



Board Approval to Receive \$5,000 ERAP Outreach Grant

ITEM G-1

SEPTEMBER 15, 2021

NICOLAS TRAYLOR, EXECUTIVE DIRECTOR

Statement of the Issue



- On July 26, 2021, the Richmond Rent Program was awarded a \$5,000 grant from the Richmond Community Foundation to fund outreach and education in Richmond around the State of California's Emergency Rent Assistance Program (ERAP). These grants are designed to increase awareness of and support for applying to the ERAP funding within those populations most in need in the county.
- By accepting this grant, the Rent Program certifies to the Richmond Community Foundation that grant will not be used to satisfy the payment of any pledge or other personal obligation on behalf of donors of the Richmond Community Foundation.
- This grant shall only be used to fund ERAP outreach including: all Rent Program staff time, activity, supplies and services shall be funded by the \$5,000 ERAP outreach grant. Per the ERAP grant contract, the Rent Program shall document and itemize all expenses associated with ERAP outreach performed.

Fiscal Impact



- A separate special fund (within the Rent Program fund) has been established to house the \$5,000 ERAP grant.

Note: The reason a special fund has been created is to ensure that all outreach activities are specifically funded through the \$5,000 grant.

Background



- In mid-June of 2021, Executive Director, Nicolas Traylor submitted a grant application with the Richmond Community Foundation to receive funding to perform Emergency Rent Assistance Program outreach.
- On July 26, 2021, the Richmond Community Foundation informed the Rent Program that they had been awarded \$5,000 to perform community outreach to Tenants and Landlords to apply for and receive up to 100% of any rent in default, if that default were the result of financial hardship caused by the COVID-19 pandemic. (Attachment 1)

Purpose



- The purpose of the \$5,000 grant is to get the word out in the community about applying for the state of California's Emergency Rent Assistance Program through HousingIsKey.com or housing.ca.gov.
- The Rent Program intends to use the grant to perform targeted outreach to Richmond Landlords, the vast majority of whom are “Mom and Pop” Landlords.

Proposed Timeline



- The \$5,000 grant must be spent in full by December, 31, 2021 per the Grant Agreement (Attachment 2).
- Upon receiving approval to utilize the grant by the Rent Board, Rent Program staff will begin the process of receiving 3 bids to design a special mailing to all Richmond Landlords. Staff anticipates the special mailing to be received by Richmond Landlords by the beginning of November 2021.

Recommended Action

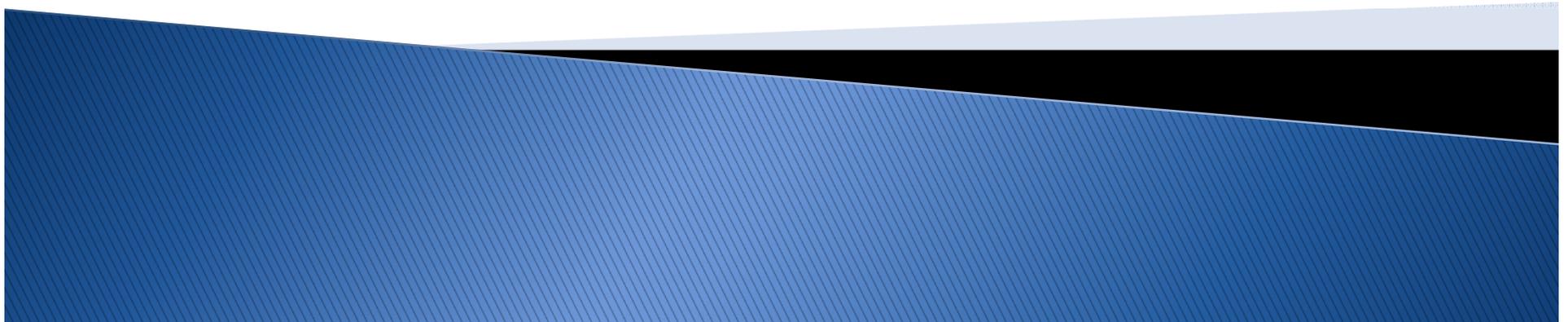


APPROVE receipt of and AUTHORIZE use of the \$5,000 ERAP grant by the Richmond Rent Program.

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How to Agendize items & Staff Role

Charles Oshinuga, Staff Attorney
September 15, 2021, Regular Meeting of the
Richmond Rent Board



Contents

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2. Staff Agendizing Items
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What is an Agenda Item?

- A topic of discussion that falls within the subject matter jurisdiction of the Rent Board.
- Agendizing the topic of discussion serves to notify the public of the issues and potential Board action so that the public can engage in meaningful participation.

What is an Agenda Item cont'd

- Meaningful description:
 - “ [S]ufficiently clear and specific to alert a person of average intelligence and education whose interests are affected by the item that he or she may have reason to attend the meeting or seek more information on the item ”
- Identify as action or discussion item
- Members of the public allowed to speak on all items – time limits OK

Posting the Agenda

- Post at least 72 hours before meeting (for regular meetings – set by resolution or other formal action by body)
- Post at least 24 hours before meeting (for special meetings – called by presiding officer or majority of body to discuss discrete items)
- Post where “freely accessible to members of the public”

The Public's Place on the Agenda

- ▶ Every agenda for a regular meeting must allow members of the public to speak on any item of interest that is within the subject matter jurisdiction of the legislative body
 - Open forum
 - Can limit time, but not content and cannot prohibit criticism



Why does it matter what
is listed on the agenda?

**A LEGISLATIVE BODY
CANNOT DISCUSS OR ACT
ON ITEMS NOT ON AN AGENDA.**

Very Limited Exceptions

1. Public health/safety emergency
2. Need to take immediate action before next regular meeting and comes to the attention of the agency after the agenda is posted (2/3 vote)
3. Item on previous agenda, and continued to next meeting no more than 5 days later

How to Agendize an Item

Three main ways:

- ▶ Staff agendizes an item.
- ▶ The Board as a whole directs staff to include an item on the agenda.
- ▶ An individual Boardmember agendizes an item.



Agenda: Staff Agendizes an Item

- **Staff identifies an issue:**
 - Counseling sessions
 - Public Feedback
 - Staff comments and/or review
- **The issue(s) is discussed internally**
 - Creating or adjustment of administrative policies and procedures.
- **If it cannot be resolved internally, agendize the issue to the Board**
 - Issue is too pervasive or requires new Rules and Regulation.

Agenda: Staff Agendizes an Item, cont'd

- **Staff Report:**
 - The tool by which topics for discussion are brought before the Rent Board.
 - Typically contains the following:
 - Overview
 - Recommended Action
 - Fiscal impact
 - Brief discussion of the topic to be discussed
- **Staff request the Board to direct it to further explore the issue and return with policy options.**
- **Staff engages in researches, analyzes, and outreach**
 - Explore what other jurisdictions have done
 - Best ways to resolve the issue
 - Shop the various options around to the public
- **Return to the Rent Board with various policy options, which ultimately gets translated into a Rule and/or Regulation.**

Owner Move-In Example

- Questions concerning how many evictions a Landlord can perform on a property
 - Counselors
 - Attorneys
- Staff decided the issue impacted the community as a whole and agendized it to the Board.
- Board directed staff to research the issue and return with policy options
- Staff engaged in months of research and outreach
- Staff presented its findings to the Board with various policy options
- Board selected its preferred set of options and directed staff to memorialize its selection in a set of Rules and Regulations.
- Legal review altered a few options
- Staff presented the Board with the Regulations and the Board adopted it.

Agenda: Rent Board as a whole Agendizes an Item

- ▶ At the conclusion of a discussion of an item that is before the Rent Board, the Rent Board may direct staff to take any action that is related to the item of discussion.
 - Majority vote
 - Consistent with the Brown Act
 - Cannot exceed the parameters of the current item.
 - Limited discussion
 - The time to debate the consequence of the potential item is when the item returns to the Rent Board
 - Timing
 - The Board may instruct staff when it wants the item to appear before it.

Agenda: Individual Board Member

- ▶ An individual Board member may agendaize for discussion any topic that falls within the subject matter jurisdiction of the Rent Board.
- ▶ Subject matter jurisdiction: Those issues that reasonably relate to rents and/or evictions



Agenda: Individual BoardMember, cont'd:

- ▶ Identify the topic or issue of concern
- ▶ Contact staff members and request data that will support or illuminate the concern
- ▶ Request staff to provide a staff report template
- ▶ Fill in the appropriate sections of the template staff report
 - The report does not have to be long but should contain enough information to aid the public and the Board in a fruitful consideration of the item.
 - Staff will review the language contained in the “Recommended Action” section.
- ▶ Submit the completed staff report to staff.
 - Staff will help post the staff report as an item to be discussed at the next Board meeting
- ▶ Optional: Prepare a PowerPoint for the Board
 - Typically, the maker of the item simply gives an oral presentation of their staff report and elicits conversation from the sitting Boardmembers
- ▶ Optional: Staff may prepare a staff report that either opposes, supports, or contextualizes the Boardmembers’ Staff Report.

Recommended Action

- ▶ Receive training on agenda scheduling and appropriate content of said agenda.





Rent Program Policies to Assist Landlords Facing Financial Hardship Due to the COVID-19 Pandemic

Item G-3

September 15, 2021
Nicolas Traylor, Executive Director

Statement of the Issue

- ▶ Since the onset of the COVID-19 pandemic, many Tenants have been unable to pay rent caused by financial hardships of the pandemic, resulting in various, State, County and local government eviction moratoria.
- ▶ Due to the slow roll of the State emergency rental assistance program and delay in funding, many Landlords are now struggling financially. This inspired the Rent Program to establish an internal policy that allows Landlords to either request a deferral of the Residential Rental Housing Fee or a payment plan.
- ▶ Landlords requesting a deferral must complete an online application and sign under penalty of perjury that they have been negatively impacted by the COVID-19 Pandemic.

Statement of the Issue

- ▶ In March of 2020, the Rent Program helped spearhead the creation and development of Richmond's first Rent Assistance Program, leading weekly meetings between the Rent Program, the City of Richmond Community Development Department, and local non-profits already administering rent assistance programs. The framework for Richmond's Rent Assistance Program eventually incorporated itself into the Richmond Rapid Response Fund (R3F).
- ▶ The Rent Program has also conducted outreach and plans to perform additional rental assistance communications in the form of mass mailings to both Tenants and Landlords.
- ▶ The Rent Program has created a special rental assistance resources webpage and posted an instructional video on how to apply for rental assistance, available on the Rent Program website at (<http://www.ci.richmond.ca.us/3541/Workshops>). This link will be distributed to the community by the Rent Program listserv blasts and social media posts.

Fiscal Impact

- ▶ While deferrals and payment plans delay the payment of the Rental Housing Fee, presently the number of deferrals and payment plans approved internally has not impacted the ability of the Rent Program to fund the Rent Program budget or operate the Rent Program.



Background

On March of 2020, considering the financial hardship experienced by Landlords caused by the COVID-19 Pandemic, the Richmond Rent Program established a Rental Housing Fee payment deferral and payment plan policy.

This policy allows Landlords to request either a payment plan or deferral of the Rental Housing Fee. Landlords who are experiencing financial hardship due to the COVID-19 Pandemic may apply for a payment plan or deferral by claiming one of the following reasons:

1. Tenants unable to pay rent
2. Reduction in work hours
3. Layoff or terminations due to COVID-19
4. Increase in out-of-pocket medical expenses
5. Other (please explain below)



Background Continued

To apply for a deferral or payment plan, Landlords must complete the online form:

The screenshot shows a web form titled "Payment Deferral Application - For Landlords Facing Financial Hardship Due to COVID-19". On the left is a navigation sidebar with "Richmond California BUSINESS" and buttons for "COR Connect" and "Environment". The main content area has a "Steps" sidebar with "1. Step One", "2. Step Two", and "3. Step Three". The "Step One" section contains several required fields: "Landlord Name (First, Last)*", "Landlord Phone Number*", "Landlord FRJC Number*" (with a note "As listed on your Rental Housing Fee invoice"), and "Landlord Email Address". Below these is a section for selecting reasons for financial hardship, with checkboxes for "Tenants unable to pay rent", "Reduction in work hours", "Layoffs or terminations due to COVID-19", "Increase in out-of-pocket medical expenses", and "Other (please explain below)". A text box for "Other" is provided with a note: "If you selected 'Other' for the question above, please describe the reason for financial hardship caused by the COVID-19 pandemic." At the bottom of the form are fields for "Employer Name", "Employer Address", "Contact Person", "Employer Phone Number", and "Employer Email Address". A "Continue" button is at the bottom left, and a "Sign in to Save Progress" button is at the top right. A footer note states "* indicates a required field".

Richmond California
BUSINESS

COR Connect

Environment

Payment Deferral Application - For Landlords Facing Financial Hardship Due to COVID-19 Sign in to Save Progress

Steps

- [Step One](#)
- [Step Two](#)
- [Step Three](#)

Step One

Landlord Name (First, Last)* **Landlord Phone Number***

Landlord FRJC Number* **Landlord Email Address**

As listed on your Rental Housing Fee invoice

Please select the reasons for which you have experienced financial hardship caused by the COVID-19 pandemic*

- Tenants unable to pay rent
- Reduction in work hours (please provide employer contact information below)
- Layoffs or terminations due to COVID-19
- Increase in out-of-pocket medical expenses
- Other (please explain below)

Check all that apply.

Other (please explain below)

If you selected "Other" for the question above, please describe the reason for financial hardship caused by the COVID-19 pandemic.

Employer Name **Employer Address**

Contact Person **Employer Phone Number**

Employer Email Address

* indicates a required field

RICHMOND CITY HALL
450 Civic Center Plaza
Richmond, CA 94804
[Directions](#) | [Phone Numbers](#)

The Purpose of and Facts about the Payment Deferral and Payment Plan Policy

- ▶ Purpose: To encourage Landlords to come into compliance with the Rent Ordinance's requirements and provide relief incentives to pay the Rental Housing Fee for Landlords experiencing financial hardship due to the COVID-19 pandemic.
- ▶ Landlords who are struggling financially due to the COVID-19 pandemic may request a waiver of the late fees using the Request for a Waiver of Late Fees form. These same Landlords may also request a payment plan or deferral of the Rental Housing Fee.
- ▶ Both the payment deferral and payment plan policies allow for payment to be deferred or extended for a time period of no more than 6 months, with the caveat that any payment plan or deferral of the Rental Housing Fee must be fully executed within any given fiscal year.

Deferral and Payment Plan Numbers

To date, there have been seven (7) payment deferrals and fifteen (15) payment plans granted since the beginning of the COVID-19 pandemic.



The Richmond Rent Assistance Program

- ▶ Prior to the COVID-19 pandemic, the Richmond Rent Program began meeting with various stakeholders, including the City of Richmond, past Richmond Rent Board members and Richmond City Council members, to discuss the creation of a rent assistance program.
- ▶ The COVID-19 pandemic laid bare the necessity of rent assistance in helping prevent unnecessary displacement. Even before the COVID-19 pandemic began in the spring of 2020, it was evident from the many counseling cases that revolved around non-payment of rent (or inability to pay rent), and from conversations with organizations such as Seasons of Sharing and Catholic Charities, that rent assistance resources were inadequate to keep up with the demand.



Richmond's Rent Assistance Program

- ▶ When it became clear that the many tenants would be unable to pay the rent due to financial hardship caused by the COVID-19 pandemic, the Rent Program's former Deputy Director and the Executive Director organized a meeting in the early spring of 2020, with the City of Richmond's Community Development department.
- ▶ After several initial meetings between Rent Program and Community Development Staff, the group decided to invite several local non-profits (Seasons of Sharing, Sparkpoint, the EDFund, Richmond Community Foundation and Catholic Charities) that administer and or fund existing rent assistance programs, to glean feedback on how to develop a Richmond specific rent assistance program.



Richmond Rent Assistance Program

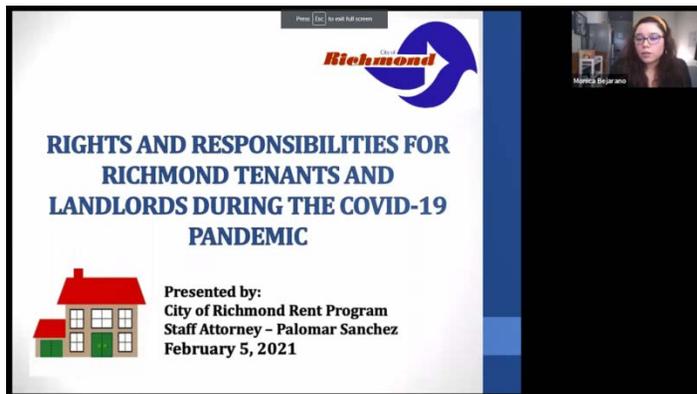
- ▶ The meeting between the City of Richmond, the Rent Program and the local non-profits made clear that the most effective way to create and implement a new rent assistance program was to do so through a coalition of non-profits which have existing expertize in seeking funding for and administering rent assistance programs.
- ▶ Eventually, the coalition of non-profits grew to include the Richmond Neighborhood Housing Services, the Office of Mayor Tom Butt, and the Richmond Land (Trust).
- ▶ Meeting weekly to strategize efforts, this coalition has raised hundreds of thousands of dollars, integrated itself into the Richmond Rapid Response Fund (R3F) and disbursed over \$150,000 in rent assistance to Richmond renters and Landlords.

Richmond Rent Assistance Program

- ▶ After being led by former Rent Program Deputy Director, Paige Roosa, until May of 2021, the rent assistance coalition is now being led by Jasmine Jones, the Executive Director of the West Contra Costa ED Fund (hereafter ED Fund).
- ▶ In July of 2021, the Richmond Rapid Response rent assistance program hired Jessica Travenia as its first Rent Assistance Program Director to help create the governing structure of the organization.
- ▶ Now, with billions of dollars of state Emergency Rent Assistance funding available, Richmond's Rent Assistance Program continues to seek rent assistance funding and has shifted its immediate focus to assisting Landlords and Tenants with applying for state ERAP monies and providing grants to County and local organizations to assist Landlords and Tenants apply for ERAP monies and perform rent assistance educational outreach.
- ▶ The City of Richmond plans to set aside hundreds of thousands of dollars of federal funds (at last estimate at approx. \$700,000) help fund the R3F's rent assistance program. Currently, the Rent Program continues to meet with the coalition of non-profit and City staff every other week.



Additional Rent Program Rent Assistance Outreach to Richmond Landlords



- ▶ In addition to helping create the City's first rent assistance program, the Rent Program has also conducted online educational webinars and created a comprehensive fact sheet on the state's eviction moratorium (and the associated rent assistance component).

- ▶ An instructional webinar on how to apply for the state emergency rent assistance at (<http://www.ci.richmond.ca.us/3541/Workshops>)



- ▶ Rent Program staff has created a special webpage devoted to rent assistance resources, as well as issuing posts on Facebook and Instagram informing the community about available rent assistance.

Additional Rent Program Rent Assistance Outreach to Richmond Landlords

- ▶ By mid-September, 2021, a postcard on rent assistance resources will go to all Richmond households.
- ▶ Additionally the Rent Program is planning to utilize the \$5,000 ERAP grant to conduct a targeted outreach to Richmond Landlords, in the form of another mass mailing of an informational postcard.
- ▶ Rent Program is partnering with the Richmond Neighborhood Housing Services (RNHS) who are tasked with assist Landlords and Tenants with applying for state emergency rent assistance.

KNOW YOUR RIGHTS! RENTING DURING THE PANDEMIC
WHAT RICHMOND LANDLORDS AND TENANTS NEED TO KNOW

City of Richmond
Eviction Moratorium
(Urgency Ordinance No. 02-21)

On March 23, 2021, the Richmond City Council adopted Urgency Ordinance No. 02-21 ("Eviction Moratorium") establishing a temporary moratorium on most evictions of residential tenants in Richmond through the local emergency and sixty (60) days thereafter.

Contra Costa County Rent Freeze and Eviction Ordinance
(Urgency Ordinance No. 2021-20)

Under Contra Costa County's Urgency Ordinance 2021-20 adopted June 22, 2021, Landlords may not raise the rent on rent-controlled units through September 30, 2021. Further, this Urgency Ordinance prohibits certain residential and commercial evictions through September 30, 2021.

Statewide Eviction Moratorium COVID-19 Tenant Relief Act ("CTRA") (AB 632)

Under the CTRA, evictions of residential Tenants for nonpayment of rent or other unpaid financial obligations between March 1, 2020, through September 30, 2021, is prohibited, so long as certain requirements are met.

- Landlords may not evict Tenants for nonpayment of rent that became due between September 1, 2020, and September 30, 2021, if the Tenant returns a Declaration of COVID-19-related financial distress to the Landlord AND pays 25% of the total rent due by September 30, 2021.

All documents and notices related to the CTRA are available at www.richmondrent.org.

California Rent Relief Program

Income eligible households who need financial assistance for unpaid rent and utilities are able to apply for help through the California COVID-19 Rent Relief Program.
 For more information visit, HousingKey.com or call (833) 430-2122

Richmond Neighborhood Services

Richmond residents may seek rent assistance locally by contacting the Richmond Neighborhood Services.
 For more information, call (510) 237-6459 ext. 1606 or by email at dirtrich@eastbaynhs.org

REMINDER: Landlords of Rental Units in the City of Richmond may only terminate tenancy if there is a "Just Cause" to evict. Visit our website to learn more about the eight "Just Causes" required to terminate a tenancy in the City of Richmond.

Request an appointment to speak with a Rent Program staff member at: <https://bit.ly/3gzLcY1>
 Got Questions? ☎ (510) 234-RENT (7368) ✉ rent@cl.richmond.ca.us 🌐 www.richmondrent.org 📍 @richmond_rent_program

City of Richmond
 Rent Program

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NEIGHBORHOOD HOUSING SERVICES RICHMOND

RENTAL RELIEF RESOURCES

HOUSING IS KEY **LEARN MORE**

Additional Rent Program Rent Assistance Outreach to Richmond Landlords

- ▶ The Rent Program will send out special notices to Landlord and Tenants each time a Tenant is served a notice to pay rent or quit.
- ▶ This notice will inform both parties of available rent assistance resources and the option to utilize Rent Program mediation for rent disputes.



Next Steps

Upon receiving feedback and direction from the Rent Board, Rent Program staff will draft a proposed regulation that codifies the Rent Program's payment plan/deferral policy.



Recommended Action

RECEIVE the Agenda Report and presentation on the Richmond Rent Program's efforts to assist Landlords who are facing financial hardship due to the COVID-19 pandemic. This report examines the existing Rental Housing Fee deferral and payment plan policy, as well as the Rent Program's role in spearheading the creation of Richmond's first rental assistance program, including other rental assistance outreach efforts.

Provide **DIRECTION** regarding a proposed regulation to codify a Rent Program Rental Housing Fee payment plan/payment deferral policy.



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PROPOSED RENT BOARD LATE FEE WAIVER POLICY AND CHARGING TENANTS A PORTION OF THE RESIDENTIAL RENTAL HOUSING FEE

Item G-4

September 15, 2021

Nicolas Traylor, Executive Director

STATEMENT OF THE ISSUE

- At the August 18, 2021, Regular Meeting of the Richmond Rent Board, Rent Program staff presented an overview of the existing internal late fee waiver policy, seeking the board's feedback regarding creating a board-approved late fee waiver policy. Towards that end, Rent Program Staff have researched various late fee waiver policies from sister rent control agencies to provide Rent Board members with policy options for crafting a Rent Board approval late fee waiver policy to be codified via Rent Board regulation(s).
- Additionally, Rent Program staff received direction from the Board to examine a potential Regulation requiring Tenants to pay a portion of the Rental Housing Fee.

Fiscal Impact

There is no fiscal impact in terms of increased staff costs. Collection of the Rental Housing Fee would not be impacted, as Landlords would still be required to pay the Rental Housing Fee (minus the late fees) before the Rent Board approving a waiver.

Background

- While being “an integral part of the government of the City [of Richmond],” the Rent Board “exercise[s] its powers and duties under [Chapter 11.100] independent from the City Council, City Manager, and City Attorney, except by request of the [Rent] Board.”
- The Rent Board has the sole power to oversee and adopt its budget, establishing that “the City Council and the City Manager shall have no authority to oversee, supervise, or approve this budget.”
- The Rent Program budget is comprised only of reasonable and necessary expenses to achieve the purpose of the Rent Ordinance.
- The Rent Program is currently funded in whole by the Rental Housing Fee charged to all Landlords in an amount deemed necessary and reasonable by the Rent Board and approved by the City Council.
- Since its inception, the Rent Program has waived \$142,644.40 in late fees through its administrative waiver process. \$25,682 in late fees were waived before the pandemic, and \$116,962 in late fees were waived during the COVID-19 pandemic.
- Having full authority over the Rent Program budget/spending (fees collected and/or waived), and in the interest of public transparency, staff recommend that all late waive approvals and/or denials be subject to Rent Board approval.

Background

- Given the financial hardship caused by the COVID-19 pandemic, the Rent Program adopted an internal policy regarding waiving assessed late fees. Under the current internal policy, the Executive Director or his/her designee may waive all or some of the late fees based on the criteria described above and listed in the Request for Late Fee Waiver form.
- The current Rent Program internal late fee waiver policy lacks a requirement of Rent Board approval and/or Rent Board oversight.
- To ensure the appropriate level of Rent Board oversight and public accountability, staff members seek direction and feedback from the Rent Board about drafting a proposed Rent Board late fee waiver regulation to achieve the proper degree of oversight and accountability.
- Upon direction from the Rent Board, Rent Program staff would draft a proposed regulation that sets forth the Rent Board approved criteria for granting a waiver and standards for when late fees should be waived in whole or in part.

General Late Fee Waiver Policy Proposal

- Landlords who fail to pay the Rental Housing Fee on time will be assessed a late fee penalty. In 2018, the Richmond City Council passed a late fee schedule that established the following assessments:
 - A 10% late fee after being 30-days late
 - A 25% late fee after 60-days
 - A 50% late fee after 90-days from the date of the original invoice
- After adopting the late fee schedule, the Rent Program established an internal late fee waiver policy consistent with policies in similar rent control agencies. This policy has allowed the Executive Director, their designee, to administratively waive late fees under particular circumstances.

General Late Fee Waiver Policy Proposal

Rent Program staff recommends the current internal late fee waiver policy as a starting point for receiving additional Rent Board input:

1. Rent Program staff receives a request for a late fee waiver from Landlord.
2. The Executive Director or his or her designee reviews the late fee waiver requests and issue a recommendation for Rent Board to approve the waiver, in whole or in part, or deny the waiver, based on the Landlords' reason for requesting the waiver and their payment history.
3. Rent Program staff compiles the late fee waiver requests for each month and places that list on the consent calendar for the following month's Rent Board meeting.
4. Rent Board members will review a spreadsheet with details of each request to include the date of request, the reason(s) for request, a recommendation to the Board to approve or deny the request, and total amount waived, along with a copy of the submitted Waiver Request form.
5. Rent Board members vote to approve recommended waivers or pull individual Requests from the consent calendar for further discussion.

Late Fee Waive Policy Research

Santa Monica	<p>Defer registration fee payments for units occupied by tenants who were unable to pay rent due to Covid-19</p> <ul style="list-style-type: none">• Typically due August 1, if paid in full by December 1 no late fees or penalties will accrue.• If not paid by December 1, late fees and penalties will accrue retroactively.• Proof of nonpayment is required and approval by Administrator.
San Jose	<p>Suspension of Late Fees align with the Rent Increase Moratorium</p> <ul style="list-style-type: none">• Any outstanding late fees were suspended from May 2020 through June 30, 2021, late fees will not accrue during the term.• Landlords remain financially responsible for any late fees accruing prior to adoption of the Rent Increases Moratorium and upon its expiration.
West Hollywood	<p>Due date of payment extended from July 15 to August 15, 2021.</p> <ul style="list-style-type: none">• Due to the Covid-19 Pandemic, a penalty will be assessed on payments received after August 15, 2021.
Berkeley	<p>Late Fee/Penalties Are Waived Pursuant Rent Board Regulations</p> <ul style="list-style-type: none">• Late Fees are waived either ministerially by staff or discretionally by the Rent Board. Berkeley was the only jurisdiction studied that provided for standards regarding when to waive fees in full or in part.

Late Fee Waiver Standards

Per direction provided by the Rent Board, Rent Program Staff has researched late fee waiver policies from similar rent control agencies.

- The Berkeley Rent Stabilization Program was the only agency that had established standards for waiving fees in part or in full.
 - Berkeley's standard is based on two factors: (1) the number of units on the rental property and (2) the number of times a Landlord had been late in the past. Berkeley's policy is codified in Berkeley Rent Board Regulation 883, 884 and 885.
 - Because Berkeley's late fee schedule is vastly different than Richmond's, any standard utilized by the Richmond Rent Program would need to reflect the late fee schedule utilized by Richmond. For example, in Berkeley, Landlords who are late one day receive a 100% penalty.

Berkeley's Late Fee Waiver Standards

The Berkeley Rent Stabilization Program utilizes the following late fee waiver standard for Landlords who are not new owners:

-
- For the first late payment within the prior six years – 100% of late fees waived
- For the second late payment within the prior six years – 90% of penalties waived
- For the third late payment within the prior six years – 75% of penalties waived
- For the fourth late payment within the prior six years – 55% of penalties waived
- For the fifth late payment with the prior six years – 30% of penalties waived
- For the sixth late payment with the prior six years – waiver is denied

New owners with no other residential rental property in Berkeley, who were unaware of the property registration requirements of the Berkeley Rent Ordinance and who registered the property within 12 months of acquiring title to the property may receive a waiver of late fees in accordance with the following schedule:

-
- The property contains 1 to 2 rental units – 100% of penalties waived
- The property contains 3 to 5 rental units – 90% of the penalties waived
- The property contains 6 to 10 rental units – 75% of the penalties waived
- The property contains 11 to 20 rental units – 50% of penalties waived

Standards for Richmond

Since the Richmond Rent Program utilizes the City of Richmond's late fee schedule, any standards for partial late fee waivers that are adopted should reflect this schedule. As a result, the Rent Board is restricted to waive late fees using four levels: Waiving no late fees (0%) or just waiving a tier or tiers of penalties (10%, 25%, or 50%).

FACTORS FOR SETTING STANDARDS

- **PAYMENT HISTORY:** The number of times late over a period of time
- **OWNERSHIP STATUS:** How long a property owner has operated their rental property in Richmond and how many units are on the rental property

Proposed Standards for Richmond

PAYMENT HISTORY STANDARD

- **First late payment within the last 5 years** – all or any late fees accrued waived
- **Second or third late payment within the last 5 years** – if at the 10% penalty level when requesting a waiver, then the 10% penalty waived. If at the 25% penalty level, then late fees drop to the 10% level. If at the 50% level, then late fees drop to the 25% level.
- **Fourth late payment within the last 5 years** – no waiver (unless the late fees accrued were the result of staff error or mailing issue or per the discretion of the Board).

OWNERSHIP HISTORY STANDARD

For new rental property owners, who enrolled their rental property with the Rent Program within 12 months of owning the property, the following schedule or something similar could be employed:

- **The property contains 1 to 2 units** – all late fees waived
- **The property contains 3-20 units-** – if at the 10% penalty level when requesting a waiver, then the 10% penalty waived. If at the 25% penalty level, then late fees drop to the 10% level. If at the 50% level, then late fees drop to the 25% level.
- **The property contains more than 20 units** – no waiver (unless the late fees accrued were the result of staff error or mailing issue or per the discretion of the Board).

BOARD DISCRETION

- Under this proposed option, the Rent Board may consider the grounds listed in the Late Fee Waiver form (Attachment 1) in all waiver circumstances including those where no waiver is recommended by staff and those that are ministerial waivers performed by Rent Program staff.

Ministerial Waivers

- In some circumstances, Landlords receive late fees due to staff, mailing, or billing errors. In those circumstances, such waivers are decided ministerial or administratively.
- Late fee situations result from billing, clerical or mailing issues would not be adjudicated by Rent Board members but would be listed as ministerial waivers for the Board's review as part of the Rent Board agenda's consent calendar.
- The Board would be empowered to pull any ministerial waiver for further review during a Board meeting.

Charging Tenants a Portion of the Rental Housing Fee

- The Richmond Rent Ordinance does not require Tenants to pay a portion of the Rental Housing Fee, nor does it authorize the Rent Board to charge Tenants a portion of the Rental Housing Fee.
- The only way to require Tenants to pay a portion of the fee is to present the issue as a ballot measure and have the voters amend the Rent Ordinance to include the requirement.
- Landlords may utilize the Maintenance of Net Operating Income process to pass through the Rental Housing Fee and other expenses in the form of a Rent increase if they can establish that the payment of the Rental Housing Fee and other expenses has resulted in a deprivation of a fair return

Next Steps

Upon direction provided by the Rent Board, Rent Program staff will draft proposed regulation(s) that clarify the policy for waiving late fees and give standards on when late fee waivers should be approved in whole or in part.

Recommended Action

(1) RECEIVE presentation on proposed Rent Board Late Fee Waiver Policy and (2) DIRECT staff to prepare proposed regulation(s) to clarify the policy for waiving late fees, including setting standards as to when late fees should be approval in whole or in part – Rent Program (Nicolas Traylor/510-620-6564).