



# Purchasing a Rental Property in Richmond

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Richmond Rent Program Community Workshop

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# Richmond Rent Program: Know the Basics

## Richmond Rent Program Services

The Richmond Rent Program administers the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance and Richmond Relocation Ordinance.

Services include:

- Housing Counseling on issues related to the Richmond Rent Ordinance
- Dispute Resolution between Landlords and Tenants
- Referrals to Community Legal Services contracted with the Rent Program
- Community Outreach
- Administration of the Rent Adjustment Petition Process
- Educational Workshops
- Facilitate Richmond Rent Board Monthly Meetings
- Billing and Collection of the Residential Rental Housing Fee



# Richmond Rent Program: Know the Basics

## **Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (“Richmond Rent Ordinance”)**

**Effective November 2016**

The Richmond Rent Ordinance established the following principles:

- Rent Control
- Just Cause for Eviction Protections
- Rent Adjustment Petition Process
- Notice Filing Requirements

Most of Richmond’s residential rental units are covered by the Richmond Rent Ordinance, but not all units are subject to both Rent Control and Just Cause for Eviction Protections.

The Richmond Rent Ordinance may be found in Richmond Municipal Code 11.100 (Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance) or by visiting our website at [www.richmondrent.org/lawsandregulations](http://www.richmondrent.org/lawsandregulations).

# Richmond Rental Properties

## Covered by the Richmond Rent Ordinance

### Fully Covered Properties

Rent Control & Just Cause for Eviction Protections



Multi-Unit properties built with permits **before** February 1, 1995.

### Partially Covered Properties

Just Cause for Eviction Protections Only



- Governmentally Subsidized Units/ Section 8/ LIHTC
- Property with one dwelling unit on one parcel (i.e., single-family home or Condominium)
- “New Construction” built with permits **after** February 1, 1995.

### Fully Exempt

No Rent Control or Just Cause for Eviction Protections



- Landlord and Tenant share kitchen and/or bathroom
- Permitted Accessory Dwelling Unit (ADU) added to a Single-Family Home, where the main house is owner-occupied.\*
- Non-profit home for the aged.

\* A Single-Family Home (SFH) is one dwelling unit on a parcel. The owner must live in SFH as their primary residence.

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# Enrollment, Registration, and Payment of the Residential Rental Housing Fee

**Landlords have specific responsibilities to stay in compliance with the Richmond Rent Ordinance, including:**

- Property Enrollment
- Tenancy Registration (rent-controlled units only)
- Pay the Residential Rental Housing Fee

**Landlords not in compliance with the requirements listed above may not qualify to raise the rent and may be unable to lawfully evict.**

## Other Applicable Richmond Fees to Residential Rental Properties

- Business License – Finance Department (510) 620-5555
- Residential Rental Inspection Program Fee – Community Development, Building Division (510) 690-8260
- Fire Prevention Fee – Fire Department (510) 307-8037

**Enrollment, Tenancy Registration, and Richmond Fees are available on our website at <https://www.ci.richmond.ca.us/3657/Enrollment-and-Registration>**





## “Landlords” defined under the Richmond Rent Ordinance

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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.

(RMC 11.100.030(f))

# Sale of a Rental Property

No Landlord shall take action to terminate a tenancy without citing one of the “Just Causes” to Evict.

**Sale of a rental property is NOT a “Just Cause” to Evict.**

In Richmond, CA, when a property is sold, the terms of the tenancy will transfer to the new landlord.



Visit the Rent Program [“Termination of Tenancy”](#) website to access the information referenced on this slide or contact the Richmond Rent Program to speak with a Housing Counselor

## Just Cause for Eviction Protections:

- ① Nonpayment of Rent
- ② Breach of Lease (*Written Warning Notice Required*)
- ③ Nuisance (*Written Warning Notice Required*)
- ④ Failure to Give Access (*Written Warning Notice Required*)
- ⑤ Owner/Relative Move-In (*Relocation Payment Required*)
- ⑥ Withdrawal from the Rental Market (Ellis Act) (*Relocation Payment Required*)
- ⑦ Temporarily Vacate due to Substantial Repairs (*Relocation Payment Required*)
- ⑧ Temporary Tenancy

**Written Warning Notice Templates** are available on the Rent Program website at <https://www.ci.richmond.ca.us/3387/Termination-of-Tenancy>

**2025 Permanent & Temporary Relocation Payments** are available on the Rent Program website at <https://www.ci.richmond.ca.us/3679/Fees>

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## Showing a Rental Unit

# CA Civil Code 1954: Lawful Landlord Entry

Landlord may only enter to make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workers, or contractors, or to make an inspection under Section 1950.5 (Security Deposit Law).

### Requirements include:

- The landlord must give the tenant written notice to enter at least 24 hours before entry.
- Landlord does not need to provide written or verbal notice to enter in cases of emergency (such as fire, flooding, etc.).
- The tenant cannot demand that they be there when the landlord enters.
- Entry must be during “normal business hours.”
- Landlord must state the time and date, as well as the purpose of the entry, in the written notice.
- In Richmond, it is a “Just Cause” to evict a tenant who denies the landlord lawful entry, after the tenant has been warned to cease denying lawful access and continues to do so.



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# Tenant Estoppel Certificate

## What is a Tenant Estoppel?

In California, a tenant estoppel certificate is a legal document that verifies the accuracy of specific lease details for a potential buyer or lender. It's typically used when a landlord is selling the property or refinancing the mortgage. The tenant confirms details like the lease start and end dates, rent amount, security deposit, and any outstanding disputes.

## Are Tenants required to verify and sign?

Tenants are **not** obligated to sign estoppel certificates. However, if they do, then the document may be binding, where a landlord may enforce the agreement through the court.

## What options do I have if a Tenant denies to verify and sign a Tenant Estoppel Certificate?

Options may be limited. The landlord may submit a Public Records Request (PRA) with the Richmond City Clerk's office, however, the information filed with the Rent Program may not include the information needed to verify details such as lease agreements, security deposits, or rent amounts. Unless the Rental Unit is a Fully Covered property (rent-controlled and just cause for eviction protections), and the landlord filed a [Tenancy Registration Form](#).

**Recommendation:** Landlords, keep detailed documentation and information so you may transfer it to the new landlord when selling your property.

# Buying a Rental Property in Richmond



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# Check with the Richmond Rent Program **BEFORE** Purchasing

Buying a rental property requires careful planning, including understanding California's laws, the Richmond Rent Ordinance, researching the market, and budgeting for potential expenses (i.e. property taxes, maintenance, property management fees, and applicable City of Richmond fees).

## **Enrollment & Registration:**

Contact the Richmond Rent Program office about the property's registration requirements and status before purchasing. New landlords are responsible for the outstanding debts of the prior owner, including outstanding registration fees.

### **Why is a new landlord held responsible for the previous year's Rental Housing Fees?**

The Rental Housing Fee is assessed to a Rental Unit, not the landlord. The Richmond Rent Ordinance requires that all landlords pay the Rental Housing Fee and defines Landlords as including all successors of interest. It is for this reason, when a new landlord purchases a rental property and there are delinquent fees, their invoice will include the current fiscal year's Rental Housing Fee, plus previous outstanding fees (if applicable).

**After purchasing**, update ownership information with the Richmond Rent Program as soon as possible (within 60 days) to ensure the record is updated for all mailing and information purposes.

*Refer to slide 6 for Enrollment & Registration information*



**Buyout, Owner/Relative Move-In, or Ellis Act Evictions**

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# Buyout Agreements

Buyout agreements require careful consideration and compliance with legal requirements.

Landlords may offer tenant voluntary buyout agreements before the sale of a property. However, the tenant is not obligated to accept such an offer. There is currently no Buyout Ordinance in the City of Richmond.

It is recommended that parties seek legal advice from a lawyer specializing in real estate or landlord-tenant law to ensure the agreement complies with all applicable state regulations.

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# Owner/Relative Move-In (OMI) Eviction

Under the Richmond Rent Ordinance it provides that a landlord (owner) may seek to recover possession of a Rental Unit in good faith for the use and occupancy as a **Primary Residence** by the landlord or the landlord's spouse, children, parents, or grandparents.

## Important Notes:

- An owner is considered an actual person who has at least 50% recorded ownership.
- An eviction for an OMI cannot occur if the same owner or chosen relative already lives in a unit on the property, or if a vacancy already exists on the property.
- At all times, an owner can request a reasonable accommodation if the owner or chosen relative is disabled and another unit is necessary to accommodate the person's disability.

## Owner/ Relative Move-In Requirements:

- The person moving in shall move into the Rental Unit within **90 days** after the tenant vacates and must occupy the unit as a Primary Residence for at least **36 consecutive months**.
- The owner must pay one-half of the applicable Relocation Payment within three (3) business days after the tenant has informed the owner in writing when the tenant plans to vacate the unit. The remaining half is due within three (3) business days after the tenant has vacated the unit.

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# Owner/Relative Move-In (OMI) Eviction

## *Protections for Seniors or Disabled Persons*

An owner **may not** evict through an owner/relative move-in if the tenant meets the following criteria:

(1) Has resided in the Rental Unit for at least five (5) years

**AND**

(2) Is at least 62 years old, Disabled, OR is certified as being terminally ill by the tenant's treating physician.

An owner **may** evict a tenant who is protected if the owner or a chosen relative also meets the same criteria, and no other units are available.

**Landlords and agents are encouraged to contact the Rent Program and/or seek legal advice before initiating the process to recover possession of a Rental Unit for owner or qualified relative occupancy to ensure all requirements are met.**

*All Owner/Relative Move-In Eviction information and notice templates are available on our website:*

<https://www.ci.richmond.ca.us/4073/Owner-Move-In-OMI-Information>

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# 2025 Permanent Relocation Payments to Tenant Household: Owner/Relative Move-In Eviction

Maximum Cap Per Unit Type	Base Amount	Qualified Tenant Household Amount*
Studio	\$4,355.81	\$4,923.76
1 Bedroom	\$6,725.81	\$7,749.89
2+ Bedroom	\$9,159.42	\$10,504.08

Amounts shown are for calendar year 2025 and shall be adjusted on January 1, 2026, based on the percentage change in the Consumer Price Index (CPI).

\* “Qualified Tenant Household” means a household with a Tenant who is displaced for any reason other than the failure to pay Rent, breach of lease, nuisance or failure to give access (see Section 11.100.050 (a) (1) (2) (3) and (4) of the Municipal Code) and who (i) is a Senior Citizen, (ii) is Disabled, (iii) has at least one child under the age of 18 living in the household, (iv) resides in a lower income household as that term is defined in California Health and Safety Code, Section 50079.5 or (v) is displaced due to an Owner Move-in and the Tenant has a terminal disease as that term is defined in California Health and Safety Code, section 443.1 (q).

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# Ellis Act: Withdrawal from the Rental Market Information

The Ellis Act is a California Law and part of the Richmond Rent Ordinance that provides landlords with a legal way to go out of the rental market business. A withdrawal from the rental market is **not** the same as selling the property.

- The tenant must be served a written notice for withdrawal from the rental market (termination of tenancy).
- The owner must give the tenant(s) no less than 120 days for the tenant(s) to vacate the property if there is no qualifying tenant who lives in the household. The owner shall provide a written notice to each tenant on the property notifying them of the withdrawal from the rental market.
- Tenants shall be entitled to a 120-day notice, unless they are qualified tenants.
  - Qualified tenants are entitled to a one-year notice if they are a senior, disabled, or have at least one dependent minor child, or are considered a low-income household and have been residing in the unit for at least one year before the date of the delivery of the notice of intent to withdraw to the Board.
  - If the Qualified Tenant wants the one-year entitlement, within 60 days of the date of delivery of the termination notice to the Rent Program, the Qualified Tenant must return to the owner a notice of entitlement to a 1-year notice.

\* According to State and local law, landlords are subject to a variety of penalties in the event withdrawn accommodations are offered for rent within two (2), five (5), and ten (10) years from the date the unit was withdrawn.

*Step-by-Step Guide* is available on the Rent Program website at <https://www.ci.richmond.ca.us/3632/Ellis-Act-Information>. Landlords and agents are encouraged to contact the Rent Program and/or seek legal advice before initiating the process to withdraw units from the rental market to ensure all requirements of State and local laws are met.

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# 2025 Permanent Relocation Payments to Tenant Household: Withdrawal from the Rental Market (Ellis Act)

Maximum Cap Per Unit Type	Base Amount	Qualified Tenant Household Amount*
Studio	\$8,775.23	\$10,056.28
1 Bedroom	\$13,451.61	\$15,501.04
2+ Bedroom	\$18,255.22	\$21,009.41

Amounts shown are for calendar year 2025 and shall be adjusted on January 1, 2026, based on the percentage change in the Consumer Price Index (CPI).

\* “Qualified Tenant Household” means a household with a Tenant who is displaced for any reason other than the failure to pay Rent, breach of lease, nuisance or failure to give access (see Section 11.100.050 (a) (1) (2) (3) and (4) of the Municipal Code) and who (i) is a Senior Citizen, (ii) is Disabled, (iii) has at least one child under the age of 18 living in the household, (iv) resides in a lower income household as that term is defined in California Health and Safety Code, Section 50079.5 or (v) is displaced due to an Owner Move-in and the Tenant has a terminal disease as that term is defined in California Health and Safety Code, section 443.1 (q).

# What To Do:



- ☑ Prospective buyers should request property information with the Rent Program or through a Public Records Request (PRA).
- ☑ Inquire about the tenant's security deposit with the prior owner to ensure state and local laws are being followed.
- ☑ New landlords should contact the Rent Program to fulfill their requirements to update their property enrollment regarding new ownership and change in a unit's status (even if the unit will no longer be rented).
  - ➡ Change in property status? To claim an exempt or inapplicable status, you may visit the Rent Program Administrative Determination website at <https://www.ci.richmond.ca.us/4098/Claim-an-Exempt-or-Inapplicable-Status>. Forms are available online or by request by email, mail, or in-person pick-up.
- ☑ Prospective buyers should be aware of the Residential Rental Housing Fee. You may be responsible for outstanding fees or penalties that have not been paid by the previous landlord.
- ☑ Call the Rent Program and speak to a Housing Counselor regarding the property and ask if there is a property file. Prospective buyers who want to review a property file must request a Public Records Request (PRA) with the City Clerk's office.



Sale or foreclosure of a property is NOT a “Just Cause” to Evict current tenants in the City of Richmond.

Tenants have a right to remain in the Rental Unit unless the Landlord has a “Just Cause” to Evict reason.

Tenants in properties under foreclosure or sale do not have to accept cash for key or other incentive offers.

# Overview of Important California Law



# Civil Code 1954.50: Costa Hawkins Rental Housing Act

The Costa-Hawkins Rental Housing Act, a California state law passed in 1995, limits local governments' ability to impose rent control on certain types of residential units.

Specifically, it prohibits rent control on single-family homes, condominiums, and newly constructed apartment units (built after February 1, 1995).

## **Vacancy Decontrol**

Landlords may reset the initial rental rate for a vacant unit at market value. Once the initial rent is established, this forms the basis for all future rent levels. For more information regarding Maximum Allowable Rents, rent calculations, and rent adjustments for rent-controlled units, visit our Rent Increase website at: <https://www.ci.richmond.ca.us/3376/Rent-Increase>

# Civil Code: 1950.5: Security Deposit Law

## Definition of Security Deposit

Any payment, fee, deposit, or charge imposed at the beginning of the tenancy as an advance payment of Rent, or to be used for recovering Rent defaults, repairing damages caused by the Tenant, or cleaning. This does not include an application or screening fee. The first month's Rent isn't considered a security deposit, but money paid in excess of the first month's Rent (including what is called "last month's Rent") is considered part of the deposit.

## How much can a Landlord collect for a security deposit?

Assembly Bill 12, which took effect on July 1, 2024, limits landlords from demanding or receiving a security deposit more than one month's rent, in addition to any rent for the first month paid on or before initial occupancy, regardless of whether the unit is furnished or unfurnished.

### Exception for Landlords:

Natural persons or limited liability companies where all members are natural persons, and who own no more than two rental properties with a total of four dwelling units available for rent, may still charge up to two months' rent as a security deposit.

## What can a Landlord deduct from the Security Deposit?

A Landlord may deduct from a Tenant's security deposit only the amount that is reasonably necessary to:

1. Cover Rent defaults,
2. Repair damages a Tenant or a Tenant's guest caused other than normal wear and tear,
3. Do necessary cleaning as defined as the amount of cleaning needed to return the unit to the same level of cleanliness as at the beginning of the tenancy, and
4. If allowed by the lease, cover the cost of restoring or replacing personal property (including keys) or furniture, excluding ordinary wear and tear.

# Civil Code: 1950.5: Security Deposit Law (Continued)

**Landlords are obligated to offer a walk-through inspections at the end of the tenancy**

Tenants have a right to a walk-through inspection no earlier than **2 weeks** before the Tenant vacates. The Landlord must give 48 hours prior to written notice of the inspection, unless the Tenant waived this requirement in writing. The purpose of the inspection is to identify needed cleaning for the Tenant to perform before moving out so as to avoid deductions from the security deposit. Immediately after the inspection, the Landlord must provide an itemized list of repairs and cleaning that need to be done to avoid authorized deductions. The Landlord may still deduct for cleaning or repairs that were not identified during the inspection because they were concealed by the Tenant's belongings.

**When does the security deposit have to be returned to the Tenant(s)?**

Within 21 days after the Tenant (or Tenants) leave the unit vacant, the Landlord must:

1. Furnish the Tenant with a written statement itemizing the amount of, and purpose for, any deductions from the security deposit; and
2. Return any remaining portion of the deposit to the Tenant.

Where several roommates live together and have paid a deposit, the Landlord is not required to return the deposit until the unit is returned to the Landlord vacant.

**Requirements to provide itemized statement of Landlord's charges along with receipts**

If more than \$125 is deducted from the deposit for cleaning and repairs together, the Landlord must attach to the itemized statement copies of documents showing the Landlord's charges and costs to clean and repair the unit.

# Civil Code: 1950.5: Security Deposit Law (Continued)

## Effect of Sale on deposit

A Landlord who sells a rental property must either:

1. Transfer the deposit to the new Landlords; or
2. Return the deposit to the Tenant.

## Tenant's recourse if deposit is not returned within 21 days

A Tenant who does not receive the refund and accounting within 21 days, or disputes the amount claimed by the Landlord, may sue the Landlord for the disputed amount (in Small Claims Court if the amount is less than \$10,000) and up to twice the amount of the deposit for the “bad faith retention” of (i.e. the unreasonable refusal to return) any security. In court, the Landlord has to prove that the amounts retained were reasonable.

## Amendments to CA Civil Code 1950.5

- Effective January 1, 2025, Landlords must provide proof that necessary repairs were completed.
- Tenancies that begin on or after July 1, 2025, a Landlord must photograph the unit immediately before or at the start of the tenancy.

# Civil Code 1950.6: Rental Application Fees

Effective January 1, 2025, Assembly Bill 2493 amended CA Civil Code 1950.6 in various ways, including but not limited to:

- Landlords can no longer charge an applicant or screening fee if there is no available Rental Unit.
- Prohibits charging a prospective tenant a screening fee unless the landlord either:
  - (a) returns the screening fee to any applicant not selected or;
  - (b) has a screening fee policy where they review applications in the order received, the 1<sup>st</sup> qualified applicant gets the unit, and they do not charge screening fees to any applicant who the landlord does not consider.

**Access CA Civil Code 1950.6 for more information and requirements at the link:**

[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=CIV&sectionNum=1950.6](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=1950.6)

## CA Code of Civil Procedure 1167 and 1170: Extension of Unlawful Detainer

Effective January 1, 2025, extends a tenant's time to file an Answer to an eviction lawsuit from 5 court days to 10 court days. Also changed the timeline for the court to hear various motions in an eviction lawsuit.

# Civil Code 1946.1: Proper Notice for Certain Termination Notices

- For (most) no-fault evictions, Landlords must give at least 30 days written notice to terminate a tenancy if the tenancy is less than one year. Under this same Code, a Tenant must give a 30-day written notice to vacate (terminate their tenancy) and can give notice on any day of the month, once the lease has converted to a month-to-month lease. A Landlord can (with limitations) require more than 30 days' notice if the Tenant is on a fixed-term lease when they are giving notice to vacate.
- Under Civil Code 1946.1, a Landlord must give at least 60 days written notice to terminate a tenancy if the tenancy has lasted a year or more.
- **Note**: Any termination notice served in the City of Richmond must cite one of the permitted just causes for eviction, unless the Rental is fully exempt from the Rent Ordinance.

# Civil Code 827: Proper Notice for Rent Increases

- A notice to increase Rent by 10% (during any 12-month period) or less requires a 30-day written notice of the Rent increase.
- A notice to increase Rent by more than 10% (during any 12-month period) requires a 90-day written notice of the Rent increase. (This section became effective January 1, 2020.)
- **Reminder**: If the Rental Unit is fully subject to the Richmond Rent Ordinance, Landlords must submit a copy of the Notice of Rent Increase within 10 days of issuing it to the Tenant.

# THANK YOU!

## **Richmond Rent Program**

(510) 234-RENT (7368)

[rent@ci.richmond.ca.us](mailto:rent@ci.richmond.ca.us)

[www.richmondrent.org](http://www.richmondrent.org)

This PowerPoint presentation is available on our Workshops website at

<https://www.ci.richmond.ca.us/3541/Workshops>