I. Welcome & Introductions

II. Just Cause for Eviction Policy Options
   Overview

III. Working Group Discussion

IV. Report Back

V. Closing & Next Steps
JUST CAUSE FOR EVICTION POLICY OPTIONS OVERVIEW
A: Enhanced monitoring and community education

- Monitor established metrics in rental housing market
  - Rental Prices (RealFacts, Craigslist, Zillow, Padmapper)
  - Vacancy Rates
  - Housing Costs as a Percentage of Household Income
  - Evictions and use of legal services regarding rent/eviction issues

- Increase outreach and expand community education efforts
  - Outreach materials that inform tenants and landlords of their rights and noticing requirements regarding rent increases and termination or tenancy

- Contract with Bay Area Legal Aid so that Richmond residents who normally don’t qualify for their services can be helped

- Richmond Rental Inspection Program Proceeding with Phase 2
B: Just Cause for Eviction Ordinance + **OPTION A**

- Expand the scope of existing ordinance:
  - **Existing**: Eviction Control on Residential Property in Foreclosure (R.M.C. 7.105)
  - **New**: Expand to apply to most residential rental units
  - This would NOT apply to:
    - Transient occupancies
    - Government-owned or federally subsidized housing
    - Institutional facilities
    - Housing cooperatives
    - Rooms rented to boarders where landlord shares bathroom or kitchen with tenants

- Increases noticing requirements – landlords must state reason for eviction
- May also require the provision of relocation assistance
- All components in Option A

*e.g. Glendale, San Diego Standalone Just Cause Eviction Ordinance*
C: Rent mediation board ordinance + Option A

- Ordinance establishes:
  - Rent Mediation Board
    - Contract with third party legal service to ensure that an attorney can attend hearings
    - Rent Review Board Hearings ONLY applicable to:
      - RENT INCREASES of a specified amount or frequency on properties with specified number of units
  - Rent Review Program
    - Provides a forum for rent disputes (e.g. Gardena, San Leandro)
    - Contract with a third party to provide mediation services between landlords and tenants

- All components from Option A

Exempted units would include:
- Those statutorily exempt per Costa-Hawkins Rental Housing Act
- Other properties at discretion of City Council
OPTION D: SUMMARY

D: Rent control + Option A + Option B

- Rent Control Ordinance and Rent Control Board
  - e.g. Santa Monica, Berkeley, East Palo Alto, Hayward
  - Allows annual rent increases of up to 100% of the Consumer Price Index for the SF – Oakland – San Jose Region or an amount determined by the City Council
  - Establishes allowed ‘pass-throughs,’ such as portions of the registration fee, utility bill increases, and bond measures that may be passed on to the tenant
  - Section specifying Just Causes for Eviction (Option B)
  - Establish penalties for noncompliance
  - Properties exempt from rent regulation per Costa-Hawkins Rental Housing Act

- Possible Additional exemptions:
  - Owner-occupied buildings with three or fewer units (e.g. Santa Monica)
  - Units currently owned by an individual landlord who owns five or fewer units within City limits (e.g. Hayward)
  - Other exemptions as determined by City Council

- Contract with third party to provide tenant/landlord mediation services
- All components of Option A and B
<table>
<thead>
<tr>
<th>SUMMARY</th>
<th>Staff Time</th>
<th>Example Necessary Third Party Contract(s)</th>
<th>Estimated Staff Costs</th>
<th>Estimated Number of Applicable Units without Additional Exemptions*</th>
</tr>
</thead>
</table>
| Option A | +2.0 FTE  
Plus City Manager’s Office staff time | Legal Assistance:  
~$20,000 | $193,684 – $230,549 | ~24,529 |
| Option B | +2.0 FTE  
Plus City Manager’s Office and City Attorney’s Office staff time | Legal Assistance:  
~$20,000 | $193,684 - $230,549 | ~23,804 |
| Option C | +3.0 FTE  
Plus City Manager’s Office and City Attorney’s Office staff time | Legal Assistance:  
~$20,000  
Mediation:  
~$30,000  
Legal Representation:  
~10-15 hours per month at $300-$350 per hour ($36-$63K annually) | $351,292- $472,471 | ~9,912 |
| Option D | +7-11 FTE  
Plus City Manager’s and City Attorney’s Office staff time | Mediation and Arbitration:  
~$25,000 | $1,646,065- $2,245,171 | ~9,912 |

Applicable unit estimates provided by OutSourcIt inc. on June 26, 2015. Estimates do not account for units rented to transient guests, all condominiums, housing cooperatives, institutional facilities, and rooms rented to boarders where the landlords lives with tenants). *Additional exemptions refer to those exemptions that are in addition to units exempt per the Costa-Hawkins Rental Housing Act AND those owned by the Richmond Housing Authority.
On June 23, 2015, staff were directed to return to City Council in July 2015, with draft ordinances for **Option C** (Rent Mediation Board plus Enhanced Monitoring and Community Education) and **Option D** (Rent Control ordinance plus Enhanced Monitoring and Community Education plus a Just Cause for Eviction ordinance).
EXEMPTIONS
### Option B: Exemptions

#### Option B: Just Cause for Eviction Ordinance

**Assumed:**
- Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than fourteen days
- Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education
- Dwelling units owned by the Richmond Housing Authority
- Units used for the purposes of providing child care of other residential social services on a nonprofit basis

**Potential:**
- Owner-occupied duplexes
- Owner-occupied triplexes
- Rental units on a parcel with two or fewer dwelling units
- The tenant is offered a lease which has a minimum term of one year
- Mobile homes
**OPTION C: EXEMPTIONS**

- **Option C: Rent Mediation Board Ordinance**
  - **Assumed:**
    - Single family homes and condominiums
    - Units in buildings which received a certificate of occupancy after February 1, 1995
    - Dwelling units whose rents are controlled, regulated (other than by the Rent Mediation Board ordinance), or subsidized by any governmental unit, agency or authority
  - **Potential:**

<table>
<thead>
<tr>
<th>Element</th>
<th>Sub-options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option C</td>
<td>(a) Duplexes</td>
</tr>
<tr>
<td>POTENTIAL RENT MEDIATION EXEMPTIONS (models: Alameda, Gardena, San Leandro)</td>
<td>(a) Triplexes</td>
</tr>
</tbody>
</table>
Option D: Rent Control Ordinance

- Assumed:
  - Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than fourteen days
  - Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education
  - Dwelling units whose rents are controlled, regulated (other than by the Rent Mediation Board ordinance), or subsidized by any governmental unit, agency or authority
  - Units used for the purposes of providing child care of other residential social services on a nonprofit basis
  - Single family homes and condominiums
  - Residential rental units which received a certificate of occupancy after February 1, 1995
## Option D: Exemptions (Cont.)

- **Potential:**

<table>
<thead>
<tr>
<th>Element</th>
<th>Sub-options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option D</td>
<td>(a) Owner-occupied duplexes</td>
</tr>
<tr>
<td>POTENTIAL RENT CONTROL EXEMPTIONS (models: Berkeley, Hayward, Santa Monica)</td>
<td>(b) Owner-occupied triplexes</td>
</tr>
<tr>
<td></td>
<td>(c) Units owned by an individual landlord who own five or less units in the City of Richmond</td>
</tr>
<tr>
<td></td>
<td>(d) Mobile Homes</td>
</tr>
<tr>
<td></td>
<td>(e) Substantially rehabilitated units</td>
</tr>
</tbody>
</table>
OPTION D: EXEMPTIONS (CONT.)

- Just Cause for Eviction (Option D)
  - Assumed
    - Rental units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of less than fourteen days
    - Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an institution of higher education
    - Dwelling units whose rents are controlled, regulated (other than by the Rent Mediation Board ordinance), or subsidized by any governmental unit, agency or authority
    - Units used for the purposes of providing child care of other residential social services on a nonprofit basis
## OPTION D: EXEMPTIONS (CONT.)

- **Potential:**

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<tr>
<td>Option D</td>
<td>(a) Owner-occupied duplexes</td>
</tr>
<tr>
<td></td>
<td>(b) Owner-occupied triplexes</td>
</tr>
<tr>
<td>POTENTIAL JUST CAUSE FOR EVICTION EXEMPTIONS (models: Berkeley, Glendale, Santa Monica, San Diego)</td>
<td>(c) Rental units on a parcel with two or fewer dwelling units</td>
</tr>
<tr>
<td></td>
<td>(d) The tenant is offered a written lease which has a minimum term of one year</td>
</tr>
<tr>
<td></td>
<td>(e) Mobile homes</td>
</tr>
<tr>
<td></td>
<td>(f) Substantially rehabilitated units</td>
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</tbody>
</table>
RENT MEDIATION
### OPTION C: RENT MEDIATION THRESHOLD(S)

<table>
<thead>
<tr>
<th>Element</th>
<th>Sub-options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option C</td>
<td>(a) The rent exceeds $100 of the rent paid the previous month</td>
</tr>
<tr>
<td>POTENTIAL RENT MEDIATION INCREASE THRESHOLD (models: San Leandro, Gardena)</td>
<td>(b) The rent increase is greater than 10% of the rent paid the previous month</td>
</tr>
<tr>
<td></td>
<td>(c) The rent increase is a subsequent increase in the same twelve (12) month period</td>
</tr>
<tr>
<td></td>
<td>(d) The rent increase is greater than 5% within a 12-month period</td>
</tr>
</tbody>
</table>
RENT INCREASES & PASS-THROUGHs
## OPTION D: ALLOWABLE RENT INCREASES

<table>
<thead>
<tr>
<th>Element</th>
<th>Assumed Annual General Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option D</td>
<td>100% of the Consumer Price Index for the San Francisco – Oakland – San Jose area</td>
</tr>
<tr>
<td>POTENTIAL RENT CONTROL ANNUAL GENERAL ADJUSTMENT (model: Oakland)</td>
<td></td>
</tr>
</tbody>
</table>
## OPTION D: PERMITTED FEE
"PASS-THROUGHS"

<table>
<thead>
<tr>
<th>Element</th>
<th>Sub-options</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option D</strong></td>
<td>(a) One-third of the registration fee on a per-month basis</td>
</tr>
<tr>
<td><strong>POTENTIAL FEE PASS-THROUGH</strong> (models: Berkeley, East Palo Alto, Santa Monica)</td>
<td>(e.g. Berkeley’s 2015-2016 registration fee is $213 per unit, which equals a permitted pass-through of $6.00 per month).</td>
</tr>
<tr>
<td></td>
<td>(b) One-half the registration fee on a per-month basis</td>
</tr>
<tr>
<td></td>
<td>(e.g. East Palo Alto’s 2014-2015 registration fee is $234 per unit, which equals a pass-through of $9.75 per month.)</td>
</tr>
</tbody>
</table>

[1] The Berkeley Rent Stabilization Board is currently investigating a mechanism through which low-income tenants earning 40% of AMI can be reimbursed for pass-throughs.
City-wide utility fee increases:
- Garbage
- EBMUD
- Sewage fee
<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Eligible Causes</th>
<th>Relocation Fee Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond (proposed)</td>
<td>• Owner or family occupancy&lt;br&gt;• Permanent removal of unit from rental housing market&lt;br&gt;• Demolition&lt;br&gt;• Necessary repairs requiring eviction&lt;br&gt;• The need to comply with a government agency’s order to vacate</td>
<td>2 times monthly rent + $1,000</td>
</tr>
<tr>
<td>Berkeley (13.76.010)</td>
<td>• Owner or family occupancy</td>
<td>$4,500 for low income tenants who have occupied the unit for one year or more</td>
</tr>
<tr>
<td>Glendale (9.30)</td>
<td>• Demolition&lt;br&gt;• Necessary repairs requiring eviction&lt;br&gt;• Permanent removal of unit from rental housing market&lt;br&gt;• Resident manager occupancy&lt;br&gt;• Owner or family occupancy&lt;br&gt;• Occupancy of tenants who require case management or counseling as part of tenancy</td>
<td>2 times the HUD Fair Market Rent for the Los Angeles area + $1,000</td>
</tr>
<tr>
<td>East Palo Alto (14.04)</td>
<td>N/A</td>
<td>None – powers reserved to City Council</td>
</tr>
<tr>
<td>San Diego (9.8.7)</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Santa Monica (4.36.020)</td>
<td>• Permanent removal of unit from rental housing market&lt;br&gt;• Demolition&lt;br&gt;• Owner or family occupancy&lt;br&gt;• Owner seeks to recover possession to demolish or remove all units from the rental housing market, including units illegally converted to residential use</td>
<td>Depends on size, and is equal to:&lt;br&gt;2011 amount + CPI Index for LA/Riverside/Orange County area&lt;br&gt;Single or studio: $8,900 (2011)&lt;br&gt;One bedroom: $13,850 (2011)&lt;br&gt;Two or more bedrooms: $18,750 (2011)</td>
</tr>
</tbody>
</table>
## OPTION C: RENT MEDIATION BOARD COMPOSITION

<table>
<thead>
<tr>
<th>Element</th>
<th>Assumed Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option C</td>
<td>Five (5) members</td>
</tr>
<tr>
<td>POTENTIAL RENT MEDIATION BOARD COMPOSITION (model: San Leandro)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>● Two (2) Richmond tenants</td>
</tr>
<tr>
<td></td>
<td>● Two (2) Richmond landlords</td>
</tr>
<tr>
<td></td>
<td>● One (1) Richmond resident who is neither a tenant nor a landlord</td>
</tr>
</tbody>
</table>
### POTENTIAL RENT CONTROL BOARD COMPOSITION (model: Oakland)

<table>
<thead>
<tr>
<th>Element</th>
<th>Assumed Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option D</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Seven (7) appointed members: o Two (2) Richmond residential rental property owners o Two (2) Richmond tenants o Three (3) Richmond residents who are neither tenants nor residential rental property owners • PLUS three (3) alternate members: o One (1) Richmond residential rental property owner o One (1) Richmond tenant o One(1) Richmond resident who is neither a tenant nor residential rental unit property owner</td>
</tr>
</tbody>
</table>
NEXT STEPS

- July 7, 2015 City Council Meeting
  - Receive additional City Council direction on exemptions

- July 21, 2015 City Council Meeting
  - First reading of the ordinances

- July 28, 2015 City Council Meeting
  - Possible adoption of ordinance
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Richmond City Manager
(510) 620-6512
Bill_lindsay@ci.richmond.ca.us

www.ci.richmond.ca.us/housingupdate