

## AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 17, 2024

Final Decision Date Deadline: June 17, 2024

**STATEMENT OF THE ISSUE:** The minutes of the May 15, 2024, Regular Meeting of the Richmond Rent Board require approval.

### 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 the minutes of the May 15, 2024, Regular Meeting of the Richmond Rent Board – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

**G-2.**

***This page intentionally left blank***

**RICHMOND, CALIFORNIA, May 15, 2024**

The Open Session to Hear Public Comments before Closed Session was called to order at 5:13 PM.

**ROLL CALL**

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

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

**Absent:** None.

**PUBLIC COMMENT BEFORE CLOSED SESSION**

None.

**ADJOURN TO CLOSED SESSION**

The Open Session to Hear Public Comments Before Closed Session adjourned at 5:15 PM.

**CLOSED SESSION – Shimada Room, City Council Chambers**

**The Regular Meeting of the Richmond Rent Board was called to order at 5:39 PM.**

**PLEDGE TO THE FLAG**

**ROLL CALL**

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

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

**Absent:** None.

*(Vice Chair Guadalupe absent as of 7:30 P.M.)*

**STATEMENT OF CONFLICT OF INTEREST**

None.

**REPORT FROM LEGAL COUNSEL OF FINAL DECISIONS MADE IN CLOSED SESSION**

General Counsel Charles Oshinuga reported that the Board decided that per the MOU, the Executive director should be evaluated on his anniversary date or 60 days, thereabout. The Board will do the evaluation on or about October 25<sup>th</sup> of this year.

**AGENDA REVIEW**

None.

**PUBLIC FORUM**

Kimberly Graves expressed a situation with her tenant. The tenant has lived in the home for 20 years and ran a daycare business while receiving small rent increases. She wants the Rent Board to consider mom-and-pop landlords, and she mentioned that a situation has been created where tenants are treated like victims and victimizing landlords. She stated that she was told that she did not file all the necessary documents needed for an Owner Move-In Eviction with the Rent Board according to the Ordinance, and she was also told she could not move into that property because she owns other properties and does not qualify for the eviction. The property is in San Leandro, but she mentioned it is someone else with the same name, but it is not her. Ms. Graves stated that it is unfair and wants the Rent Board to try to understand that there is a human side to landlords who are being victimized.

Ilona Clark expressed to the Board that before going into budget discussions, she hopes the Board and staff understands that the current climate that we are practicing is to preserve housing in this climate. She also mentioned that not too long ago, when inflation was very high, the voters of Richmond decided to limit allowable rent raises to 3% or 60% of inflation, whichever is lower; that is the law, and that was passed when inflation was higher, now inflation has come down as predicted to a more tolerable and normal levels, and we are still going to be limited to be 60% of that amount which is probably around 1.5% for this coming year, which will be rough for people on the edge, especially with homeowners' insurance skyrocketing. Many homeowners are having to cancel their policy. She also said the State insurance is incredibly high and only covers the outstanding balance amount if the property gets burned. She also mentioned

that although inflation is going down, interest rates are still high, and she hopes it will go down soon because she is stuck with a 1.5% rent increase. She feels the imbalance is going from bad to worse and hopes she has gotten her point across.

Marilyn Langlois thanked the Board and staff for their diligent work on the budget during the previous meeting. She particularly commended the Board's decision to have the staff present a budget that aligns closely with the rent fees, a move she believes will greatly benefit the program as a whole. Marilyn also expressed her appreciation for the staff's efforts in addressing the Cost Pool issues with the City. She expressed optimism and confidence that a resolution will be reached, further strengthening the relationship between the City and the Rent Program.

### **RENT BOARD CONSENT CALENDAR**

Rent Board Clerk Cynthia Shaw read the Consent Calendar items.

On motion of Board Member Hite, seconded by Board Member Espinoza the item(s) marked with an (\*) were approved unanimously.

**\*G-1.** Approve the minutes of the April 17, 2024, Regular Meeting of the Richmond Rent Board.

**\*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 April 2024.

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

**\*G-5.** Approve late fee waiver(s) for May 2024 pursuant to Regulation 425.

### **REGULATIONS**

**H-1.** The matter to amend Regulation 322 to include language that clarifies that Rent Board members, or the Rent Board, may submit agenda items and agenda reports was presented by Staff Attorney Palomar Sanchez. The presentation included a statement of the issue, background about the current Regulation 322 (A), background of the proposed Regulation 322(A), the recommended action, and the agenda action.

Before discussing the item with the Board and Staff, General Counsel Charles Oshinuga briefly commented on the proposed amendments to the Regulation. He mentioned in one of his prior trainings that he trained on agendizing items, that it was stated that the Rent Board as a whole may agendize items, and the body of the text explains how that is accomplished. He mentioned that even though the title is misleading, he wanted to clarify that the Rent Board as a whole does not agendize items; the Rent Board as a whole can direct staff to agendize any items they would like to see returned to the Board. So, staff can agendize items, individual Board Members can agendize items, or the Rent Board as a Whole can direct staff to agendize an item they want to return to the Board, and then staff will present that item. Discussion ensued. There was no public comment on this item.

A motion made by Board Member Hite, seconded by Board Member Dockens, to direct staff to return to the Board with the amended Regulations and agendize the item under the Consent Calendar for the June Regular Meeting, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, Vice Chair Guadalupe, and Chair Cantor. **Noes:** None. **Abstentions:** None. **Absent:** None.

### **RENT BOARD AS A WHOLE**

**I-1.** The matter to 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 was presented by Board Member Dockens. The oral presentation included a summary of the item, the Statement of the Issue, the Recommended Action, the Fiscal Impact, and the Background, which included language from the Richmond Rent Ordinance Section 11.100.060 (n) and the Richmond Rent Board Regulations Section 5, Section 502 B (4), and next steps. Discussion ensued. The following individual made a public comment: Ilona Clark. A motion by Chair Cantor and seconded by Board Member Dockens, to direct staff to complete the following and present to the Board at the July 2024 Rent Board Regular meeting for Board approval to incorporate into the relevant documents any composed appropriate language to identify the official newspaper of the Rent Board to be included in the notes to readers section of the Regulations following the table of contents, be to create a note to the reader supplement to the Richmond Rent Ordinance and include the composed language to identify the official newspaper of the Rent Board, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, Vice Chair Guadalupe, and Chair Cantor. **Noes:** None. **Abstentions:** None. **Absent:** None.

**BUDGET**

**J-1.** The matter to (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 was presented by Deputy Director Fred Tran. The presentation included the Statement of the Issue, the Background, the Fiscal Impact, Proposed FY 2024-25 Budget summary which included a chart of the proposed Salaries & Wages Fringe Benefits, proposed Professional and Administrative Services, Other Operating costs, Cost Pool and Other Non-capital costs, financial status and 10-Year Projections which included background about the 10-Year Financial Projection, 10-Year Financial Projections high-level summary, 10-Year Financial Projection Reserve Policy, Proposed Rental Housing Fee Study which included a chart of applicable unit counts, proposed budget and Rental Housing Fees, expense and revenue summary, comparison of proposed FY 2024-25 Rental Housing Fee to Prior Years, next steps, and the Recommended Action. The following individuals made public comments: Ilona Clark, Finance Director Andrea Miller, Marilyn Langlois. Discussion ensued.

Finance Director Andrea Miller, Director of Finance stated that the Cost Pool charges will be offset with a Subsidy for the current fiscal year 2023-24 and next fiscal year 2024-25. The Rent Program will not be expending any funds to recover the Cost Pool charges, 100% of the transfer will be City funded. She stressed that it will be pending City Council approval. The Subsidy will not be required to be paid back as a loan with any interest bearing, it will be considered a transfer from the City to the Rent Program to offset those Cost Pool charges.

A motion was made by Chair Cantor that the Board receive a presentation of the draft Proposed Fiscal Year 2024-25 Rent Program Budget and corresponding 10-year Financial Projection presentation and to hold off on determining the timeline until the Board's next Special Meeting. At that meeting, the Board will have updated budget information that will give the Board ample time to publish ten days in advance of whether the Board decides to have the Public Hearing on June 11th or June 19th. General Counsel Oshinuga recommended that Chair Cantor include the direction to staff in her motion.

Chair Cantor amended her motion that the Board received the draft Proposed Fiscal Year 2024-25 Rent Program Budget and corresponding 10-year Financial Projection presentation and directed staff to prepare a new draft budget to include a 360 review process of the Executive Director, updated information about cost pool based on what the City has proposed, and updated revenue projections based on the assumption of the new Compliance Specialist position and provide information about what they will be able to do and the Board will determine the schedule regarding the Public Hearing at

the next scheduled meeting, seconded by Board Member Dockens, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Chair Cantor. **Noes:** None. **Abstentions:** None. **Absent:** Vice Chair Guadalupe.

**REPORTS OF OFFICERS**

None.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:13 P.M.

Cynthia Shaw

Staff Clerk

(SEAL)

Approved:

---

Rent Board Chair