

# AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: June 28, 2024

Final Decision Date Deadline: June 28, 2024

**STATEMENT OF THE ISSUE:** Section 11.100.070(b) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance provides no later than June 30 of each year, the Board shall announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year. Adoption of a regulation is necessary to announce the amount of the 2024 Annual General Adjustment applicable to those tenancies that were in effect prior to September 1, 2023.

## INDICATE APPROPRIATE BODY

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

## ITEM

- |   |  |                                 |
|---|--|---------------------------------|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) |  |                                 |
| <input type="checkbox"/> Public Hearing   | <input checked="" type="checkbox"/> Regulation                                   | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Contract/Agreement   | <input type="checkbox"/> Rent Board As Whole                                     |                                 |
| <input type="checkbox"/> Grant Application/Acceptance                                 | <input type="checkbox"/> Claims Filed Against City of Richmond                   |                                 |
| <input type="checkbox"/> Resolution   | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) |                                 |

**RECOMMENDED ACTION:** ADOPT Regulation 613, establishing the 2024 Annual General Adjustment in the amount of 1.44% for tenancies commencing prior to September 1, 2023 – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564). *This item was continued from the June 17, 2024, Regular Rent Board Meeting.*

AGENDA ITEM NO:

**H-1.**

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# AGENDA REPORT

**DATE:** June 28, 2024

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

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

**SUBJECT:** REGULATION ANNOUNCING THE 2024 ANNUAL GENERAL ADJUSTMENT

## **STATEMENT OF THE ISSUE:**

Section 11.100.070(b) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance provides no later than June 30 of each year, the Board shall announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year. Adoption of a regulation is necessary to announce the amount of the 2024 Annual General Adjustment applicable to those tenancies that were in effect prior to September 1, 2023.

## **RECOMMENDED ACTION:**

ADOPT Regulation 613, establishing the 2024 Annual General Adjustment in the amount of 1.44% for tenancies commencing prior to September 1, 2023 – Rent Program (Nicolas Traylor/Charles Oshinuga 620-6564).

## **FISCAL IMPACT:**

There is no fiscal impact related to this item.

## **DISCUSSION:**

### Background

Measure P amended Richmond Municipal Code Section 11.100.070(b)(1), to explain that the Annual General Adjustment is equal to sixty percent (60%) of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region) as reported by the U.S. Department of Labor, Bureau of Labor

Statistics, or three percent (3.0%), whichever is lower, for the 12-month period ending as of March of the current year,. (Attachment 2).<sup>1</sup>

No later than June 30 of each year, the Rent Board must announce the amount of the Annual General Adjustment for the current year. This percentage represents the Annual General Adjustment that may take effect September 1.

## Calculation of the Maximum Allowable Rent

As written, Regulation 613 announces the Annual General Adjustment by which the Maximum Allowable Rent may increase for Controlled Rental Units. To reduce the risk of error, staff members utilize the U.S. Department of Labor, Bureau of Labor Statistics' determination of the CPI in a given 12-month period. The chart in Attachment 2 contains the CPI percentage for the last year.

The change in the Consumer Price Index for 2024 is 2.4%. Sixty percent (60%) of 2.4% is 1.44%. Because 1.44% is less than 3.0%, the Annual General Adjustment for 2024 is 1.44%.

## Next Steps

Staff members will draft a template rent increase notice for Landlord use based on the new 2023 Annual General Adjustment. These forms will be available on the Rent Program website ([www.richmondrent.org](http://www.richmondrent.org)), within thirty days (30) upon Rent Board adoption of Regulation 613.

In addition, staff members will send an announcement to community members announcing the 2024 Annual General Adjustment. Additional community engagement and education is anticipated to address questions regarding application of the 2024 AGA in September 2024.

## **DOCUMENTS ATTACHED:**

Attachment 1 – Regulation 613, Establishing the 2024 Annual General Adjustment

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

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<sup>1</sup> Since the Consumer Price Index is not announced for the San Francisco-Oakland-San Jose region in March, staff established utilization of the amount published in February.

**ITEM H-1**  
**ATTACHMENT 1**

**613. Annual General Adjustment Order for 2024**

The percentage increase in the CPI from 2022-2023 is 1.44%. Subject to Regulation 601, and any other applicable Regulation and/or provision of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance, the following Annual General Adjustment shall apply:

- A. The 2024 Annual General Adjustment is not to exceed 1.44%.
- B. The Annual General Adjustment granted by this Regulation shall become effective on September 1, 2024, provided that the Landlord is in full compliance with all applicable provisions of the provisions of the Richmond Fair Rent, Just Cause For Eviction and Homeowner Protection Ordinance, outstanding Rent Board and/or Hearing Examiner Orders, and any other applicable Regulation.
- C. Where the Landlord is entitled to the adjustment pursuant to the provisions of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance, and any other applicable Regulation, the Annual General Adjustment granted by this Regulation does not automatically provide for a rent increase. A Landlord may increase Rent by the 2024 Annual General Adjustment for tenancies in effect prior to September 1, 2023, only if the Landlord is in compliance with Regulation 601, and has complied with any existing Rent Board and/or Hearing Examiner Order(s).

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Time Period: Start Year:  End Year:

Net Monthly Changes:

1-Month Net Change

3-Month Net Change

Update

Month Net Change

12-Month Net Change

Percent Monthly Changes:

1-Month % Change

6-Month % Change

3-Month % Change

12-Month % Change

All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted



Click and drag in the plot area to zoom in. Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.



Data extracted on: Jun 13, 2024 (2:21:51 PM)

Consumer Price Index for All Urban Consumers (CPI-U)

**Series Title** : All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted  
**Series ID** : CUURS49BSA0  
**Seasonality** : Not Seasonally Adjusted  
**Survey Name** : [Consumer Price Index for All Urban Consumers \(CPI-U\)](#)  
**Measure Data Type** : All items  
**Area** : San Francisco-Oakland-Hayward, CA  
**Item** : All items

Latest Observation:

April 2024

**351.247**

Feb 2020 - Apr 2024

Minimum Value: April 2020

**298.074**

Maximum Value: April 2024

**351.247**

Data Availability:

1914 - 2024

.CSV

Year	Period	Label	Value	12-Month % Change
2023	M04	2023 Apr	338.496	4.2
2023	M06	2023 Jun	340.056	2.9
2023	M08	2023 Aug	340.094	3.4
2023	M10	2023 Oct	341.219	2.8
2023	M12	2023 Dec	339.915	2.6
2024	M02	2024 Feb	345.151	2.4
2024	M04	2024 Apr	351.247	3.8

