



REGULAR MEETING OF THE RENT BOARD OF THE CITY OF RICHMOND

**CITY COUNCIL CHAMBERS, COMMUNITY SERVICES BUILDING
440 Civic Center Plaza, Richmond, CA 94804**

**AGENDA
Wednesday, May 15, 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.

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**OPEN SESSION TO HEAR PUBLIC COMMENT BEFORE CLOSED
SESSION**

5:00 PM

A. ROLL CALL

B. PUBLIC COMMENT BEFORE CLOSED SESSION

C. ADJOURN TO CLOSED SESSION

CLOSED SESSION

Shimada Room, City Council Chambers

PUBLIC EMPLOYEE EVALUATION (Government Code Section 54957):

Title: Executive Director

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REGULAR 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. REPORT FROM LEGAL COUNSEL OF FINAL DECISIONS MADE IN CLOSED SESSION

E. AGENDA REVIEW

F. PUBLIC FORUM

G. RENT BOARD CONSENT CALENDAR

- | | | |
|-------------|--|---------------------|
| G-1. | APPROVE the minutes of the April 17, 2024, Regular Meeting of the Richmond Rent Board. | <i>Cynthia Shaw</i> |
| G-2. | RECEIVE letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100. | <i>Cynthia Shaw</i> |
| G-3. | RECEIVE the Fiscal Year 2023-24 Monthly Activity Report through April 2024. | <i>Cynthia Shaw</i> |
| G-4. | RECEIVE the Rent Program FY 2023-24 Monthly Revenue and Expenditure Report through April 2024. | <i>Fred Tran</i> |
| G-5. | APPROVE late fee waiver(s) for May 2024 pursuant to Regulation 425. | <i>Fred Tran</i> |

H. REGULATIONS

- H-1.** AMEND Regulation 322 to include language that clarifies that Rent Board members, or the Rent Board, may submit agenda item and agenda reports.

Palomar Sanchez

I. RENT BOARD AS A WHOLE

- I-1.** Prepare language to identify the Official Newspaper of the Richmond Rent Board and place this language in the Note to Reader section of the Rent Board Regulations. Create a Note to the Reader section for the Richmond Rent Ordinance and place the language identifying the Official newspaper in this created section.

*Board Member
Elaine Dockens*

J. BUDGET

- J-1.** (1) RECEIVE a draft Proposed Fiscal Year 2024-25 Rent Program Budget and corresponding 10-year financial projection and (2) DETERMINE adoption of the Fiscal Year 2024-25 Budget and approval of the fees consistent with Sections 11.100.060(n) and (l) of the Rent Ordinance.

*Nicolas Traylor
Fred Tran*

K. REPORTS OF OFFICERS

L. 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.

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: The minutes of the April 17, 2024, Regular Meeting of the Richmond Rent Board require approval.

INDICATE APPROPRIATE BODY

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|---|---|--|--|---|
| <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

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|---|--|--|
| <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 the minutes of the April 17, 2024, Regular Meeting of the Richmond Rent Board – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

G-1.

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RICHMOND, CALIFORNIA, April 17, 2024

The Open Session to Hear Public Comments before Closed Session was called to order at 5:16 PM.

ROLL CALL

Board Members Present: Dockens, Espinoza, Hite, and Vice Chair Guadalupe.

Staff Present: Executive Director Nicolas Traylor, Deputy Director Fred Tran, and General Counsel Charles Oshinuga.

Absent: Chair Cantor.

PUBLIC COMMENT BEFORE CLOSED SESSION

None.

ADJOURN TO CLOSED SESSION

The Open Session to Hear Public Comments Before Closed Session adjourned at 5:19 PM.

CLOSED SESSION – Shimada Room, City Council Chambers

The Regular Meeting of the Richmond Rent Board was called to order at 6:02 PM.

PLEDGE TO THE FLAG

ROLL CALL

Board Members Present: Dockens, Espinoza, Hite, and Vice Chair Guadalupe.

Staff Present: Executive Director Nicolas Traylor, Deputy Director Fred Tran, and General Counsel Charles Oshinuga.

Absent: Chair Cantor.

STATEMENT OF CONFLICT OF INTEREST

None.

REPORT FROM LEGAL COUNSEL OF FINAL DECISIONS MADE IN CLOSED SESSION

General Counsel Charles Oshinuga reported that there were no final decisions made during closed session.

AGENDA REVIEW

None.

PUBLIC FORUM

Iiona Clark, a Housing Provider in Richmond began her comment by apologizing in advance for her statements if they seemed patronizing or disrespectful and expressed frustration. She read the mission statement of the Rent Board. She said nothing is mentioned in the mission statement to spend time and money on self-congratulatory placards or public art projects. She also noted that we are in a significant housing crisis. She added that there is a housing shortage that the Rent Board cannot directly address because nothing in the mission statement adds units to Richmond's housing stock. However, there is still plenty to do regarding housing specifically. She also added if the Board lacks ideas, to contact her or other members of the housing providers group, The Association of United Richmond Housing Providers. She said they are housing providers struggling to provide housing for a community under many layers of regulations and cost burdens. She added that they are a part of the solution and cannot do it alone. She also mentioned a few ideas about how the Rent Program could help people in the community. For example, the RAP website advertises sources for rental assistance, does its research effectively, determines how much money has been given out, and determines how many renters or units have benefited. She added that there's nothing about down payment assistance for would-be homeowners. Something like this could make a difference. Another idea would be to revisit the regulations that the previous boards passed and make them more practical, beneficial, and easier to understand for those who are not experts in the housing industry or are experiencing a housing crisis. She added that the Rent Program processes should be researched to make them more streamlined, user-friendly, and accessible. She mentioned that the Rent Board could assist in making robust processes to address HLRs, which was promised to us by Mr. Traylor. Another idea would be to help provide reliable

interpretation for all meetings, whether Ms. Espinoza is present or not. Richmond is more than half Latinx, and the meetings should be interpreted regardless. There are so many things the Board can do in the position of a Rent Board Member. The staff doesn't have to listen to the community, but the staff does have to listen to the Board. She feels the Board should use its position to benefit the Richmond community within the mission statement. Otherwise, the Board should ask themselves, what are you doing here?

RENT BOARD CONSENT CALENDAR

Rent Board Clerk Cynthia Shaw read the Consent Calendar items.

On motion from Board Member Hite, seconded by Board Member Dockens, the item(s) marked with an (*) were approved with Chair Cantor absent.

***G-1.** Approve the minutes of the January 17, 2024, Regular Meeting of the Richmond Rent Board. This item was continued from the April 9, 2024, Special Rent Board Meeting.

***G-2.** Receive letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100.

***G-3.** Receive the Fiscal Year 2023-24 Monthly Activity Report through March 2024.

***G-4.** Receive the Rent Program FY 2023-24 Monthly Revenue and Expenditure Report through March 2024.

***G-5.** Receive the Budgeted versus Actual Revenue and Expenditures Report for the third quarter ending March 31, 2024.

***G-6.** Approve late fee waiver(s) for April 2024 pursuant to Regulation 425.

CONSIDERATION OF APPEALS

H-1. General Counsel Charles Oshinuga presented on the matter of an Appeal regarding Petition No. RC22-T155: The Appellants appealed the Hearing Examiner's Decision that awarded Respondent \$1,141.46, due to defective conditions existing in Respondent's Rental Unit. Specifically, the Hearing Examiner found that the Appellant failed to meet their obligation under a settlement agreement, where they failed to repair the windows,

refrigerator, and remediate mold within Respondent's Rental Unit. On appeal, Appellants contend the following:

1) The amount of Rent the Hearing Examiner relied on is incorrect. The proper Rent amount is \$800, not \$955.11.

2) The refrigerator should not be included in an award because the issue was immediately addressed. On the same day Respondent made the request for a new refrigerator, Appellants purchased a new refrigerator; however, delivery was going to take a few days. In the interim, Appellants offered Respondent a temporary refrigerator, but Respondent rejected it, opting to wait for the new one.

All parties to this case were present. The Respondent requested Spanish interpretation and time allotted to each party was doubled. The Appellant spoke for 8:10 minutes and was given 10 minutes. The Respondent presented for 10:31 minutes and was given 14 minutes. Finally, the Appellant closed for 1:57 minutes and was given 4 minutes. The Appeal began, and the following individuals presented their cases: Carlos Magana and Juana Trejo. Discussion ensued. There were no public comments on this item.

After hearing the issues brought on the Appeal and considering the arguments of both parties, a motion was made by Vice Chair Guadalupe and seconded by Board Member Dockens regarding Petition No. RC22-T155 to adopt the staff's recommendation to reverse the Hearing Examiner's Decision in its entirety. The settlement agreement is still in effect, less the provision that reserves the Tenant's right to a hearing. The parties do, however, reserve the right to pursue civil claims flowing from any alleged breach of the contract, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Vice Chair Guadalupe. **Noes:** None. **Abstentions:** None. **Absent:** Chair Cantor.

Rent Board Clerk Cynthia Shaw concluded the hearing and informed the parties that they would receive a Rent Board Decision within 30 days. Parties were dismissed for Appeal RC22-T155.

General Counsel Charles Oshinuga gave a brief overview of the board's decisions. He informed the parties that if they are confused about the outcome of the Appeal hearing and need further assistance, they can contact the Rent Program office for an appointment to speak with a Housing Counselor.

REGULATIONS

I-1. The matter to amend the language of Regulation 322A, 322A(b) and 322A(c) was presented by Board Member Dockens. She briefly went over the information included in the presentation from the How to Agendize Agenda

Items and Staff Roles training presented by General Counsel Oshinuga on May 8, 2023, specifically the section regarding the process for an Individual Board Member agendaizing an item for discussion, examples of the language to include in staff reports, a proposed timeline for staff to return to the Rent Board with the amended language for the Regulation, and the next steps. Discussion ensued. There were no public comments on this item. A motion made by Board Member Hite, seconded by Board Member Espinoza, directing staff to return to the Board with the amended language of Regulation 322A, 322A(b), and 322A(c) at the next Regular Meeting in May passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Vice Chair Guadalupe. **Noes:** None. **Abstentions:** None. **Absent:** Chair Cantor.

RENT BOARD AS A WHOLE

J-1. The matter to establish an Ad-Hoc Committee to: (1) Communicate with the Richmond Public Arts Committee concerning the preservation of the Mural, (2) Monitor the progress to Recognize, Restore and Preserve the Rent Program Mural (Mural), and (3) Report back to the entire Rent Board on a quarterly basis was presented by Board Member Dockens. The presentation began with viewing photos of the Rent Program mural on Ohio St. and 23rd St., in Richmond. It included the background, community expression to honor the Voter Initiative, and organizations who created the Mural, the purpose to recognize, restore, and preserve the Mural by establishing an Ad Hoc Committee to be the official communication channel between the Rent Board and the Committee on Public Art (CPA) regarding the Mural, the proposed timeline, and the next steps. Discussions ensued. The following individual requested to speak during public comment but was not present: Ilona Clark.

A motion was made by Board Member Dockens for Board approval to establish an Ad Hoc Committee, in conjunction with Staff and General Counsel to determine the purpose and subject of the Ad Hoc Committee, which consists of no more than two Board Members. Vice Chair Guadalupe asked for clarification about establishing the Ad Hoc Committee from General Counsel Oshinuga. After receiving clarification, Board Member Dockens withdrew her motion. General Counsel Oshinuga mentioned to Vice Chair Guadalupe that Board Member Hite may have made a motion regarding the murals. Board Member Hite responded that if he did make a motion, he would withdraw his motion to allow for individual discussions with staff. The Board received the presentation and discussed the item. No formal action was taken on this item.

A motion was made by Board Member Hite to recess for 5 minutes before continuing Item K-1, seconded by Board Member Dockens. The motion to recess for 5 minutes passed with Chair Cantor absent. The meeting was

adjourned for recess at 7:34 PM. The meeting was called back to order at 7:42 PM.

BUDGET

K-1. The matter to receive a presentation regarding the Rent Program Budget timeline and requirements for the Fiscal Year 2024-25 Rent Program operating Budget was presented by Executive Director Nicolas Traylor. The overview of the Budget Requirements and Process presentation included the statement of the issue, the fiscal impact, the staff budget development process and timeline, a summary of what budget items are necessary and reasonable, a summary of program-based line-item budgeting, the purpose of the Rent Ordinance and Mission of the Rent Program, a summary about key activities to administer and enforce the Rent Ordinance, a summary about key program activities and a status of activities compared to last fiscal year regarding the rental housing data and collection of the Rental Housing Fee, outreach and community education, Rent Adjustment Petitions and Appeals, a brief review of last fiscal year's budget priorities, a summary on budget development that includes internal staff, budget presentations to the Rent Board to facilitate feedback and direction from the Board, a summary of initial staff budget recommendations, and the recommended action.

Before discussing Item K-1, Rent Board Clerk Cynthia Shaw recommended to Vice Chair Guadalupe that the Board vote to extend the meeting past the 3-hour mark. A motion by Vice Chair Guadalupe, seconded by Board Member Hite to approve extending the meeting past the 3-hour time limit to hear the remaining items on the agenda passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Vice Chair Guadalupe. **Noes:** None. **Abstentions:** None. **Absent:** Chair Cantor.

Discussion ensued. The following individual requested to speak during public comment but was not present: Ilona Clark.

Board Member Hite made a motion to receive the presentation of the Rent Program Budget timeline and requirements for the Fiscal Year 2024-25 Rent Program Operating Budget. General Counsel informed Vice Chair Guadalupe and the Board that a motion to receive the presentation is unnecessary because it has already been received. If there were a motion, it would likely be related to whatever priorities were brought back to the Board. He also went over the budget development process and timeline to inform the Board that if they don't feel prepared to make a recommendation at this time, they could provide feedback and direction, and staff will return at the next meeting with a draft budget. He also informed the Board that we are on a strict timeline and that they can add additional feedback for as long as it takes until the deadline, but it

must be passed in time to present the approved Rental Housing fee amounts to the City Council. After receiving clarification from General Counsel Oshinuga, Board Member Hite withdrew his motion.

Vice Chair Guadalupe made a new motion, seconded by Board Member Hite, to direct staff to make outreach and education a priority for the budget meeting held on April 29th and for continued Board discussions about the Fiscal Year 2024-25 Budget, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Vice Chair Guadalupe. **Noes:** None. **Abstentions:** None. **Absent:** Chair.

ANNOUNCEMENTS & SCHEDULING

Executive Nicolas Traylor reminded the Board that the next Special Meeting will be held on April 29th. He wanted to poll the Board members on their availability to ensure a quorum for the meeting. He mentioned that if we don't have a quorum for that meeting, we will need to hold another Special Meeting on May 7th. He also announced that the Rent Program hired an Office Assistant, and we will invite her to meet the Board at the next meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:53 P.M.

Cynthia Shaw
Staff Clerk

(SEAL)

Approved:

Rent Board Chair

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: Members of the community have sent letters to the Rent Board and Rent Program staff members. Staff members recommend letters that do not pertain to a specific item on the Rent Board agenda be included as consent items for consideration by the Rent Board.

INDICATE APPROPRIATE BODY

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| <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

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|---|--|--|
| <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: RECEIVE letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100 – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

G-2.

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Cynthia Shaw

From: Ilona Clark [REDACTED]
Sent: Saturday, April 13, 2024 7:17 PM
To: Sara Cantor; Rent Program; Cynthia Shaw; Karina Guadalupe; Paul Cohen; Elaine Dockens; Nicolas Traylor; Tomasa Espinoza; Jim Hite
Subject: Justice for Renters?

This email originated from outside of the City's email system. Do not open links or attachments from untrusted sources.

To the Richmond Rent Board and Staff,

You have recently received a request to endorse the Justice for Renters Act, which will be on the election ballot this November. The main goal of this Act is to end vacancy decontrol in the state of California. Currently, when a unit becomes vacant, it is not "controlled". Owners reset the monthly payment, advertise and often dicker with would-be new renters to agree on a price as well as other housing features and services. If rents have gone up on vacancies in the area and the previous renter had been in the unit for a number of years, chances are the rent for the new resident will be significantly higher than what the previous renter was paying. Under vacancy control, the new rent may not be reset, it will be about the same as the previous rent. This would be the case, even if the previous rent was extremely low; even if, after so many years, the unit needs extensive renovation; even if the housing provider is in financial distress.

Dru Solari, who would have you endorse and (no doubt) vote for the Justice for Renters Act, does not mention that there is a real local example of strict rent and vacancy control in our neighboring city of Berkeley from 1980 to 1995. During this time, many small housing providers were forced out - especially those in South Berkeley where rents were lowest and the majority of owners were minorities.

Ideally, I view governmental regulations as most beneficial, when they serve as guides for expected conduct for the greater good of the greatest number. At the same time, they should prevent abuses on both "sides" of an issue or practice and offer proportional remedies. Balance is essential. regulations should not put a thumb on the scale to the detriment of one group over another or prevent people from entering into mutually agreeable contracts with each other.

Richmond already has one of the most strict rent control regulations in the State of California - the rollback at the inception of the regulation was among the longest of any to date, it is an enforcement rather than complaint-based model, we are just coming out of a pandemic with an eviction moratorium that made paying rent optional for several years, allowable rent raises are now set well *below* the rate of inflation, and evictions (always a last resort) are so difficult and so expensive that a single one could easily push an entire building into foreclosure endangering the housing of all within, if owned by a small housing provider. One might easily argue that our present regulations are already imbalanced against owners. Vacancy control would further that imbalance drastically and push many, if not most of us into financial distress. Some housing advocates have confidently stated that none of these regulations could be bad for housing because providers are guaranteed a reasonable or fair return. Unfortunately this is meaningless - there is no definition of a Fair rate of Return (I have searched high and low in literature, research and case law), so it is useless in practice and in a court of law. In other words, it does not exist and cannot be protected.

The people pushing this agenda have an ultimate goal of pushing all privately owned housing into the hands of for profit and not-for-profit entities. 80% of Richmond's rent control covered buildings are owned by small housing providers with buildings of 4 units or fewer, including me. When small timers are pushed into financial distress, we are forced to sell or foreclose our properties. When properties are sold, they are reassessed under prop 13 and the new owners must pay much higher property taxes. The only entities in a position to buy these properties are corporations who have

ITEM G-2

economies of scale or non-profits who are exempt from property taxes. When properties are sold in a rent controlled environment, corporations have attorneys on retainer and nonprofits are largely exempt from regulations associated with rent control. Whichever type of entity takes over, professional managers are not generally responsive to renters' concerns, do not maintain buildings to a high standard, do not have a vested interest in our community and have no pride of ownership whatsoever. Renters and the biggest losers by far.

Finally, it is important to keep in mind that none of these regulations address the real cause of high rents or homelessness - a severe housing shortage in this state and in the Bay Area. Only adding new units will get us out of the hole we are in.

Even if the Act passes in November, it does not mandate that Richmond adopt vacancy control. I hope you will seriously consider the ramifications of doing so, if and when this choice is presented to you.

Thank you for your time and serious consideration.

Sincerely,

Ilona Clark, RN, MSN

--

Healing is figuring out how to coexist with the pain that will always live inside of you, without pretending it isn't there or allowing it to hijack your day. It is learning to confront ghosts and carry what lingers.

- *Suleika Jaouad*

Cynthia Shaw

From: Norma F [REDACTED]
Sent: Saturday, April 13, 2024 7:53 PM
To: Ilona Clark
Cc: Sara Cantor; Rent Program; Cynthia Shaw; Karina Guadalupe; Paul Cohen; Elaine Dockens; Nicolas Traylor; Tomasa Espinoza; Jim Hite
Subject: Re: Justice for Renters?

This email originated from outside of the City's email system. Do not open links or attachments from untrusted sources.

I support this argument against this measure.

Norma Francisco, PhD
[REDACTED]

On Sat, Apr 13, 2024, 7:17 PM Ilona Clark [REDACTED] wrote:

To the Richmond Rent Board and Staff,

You have recently received a request to endorse the Justice for Renters Act, which will be on the election ballot this November. The main goal of this Act is to end vacancy decontrol in the state of California.

Currently, when a unit becomes vacant, it is not "controlled" . Owners reset the monthly payment, advertise and often dicker with would-be new renters to agree on a price as well as other housing features and services. If rents have gone up on vacancies in the area and the previous renter had been in the unit for a number of years, chances are the rent for the new resident will be significantly higher than what the previous renter was paying. Under vacancy control, the new rent may not be reset, it will be about the same as the previous rent. This would be the case, even if the previous rent was extremely low; even if, after so many years, the unit needs extensive renovation; even if the housing provider is in financial distress.

Dru Solari, who would have you endorse and (no doubt) vote for the Justice for Renters Act, does not mention that there is a real local example of strict rent and vacancy control in our neighboring city of Berkeley from 1980 to 1995. During this time, many small housing providers were forced out - especially those in South Berkeley where rents were lowest and the majority of owners were minorities.

Ideally, I view governmental regulations as most beneficial, when they serve as guides for expected conduct for the greater good of the greatest number. At the same time, they should prevent abuses on both "sides" of an issue or practice and offer proportional remedies. Balance is essential. regulations should not put a thumb on the scale to the detriment of one group over another or prevent people from entering into mutually agreeable contracts with each other.

Richmond already has one of the most strict rent control regulations in the State of California - the rollback at the inception of the regulation was among the longest of any to date, it is an enforcement rather than complaint-based model, we are just coming out of a pandemic with an eviction moratorium that made paying rent optional for several years, allowable rent raises are now set well *below* the rate of inflation, and evictions (always a last resort) are so difficult and so expensive that a single one could easily push an entire building into foreclosure endangering the housing of all within, if owned by a small housing provider. One might easily argue that our present regulations are already imbalanced against owners. Vacancy control would further that imbalance drastically and push many, if not most of us into financial distress. Some housing advocates have confidently stated that none of these regulations could be bad for housing because providers are guaranteed a reasonable or fair return. Unfortunately this is meaningless -

ITEM G-2

there is no definition of a Fair rate of Return (I have searched high and low in literature, research and case law), so it is useless in practice and in a court of law. In other words, it does not exist and cannot be protected.

The people pushing this agenda have an ultimate goal of pushing all privately owned housing into the hands of for profit and not-for-profit entities. 80% of Richmond's rent control covered buildings are owned by small housing providers with buildings of 4 units or fewer, including me. When small timers are pushed into financial distress, we are forced to sell or foreclose our properties. When properties are sold, they are reassessed under prop 13 and the new owners must pay much higher property taxes. The only entities in a position to buy these properties are corporations who have economies of scale or non-profits who are exempt from property taxes. When properties are sold in a rent controlled environment, corporations have attorneys on retainer and nonprofits are largely exempt from regulations associated with rent control. Whichever type of entity takes over, professional managers are not generally responsive to renters' concerns, do not maintain buildings to a high standard, do not have a vested interest in our community and have no pride of ownership whatsoever. Renters and the biggest losers by far.

Finally, it is important to keep in mind that none of these regulations address the real cause of high rents or homelessness - a severe housing shortage in this state and in the Bay Area. Only adding new units will get us out of the hole we are in.

Even if the Act passes in November, it does not mandate that Richmond adopt vacancy control. I hope you will seriously consider the ramifications of doing so, if and when this choice is presented to you.

Thank you for your time and serious consideration.

Sincerely,

Ilona Clark, RN, MSN

--

Healing is figuring out how to coexist with the pain that will always live inside of you, without pretending it isn't there or allowing it to hijack your day. It is learning to confront ghosts and carry what lingers.

- *Suleika Jaouad*

--

You received this message because you are subscribed to the Google Groups "In It Together" group.

To unsubscribe from this group and stop receiving emails from it, send an email to in-it-together+unsubscribe@googlegroups.com.

To view this discussion on the web, visit https://groups.google.com/d/msgid/in-it-together/CAGSztMU_Qx0DmQ3m%3Dx1QeLVnBsMm9pZ%3DnLivxGUsWwkEuw4Qgw%40mail.gmail.com.

Cynthia Shaw

From: Alan Simpson [REDACTED]
Sent: Sunday, April 14, 2024 10:21 AM
To: Ilona Clark
Cc: Sara Cantor; Rent Program; Cynthia Shaw; Karina Guadalupe; Paul Cohen; Elaine Dockens; Nicolas Traylor; Tomasa Espinoza; Jim Hite
Subject: Re: Justice for Renters?

This email originated from outside of the City's email system. Do not open links or attachments from untrusted sources.

Ilona,

Well written and thoroughly researched. I applaud your fresh approach and thoughtful handling of the subject. If I may, I'd like to add yet another dimension to the consideration of the latest and most dangerous version of the measure, that being the support coming from strange bedfellows. Both the Extreme Left and the Extreme Right are, for their own reasons, working hand in hand to push a bill fashioned to drive small housing providers into bankruptcy. It is that evil complicity that I fear will ultimately succeed in bringing down the house.

Alan

Sent from my iPhone

On Apr 13, 2024, at 7:17 PM, Ilona Clark [REDACTED] wrote:

To the Richmond Rent Board and Staff,

You have recently received a request to endorse the Justice for Renters Act, which will be on the election ballot this November. The main goal of this Act is to end vacancy decontrol in the state of California.

Currently, when a unit becomes vacant, it is not "controlled". Owners reset the monthly payment, advertise and often dicker with would-be new renters to agree on a price as well as other housing features and services. If rents have gone up on vacancies in the area and the previous renter had been in the unit for a number of years, chances are the rent for the new resident will be significantly higher than what the previous renter was paying. Under vacancy control, the new rent may not be reset, it will be about the same as the previous rent. This would be the case, even if the previous rent was extremely low; even if, after so many years, the unit needs extensive renovation; even if the housing provider is in financial distress.

Dru Solari, who would have you endorse and (no doubt) vote for the Justice for Renters Act, does not mention that there is a real local example of strict rent and vacancy control in our neighboring city of Berkeley from 1980 to 1995. During this time, many small housing providers were forced out - especially those in South Berkeley where rents were lowest and the majority of owners were minorities.

Ideally, I view governmental regulations as most beneficial, when they serve as guides for expected conduct for the greater good of the greatest number. At the same time, they should prevent abuses on both "sides" of an issue or practice and offer proportional remedies. Balance is essential. regulations

ITEM G-2

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- *Suleika Jaouad*

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: The Monthly Activity Report is designed to provide members of the Rent Board and Richmond community with a quantitative summary of the Rent Program's activities for the month and fiscal year-to-date.

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: RECEIVE the Fiscal Year 2023-24 Monthly Activity Report through April 2024 - Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

G-3.

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**Rent Program
FY2023-24 Monthly Activity Report**

ITEM G-3

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24		
	MTD ACTUAL	YTD TOTAL												
3 Public Information & Enrollment Unit														
5 Rent/Eviction Counseling Appointments By Phone	122	181	172	181	195	101	154	151	133	120	-	-	-	1,510
6 Rent/Eviction Counseling Appointments By Walk-ins	35	43	53	61	40	30	52	43	43	30	-	-	-	430
7 Rent/Eviction Counseling Questions Addressed By Email	102	132	347	262	265	228	341	382	64	36	-	-	-	2,159
8 TOTAL RENT/EVICTION COUNSELING APPOINTMENTS	259	356	572	504	500	359	547	576	240	186	-	-	-	4,099
9 Rent/Eviction Counseling Sessions Conducted in Spanish	27	34	32	40	27	27	29	34	21	24	-	-	-	295
10 Rent/Eviction Counseling Sessions Conducted in Mandarin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Rent/Eviction Counseling Sessions Conducted in Cantonese	-	-	-	-	-	-	-	1	-	-	-	-	-	1
12 Rent/Eviction Counseling Sessions Conducted in Another Language	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 TOTAL RENT/EVICTION COUNSELING APPOINTMENTS IN A LANGUAGE OTHER THAN ENGLISH	21	34	32	40	27	27	29	35	21	24	-	-	-	290
14 Legal Service Referrals	12	12	9	11	10	13	16	13	14	8	-	-	-	118
17 Mediations Conducted	4	14	2	-	-	-	-	-	-	-	-	-	-	20
18 Assists from Front Office Staff	51	7	18	6	6	2	55	50	47	43	-	-	-	285
19 Courtesy Compliance Letters Sent	38	3	6	1	-	-	65	2	-	1	-	-	-	116
20 Community Workshop Attendees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Hard Copy Rent Increase Notices Processed	8	-	5	1	-	-	-	25	-	-	-	-	-	39
22 Hard Copy Termination of Tenancy Notices Processed	1	-	21	-	-	4	-	8	-	-	-	-	-	34
24	9	-	26	1	4	-	-	33	-	-	-	-	-	73
25 Billing/Enrollment/Registration Counseling Appointments In-Person	4	13	13	21	15	10	13	6	13	16	-	-	-	124
26 Billing/Enrollment/Registration Counseling Appointments By Phone	20	53	50	48	33	24	32	21	37	36	-	-	-	354
27 Billing/Enrollment/Registration Counseling Questions Addressed By Email	23	28	157	80	20	8	31	8	36	21	-	-	-	412
28 TOTAL BILLING/ENROLLMENT/REGISTRATION COUNSELING APPOINTMENTS	43	81	207	128	53	32	63	29	73	57	-	-	-	766
29 Enrollment/Tenancy Registration Packets Mailed	5	6	-	1	24	20	2	4	24	4	-	-	-	90
30 Enrollment Forms Processed	12	49	10	22	39	23	17	17	22	43	-	-	-	254
31 Rental Housing Fee Invoices Generated	30	7,832	1	37	154	15	10	53	12	14	-	-	-	8,158
32 Checks Processed	3	113	156	76	25	43	25	11	27	15	-	-	-	494
33 Checks Returned	2	1	-	4	25	6	1	3	10	13	-	-	-	65
34 Tenancy Registrations Received	11	51	19	7	35	8	-	2	1	-	-	-	-	134
35 Rental Units Discovered Not in Database	8	6	5	7	5	2	3	8	2	5	-	-	-	51
36 Property Information Updated	5	9	5	377	31	5	47	106	18	164	-	-	-	767
37 Compliance Actions (Reviewing Records, Exemption Statuses, Addresses)	74	16	119	16	9	34	40	27	71	11	-	-	-	417
38 Applications for Administrative Determination of Exempt/Inapplicable Status Received	5	2	11	14	25	4	9	1	6	9	-	-	-	86
39 Administrative Determination of Exempt/Inapplicable Status Issued	2	-	2	5	5	1	4	5	10	6	-	-	-	40
40 Declarations of Exemption Processed	-	-	1	-	-	-	-	-	-	-	-	-	-	1
41 LEGAL UNIT														
42 Public Records Act Requests Received	-	4	3	2	5	1	2	6	4	5	-	-	-	32
43 Owner Move-In Eviction Termination of Tenancy Notices Reviewed	2	-	4	-	1	1	3	2	3	9	-	-	-	25
44 Withdrawal from the Rental Market (Ellis Act) Termination of Tenancy Notices Reviewed	-	-	-	-	-	1	1	2	1	4	-	-	-	9
45 Substantial Repairs Termination of Tenancy Notices Reviewed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46 Appeal Hearings Held	-	-	-	2	-	-	-	-	-	1	-	-	-	3
47 HEARINGS UNIT														
50 Consultations with Hearings Unit Coordinator By Phone	10	4	6	3	5	4	6	4	2	5	-	-	-	49
51 Hearings-Related Questions Addressed by Email	20	27	30	17	24	28	34	22	36	27	-	-	-	265
52 TOTAL HEARINGS-RELATED CONSULTATIONS	30	31	36	20	29	32	40	26	38	32	-	-	-	314
53 MNOI Petitions Received (Attachment A)	-	-	1	-	-	1	-	-	-	-	-	-	-	2
54 Increased in Occupants Petitions Received (Attachment B)	-	1	-	-	1	-	-	-	-	-	-	-	-	2
55 Increase in Space or Services Petitions Received (Attachment C)	-	-	-	-	-	-	-	-	3	1	-	-	-	4
56 Restoration of Denied AGA Petitions Received (Attachment D)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 Landlord Individual Rent Adjustment Petitions Received	-	-	1	-	1	-	-	-	3	1	-	-	-	6
58 Landlord Petition to Determine Exempt Status Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59 TOTAL LANDLORD PETITIONS RECEIVED	-	1	2	-	2	1	-	-	6	2	-	-	-	14
60 Excess Rent or Failure to Return Sec Dep Petitions Received (Attachment A)	1	-	4	2	3	1	2	2	2	5	-	-	-	22
61 Decrease in Space/Services or Habitability Petitions Received (Attachment B)	-	-	3	2	3	1	4	4	2	9	-	-	-	28
62 Reduction in Number of Tenants Petitions Received (Attachment C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63 Tenant Petition Based on Multiple Grounds	1	-	5	4	4	2	4	14	2	21	-	-	-	57
64 Tenant Petition for Rent Withholding Petitions Received	-	-	-	-	2	-	-	-	-	-	-	-	-	2
65 Tenant Petition for Failure to Pay Relocation Payment Petitions Received	-	1	1	5	-	2	4	2	-	7	-	-	-	22
66 TOTAL TENANT PETITIONS RECEIVED	2	1	13	13	12	6	14	22	6	42	-	-	-	131
67 Petition for Determination of Occupancy Status	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Rent Program
FY2023-24 Monthly Activity Report

ITEM G-3

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	
		MTD ACTUAL	YTD TOTAL											
68	Petition for Initial Rent Determination	-	-	-	-	-	-	-	-	2	-	-	-	2
69	Request to Expedite Hearing Process	-	-	-	-	-	-	-	-	-	-	-	-	-
70	Request for a Continuance of the Hearing Process	-	-	-	1	-	-	1	-	-	-	-	-	2
71	Subpoena(s)	-	-	-	5	-	-	-	-	-	-	-	-	5
72	TOTAL OTHER PETITIONS RECEIVED	-	-	-	6	-	-	1	-	2	-	-	-	9
73	Decisions Ordered	2	1	-	-	1	-	3	-	2	-	-	-	9
74	Cases Settled	3	2	3	2	5	2	4	3	5	2	-	-	31
75	Cases Dismissed	1	-	1	-	-	-	-	1	-	3	-	-	6
76	Petitions Withdrawn	-	-	-	-	-	-	1	3	1	2	-	-	7
77	TOTAL CASES CLOSED	6	3	4	2	6	2	8	7	8	7	-	-	53
78	Appeals Received	1	-	1	-	-	1	-	1	1	1	-	-	6
79	Total Open Cases (Tenant Petitions)	9	10	10	14	19	9	17	18	22	9	-	-	137
80	Total Open Cases (Landlord Petitions)	2	3	2	-	3	2	2	3	7	5	-	-	29
81	Total Open Cases (Other Petitions)	2	-	3	-	-	9	-	1	3	4	-	-	22
82	TOTAL OPEN CASES	13	13	15	14	22	20	19	22	32	18	-	-	188
83	Form Submissions													
84	Agent Authorization	-	-	-	-	-	-	-	-	-	-	-	-	-
85	Proof of Excess Rent Refund	-	-	-	-	-	-	-	-	-	-	-	-	-
86	Proof of Permanent Relocation Payment	-	-	-	-	-	-	-	-	-	-	-	-	-
87	Proof of Temporary Relocation Payment	-	-	-	-	-	-	-	-	-	-	-	-	-
88	Change in Terms of Tenancy	9	-	-	-	-	-	-	-	-	-	-	-	9
89	TOTAL RENT INCREASE NOTICES FILED	95	-	-	72	79	99	32	14	-	-	-	-	391
90	Termination of Tenancy - Nonpayment of Rent	21	100	61	65	76	61	71	43	-	-	-	-	498
91	Termination of Tenancy - Breach of Lease	1	12	6	13	2	4	3	2	-	-	-	-	43
92	Termination of Tenancy - Failure to Give Access	-	-	-	1	-	1	-	-	-	-	-	-	2
93	Termination of Tenancy - Nuisance	-	4	1	5	3	-	1	-	-	-	-	-	14
94	Termination of Tenancy - Withdrawal from the Rental Market	-	-	-	-	-	-	1	-	-	-	-	-	1
95	Termination of Tenancy - Owner Move-In	3	1	4	-	1	2	2	1	1	3	-	-	18
96	Termination of Tenancy - Substantial Repairs	-	-	-	-	3	-	-	-	-	-	-	-	3
97	Termination of Tenancy - Temporary Tenancy	-	1	-	-	-	-	-	-	-	-	-	-	1
98	TOTAL TERMINATION OF TENANCY NOTICES FILED	25	118	72	84	85	68	78	46	1	3	-	-	580
99														
100	Tenancy Registration Processed			-	-	-	-	-	-	-	-	-	-	

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: Utilizing the City's MUNIS software system, management staff can generate financial reports on a monthly basis detailing the Rent Program's revenues and expenditures. These reports allow management staff and the Rent Board to closely monitor the Program's financial circumstances.

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 |
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ITEM

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|---|--|--|
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| <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: RECEIVE the Rent Program FY 2023-24 Monthly Revenue and Expenditure Report through April 2024 – Rent Program (Fred Tran 620-6537).

AGENDA ITEM NO:

G-4.

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RICHMOND RENT PROGRAM
MONTHLY REVENUE AND EXPENDITURES REPORT
FISCAL YEAR 2023-24

OBJECT	ORIGINAL BUDGET	ADOPTED BUDGET	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	ENCUMBRANCES	YTD TOTAL	AVAILABLE BUDGET	% USED
			July	August	September	October	November	December	January	February	March	April				
344045 Rental Housing Fees	(2,914,945)	(3,004,698)	(17,585.50)	(787,875.98)	(919,573.50)	(344,931.75)	(139,427.75)	(123,841.95)	(153,839.00)	(35,921.00)	(95,538.25)	(49,452.50)	-	(2,667,987.18)	(336,710.82)	88.8%
TOTAL LICENSES, PRIMITS&FEES	(2,914,945)	(3,004,698)	(17,585.50)	(787,875.98)	(919,573.50)	(344,931.75)	(139,427.75)	(123,841.95)	(153,839.00)	(35,921.00)	(95,538.25)	(49,452.50)	-	(2,667,987.18)	(336,710.82)	88.8%
361701 Interest	(20,000)	(20,000)	-	-	-	(17,242.17)	-	-	(26,514.44)	-	-	-	-	(38,726.09)	18,726.09	193.6%
361705 Realized Gain	-	-	-	-	-	-	-	-	(8,842.69)	-	-	(168.93)	-	(9,011.62)	9,011.62	0.0%
TOTAL INTEREST & REALIZED INCOME	(20,000)	(20,000)	-	-	-	(17,242.17)	-	-	(35,357.13)	-	-	4,861.59	-	(47,737.71)	27,737.71	238.7%
364855 OTHER REV/Misc Other Re	-	-	-	-	-	(15.00)	-	-	-	-	(8.00)	-	-	(23.00)	23.00	0.0%
364867 Revenue from Collections Agency	(50,000)	(50,000)	-	-	-	-	-	-	(26,212.45)	-	-	-	-	(26,212.45)	(23,787.55)	52.4%
337373 Other Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
TOTAL OTHER REVENUE	(50,000)	(50,000)	-	-	-	-	-	-	(26,212.45)	-	-	-	-	(26,235.45)	(23,787.55)	52.5%
TOTAL REVENUE	(2,984,945)	(3,074,698)	(17,585.50)	(787,875.98)	(919,573.50)	(362,188.92)	(139,427.75)	(150,054.40)	(189,196.13)	(35,921.00)	(95,546.25)	(44,590.91)	-	(2,741,960.34)	(332,737.66)	89.2%
400001 SALARIES & WAGES/Executive	765,357	846,234	65,519.38	65,521.38	65,523.38	66,182.86	75,473.98	73,301.78	76,966.68	76,966.68	76,966.68	76,966.68	-	719,389.48	126,844.52	85.0%
400002 SALARIES & WAGES/Mgmt-Local 21	353,101	367,225	29,114.00	29,749.00	29,749.00	29,749.00	33,493.58	33,493.58	34,833.34	35,060.16	37,022.88	35,699.82	-	327,964.36	39,260.64	89.3%
400003 SALARIES & WAGES/Local 1021	268,646	337,653	18,678.44	18,678.44	18,678.44	18,678.44	19,416.58	19,416.58	20,193.24	20,193.24	21,894.18	20,854.64	-	196,682.22	140,970.78	58.2%
400006 SALARIES & WAGES/PT- Temp	37,565	37,565	1,246.21	3,146.24	2,040.90	2,479.43	4,357.79	4,339.00	4,230.79	6,954.41	5,406.26	5,137.66	-	39,338.69	(1,773.69)	104.7%
400031 OVERTIME/General	2,500	2,500	284.60	-	-	-	-	-	-	-	-	66.97	-	351.57	2,148.43	14.1%
400048 OTHER PAY/Bilingual Pay	11,470	11,470	968.02	928.26	928.26	2,541.26	933.94	933.94	939.30	939.30	939.30	939.30	-	10,990.88	479.12	95.8%
400049 OTHER PAY/Auto Allowance	4,200	4,200	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	-	3,500.00	700.00	83.3%
400053 OTHER PAY/Pension Credit	-	-	1,333.05	1,331.58	1,331.62	1,344.81	1,530.63	1,453.84	1,319.06	1,526.50	1,526.50	1,526.50	-	14,224.09	(14,224.09)	100.0%
400058 400058 OTHER PAY/Bonuses	-	63,615	-	-	-	-	-	2,000.00	-	-	-	-	-	2,000.00	61,615.00	3.1%
TOTAL SALARIES AND WAGES	1,442,839	1,670,462	117,493.70	119,704.90	118,601.60	121,325.80	135,556.50	135,288.72	138,832.41	141,990.29	144,105.80	141,541.57	-	1,314,441.29	356,020.71	78.7%
400103 P-ROLL BEN/Medicare Tax-ER Shr	19,710	20,774	1,694.62	1,721.51	1,705.50	1,744.83	1,949.05	1,948.50	2,003.37	2,045.82	2,061.62	2,054.43	-	18,929.25	1,844.75	91.1%
400105 P-ROLL BEN/Health Insurance Be	249,327	271,329	20,777.22	20,777.22	20,777.22	20,777.22	20,777.22	20,777.22	23,137.92	23,137.92	23,137.92	23,137.92	-	217,215.00	54,114.00	80.1%
400106 P-ROLL BEN/Dental Insurance	16,644	18,031	1,387.32	1,387.32	1,387.32	1,387.32	1,387.32	1,387.32	1,387.32	1,387.32	1,387.32	1,387.32	-	13,873.20	4,157.80	76.9%
400109 P-ROLL BEN/Employee Assistance	216	234	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36	-	183.60	50.40	78.5%
400110 P-ROLL BEN/Professional Dev-Mg	6,750	7,500	250.00	-	-	-	-	-	297.00	-	-	750.00	-	1,297.00	6,203.00	17.3%
400111 P-ROLL BEN/Vision	1,992	2,158	166.44	166.44	166.44	166.44	166.44	166.44	166.44	166.44	166.44	166.44	-	1,664.40	493.60	77.1%
400112 P-ROLL BEN/Life Insurance	3,931	3,931	327.53	327.53	327.53	327.53	327.53	327.53	327.53	327.53	327.53	327.53	-	3,275.30	655.70	83.3%
400114 P-ROLL BEN/Long Term Disabilit	11,803	11,996	593.06	599.32	599.53	606.41	663.60	663.60	693.80	696.18	701.16	701.82	-	6,517.48	5,478.52	54.3%
400116 P-ROLL BEN/Unemployment Ins	5,472	5,928	494.00	532.00	532.00	532.00	608.00	608.00	608.00	608.00	608.00	608.00	-	5,700.00	228.00	96.2%
400117 P-ROLL BEN/Personal/Prof Dev	2,250	2,250	108.32	-	-	-	-	230.48	-	274.49	(750.00)	567.19	-	430.48	1,819.52	19.1%
400121 P-ROLL BEN/Worker Comp-Clerica	6,923	6,923	1,242.56	755.50	728.84	723.96	837.17	836.29	856.43	985.25	992.46	915.65	-	8,774.11	(1,851.11)	128.2%
400122 P-ROLL BEN/Worker Comp-Prof	101,330	101,330	6,397.46	8,581.22	8,581.22	8,640.62	9,817.12	9,620.32	10,071.04	10,091.59	10,269.41	10,149.54	-	92,219.54	9,110.46	91.0%
400127 P-ROLL BEN/OP/EP	20,956	32,127	2,574.30	1,780.24	1,780.24	1,790.53	2,006.08	1,971.98	2,062.22	2,065.78	2,123.31	2,086.22	-	20,240.90	11,886.10	63.0%
400130 P-ROLL BEN/PARS Benefits	-	-	16.20	40.90	26.54	32.24	56.67	56.42	55.00	90.41	70.27	66.79	-	511.44	(511.44)	100.0%
400149 P-ROLL BEN/PERS-Misc	186,975	186,975	15,124.94	15,956.41	15,956.68	16,272.34	17,962.27	17,660.56	18,464.32	18,495.83	19,004.72	18,676.56	-	173,574.63	13,400.37	92.8%
400151 P-ROLL BEN/PERS-Misc (UAL)	234,120	309,894	23,838.12	19,509.60	19,509.60	19,509.60	19,509.60	19,509.60	19,509.60	19,509.60	19,509.60	19,509.60	-	199,424.52	110,469.48	64.4%
TOTAL FRINGE BENEFITS	868,399	981,380	75,010.45	72,153.57	72,097.02	72,529.40	76,085.88	75,783.17	79,658.35	79,900.52	79,627.12	81,085.37	-	763,930.85	217,449.15	77.8%
400201 PROF SVCS/Professional Svcs	263,400	275,000	252.57	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	-	16,686.40	105,458.22	25.1%
400206 PROF SVCS/Legal Serv Cost	275,000	275,000	-	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	16,666.00	-	149,994.00	75,000.00	72.7%
400220 PROF SVCS/Info Tech Ser	-	-	2,547	-	-	-	-	-	-	-	-	-	-	-	2,547.00	0.0%
400245 TRAVEL & TRNG/Tuition Rmb/Cer	800	800	-	-	-	-	-	-	-	-	-	-	-	-	800.00	0.0%
400261 DUES & PUB/Memberships & Dues	1,650	1,650	-	-	-	-	-	-	510.00	522.75	-	522.75	-	1,555.50	94.50	94.3%
400271 AD & PROMO/Advertising&Promo	800	800	-	-	-	649.00	-	-	-	-	-	-	-	649.00	151.00	81.1%
400272 400272 AD & PROMO/Community Ev	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.00	(1.00)	100.0%
400280 ADM EXP/Program Supplies	5,808	5,808	491.07	-	1,064.42	491.07	491.07	491.07	491.07	491.07	615.02	503.97	-	4,638.76	1,169.24	79.9%
TOTAL PROF & ADMIN SERVICES	547,458	427,358	17,409.64	18,088.57	27,587.22	27,587.22	18,407.22	19,507.22	18,998.04	12,466.97	21,758.19	19,298.79	68,614.60	173,524.66	185,218.74	56.7%
400231 OFF EXP/Postage & Mailing	-	15,355	206.55	-	4,229.91	111.90	362.32	46.79	181.19	382.99	466.24	466.24	-	5,987.89	9,367.11	0.0%
400232 OFF EXP/Printing & Binding	15,425	15,425	2,967.65	-	-	1,393.54	-	35.99	-	203.65	126.19	-	-	4,727.02	10,697.98	30.6%
400233 OFF EXP/Copying & Duplicating	-	-	-	-	-	-	-	-	-	767.86	-	186.58	-	954.44	(954.44)	0.0%
400304 RENTAL EXP/Equipment Rental	9,000	9,000	-	186.58	-	373.16	186.58	186.58	795.44	-	186.57	-	3,369.61	1,914.91	3,715.48	58.7%
400321 MISC EXP/Misc Contrib	2,000	2,000	-	-	-	-	-	-	-	-	-	102.90	-	102.90	1,897.10	5.1%
400322 MISC EXP/Misc Exp	2,000	5,000	-	337.43	-	830.82	134.24	159.97	154.32	212.51	-	-	-	1,829.29	3,170.71	36.6%
400341 OFF SUPP/Office Supplies	5,000	5,000	1,611.89	-	199.62	191.20	238.55	527.47	263.77	321.62	921.98	-	-	4,276.10	723.90	85.5%
TOTAL OTHER OPERATING	33,425	51,780	3,174.20	2,135.90	4,229.91	2,909.04	874.34	667.88	1,658.42	1,830.78	508.19	1,803.89	3,369.61	19,792.55	28,617.84	44.7%
400401 UTILITIES/Tel & Telegraph	500	500	-	-	-	-	-	-	-	-	-	-	-	-	500.00	0.0%
TOTAL UTILITIES	500	500	-	-	-	-	-	-	-	-	-	-	-	-	500.00	0.0%
400538 CONTRACT SVCS/Oth Cntrc	-	-	-	-	28.11	-	-	-	28.11	-	-	-	3.78	56.22	(60.00)	100.0%
400552 PROV FR INS LOSS/Ins Gen Liab																

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

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 wavier, based on the Landlord's reason for requesting the waiver and their payment history. Attached to this recommendation for the month of May 2024, 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 May 2024 pursuant to Regulation 425 - Rent Program (Fred Tran/510-620-6537).

AGENDA ITEM NO:

G-5.

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Late Fee Waiver Summary – May 15, 2024 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)
1 132 5 th Street	Shabana Dean	July 19, 2023	New Owner, did not receive invoice	Full waiver of late fees	\$1,166.00	\$1,166.00	None
2 219 3rd Street and 230 3rd Street	Jose & Angelina Chavarria	July 26, 2023	Financial hardship, hospitalization or medical treatment	Full waiver of late fees	\$586.00	\$586.00	None
3 753 S 49th Street & 3081 Shane Drive	Hertiscine Lawson	June 13, 2023	Wrong mailing address	Full waiver of late fees	\$250.00	\$250.00	None
4 5117-5119 Burlingame Avenue	Don Batugahage	May 29, 2023	Other: Property Enrollment form being processed, under review	Full waiver of late fees	\$226.00	\$226.00	None

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To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 132 5th Street

Date: May 15, 2024

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 May 2024:

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)
Shabana Dean	July 19, 2023	New Owner, did not receive invoice	Full waiver of late fees	\$1,166.00	\$1,166.00	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 deciding of whether there exists 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 July 19, 2023, (Attachment 1) Shabana Dean the property owner of 132 5th Street indicated that due to being a new owner, she did not receive a Rental Housing Fee invoice. Shabana Dean contacted the City of Richmond to inquire about the rental units being in compliance with the Rent Program. Staff informed her of the outstanding invoice balance. Payment was made on November 21, 2023 and staff confirmed that the updated enrollment form was completed on August 1, 2023 once the requirements were explained.

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 425 (D) and (E), provide the factors required when making a determining of good cause.

In this case, the owner had not previously submitted a Late Fee Waiver request.

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 the base Residential Rental Housing Fee for the outstanding Fiscal Year was paid on November 21, 2023 when notified of the amount due.

Rent Program staff verified with Contra Costa County records that the property is designated as a Residential Multiple Family building that was built in 1964. The new property owner demonstrated Good Cause that warrants a waiver of late fees with a timely payment when he received the invoice and updated the enrollment form. The fees were paid immediately once informed of the outstanding amount.

Staff Recommendation

Shabana Dean demonstrated good faith efforts to come into compliance by contacting the Rent Program to inquire about the Program, paying the Residential Rental Housing Fees when the invoice was provided, and enrolling with the Program. Considering these factors, staff recommend that a full waiver of late fees in the amount of \$1,166.00 be granted.

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Request to Remove Late Fees

Property Owner Name: Shabana Dean
FRJC #: [REDACTED]
Property Owner Phone Number or Email: [REDACTED]

- The Property Owner is requesting the removal of all late fees on their account.
- The Property Owner is requesting the removal of partial late fees on their account totaling \$ _____

Check all that apply (required for request to be complete):

- New Owner, did not receive invoice
- Wrong Mailing Address - Please provide correct 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: Purchased property 6/30/22 - Fees being charged are from previous owner delinquent payment of fees from 2019.

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: Shabana Dean Date: 07/19/2023

Printed Name: Shabana Dean

Rent Program Staff Use Only:

The late fee amount on the account is a total of \$ _____

Staff Member Name: _____ Date: ____/____/____

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To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 219 and 230 3rd Street

Date: May 15, 2024

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 May 2024:

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)
Jose & Angelina Chavarria	July 26, 2023	Financial hardship, owner hospitalized or medical treatment	Full waiver of late fees	\$586.00	\$586.00	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 deciding of whether there exists 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 July 26, 2023, (Attachment 1) Jose and Angelina Chavarria the property owners of 219 and 230 3rd Street indicated that Jose had a financial hardship due to hospitalization or medical treatment. Payment was made on July 27, 2023 and staff confirmed that the updated property was enrolled on November 20, 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 425 (D) and (E), provide the factors required when making a determining of good cause.

In this case, the owner had not previously submitted a Late Fee Waiver request.

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 the base Residential Rental Housing Fee for the outstanding Fiscal Year was paid on July 27, 2023 when notified of the amount due. Rent Program staff verified with Contra Costa County records that the both properties are designated as a Single-Family Home built in 1941 and in 1925. The owner demonstrated Good Cause that warrants a waiver of late fees with a timely payment and indication that they had a financial hardship.

Staff Recommendation

Jose and Angelina Chavarria demonstrated good faith efforts to come into compliance by paying the Residential Rental Housing Fees and enrolling with the Program. Considering these factors, staff recommend that a full waiver of late fees in the amount of \$586.00 be granted.

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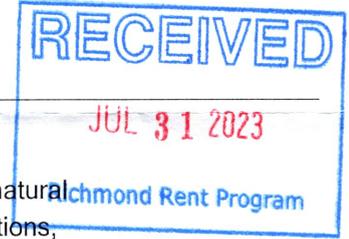
Request to Remove Late Fees

Property Owner Name: JOSE Y ANGELINA CHAVARRIA
FRJC #: [REDACTED]
Property Owner Phone Number or Email [REDACTED]

- The Property Owner is requesting the removal of all late fees on their account.
- The Property Owner is requesting the removal of partial late fees on their account totaling \$ 1,172.⁰⁰

Check all that apply (required for request to be complete):

- New Owner, did not receive invoice
- Wrong Mailing Address - Please provide correct 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: MY ECONOMIC SITUATION IS COMPLICATED DUE TO MY AGE AND WORK SITUATION.



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: ANGELINA CHAVARRIA Date: 07/26/2023
Printed Name: ANGELINA CHAVARRIA

Rent Program Staff Use Only:

The late fee amount on the account is a total of \$ 356.50

Staff Member Name: Moises Serano Date: 5 / 2 / 2024

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To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 753 S 49th Street and 3081 Shane Drive

Date: May 15, 2024

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 May 2024:

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)
Hertiscine Lawson	June 13, 2023	Wrong mailing address	Full waiver of late fees	\$250.00	\$250.00	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 deciding of whether there exists 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 June 13, 2023, (Attachment 1) Hertiscine Lawson the property owner of 753 S 49th Street and 3081 Shane Drive indicated that she did not receive a Rental Housing Fee invoices due to a wrong mailing address. Hertiscine Lawson contacted the City of Richmond to inquire about the rental units being in compliance with the Rent Program. Staff informed her of the outstanding invoice balance. Payment was made on June 12, 2023 and staff confirmed that the updated enrollment form was completed on June 13, 2023 once the requirements were explained.

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 425 (D) and (E), provide the factors required when making a determining of good cause.

In this case, the owner had not previously submitted a Late Fee Waiver request.

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 the base Residential Rental Housing Fee for the outstanding Fiscal Year was paid on June 12, 2023 when notified of the amount due. Rent Program staff verified with Contra Costa County records that both properties are designated as a Residential Multiple Family building that was built in 1943 and 1955, respectively.

The new property owner demonstrated Good Cause that warrants a waiver of late fees with a timely payment when he received the invoice and updated the enrollment form. The fees were paid immediately once informed of the outstanding amount.

Staff Recommendation

Hertiscine Lawson demonstrated good faith efforts to come into compliance by contacting the Rent Program to inquire about the Program, paying the Residential Rental Housing Fees when the invoice was provided, and enrolling with the Program. Considering these factors, staff recommend that a full waiver of late fees in the amount of \$250.00 be granted.

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City of Richmond

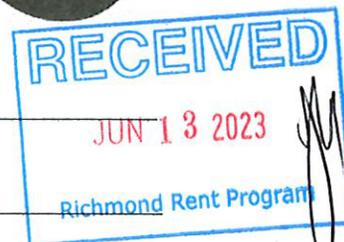


Request to Remove Late Fees

Property Owner Name: Hertiscine Lawson

FRJC #: _____

Property Owner Phone Number or Email: _____



- The Property Owner is requesting the removal of all late fees on their account.
- The Property Owner is requesting the removal of partial late fees on their account totaling \$ _____

Check all that apply (required for request to be complete):

- New Owner, did not receive invoice
- Wrong Mailing Address - Please provide correct 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: Hertiscine Lawson Date: 6 / 13 / 23

Printed Name: Hertiscine Lawson

Rent Program Staff Use Only:

The late fee amount on the account is a total of \$ _____

Staff Member Name: _____ Date: ____/____/____

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To: Members of the Richmond Rent Board

From: Fred Tran, Deputy Director

Re: Late Fee Waiver Recommendation – 5117-5119 Burlingame Avenue

Date: May 15, 2024

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 May 2024:

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)
Don Batugahage	May 29, 2023	Other: Property Enrollment form being processed, under review	Full waiver of late fees	\$226.00	\$226.00	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 deciding of whether there exists 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 May 29, 2023, (Attachment 1) Don Batugahage the property owner of 5117-5119 Burlingame Avenue indicated that due to the property enrollment form still being processed, the previous fiscal year fee had not been paid and never received a Rental Housing Fee invoice. Staff informed them of the outstanding invoice and enrollment updated form in May 18, 2023. Payment was made on May 23, 2023 and staff confirmed that the updated property management company had been enrolled in May 2023 once the requirements were explained.

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 425 (D) and (E), provide the factors required when making a determining of good cause.

In this case, the owner had not previously submitted a Late Fee Waiver request.

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 the base Residential Rental Housing Fee for the outstanding Fiscal Year was paid on May 23, 2023 when notified of the amount due. Rent Program staff verified with Contra Costa County records that the property is designated as a duplex that was built in 1944.

The owner demonstrated Good Cause that warrants a waiver of late fees with a timely payment when they receive the invoice and updated the enrollment form. The fees were paid immediately once informed of the outstanding amount.

Staff Recommendation

Don Batugahage demonstrated good faith efforts to come into compliance by contacting the Rent Program to inquire about the Program, paying the Residential Rental Housing Fees when the invoice was provided, and enrolling with the Program. Considering these factors, staff recommend that a full waiver of late fees in the amount of \$226.00 be granted.

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Request to Remove Late Fees

Property Owner Name: Don Batugahage

FRJC #: _____

Property Owner Phone Number or Email: [REDACTED]

- The Property Owner is requesting the removal of all late fees on their account.
- The Property Owner is requesting the removal of partial late fees on their account totaling \$ _____

Check all that apply (required for request to be complete):

- New Owner, did not receive invoice
- Wrong Mailing Address - Please provide correct 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: Property registration was sent in and confirmed to have been received by the rent board, however, was not recorded

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: 05 / 29 / 2023



Printed Name: Casii Robrahn-Washington

Rent Program Staff Use Only:

The late fee amount on the account is a total of \$ 226

Staff Member Name: Moises Serano

Date: 5 / 2 / 2025

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: At its April 17, 2024, meeting, the Rent Board directed staff to amend Regulation 322, to include language indicating that individual Rent Board Members, or the Rent Board, may submit agenda items and agenda reports. Consequently, staff now presents amended Regulation 322, for the Rent Board's consideration.

INDICATE APPROPRIATE BODY

- | | | | | |
|---|---|--|--|---|
| <input type="checkbox"/> City Council | <input type="checkbox"/> Redevelopment Agency | <input type="checkbox"/> Housing Authority | <input type="checkbox"/> Surplus Property Authority | <input type="checkbox"/> Joint Powers Financing Authority |
| <input type="checkbox"/> Finance Standing Committee | <input type="checkbox"/> Public Safety Public Services Standing Committee | <input type="checkbox"/> Local Reuse Authority | <input checked="" type="checkbox"/> Other: <u>Rent Board</u> | |

ITEM

- | | | |
|---|--|---|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | |
| <input type="checkbox"/> Public Hearing | <input checked="" type="checkbox"/> Regulation | <input 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: Regulation 322 to include language that clarifies that Rent Board members, or the Rent Board, may submit agenda item and agenda reports. (Nicolas Traylor/Fred Tran – 620-6564).

AGENDA ITEM NO:
H-1.

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AGENDA REPORT

DATE: May 15, 2024

TO: Chair Cantor and Members of the Rent Board

FROM: Palomar Sanchez, Staff Attorney
Nicolas Traylor, Executive Director

SUBJECT: AMEND REGULATION 322 TO CLARIFY THAT RENT BOARD MEMBERS MAY SUBMIT AGENDA ITEMS AND AGENDA REPORTS

STATEMENT OF THE ISSUE:

At its April 17, 2024, meeting, the Rent Board directed staff to amend Regulation 322, to include language indicating that individual Rent Board Members, or the Rent Board, may submit agenda items and agenda reports. Consequently, staff now presents amended Regulation 322, for the Rent Board's consideration.

RECOMMENDED ACTION:

AMEND Regulation 322 to include language that clarifies that Rent Board members, or the Rent Board, may submit agenda item and agenda reports. (Nicolas Traylor/Fred Tran – 620-6564).

FISCAL IMPACT:

There is no fiscal impact for this item.

DISCUSSION:

Inherent in a legislative body's power is the ability for individual members of the body to submit their own agenda item. The Rent Board is no exception. In fact, members of the current iteration of the Rent Board have, on a few occasions, submitted their own agenda items. On April 17, 2024, the Rent Board directed staff to include language in its regulations that stated individual Rent Board members, or the Rent Board, may submit their own agenda items and agenda reports. Consequently, staff has added the requested amendments to Regulation 322, and now present the amendments to the Rent Board for its consideration.

DOCUMENTS ATTACHED:

Attachment 1 – Regulation 322 Redline Version
Attachment 2- Regulation 322 Clean Version

322. Consideration of Agenda Items

- ~~A~~ The Board will ordinarily consider agenda items in the following order, unless otherwise specified by the Board:
- a. The Rent Board Clerk or Presiding Officer will read the title of the agenda item to be considered. **In addition to staff, agenda items may be submitted by individual Rent Board members or the Rent Board.**
 - b. A report will be presented by staff **or Board member(s)**, if called for by the Presiding Officer.
 - c. Rent **Board members** may ask questions of staff **or Board member(s) who submitted the agenda item or presented the report.**
 - d. The Presiding Officer will call for public comment public.
 - e. After all members of the public wishing to address the Board have done so, the Presiding Officer will announce the close of discussion by the public.
 - f. The Board may publicly deliberate.
 - g. A Rent **Board member** may make a motion, or the Presiding Officer may ask for a motion. If the motion is seconded, the motion is before the Board.
 - h. The Board may discuss the motion that is before it.
 - i. At the conclusion of the discussion, the Presiding Officer will restate the motion and request that the Rent Board Clerk call for a vote.
 - j. The Board will vote on the motion. If more than one motion is before the Board, the Board must vote on the last-made motion first, then proceed in reverse order to the first-made motion.

[Amended (DATE)]

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322. Consideration of Agenda Items

The Board will ordinarily consider agenda items in the following order, unless otherwise specified by the Board:

- a. The Rent Board Clerk or Presiding Officer will read the title of the agenda item to be considered. In addition to staff, agenda items may be submitted by individual Rent Board members or the Rent Board.
- b. A report will be presented by staff or Board member(s), if called for by the Presiding Officer.
- c. Rent Board members may ask questions of staff or Board member(s) who submitted the agenda item or presented the report.
- d. The Presiding Officer will call for public comment public.
- e. After all members of the public wishing to address the Board have done so, the Presiding Officer will announce the close of discussion by the public.
- f. The Board may publicly deliberate.
- g. A Rent Board member may make a motion, or the Presiding Officer may ask for a motion. If the motion is seconded, the motion is before the Board.
- h. The Board may discuss the motion that is before it.
- i. At the conclusion of the discussion, the Presiding Officer will restate the motion and request that the Rent Board Clerk call for a vote.
- j. The Board will vote on the motion. If more than one motion is before the Board, the Board must vote on the last-made motion first, then proceed in reverse order to the first-made motion.

[Amended (DATE)]

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AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: From time to time, the Richmond Rent Board is required to publish notices to the public in an official newspaper. However, the Ordinance and Regulations do not specify which newspaper. This leaves members of the public, governmental researchers, and academic scholars, all with a legitimate interest in finding Rent Board published items, with no clue as to which newspaper the notice has been published nor how they can access the published item.

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

- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing Regulation Other:
- 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: Prepare language to identify the Official Newspaper of the Richmond Rent Board and place this language in the Note to Reader section of the Rent Board Regulations. Create a Note to the Reader section for the Richmond Rent Ordinance and place the language identifying the Official newspaper in this created section. (Nicolas Traylor, 510-620-6564).

AGENDA ITEM NO:

I-1.

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AGENDA REPORT

DATE: May 15, 2024

TO: Chair Cantor and Members of the Rent Board

FROM: Elaine Dockens, Member, Richmond Rent Board

SUBJECT: OFFICIAL NEWSPAPER OF THE RICHMOND RENT BOARD

STATEMENT OF THE ISSUE:

From time to time, the Richmond Rent Board is required to publish notices to the public in an official newspaper. However, the Ordinance and Regulations do not specify which newspaper. This leaves members of the public, governmental researchers, and academic scholars, all with a legitimate interest in finding Rent Board published items, with no clue as to which newspaper the notice has been published nor how they can access the published item.

RECOMMENDED ACTION:

Prepare language to identify the Official Newspaper of the Richmond Rent Board and place this language in the Note to Reader section of the Rent Board Regulations. Create a Note to the Reader section for the Richmond Rent Ordinance and place the language identifying the Official newspaper in this created section.

FISCAL IMPACT:

Publication costs of the selected newspaper may vary from budgeted newspaper publication costs.

BACKGROUND:

Two examples of mandated newspaper publication by the Board:

The Richmond Rent Ordinance, Section 11.100.060 (n) Budget, includes the following language:

“...After reviewing the same and making such revisions as it may deem advisable, the Board shall determine the time for the holding of a public hearing thereon and shall cause to be published a notice thereof not less than ten days prior to said hearing, by at least one insertion in the official newspaper. ...”

The Richmond Rent Board Regulations, Chapter 5, Section 502 B (4), includes the following language:

“...The Board, upon learning of the owner’s intent to again offer the accommodations for rent or lease shall attempt to notify each Tenant by mail and may further publish notices or advertisements in newspapers or use other reasonable means to notify the Tenants of the availability of the accommodations. ...”

NEXT STEPS:

1. **RECEIVE** the Agenda Report
2. **DISCUSS** the pros and cons of the Agenda Report

The Rent Board is a valuable agency of the Richmond City Government by direct mandate from the people of Richmond in a voter referendum. The operations and publications of the Rent Board are of special interest to the people of Richmond. When members of the public or researchers from various governmental oversight committees wish to locate the public print publications of the Rent Board, they need to know where to look.

Basic criteria for the choice of an official newspaper include, but are not limited to,

- Available for free to the public at the Richmond Public Library
- Have an archival, searchable database with “on demand” retrieval capabilities.

Examples of identifying language:

For the Regulations: The West County Times is the official newspaper of the Richmond Rent Board.

For the Ordinance: Note to the Reader. The East Bay Times is the official newspaper of the Richmond Rent Board.

3. **VOTE** by the Board on the Recommended Action

If approved by the Board:

1. DIRECT STAFF to prepare the following lists and present these to the Board in the July 2024 Regular Rent Board Meeting:
 - a. list the newspaper (s) of record used by the City Clerk's Office of the City of Richmond for official notifications to the public.
 - b. list the print sources used by the Rent Board for past mandated newspaper notices to the public.
 - c. list all non-print sources where the public may access Rent Board notices publications, including but not limited to social media.
2. DIRECT STAFF to recommend an official newspaper of record to the Board, stating the criteria used to base the recommendation in the July 2024 Rent Board Meeting.
3. DIRECT STAFF to complete the following and present the results to the Board at the July 2024 Regular Meeting of the Rent Board for the Boards approval to incorporate into the relevant documents:
 - a. compose appropriate language to identify the Official Newspaper of the Rent Board to be included in the Note to the Reader section of the Regulations (following the Table of Contents)
 - b. to create a Note to the Reader section for the Richmond Rent Ordinance (following the Table of Contents) and include the composed language to identify the official newspaper of the Rent Board.

DOCUMENTS ATTACHED:

Attachment 1: Richmond Rent Ordinance, Section 11.100.060 (n) Budget.

Attachment 2: Richmond Rent Board Regulations, Chapter 5, Section 502 (4)

Note to the Reader section (following the Table of Contents)

OFFICE OF THE CITY CLERK

MEMORANDUM

DATE: February 25, 2016

TO: Bruce Reed Goodmiller, City Attorney

FROM: Pamela Christian, City Clerk *pc*

SUBJECT: NOTICE OF INTENT TO CIRCULATE PETITIONS –
FILED BY CLAUDIA JIMENEZ AND GAYLE
MCLAUGHLIN

Attached is a Notice of Intent to Circulate Petition, full text of the proposed measure, and Statement of Proponent that was filed February 25, 2016. The proposed initiative is entitled:

“Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance.”

Section 9203 of the Elections Code states that within 15 days after a proposed measure is filed, the City Attorney must submit to the election official (City Clerk) a ballot title for and summary of the proposed measure. Therefore, please submit a ballot title and summary for the above referenced initiative to me by Friday, March 11, 2016.

pc

Attachments

Law Offices of

OLSON
HAGEL &
FISHBURN
LLP

Lance H. Olson
Deborah B. Caplan
Richard C. Miadich
Richard R. Rios

Bruce J. Hagel
of counsel

Diane M. Fishburn
of counsel

Christopher W. Waddell

Betty Ann Downing

Lacey E. Keys

Emily A. Andrews

Erika M. Boyd

Northern California

555 Capitol Mall
Suite 1425
Sacramento, CA
95814-4602

Tel: (916) 442-2952
Fax: (916) 442-1280

Southern California

3605 Long Beach Blvd
Suite 426
Long Beach, CA
90807-6010

Tel: (562) 427-2100
Fax: (562) 427-2237

RECEIVED
CITY CLERKS OFFICE
CITY OF RICHMOND

2016 FEB 25 PM 2:56

February 23, 2016

Pamela Christian, City Clerk
City of Richmond
450 Civic Center Plaza
Richmond, CA 94804

Re: Request for Preparation of Ballot Title and Summary of Proposed Initiative

Dear Ms. Christian:

Enclosed please find a Notice of Intent to Circulate an Initiative entitled the "Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance," the text of the proposed initiative, proponents' certifications required by Elections Code section 9608, and a \$200 filing fee. Please immediately transmit a copy of this measure to the City Attorney for preparation of a ballot title and summary.

Please direct all questions and correspondence regarding this matter to me via e-mail at Richard@olsonhagel.com or via telephone at (916) 442-2952.

Very truly yours,

OLSON HAGEL & FISHBURN LLP



RICHARD C. MIADICH

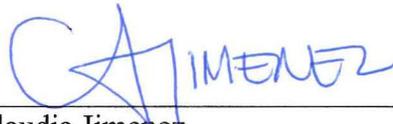
RCM/lp
Enclosures

Notice of Intent to Circulate Petition

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Richmond for the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance.

Respectfully,

Claudia Jimenez
845 37th Street
Richmond, CA 94805



Claudia Jimenez

2-25-16
Date

Gayle McLaughlin
6111 Orchard Avenue
Richmond, CA 94804



Gayle McLaughlin

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CERTIFICATION

I, Claudia Jiménez, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.



Claudia Jimenez
845 37th Street
Richmond, CA 94805
Dated this 25 day of February 2016

CERTIFICATION

I, Gayle McLaughlin, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.



Gayle McLaughlin
6111 Orchard Avenue
Richmond, CA 94804

Dated this 25 day of February 2016

THE PEOPLE OF THE CITY OF RICHMOND ORDAIN AS FOLLOWS:

**THE RICHMOND FAIR RENT, JUST CAUSE FOR EVICTION
AND HOMEOWNER PROTECTION ORDINANCE**

Chapter 11.100

- 11.100.010 Title and Purpose.
- 11.100.020 Findings.
- 11.100.030 Definitions.
- 11.100.040 Homeowner Protections.
- 11.100.050 Just Cause for Eviction Protection; Family Protections.
- 11.100.060 Richmond Rent Board.
- 11.100.070 Rent Control; Right of Reasonable Return for Landlords.
- 11.100.080 Non-waiverability.
- 11.100.090 Judicial Review.
- 11.100.100 Remedies.
- 11.100.110 Injunctive and Other Civil Relief.
- 11.100.120 Partial Invalidity.
- 11.100.130 Majority Approval, Effective Date, Execution.

11.100.010 Title and Purpose.

This Ordinance shall be known as The Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance. The purpose of this Ordinance is to promote neighborhood and community stability, healthy housing, and affordability for renters in the

City of Richmond by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair and reasonable return on their investment and protecting homeowners.

11.100.020 **Findings.**

The People of Richmond find and declare as follows:

(a) There is a shortage of decent, safe, affordable, and sanitary housing in the City of Richmond (“the City”).

(b) Tenants who play by the rules should not have to worry constantly about losing their home for no reason. Common-sense protections against unfair evictions are needed in the City to protect long-time and low-income residents from landlords that try to game the system to take advantage of all-time high rents.

(c) The Haas Institute for a Fair and Inclusive Society at the University of California, Berkeley recently published a research brief entitled “Belonging and Community Health in Richmond: An Analysis of Changing Demographics and Housing.” It found that displacement is a danger in the City; that median household income in the City has decreased by 15% from 2000 to 2013, twice the rate of Oakland and far more severe than El Cerrito and Berkeley; and that the decrease in homeownership in the City is only exceeded by two other local cities, Vallejo and Antioch.

(d) Given the increased housing cost burden and poverty faced by many Richmond residents, excessive rent increases threaten the public health, safety, and welfare of Richmond residents, including seniors, those on fixed incomes, those with very low, low, and moderate income levels, and those with other special needs, to the extent that such persons may be forced to choose between paying rent and providing food, clothing, and medical care for themselves and their families.

(e) According to RealFacts (March 20, 2015), the monthly rent and occupancy rates of market-rate units in apartment buildings of fifty or more units in the City have increased every year since 2010; the average asking rent of market-rate rental units has increased by 24.3% between 2010 and 2014.

(f) According to the U.S. Census Bureau, 2009-2013 American Community Survey, 15.6% of families in the City live below the poverty level, and the number of persons living below the poverty level in the City has increased since 2000. According to the same survey, 54.9% of Richmond tenant households are “overpaying households,” meaning the household pays 30% or more of its income on housing costs. Nearly half of Richmond’s residents are Tenants.

(g) The Haas Institute for a Fair and Inclusive Society memorandum entitled “Data on Richmond Rental Housing Issues,” citing the American Community Survey, U.S. Census, found that during the 2011-2013 period, large portions of the City were made up of low-income tenants; approximately 6,740 tenant households (37% of the total tenants) are low-income, earn less than \$35,000 annually, and spend more than 30% of their income on

housing; and certain central and southern Richmond areas have more than 80% rental households.

(h) The problem of rent increases has reached a crisis level, with examples of rents rising at rates more than ten (10) times that of inflation or average wage growth.

(i) The City of Richmond currently does not restrict rental increases or grounds for eviction. Residents have been unfairly evicted so that landlords can take advantage of the current Bay Area housing shortage and raise rents. Tenants are provided little information regarding their rights in the case of eviction and how to get help if they believe their rights have been violated.

(j) In light of the numerous concerns noted herein, including, but not limited to, the current and immediate threat to the health, safety, and welfare of the City's residents and the adverse impacts that would result from a substantial decrease of affordable housing within the City, the People of Richmond determine that it is in the interest of immediately preserving the public health, safety and general welfare to adopt this Ordinance in order to put into place, among other things, regulations to protect homeownership, just cause for eviction, rent stabilization, and a simple process to ensure that landlords continue to receive a reasonable return on their investment.

11.100.030 **Definitions.**

The following words or phrases as used in this Ordinance shall have the following meanings:

(a) **Annual Allowable Rental Adjustment:** Annual Allowable Rental Adjustment refers to the limit on the Maximum Allowable Rent increase, which a Landlord may charge on any Controlled Rental Unit each year without order from a hearing officer.

(b) **Board:** The term "Board" refers to the Richmond Rent Board established by this Chapter.

(c) **Disabled:** The term "Disabled" shall have the same meaning as in Section 12955.3 of the Government Code.

(d) **Controlled Rental Units:** All Residential Rental Units in the City of Richmond, except those Rental Units exempt under one or more of the following provisions:

(1) Rental Units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of fewer than fourteen (14) days.

(2) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education.

(3) Rental Units which a government unit, agency or authority owns, operates, manages, or in which governmentally subsidized Tenants reside only if applicable

federal or state law or administrative regulation specifically exempt such units from municipal rent control.

(4) Rental Units exempt from rent control pursuant to the Costa-Hawkins Rental Housing Act (California Civil Code § 1954.52).

(5) Any permitted small, second housing unit built in compliance with the Small, Second Unit Ordinance of the City of Richmond (*Richmond Municipal Code* § 15.04.810).

(6) Any units exempted by the Homeowner Protections in Section 11.100.040.

(e) **Housing Services:** Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, utilities that are paid by landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit, privilege or facility connected with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.

(f) **Landlord:** An owner, lessor, sublessor or any other person entitled to receive rent for the use and occupancy of any Rental Unit, or an agent, representative or successor of any of the foregoing.

(g) **Maximum Allowable Rent.** The maximum allowable rent which may be charged on any Controlled Rental Unit covered by this chapter.

(h) **Primary Residence:** Occupancy of a Primary Residence does not require that the individual be physically present in the unit at all times or continuously, but the unit must be the individual's usual place of return. Indicia of Primary Residence include:

- (1) the individual carries on basic living activities at the subject premises for extended periods;
- (2) the subject premises are listed with other public agencies, including Federal, State and local taxing authorities as their primary residence;
- (3) Utilities are billed to and paid by the individual at the subject premises;
- (4) Homeowner's tax exemption for the individual has not been filed for a different property;
- (5) The occupant is not registered to vote at any other location;
- (6) Ownership must be held in the name of the individual claiming Primary Residence and not held by a Limited Liability Corporation or other corporate structure;

(7) Other relevant factors illustrating Primary Residence.

(i) **Property**: All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

(j) **Rent**: All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement, as defined in this Section, concerning the use or occupancy of a Rental Unit and premises, including all payment and consideration demanded or paid for parking, utilities, pets, furniture, subletting and security deposits for damages and cleaning.

(k) **Rental Housing Agreement**: An agreement, oral, written or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing Services.

(l) **Rental Housing Fee**: The fee described in Section 11.100.060(1)(1).

(m) **Rental Unit**: Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, together with all Housing Services connected with use or occupancy of such property such as common areas and recreational facilities held out for use by the Tenant.

(n) **Recognized Tenant Organization**: Any group of Tenants residing in Rental Units in the same building or in different buildings operated by the same management company, agent or Landlord, who choose to be so designated.

(o) **Rounding**: Numbers will be rounded using the "half away from zero" method.

(p) **Single-Family Home**: A detached building containing a single residential dwelling unit separately alienable from any other dwelling unit.

(q) **Temporary Tenancy**. The tenancy in a Single-Family Home, which is the primary residence of the Homeowner and does not last any longer than 12 consecutive months. A written contract must be provided to Tenant at the inception of the tenancy, which includes a notice that the tenancy shall terminate in no more than 12 months when the owner shall return to the Single Family Home to reoccupy.

(r) **Tenant**: A Tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a Rental Housing Agreement to the use or occupancy of any Rental Unit.

(s) **Utility Charges**: Any charges for gas, electricity, water, gas, cable or internet.

11.100.040 Homeowner Protections.

(a) Homeownership is of great importance to the residents of the City of Richmond. The following protections for Homeowners shall be part of this ordinance:

(1) **Temporary Rentals Allowed**. A homeowner who is the Primary Resident of a single-family home may create a temporary tenancy. The temporary Tenant must be

provided, in writing at the inception of the tenancy, the length of the tenancy and a statement that the tenancy maybe terminated at the end of the temporary tenancy (pursuant to Section 11.100.050 (8) below) and relocation shall not be required.

(2) **Small, Second Units Unregulated.** A unit that is lawful and in compliance with the Small Second Unit Ordinance of the City of Richmond (*Richmond Municipal Code* § 15.04.810.) will be exempt from this Chapter if the owner is the Primary Resident of the first, larger single-family home.

(3) **Renting of a Room Unregulated.** The tenancy where the Tenant shares a bathroom or kitchen with the homeowner shall be exempt from this Chapter if the home is the Primary Residence of the homeowner.

11.100.050 **Just Cause for Eviction Protections; Family Protections.**

(a) No Landlord shall take action to terminate any tenancy, including but not limited to making a demand for possession of a Rental Unit, threatening to terminate a tenancy verbally or in writing, serving any notice to quit or other eviction notice, or bringing any action to recover possession or be granted recovery of possession of a Rental Unit unless:

(1) **Failure to Pay Rent.** The Tenant has failed to pay the Rent to which the Landlord is legally entitled under the Rental Housing Agreement, this Chapter, state and any other local law.

(2) **Breach of Lease.** The Tenant has continued, after written notice to cease, to substantially violate any of the material terms of the rental agreement, except the obligation to surrender possession on proper notice as required by law, and provided that such terms are reasonable and legal and have been accepted in writing by the Tenant or made part of the rental agreement; and provided further that, where such terms have been accepted by the Tenant or made part of the rental agreement subsequent to the initial creation of the tenancy, the Landlord shall have first notified the Tenant in writing that he or she need not accept such terms or agree to their being made part of the rental agreement.

(i) Notwithstanding any contrary provision in this Section, a Landlord shall not take any action to terminate a tenancy based on a Tenant's sublease of the unit if the following requirements are met:

a. The Tenant continues to reside in the Rental Unit as his, her or their primary residence.

b. The sublease replaces one or more departed Tenants under the Rental Housing Agreement on a one-for-one basis.

c. The Landlord has unreasonably withheld the right to sublease following written request by the Tenant. If the Landlord fails to respond to the Tenant in writing within fourteen (14) days of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Landlord. A Landlord's reasonable refusal of the

Tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the Rent to the Landlord. A Landlord's reasonable refusal of the Tenant's written request may be based on, but is not limited to, the ground that the total number of occupants in a Rental Unit exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code Section 17922.

(ii) **Protections for Families.** Notwithstanding any contrary provision in this Section, a Landlord shall not endeavor to recover possession of a Rental Unit as a result of the addition to the Rental Unit of a Tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic partner (as defined in California Family Code Section 297) of such relatives, or as a result of the addition of the spouse or domestic partner of a Tenant, so long as the number of occupants does not exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code 17922. The Rent Board shall promulgate regulations that will further protect families and promote stability for school-aged children.

(3) **Nuisance.** The Tenant has continued, after the Landlord has served the Tenant with a written notice to cease, to commit or expressly permit a nuisance in, or cause substantial damage to the Rental Unit.

(4) **Failure to Give Access.** The Tenant has continued to refuse without good cause, after the Landlord has served the Tenant with a written notice, to grant the Landlord reasonable access to the Rental Unit for the purposes of showing the unit to prospective purchasers or mortgagees or making necessary repairs or improvements required by the laws of the United States, the State of California or any subdivision thereof. This shall include inspections by the Richmond Residential Rental Inspection Program and any other inspections needed so that the landlord may comply with such laws. The Board shall promulgate regulations for the repair and improvement of Rental Units to ensure the least amount of disruption for the Tenant. Unless due to a documented emergency affecting a Tenant's health and/ or safety, all repair or improvement work will be scheduled in compliance with applicable Board regulations. To terminate a tenancy under this Subsection (a)(4), a Landlord must show that written notice was provided to the Tenant and all necessary repair or improvement work was scheduled in compliance with this Section and all applicable Board regulations. Landlords may not use lock boxes on occupied units.

(5) **Temporarily Vacate in Order to Undertake Substantial Repairs.**

(A) The Landlord, after having obtained all necessary permits from the City of Richmond, seeks in good faith to undertake substantial repairs which are necessary to bring the property into compliance with applicable codes and laws affecting the health and safety of Tenants of the building or where necessary under an outstanding notice of code violations affecting the health and safety of Tenants of the building, and where such repairs cannot be completed while the Tenant resides on the premises.

- (B) Where such repairs can be completed in a period of 60 or fewer days, and the Tenant, within 30 days after the service of a notice of termination of his or her tenancy, agrees in writing to vacate the premises during the period required to complete the repairs at no charge to the Landlord, other than abatement of the obligation to pay rent for the premises during the period required to complete the repairs, the Landlord may not recover possession pursuant to this subsection 5 unless the Tenant shall fail or refuse to vacate the premises in accordance with such agreement.
- (C) Where the Landlord owns any other residential rental units in the City of Richmond, and any such unit is vacant and available at the time of service of the written notice terminating the tenancy, or at any time thereafter until the earlier of the Tenant's vacating the premises or the entry of a judgment by a court of competent jurisdiction awarding possession of the premises to the Landlord, the Landlord shall, as a condition of obtaining possession pursuant to this subsection 11.100.050 (a) (5) notify Tenant in writing of the existence and address of each such vacant rental unit and offer Tenant the right, at the tenant's option:
- (i) To enter into a rental agreement (to be designated as a "temporary rental agreement") on any available rental unit which the Tenant may choose, at a rent not to exceed the lesser of the lawful rent which may be charged for such available rental unit or the lawful rent in effect, at the time of the notice of termination of tenancy, on the unit being vacated, said rental agreement to be for a term of the lesser of ninety days or until completion of repairs on the rental unit being vacated by tenant; or
 - (ii) To enter into a new rental agreement or lease for such available rental unit at a rent not to exceed the lawful rent which may be charged for such available rental unit.
- (D) Where the Landlord recovers possession under this subsection 11.100.050 (a) (5) the Tenant must be given the right of first refusal to re-occupy the unit upon completion of the required work. In the event the Landlord files an application for an individual rent adjustment within six months following the completion of the work, the Tenant shall be a party to such proceeding the same as if he or she were still in possession, unless the Landlord shall submit, with such application, a written waiver by the Tenant of his or her right to re-occupy the premises pursuant to this subsection.
- (6) **Owner Move-In**. The Landlord seeks to recover possession in good faith for use and occupancy as a Primary Residence by the Landlord, or the Landlord's spouse children, parents or grandparents.

- (A) Landlord, as used in this Subsection (a)(6), shall only include a Landlord that is a natural person who has at least a fifty (50) percent recorded ownership interest in the Property.
 - (B) No eviction may take place for an “owner move-in” if the same Landlord or enumerated relative already occupies a unit on the property, or if a vacancy already exists on the property. At all times a Landlord may request a reasonable accommodation if the Landlord or enumerated relative is Disabled and another unit in Richmond is necessary to accommodate the person’s disability.
 - (C) The notice terminating tenancy shall contain the name, address and relationship to the Landlord of the person intended to occupy the Rental Unit.
 - (D) The Landlord or enumerated relative must intend in good faith to move into the Rental Unit within ninety (90) days after the Tenant vacates and to occupy the Rental Unit as a primary residence for at least Thirty-Six (36) consecutive months. The Board may adopt regulations governing the determination of good faith.
 - (E) If the Landlord or relative specified on the notice terminating tenancy fails to occupy the unit within ninety (90) days after the Tenant vacates, the Landlord shall:
 - i. Offer the unit to the Tenant who vacated it; and
 - ii. Pay to said Tenant all reasonable expenses incurred in moving to and from the unit.
 - (F) **Eviction Protection for Elderly or Disabled Tenant.** A Landlord may not evict a Tenant pursuant to this Subsection if the Tenant (1) has resided in the Rental Unit for at least five (5) years and is either at least 62 years old or Disabled; or (2) is certified as being terminally ill by the Tenant’s treating physician. For the purposes of this Subsection, Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption if the Landlord or enumerated relative who will occupy the unit also meets the criteria for this exemption and no other units are available.
- (7) **Withdrawal from Rental Market.** The Landlord seeks in good faith to recover possession to withdraw all Rental Units of an entire property located in the City of Richmond. The Landlord has filed the documents with the Board initiating the procedure for withdrawing Units from rent or lease under Government Code Section 7060 et. seq. and all regulations passed by the Board, with the intention of completing the withdrawal process and going out of the rental business or demolition of the property. If demolition is the purpose of the withdrawal then the Landlord must have received all needed permits from the City of Richmond before serving any

notices Terminating a tenancy based on 11.100.50 (a) (7). Tenants shall be entitled to a 120-day notice or one (1) year in the case tenants are defined as senior or Disabled under Govt. Code Section 7060.4 (6). Tenants will also have a right of return if the unit is placed back on the market.

(8) **Temporary Tenancy.** A landlord or lessor seeks in good faith to recover possession of the Single-Family Home for his/her/their occupancy as a primary residence, where the landlord has previously occupied the rental unit as his/her/their principal residence and has the right to recover possession of the unit for his/her occupancy as a principal residence under an existing rental agreement with the current tenants for no more than twelve (12) consecutive months. No relocation is required. To be used only in reference to tenancies as listed in 11.100.040 (a)(1).

(b) **Relocation.** A landlord seeking to recover possession under Sections 11.100.050(a)(5), (6) or (7) above shall make relocation payments to each Tenant. These amounts shall be determined by the City Council through a Relocation Ordinance.

(c) **Right of Return and First Right of Refusal.** All Tenants that are displaced based on Sections 11.100.050(a)(5), (6) or (7) shall have the first right of refusal to return to the unit if it should ever be returned to the market by the Landlord or successor Landlord. Rent shall be the Rent lawfully paid by the tenant at the time the Landlord gave notice of basis listed in Sections 11.100.050(a)(5), (6) or (7).

(d) **Written Warning Notice Requirements.** Any written notice as described in Subsections 11.100.050(a)(2), (3) or (4) shall be served by the Landlord within a reasonable period prior to serving a notice to terminate tenancy and shall inform the Tenant that a failure to cure may result in the initiation of eviction proceedings, of the right to request a reasonable accommodation and the contact number for the Board. The notice shall also include sufficient details allowing a reasonable person to comply. The notice shall also include any information necessary to determine the date, time, place, witnesses present and other circumstances concerning the reason for the notice.

(e) **Retaliation is Barred.** Notwithstanding the above provisions, possession shall not be granted if it is determined that the eviction is knowingly in retaliation for the Tenant reporting violations of this Chapter, for exercising rights granted under this Chapter, including the right to withhold Rent under common, state or local law or for forming a Recognized Tenant Organization with other Tenants.

(f) In any notice purporting to terminate a tenancy the Landlord shall state the cause for the termination, and in any action brought to recover possession of a Rental Unit, the Landlord shall allege and prove compliance with this Section. All notices described in Subsection 11.100.050(d) shall be attached to any notices that purport to terminate a tenancy for which they correspond.

(g) Failure to comply with any requirement of this Chapter may be asserted as an affirmative defense in an action brought by the Landlord to recover possession of the Unit. Additionally, any attempt to recover possession of a Unit in violation of this Chapter shall

render the Landlord liable to the Tenant for actual damages, including damages for emotional distress, in a civil action for wrongful eviction. The Tenant or the Rent Board may seek injunctive relief and money damages for wrongful eviction. A Tenant prevailing in an action for wrongful eviction shall recover costs and reasonable attorney's fees.

11.100.060 **Richmond Rent Board**

(a) **Composition.** There shall be in the City of Richmond a Rent Board. The Board shall be made up of Richmond residents. The Board shall consist of five Board Members appointed by the City Council. The Board shall elect annually as chairperson one of its members to serve in that capacity.

(b) **Eligibility.** Duly qualified residents of the City of Richmond are eligible to serve as Members of the Board. There shall be no more than two members that own or manage any rental property or are realtors. Anyone nominated to this board must be in compliance with this Chapter and all other local, state and federal laws regulating the provision of housing.

(c) **Full Disclosure of Holdings.** Nominees for the position of Board Member shall submit a verified statement listing all of their interests and dealings in real property, including but not limited to its ownership, sale or management, during the previous three (3) years. The Board may promulgate additional regulations.

(d) **Term of Office.** Board Members shall serve terms of two (2) years and maybe reappointed for a total of four (4) full terms for a total of fewer than ten (10) years.

(e) **Powers and Duties.** The Board shall have the following powers and duties:

- (1) Establish a Base Rent under Section 11.100.070 (a).
- (2) Make adjustments in the Rent Increase and Decreases in accordance with Section 11.100.070.
- (3) Set Rents at fair and equitable levels in order to achieve the intent of this Chapter.
- (4) Issue orders, rules and regulations, conduct hearings and charge fees as set forth below.
- (5) Make such studies, surveys and investigations, conduct such hearings, and obtain such information as is necessary to carry out its powers and duties.
- (6) Report annually to the City Council of the City of Richmond on the status of rental housing covered by this chapter. Reports shall include a summary of the numbers of notices served, the basis upon which they were served, the amount of the Rent increases and the addresses for which they were served.
- (7) Charge and collect registration fees, including penalties for late payments.

- (8) Collect and/or receive copies of notices of termination of tenancy and changes in terms of tenancy.
- (9) A searchable database will be created so that service of notice may be determined as well information for the reports described above.
- (10) Administer the withdrawal process for the removal of Rental Units from rental housing market under sections 11.100.050 (a)(6) and (7).
- (11) Administer oaths and affirmations and subpoena witnesses.
- (12) Establish rules and regulations for deducting penalties and settling civil claims under Section 11.100.100.
- (13) Refer violations of this Chapter to appropriate authorities for prosecution.
- (14) Seek injunctive and other civil relief under Section 11.100.100 - 110.
- (15) Any other duties necessary to administer and enforce this Chapter.

(f) **Rules and Regulations.** The Board shall issue and follow such rules and regulations, including those which are contained in this Chapter, as will further the purposes of the Chapter. The Board shall publicize its rules and regulations prior to promulgation on its website and any other appropriate medium. All rules and regulations, internal staff memoranda, and written correspondence explaining the decisions, orders, and policies of the Board shall be kept in the Board's office and shall be available to the public for inspection and copying.

(g) **Community Education.** The Board shall publicize this Chapter so that all residents of Richmond will have the opportunity to become informed about their legal rights and duties under this Chapter. The Board shall prepare a brochure which fully describes the legal rights and duties of Landlords and Tenants under The Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance. The brochure shall also include helpful information for homeowners. The brochure will be available to the public, and each Tenant of a Rental Unit shall receive a copy of the brochure from his, her or their Landlord. Landlords shall provide the brochure at the commencement of the tenancy and with each notice of rent increase. This brochure will be made available for download from the City of Richmond website and/or other appropriate technology. Information about the Ordinance shall be made available in all other languages that are requested by the community.

(h) **Meetings.** The Board shall hold such regularly scheduled meetings as are necessary to ensure the timely performance of its duties under this Chapter. All regular and special meetings shall be called and conducted in accordance with state law. There shall be minimally one (1) meeting a year so that the Board may comply with 11.100.070.

(i) **Quorum.** Three (3) Members shall constitute a quorum for the Board.

(j) **Voting.** The affirmative vote of three (3) Members of the Board is required for a decision, including all motions, regulations, and orders of the Board.

(k) **Dockets**. The Board shall maintain and keep in its office all hearing dockets.

(l) **Financing**. The Board shall finance its reasonable and necessary expenses by charging Landlords annual registration fees in amounts deemed reasonable by the Board. The Board is also empowered to request and receive funding when and if necessary from any available source for its reasonable and necessary expenses.

(1) **Residential Rental Housing Fee**. All Landlords shall pay a business license fee if required by Richmond Municipal Code plus a Residential Rental Housing Fee. The City shall charge the Residential Rental Housing Fee at the same time as the business license fee. The amount will be determined by the City Council after a recommendation by the Board is provided to the City Council. The City Council will vote on the recommendation at the next regularly scheduled meeting. The budget shall be funded by the Rental Housing Fee.

(2) This fee shall become due within thirty (30) days of inception of new tenancy if no fee was paid the prior year. Ongoing tenancies shall have fees collected at the same time as the City business license each year.

(m) **Integrity and Autonomy of Board**. The Board shall be an integral part of the government of the City, but shall exercise its powers and duties under this Chapter independent from the City Council, City Manager, and City Attorney, except by request of the Board. The City shall provide infrastructural support on an ongoing basis as it would with any other department. During the transition period before the Board Members are appointed and an Executive Director is hired, the City shall take whatever steps necessary to perform the duties of the Board and implement the purpose of this Chapter.

(n) **Budget**. The Board shall, prior to July 1 of each year, hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. At least thirty-five days prior to the beginning of each fiscal year, the Board's Executive Director shall submit to the Board the proposed budget as prepared by the Executive Director. After reviewing the same and making such revisions as it may deem advisable, the Board shall determine the time for the holding of a public hearing thereon and shall cause to be published a notice thereof not less than ten days prior to said hearing, by at least one insertion in the official newspaper. Copies of the proposed budget shall be available for inspection by the public in the office of the Board at least ten days prior to said hearing. The City Council and the City Manager shall have no authority to oversee, supervise, or approve this budget. Upon final adoption, the budget shall be in effect for the ensuing fiscal year and the amounts stated therein shall be and become appropriated by the Board for the respective objects and purposes therein specified. At any meeting after the adoption of the budget the Board may amend or supplement the budget by the affirmative votes of at least three members. Copies of the adopted budget and any amendments or supplements shall be filed with the City Clerk, and City Manager. Necessary adjustments to city administrative procedures shall be made.

(o) **Personnel**. The Board shall review and assess yearly that sufficient number of staff are employed, including an Executive Director, hearing examiners, housing counselors and legal staff, as may be necessary to perform its function efficiently in order to fulfill the purpose of this Chapter. The Executive Director shall be hired by the Board. All employees of

the Board shall be hired, terminated, suspended, and demoted in accordance with the Charter and implementing provisions of the Municipal Code.

(p) **Board Legal Work.** Legal staff hired by the Board shall represent and advise the Board, its Members, and its staff in any civil matters, actions, or proceedings in which the Board, its Members, or its staff, in or by reason of their official capacity, are concerned or are a party. The Board may, in its sole discretion, and without approval of the City Council, retain private attorneys to furnish legal advice or representation in particular matters, actions or proceedings.

(q) **Contracts and Purchases.** The Board shall procure goods and services as do other City agencies using existing support services within the City as would any other department, i.e. Finance, Information Technology, and Public Works among others. Provided, however, that the Board shall have sole and final authority to employ attorneys, legislative lobbyists, and other professionals, and to approve contracts for such professional services.

(r) **Conforming Regulations.** If any portion of this Chapter is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Chapter to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to rent control matters as enumerated in this Chapter.

(s) **Reporting and Fee Payment Requirements.**

(1) Within sixty (60) days after the adoption of this Chapter, all Landlords shall be required to file a copy of all rental increase notices, change of terms of tenancy and tenancy termination notices with the Board before serving the tenant the notice. A proof of service with time and date of service of notice shall be included with notice filed with the City.

(2) If the Board, after the Landlord has proper notice and after a hearing, determines that a Landlord has willfully and knowingly failed to properly report, as described above, any rental increase notices, change of terms of tenancy or tenancy termination, or pay the Rental Housing fee, the Board may authorize the Tenant of such a non-reporting unit or where the Rent housing fee is unpaid to withhold all or a portion of the Rent for the Rental Unit until such time as the Rental Housing fee is paid or notice filed. After a notice is properly filed or fee paid, the Board shall determine what portion, if any, of the withheld Rent is owed to the Landlord for the period in which the notice was not properly filed or fee paid. Whether or not the Board allows such withholding, no Landlord who has failed to properly report or pay the fee shall at any time increase Rents for a Rental Unit until such fee or notice is reported. This shall go into effect thirty (30) days after determination of the Board.

(3) Further, failing to pay the fee or filing a copy of a notice before the filing of an unlawful detainer is a complete defense to an unlawful detainer. No Board action is required for defense to be alleged or litigated in an unlawful detainer.

(t) In the event the establishment of the Board under this Section is adjudged to be invalid for any reason by a court of competent jurisdiction, the City Council shall designate one or more City departments, agencies, boards, or commissions to perform the duties of the Board prescribed by this Chapter.

11.100.070 Rent Control; Right of Reasonable Return for Landlords

(a) **Establishment of Base Rent.** Beginning the effective date of this Chapter, no Landlord shall charge Rent for any Controlled Rental Units in an amount greater than the Rent in effect on July 21, 2015 except for increases expressly allowed under this Chapter. The Rent in effect on that date is the Base Rent. If there was no Rent in effect on July 21, 2015, the Base Rent shall be the Rent that was charged on the first date that Rent was charged following July 21, 2015. For tenancies commencing after the adoption of this Chapter, the Base Rent is the initial rental rate in effect on the date the tenancy commences. As used in this Subsection, the term "initial rental rate" means only the amount of Rent actually paid by the Tenant for the initial term of the tenancy. The Base Rent is the reference point from which the Maximum Allowable Rent shall be adjusted upward or downward in accordance with Section 11.100.070 (c).

(b) **Annual General Adjustment.** No later than June 30 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.

(1) The Annual General Adjustment shall be equal to one hundred (100%) percent of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year.

(2) Subparagraph 1 of this Subsection notwithstanding, in no event shall the Annual General Adjustment be less than zero percent (0%).

(3) For the period between the effective date of this Charter and the first Annual General Adjustment announced September 1, the landlord may increase the Maximum Allowable Rent to include one Annual General Adjustment for September 2016.

(c) **Petitions.** Upon receipt of a petition by a Landlord and/or a Tenant, the Maximum Allowable Rent of individual Controlled Rental Units may be adjusted upward or downward in accordance with the procedures set forth elsewhere in this Section. The petition shall be on the form provided by the Board and shall include a declaration by the Landlord that the Rental Unit meets all requirements of this Chapter. Notwithstanding any other provision of this Section, the Board or hearing examiner may refuse to hold a hearing and/or grant a Rent

adjustment if an individual hearing has been held and decision made with regard to the Maximum Allowable Rent within the previous twelve (12) months.

(d) **Hearing Procedure.** The Board shall enact rules and regulations governing hearings and appeals of individual adjustment of Maximum Allowable Rents which shall include the following:

(1) **Hearing Examiner.** A hearing examiner appointed by the Board shall conduct a hearing to act upon the petition for individual adjustment of Maximum Allowable Rent and shall have the power to administer oaths and affirmations.

(2) **Notice.** The Board shall notify the Landlord, if the petition was filed by the Tenant, or the Tenant, if the petition was filed by the Landlord, of the receipt of such a petition and provide a copy thereof.

(3) **Time of Hearing.** The hearing officer shall notify all parties as to the time, date and place of the hearing.

(4) **Records.** The hearing examiner may require either party to a Rent adjustment hearing to provide it with any books, records and papers deemed pertinent in addition to that information contained in registration statements. The hearing examiner shall conduct a current building inspection and/or request the city to conduct a current building inspection if the hearing examiner finds good cause to believe the Board's current information does not reflect the current condition of the Controlled Rental Unit. The Tenant may request the hearing examiner to order such an inspection prior to the date of the hearing. All documents required under this Section shall be made available to the parties involved prior to the hearing at the office of the Board. In cases where information filed in a petition for Maximum Allowable Rent adjustment or in additional submissions filed at the request of the hearing examiner is inadequate or false, no action shall be taken on said petition until the deficiency is remedied.

(5) **Open Hearings.** All Maximum Allowable Rent adjustment hearings shall be open to the public.

(6) **Right of Assistance.** All parties to a hearing may have assistance in presenting evidence and developing their position from attorneys, legal workers, Recognized Tenant Organization representatives or any other persons designated by said parties.

(7) **Hearing Record.** The Board shall make available for inspection and copying by any person an official record which shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the cost of copying. The record of the hearing shall include: all exhibits, papers and documents required to be filed or accepted into evidence during the proceedings; a list of participants present; a summary of all testimony accepted in the proceedings; a statement of all materials officially noticed; all recommended decisions, orders and/or rulings; all final decisions, orders and/or rulings; and the reasons for each final decision, order and/or ruling. All hearings shall be recorded.

Any party may receive a copy of the audio that was made. Reasonable costs may be charged. The Board shall not be responsible for transcribing such audio.

(8) **Quantum of Proof and Notice of Decision**. No individual adjustment shall be granted unless supported by the preponderance of the evidence submitted at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to any appeal allowed by the Board and/or to judicial review of the decision pursuant to this Section and Section 11.100.090 of this Chapter.

(9) **Consolidation**. All Landlord petitions pertaining to Tenants in the same building will be consolidated for hearing, and all petitions filed by Tenants occupying the same building shall be consolidated for hearing unless there is a showing of good cause not to consolidate such petitions.

(10) **Appeal**. Any person aggrieved by the decision of the hearing examiner may appeal to the Board. On appeal, the Board shall affirm, reverse or modify the decision of the hearing examiner.

(11) **Finality of Decision**. The decision of the hearing examiner shall be the final decision of the Board in the event of no appeal to the Board. The decision of the hearing examiner shall not be stayed pending appeal; however, in the event that the Board on appeal reverses or modifies the decision of the hearing examiner, the Landlord, in the case of an upward adjustment in Rent, or the Tenant, in the case of a downward adjustment of Rent, shall be ordered to make retroactive payments to restore the parties to the position they would have occupied had the hearing examiner's decision been the same as that of the Board.

(12) **Time for Decision**. The rules and regulations adopted by the Board shall provide for final action on any individual Rent adjustment petition within a reasonable time.

(13) Decisions decreasing Rents shall remain in effect until the Board finds that the Landlord has corrected the defect warranting the decrease. The Board shall, by regulation, establish procedures for making prompt compliance determinations. Upon a determination of compliance the Landlord shall be entitled to reinstatement of the prior Rent level, retroactive to the date that the Landlord corrected the defect which warranted the decrease. This shall be in compliance with California Civil Procedure Section 1942.4. If the Landlord is found to be in violation of California Civil Procedure Section 1942.4 then no rent shall be charged for the period during which the Landlord was in violation.

(e) **Individual Adjustment Rent Increase**. In making individual adjustments of the Annual Adjustable Rent Increase, the Board shall consider the purposes of this Chapter and the requirements of law. In making an individual downward adjustment, the Board may consider decreases in living space, furniture, furnishings, equipment, or services; substantial deterioration of the Controlled Rental Unit other than as a result of ordinary wear and tear; or

failure on the part of the Landlord to provide adequate Housing Services or to comply substantially with applicable housing, health and safety codes.

(f) The Landlord may not charge for utilities unless the utility is separately or individually metered.

(g) **Landlords Have the Right to a Reasonable Return on Their Investment.** In making individual adjustments of the rent ceiling, the Board or hearing examiner shall consider the purposes of this chapter and shall specifically consider all relevant factors, including (but not limited to):

- (1) Increases or decreases in property taxes;
- (2) Unavoidable increases or any decreases in maintenance and operating expenses;
- (3) The cost of planned or completed capital improvements to the rental unit (as distinguished from ordinary repair, replacement and maintenance) where such capital improvements are necessary to bring the property into compliance or maintain compliance with applicable local code requirements affecting health and safety, and where such capital improvement costs are properly amortized over the life of the improvement;
- (4) Increases or decreases in the number of tenants occupying the rental unit, living space, furniture, furnishings, equipment, or other housing services provided, or occupancy rules;
- (5) Substantial deterioration of the controlled rental unit other than as a result of normal wear and tear;
- (6) Failure on the part of the Landlord to provide adequate housing services, or to comply substantially with applicable state rental housing laws, local housing, health and safety codes, or the rental agreement;
- (7) The pattern of recent rent increases or decreases;
- (8) It is the intent of this chapter that individual upward adjustments in the rent ceilings on units be made only when the Landlord demonstrates that such adjustments are necessary to provide the landlord with a fair return on investment.

(h) No upward adjustment of an individual rent ceiling shall be authorized by the Board under this Section if the Landlord:

- (1) Has continued to fail to comply, after order of the Board, with any provisions of this chapter and/or orders or regulations issued thereunder by the Board, or
- (2) Has failed to bring the rental unit into compliance with the implied warranty of habitability.

(j) Allowable rent increases pursuant to an individual upward adjustment of the rent ceiling shall become effective only after the Landlord gives the Tenant at least a thirty (30) day written notice of such rent increase and the notice period expires. If the Board makes a downward individual adjustment of the rent ceiling, such rent decrease shall take effect no sooner than thirty (30) days after the effective date set by the Board for the downward adjustment.

(k) No provision of this chapter shall be applied so as to prohibit the Board from granting an individual rent adjustment that is demonstrated by the Landlord to be necessary to provide the Landlord with a fair return on investment. Necessity shall be defined in regulations promulgated by the Board. Limits on the total increase per month and length of monthly increase shall be promulgated by the Board through regulations.

11.100.080 Non-waiverability.

Any provision, whether oral or written in or pertaining to a Rental Housing Agreement whereby any provision of this Chapter for the benefit of the Tenant is waived, shall be deemed to be against public policy and shall be void.

11.100.090 Judicial Review.

A Landlord or Tenant aggrieved by any action or decision of the Board may seek judicial review by appealing to the appropriate court within the jurisdiction. No action or decision by the Board shall go into effect until thirty (30) days have expired to allow for such appeal.

11.100.100 Remedies.

(a) Any Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the Maximum Allowable Rent, in violation of the provisions of this Chapter or any rule, regulation or order hereunder promulgated, including the provisions ensuring compliance with habitability standards and registration fee requirements, shall be liable in a civil action to the Tenant from whom such payments are demanded, accepted, received or retained, for reasonable attorney's fees and costs as determined by the court, plus damages in the amount by which the payment or payments demanded, accepted, received or retained exceeds the Maximum Allowable Rent. A civil penalty of treble the amount by which the payment or payments demanded, accepted, received or retained exceeds the Maximum Allowable Rent shall be awarded against the Landlord upon a showing that the Landlord has acted willfully or with oppression, fraud or malice. No administrative remedy need be exhausted prior to filing suit pursuant to this Subsection.

(b) In lieu of filing a civil action, a Tenant may file an administrative complaint. The Board shall establish by rule and regulation a hearing procedure similar to that set forth in Section 11.100.070.

(1) The rules and regulations adopted by the Board shall provide for final Board action on any complaint for excess Rent within one-hundred twenty (120) days following the date of filing of the complaint.

(2) In any administrative hearing under this Section, a Landlord who demands, accepts, receives or retains any payment of Rent in excess of the Maximum Allowable Rent shall be liable for damages in the amount by which the payment or payments demanded, accepted, received or retained exceeds the Maximum Allowable Rent.

(3) If the Tenant from whom such excessive payment is demanded, accepted, received or retained in violation of the foregoing provisions of this Chapter or any rule or regulation or order hereunder promulgated fails to bring a civil or administrative action as provided for in Sections 11.100.100(b) within one hundred twenty (120) days from the date of occurrence of the violation, the Board may settle the claim arising out of the violation or bring such action. Thereafter, the Tenant on whose behalf the Board acted is barred from also bringing an action against the Landlord in regard to the same violation for which the Board has made a settlement or brought action. In the event the Board settles said claim, it shall be entitled to retain the costs it incurred in settlement thereof, and the Tenant against whom the violation has been committed shall be entitled to the remainder.

(c) The appropriate court in the jurisdiction in which the Controlled Rental Unit affected is located shall have jurisdiction over all actions brought under this Section.

(d) Any Landlord violating this Chapter shall be guilty of a misdemeanor and shall be punished in accordance with Section 1.04.100 of the Richmond Municipal Code

11.100.110 Injunctive and Other Civil Relief.

The Board, and Tenants and Landlords of Rental Units, may seek relief from the appropriate court within the jurisdiction within which the affected Rental Unit is located to enforce any provision of this Chapter or its implementing regulations or to restrain or enjoin any violation of this Chapter and of the rules, regulations, orders and decisions of the Board.

11.100.120 Partial Invalidity.

If any provision of this Chapter or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are declared to be severable. This Chapter shall be liberally construed to achieve the purposes of this Chapter and to preserve its validity.

11.100.130 Majority Approval, Effective Date, Execution.

This Ordinance shall be effective only if approved by a majority of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council. The Mayor and City Clerk are hereby authorized to execute this Ordinance to give evidence of its adoption by the voters.

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Chapter 5: ELLIS: REGARDING THE WITHDRAWAL OF RENTAL UNITS FROM THE RENTAL MARKET

500. Purpose and Scope

- A. The Rent Board of the City of Richmond hereby acts pursuant to Government Code Chapter 12.75 (commencing with Section [7060](#) et seq.) to establish certain requirements, procedures, restrictions and mitigations concerning the withdrawal of residential Rental Units from rent or lease in accordance with Government Code Section [7060](#). The Rent Board also acts to protect the health, welfare and safety of its citizens. In adopting these provisions, it is the intent of the Rent Board to accord Tenants the maximum protections which are available pursuant to Government Code Section [7060](#) and to provide certain additional rights and protections necessary to deal with the housing shortage in the City of Richmond.
- B. Nothing in this Regulation shall otherwise diminish any power which currently exists or which may hereafter exist in the City to grant or deny any entitlement to the use of, or physical modifications to, real property, including, but not limited to, building, planning, zoning and subdivision map approvals. Nothing in this Regulation shall entitle an owner of property which has been withdrawn from rent or lease to any special consideration in the granting of any entitlement to the use of said property, nor shall the fact that the property may be vacant be considered as a basis for granting any requested change in use.

[Formerly Regulation 17-07; Adopted September 20, 2017]

501. Definitions

For the purposes of this Chapter 5, the following words and phrases shall have the meanings set forth below.

- A. "Owner" means only the holder of record title having the entire legal and equitable title to the property, or the successor in interest thereto. It shall not include the lessor, sublessor, agent or representative of the Landlord. It is the intention of this Regulation to permit only the "owner" as defined herein to have and exercise the privileges and responsibilities set forth in this Regulation.
- B. "Tenant" means any renter, Tenant, subtenant, lessee, or sublessee of a Rental Unit, or successor to a Tenant's interest, or any group of Tenants, subtenants, lessees, or sublessees of any Rental Unit, or any other person entitled to the use or occupancy of such Rental Unit and includes a former Tenant displaced by the withdrawal of an accommodation from rent or lease.
- C. "Accommodations" means either of the following:
 - (1) The Rental Units in any detached physical structure containing four or more residential units.

(2) With respect to a detached physical structure containing three or fewer residential Rental Units, the residential Rental Units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in subparagraph (1).

D. "Rent control" means the system of controls on residential rents and evictions established pursuant to the City of Richmond's Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance, including all amendments thereto, and any successor ordinance or charter provision regulating residential rents in Richmond ("Fair Rent Ordinance.")

E. "Withdrawal" means the eviction of all Tenants from all Rental Units on a particular property through compliance with the requirements of this Regulation. Such withdrawal results in a removal of Rental Units from the housing market under the terms and conditions set forth in this Regulation, and as such is a limited form of removal by means other than conversion or demolition. To the extent that owners of withdrawn units desire to convert such units to other uses, including but not limited to condominiums, community apartments, stock cooperatives, other forms of owner-occupancy, or other change in use, or to permanently remove them from the rental housing market by demolition, or otherwise remove them by means other than withdrawal, such owners must obtain all required permits and approvals from the City in addition to complying with the provisions of this Regulation.

[Formerly Regulation 17-07; Adopted September 20, 2017]

502. Restrictions and Responsibilities Concerning Withdrawn Accommodations

Any accommodations which have been withdrawn from rent or lease and which were subject to rent control at the time of withdrawal shall be subject to the following conditions and restrictions if said accommodation is again offered for rent or lease:

A. For all tenancies created after December 31, 2002, and commenced during either of the time periods described in subsections (1) and (2) below, the accommodations shall be offered and rented or leased at the lawful rent in effect at the time any notice of intent to withdraw the accommodations was filed with the Rent Board plus annual general adjustments available under the rent control system.

(1) The five-year period after any notice of intent to withdraw the accommodations is filed with the Rent Board, whether or not the notice of intent is rescinded or the withdrawal of the accommodations is completed pursuant to the notice of intent.

(2) The five-year period after the accommodations are withdrawn.

(3) This section shall prevail over any conflicting provision of law authorizing the Landlord to establish the rental rate upon the initial hiring of the accommodations.

B. If the accommodations are offered again for rent or lease for residential purposes within two years of the date the accommodations were withdrawn from rent or lease, the following provisions shall apply:

- (1) The owner of the accommodations shall be liable to any Tenant who was displaced from the property by said withdrawal for actual and punitive damages. Any action by a Tenant pursuant to this paragraph shall be brought within three years of the Tenant's displacement. However, nothing in this paragraph shall preclude a Tenant from pursuing any additional or alternative remedy available under law, including, but not limited to, general damages. Nothing in this paragraph shall limit or otherwise affect any relocation benefits to which the Tenant is entitled under any other law or ordinance.
- (2) The Board may institute a civil proceeding against any owner who has again offered accommodations for rent or lease subject to this section for exemplary damages for displacement of Tenants. Any action brought by the Board shall be brought within three years of the withdrawal of the accommodations. Nothing in this section shall be construed to limit any other powers of the Board to pursue litigation in any way involving the subject property.
- (3) Any owner who offers accommodations again for rent or lease shall first offer the unit for rent or lease to the Tenant displaced from that unit by the withdrawal, if the Tenant has advised the owner in writing within 30 days of the displacement of his or her desire to consider an offer to renew the tenancy and has furnished the owner with an address to which that offer is to be directed. That Tenant or former Tenant may advise the owner at any time during the period of eligibility for renewed tenancy of any change in address to which the offer is to be directed. The owner shall also notify the Board of the owner's intent to again offer the accommodations for rent or lease at the time the Tenant is notified. In addition to the notice required to be given to the Tenant, the Board shall be deemed to be an agent of the Tenant and may request that an offer to renew the tenancy be extended to the Tenant. However, nothing in this section shall be construed to relieve the owner of the obligation to directly contact the Tenant or former Tenant and to advise the Tenant that said accommodations are again offered for rent or lease. Notice shall be on a Rent Program form.
- (4) If the owner offers the accommodations for rent or lease pursuant to this Section 502(B), and the Tenant has advised the owner of a desire to consider an offer to renew the tenancy, then the owner shall offer to reinstitute a rental agreement or lease on terms permitted by law to that displaced Tenant. The terms shall be substantially equivalent to those formerly existing during the tenancy. This offer shall be deposited in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced Tenant at the address furnished to the owner as provided in this subsection, and shall describe the terms of the offer. A copy of the notice with proof that it has been mailed to the displaced Tenant shall be filed with the Board at the time notice is mailed to the Tenant. The displaced Tenant shall have 30 days from the deposit of the offer in the mail to accept by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid. The Board upon learning of the owner's intent to again offer the accommodation for rent or lease shall also attempt to notify each Tenant by mail and may further publish notices or

advertisements in newspapers or use other reasonable means to attempt to notify the Tenants of the availability of the accommodations.

- C. An owner who offers accommodations again for rent or lease within ten years of the date on which they are withdrawn shall notify the Board of an intention to offer the accommodations again for residential rent or lease. A copy of the notice served on the Board shall also be mailed by the owner to each Tenant at that Tenant's last known address. The Board may also attempt to notify each Tenant by mail and may further publish notices or advertisements in newspapers or use other reasonable means to attempt to notify the Tenants of the availability of the accommodations. If the displaced Tenant so requests in writing within 30 days after the owner has notified the Board of the intent to again offer the premises for rent or lease, the owner shall offer to reinstitute a rental agreement or lease on terms permitted by law to that displaced Tenant. In the event that the owner fails to comply with this subsection, the owner shall be liable to any affected Tenant for general damages and punitive damages in an amount which does not exceed the contract rent for six months.

If the accommodations are demolished, and new accommodations are constructed on the same property, and offered for rent or lease within five years of the date the accommodations were withdrawn from rent or lease, the newly constructed accommodations shall be subject to rent control notwithstanding any provision of law which otherwise exempts newly constructed units. The Board shall have the power to set rents which will provide a fair return and the Landlord shall have the burden of establishing by competent evidence that the rent schedule proposed by the Landlord is necessary to provide a fair return.

[Formerly Regulation 17-07; Adopted September 20, 2017]

503. Notice Requirements

- A. An owner who intends to withdraw an accommodation from rent or lease shall provide the following notices. None of the notices permitted or required by this Section 503 shall be valid if served or filed prior to December 30, 2016.
- (1) Not less than 120 days prior to the date upon which the accommodations are to be withdrawn, the owner or owner's designated agent shall notify the Board of the intention to withdraw those accommodations from rent or lease. The notice shall be on a Rent Program form, and shall contain statements, under penalty of perjury, providing information on the number of accommodations, the address or location of those accommodations, the name(s) of the Tenant(s) of the accommodations and the Rent applicable to each Rental Unit. The notice required to be filed by this subsection shall be maintained by the Board in files other than those maintained pursuant to the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance. The information contained in the notice required by this Section 503(A)(1) respecting the name(s) of the Tenant(s), the rent applicable to any unit, or the total number of units, is confidential and shall be treated as confidential information for the purposes of the Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code. The

Board shall, to the extent required by the preceding sentence, be considered an "agency" as defined by subdivision (b) of Section 1798.3 of the Civil Code.

- (2) At the time notice is given to the Board as required in Section 503(A)(1), the owner or owner's designated agent shall provide written notice to any Tenant to be displaced that the Board has been notified pursuant to Section 503(A)(1), that the notice specified the name of the Tenant and the amount of Rent paid by the Tenant as an occupant of the accommodation and the amount of rent the owner specified in the notice to the Board. The notice shall also contain a statement of the Tenant's rights to regain possession and to damages, in the event the accommodation is again offered for rent or lease, under Section 502 of this Chapter. A copy of the notice shall be filed with the Board with proof of service upon each Tenant.
- (3) At the time the notice specified in Section 503(A)(1) is filed with the Board, the owner or in the case of a corporation, an individual designated to sign on behalf of the corporation, shall sign and notarize a memorandum of the notice required by Section 503(A)(1) summarizing its provisions, other than the confidential provisions, on a Rent Program form. The owner or the owner's designated agent shall record with the County Recorder the aforementioned memorandum, and file a copy with the Rent Program. The owner or owner's designated agent shall also file with the Rent Program, a certificate, on a Rent Program form, that actions have been initiated as required by this Chapter 5 and other applicable law to terminate any existing tenancies. If the owner and/or the owner's designated agent has satisfied the requirements of Section 503(A)(1), 503(A)(2), and this Section 503(A)(3), the date upon which the accommodations are withdrawn from rent or lease for the purposes of this Regulation is 120 days from the last date the owner and/or the owner's designated agent has provided the Rent Program with all of the required documents described in Section 503(A)(1), 503(A)(2), and this Section 503(A)(3).
- (4) No less than 120 days prior to the date upon which the accommodation is to be withdrawn, the owner or owner's designated agent shall provide written notice to each Tenant on the property of the owner's intent to withdraw said accommodation. Said notice shall contain a statement that the accommodation is withdrawn, that all of the accommodations on the parcel are being withdrawn, the date upon which the accommodation is to be withdrawn, that the owner has paid all fees due the City or the Board, and a statement that all Tenants are entitled to a Relocation Payment and the amount thereof pursuant to the City's Ordinance concerning Relocation Requirements for Tenants of Residential Rental Units (Chapter 11.102, Richmond Municipal Code) and implementing resolution ("Relocation Ordinance/Resolution"). The owner or owner's designated agent shall determine whether a member of the household of each unit can speak English and seek appropriate assistance in communicating the importance of the contents of the notice to any household whose members cannot speak English. The notice shall be served on each Tenant by either personal service or certified mail, return receipt requested. The notice shall advise the Tenant of the Tenant's rights to regain possession of the premises and to damages as set forth in Section 502 of this Chapter. A copy of this notice shall be filed with the Board. The notice shall be on a Rent Program form. A notice stating the owner's intent to withdraw the accommodation from rent or lease shall not be valid unless the Tenants of all of the units on the property are also served with notice that each of their units is to be withdrawn from rent or lease and unless all fees due the City or the Board pursuant to Section 506 of this Regulation have been paid.

- (5) A notice of termination of tenancy having an effective date no earlier than 120 days after the date of service shall also be served on each Tenant at the same time the notice stating the intent to withdraw the premises from rent or lease is served on the Tenant pursuant to Regulation 503(A)(4).
- (6) Not less than 120 days prior to the date upon which the accommodations are to be withdrawn, the owner or owner's designated agent shall provide two copies of a notice containing language substantially identical to the following: "I assert that I have lived in this unit at least one year prior to having been notified that I am to be evicted from this unit under the City of Richmond's Ellis Act Policy. I further assert that I am a disabled person under the meaning of California Government Code Section [12955.3](#). It is my understanding that I am entitled to one year's notice prior to surrendering this unit to its owner." With this notice, the Tenant shall be enabled by the owner to assert to both the owner and the Board that he/she/they are disabled.
- (7) Not less than 120 days prior to the date upon which the accommodations are to be withdrawn, the owner or owner's designated agent shall provide two copies of a notice containing language substantially identical to the following: "I assert that I have lived in this unit at least one year prior to having been notified that I am to be evicted from this unit under the City of Richmond's Ellis Act Policy. I further assert that I am 62 years or older. It is my understanding that I am entitled to one year's notice prior to surrendering this unit to its owner." With this notice, the Tenant shall be enabled by the owner to assert to both the owner and the Board that he/she/they are 62 years or older.
- (8) Not less than 120 days prior to the date upon which the accommodations are to be withdrawn, the owner or owner's designated agent shall provide two copies of a notice containing language substantially identical to the following: "I assert that I have lived in this unit at least one year prior to having been notified that I am to be evicted from this unit under the City of Richmond's Ellis Act Policy. I further assert that I have minor children residing in the household. It is my understanding that I am entitled to one year's notice prior to surrendering this unit to its owner." With this notice, the Tenant shall be enabled by the owner to assert to both the owner and the Board that he/she/they have minor children residing in the household.
- (9) Not less than 120 days prior to the date upon which the accommodations are to be withdrawn, the owner or owner's designated agent shall provide two copies of a notice containing language substantially identical to the following: "I assert that I have lived in this unit at least one year prior to having been notified that I am to be evicted from this unit under the City of Richmond's Ellis Act Policy. I further assert that my household is a lower income household as that term is defined in California Health and Safety Code, section 50079.5. It is my understanding that I am entitled to one year's notice prior to surrendering this unit to its owner." With this notice, the Tenant shall be enabled by the owner to assert to both the owner and the Board that he/she/resides in a lower income household.

- (10) If the Tenant is i) disabled, at least 62 years of age, has minor children residing in the household and/or the Tenant's household is a lower income household and (ii) has lived in his/her/their accommodations for at least one year prior to the date of delivery of the notice of intent to withdraw to the Board, then the date of withdrawal of the accommodations of that Tenant shall be extended to one year after the Tenant has delivered the notice specified in Regulation 503(A)(6), 503(A)(7), 503(A)(8), and 503(A)(9), to the owner or owner's designated agent and filed a copy with the Rent Board, provided that the Tenant gives written notice of his, her, or their entitlement to an extension to the owner or owner's designated agent within 60 days of the date of delivery to the Board of the notice of termination of tenancy pursuant to Richmond Municipal Code Section 11.100.050(a)(7).
- (11) For those owners who have utilized a designated agent prior to September 19, 2018, in order to comply with provisions of Regulation 503, such use of a designated agent shall be sufficient to comply with the applicable provision of Regulation 503.

*[Formerly Regulation 17-07; Adopted September 20, 2017]
[Amended September 19, 2018]*

504. Financial Mitigation of Adverse Impact on Displaced Persons

- A. The Tenants of any residential Rental Unit who are required to move as a result of the Landlord's withdrawal of the accommodation from rent or lease shall be entitled to Permanent Relocation Payment as provided in the Richmond Relocation Ordinance (RMC 11.102.)
- B. The Landlord may rescind the notice of intent to withdraw the accommodation from rent or lease and the notice of termination of tenancy prior to any release of Permanent Relocation Payment to Eligible Tenants (as those terms are defined in Chapter 11.102, Richmond Municipal Code) by serving written notice stating such rescission on the Tenants. Subsequent to the release of any portion of the Permanent Relocation Payment to an Eligible Tenant, the Landlord may rescind the notice of intent to withdraw the accommodation from rent or lease and the notice of termination of tenancy only upon the written agreement of the Tenants to remain in possession of the Rental Unit. If the Eligible Tenants remain in possession of the Rental Units after service of a Landlord's written notice of rescission of the eviction, the Tenants shall provide an accounting to the Landlord of the amount of the Permanent Relocation Payment expended, return to the Landlord that portion of the Permanent Relocation Payment not expended, and assign to the Landlord all rights to recover the amount of Permanent Relocation Payment paid to third parties.

Failure of the owner to make any payment specified herein shall be a defense to any action to recover possession of a Rental Unit based upon the owner's intent to withdraw the accommodation from rent or lease. In addition, if Tenants of a Rental Unit who qualify for relocation assistance have vacated the unit as a result of a notice of intent to withdraw the accommodation from rent or lease, and the owner fails to make any payment specified herein, the owner shall be liable to the Tenants for three times the amount of the payment as well as reasonable attorneys fees.

[Formerly Regulation 17-07; Adopted September 20, 2017]

505. Recordation of Notice Regarding Continued Applicability of Controls Within 20 days of receipt of a notice issued by an owner pursuant to Section 503(A) of this Chapter, the Board may cause to be recorded with the County Recorder a notice which shall recite the fact that the Richmond Rent Board has determined to apply the constraints adopted pursuant to Government Code Section [7060.2](#) to successors in interest to the subject property. The notice shall specifically describe the real property where the accommodations are located, the date upon which the owner will withdraw the accommodations from rent or lease and the dates during which the constraints adopted pursuant to Government Code Section [7060.2](#) shall apply. If the date upon which the accommodations are to be withdrawn is subsequently altered or modified, the Board may record an amended notice. The filing of the notice described in this section shall not be construed as a finding by the Board that the actual or proposed withdrawal of the accommodations has been approved by the Board.

[Formerly Regulation 17-07; Adopted September 20, 2017]

506. Fees Payable to the City of Richmond or Richmond Rent Board The City or the Board may establish fees which shall be paid by any owner who exercises the privilege to withdraw accommodations from rent or lease. The City or the Board may set the fee so as to recover all costs of administering this Chapter. The fees shall be paid prior to the service of the notice set forth in Section 503 of this Chapter. In addition, prior to the service of the notice set forth in Section 503 of this Chapter, the owner shall have paid all business license taxes, Rental Inspection Fees, and Fire Prevention Services Fees, and all fees connected to the Fair Rent Ordinance, such as the Rental Housing Fee and any inspection fees. Failure to pay the fees prior to service of the notice shall invalidate the notice.

[Formerly Regulation 17-07; Adopted September 20, 2017]

507. Eviction Requirements In any action to recover possession of an accommodation subject to the terms of this Regulation, it shall be a defense if the owner has not fully satisfied all of the requirements of this Regulation including, but not limited to, compliance with all notice requirements, payment of fees to the City or the Board, and payment of the Relocation Payment to displaced Tenants.

[Formerly Regulation 17-07; Adopted September 20, 2017]

508. Severability If any provision of this Regulation is held by a court of competent jurisdiction to be invalid, this invalidity shall not affect other provisions of this Regulation which can be given effect without the invalid provision and therefore the provisions of this Regulation are severable.

[Formerly Regulation 17-07; Adopted September 20, 2017]

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 15, 2024

Final Decision Date Deadline: May 15, 2024

STATEMENT OF THE ISSUE: Section 11.100.060(n) of the Rent Ordinance requires that the Board hold a public hearing and adopt an annual budget for the upcoming fiscal year no later than July 1. The annual budget is funded by the Residential Rental Housing Fee, the amount of which is determined by the City Council following a recommendation from the Rent Board. In consideration of this requirement, staff members have prepared a proposed Fiscal Year 2024-25 Budget with corresponding fees and a 10-year financial projection for its consideration and comment. The purpose of this item is to receive feedback from the Board on the proposed budget and for potential adoption by the July 1 deadline.

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>BUDGET</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: (1) RECEIVE a draft Proposed Fiscal Year 2024-25 Rent Program Budget and corresponding 10-year financial projection and (2) DETERMINE adoption of the Fiscal Year 2024-25 Budget and approval of the fees consistent with Sections 11.100.060(n) and (l) of the Rent Ordinance – Rent Program (Nicolas Traylor/Fred Tran – 620-6564).

AGENDA ITEM NO:

J-1.

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AGENDA REPORT

DATE: May 15, 2024

TO: Chair Cantor and Members of the Rent Board

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

SUBJECT: DRAFT PROPOSED FISCAL YEAR 2024-25 BUDGET AND 10-YEAR FINANCIAL PROJECTION

STATEMENT OF THE ISSUE:

Section 11.100.060(n) of the Rent Ordinance requires that the Board hold a public hearing and adopt an annual budget for the upcoming fiscal year no later than July 1. The annual budget is funded by the Residential Rental Housing Fee, the amount of which is determined by the City Council following a recommendation from the Rent Board. In consideration of this requirement, staff members have prepared a proposed Fiscal Year 2024-25 Budget with corresponding fees and a 10-year financial projection for its consideration and comment. The purpose of this item is to receive feedback from the Board on the proposed budget and for potential adoption by the July 1 deadline.

RECOMMENDED ACTION:

(1) RECEIVE a draft Proposed Fiscal Year 2024-25 Rent Program Budget and corresponding 10-year financial projection and (2) DETERMINE adoption of the Fiscal Year 2024-25 Budget and approval of the fees consistent with Sections 11.100.060(n) and (l) of the Rent Ordinance – Rent Program (Nicolas Traylor/Fred Tran – 620-6564).

FISCAL IMPACT:

The proposed budget and Rental Housing Fee study for the 2024-25 fiscal year would authorize \$3,606,614 in expenses and \$3,706,614 in revenue. The Rental Housing Fee for the 2024-25 fiscal year is proposed: \$261 for Fully Covered Rental Units and \$148 for Partially Covered Rental Units.

DISCUSSION:

At the May 7, 2024 Special Rent Board Meeting, staff were directed to draft a Proposed Budget for Fiscal Year 2024-25; Option 2 (Attachment 1) in accordance with the presentation from Nicolas Traylor, Executive Director on Item F-1.

ITEM J-1

The Option 2 Budget proposal assumptions are listed below:

- Authorized salary and step increases per each Memorandum of Understanding and Side Letter for SEIU Local 1021, IFPTE Local 21 Mid-Management, and IFPTE Local 21 Executive Management.
- Approximately double the mass mailing budget to four campaigns for the year.
- Invest in a new in-person interpretation service. A Request for Proposal for additional vendors would follow adoption of Fiscal Year 2024-25 Rent Program Budget.
- Reclassifying vacant Office Assistant role in the Hearings Unit to an Administrative Trainee or equivalent; delay hire to the Second Quarter of the fiscal year.
- Add a Compliance Specialist, plan to be hired in the Second Quarter of the fiscal year.

Proposed Fiscal Year 2024-25 Budget Summary

The proposed total expenditures for Fiscal Year 2024-25 year are 20% greater than that of the prior year and would fund expenses in the following categories:

Category	Proposed FY 2024-25 Budget
Salaries and Wages	\$1,983,278
Fringe Benefits	\$1,002,435
Professional and Administrative Services	\$377,606
Cost Pool (Indirect Service Charges, Space at 440 Civic Center Plaza, General Liability)	\$156,295
Other Operating Expenses	\$77,000
Supplemental Liability Insurance Policy	\$9,500
Utilities	\$500
TOTAL	\$3,606,614

Ten-Year Financial Projection

In February 2020, the Rent Program entered into a contract with Kevin W. Harper CPA and Associates to prepare a 10-year financial projection for the Rent Program and issue recommendations in support of the agency's goal of achieving long-term financial stability. The 10-year financial projection has been updated to reflect actual expenses and revenues for Fiscal Year 2018-19 through 2022-23, a Projection for Fiscal Year 2023-24, Proposed Budget for Fiscal Year 2024-25, and projections for the remaining Fiscal Years to 2030-31 (Attachment 2). The projection also reflects the Rent Board's

direction to (1) maintain a revolving balance of available funds to address potential cash flow shortages at the beginning of each fiscal year, when Rental Housing Fee invoices have yet to be paid; and (2) build financial reserves equivalent to a minimum of 18 percent and maximum of 25 percent of current year operating expenses.

Proposed Fiscal Year 2024-25 Rental Housing Fee Study

Section 11.100.060(l)(1) of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (“Rent Ordinance”) provides all Landlords shall pay a Residential Rental Housing Fee to fund the Rent Program budget. The amount of the Rental Housing Fee is annually established by the Richmond Rent Board and approved by the City Council.

Under Section 50076 of the California Government Code, fees charged for any service or regulatory activity must not exceed the reasonable cost of providing the service. Those fees must be approved by the City Council, as the legislative body, in public session. Therefore, a fee study is necessary to ensure that the Residential Rental Housing Fee recommended by the Rent Board and charged to Landlords is commensurate to the level of services provided by the Rent Program.

The fee study is designed to allow the Rent Program Department to recover costs of all budgeted operations, including, but not limited to:

- Personnel costs of staff, fringe benefits, and overtime;
- Risk management and supplemental liability insurance plan (SLIP);
- Charges allocated from City Departments to reimburse the General Fund for administrative services by central service departments (i.e., City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, etc.);
- Information Technology (IT) expenses associated with a property and rent-tracking database and maintenance of computer hardware and software;
- Costs of education and outreach, including the printing and distribution of print materials and hosting of community workshops and seminars;
- Contracts for translation, interpretations, and other professional services;

Staff members recommend the Board continue to utilize a tiered-fee approach to the Fiscal Year 2024-25 Rental Housing Fee to ensure the requirements of Section 50076 of the California Government Code are met.

Originally the Rental Housing Fees were established as “flat fees,” applicable to all units regardless of partial or full subject to the Rent Ordinance. This approach was utilized during the first 1.5 years of Program since the startup tasks and associated benefits of the agency’s costs were reasonably shared among Rental Units regardless of status.

Table 1 contains the fees corresponding to the proposed Fiscal Year 2024-25 budget.

		Proposed for FY 2024-25	Change from FY 2023-24
TOTAL BUDGET:¹		\$3,606,614	+\$601,919 (+20%)
Fully Covered Units²	7,857	\$261	+\$41 (+18.7%)
Partially Covered Units (including subsidized units)³	10,485	\$148	+\$23 (+18.6%)
TOTAL REVENUE⁴:		\$3,706,614	\$631,917 (+20.6%)

The chart compares the proposed FY2024-25 Rental Housing Fee to prior year fees.

FISCAL YEAR	FULLY COVERED RENTAL UNITS	PARTIALLY COVERED RENTAL UNITS	GOVERNMENTALLY SUBSIDIZED RENTAL UNITS
2017-18	\$145	\$145	N/A
2018-19	\$207	\$100	\$50
2019-20	\$212	\$112	N/A
2020-21	\$219	\$124	N/A
2021-22	\$218	\$123	N/A
2022-23	\$226	\$127	N/A
2023-24	\$220	\$125	N/A
2024-25 (Proposed)	\$261	\$148	N/A

Conclusion and Proposed Actions

The Proposed 2024-25 Budget and fees reflect the goals of the Rent Program and will allow the agency to recover costs of all budgeted operations by increasing the Rental Housing Fee to \$261 for Fully Covered and \$148 for Partially Covered units.

DOCUMENTS ATTACHED:

Attachment 1 – Proposed Fiscal Year 2024-25 Budget

Attachment 2 – 10-year Financial Projection

¹ Total Expenditures include the budgeted

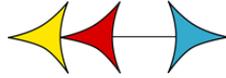
² Includes suspected Fully Covered rental units

³ Includes suspected Partially Covered rental units

⁴ Fees rounded up to the nearest full dollar

PROPOSED FY 2024 - 2025 RENT PROGRAM BUDGET AND FEE STUDY									
FEE STUDY - Option 2									
		Type	# UNITS	Proposed Fee	Revenue				
		Fully-Covered	7,857	\$261	\$2,052,494	(a) + (b) + (c)			
		Partially-Covered	10,485	\$148	\$1,554,121	(a) + (b)			
		Total Units	18,342		\$3,606,614				
BUDGET									
Object #	City Account Description	FY 18-19 ACTUALS	FY 19-20 ACTUALS	FY 20-21 ACTUALS	FY 21-22 ACTUALS	FY 22-23 ACTUALS	FY 23-24 ADOPTED	FY 24-25 PROPOSED	Notes
REVENUES									
340445	Fees/Admin Fees	2,189,703	2,681,689	2,764,961	2,332,429	2,553,651	3,004,698	3,606,614	(1)
361701	Int & Invest/Pooled-All Other & Gains	367	11,537	6,096	4,619	31,647	20,000	50,000	
364867	Revenue from Collections & Other & Grants	133	13,042	24,796	19,641	50,078	50,000	50,000	
	TOTAL REVENUES	2,190,203	2,706,268	2,795,854	2,356,688	2,635,376	3,074,698	3,706,614	
EXPENSES									
400001	Salaries & Wages/Executive	530,092	639,594	649,356	676,463	764,496	846,234	984,703	(2)
400002	Salaries & Wages/Mgmts -Local 21	294,152	263,080	183,838	147,008	307,266	367,225	467,164	(2)
400003	Salaries & Wages/Local 1021	128,866	150,317	168,422	162,925	208,948	337,653	443,728	(2)
400006	Salaries & Wages/PT-Temp	49,557	45,905	32,244	35,234	21,447	37,565	47,000	(2)
400031	Overtime/General	4,778	2,094	1,312	1,793	802	2,500	2,500	(2)
400048	Other Pay/Bilingual Pay	6,993	9,064	9,719	7,910	10,713	11,470	14,289	(2)
400049	Other Pay/Auto Allowance	4,200	4,200	4,200	4,200	4,200	4,200	4,200	(2)
400050	Other Pay/Medical-In Lieu of	2,700	1,500	-	-	-	-	-	
400053	Other Pay/Pension Credits	-	-	-	-	-	-	19,694	(2)
400079	Comp Absences/WC-Prof-Mgt-Tec	1,486	5,328	-	-	-	-	-	
400058	OTHER PAY/Retro Pay 2022-23 and Prior	-	-	-	34,200	-	63,615	-	
	Subtotal - Salaries & Wages	1,022,823	1,121,084	1,049,091	1,059,732	1,317,872	1,670,462	1,983,278	
400103	P-Roll Ben/Medicare Tax-ER Shor	14,937	16,389	15,313	15,435	19,219	20,774	26,457	(3)
400105	P-Roll Ben/Health Insurance Be	146,557	136,575	128,611	168,100	238,838	271,329	328,838	(3)
400106	P-Roll Ben/Dental Insurance	16,652	17,021	17,534	13,509	16,624	18,031	19,418	(3)
400109	P-Roll Ben/Employee Assistance	430	473	422	244	217	234	252	(3)
400110	P-Roll Ben/Professional Dev-Mg	3,728	5,200	1,500	250	1,500	7,500	6,750	(3)
400111	P-Roll Ben/Vision	2,106	2,095	2,049	1,588	1,985	2,158	2,324	(3)
400112	P-Roll Ben/Life Insurance	5,557	4,006	3,433	3,336	3,884	3,931	4,047	(3)
400114	P-Roll Ben/Long Term Disability	9,408	10,100	9,259	6,952	6,472	11,996	13,025	(3)
400116	P-Roll Ben/Unemployment Ins	1,860	5,100	4,960	4,440	6,042	5,928	6,384	(3)
400117	P-Roll Ben/Personal/Prof Dev	750	1,493	1,500	1,140	2,250	2,250	3,750	(3)
400118	P-Roll Ben/Worker Comp-Injury Appt	-	-	692	-	-	-	-	
400121	P-Roll Ben/Worker Comp-Clerical	13,806	12,154	14,541	9,042	14,807	6,923	-	
400122	P-Roll Ben/Worker Comp-Prof	69,352	60,744	74,891	47,762	72,880	-	94,187	(3)
400127	P-Roll Ben/OPEB	39,338	43,623	42,145	40,276	34,620	32,127	-	
400130	P-Roll Ben/PARS Benefits	642	434	50	398	280	-	-	
400149	P-Roll Ben/Misc.	123,021	140,616	139,314	128,986	162,492	186,975	240,175	(3)
400151	P-Roll Ben/Misc. (UAL)	162,985	235,683	271,234	252,844	309,894	309,894	258,828	(3)
	Subtotal Fringe Benefits	611,127	691,706	727,447	694,301	864,195	880,050	1,002,435	
400201	Prof Svcs/Professional Svcs	32,112	38,241	10,957	10,460	12,649	140,900	80,700	(4)
400206	Prof Svcs/Legal Serv Cost	137,614	193,742	149,994	183,326	164,576	275,000	275,000	(5)
400220	Prof Svcs/Info Tech Services	2,375	-	2,142	2,205	-	2,400	2,500	(6)
400241	Travel & Trng/Meal Allowance	359	-	-	-	-	-	-	
400242	Travel & Trng/Mileage	1,284	17	-	-	-	-	-	
400243	Travel & Trng/Conf, Mtng Trng	280	-	-	-	-	-	-	
400245	Travel & Trng/Tuition Rmb/Cert	800	800	-	-	3,250	800	-	
400261	Dues & Pub/Memberships & Dues	824	1,590	1,453	1,437	1,689	1,650	2,025	(7)
400263	Dues & Pub/Subscription	1,500	-	-	-	-	-	7,500	(7)
400271	Ad & Promo/Advertising & Promo Materials	1,559	2,106	1,702	3,928	649	800	3,000	(8)
400272	Ad & Promo/Community Events	1,563	1,722	-	-	-	-	-	
400280	Adm Exp/Program Supplies	5,292	1,600	3,432	1,126	4,374	5,808	6,881	(9)
	Subtotal Prof & Admin Services	185,563	239,819	169,680	202,481	187,187	427,358	377,606	
400231	Off Exp/Postage & Mailing	10,849	5,905	6,528	14,981	5,794	15,355	30,000	(10)
400232	Off Exp/Printing & Binding	12,071	3,295	3,428	735	2,377	15,425	30,000	(11)
400233	Off Exp/Copying & Duplicating	46	-	236	-	-	-	-	
400304	Rental Exp/Equipment Rental	8,721	4,532	2,488	2,554	3,255	9,000	9,000	(12)
400321	Misc. Exp/Misc. Contrib	3,000	-	1,500	1,500	-	2,000	-	
400322	Misc. Exp/Misc. Exp	3,061	2,262	-	173	627	5,000	-	
400341	Off Supp/Office Supplies	8,721	6,024	1,891	6,457	6,316	5,000	8,000	(13)
400344	Off Supp/Computer Supplies	18	783	-	-	-	-	-	
	Subtotal Other Operating	46,486	22,801	16,072	26,400	18,369	51,780	77,000	
400121	Carry forward from FY 2022-23 - System	-	-	-	-	-	(100,000)	-	
400401	Utilities/Tel & Telegraph	254	414	551	498	-	500	500	
400538	Contract Svcs/Other Contract Svcs	-	-	103	150	112	-	-	
400552	Prov Fr Ins Loss/Ins Gen Liab	8,029	8,765	9,047	8,991	9,163	9,300	9,500	
400574	Cost Pool/(ISF)-Gen Liab	55,701	75,144	69,513	79,937	83,934	-	99,980	(14)
400586	Cost Pool/(CAP)-Admin Charges	51,454	51,454	51,454	52,481	52,481	-	-	(14)
400591	Cost Pool/(IND)/Civic Ctr Alloc	52,420	47,026	50,289	50,286	48,217	60,248	56,315	(14)
400601	Noncap Asst/Comp Hardware<5K	-	6,526	-	-	-	5,000	-	
400604	Noncap Asst/Furniture<5K	13,328	-	-	-	-	-	-	
	TOTAL EXPENSES	2,047,186	2,264,738	2,143,246	2,175,258	2,581,531	3,004,698	3,606,614	
	NET BUDGET BALANCE	143,017	441,530	652,608	181,431	53,846	70,000	100,000	
Notes:									
(1) Assumes a Fiscal Year 2024-25 Rental Housing Fee of \$261 for Fully Covered unit and \$148 for Partially Covered units									
(2) Refer to the Budget and Fee Study for detailed salary and wage assumptions - amounts provided by City's Finance - Budget Division and MOUs									
(3) The Rent Program received budgeted Fringe Benefits amounts from the City's Finance - Budget Division with the exception of Workers Compensation									
(4) Includes \$20,000 for temporary services, \$41,700 for interpretation services, and \$19,000 for translation services									
(5) Includes \$200,000 contract with the Eviction Defense Center to assist with Unlawful Detainer cases, \$75,000 to contract legal services for landlords/tenants									
(6) TRAKIT annual fee for IT charge \$2,500 for City land management CRM									
(7) Anticipated cost of Bar Association dues for three attorneys (\$675 per Attorney); Object #400263 for \$4,500 for a property information subscription, \$3,000 for a legal research subscription									
(8) Budgeted amount includes funds to satisfy the requirement to publish notices in the newspaper for public hearings as part of the budget adoption process and social media, and outreach supplies									
(9) Budgeted amount includes the cost of email accounts for Rent Board Members, business cards, and videoconference/webinar accounts, supplies and food at Rent Board meetings									
(10) Budgeted amount reflects anticipated postage costs for mailers: Rental Housing Fee invoices, tenancy registration mailings, and the postcards, and Guide to Rent Control									
(11) Budgeted amount reflects anticipated printing costs: Rental Housing Fee invoices, tenancy registration mailings, postcards, and the Guide to Rent Control									
(12) Lease of copy machines including an estimated of cost-per-copy									
(13) Office supplies to operate Rent Program									
(14) Rent Program is collaborating with the City to execute an agreement for reasonable Cost Pool allocations and charges									

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Kevin W. Harper CPA & Associates

March 12, 2020

Ms. Paige Roosa
Deputy Director
City of Richmond Rent Program
440 Civic Center Plaza, Suite 200
Richmond, CA 94804

Dear Ms. Roosa:

The Rent Program engaged me to:

1. Develop and present a ten-year financial projection of revenues, expenditures and reserves for the Rent Program, including consideration of the historical rate of collection of the Rental Housing Fee and assumptions for future collection rates.
2. Provide recommendations on how to meet the Rental Program's goal of building 17% operating reserves by the close of the 2020-21 fiscal year, and how best to achieve long-term financial stability in a manner that is consistent with all applicable laws and regulations including but not limited to Section 50076 of the California Government Code.
3. Provide recommendations regarding financial and budgetary "best practices" to be utilized by the Rent Board and Rent Program staff members, specifically as it relates to the preparation of an annual budget and fee study for approval by the Rent Board.

During the project, I reviewed relevant Rent Board and City of Richmond documents, gained an understanding management's goals and concerns, researched relevant best practices, and participated in working meetings to develop projection assumptions.

The ten-year financial projection is include as Attachment I. Following are my observations and recommendations:

FINANCIAL STABILITY RECOMMENDATIONS

1. Maximizing revenue

A significant challenge for the Rent Program is identifying all units that are subject to the Rental Housing Fee. To date, units have been identified by sending postcards to occupants of units, crosschecking list of units with other City programs, and obtaining information from the City Planning Division. Although not

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definitively known at this time, Rent Program staff believe as much as 25% of partially covered units may not yet be identified and billed. If partially covered units increased by 25% (~2500 units), revenue would increase by approximately \$1 million per year. The Rent Program should expand efforts to identify additional units by performing regular review of Zillow and other online rental platforms. Additionally, tenants, landlords and other stakeholders should be regularly encouraged to help identify units that should be in the program.

2. Inflationary increase for Rental Housing Fee

The City includes an inflationary increase in most of its fees when it adopts its Master Fee Schedule each year. It determines the percentage increase based on the Employment Cost Index from the US Bureau of Labor Statistics. The Rent Board does not include inflationary increases for its fees. Large increases every few years are harder than smaller increases every year for both the Rent Board and the landlords. A steady planned increase in the fee allows planning by both parties, is consistent with the Rent Board's need to match revenues and expenditures, and is logical to landlords. In years when an inflationary increase is not adequate to meet the Rent Board's needs, then it will be easy to identify to stakeholders what the additional costs are for.

The Rent Board should consider increasing fees each year based on an inflationary estimate. Staff should investigate the legal and political issues before adopting.

3. Reserve policy

The Government Finance Officers Association (GFOA) recommends that governments should maintain a prudent level of financial reserves to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Reserve funds may be used at the Rent Board's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities.

The Rent Board should adopt a Reserve Policy that addresses the following:

- The purpose for the reserve funds
- Under what circumstances the reserve funds may be used
- The amount of the reserve funds, including how the amount was determined and the minimum and maximum reserve levels
- How and when reserve funds are initially built
- How and when the reserves will be replenished after they are fully or partially used

Regarding the appropriate amount of reserves, GFOA recommends:

The adequacy of [reserves] should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments,

regardless of size, maintain unrestricted budgetary fund balance...of no less than two months of regular ... operating revenues or ... operating expenditures.

Via discussions with Rent Program management, it has been determined that 17% minimum reserve is an acceptable target. We discussed worst case scenario estimates of revenue losses during an economic downturn and determined that such level of reserves would allow time for the Rent Program to identify the downturn and the Rent Board time to make decisions to cut expenses to match the new level of revenue. 17% of annual expenditures equates to approximately \$470,000.

The reserve level is \$55,339 at June 30, 2019. As shown in the ten-year projection at Attachment I, fiscal year 2019-20 is expected to end with a \$319 thousand surplus and fiscal year 2020-21 with a \$134 thousand surplus. Accordingly, it appears that the Rent Program can fund its reserves by June 30, 2021.

The Reserve Policy should clarify what action the Board and senior management will take when revenues decline due to recession or conversion/reduction in the number of applicable units. Without such plan, it may take too long to adjust service offerings and expenses to match the decline in revenues, thereby causing unneeded financial stress.

The City's financial system has the capability to set up a separate account within the fund balance group of accounts for reserves. The Rent Program should work with Accounting to set this up. This will allow the Rent Program to track the amount of reserves at any moment, to assure that the City agrees with the amount of reserves available, and allows easy proof of compliance with the new reserve policy.

4. Fee policy

The Rent Board should adopt a policy that identifies the manner in which fees are established, billed and collected. Stakeholders should be given an opportunity to provide input into formulation of this policy via one or more community budget workshops. This will increase community understanding and support for the program, and allow management to better understand the needs and concerns of its stakeholders. Costs of service include direct and indirect costs such as operating and maintenance costs, City overhead allocations, and charges for use of capital (depreciation and debt service). State and local laws governing the establishment of fees should be identified in the policy.

The Fee Policy should also address:

- How penalties and interest are determined and billed
- The process for increasing (or decreasing) fees
- Require fee study to demonstrate the need for the amount of fees collected. See recommendation #11 below.
- Identify the process for determining that a unit is eligible for exemption, including required documentation

The Fee Policy should be supplemented with related written procedures. GFOA recommends every government document its accounting procedures "...as an essential component of a comprehensive framework of internal controls." Documentation of comprehensive accounting procedures will allow:

- o Management to understand and evaluate whether procedures provide adequate internal controls and mitigation of risks
- o Employees to review and revise procedures as circumstances, laws, technology and accounting standards change
- o Internal and external auditors to assess the adequacy of the Rent Program’s internal controls
- o New employees to be trained to provide consistent service and quality upon staff turnover

5. City allocations

The City allocates the cost of providing shared services (e.g., accounting, human resources, information technology, legal, insurance, facilities, management) to all City departments. For fiscal year 2018-19, the amounts charged to the Rent Program were:

City Pool/(ISF)-Gen Liab	\$91,262
City Pool/(CAP)-Admin Charges	51,452
City Pool/(IND)-Civic Ctr Alloc	<u>47,024</u>
	<u>\$189,738</u>

Since the Rent Program is essentially an independent agency rather than a City departments, it is possible that it is being charged for City services that are not utilized. For example, if the City allocations include legal costs, the fact that the Rent Program hires its own attorneys may not have been adequately contemplated in the allocations.

Rent Program staff should work with Accounting to understand how the indirect costs are calculated and allocated, and then should determine whether the amounts being charged to the Rent Program are reasonable. If not, begin negotiations with the City for relief from the allocations.

6. Comparisons to peers

There are rent programs in other communities that face similar challenges and opportunities as the Richmond Rent Program. There are many benefits of sharing learnings and non-confidential information with these other programs. Examples of topics that the Rent Program might benefit from shared knowledge includes (a) expected impact on revenue when an economic downturn is predicted, (b) how to identify units subject to the housing fee, (c) staff composition and compensation, (d) cost of operations, (e) stakeholder communications. The Rent Program should identify a few similar rent programs and build a community to share learnings.

BUDGET RECOMMENDATIONS

7. Budget policy

The Rent Program does not have its own budget policy. Although the City has a budget policy, it is not applicable to the Rent Board’s budget adoption process because the Rent Ordinance gives authority to the Rent Board to adopt the Rent Program’s budgets. The GFOA recommends that governments follow the National Advisory Council on State and Local Budgeting (NACSLB) framework. This framework states that “the mission of the budget process is to help decision makers make informed choices about the

provision of services and capital assets and to promote stakeholder participation in the process.” The framework can be found at https://www.gfoa.org/sites/default/files/NACSLB_RecommendedBudgetPractices.pdf.

According to NACSLB, the budget process should accomplish the following:

- Involve stakeholders
- Identify stakeholder issues and concerns
- Obtain stakeholder support for the overall budgeting process
- Achieve stakeholder acceptance of decisions related to goals, services, and resource utilization
- Report to stakeholders on services and resource utilization, and serve generally to enhance the stakeholders’ view of government

The Rent Board should adopt a budget policy. This policy should cover at a minimum:

- Overview of budget process and purpose
- How stakeholder input is obtained
- The definition of a balanced budget
- Roles and responsibilities related to preparation, approval and managing the budget
- Quarterly financial reports showing budget vs. actual revenues and expenditures reviewed by senior management and the Rent Board
- Authorization needed to revise the budget (e.g., when can savings in one line item be used for another?)
- Legal level of budgetary control
- Key dates
- Whether unused appropriations lapse at year end or are automatically reappropriated
- Limit the use of one-time revenues for ongoing expenditures

The Budget Policy should be supplemented with related written procedures that describe what tasks individual employees perform to accomplish the Board’s policy, who is responsible for each task, what internal controls are to be followed and what forms will be used to document approvals and audit trails.

8. Budget format

The annual budget should be prepared following account titles and account numbers in the City’s chart of accounts in order to facilitate recording the budget in the financial system. The budget should be broken down by quarters in order to facilitate preparation of quarterly financial reports that show budget vs actual revenues and expenditures.

Assumptions related to each budget line item should be documented during the budget preparation process. These assumptions should include:

- The rate of inflation assumed, how it was estimated, and what line items it was applied to
- The number of rental units anticipated and how estimated
- The percentage of fees expected to be collected and how estimated
- A list of all authorized staff positions and the expected salaries and benefits related to each
- Allocations of indirect costs from the City
- Expenses related to capital projects or new capital assets

- New contracts expected to be entered into
- Additions to reserves

Attachment II is a recommended sample budget format.

9. Ten-year projection

Long-term financial planning stimulates discussion about the financial impact of an organization's plans and objectives, and engenders a long-range perspective for decision makers. A multi-year financial projection is a tool to minimize financial challenges, stimulate long-term and strategic thinking, gain consensus on long-term financial direction, and communicate plans with internal and external stakeholders.

As part of this project, we assisted the Rent Program to develop the format and process for preparing a ten-year financial projection. See Attachment I for the ten-year financial projection document.

A key element of the projection document is that it is prepared the same way, and in the same level of detail as the annual budget. Projection assumptions are documented in the same way as are assumptions for the budget. The first year of the ten-year projection should become the first draft of the Rent Program's annual budget. The ten-year projection should be updated each year by adding an additional year of projection, reviewing and updating previous assumptions used, and considering new information or management plans.

10. Budget vs. actual quarterly report

A key element of an effective budget process is monitoring actual results against the budget throughout the year. This is done to allow management time to make adjustments if necessary to expenditures, policies or operations. The best way to monitor budget vs. actual results is to prepare a quarterly financial report that is reviewed by management and the Board. Although this budget vs. actual report is an internal management document, it should be reviewed by the Rent Board at a public meeting. Attachment III is a proposed format for the quarterly budget vs. actual financial report.

Key elements of this budget vs. actual report are:

- It is initially prepared at the same level of detail as the budget.
- Significant variances between budgeted and actual amounts are identified, explained and documented. Operating managers will frequently need to be consulted to understand the reasons for variances. It is important to quantify variances that are explained. It is better to thoroughly research and explain very large variances than to do a more cursory explanation of many variances. The variances should be documented on the budget vs. actual financial report.
- The line items of the budget vs. actual report can be rolled up to present less detail depending on the needs of each user. For example, you may want a one-page easy-to-read version for the Board, and may want all detail for a department manager. Whenever there is a rollup, it is important to keep a clear record of which account numbers roll up to which new categories to facilitate explanations and comparisons.

11. Fee study

California Government Code Section 50076 requires that governments charge fees in amounts commensurate with the costs necessary to provide the related services to the fee payers. The Rent Program demonstrates the reasonableness of its fees via calculations performed in a Fee Study. I reviewed the Rent Program's Fee Study, including the methodology used. The methodology and documentation appear reasonable. I have the following observations:

- The Rent Program's expenditures are allocated among three components or layers as follows: Program Layer 55%, Just Cause for Eviction Layer 20%, and Rent Control Layer 25%. Fully covered units pay the fee related to all three layers and partially covered units pay the fee related to the Program and Just Cause for Eviction layers only. The percentage of costs that are allocated to these layers is based on management estimate of the amount of time staff spend performing such tasks. The Rent Program should conduct a time study to determine and document that these percentages are accurate.
- A Fee Study is necessary to ensure that the fees charges to landlords are commensurate with the level of services provided. Such Fee Study is not required to be conducted every year. If there are no significant changes in the costs and fees from one year to the next (e.g., only inflationary increases), a Fee Study is not necessary. Most organizations update fee studies when fee increases are sought and otherwise every 3 to 5 years.

* * * * *

I would be pleased to discuss these recommendations in more detail or to assist with their implementation.

Sincerely,


Kevin W. Harper

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Object #	City Account Description	Historical Actuals					Projected									
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 Actuals to 4/30/24	2023-24 May and June	2023-24 Fiscal Year End	2024-25 Proposed	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
REVENUES																
340445	Fees/Admin Fees (a)	2,189,703	2,681,689	2,764,961	2,332,429	2,553,651	2,667,987	80,000	2,747,987	3,606,614	3,738,035	3,875,852	4,018,727	4,167,733	4,323,155	4,485,294
361701	Int & Invest/Pool-All Other	367	11,537	6,096	9,894	31,647	47,738	8,000	55,738	50,000	51,000	52,020	53,060	54,122	55,204	56,308
364867	Revenue from Collections	133	13,042	24,796	14,366	50,078	26,235	14,000	40,235	50,000	30,000	30,000	30,000	30,000	30,000	30,000
	Total Revenues	2,190,203	2,706,268	2,795,854	2,356,688	2,635,376	2,741,960	102,000	2,843,960	3,706,614	3,819,035	3,957,872	4,101,788	4,251,855	4,408,359	4,571,602
EXPENSES																
Salaries & Wages																
400001	Salaries & Wages/Executive	530,092	639,594	649,356	676,463	764,496	719,389	153,933	873,323	984,703	1,033,939	1,085,635	1,139,917	1,196,913	1,256,759	1,319,597
400002	Salaries & Wages/Mgmt-Local 21	294,152	263,080	183,838	147,008	307,266	327,964	71,400	399,364	467,164	490,522	515,048	540,801	567,841	596,233	626,044
400003	Salaries & Wages/Local 1021	128,866	150,317	168,422	152,925	208,948	196,682	41,709	238,392	443,728	465,915	489,210	513,671	539,354	566,322	594,638
400006	Salaries & Wages/PT-Temp	49,557	45,905	32,244	35,234	21,447	39,339	10,275	49,614	47,000	49,350	51,818	54,408	57,129	59,985	62,984
400031	Overtime/General	4,778	2,094	1,312	1,793	802	352	134	486	2,500	2,625	2,756	2,894	3,039	3,191	3,350
400048	Other Pay/Bilingual Pay	6,993	9,064	9,719	7,910	10,713	10,991	1,879	12,869	14,289	15,003	15,753	16,541	17,368	18,236	19,148
400049	Other Pay/Auto Allowance	4,200	4,200	4,200	4,200	-	3,500	700	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
400050	Other Pay/Medical-In Lieu of	2,700	1,500	-	-	-	14,224	3,053	17,277	-	-	-	-	-	-	-
400053/8	Pension Credits / OTHER PAY/Bonuses	-	-	-	34,200	-	2,000	-	2,000	19,694	20,679	21,713	22,798	23,938	25,135	26,392
400079	Comp Absences/WC-Prof-Mgt-Tec	1,486	5,328	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal - Salaries & Wages	1,022,823	1,121,084	1,049,091	1,059,732	1,317,872	1,314,441	283,083	1,597,524	1,983,278	2,082,232	2,186,134	2,295,230	2,409,782	2,530,061	2,656,354
Fringe Benefits																
400103	P-Roll Ben/Medicare Tax-ER Shr	14,937	16,389	15,313	15,435	19,219	18,929	4,109	23,038	26,457	26,986	27,526	28,076	28,638	29,211	29,795
400104	P-Roll Ben/PERS Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400105	P-Roll Ben/Health Insurance Be	146,557	136,575	128,611	168,100	238,838	217,215	46,276	263,491	326,838	333,375	340,042	346,843	353,780	360,856	368,073
400106	P-Roll Ben/Dental Insurance	16,652	17,021	17,534	13,509	16,624	13,873	2,775	16,648	19,418	19,806	20,202	20,607	21,019	21,439	21,868
400109	P-Roll Ben/Employee Assistance	430	473	422	244	217	184	37	220	252	257	262	267	273	278	284
400110	P-Roll Ben/Professional Dev-Mg	3,728	5,200	1,500	2,500	1,500	1,297	1,500	2,797	6,750	6,885	7,023	7,163	7,306	7,453	7,602
400111	P-Roll Ben/Life Insurance	2,106	2,095	2,049	1,588	1,985	1,664	333	1,997	2,324	2,370	2,418	2,466	2,516	2,566	2,617
400112	P-Roll Ben/Visa Insurance	5,557	4,006	3,433	3,336	3,884	3,275	6,055	3,930	4,047	4,128	4,295	4,381	4,468	4,558	4,648
400114	P-Roll Ben/Long Term Disabilit	9,408	10,100	9,259	6,952	6,472	6,517	1,404	7,921	13,025	13,286	13,551	13,822	14,099	14,381	14,668
400116	P-Roll Ben/Unemployment Ins	1,860	5,100	4,960	4,440	6,042	5,700	1,140	6,840	6,384	6,512	6,642	6,775	6,910	7,048	7,189
400117	P-Roll Ben/Personal/Prof Dev	750	1,493	1,500	1,140	2,250	430	1,134	1,565	3,750	3,825	3,902	3,980	4,059	4,140	4,223
400118	P-Roll Ben/Worker Comp-Injury Appt	-	-	692	-	-	-	-	-	-	-	-	-	-	-	-
400121	P-Roll Ben/Worker Comp-Clerica	13,806	12,154	14,541	9,042	14,807	8,874	1,831	10,705	-	-	-	-	-	-	-
400122	P-Roll Ben/Worker Comp-Prof	69,352	60,744	74,891	47,762	72,880	92,220	20,299	112,519	94,187	96,070	97,992	99,952	101,951	103,990	106,069
400124	P-Roll Ben/CON-MEDICL EE Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400127	P-Roll Ben/OPEB	39,338	43,623	42,145	40,276	34,620	20,241	4,172	24,413	-	-	-	-	-	-	-
400130	P-Roll Ben/PARS Benefits	642	434	50	398	280	511	134	645	-	-	-	-	-	-	-
400149	P-Roll Ben/Misc	123,021	140,616	139,314	128,986	162,492	173,575	37,353	210,928	240,175	244,979	249,878	254,876	259,973	265,173	270,476
400151	P-Roll Ben/Misc (UAL)	162,985	235,683	271,234	252,844	282,084	199,425	39,019	238,444	258,828	264,005	269,285	274,670	280,164	285,767	291,482
	Subtotal Fringe Benefits	611,127	691,706	727,447	694,301	864,195	763,931	162,171	926,102	1,002,435	1,022,483	1,042,933	1,063,792	1,085,068	1,106,769	1,128,904
Prof & Admin Services																
400201	Prof Svcs/Professional Svcs	32,112	38,241	10,957	10,460	12,649	16,686	3,212	19,899	80,700	82,314	83,960	85,639	87,352	89,099	90,881
400206	Prof Svcs/Legal Serv Cost	137,614	193,742	149,994	183,326	164,576	149,994	33,332	183,326	275,000	280,500	286,110	291,832	297,669	303,622	309,695
400220	Prof Svcs/Info Tech Services	2,375	-	2,142	2,205	-	-	-	-	2,500	2,550	2,601	2,653	2,706	2,760	2,815
400241	Travel & Trng/Meal Allowance	359	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400242	Travel & Trng/Mileage	1,284	17	-	-	-	-	-	-	-	-	-	-	-	-	-
400243	Travel & Trng/Conf, Mtng Trng	280	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400245	Travel & Trng/Tuition Rmb/Cert	800	800	-	-	3,250	1,556	1,046	2,601	-	-	800	800	800	800	800
400261	Dues & Pub/Memberships & Dues	824	1,590	1,453	1,437	1,689	649	-	649	2,025	2,066	2,107	2,149	2,192	2,236	2,280
400263	Dues & Pub/Subscription	1,500	-	-	-	-	-	-	-	7,500	7,650	7,803	7,959	8,118	8,281	8,446
400271	Ad & Promo/Advertising & Promo	1,559	2,106	1,702	3,928	649	1	-	1	3,000	3,060	3,121	3,184	3,247	3,312	3,378
400272	Ad & Promo/Advertising & Promo	1,563	1,722	-	-	-	-	-	-	-	-	-	-	-	-	-
400280	Adm Exp/Program Supplies	5,292	1,600	3,432	1,126	4,374	4,639	1,008	5,647	6,881	7,019	7,159	7,302	7,448	7,597	7,749
	Subtotal Prof & Admin Services	185,563	239,819	169,680	202,481	187,187	173,525	38,598	212,122	377,606	385,158	393,661	401,519	409,533	417,708	426,046
Other Operating																
400231	Off Exp/Postage & Mailing	10,849	5,905	6,528	14,981	5,794	5,988	9,000	14,988	30,000	30,600	31,212	31,836	32,473	33,122	33,785
400232	Off Exp/Printing & Binding	12,071	3,295	3,428	735	2,377	4,727	10,000	14,727	30,000	30,600	31,212	31,836	32,473	33,122	33,785
400233	Off Exp/Copying & Duplicating	46	-	236	-	-	-	-	-	-	-	-	-	-	-	-
400304	Rental Exp/Equipment Rental	8,721	4,532	2,488	2,554	3,255	954	-	954	9,000	9,180	9,364	9,551	9,742	9,937	10,135
400321	Misc Exp/Misc Contrib	3,000	-	1,500	1,500	-	1,915	-	1,915	-	-	-	-	-	-	-
400322	Misc Exp/Misc Exp	3,061	2,262	-	173	-	103	500	603	-	-	-	-	-	-	-
400341	Off Supp/Office Supplies	8,721	6,024	1,891	6,457	627	1,829	1,500	3,329	8,000	8,160	8,323	8,490	8,659	8,833	9,009
400344	Off Supp/Computer Supplies	18	783	-	-	6,316	4,276	-	4,276	-	-	-	-	-	-	-
	Subtotal Other Operating	46,486	22,801	16,072	26,400	18,369	19,793	21,000	40,793	77,000	78,540	80,111	81,713	83,347	85,014	86,715
400201	Carry forward from FY 2022-23 - System	13,328	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400401	Utilities/Tel & Telegraph	254	414	551	498	112	56	-	56	500	510	520	531	541	552	563
400538	Contract Svcs/Other Contract Svcs	-	-	103	150	-	-	-	-	-	-	-	-	-	-	-
400552	Prov Fr Ins Loss/Ins Gen Liab	8,029	8,765	9,047	8,991	9,163	9,195	-	9,195	9,500	9,690	9,884	10,081	10,283	10,489	10,699
400574	Cost Pool/(ISF)-Gen Liab	55,701	75,144	69,513	79,937	83,934	181,454	36,290	217							

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