

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: October 15, 2025

Final Decision Date Deadline: October 15, 2025

STATEMENT OF THE ISSUE: In accordance with the Rent Ordinance, the Richmond Rent Program's budget is funded by the Residential Rental Housing Fee paid by Richmond Landlords. The Residential Rental Housing Fee is designed to allow the Rent Program to recover program costs of all budgeted operations. Adopting a lien policy as an additional tool would strengthen collection efforts by establishing a legal claim on the property with unpaid fees. Staff recommend the Richmond Rent Board consider adopting similar Rent Program procedures that align with the City of Richmond's current policy administered through the Finance Department. In accordance with the Cooperation Agreement reached in 2025 between the Rent Board and City of Richmond, an adoption of a Rent Board-specific Lien Ordinance would increase the Rent Program's financial stability and mandate to remain independent from, yet integral to 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> | |

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|---|--|---------------------------------|--|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Regulation | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Contract/Agreement | <input checked="" 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:

- DIRECT staff to collaborate with the City Attorney's Office and City of Richmond Staff to draft ordinance language consistent with existing City lien policy and procedures.
- DIRECT staff to return to the Rent Board with a draft proposed ordinance for possible approval and recommendation to the City Council. – Rent Program (Nicolas Traylor/Fred Tran 620-6564).

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AGENDA REPORT

DATE: October 15, 2025
TO: Chair Tipton and Members of the Richmond Rent Board
FROM: Nicolas Traylor, Executive Director
Fred Tran, Deputy Director

STATEMENT OF THE ISSUE

In accordance with the Rent Ordinance, the Richmond Rent Program’s budget is funded by the Residential Rental Housing Fee paid by Richmond Landlords. The Residential Rental Housing Fee is designed to allow the Rent Program to recover program costs of all budgeted operations. Adopting a lien policy as an additional tool would strengthen collection efforts by establishing a legal claim on the property with unpaid fees. Staff recommend the Richmond Rent Board consider adopting similar Rent Program procedures that align with the City of Richmond’s current policy administered through the Finance Department. In accordance with the Cooperation Agreement reached in 2025 between the Rent Board and City of Richmond, an adoption of a Rent Board-specific Lien Ordinance would increase the Rent Program’s financial stability and mandate to remain independent from, yet integral to the City of Richmond.

RECOMMENDED ACTION

1. **DIRECT** staff to collaborate with the City Attorney’s Office and City of Richmond Staff to draft ordinance language consistent with existing City lien policy and procedures.
2. **DIRECT** staff to return to the Rent Board with a draft proposed ordinance for possible approval and recommendation to the City Council.

FISCAL IMPACT: There is no fiscal impact currently.

DISCUSSION

Goals of a Rent Board-Specific Lien Ordinance

The central goal of a Rent Board-specific Lien Ordinance is to introduce an additional enforcement tool that will be more impactful with collections. A Rent Board-specific lien policy would:

1. **Streamline Enforcement**

Rent Program will embed lien authority within the City's existing lien process, reducing administrative lag and dependency on broader City processes.

2. **Boost Compliance**

Liens deliver a strong incentive for property owners to pay fees and a mechanism for collection if outstanding fees exist. The outstanding fees would attach to property taxes.

3. **Protect Revenue Stream**

Ensures more timely collection of fees needed to fund Rent Board operations, providing more fiscal stability annually.

4. **Leverage Cooperative Agreement Benefits**

Enables implementation of the division of recovered lien revenue (90% Board, 10% City) already negotiated in Cooperation Agreement with the City of Richmond.

5. **Clarify Roles and Authority**

Defines the Rent Board's direct powers and responsibilities around enforcement, giving the Rent Board authority to assess liens on properties, issue decisions/determinations and adjudicate claims therein through an appeals process.

6. **Provide for Due Process**

An appeals process provides for fair treatment of parties and ability to object to unwarranted or incorrect charges.

Recommended Features of a Rent Board Lien Policy

To be legally sound, equitable, and administratively feasible, the lien policy should include the following elements:

1. **Rent Board Statutory Authority & Council Coordination**

- Upon adopting its preferred Lien Ordinance, the Rent Board would recommend the City Council to consider adoption of the necessary

ordinance amendments to include liens for validated and unpaid Residential Rental Housing Fees.

2. Penalties, Interest, and Administrative costs

- Continue to permit assessment of a reasonable late penalty. The lien amount should expressly include outstanding Residential Rental Housing Fees, and statutory late penalties.

3. Notice & Cure Procedures (providing due process)

- Send initial delinquency notice (30-45 days after final 90-day penalty due date) including statement of amounts owed, penalty schedule, and how to pay.
- Send a final notice at least **30 days** before lien recordation that explains impending lien, and rights to administrative appeal/hearing.
- Provide an **administrative appeal** process, leading to a hearing that temporarily stays lien recording while appeal is pending if an appeal is filed timely.

4. Coordination with County Recorder & Lien Release Procedures

- Specify the process for preparing and recording a lien (legal description, parcel ID, amount owed), including staff authority to record after notices and appeal windows expire.
- Provide for prompt lien release upon full payment and for a partial release if partial payment resolves secured portion.

5. Cost Recovery & Collection Prioritization

- Ensure policies allow recovery of Rent Program and City of Richmond staff time and recording costs as part of the lien amount to avoid subsidizing collection costs for compliant payers.

6. Reporting & Oversight

- Require staff to provide periodic reports to the Rent Board summarizing liens recorded, amounts recovered, pending appeals, and estimated uncollected unpaid fee balances.

7. Confidentiality & Tenant protections

- Liens attach to the property/owner's interest, not to tenants. Ensure communications do not imply tenant liability and do not interfere with tenant protections under local/state law.

How the Current City of Richmond’s Lien Ordinance Works

To examine how the Rent Program would administer a Rent Program specific lien ordinance (amending Richmond Municipal Code), it’s important to understand the framework the City of Richmond currently uses for placing and collecting liens on properties in Richmond.

- 1) **Assessment & Debt Creation:** Under RMC RMC §§7.04.410–7.04.680, after internal collection efforts are exhausted, the City may assess a debt to delinquent business owner in the form of a lien against the property/business.
- 2) **Notice of Hearing on Lien:** Pursuant and consistent with “due process of law” and RMC §7.04.415 the City of Richmond Municipal Code requires providing the debtor with notice of their right to appeal a lien and seek an administrative hearing on the matter.
- 3) **Public Hearing and Council Approval:** The City Manager prepares list of lien candidates and sets a hearing date and place for the City Council to adjudicate those liens. Under RMC §7.04.415, a notice is mailed out to the debtor/property owner at least 10 days prior to a hearing (with Proof of Service at mailing). At the scheduled public hearing, the City Council considers the staff report/Agenda Report and any objections associated with the appeal.
- 4) **Collection Through County Tax Assessment:** If the City Council confirms/approves the proposed liens, the unpaid charges become a special assessment. When a lien becomes a special assessment, the debt must be paid through the owner’s property tax bill. To collect the lien through a County tax assessment, RMC §7.04.420 requires that the City Manager transmit unpaid amounts (may include tax, penalties, 1% per month interest, administrative charges, lien release fee) to County Assessor.
- 5) **Recording of Lien:** After the County receives the approved lien list, RMC §7.04.425 requires the lien to be recorded with the Contra Costa County Recorder. Until the debt is fully collected a special assessment on the property tax bill remains as a lien.
- 6) **Audit, Determination and Deficiency Notices:** To ensure compliance and accurate reporting/lien decisions, RMC §§7.04.430–7.04.450 authorizes the City to examine books, records, returns or declarations to verify that the declared amount(s) are true and to limit underpayments or miscalculations of fees or taxes due.

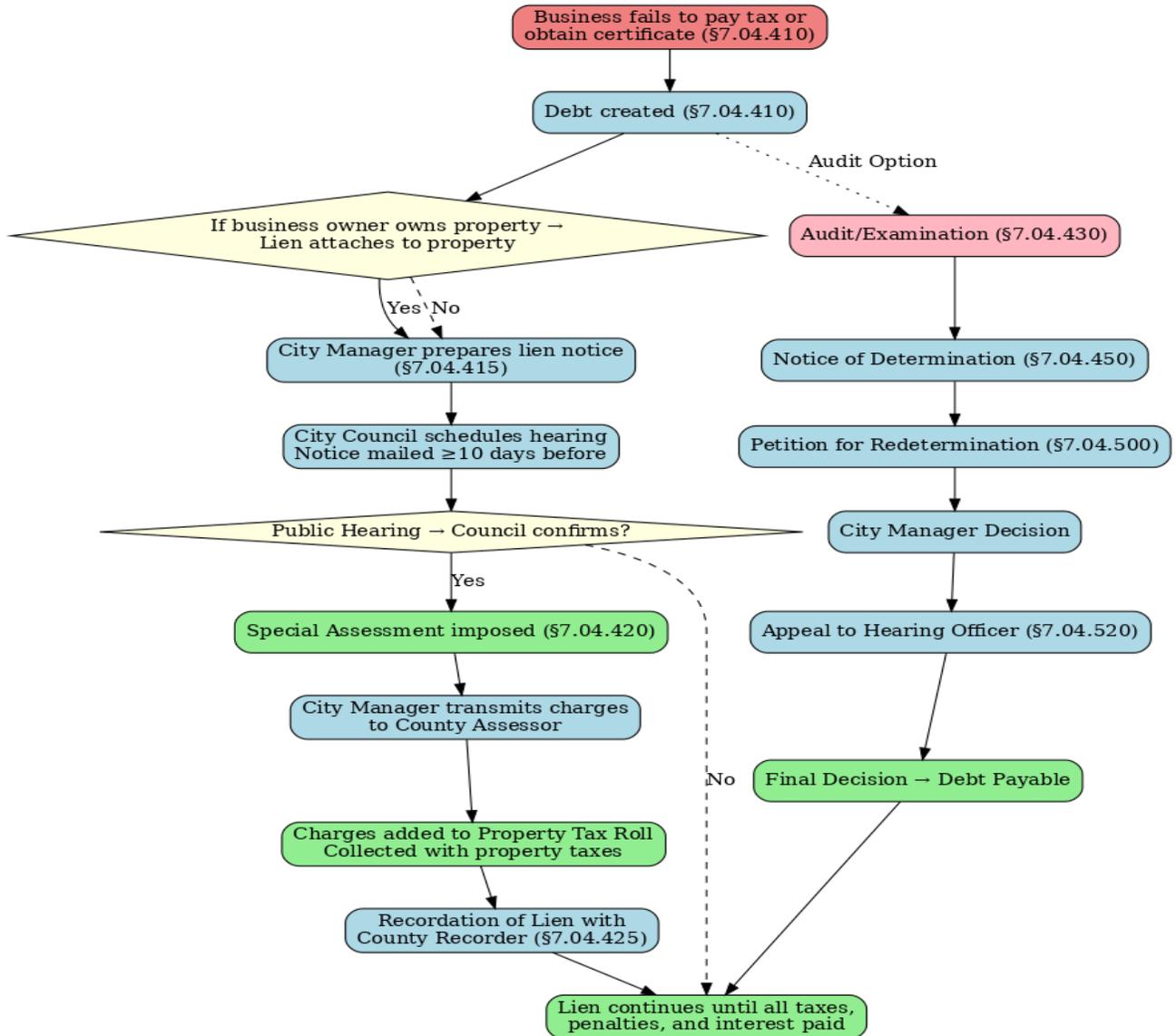
- 7) **Redetermination Process:** The City is authorized through an audit process to reclassify/redetermine (and in some cases retroactively reclassify) the status of what is owed to the City and Rent Board (e.g. the debtor has under reported income or improperly registered a property resulting in lower or higher fees/taxes).

- 8) **Appeal to a Hearing Officer after Audit, Determination, Deficiency Notice or Redetermination:** Pursuant due process, any reclassification or reassessment provides for proper notification by the City of Richmond of any determination issues, with Proof of Service by mail becoming final in 20 days unless the taxpayer files a petition for redetermination under RMC §7.04.500. Redeterminations of assessments are reviewed by the City Manager, with an oral hearing available upon request. After the matter is reviewed and approved by the City Manager or designated staff, a final decision is issued 20 days after service, unless appealed.

- 9) **Collection and Enforcement:** Upon final determination of the debt owed to the City, if unpaid, the property/business is subject to lien recorded with the County and placed on the property tax bill as a special assessment. Collection of the lien cannot be stopped with an injunction, or court order, since due process was provided to both parties through the administrative lien process.

Flow-Chart of Current City of Richmond Lien Process

Below is a process flow-chart that further clarifies the current lien process in Richmond:



Proposed Outline of a Rent Board/Rent Program Lien Process

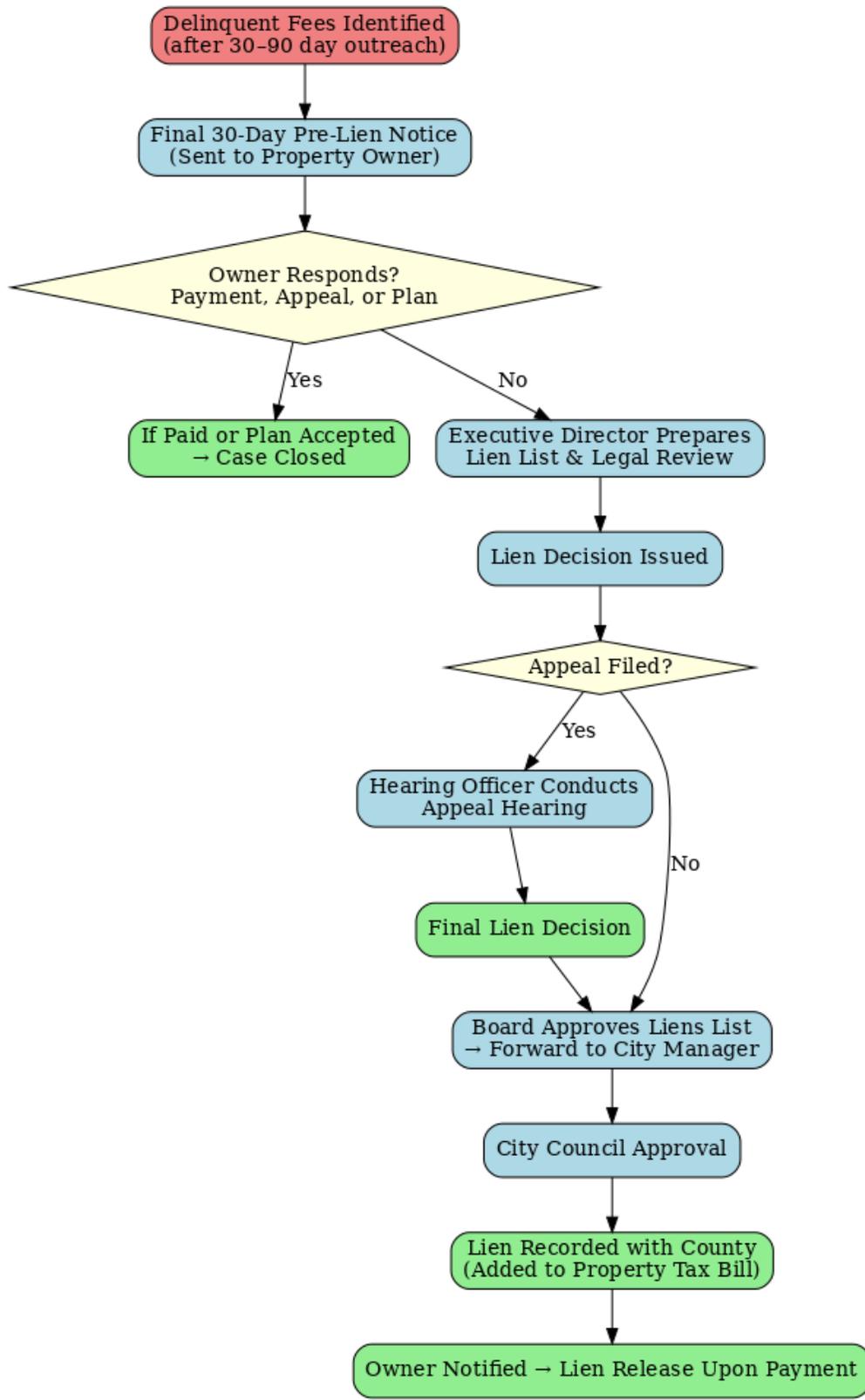
1. Staff would attempt standard collection outreach (30, 60, 90-day) prior to listing the account as lien list worthy delinquent
2. For accounts meeting lien threshold, Staff would send a final 30-day pre-lien notice including payment and appeal instructions.

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3. An account would be deemed delinquent once it is considered “unpaid” and therefore a debt to the City/Rent Program. Depending on the designated policy, accounts would be considered unpaid/delinquent after a specified period (usually 30 to 45 days after standard collection period of 30-90 days) has expired. The Rent Program would issue and serve the required notice of a right to a hearing and the right to object to a determined lien.
4. The Executive Director of the Rent Program (instead of the City Manager) would generate a delinquency list to coincide with the City of Richmond’s annual list of proposed liens.
5. If no payment, appeal, or accepted payment plan, staff prepares lien documentation and forwards to the Rent Program’s General Counsel for legal review.
6. After receiving the legal recommendation, the Rent Program’s Executive Director will issue a lien decision. If the decision is appealed, the appeals process begins (decision is appealed to a Hearing Officer/Examiner) with reasonable legally defensible due process deadlines to submit arguments, evidence and objections.
7. After appeals process is exhausted, staff provide the Board with a list of recommended liens for potential approval and seek direction from the Board to include proposed liens in the City of Richmond’s annual list of proposed liens seeking City Council approval.
8. Board approved liens list would go to the City Manager and Finance Director for review and inclusion in the overall lien list.
9. If approved by the City Council, liens would be recorded with County Recorder; the City/County may charge administrative recording fees according to established amount and add that to lien amount.
10. Notify owner and provide instructions for lien release upon payment. If owner requests a reasonable payment plan within 30 days of recording, staff may negotiate a plan with conditions (e.g., partial payment up front).

Note: Rent Board may promulgate regulations that clarify the timing of lien collection periods, appeal and objection deadlines and other pertinent deadlines.

Flowchart of Proposed Rent Board/Program Lien Process



Implementation Roadmap (Next Steps)

Step 1 - Rent Board and Staff Action: Board approves the overall lien policy framework and directs staff to work with City staff to finalize recommendations. After consulting with City Staff, Rent Program Staff would bring the final proposed lien policy back to the Rent Board for final approval and recommendation to City Council.

Step 2 - Legal Review: Request City Attorney to review draft policy and work with Rent Program General Counsel to prepare any necessary ordinance language or City Council resolution.

Step 3 - Council Consideration: Present recommended ordinance to City Council.

Step 4 - Operational Preparation: If Lien Ordinance and policy approved by City Council, Rent Program staff to draft standardized notices, appeal forms, payment plan templates, internal workflows, staff training, and reporting templates.

Step 5 - Implementation & Monitoring: Begin implementing lien policy after Council authorization; report annually to the Board with enforcement outcomes and fiscal effects.

Conclusion

Adopting a well-designed Lien Ordinance and policy is a prudent next step to protect Rent Program funding to ensure equitable treatment of compliant property owners, and provide a clear, defensible administrative pathway for collecting severely delinquent Residential Rental Housing Fee balances. Staff recommends the Board direct staff to work with the City of Richmond to develop a proposed Lien Ordinance and policy for Board and City Council approval.

ATTACHMENTS:

Attachment 1: City of Richmond Business Tax Debt Lien Ordinance

Attachment 2: Copy of Cooperative Cost Pool Agreement

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7.04.410 - Business tax a debt—Liens.

The amount of any business tax and penalty imposed by this chapter shall be deemed a debt to the city; and any person carrying on any business without first having procured a business tax certificate from the city, or without having paid all appropriate and due taxes, penalties, interest, and fees city shall be liable to an action in the name of the city in any court of competent jurisdiction, for the amount of taxes, penalties, interest, and fees imposed on such person.

The city must commence an action to collect any tax, penalty, or interest within the time required by California law and subject to any applicable tolling periods. To the extent allowed by California law "applicable tolling periods" includes, but is not limited to, any period during which the city is unaware of the existence of a business or the ongoing activities of a business due to the taxpayer's failure to obtain a business license or failure to comply with annual reporting requirements, the time during which a taxpayer pursues any administrative review or appeals, and the time during which the city pursues any lawful audit. (See *City of Los Angeles v. Centex Telemanagement, Inc.* (1994) 29 Cal.App.4th 1384.)

The amount of taxes, penalties, interest, and fees imposed under the provisions of this chapter is assessed against the business property on which the tax is imposed in those instances where the owner of the business and the business property are one and the same. If the taxes are not paid when due, such tax, penalty and interest shall constitute an assessment against such business property and shall be a lien on the property for the amount thereof, which lien shall continue until the amount thereof including all penalties and interest are paid, or until it is discharged of record.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.415 - Notice of hearing on lien.

The City Manager shall prepare a written notice of those persons against whose property the city will file liens and submit that notice to the city council. The city council shall forthwith fix a time and place for a public hearing on such notice.

The City Manager shall cause a copy of such notice to be served upon the owner of the business/business property not less than ten days prior to the time fixed for such hearing. Mailing a copy of such notice to the owner of the business/business property at the address listed in the most recent property ownership records provided to the city by the County Assessor as of the date that the City Manager causes notice to be mailed shall comprise proper service. Service shall be deemed complete at the time of deposit in the United States mail.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.420 - Collection of delinquent taxes by special tax roll assessment.

With the confirmation of the report by the City Council, the listed delinquent business tax charges that remain unpaid by the owner of the business/business property shall constitute a special assessment against said business property and shall be collected at such time as is established by the County Assessor for inclusion in the next property tax assessment.

The City Manager shall turn over to the County Assessor for inclusion in the next property tax assessment the total sum of unpaid delinquent business tax charges consisting of the delinquent business taxes, penalties, interest at the rate of one percent per month or fraction thereof from the date of recordation to the date of lien, an administrative charge in the amount set forth in the City of Richmond master fee schedule (as amended from time-to-time) and a release of lien filing fee in an amount equal to the amount charged by the Contra Costa County Recorder's Office.

Thereafter, said assessment may be collected at the same time and in the same manner as ordinary property taxes are collected, and shall be subject to the same penalties and the same procedure of sale

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as provided for delinquent ordinary property taxes. The assessment liens shall be subordinate to health and safety liens except for those of state, county, and municipal taxes with which it shall be upon parity. The lien shall continue until the assessment and all interest and charges due and payable thereon are paid. All laws applicable to the levy, collection, and enforcement of municipal taxes shall be applicable to said special assessments.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.425 - Recordation of lien for delinquent charges.

Upon confirmation of the report of delinquent business tax charges by the City Council, a lien on the real property for delinquent business tax charges which were assessed will be recorded with the Recorder of the County of Contra Costa.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.430 - Audit—Examination of books, records, witnesses.

The city may conduct audits and examinations pursuant to the terms of this section. The City Manager or any authorized employee is authorized to examine the books, papers, tax returns, and records of any person subject to this chapter for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the business tax due.

Every person subject to the provisions of this chapter is directed and required to furnish to the City Manager, the means, facilities, and opportunity for making such examination and investigations. The City Manager is authorized to examine a person under oath, for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the business tax or registration fees due under this chapter. In order to ascertain the business tax or registration fees due under this chapter, the City Manager may compel, by administrative subpoena, the production of relevant books, papers and records and the attendance of all persons as parties or witnesses.

The refusal to submit to such examination or production by any employer or person subject to the provisions of this chapter shall be deemed a violation of this chapter, and administrative subpoenas shall be enforced pursuant to applicable state law.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.435 - Results of audit—Reclassification determination.

- (a) Notice of Determination. If, pursuant to an audit or examination conducted pursuant to Section 7.04.430, the city determines that a person's business activity should be reclassified, the city may issue a notice of determination ordering such reclassification.
- (b) Reclassification—Prospective Only. If an audit or examination results in reclassification, not made necessary by earlier misclassification based upon incorrect and/or incomplete information supplied by a taxpayer to the city, the reclassification shall be effective in the current year only and shall not be retroactive.
- (c) Reclassification—Retroactive. If an audit or examination results in reclassification made necessary by earlier misclassification based upon incorrect or incomplete information supplied by a taxpayer to the city, penalties and interest pursuant to Sections 7.04.400 and 7.04.405 shall be retroactively assessed upon amounts underpaid from the date the correct taxes would have been due.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

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7.04.440 - Results of audit—Deficiency determination.

- (a) Notice of Determination. If, pursuant to an audit or examination conducted pursuant to Section 7.04.430, the city determines that a person's has not properly completed any declaration, has failed to make a declaration, has improperly calculated the amount of business tax owed, or made some similar error or omission, the city may issue a notice of determination ordering an appropriate correction.
- (b) Recomputation of Tax—Authority to Make—Basis of Recomputation. If the City Manager, in the exercise of reasonable discretion, is not satisfied with the declaration or declarations of the tax or the amount of tax computed, the City Manager may compute and determine the amount required to be paid upon the basis of the facts contained in the declaration or declarations or upon the basis of any factual information within the City Manager's possession or that may come into the City Manager's possession. One or more deficiency determination may be made of the amount due for one or for more than one period.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.445 - Determination if no declaration filed—Penalty.

- (a) Notice of Determination. If any person fails to file a declaration as required by this chapter, the City Manager may issue a notice of determination imposing a penalty pursuant to the terms of this section.
- (b) Estimate, Computation, Penalty. If any person fails to file a declaration as required by this chapter, the City Manager may, in the exercise of reasonable discretion, make an estimate of the amount of the gross receipts or other measure of tax applicable to the person or persons subject to the tax. The estimate shall be made for the period or periods for which the person failed to file a declaration and shall be based upon any factual information in the city's possession or which may come into the city's possession. Upon the basis of this estimate, the City Manager may impose a penalty of up to ten percent of the tax estimated to be owed, in addition to any penalties and interest that may be due pursuant to Section 7.04.400 and Section 7.04.405.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.450 - Notice of determination—Service of—Finalization—Payment.

Any notice of determination issued by the city pursuant to this chapter shall be served personally or mailed to the taxpayer at the taxpayer's last address shown on the city's records. If served personally, such service is deemed complete at the time of personal service. If mailed, such service is deemed complete at the time of deposit in the United States mail. All notices of determination shall state any related penalties or interest.

Notices of determination shall become final 20 days after service is deemed complete, unless an extension is granted by the city or the taxpayer files a timely petition for redetermination pursuant to Section 7.04.500.

The taxpayer shall have 20 days after a notice of determination becomes final to pay any additional tax liability described in the notice of determination. If full payment is not timely received, the unpaid amount is deemed to be delinquent. Interest pursuant to Section 7.04.405 shall begin accruing upon delinquent amounts and penalties shall be assessed upon delinquent amounts pursuant to Section 7.04.400.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.500 - Redetermination.

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- (a) **Right of Petition For—Time to File Petition.** Any person issued a notice of determination under this chapter, or any person directly interested, may file a petition for a redetermination within 20 days after service of the notice of determination. The City Manager in individual cases may, in the exercise of reasonable discretion in administering the provisions of this chapter, extend the 20-day period. If a petition for redetermination is not filed within the 20-day period, or within the extension period granted by the City Manager, the determination becomes final at the expiration of the 20-day period. The City Manager's decisions on applications for extension of time in which to file petitions for redetermination must be served in the manner provided in Section 7.04.450.
- (b) **Grant of Oral Hearing—Notice—Continuances.** If a petition for redetermination is timely filed, the City Manager shall reconsider the determination and, if the petition includes a request for hearing, shall grant the person an oral hearing, giving the person ten days' notice of the time and place thereof. The City Manager may continue the hearing from time to time as may be necessary. The City Manager shall exercise reasonable discretion in the decision on redetermination.
- (c) **Alteration of Determination—Limitation on Right to Increase Amount.** Once a petition for reconsideration has been filed, the City Manager may amend the notice of determination until the notice of determination becomes final; however, the City Manager must assert any claim for increasing any liability owed by the taxpayer at or before the hearing, if a hearing has been requested. If no hearing has been requested, or if the City Manager asserts a claim before the hearing without reasserting it at the hearing, notice of the increase must be served on the person in the manner provided in Section 7.04.450.
- (d) **Finality of Order on Petition.** The order or decision of the City Manager upon a petition for redetermination becomes final 20 days after service upon the petitioner of notice thereof in the manner provided in Section 7.04.450, unless appeal of such order or decision is timely filed with the City Manager pursuant to Section 7.04.520.
- (e) **Time for Payment of Amounts Found Due—Penalty for Delinquency.** All determinations made by the City Manager or Hearing Officer are due and payable at the time they become final.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.510 - Refund of tax, penalty or interest.

- (a) **Illegally or Erroneously Collected Tax.** Any person who alleges that any tax, penalty, or interest has been illegally or erroneously paid to, collected by, or received by the city may file a claim with the city, executed under penalty of perjury and stating the specific grounds upon which the claim is founded. If the City Manager finds, in their reasonable discretion, that claim is valid or partially valid and that the claim was filed within one year of the payment, collection, or receipt of the tax, the city shall compensate the taxpayer to the extent of the illegally or erroneously collected tax.
- (b) **Submission of Claim.** A claim made pursuant to this section shall be on a form furnished by the City Manager. A claim for refund may only be signed by the taxpayer, the taxpayer's authorized agent, or other person determined to be liable for the tax or said person's guardian or conservator. Class claims for refunds shall not be permitted. If the claim is approved by the City Manager, the excess amount collected may be refunded or may be credited on any amount due and payable from the person from whom it was collected, or by whom paid, and the balance may be refunded to such person, his or her administrators or executors.
- (c) **Termination of Business.** No refund of any tax or registration fee paid under this chapter shall be made by virtue of the discontinuance, dissolution, or other termination of a business.
- (d) **Offsetting of Overpayments.** In making a determination, the City Manager may offset overpayments for a period or periods against underpayments for any period or periods, and against any city debt.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

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7.04.520 - Appeal to Hearing Officer.

- (a) Hearing Officer. Appeals to redetermination decisions made by the City Manager shall be heard by a hearing officer appointed by the City Manager or his or her designee to hear administrative appeals. City staff shall implement regulations governing the appointment of the hearing officer and any additional appeal hearing procedures.
- (b) Right to Appeal. Any person whose petition for redetermination pursuant to Section 7.04.500 is denied in whole or in part, and any person granted a waiver by the City Manager, may file an appeal with the City Manager to request an appeal to the City's business tax hearing officer.
- (c) Appeals. Any person entitled to file an appeal pursuant to this Section may file an appeal in writing to the City Manager within 20 days from the date of service of the denial of a petition for redetermination or the waiver giving rise to the person's right to appeal. The city may waive or extend the deadline to file an appeal. The hearing officer shall make findings of fact in support of its decision(s) on appeal. The hearing officer shall exercise his or her reasonable discretion in administering the provisions of this chapter in rendering a decision on appealed rulings and findings. The hearing officer's decision on appeal becomes final upon giving notice of the decision to the appellant in the manner provided in Section 7.04.450. Any tax, penalty, or interest found to be owing is due and payable at the time the hearing officer's decision becomes final.
- (d) Exhaustion of Remedies. Any person whose case may be resolved by employing the administrative remedies provided by this section, or in Section 7.04.500, must exhaust those remedies before filing suit for refund, rebate, exemption, cancellation, amendment, adjustment, or modification of tax, interest, or penalty.

The statements filed pursuant to the provisions of this chapter are presumed to be confidential in character and will not be subject to public inspection to the fullest extent allowed by law, and shall be kept so that the contents of such statements will not become known except to the persons charged with the administration of this chapter.

Any officer or employee who willfully violates any provision of this section shall be deemed guilty of an infraction, and such violation may be cause for discharge from the city's service.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.605 - Disclosure of business taxpayers, etc. limitation on rule.

Notwithstanding any other provision of any city ordinance, the City Manager is authorized to enter into agreements with the California Franchise Tax Board, the State Board of Equalization, or the Internal Revenue Service providing for the exchange of information for official purposes of said agencies, and to implement any such agreement through the exchange of information.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.610 - Return check penalty.

Whenever a person submits a check for payment of a business tax and said check is subsequently returned unpaid by the bank upon which said check is drawn, and the check is not redeemed prior to the expiration of the renewal or registration due date, the person's non-payment will be declared delinquent and the person will be liable for the tax amount due plus penalties and interest.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.615 - Prior year registration assessments.

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If any person fails to apply for and secure a business tax certificate, the business tax due shall be that amount due and payable from the first date on which the person was engaged in business in the city, together with applicable penalties and interest.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.620 - Notice not required.

The city is not required to send any renewal, delinquency, or other notices or bills to any person subject to the provisions of this chapter, except as explicitly provided. Failure to send such notices or bills will not affect the validity of any tax, penalty, or interest due under the provisions of this chapter.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.625 - Conviction for violation not waiver of business tax.

The conviction and punishment of any person for transacting any business without a business tax certificate shall not excuse or exempt such person from the payment of any business tax due or unpaid at the time of such conviction, and nothing herein shall prevent a criminal prosecution of any violation of the provisions of this chapter.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.630 - Duties of the City Manager—Notice of decisions.

It shall be the duty of the City Manager to collect and receive and keep an accurate record of all taxes imposed by this chapter. The City Manager is charged with the enforcement of this chapter, except as otherwise provided, and may prescribe, adopt, and enforce those rules and regulations necessary or advisable to effectuate the purposes of this chapter, including provisions for the re-examination and correction of declarations and payments; the exclusive discretionary authority to waive penalties; and the authority to defer the payment due dates as prescribed by Section 7.04.300 by up to 45 days. In individual cases, the City Manager may make findings of fact in support of decisions, determinations, and rulings enforcing this chapter.

The City Manager may prescribe the extent to which any ruling or regulation shall be applied without retroactive effect.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.640 - Savings clause.

- (a) The provisions of this chapter shall not apply to any person, association, or corporation or to any property, as to whom or which it is beyond the power of the city to impose the business tax. If any sentence, clause, section, or part of this chapter, or any business tax against any individual or any of the several groups specified herein is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section, or part of this chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or other parts of this chapter. It is declared to be the intention of the city and voters that this chapter would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, section, or part thereof not been included herein.

ITEM G-1 ATTACHMENT 1

- (b) Any person claiming an exemption from the business tax imposed by this chapter by virtue of this section, shall submit to the city a statement signed under penalty of perjury setting forth the facts necessary to establish such claim of exemption.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.645 - Late penalty—Declaration and renewal filing.

Every person who, without an extension authorized by the City Manager, fails to timely file any business tax declaration or statement of renewal shall pay a late filing fee of \$50.00 or in the amount set forth in the City of Richmond master fee schedule (as amended from time-to-time), in addition to any other taxes, penalties, fees, or interest that may be due under this chapter.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.650 - Violations, infraction, misdemeanor.

In the exercise of the duties imposed upon the City Manager, and acting through deputies or duly authorized representatives, the City Manager shall examine or cause to be examined all places of business in the city to ascertain whether the provisions of this chapter have been complied with. For the purposes of this paragraph, in the case of a person coming into the city to do business from a location outside the city, the "place of business" shall be deemed to be the place where such person is engaging in business or offering to engage in business in the city.

Any person violating any provision of this chapter shall be guilty of an infraction. Any person knowingly or intentionally misrepresenting to any officer or employee of this city any material fact in procuring the business tax certificate herein provided for shall be guilty of a misdemeanor, and conviction thereof shall be punishable by a fine of not more than \$500.00 or imprisonment in the county jail for a period of not more than six months or by both fine and imprisonment.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.655 - Records required from taxpayers.

Every person required to obtain a business tax certificate shall keep and preserve for a period of three years such records as may be necessary to determine the amount of tax for which the person is liable.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.660 - No injunction of collection.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against the city or any officer thereof, to prevent or enjoin the collection of business taxes sought to be collected.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.665 - Revenue measure does not permit business otherwise prohibited.

The taxes prescribed by the provisions of this chapter constitute a tax for revenue purposes and are not regulatory permit fees.

ITEM G-1 ATTACHMENT 1

Persons holding business tax certificates pursuant to this chapter shall comply with all requirements of the City of Richmond Municipal Code and all other applicable laws and shall not carry on any business activity that violates of any law.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.670 - Implementation and delegation.

The City Manager may adopt rules and regulations consistent with this chapter as needed to implement this chapter, subject to the review and approval of the city attorney, and to develop all related forms or other materials, and to take other steps needed to implement this chapter.

The City Manager may delegate any duties, rights, powers, or privileges granted by this chapter to any appropriate subordinate officer, including the director of finance.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.675 - Amendment by City Council.

The city council may amend the terms of this chapter in any manner that does not increase the business tax or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California constitution. The City Council may reduce any of the tax rates set forth herein, and may terminate any such reductions, without voter approval.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

7.04.680 - Effective date and transition.

- (a) Rates Effective as of July 1, 2021. The rates provided in this chapter shall be effective with respect to any business tax certificates issued beginning July 1, 2021 and for each following year. Any business tax certificates issued to a newly established business for operation prior to July 1, 2021 shall pay business tax pursuant to the rates that were effective at the time the person seeking the certificate submitted their initial application.
- (b) Delay. Notwithstanding section 7.04.680(a), if the city council elects to exercise its authority to delay enactment of this chapter to sometime after July 1, 2021, then the rates provided in this chapter shall be effective with respect to any 2022 business tax certificate and for each following year, and any business tax certificates issued to a newly established business for operation in 2022 shall pay business tax pursuant to the rates that were effective at the time the person seeking the certificate submitted their initial application.
- (c) Previous Liabilities. Any taxes, penalties, fees, interest, liens, or debts imposed pursuant to any previous versions of this chapter remain equally collectible and enforceable, notwithstanding any amendments. The city may pursue such taxes, penalties, fees, interest, liens, or debts in any manner allowed by law and the most current version of this chapter.

(Ord. No. [33-20 N.S.](#), § 11, 11-3-2020)

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

This Cooperative Agreement (“Agreement”) is entered into on this June 17, 2025 (“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 June 20, 2028. 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.

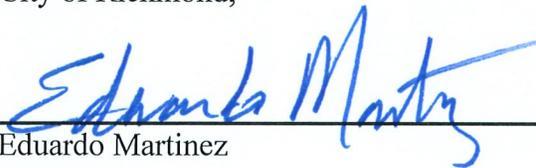
11. AMENDMENTS.

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

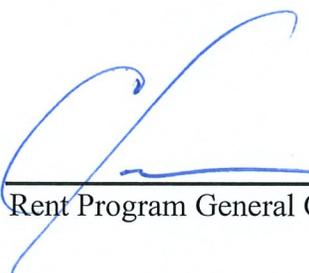
Date: 6/25/25

Date: 6/25/25

Approved as to form:



For City Attorney



Rent Program General Counsel