board the notice and proof of service as provided in this Section, the rent increase shall be deemed null and void.

B. Rental Units Exempt from the Rent Control Provisions of the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance.

Landlords of Rental Units (a) which a government unit, agency, or authority owns, operates or manages, (b) in which governmentally subsidized Tenants reside if applicable federal or state law or administrative regulation specifically exempts such Units from rent control, (c) exempt from rent control pursuant to the Costa-Hawkins Rental Housing Act (California Civil Code, section 1954.52) or (d) that are permitted, small second housing units built in compliance with the Small, Second Unit Ordinance of the City of Richmond (Section 15.04.810, RMC) [Section 11.100.030 (d) (3)(4) and (5)] are **not** required to file with the Board a copy of a notice of rent increase.

[Formerly Regulation 17-10; adopted September 20, 2017]

ITEM H-4 ATTACHMENT 2

603. Notices of Rent Increase

A. Controlled Rental Units.

Landlords of Controlled Rental Units, as defined in the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (Chapter 11.100, Richmond Municipal Code, Section 11.100.030 (d), except those Rental Units that are “exempt” pursuant to Rent Board regulation, or are described in 603(B) of this Regulation, shall file with the Board within ten (10) business days *after* the Landlord has served a Tenant with a notice of a rent increase, a copy of such notice with a proof of service, including time and date of service, using, absent extraordinary circumstances, the appropriate online form on the Rent Program website. If a Landlord does not file with the Board the notice and proof of service as provided in this Section, the rent increase shall be deemed null and void.

B. Rental Units Exempt from the Rent Control Provisions of the Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance.

Landlords of Rental Units (a) which a government unit, agency, or authority owns, operates or manages, (b) in which governmentally subsidized Tenants reside if applicable federal or state law or administrative regulation specifically exempts such Units from rent control, (c) exempt from rent control pursuant to the Costa-Hawkins Rental Housing Act (California Civil Code, section 1954.52) or (d) that are permitted, small second housing units built in compliance with the Small, Second Unit Ordinance of the City of Richmond (Section 15.04.810, RMC) [Section 11.100.030 (d) (3)(4) and (5)] are **not** required to file with the Board a copy of a notice of rent increase.

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