

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: August 21, 2024

Final Decision Date Deadline: August 21, 2024

STATEMENT OF THE ISSUE: The minutes of the June 28, 2024, Special 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 June 28, 2024, Special Meeting of the Richmond Rent Board – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

F-1.

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RICHMOND, CALIFORNIA, June 28, 2024

The Open Session to Hear Public Comments before Closed Session was called to order at 5:35 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 5:37 PM.

CLOSED SESSION – Shimada Room, City Council Chambers

The Special Meeting of the Richmond Rent Board was called to order at 6:00 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

Iлона Clark expressed concerns about rent control's implementation in Richmond, expressing that her initial hopes for a balanced approach were not realized. She highlighted unmet promises regarding historically low rent (HLR) increases and capital improvement raises. Ms. Clark also expressed that the rent adjustment petition process starts with a 20-page document, which is cumbersome and time-consuming, and mentioned that the staff is disorganized. She also pointed out issues with paying fees online, suggesting that these inefficiencies might hinder fee collection. Ms. Clark called for better communication and collaboration among Housing Providers and staff, offering her help to improve the situation.

Kimberly Graves, a "mom and pop" landlord, expressed concerns about the rent board's rules and procedures, which she believes are unfairly targeting small landlords like herself. She acknowledges the need to protect tenants and vulnerable populations but argues that the current system is excessively burdensome for landlords. Ms. Graves highlights how tenants can exploit the system by obtaining fee waivers and free legal representation without income verification and requesting costly jury trials that can financially devastate mom-and-pop landlords. She shared her personal experience of attempting an owner move-in, where her tenant, advised by an attorney, stopped paying rent, causing her significant emotional and financial distress. Ms. Graves also recounts her negative experience with a lawyer who charged her over \$20,000 without a resolution. She mentioned that the system is designed to favor tenants at the expense of small landlords, ultimately leading to their financial ruin.

Christina Redse, a longtime Richmond resident and small landlord, expressed concerns about the direction rent control has taken in the city. When Measure L first passed, she and others worked closely with city officials, hoping for a fair implementation that would unify the community. However, she feels that the focus has increasingly shifted towards legal battles rather than mediation, which she believes would be a more effective and less costly approach. Ms. Redse is concerned that the current system is driving out small, working-class landlords, making it difficult for them to operate. She hopes to collaborate with the new Rent Board to find more balanced and community-oriented solutions.

Linda Newton, a property owner in Point Richmond, expressed concerns about the limitations on rent increases, which she feels are insufficient to cover the costs of maintaining her property. She mentioned that she has tenants who have lived in her building for about 15 years, including a woman with health issues who cannot afford a significant rent increase. While she has kept the rent reasonable for this tenant, she finds the current 1.4% cap on rent increases inadequate, especially compared to higher rates in previous years. Ms. Newton is worried about managing her property's expenses under these constraints and is concerned about the rising costs imposed by the rent control organization. She hopes to find a balanced solution that works for both her and her tenants without having to bear increasing financial burdens.

RENT BOARD CONSENT CALENDAR

Rent Board Clerk Cynthia Shaw read the Consent Calendar items. These items were continued from the June 17, 2024, Regular Rent Board Meeting.

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 May 7, 2024, Special Meeting of the Richmond Rent Board.
- ***G-2.** Approve the minutes of the May 15, 2024, Regular Meeting of the Richmond Rent Board.
- ***G-3.** Approve the minutes of the May 31, 2024, Special Meeting of the Richmond Rent Board.
- ***G-4.** Receive letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100.
- ***G-5.** Receive the Fiscal Year 2023-24 Monthly Activity Report through May 2024.
- ***G-6.** Receive the Rent Program FY 2023-24 Monthly Revenue and Expenditure Report through May 2024.
- ***G-7.** Approve late fee waiver(s) for June 2024 pursuant to Regulation 425.
- ***G-8.** Approve an amendment to the contract for community legal services with the Eviction Defense Center, increasing the contract amount by \$200,000 for Fiscal Year 2024-25, to a total not to exceed \$981,2441, and modifying the term to commence on July 1, 2024, through June 30, 2025.
- ***G-9.** Approve an amendment to the contract for interpretation services with Interpreters Unlimited, increasing the contract amount by \$15,000 for Fiscal Year 2024-25, to a total not to exceed \$47,000 and modifying the term to commence on July 1, 2024, through June 30, 2025.
- ***G-10.** Approve an amendment to the contract for translation services with The Spanish Group, LLC increasing the contract amount by \$19,000 for Fiscal Year 2024-25, to a total not to exceed \$48,6001 for the Fiscal Year 2024-25 (July 1, 2024-June 30, 2025).

REGULATIONS

H-1. The matter to adopt Regulation 613, establishing the 2024 Annual General Adjustment in the amount of 1.44% for tenancies commencing prior to September 1, 2023, was presented by Executive Director Nicolas Traylor. The presentation included the statement of the issue, the fiscal impact, the background, the calculation of the maximum allowable rent, the next steps, and the recommended action. Discussion ensued. There were no public comments on this item. A motion

made by Board Member Hite, seconded by Board Member Espinoza to adopt Regulation 613 establishing the 2024 Annual General Adjustment in the amount of 1.4% for tenancies commencing prior to September 1, 2023, 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

I-1. The matter of Staff recommends that the Rent Board authorize replenishing the reserves to a minimum of eighteen percent (18%) of current year budgeted expenditures for the Operating and Stability Reserve and the maximum remaining for the Catastrophic Legal Event Reserve and Catastrophic Reserve as described in the Reserve Policy was presented by Deputy Director Fred Tran. The presentation included the Reserve Policy background, objectives of the Reserve Policy, a chart that consists of the reserve levels, a chart of the status of existing fund balances, proposed next steps, and recommended action. Discussions ensued. The following individual requested gave public comments: Ilona Clark. A motion made by Board Member Hite, seconded by Board Member Espinoza, to approve replenishing the reserves to a minimum of eighteen percent (18%) of current year budgeted expenditures for the Operating and Stability Reserve and the maximum remaining for the Catastrophic Legal Event Reserve and Catastrophic Reserve as described in the Reserve Policy, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Vice Chair Guadalupe. **Noes:** None. **Abstentions:** None. **Absent:** Chair Cantor.

A motion was made by Board Member Hite to recess for 5 minutes before continuing Item J-1, seconded by Board Member Espinoza. The motion to recess for 5 minutes passed with Chair Cantor absent. The meeting was adjourned for recess at 7:30 PM. The meeting was called back to order at 7:46 PM.

BUDGET

J-1. The matter to (1) adopt the Revised Fiscal Year 2024-25 Rent Program Budget; (2) receive and approve Fiscal Year 2024-25 Rental Housing Fee Study; and (3) direct staff to prepare a resolution consistent with the Rent Board's approved Rental Housing Fee Study and Budget, recommending to the City Council adoption of a two-tier fee structure for Fiscal Year 2024-25 of \$239 for Fully Covered Rental Units and \$136 for Partially Covered Rental Units, was presented by Executive Director Nicolas Traylor. The 2024-25 Budget and Rental Housing Fee Study presentation included the Statement of the Issue, the Fiscal Impact, the proposed fiscal year 2024-25 labor summary, proposed Rent Program Organizational Chart, information about the approved Office Assistant in FY 2023-24 to be reclassified to Administrative Trainee or Equivalent in FY 2024-25, proposed Fiscal Year 2024-25 agency goals, program development, outreach, program sustainability & compliance, salaries and wages chart which includes permanent employee salaries, overtime, bilingual pay, auto allowance, other pay/pension credits (deferred compensation), fringe benefits, translation, interpretation & other professional services, supplemental insurance, IT services, legal services, Bar Association dues, property & legal information subscriptions, advertising & promotional materials, program supplies & expenses, postage & mailing, printing and

binding, equipment rental recognition & awards, office supplies, utilities, cost pool, expense & revenue projections, and 10-year financial projections, introduction and background to the Fiscal Year 2024-25 Rental Housing Fee Study, proposed fee structure and example services, a chart of applicable unit counts, Fiscal Year 2024-25 proposed budget and Rental Housing Fees, comparison of proposed FY 2024-25 Rental Housing Fee to prior years, a chart of fees with other rent stabilization jurisdictions, and the recommended action. Discussion ensued. The following individuals gave public comments: Ilona Clark, Marilyn Langlois, and Kimberly Graves.

A motion by Board Member Hite, and seconded by Board Member Espinoza, (1) adopt the Fiscal Year 2024-25 Rent Program Budget; (2) approve Fiscal Year 2024-25 Rental Housing Fee Study; and (3) direct staff to prepare a resolution, consistent with the Rent Board’s approved Rental Housing Fee Study and Budget, recommending to the City Council adoption of a two-tier fee structure for Fiscal Year 2024-25 of \$239 for Fully Covered Rental Units and \$136 for Partially Covered Rental Units, and direct staff to remove the \$10,000 for the 360 Evaluation for the Executive Director, which would result in a \$1.00 reduction in the Rental Housing Fee to \$238 for Fully Covered Rental Units and \$135 for Partially Covered Rental Units, passed by the following vote: **Ayes:** Board Members Dockens, Espinoza, Hite, and Vice Chair Guadalupe. **Noes:** None. **Abstentions:** None. **Absent:** Chair Cantor.

ANNOUNCEMENTS & SCHEDULING

Executive Nicolas Traylor briefly reported that we had a successful outreach event, with staff engaging with community members at the Juneteenth event held on Saturday, June 22nd, at Nicole Park.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:03 P.M.

Cynthia Shaw
Staff Clerk

(SEAL)

Approved:

Rent Board Chair

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