

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 28, 2025

Final Decision Date Deadline: May 28, 2025

STATEMENT OF THE ISSUE: Cooperative Cost Pool Agreement between the City of Richmond Rent Board and the City of Richmond.

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
- Contract/Agreement
- Grant Application/Acceptance
- Resolution
- Regulation
- Rent Board As Whole
- Claims Filed Against City of Richmond
- Video/PowerPoint Presentation (contact KCRT @ 620.6759)
- Other:

RECOMMENDED ACTION: APPROVE a Cooperative Cost Pool Agreement between the Richmond Rent Board and the City of Richmond – City Manager’s Office (Shasa Curl 510-412-2091 / Andrea Miller 510-620-6790).

AGENDA ITEM NO:

F-1.

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AGENDA REPORT

DATE: May 28, 2025

TO: Chair Tipton and Members of the Rent Board

FROM: Shasa Curl, City Manager
Andrea Miller, Director of Finance

SUBJECT: COOPERATIVE COST POOL AGREEMENT WITH RICHMOND RENT BOARD

STATEMENT OF THE ISSUE:

Cooperative Cost Pool Agreement between the City of Richmond Rent Board and the City of Richmond.

RECOMMENDED ACTION:

APPROVE a Cooperative Cost Pool Agreement between the Richmond Rent Board and the City of Richmond – City Manager’s Office (Shasa Curl 510-412-2091 / Andrea Miller 510-620-6790).

FISCAL IMPACT:

The financial impact will be the amount of annual cost pool charges that are credited to the Rent Program.

DISCUSSION:

Richmond residents passed Measure L on November 8, 2016, establishing the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (the “Rent Ordinance”), and creating the Rent Board to administer the Rent Ordinance.

The City imposes "cost pool charges" to cover overhead costs associated with infrastructure, administration, and risk support for all departments. The City aims to recover expenses related to supporting the Rent Board in the same manner as other departments.

It is the Board’s position that these charges hinder collaboration with the City, unfairly impact special revenue funds, and place an additional burden on landlords.

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To address this issue, the Board's Executive Director and City Manager held meetings to discuss solutions, including the Board administering various City ordinances in exchange for a waiver of cost pool charges. Following these discussions, an agreement was reached to resolve the dispute over Rent Board cost pool charges.

Key terms of the Agreement include:

1. The Rent Board will administer the City's Relocation Ordinance, Tenant Buyout Ordinance, Real Estate Disclosure Ordinance, parts of the Richmond Rental Inspection Program Ordinance and, if adopted by the Council, a Rent Board specific Lien Ordinance.
2. The Board will provide the City an annual report on the status of rental housing that is covered by the Rent Ordinance.
3. The City will credit any prior, unpaid cost pool charges levied against the Board.
4. The City will assist the Board in preparing and placing liens on properties that are delinquent in payment of fees, with the Board receiving 90 percent of the amount collected and the City receiving 10 percent.
5. The term of the agreement will be three years, with a mutual option to extend an additional two years.

ATTACHMENTS:

Attachment 1 – Cooperative Cost Pool Agreement

**COOPERATIVE AGREEMENT BETWEEN THE CITY OF
RICHMOND RENT BOARD AND THE CITY OF
RICHMOND**

This Cooperative Agreement (“Agreement”) is entered into on this _____ (“Effective Date”) between the City of Richmond Rent Board (the “Board”) and the City of Richmond, a municipal corporation (the “City”).

I. RECITALS

WHEREAS, on November 8, 2016, Richmond Residents passed ballot initiative Measure L, which established the “Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance” (hereinafter, the “Rent Ordinance”); and

WHEREAS, Measure L, among other things, created the Rent Board, an independent agency, and vested within the Board broad powers to administer and execute the provisions of the Rent Ordinance; and

WHEREAS, pursuant to Richmond Municipal Code Section 11.100.060(m), to ensure the integrity and autonomy of the Board, Measure L mandates that the Board “be an integral part of the government of the City”, and establishes that the Board “shall exercise its powers and duties under [Chapter 11.100] independent from the City Council, City Manager, and City Attorney, except by request of the Board”; and

WHEREAS, in furtherance of its independence, Measure L vests the Board with the sole power to oversee and adopt its own budget, while establishing that “the City Council and the City Manager shall have no authority to oversee, supervise, or approve this budget”; and

WHEREAS, to finance the Board’s budget, which must be comprised of only reasonable and necessary expenses, Measure L provides that the Board shall charge Landlords annual registration fees in an amount deemed reasonable by the Board; and

WHEREAS, at the Board’s inception and prior to the appointment of Board Members, Measure L required that the City perform duties of the Board and to provide infrastructural support to the Board as it would to any other City Department; and

WHEREAS, on November 8, 2016, the City began providing the following services to the Board: consultants, employees and staff, start-up costs and fees, overhead, IT services, administrative services, and legal assistance; and

WHEREAS, on or about November 8, 2016, the City, through its General Fund, advanced funds to the Board to fund the Board's operations; and

WHEREAS, the City charges all of the City departments incidental costs associated with infrastructural, administrative, and risk support (hereinafter, "cost pool charges"); and

WHEREAS, it is the City's position that they are entitled to recoup the cost of City staff time and expenses incurred in providing infrastructural and other support to the Board; and

WHEREAS, it is the Board's position that cost pool charges discourage collaboration and communication with the City, disproportionately impacts special revenue funds as opposed to General Funded Departments, and further burdens Landlords since they are the sole payee that absorb cost pool charges; and

WHEREAS, the Board can administer those City adopted ordinances that fall within its regulatory scope, are necessary to administer the Rent Ordinance as described in Municipal Code Section 11.100.060(e)(15), and do not otherwise violate the provisions of Government Code Section 50076; and

WHEREAS, to resolve the dispute of cost pool charges and encourage greater communication and collaboration between the City and Board, the Board's Executive Director and City Manager held several meetings to explore creative solutions involving the Board administering various City Ordinances and the City waiving cost pool charges in lieu of the administration of those various City Ordinances; and

WHEREAS, as a result of good faith discussions between the Board's Executive Director and City Manager, the Board and the City now desire to enter into an agreement to resolve the issue of Rent Board cost pool charges.

II. AGREEMENTS

1. RECITALS.

The parties hereby acknowledge and affirms the Recitals in this Agreement.

2. ADMINISTRATION OF CITY ORDINANCES.

The City requests that the Board continue to administer its Relocation Ordinance and begin drafting and/or administering the ordinances as described in Section (3)(A) of this Agreement. Additionally, the City requests that the Board aid in the drafting of regulations that are necessary to administer the ordinances as described in Section (3)(A) of this Agreement. The Board agrees to the City requests in accordance with this

Cooperative Agreement. The Board and City acknowledge that the Board Executive Director and City Manager, or their designees, shall periodically meet no less than once every six months during the term of this Agreement to discuss implementation of the Agreement and identify other City ordinances that the Board may administer in accordance with the terms of this Agreement.

3. SCOPE OF DRAFTING AND ADMINISTERING ORDINANCES.

A. Determination. The City and Board agree that the following ordinances, as may be amended, and any accompanying regulations are within the Board’s regulatory scope and that the administration of these ordinances are necessary to administer and enforce the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance (hereinafter, “Rent Ordinance):

1. Relocation Ordinance
2. Tenant Buyout Ordinance
3. Real Estate Disclosure Ordinance
4. If adopted by the City Council, a Rent Board-specific Lien Ordinance
5. Parts of Richmond Rental Inspection Program Ordinance, as agreed upon by counsel to the Board and City.

B. Drafting. The Board shall provide drafts of any proposed ordinances in subsection (3)(A) and any accompanying regulations for the City’s and City Attorney’s Office’s review and input.

C. Regulations. Notwithstanding Section (3)(B), regulations of any ordinance listed in Section(3)(A) that are relevant to the Board’s administration of the ordinances, shall be presented only to the Board. The Board shall have the final say in whether a relevant regulation is adopted by the Board.

D. Administration. The Board shall administer, in part or in whole, the ordinances listed in Section (3)(A) of this Agreement, beginning one hundred and eighty (180) days following approval of this Agreement by the City and Board. Administration requires that the Board act in a manner that is consistent with the provisions of the administered ordinance. Additionally, the administration requires that the Board develop and implement an outreach strategy to educate landlords and tenants of their rights under the ordinances listed in Section (3)(A) of this Agreement. Moreover, as part of this administration requirement, the Board, where applicable, shall offer counseling services, via phone or in-person, to landlords and tenants to address questions that landlords and tenants may have concerning the ordinances listed in Section(3)(A) of this Agreement. The Board shall not be responsible for the administration of any regulation that it did not adopt itself.

4. REPORTS.

Consistent with the edicts of Richmond Municipal Code Section 11.100.060(e)(6), the Board shall annually report to the City on the status of rental housing that is covered by the Rent Ordinance. In addition to the requirements set forth in Richmond Municipal Code Section 11.100.060(e)(6), the Board's annual report shall include the following metrics related to any city ordinance that the Board administers, if applicable:

- A. Number of residents served.
- B. Type of residents served (i.e Landlord or tenants)
- C. Medium of service (i.e phone call, email, in person)
- D. Time spent on service.
- E. Anecdotes from those served.
- F. Viewer access to the rental unit database to the City as it relates to the Rent Program.

5. CREDIT OF COST POOL CHARGES.

Prior to the Board drafting and/or administering City's regulations and/or ordinances, the City shall credit any prior unpaid cost pool charges levied against the Board. Additionally, the City shall deem satisfied any prospective cost pool charges that would otherwise be charged to the Board during the duration of this agreement.

For the purposes of this section, credit of cost pool charges, whether unpaid or prospective, shall mean a credit offset of indirect cost related to the following: General Liability, Workers Compensation, and Administrative charges (i.e. Finance, Information Technology, Human Resources, City Clerk, etc. **This is a non-exhaustive list.**)

6. LIENS AND COLLECTIONS.

Where a property owner is delinquent in payment of their fees, the City shall assist the Board in preparing and placing a lien on the delinquent property to cause the delinquent amount to be owed on the property owner's tax roll, in a manner consistent with the City's Lien Ordinance. Any debt collected under this section shall be credited to both the Board and the City. The Board shall be entitled to 90% of the lien debt collected for that calendar year, and the City shall be entitled to 10% of the lien debt collected for that same calendar year.

7. TERM.

The term of this Agreement shall be three years, beginning on the Effective Date and ending on _____. The parties shall have the option to mutually agree to extend this Agreement for an additional two years upon Board and Council approval.

Either party may terminate this Agreement earlier by 1) having their respective legislative bodies approve, by vote, the termination of this Agreement in public, consistent with the edicts of Brown Act, and 2) if the vote to terminate is approved, then delivering a written notice of election to terminate at least ninety (90) days in advance of the termination date to the other party.

Upon termination of this Agreement, unless otherwise agreed upon by both parties, the legal responsibility of administering any City-passed ordinance shall revert back to the City. Additionally, the legal responsibility of administering accompanying regulations of any City passed ordinance shall revert to the City. The City shall be responsible for amending its ordinances and/or regulations, if necessary, to clarify its responsibility for administering its ordinances.

Upon termination of this Agreement, the City may continue to charge the Board cost pool charges. However, the Board reserves the right to challenge the propriety of the cost pool charges, including but not limited to challenging the employed methodology, whether cost pool charges relate to actual services rendered on behalf of the Board, and any other basis the Board deems relevant.

8. NOTICE.

Any notice required under this Agreement shall be in writing and shall be given by personal delivery or deposit in the United States mail. Service by email or any other means is not acceptable. If service is given by United States mail, then the mail shall be addressed as follows:

If to the City of Richmond :

Attn: City Manager
City of Richmond
450 Civic Center Plaza
Richmond, CA 94804

If to the City of Richmond Rent Board:

Attn: Executive Director
City of Richmond
440 Civic Center Plaza, Suite 200
Richmond, CA 94804

9. AGREEMENT NOT A LIMITATION.

Nothing in this Agreement is intended to limit or otherwise infringe on the Board's autonomy and/or independence from the City as described in Richmond Municipal Code 11.100 et seq.

10. ACTIVITIES ARE DISCRETIONARY.

The activities contemplated in Section 3, "Scope of Drafting and Administering Ordinances," that are to be taken by the City and Board are discretionary in that they involve the exercise of judgment and discretion, rather than merely ministerial. Nothing in Section 3, "Scope of Drafting and Administering Ordinances," is to be construed as to constrain the Board's or City's ability to engage in debate in a public setting and meaningfully determine the propriety of any proposed ordinance and/or regulation.

11. AMENDMENTS.

This Agreement may be amended upon approval by City Council and the Board, in writing, signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Agreement as of the day and year first above written by their duly authorized officers.

CITY
City of Richmond,

BOARD
Rent Board of the City of Richmond

Eduardo Martinez
Mayor

Whitney Tipton
Board Chair

Date: _____

Date: _____

Approved as to form:

City Attorney

Rent Program General Counsel