STATEMENT OF THE ISSUE: At their meeting on February 21, 2018, Rent Boardmembers approved Chapter 4 of the Rent Adjustment Regulations, requiring all Landlords to complete an initial Rental Unit Registration Statement and Landlords of Controlled Rental Units (units subject to rent control) to file a Tenancy Registration Form for each new tenancy or turnover of “original occupants.” Given the scope and impact of the implementation of these regulations, staff members have prepared a presentation on the proposed implementation timeline to inform and solicit feedback from members of the Board prior to the launch of rent registration in Spring 2018.

RECOMMENDED ACTION: RECEIVE and DISCUSS a proposed implementation timeline for rent registration – Rent Program (Nicolas Traylor 620-6564).
DATE: April 18, 2018

TO: Chair Gray and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director

SUBJECT: IMPLEMENTATION TIMELINE FOR RENT REGISTRATION

STATEMENT OF THE ISSUE:

At their meeting on February 21, 2018, Rent Boardmembers approved Chapter 4 of the Rent Adjustment Regulations, requiring all Landlords to complete an initial Rental Unit Registration Statement and Landlords of Controlled Rental Units (units subject to rent control) to file a Tenancy Registration Form for each new tenancy or turnover of “original occupants.” Given the scope and impact of the implementation of these regulations, staff members have prepared a presentation on the proposed implementation timeline to inform and solicit feedback from members of the Board prior to the launch of rent registration in Spring 2018.

RECOMMENDED ACTION:

RECEIVE and DISCUSS a proposed implementation timeline for rent registration.

FISCAL IMPACT:

The implementation of rent registration will have a significant impact on daily operations and will require additional staff resources. Staff is recommending the addition of an Administrative Aide for the purpose of administering rent registration in the proposed Fiscal Year 2018-19 Rent Program budget. The estimated cost of an Administrative Aide is approximately $101,100 annually, subject to step (salary) increases in accordance with the City’s salary schedules.

DISCUSSION:

Background

Rent registration is a necessary element of actively-enforced rent programs to ensure a higher level of compliance and to authorize staff to collect the necessary information to assist in the processing of rent adjustment petitions and adjudication of those petitions.
In addition, rent registration will improve the accuracy of data pertaining to rent levels, which is important in publishing accurate market rent data. Finally, rent registration will also assist the Rent Program in accurate billing of the Rental Housing Fee, as Landlords under rent registration are required to update the exempt status of their units within 60 days of the change in exempt status.

**Purpose of Rent Registration**

- **Greater Compliance**
  The purpose of the rent registration regulations is to improve compliance with the Rent Ordinance by requiring landlords to submit rent level and housing services information for each new tenancy (or turnover of original occupants), which, along with robust outreach, serves the purpose of making lawful rent levels transparent to both the Tenant and Landlord.

- **Supports the Rent Adjustment Petition Process**
  Additionally, rent registration improves the ease of administering the rent adjustment petition/hearings process, by providing the Hearing Examiner with clear data on lawful Maximum Allowable Rent levels for units under consideration for rent adjustments.

- **Improves Fee Study and Billing Accuracy**
  Rent registration will improve the accuracy of future fee studies and applicable rental unit data, as Landlords are required to update the exempt status of their rental units (e.g. if a unit goes from being rented to a Section 8 tenant to a rent controlled tenant). Particularly in the context of a tiered fee, the status of each Rental Unit is a crucial piece of information necessary to calculate the Residential Rental Housing Fee and produce accurate invoices.

- **Bolsters Outreach Opportunities**
  Finally, as part of rent registration outreach, all new Tenants receive not only a copy of the rent registration form submitted by the landlord, but a “Guide to Rent Control in Richmond and other vital information about their rights and responsibilities.

**Anticipated Impact of Rent Registration on Daily Operations**

The implementation of rent registration will have a significant impact on daily operations. In the first year of implementation, all Landlords will be required to submit the Rental Unit Registration Statement for an estimated 11,000 rental properties (parcels) in the City of Richmond.

In addition, Landlords of Controlled Rental Units will be required to register an estimated 9,558 tenancies in rent-controlled units, indicating the amount of rent and services provided for each unit, by completing a Tenancy Registration form.

In subsequent years, after the initial registration process is complete, Landlords of Controlled Rental Units will be required to submit a new Tenancy Registration form.
each time there is a new tenancy in a rent-controlled unit. Staff members estimate the Department will receive approximately 2,138 Tenancy Registration forms annually.¹

While the goal is to implement, encourage, and support an online rent registration system, staff members expect that at least half of all Rental Unit Registration Statements and Tenancy Registration forms will be submitted by hard copy. Additionally, to ensure that Landlords and Tenants are well informed about lawful rent ceilings, a notice of the lawful rent ceiling or Maximum Allowable Rent will be mailed to both Tenants and Landlords on an annual basis.

In future years, staff members anticipate the Maximum Allow Rent levels will also be available for Landlords and Tenants to check on in real time, through an online portal.

As indicated in the Revised Fiscal Year 2018-19 Budget and Rental Housing Fee Study, staff members consider the Administrative Aide classification the most appropriate position to administer the rent registration process. A flow chart illustrating these functions in provided in Attachment 2.

Proposed Timeline and Next Steps

A proposed timeline for the implementation of rent registration and billing of the Fiscal Year 2018-19 Rental Housing Fee is contained in Attachment 1. The proposed timeline will allow the Rent Program Department to mail an announcement and registration forms in May 2018 and begin processing information in July 2018.

DOCUMENTS ATTACHED:

Attachment 1 – Proposed Fiscal Year 2018-19 Registration and Billing Timeline

Attachment 2 – Rent Registration Function Flow Chart

Attachment 3 – Sample Registration Forms (for illustrative purposes only)

¹ According to 2016 American Community Survey estimates, approximately 4,454 renter-occupied housing units are occupied by households that moved into the unit in 2015 or later. Applicable unit counts indicate approximately 48% of rental units are Controlled Rental Units, subject to rent control. To arrive at a reasonable estimate of the turnover rate for tenancies in rent-controlled units in a single year, staff applied the assumption that 48% of the 4,454 units with tenancy turnover in a single year will occur in rent-controlled units, for which a new tenancy registration form is required.
# Proposed Implementation
## Timeline for Rent Registration

<table>
<thead>
<tr>
<th>#</th>
<th>EVENT</th>
<th>PROPOSED DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rental Unit Registration Statement and Tenancy Registration Forms finalized</td>
<td>April 2018</td>
</tr>
<tr>
<td>2</td>
<td>Paper forms reproduced; online forms developed</td>
<td>Early May 2018</td>
</tr>
<tr>
<td>3</td>
<td>Mass mailing of registration requirements and forms</td>
<td>Late May 2018</td>
</tr>
<tr>
<td>4</td>
<td>Interviews for Admin Aide position (pending Board approval)</td>
<td>June 2018</td>
</tr>
<tr>
<td>5</td>
<td>Admin Aide is hired; registration forms are received, reviewed, and entered into database</td>
<td>July 2018</td>
</tr>
</tbody>
</table>
Overview of the Richmond Rent Program
Rent Registration Process

1. Landlord (or Tenant) files Tenancy Registration form due to new tenancy or complete turnover of “original occupants”

2. Rent Program staff review and process the Tenancy Registration form and enter it into Rent Registration System

3. Tenant receives a “Rent Validation Report” and a copy of the Tenancy Registration form. Tenant is also sent outreach and educational materials

4. Annually Landlord and Tenant receive notices of Apparent Lawful Maximum Allowable Rent and correct any inaccuracy in Tenancy information

5. Landlords may always file an Amended Registration statement if a rental unit from rented to exempt or exempt to rented.

6. Both Tenants and Landlord would be able to confirm in real time the Maximum Allowable Rent by contacting the Rent Program or checking the website rent ceiling search tool
LANDLORD
NOTICE OF APPARENT
MAXIMUM ALLOWABLE RENT
AS OF 04/01/19

<table>
<thead>
<tr>
<th>Unit Address</th>
<th>Unit #</th>
<th>Registration Status</th>
<th>Tenancy Start Date</th>
<th>Lawful MAR (Rent Ceiling)</th>
<th>Temporary Increase in effect</th>
<th>BDR</th>
<th>OCCUP Level</th>
<th>Services Included in the Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>555 Paige St.</td>
<td>A</td>
<td>OWNER OCC.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>2</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>555 Paige St.</td>
<td>B</td>
<td>Exempt SEC. 8</td>
<td>2-1-17</td>
<td>NA</td>
<td>NA</td>
<td>2</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>555 Paige St.</td>
<td>C</td>
<td>Rented</td>
<td>7-21-15</td>
<td>$1,065.00</td>
<td>NO</td>
<td>1</td>
<td>2</td>
<td>Water, Garbage, Parking, Appliances</td>
</tr>
<tr>
<td>555 Paige St.</td>
<td>D</td>
<td>Rented</td>
<td>9-1-17</td>
<td>$1,700</td>
<td>1</td>
<td></td>
<td></td>
<td>Water, Parking, Storage, Appliances</td>
</tr>
</tbody>
</table>

If you believe that any of the information is incorrect or if you believe you are being overcharged, please contact a Rent Program Services Analyst at 510-234-RENT (7368) or email at rent@ci.richmond.ca.us.

CALL 510-234-RENT IF INFORMATION IN THIS NOTICE IS INCORRECT OR DOES NOT REFLECT THE CURRENT TENANCIES.
TENANT
NOTICE OF APPARENT
MAXIMUM ALLOWABLE RENT
AS OF 04/01/19

<table>
<thead>
<tr>
<th>Unit Address</th>
<th>Unit #</th>
<th>Registration Status</th>
<th>Tenancy Start Date</th>
<th>Lawful MAR (Rent Ceiling)</th>
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CALL 510-234-RENT IF INFORMATION IN THIS NOTICE IS INCORRECT OR DOES NOT REFLECT THE TERMS OF YOUR TENANCY.
# Tenancy Registration Form

**Richmond Property Address**

<table>
<thead>
<tr>
<th>Street Number</th>
<th>Street Name</th>
<th>Unit #</th>
<th># of Bedrooms</th>
<th># of Units/Prop</th>
</tr>
</thead>
</table>

**Owner (Check if new owner/address)**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

City, State, Zip: _____________________________

Send all future correspondence and bills to Owner □

**Agent/Manager (Check if new owner/address)**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

City, State, Zip: _____________________________

Send all future correspondence and bills to Agent/Manager □

---

**New Tenancy Information**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

**Beginning date of this tenancy____/____/____ Number of Tenants______

**Current Tenancy Information:** Tenant names and other Tenant information will be kept confidential in accordance with the Information Practices Act of 1977.

**Name**: ____________________________

<table>
<thead>
<tr>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>Phone: (____)</th>
<th>Email:</th>
</tr>
</thead>
</table>

**Rent Level & Security Deposit**

Initial Rent $____________/month

Note: Initial rent includes additional fees indicated in the rental agreement that are included in the total Rent amount.

Security deposit paid/colleccted at onset of tenancy $____________

Note: Security deposit is any $$ collected at onset of tenancy other than 1st month’s rent and application fee. Last month’s rent collected is considered part of the security deposit.

**Housing Services Included in the Rent**

<table>
<thead>
<tr>
<th>Storage</th>
<th>Gas</th>
<th>Electricity</th>
<th>Water</th>
<th>Garbage</th>
<th>Parking</th>
<th>Laundry</th>
</tr>
</thead>
</table>

Access □ Heat □ Appliances □ Other □ ____________________________

**Prior Tenant**

Ending date of prior tenancy: ____/____/____ Voluntary vacancy □ At Fault Termination □

No Fault Termination □ Note: At fault termination includes non-payment of rent, breach of lease, causing nuisance/damage, etc. No fault termination includes Owner Move-in or Withdraw from Rental Market (Ellis eviction), etc.

Other (explain): ____________________________________________ (e.g. Abandonment)

Final Rent Charged to prior Tenant:$____________

**Declaration:**

I (we), owner(s) or lawful agent of the owner(s) of the above described property, declare under penalty of perjury under the laws of the State of California that the foregoing and all attached pages, including attached documentation, are true, correct and complete.

Check one: I am the landlord or the landlord’s agent □ I am the tenant (please attach lease or proof of initial rent) □

Print Name: ____________________________ Signature: ____________________________ Date ____________________________
Rent Validation Report

Enclosed is a copy of the Tenancy Registration Form recently filed with our office. The information on the Tenancy Registration Form has been entered into the Rent Program’s rent registration database, and the information below reflects what the Rent Program’s records currently show as the rental unit’s current registered lawful rent and services included in the rent paid by the tenant. Information contained in this report does not constitute a binding determination regarding the rent paid or services provided.

<table>
<thead>
<tr>
<th>TENANCY START DATE:</th>
<th>04/01/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>INITIAL RENT $:</td>
<td>$2,000</td>
</tr>
<tr>
<td>BASE OCCUPANCY LEVEL:</td>
<td>2</td>
</tr>
<tr>
<td>SERVICES</td>
<td>WATER, PARKING, APPLIANCES, GARBAGE</td>
</tr>
</tbody>
</table>

If you believe that any of this information is incorrect, please contact a Rent Program Services Analyst in our Public Information and Compliance Unit as soon as possible. Our office hours are: Monday-Friday 9am-12 and 1pm-4pm. The number you should call is 510-234-RENT.