

# AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: April 20, 2022

Final Decision Date Deadline: April 20, 2022

**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 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. Adoption of a regulation is necessary to establish the amount of the 2022 Annual General Adjustment applicable to those tenancies that were in effect prior to September 1, 2021.

## 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 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 Regulation 610, establishing the 2022 Annual General Adjustment in the amount of 5.2% for tenancies commencing prior to September 1, 2021 – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

AGENDA ITEM NO:

**G-1.**

***This page intentionally left blank***



# AGENDA REPORT

**DATE:** April 20, 2022

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

**FROM:** Nicolas Traylor, Executive Director  
Charles Oshinuga, General Counsel

**SUBJECT:** REGULATION ESTABLISHING THE 2022 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 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. Adoption of a regulation is necessary to establish the amount of the 2022 Annual General Adjustment applicable to those tenancies that were in effect prior to September 1, 2021.

## **RECOMMENDED ACTION:**

ADOPT Regulation 610, establishing the 2022 Annual General Adjustment in the amount of 5.2% for tenancies commencing prior to September 1, 2021 – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

## **FISCAL IMPACT:**

There is no fiscal impact related to this item.

## **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).<sup>1</sup>

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 percentage represents the Annual General Adjustment that may take effect September 1.

### Calculation of the Maximum Allowable Rent

As written, Regulation 610 establishes the Annual General Adjustment by which the Maximum Allowable Rent increases for Controlled Rental Units. Pursuant to Regulation 602, Landlords may choose to apply rent increases in the amount of the Annual General Adjustment or delay and “bank” the application of an Annual General Adjustment for a particular year without losing the opportunity to use such an increase in the future. Additionally, Regulation 602 explains that in the event the Annual General Adjustment exceeds 5%, a Landlord cannot apply any banked increase until the next Annual General Adjustment increase is less than 5%.

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 five years.

The change in the Consumer Price Index and corresponding Annual General Adjustment for 2020 is 5.2%.

### Next Steps

Staff members will draft a template rent increase notice for Landlord use based on the new 2022 Annual General Adjustment. These forms will be available on the Rent Program website ([www.richmondrent.org](http://www.richmondrent.org)), within thirty days (30) upon Rent Board adoption of Regulation 609.

In addition, staff members will send an announcement to community members announcing the 2022 Annual General Adjustment. Additional community engagement and education is anticipated to address questions regarding the use of the banked amounts given that the 2022 Annual General Adjustment exceeds 5%.

### **DOCUMENTS ATTACHED:**

Attachment 1 – Regulation 610, Establishing the 2022 Annual General Adjustment

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

---

<sup>1</sup> 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

## 610. Annual General Adjustment Order for 2022

The percentage increase in the CPI from 2021-20202 is 5.2%, and thus, the following Annual General Adjustment shall apply:

- A. The 2022 Annual General Adjustment is not to exceed 5.2%.
- B. The Annual General Adjustment granted by this Regulation shall become effective on September 1, 2022, provided that the Landlord is in full compliance with all applicable provisions of the provisions of the Richmond Fair Rent, Just Cause For Eviction and Homeowner Protection Ordinance, outstanding Rent Board and/or Hearing Examiner Orders, and any other applicable Regulation.
- C. 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 2022 Annual General Adjustment for tenancies in effect prior to September 1, 2021, only if the Landlord is in compliance with Regulation 601, and has complied with any existing Rent Board and/or Hearing Examiner Order.

***This page intentionally left blank***



### Databases, Tables & Calculators by Subject

Change Output Options: From: 2016  To: 2022  [GO](#)  
 include graphs  include annual averages [More Formatting Options](#)

Data extracted on: April 14, 2022 (4:25:16 PM)

#### CPI for All Urban Consumers (CPI-U)

**Series Id:** CUURS49BSA0  
 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: [x](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	285.550	282.666	288.435
2019		291.227		294.801		295.259		295.490		298.443		297.007	295.004	293.150	296.859
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419		309.497		311.167		313.265		315.805	309.721	306.724	312.718
2022		320.195													

#### 12-Month Percent Change

**Series Id:** CUURS49BSA0  
 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: [x](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
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		3.9		4.3		4.4		4.5	3.9	3.4	4.3
2019		3.5		4.0		3.2		2.7		3.0		2.5	3.3	3.7	2.9
2020		2.9		1.1		1.6		1.6		1.1		2.0	1.7	2.0	1.4
2021		1.6		3.8		3.2		3.7		3.8		4.2	3.2	2.5	3.9
2022		5.2													

***This page intentionally left blank***