



SPECIAL MEETING OF THE RENT BOARD OF THE CITY OF RICHMOND
MUTI-PURPOSE ROOM (BASEMENT), COMMUNITY SERVICES BUILDING
440 Civic Center Plaza, Richmond, CA 94804

AGENDA
Tuesday, May 7, 2024

Link to Rent Board Meeting Agendas and Accompanying Materials:
www.ci.richmond.ca.us/3375/Rent-Board

Board Chair
Sara Cantor

Board Vice Chair
Karina Guadalupe

Boardmembers
Elaine Dockens
Tomas Espinoza
Jim Hite

NOTICE: MASKS ARE STRONGLY ENCOURAGED!!

Accessibility for Individuals with Disabilities

Upon request, the City will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services and sign language interpreters, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, interpretation service or alternative format requested at least two days before the meeting. Requests should be emailed

to cynthia_shaw@ci.richmond.ca.us and rent@ci.richmond.ca.us or submitted by phone at (510) 620-5552. Requests made by mail to the Rent Program Office, Rent Board meeting, 440 Civic Center Plaza, Suite 200, Richmond, CA 94804 must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

NOTICE TO PUBLIC

The City of Richmond encourages community participation at public meetings and has established procedures that are intended to accommodate public input in a timely and time-sensitive way. As a courtesy to all members of the public who wish to participate in Rent Board meetings, please observe the following procedures:

Public Comment on Agenda Items: Persons wishing to speak on a particular item on the agenda shall file a speaker form with City staff PRIOR to the Rent Board's consideration of the item on the agenda. Once the clerk announces the item, only those persons who have previously submitted speaker forms shall be permitted to speak on the item. Each speaker will be allowed up to four minutes to address the Rent Board.

Public Forum: Individuals who would like to address the Rent Board on matters not listed on the agenda or on items remaining on the consent calendar may do so under Public Forum. All speakers must complete and file a speaker's card with City staff prior to the commencement of Public Forum. The amount of time allotted to individual speakers shall be determined based on the number of persons requesting to speak during this item. The time allocation for each speaker will be as follows: 15 or fewer speakers, a maximum of 4 minutes; 16 to 24 speakers, a maximum of 3 and one-half minutes; and 25 or more speakers, a maximum of 3 minutes.

Conduct at Meetings: Richmond Rent Board meetings are limited public forums during which the City strives to provide an open, safe atmosphere and promote robust public debate. Members of the public, however, must comply with state law, as well as the City's laws and procedures and may not actually disrupt the orderly conduct of these meetings. The public, for example, may not shout or use amplifying devices, must submit comment cards and speak during their allotted time in order to provide public comment, may not create a physical disturbance, may not speak on matters unrelated to issues within the jurisdiction of the Rent Board or the agenda item at hand, and may not cause immediate threats to public safety.

City Harassment Policy: The City invites public comment and critique about its operations, including comment about the performance of its public officials and employees, at the public meetings of the City Council and boards and commissions. However, discriminatory or harassing comments about or in the presence of City employees, even comments by third parties, may create a hostile work environment, if severe or pervasive. The City prohibits harassment against an applicant, employee, or contractor on the basis of race, religious creed, color, national origin, ancestry, physical disability, medical condition, mental disability, marital status, sex (including pregnancy, childbirth, and related medical conditions), sexual orientation, gender identity, age or veteran status, or any other characteristic protected by federal, state or local law. In order to acknowledge the public's right to comment on City operations at public meetings, which could include comments that violate the City's harassment policy if such comments do not cause an actual disruption under the Council Rules and Procedures, while taking reasonable steps to protect City employees from discrimination and harassment, City Boards and Commissions shall adhere to the following procedures. If any person makes a harassing remark at a public meeting that violates the above City policy prohibiting harassment,

the presiding officer of the meeting may, at the conclusion of the speaker's remarks and allotted time: (a) remind the public that the City's Policy Regarding Harassment of its Employees is contained in the written posted agenda; and (b) state that comments in violation of City policy are not condoned by the City and will play no role in City decisions. If any person makes a harassing remark at a public meeting that violates the above City policy, any City employee in the room who is offended by remarks violating the City's policy is excused from attendance at the meeting. No City employee is compelled to remain in attendance where it appears likely that speakers will make further harassing comments. If an employee leaves a City meeting for this reason, the presiding officer may send a designee to notify any offended employee who has left the meeting when those comments are likely concluded so that the employee may return to the meeting. The presiding officer may remind an employee or any council or board or commission member that he or she may leave the meeting if a remark violating the City's harassment policy is made.

This page intentionally left blank

SPECIAL MEETING OF THE RICHMOND RENT BOARD

AGENDA

5:30 PM

- A. PLEDGE TO THE FLAG
- B. ROLL CALL
- C. STATEMENT OF CONFLICT OF INTEREST
- D. AGENDA REVIEW
- E. PUBLIC FORUM
- F. BUDGET

F-1. RECEIVE a presentation regarding the Rent Program's current financial situation and budget options. DIRECT staff to prepare a draft budget for fiscal year 2024-25, reflecting Budget Option 1 and Budget Option 2 with the Board's budget priorities incorporated in both options. ***This item was continued from the April 29, 2024, Special Rent Board Meeting.***

*Nicolas Traylor
Fred Tran*

- G. REPORTS OF OFFICERS
- H. ADJOURNMENT

Any documents produced by the City and distributed to a majority of the Rent Board regarding any item on this agenda will be made available at the Rent Program Office located on the second floor of 440 Civic Center Plaza and will be posted at www.richmondrent.org.

This page intentionally left blank

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 7, 2024

Final Decision Date Deadline: May 7, 2024

STATEMENT OF THE ISSUE: In accordance with Section 11.100.060(l) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, the amount of the Residential Rental Housing Fee will be determined by the City Council after a recommendation by the Board is provided to the City Council. Prior to July 1st, the Board is required to hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. On April 17, 2024, the Rent Board received a presentation from staff outlining budget requirements, the budget process/timeline, and discussed budget requirements with initial recommendations in the context of Program activity. Staff presented Program activity data that illustrated the need for additional resources. After the budget presentation, staff solicited Board members for feedback and budget priorities. The Board concurred that expanding outreach and education was a top priority. After the April 17, 2024, Regular Meeting of the Rent Board, staff reviewed the Budgeted versus Actual Revenue and Expenditure Report and projected expense burn rate and revenue to be collected. As a result, a probable deficit by the end of the current fiscal year (June 30, 2024) is expected. Staff are ramping up collection efforts for the remaining two months of the fiscal year to avoid a possible deficit. Considering the Program's current financial situation and the possibility that it may take time to increase the Program's collection rate, adding several new positions may lead to a mounting deficit. However, if the Board decides to add any new staff, those resources should focus on increasing the collection rate of the Rental Housing Fee and addressing the rise in Rent Adjustment Petitions filed.

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 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: Budget
- 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: RECEIVE a presentation regarding the Rent Program's current financial situation and budget options. DIRECT staff to prepare a draft budget for fiscal year 2024-25, reflecting Budget Option 1 and Budget Option 2 with the Board's budget priorities incorporated in both options. (Nicolas Traylor/Fred Tran – 620-6564). ***This item was continued from the April 29, 2024, Special Rent Board Meeting.***

AGENDA ITEM NO:

F-1.

This page intentionally left blank



AGENDA REPORT

DATE: May 7, 2024

TO: Chair Cantor and Members of the Richmond Rent Board

FROM: Nicolas Traylor, Executive Director
Fred Tran, Deputy Director

SUBJECT: Update on Current Financials and Budget Options

STATEMENT OF THE ISSUE:

In accordance with Section 11.100.060(l) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, the amount of the Residential Rental Housing Fee will be determined by the City Council after a recommendation by the Board is provided to the City Council. Prior to July 1st, the Board is required to hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. On April 17, 2024, the Rent Board received a presentation from staff outlining budget requirements, the budget process/timeline, and discussed budget requirements with initial recommendations in the context of Program activity. Staff presented Program activity data that illustrated the need for additional resources. After the budget presentation, staff solicited Board members for feedback and budget priorities. The Board concurred that expanding outreach and education was a top priority. After the April 17, 2024, Regular Meeting of the Rent Board, staff reviewed the Budgeted versus Actual Revenue and Expenditure Report and projected expense burn rate and revenue to be collected. As a result, a probable deficit by the end of the current fiscal year (June 30, 2024) is expected. Staff are ramping up collection efforts for the remaining two months of the fiscal year to avoid a possible deficit. Considering the Program's current financial situation and the possibility that it may take time to increase the Program's collection rate, adding several new positions may lead to a mounting deficit. However, if the Board decides to add any new staff, those resources should focus on increasing the collection rate of the Rental Housing Fee and addressing the rise in Rent Adjustment Petitions filed.

RECOMMENDED ACTION: RECEIVE a presentation regarding the Rent Program's current financial situation and budget options. DIRECT staff to prepare a draft budget for fiscal year 2024-25, reflecting Budget Option 1 and Budget Option 2 with the Board's budget priorities incorporated in both options. (Nicolas Traylor/Fred Tran – 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

At the April 17, 2024, Regular Meeting of the Richmond Rent Board, staff presented budget requirements, process/timeline, Program activity, and initial high-level recommendations. Key highlights of the presentation were that: Rent Program activity has increased significantly in the Hearings Unit, with petitions increasing by 388% compared to the previous fiscal year and billing and registration staff had a substantial backlog of work on late fee waivers, administrative determinations, property enrollment, and collections on delinquent accounts. The Board was also made aware of a notable increase in counseling, compliance outreach, legal service referrals, and the need for more reliable interpretation services. Fiscal year 2023-24 Program activity data revealed a need for additional resources to focus on increasing the collection rate, outreach, and education, and handling the rise in petitions filed. After the presentation, the Board agreed and directed staff to come back with a budget that focused on enhancing outreach, community engagement, and education. Staff were prepared to present budget options that included more resources for hearings/petitions, Rental Housing Fee compliance, collection, and enhanced outreach and education. After the April 17th Rent Board meeting, staff reviewed collection amounts at the end of the 3rd quarter and projected a deficit was probable by the end of the fiscal year (June 30, 2024).

Based on a possible and probable budget deficit of approximately \$277,000, adding staff resources may lead to mounting deficits if collection rates do not increase. Deficit spending is generally not recommended for other reasons as well. Those reasons include loss of Board autonomy from the City of Richmond and possible future cuts to Program activities and services to offset a growing debt.

Deficit Factors: Collections and Cost Pool Charges

The current projected budget deficit should inform the Board and assist with budget decisions. At present, the budget deficit, while projected, may not transpire, if two events occur:

- 1) If the staff's current efforts to increase collections for the last two months of the fiscal year are successful.
- 2) The other factor contributing to the projected deficit is the fact that the City of Richmond charged the Rent Program for cost pool charges that were challenged and not budgeted. A full cost allocation study was necessary before cost pool charges were to be established between the City and Rent Program. At present, the Executive Director and the City Manager are in negotiations regarding a waiver of future cost pool charges to incentivize collaboration between the City and the Rent Program.

Budget Options Considering a Probable Deficit

In the face of beginning the fiscal year with a probable deficit, staff recommend the Board consider two budget options:

BUDGET OPTION 1: Budget Option 1 is a status quo or base budget with an increase in mass mailing outreach funds and an increase in interpretation services to reduce the number of Board meetings being cancelled due to the service not being able to secure an interpreter. Budget Option 1 would be essentially the same as last fiscal year's budget with MOU negotiated salaries and fringe benefit increases. Staff are still estimating the cost for the additional interpretation service, but this increase is likely not be a permanent long-term cost as less costly artificial intelligence-based interpretation services continue to advance rapidly and may be an option in future fiscal years. To address one of the Board's top priorities, namely, outreach and community education, staff recommend including in Budget Option 1, an increase in the budget for mass mailings to all tenants and landlords, doubling mailings (from 2 to 4 times a year). Staff are still estimating the cost of doubling mass mailing projects, but the current mass mailing budget of \$30,780 would likely increase by at least 2-fold. A list of the proposed and planned mass mailings for fiscal year 2024-25 is attached to this report (Attachment 1).

In Budget Option 1, a most pressing need of the agency, more resources for Hearings related work could be satisfied through the reclassification of a vacant (entry level) Office Assistant position to an Administrative Trainee or similar position. Due to the incredible rise in petitions filed, hearings and appeals heard in fiscal year 2023-24, which frequently require interpretation, translation, and communication with mono-lingual Spanish speaking Tenants and Landlords, staff have determined that a journey level position is necessary to provide clerical support to the Hearing Unit. The overall reduced cost of reclassifying the Office Assistant to an Administrative Trainee would be around \$3,972 and would be budgeted to hire in the 2nd Quarter of fiscal year 2024-25.

BUDGET OPTION 2 includes all aspects of Budget Option 1, plus the addition of one position, a Compliance Specialist, whose primary focus would be to increase the collection rate through focused collection efforts on delinquent accounts. An additional Compliance Specialist hired in Quarter 2 would add \$87,794 to the budget. Another significant duty of the additional Compliance Specialist would be to research, investigate, and find rental properties that have yet to enroll or pay the Rental Housing Fee. The additional cost of a Compliance Specialist, the logic goes, should be significantly or completely offset by the increase in collections achieved through the compliance work. For example, there are currently hundreds of rental properties and thousands of rental units that are delinquent in paying the required Rental Housing Fee. While the current projected budget deficit is around \$277,000, collection of those outstanding fees would more than offset the projected deficit. An additional Compliance Specialist would also focus on discovering new rental properties, which would increase the overall revenue collection and compliance rate.

Finally, as is recommended under Budget Option 1, to limit the increasing Rental Housing Fee, it would be advisable to budget for hiring the Compliance Specialist and reclassify the Office Assistant position in the 2nd Quarter of fiscal year 2024-25.

Addressing the Board's Top Budget Priority: Outreach and Education

As part of budget presentations for fiscal year 2023-24, Rent Program staff presented on the importance of outreach and education as a key element for enforcing the Richmond Rent Ordinance. In that presentation, staff went through various outreach and community education activities that were part of the Program's Comprehensive Outreach Plan. The Board was also advised of the significant impact the COVID-19 pandemic had on hampering some of the Program's outreach and community education activities. Among those activities was attendance at community events, networking with community partners (e.g. school district, non-profits), and in-person workshops. Since the Board adopted the Fiscal Year 2023-24 budget, staff have been incrementally preparing and implementing some of those activities. Attached to this report is an update on mass mailings, community canvassing, attendance at community events, and reinstatement of Saturday morning workshops (Attachment 1). Both Budget Option 1 and Budget Option 2 include additional funds for mass mailings to all tenants and landlords. Both budget options also include increased funds for in-person interpretation at Rent Board meetings.

Although staff anticipate counseling activity to continue to increase in fiscal year 2024-25, especially due to the trending increase in petitions related counseling and increased mass mailings and outreach, the appointment system created during the pandemic has allowed housing counselors to maintain a manageable case load (albeit community members sometimes wait a week or more before they can have their appointment). If counseling, (including mediation, legal service referrals and compliance outreach) activity continues to increase in fiscal year 2024-25, additional resources for counseling may be necessary for fiscal year 2024-25.

DOCUMENTS ATTACHED:

Attachment 1 – Outreach Plan Chart for FY 2024-25 Based on Board Priorities

Comprehensive Outreach Plan

Mass Mailing Projects:

Project	Audience	Estimated Date
"Know Your Rights" post-card	All landlords and tenants registered with the Richmond Rent Program.	May 2024-July 2024
Announcement of the 2024 Annual General Adjustment post-card	All landlords and tenants registered with the Richmond Rent Program.	July 2024-August 2024
Annual Fiscal Year Invoicing Project (includes informational materials)	Landlord-oriented	July 2024-September 2024
Just Cause for Eviction post-card	All landlords and tenants registered with the Richmond Rent Program	January 2025-March 2025
Courtesy Compliance Letters	Case-by-case basis; landlords and tenants	Ongoing
New Owner Outreach Project	Owner-oriented	Quarterly

Comprehensive Outreach Plan

Community Events:

Event	Date
East Bay Rental Housing Assoc. Presentation	Thursday, January 5, 2024
Sisters of Solidarity Event	Saturday, March 16, 2024
Park RX Day at Nicholl Park	Saturday, April 27, 2024
Cinco De May Event; 23rd Street, between Rheem Avenue and Clinton Avenue	Sunday, May 5, 2024
Farmer's Market on Fridays	1-2 times a month starting June 2024
3rd of July Fireworks Show at Marina Bay Park	Wednesday, July 3, 2024
Saturday Community Workshops	Starting September 2024

Canvassing:

Location	Materials
Latina Center	Rent Program Flyers
Saint Cornelius Church	Rent Program Flyers
Richmond Public Library (all Richmond branches)	Rent Program Brochures and Flyers
Contra Costa County College (Student Services)	Rent Program Brochures and Flyers
Lifelong Medical Care	Rent Program Brochures and Flyers

Comprehensive Outreach Plan

Media:

Platform	Audience
Instagram	737 followers
Facebook	473 followers
PeachJar (not implemented)	Electronic announcements to all schools within Contra Costa County Unified School District
Listserv	Rent Program Email subscribers (approximately 1,551 subscribers)
City Manager's Weekly Report	City of Richmond Email subscribers

This page intentionally left blank