

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: February 15, 2023

Final Decision Date Deadline: February 15, 2023

STATEMENT OF THE ISSUE: Statement of the Issue: At the November 17, 2021, Regular Meeting of the Richmond Rent Board, the Board adopted Regulation 425, titled, "Waiver of Delinquent Residential Housing Fee Assessment. As required by Regulation 425, the Executive Director or his or her designee shall review all late fee waiver requests and issue a recommendation for the Rent Board to approve the waiver, in full or in part, or deny the waiver, based on the Landlord's reason for requesting the waiver and their payment history. Attached to this recommendation, for the month of February 2023, are the compiled late fee waiver requests and associated documentation.

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 late fee waiver(s) for February 2023 pursuant to Regulation 425 - Rent Program (Fred Tran/510-620-6537).

AGENDA ITEM NO:

F-4.

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Late Fee Waiver Summary – February 2023 Regular Board Meeting

Property Street	Property Owner	Date of Request	Reason for Request	Recommendation to Approve or Deny	Late Fee Amount	Total Late Fees Waived if Approved	Recommended Late Fee Amount (if any)
1 3629 Park Ridge Drive and 5201 Victor Avenue	Zijue Zhang	October 28, 2022	Wrong Mailing Address	Full waiver of late fees	\$63.50	\$63.50	None
2 5115 Gately Avenue	Marcus & Leesa McGlory	September 20, 2022	Wrong Mailing Address	Partial Waiver to the 10% penalty level	\$302.00	\$241.60	\$60.40
3 404 31st Street	Gina Portal Garcia	October 13, 2022	Wrong Mailing Address	Full waiver of late fees	\$1,496.80	\$1,496.80	None

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To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 3629 Park Ridge Drive and 5201 Victor Avenue

Date: February 15, 2023

Late Fee Waiver Recommendations Pursuant to Regulation 425

As required by Regulation 425, the Executive Director or his or her designee shall review all late fee waiver requests and issue a recommendation for the Rent Board to approve the waiver, in full or in part, or deny the waiver, based on the Landlord's reason for requesting the waiver and their payment history. Attached to this recommendation are the compiled late fee waiver requests and associated documentation including the table below with details on each month's request.

Summary of Late Fee Waiver Requests and Recommendation for February 2023:

Property Owner	Date of Request	Reason for Request	Recommendation to Approve or Deny	Late Fee Amount	Total Late Fees Waived if Approved	Recommended Late Fee Amount (if any)
Zijue Zhang	October 28, 2022	Wrong Mailing Address	Full waiver of late fees	\$63.50	\$63.50	None

Good Cause and Late Payment History

Regulation 425 requires a showing of Good Cause prior to waiving any late fee assessment. Good Cause is defined as the taking of reasonable efforts, while acting with due diligence to remit timely payment of the Residential Rental Housing Fee. In other words, it is an evaluation of whether the Landlord took reasonable efforts and acted with due diligence in their attempt to pay the Residential Rental Housing Fee. Regulation 425 guides this inquiry by requiring the Executive Director evaluate applicable enumerated factors (Attachment 1) prior to making a determination of whether there exist Good Cause to grant the request. Finally, Regulation 425 establishes that a Rent Program billing error would always constitute Good Cause to waive the late fee assessment.

Claim of “Good Cause”

In the request dated October 28, 2022, (Attachment 1) Zijue Zhang the property owner at 3629 Park Ridge Drive and 5201 Victor Avenue indicated that the owner did not receive the invoices due to a wrong address. Zijue Zhang paid the fees on February 3, 2023.

Rent Program staff confirmed Zijue Zhang met the requirements of enrolling the properties in January 2019. Rent Program staff confirmed Zijue Zhang paid the base Residential Rental Housing Fees for Fiscal Years 2022-2023 on February 3, 2023.

Payment History

Where a requestor has made timely payments in the prior two (2) fiscal years, their request shall be ministerially granted. Such requests do not require a showing of Good Cause and are not subject to the provisions of Regulation 425 (D) and Regulation 425 (E). Regulation 435 (D) and (E), provide the factors required when making a determining of good cause.

In this case, Zijue Zhang had paid timely during the last (4) four fiscal years when the invoice was received.

Evaluation of Owner’s Claim of Good Cause

No Late Fee waiver request shall be granted unless there is a sufficient demonstration of Good Cause. In their consideration, the Executive Director must evaluate the following factors, whenever present, when making a determination of Good Cause:

1. *Whether the failure to remit timely payment was due to a Rent Program billing error, such as an incorrect address, an incomplete invoice, or an invoice sent to the wrong owner;*
2. *Whether the requestor is a successor in interest who has not received an invoice.*
3. *Whether the requestor is experiencing a financial hardship that is caused by circumstances beyond the Landlord’s control;*
4. *Whether the requestor experienced a medical emergency, medical treatment, hospitalization, or death in the family within the billing period;*
5. *Whether the requestor had submitted a request for an Administrative Determination of Exempt/Applicability Status within the billing period;*
6. *Whether the requestor’s Tenant(s) have experienced a COVID-19 related financial hardship that has impacted the Tenant’s ability to pay Rent;*
7. *Late payment History.*
8. *Any other circumstances relevant to the inquiry of Good Cause.*

Rent Program staff confirmed Zijue Zhang paid the base Residential Rental Housing Fees for Fiscal Years 2022-2023 on February 3, 2023.

Rent Program staff verified with Contra Costa County records that 3629 Park Ridge Dr. is a Residential Single-Family built in 2004.

Rent Program staff verified with Contra Costa County records that 5201 Victor Avenue is a Residential Single -Family built in 1971.

Zijue Zhang has demonstrated a Good Cause that warrants a waiver of late fees with timely paid invoices during the last (4) four fiscal years. The invoice was mailed to the incorrect address due to staff error. Once Zijue Zhang received the invoices, the balance was paid immediately.

Staff Recommendation

Zijue Zhang has shown good faith efforts to come into compliance, by contacting the Rent Program to inquire about the invoice, paying the Rental Housing Fees when due, and submitting the Property Enrollment forms. Considering these factors, staff recommends that a full waiver of late fees, in the amount of \$63.50 be granted.

City of **Richmond**



Request to Remove Late Fees

Property Owner Name: Zijue Zhang

FRJC #: [REDACTED]

Property Owner Phone Number or Email: [REDACTED]

The Property Owner has requested the removal of late fees on their account totaling \$ 63.50 for the following reason:

- New Owner, did not receive invoice
- Wrong Mailing Address
- Owner believed property was exempt from the Rent Ordinance
- Financial hardship, caused by circumstances beyond the Landlord's control, such as natural disaster, destruction or major damage to the Rental Property not due to the Landlords actions, bankruptcies and disputes over ownership of the property.
- Hospitalizations or medical treatments of the Landlord or Landlord's family during the fee billing period, or a death in the family within the fee billing period
- The landlord was billed for a fewer number of units because of errors in property records maintained by the Rent Program where the error was not attributable to information supplied by the Landlord. The penalties are waived only for unbilled units; the billed units should be paid on time.
- A previously enrolled property was not billed as a result of staff error.
- An invalid or erroneous account number was assigned, which resulted in billing errors or improper crediting of payments by the landlord.
- The determination of whether or not the property was subject to the Ordinance required an analysis through the existing Administrative Determination of Exempt Status process. Penalties will be waived only while the determinations pending. If the Landlord raised the issue requiring administrative determination, penalties will be waived only from the date of the first written contact with the Board in which the issue was raised. Waiver of penalties will not be granted if the staff determines that the issue raised is already settled and/or has no substantial merit. If the issue was raised by Rent Board staff, the waiver period commences on the date on which the administrative determination was requested by the staff. In all situations in which a determination was requested, the waiver period terminates when the Landlord is notified of the determination regarding the status of his/her property.
- The property owner was unable to collect some or all of the rent due to the COVID-19 pandemic and the resulting hardship led to non-payment of the Rental Housing Fee. In this case, the property owner must declare under penalty of perjury, in detail, how COVID-19 has impacted their business (i.e. how many month's tenants didn't pay rent, illness in the family or self, etc.)
- Other: _____

Declaration & Signature:

I declare under penalty of perjury under the laws of the State of California that every statement in this Late Fee Waiver Request is true and correct to the best of my knowledge and belief.

Signature of Landlord/Property Manager: [Signature] Date: 10 / 28 / 2022

Printed Name: Zijue Zhang

Rent Program Staff Use Only:

This request has been conditionally granted by the Rent Board, provided the owner pays the Rental Housing Fee before _____.

Executive Director Signature: _____ Staff Initials: _____

Date: ____ / ____ / ____



To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 5115 Gately Avenue

Date: February 15, 2023

Late Fee Waiver Recommendations Pursuant to Regulation 425

As required by Regulation 425, the Executive Director or his or her designee shall review all late fee waiver requests and issue a recommendation for the Rent Board to approve the waiver, in full or in part, or deny the waiver, based on the Landlord's reason for requesting the waiver and their payment history. Attached to this recommendation are the compiled late fee waiver requests and associated documentation including the table below with details on each month's request.

Summary of Late Fee Waiver Requests and Recommendation for February 2023:

Property Owner	Date of Request	Reason for Request	Recommendation to Approve or Deny	Late Fee Amount	Total Late Fees Waived if Approved	Recommended Late Fee Amount (if any)
Marcus & Leesa McGlory	September 20, 2022	Other - Owner did not receive rent	Partial Waiver to the 10% penalty level	\$302.00	\$241.60	\$60.40

Good Cause and Late Payment History

Regulation 425 requires a showing of Good Cause prior to waiving any late fee assessment. Good Cause is defined as the taking of reasonable efforts, while acting with due diligence to remit timely payment of the Residential Rental Housing Fee. In other words, it is an evaluation of whether the Landlord took reasonable efforts and acted with due diligence in their attempt to pay the Residential Rental Housing Fee. Regulation 425 guides this inquiry by requiring the Executive Director evaluate applicable enumerated factors (Attachment 1) prior to making a determination of whether there exist Good Cause to grant the request. Finally, Regulation 425 establishes that a Rent Program billing error would always constitute Good Cause to waive the late fee assessment.

Claim of “Good Cause”

In the request dated September 20, 2022, (Attachment 1) Marcus and Leesa McGlory the property owner at 5115 Gately Avenue indicated that the reason for paying late was that the invoices were sent to the wrong address. They paid the outstanding fees on September 22, 2022, and October 13, 2022.

Rent Program staff confirmed Marcus and Leesa McGlory met the requirements of enrolling the property on January 19, 2019, and October 2022. Rent Program staff confirmed Marcus and Leesa McGlory paid the base Residential Rental Housing Fees for prior Fiscal Years on September 22, 2022, and October 13, 2022.

Upon additional research, Rent Program staff verified a prior late fee waiver had been submitted to the Program and approved on July 26, 2021, for prior years Rental Housing Fee. The reason for the prior submittal was due to “payments were sent and never cashed or cancelled”.

Payment History

Where a requestor has made timely payments in the prior two (2) fiscal years, their request shall be ministerially granted. Such requests do not require a showing of Good Cause and are not subject to the provisions of Regulation 425 (D) and Regulation 425 (E). Regulation 435 (D) and (E), provide the factors required when making a determining of good cause.

In this case, timely payments were not made during the last two fiscal years, disallowing the possibility of a ministerial waiver.

Evaluation of Owner’s Claim of Good Cause

No Late Fee waiver request shall be granted unless there is a sufficient demonstration of Good Cause. In their consideration, the Executive Director must evaluate the following factors, whenever present, when making a determination of Good Cause:

1. *Whether the failure to remit timely payment was due to a Rent Program billing error, such as an incorrect address, an incomplete invoice, or an invoice sent to the wrong owner;*
2. *Whether the requestor is a successor in interest who has not received an invoice.*
3. *Whether the requestor is experiencing a financial hardship that is caused by circumstances beyond the Landlord’s control;*
4. *Whether the requestor experienced a medical emergency, medical treatment, hospitalization, or death in the family within the billing period;*
5. *Whether the requestor had submitted a request for an Administrative Determination of Exempt/Applicability Status within the billing period;*
6. *Whether the requestor’s Tenant(s) have experienced a COVID-19 related financial hardship that has impacted the Tenant’s ability to pay Rent;*

7. *Late payment History.*
8. *Any other circumstances relevant to the inquiry of Good Cause.*

Rent Program staff confirmed Marcus and Leesa McGlory paid the base Residential Rental Housing Fees for prior Fiscal Years on September 22, 2022, and October 13, 2022.

Rent Program staff verified with Contra Costa County records that 5115 Gately Avenue is a Single-Family Home built in 1963.

Staff Recommendation

Marcus and Leesa McGlory displayed good faith efforts to be in compliant by contacting the Rent Program to inquire about the invoices, being enrolled with the Rent Program, and paying all past fees due. Staff recommends a partial waiver of the late fees to at least a 10% percent assessment pursuant to Rent Board Regulation 425 G (3). Regulation 425 G (3) requires that if there was one late fee waiver request granted in the prior three fiscal years, the late fee assessment shall be reduced to at least a 10% percent assessment. Since a late fee waiver was previously granted for in July 2021, a 10% late fee penalty of \$60.40 should be assessed.

ITEM F-4 #2
ATTACHMENT 1

City of **Richmond**



Request to Remove Late Fees

Property Owner Name: Marcus & Leesa McGlory

FRJC #: [REDACTED]

Property Owner Phone Number or Email: [REDACTED]

The Property Owner has requested the removal of late fees on their account totaling \$ _____ for the following reason:

- New Owner, did not receive invoice
- Wrong Mailing Address
- Owner believed property was exempt from the Rent Ordinance
- Financial hardship, caused by circumstances beyond the Landlord's control, such as natural disaster, destruction or major damage to the Rental Property not due to the Landlords actions, bankruptcies and disputes over ownership of the property.
- Hospitalizations or medical treatments of the Landlord or Landlord's family during the fee billing period, or a death in the family within the fee billing period
- The landlord was billed for a fewer number of units because of errors in property records maintained by the Rent Program where the error was not attributable to information supplied by the Landlord. The penalties are waived only for unbilled units; the billed units should be paid on time.
- A previously enrolled property was not billed as a result of staff error.
- An invalid or erroneous account number was assigned, which resulted in billing errors or improper crediting of payments by the landlord.
- The determination of whether or not the property was subject to the Ordinance required an analysis through the existing Administrative Determination of Exempt Status process. Penalties will be waived only while the determinations pending. If the Landlord raised the issue requiring administrative determination, penalties will be waived only from the date of the first written contact with the Board in which the issue was raised. Waiver of penalties will not be granted if the staff determines that the issue raised is already settled and/or has no substantial merit. If the issue was raised by Rent Board staff, the waiver period commences on the date on which the administrative determination was requested by the staff. In all situations in which a determination was requested, the waiver period terminates when the Landlord is notified of the determination regarding the status of his/her property.
- The property owner was unable to collect some or all of the rent due to the COVID-19 pandemic and the resulting hardship led to non-payment of the Rental Housing Fee. In this case, the property owner must declare under penalty of perjury, in detail, how COVID-19 has impacted their business (i.e. how many month's tenants didn't pay rent, illness in the family or self, etc.)
- Other: _____

Declaration & Signature:

I declare under penalty of perjury under the laws of the State of California that every statement in this Late Fee Waiver Request is true and correct to the best of my knowledge and belief.

Signature of Landlord/Property Manager: Marcus McGlory Date: 09/20/2022

Printed Name: Marcus McGlory

Rent Program Staff Use Only:

This request has been conditionally granted by the Rent Board, provided the owner pays the Rental Housing Fee before _____.

Executive Director Signature: _____ Staff Initials: _____

Date: ____/____/____



To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 404 31st Street

Date: February 15, 2023

Late Fee Waiver Recommendations Pursuant to Regulation 425

As required by Regulation 425, the Executive Director or his or her designee shall review all late fee waiver requests and issue a recommendation for the Rent Board to approve the waiver, in full or in part, or deny the waiver, based on the Landlord's reason for requesting the waiver and their payment history. Attached to this recommendation are the compiled late fee waiver requests and associated documentation including the table below with details on each month's request.

Summary of Late Fee Waiver Requests and Recommendation for February 2023:

Property Owner	Date of Request	Reason for Request	Recommendation to Approve or Deny	Late Fee Amount	Total Late Fees Waived if Approved	Recommended Late Fee Amount (if any)
Gina Garcia	October 13, 2022	Wrong Mailing Address	Full waiver of late fees	\$1,496.80	\$1,496.80	None

Good Cause and Late Payment History

Regulation 425 requires a showing of Good Cause prior to waiving any late fee assessment. Good Cause is defined as the taking of reasonable efforts, while acting with due diligence to remit timely payment of the Residential Rental Housing Fee. In other words, it is an evaluation of whether the Landlord took reasonable efforts and acted with due diligence in their attempt to pay the Residential Rental Housing Fee. Regulation 425 guides this inquiry by requiring the Executive Director evaluate applicable enumerated factors (Attachment 1) prior to making a determination of whether there exist Good Cause to grant the request. Finally, Regulation 425 establishes that a Rent Program billing error would always constitute Good Cause to waive the late fee assessment.

Claim of "Good Cause"

In the request dated October 13, 2022, (Attachment 1) Gina Garcia the property owner at 404 31st Street indicated that the owner did not receive the invoices due to a wrong

mailing address. Gina Garcia paid the fees on October 14, 2022, when she was informed a balance was due.

Rent Program staff confirmed Gina Garcia met the requirements of enrolling the properties on October 13, 2022. Rent Program staff confirmed Gina Garcia paid the base Residential Rental Housing Fees for all Fiscal Years on October 14, 2022.

Payment History

Where a requestor has made timely payments in the prior two (2) fiscal years, their request shall be ministerially granted. Such requests do not require a showing of Good Cause and are not subject to the provisions of Regulation 425 (D) and Regulation 425 (E). Regulation 435 (D) and (E), provide the factors required when making a determining of good cause.

In this case, Gina Garcia had never received any invoices due to an incorrect mailing address in the TRAKiT system.

Evaluation of Owner's Claim of Good Cause

No Late Fee waiver request shall be granted unless there is a sufficient demonstration of Good Cause. In their consideration, the Executive Director must evaluate the following factors, whenever present, when making a determination of Good Cause:

1. *Whether the failure to remit timely payment was due to a Rent Program billing error, such as an incorrect address, an incomplete invoice, or an invoice sent to the wrong owner;*
2. *Whether the requestor is a successor in interest who has not received an invoice.*
3. *Whether the requestor is experiencing a financial hardship that is caused by circumstances beyond the Landlord's control;*
4. *Whether the requestor experienced a medical emergency, medical treatment, hospitalization, or death in the family within the billing period;*
5. *Whether the requestor had submitted a request for an Administrative Determination of Exempt/Applicability Status within the billing period;*
6. *Whether the requestor's Tenant(s) have experienced a COVID-19 related financial hardship that has impacted the Tenant's ability to pay Rent;*
7. *Late payment History.*
8. *Any other circumstances relevant to the inquiry of Good Cause.*

Rent Program staff confirmed Gina Garcia paid the base Residential Rental Housing Fees for all Fiscal Years on October 14, 2022.

Rent Program staff verified with Contra Costa County records that 404 31st Street is a Residential Triplex built in 1950.

Gina Garcia has demonstrated a Good Cause that warrants a waiver of late fees with timely paid invoices for all fiscal years when invoice was received. The invoice was mailed to the incorrect address due to system error. Once Gina Garcia received the invoice, the balance was paid immediately.

Staff Recommendation

Gina Garcia has shown good faith efforts to come into compliance by contacting the Rent Program to inquire about the invoice, paying the Rental Housing Fees when due, and submitting a Property Enrollment form. Considering these factors, staff recommends that a full waiver of late fees, in the amount of \$1,496.80 be granted.



Request to Remove Late Fees

Property Owner Name: Gina Portal Garcia

FRJC #: _____

Property Owner Phone Number or Email: _____

The Property Owner has requested the removal of late fees on their account totaling \$ _____ for the following reason:

- New Owner, did not receive invoice
- Wrong Mailing Address
- Owner believed property was exempt from the Rent Ordinance
- Financial hardship, caused by circumstances beyond the Landlord's control, such as natural disaster, destruction or major damage to the Rental Property not due to the Landlords actions, bankruptcies and disputes over ownership of the property.
- Hospitalizations or medical treatments of the Landlord or Landlord's family during the fee billing period, or a death in the family within the fee billing period
- The landlord was billed for a fewer number of units because of errors in property records maintained by the Rent Program where the error was not attributable to information supplied by the Landlord. The penalties are waived only for unbilled units; the billed units should be paid on time.
- A previously enrolled property was not billed as a result of staff error.
- An invalid or erroneous account number was assigned, which resulted in billing errors or improper crediting of payments by the landlord.
- The determination of whether or not the property was subject to the Ordinance required an analysis through the existing Administrative Determination of Exempt Status process. Penalties will be waived only while the determinations pending. If the Landlord raised the issue requiring administrative determination, penalties will be waived only from the date of the first written contact with the Board in which the issue was raised. Waiver of penalties will not be granted if the staff determines that the issue raised is already settled and/or has no substantial merit. If the issue was raised by Rent Board staff, the waiver period commences on the date on which the administrative determination was requested by the staff. In all situations in which a determination was requested, the waiver period terminates when the Landlord is notified of the determination regarding the status of his/her property.
- The property owner was unable to collect some or all of the rent due to the COVID-19 pandemic and the resulting hardship led to non-payment of the Rental Housing Fee. In this case, the property owner must declare under penalty of perjury, in detail, how COVID-19 has impacted their business (i.e. how many month's tenants didn't pay rent, illness in the family or self, etc.)
- Other: never receive billing to my home address.

Declaration & Signature:

I declare under penalty of perjury under the laws of the State of California that every statement in this Late Fee Waiver Request is true and correct to the best of my knowledge and belief.

Signature of Landlord/Property Manager: _____

Date: 10, 13, 22

Printed Name: Gina Portal Garcia

Rent Program Staff Use Only:

This request has been conditionally granted by the Rent Board, provided the owner pays the Rental Housing Fee before _____.

Executive Director Signature: _____

Staff Initials: _____

Date: ____/____/____