

# AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: December 16, 2020

Final Decision Date Deadline: December 16, 2020

**STATEMENT OF THE ISSUE:** As currently written, Regulation 911(A) incorrectly states that Landlords shall be ordered to refund any overcharges if a Landlord has received rent in violation of the Ordinance on or after July 21, 2015. Instead, the Regulation should state that Landlords shall be ordered to refund any overcharges received on or after the effective date of the Rent Ordinance: December 30, 2016. Staff members have prepared an amendment to Regulation 911(A) for the Rent Board's consideration.

## 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:** AMEND Regulation 911(A), requiring that Landlords refund any rent overcharges collected in violation of the Rent Ordinance on or after its effective date of December 30, 2016 – Rent Program (Paige Roosa/Charles Oshinuga 620-6537).

AGENDA ITEM NO:

**F-6.**

***This page intentionally left blank***



# AGENDA REPORT

**DATE:** December 16, 2020

**TO:** Chair Maddock and Members of the Rent Board

**FROM:** Paige Roosa, Deputy Director  
Charles Oshinuga, Staff Attorney

**SUBJECT:** AMENDMENT TO REGULATION 911(A)

## **STATEMENT OF THE ISSUE:**

As currently written, Regulation 911(A) incorrectly states that Landlords shall be ordered to refund any overcharges if a Landlord has received rent in violation of the Ordinance on or after July 21, 2015. Instead, the Regulation should state that Landlords shall be ordered to refund any overcharges received on or after the effective date of the Rent Ordinance: December 30, 2016. Staff members have prepared an amendment to Regulation 911(A) for the Rent Board's consideration.

## **RECOMMENDED ACTION:**

AMEND Regulation 911(A), requiring that Landlords refund any rent overcharges collected in violation of the Rent Ordinance on or after its effective date of December 30, 2016 – Rent Program (Paige Roosa/Charles Oshinuga 620-6537).

## **FISCAL IMPACT:**

There is no fiscal impact to this correction to an existing regulation.

## **DISCUSSION:**

### Background

Regulation 911(A), adopted by the Rent Board on February 21, 2018, clarifies that Landlords who have collected or received rent in violation of the Rent Ordinance shall be ordered to refund the overcharged rent back to the Tenant.

The Rent Ordinance provides rent control to applicable units by establishing a "Base Rent" date of July 21, 2015, an Annual General Adjustment based on changes in the

Consumer Price Index, and a process whereby Landlords and Tenants can request upward and downward adjustments of the Maximum Allowable Rent (MAR).

While the Base Rent date provided in the Rent Ordinance requires Landlords to “reset” rents to the amount paid on July 21, 2015, or the first time rent was paid for tenancies that began after July 21, 2015, the Rent Ordinance did not become effective until December 30, 2016. Therefore, Landlords could not have collected or received rent in excess of the MAR prior to December 30, 2016. By ordering Landlords to refund rent received in excess of the MAR on or after July 21, 2015, Regulation 911(A) is inconsistent with the Rent Ordinance.

Proposed Revision to Regulation 911(A)

Staff members recommend that the Board adopt a correction to Regulation 911(A) such that the regulation would read as follows:

A. Overcharges: If on or after December 30, 2016, the Landlord has received rent in violation of the Ordinance, the Landlord shall be ordered to refund the overcharge. Any overcharge refund shall be paid to the person or persons overcharged, except as provided in Regulation 911(B), below. For purposes of this Regulation, any receipt or retention of rent, including security deposits and interest earned on security deposits, in violation of any order, rule or regulation of the Board or any other applicable law shall be deemed to be an overcharge.

Next Steps

In accordance with Regulation 323, the amended regulation would become effective January 15, 2021 (thirty calendar days from the date of the Board meeting). Staff members do not anticipate additional implementing actions will be necessary, considering the minor nature of the revision.

**DOCUMENTS ATTACHED:**

Attachment 1- Proposed Amendment to Regulation 911(A) (revisions in track changes)

Attachment 2- Proposed Amendment to Regulation 911(A) (clean)

**911. Overcharges and Other Violations**

- A. Overcharges: If on or after ~~July 21, 2015~~December 30, 2016, the Landlord has received Rent in violation of the Ordinance, the Landlord shall be ordered to refund the overcharge. Any overcharge refund shall be paid to the person or persons overcharged, except as provided in Regulation 911(B), below. For purposes of this Regulation, any receipt or retention of Rent, including security deposits and interest earned on security deposits, in violation of any order, rule or regulation of the Board or any other applicable law shall be deemed to be an overcharge.

*[Adopted February 21, 2018; ~~amended December 16, 2020~~]*

***This page intentionally left blank***

**911. Overcharges and Other Violations**

- A. Overcharges: If on or after December 30, 2016, the Landlord has received Rent in violation of the Ordinance, the Landlord shall be ordered to refund the overcharge. Any overcharge refund shall be paid to the person or persons overcharged, except as provided in Regulation 911(B), below. For purposes of this Regulation, any receipt or retention of Rent, including security deposits and interest earned on security deposits, in violation of any order, rule or regulation of the Board or any other applicable law shall be deemed to be an overcharge.

*[Adopted February 21, 2018; amended December 16, 2020]*

***This page intentionally left blank***