

RICHMOND, CALIFORNIA, June 23, 2022

The Special Meeting of the Richmond Rent Board was called to order at 5:00 P.M.

Due to the coronavirus (Covid-19) pandemic, Contra Costa County and Governor Gavin Newsom have issued multiple orders requiring sheltering in place, social distancing, and reduction of person-to-person contact. Accordingly, Governor Gavin Newsom has issued executive orders that allow cities to hold public meetings via teleconferencing.

Public comments were confined to items appeared on the agenda and were limited to the methods provided below. DUE TO THE SHELTER IN PLACE ORDERS, and consistent with Executive Order N29-20, the meeting utilized video/teleconferencing only. The following provides information on how the public participated in this meeting.

The public was able to view the meeting using Zoom at the following link:

<https://us02web.zoom.us/j/86048493067?pwd=SmR5ZitDSFgzSIBybUVackJ4dS9CZz09>
Password: rentboard

Or By Telephone:

US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or
+1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799
Webinar ID: 860 4849 3067

International numbers available:

<https://us02web.zoom.us/j/86048493067?pwd=SmR5ZitDSFgzSIBybUVackJ4dS9CZz09>

Community members who wished to make a public comment were required to submit their comments via email by 3:00 p.m. on Thursday, June 23, 2022, to the Rent Board Clerk, Cynthia Shaw at cynthia_shaw@ci.richmond.ca.us, to be considered into the record.

PLEDGE TO THE FLAG

ROLL CALL

Board Members Present: Conner, Johnson, Vasilas, Vice Chair Mishek, and Chair Finlay.

Staff Present: General Counsel Charles Oshinuga, Deputy Director Fred Tran, and Executive Director Nicolas Traylor.

Absent: Staff Attorney Palomar Sanchez. (*Present as of 5:06 PM*)

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

None.

PUBLIC FORUM

None.

STUDY SESSION

F-1. The matter is to receive a presentation and study on Maintenance of Net Operating Income and provide staff direction on possible amendments to the Rent Board Regulation 905 was presented by General Counsel Charles Oshinuga. The presentation included the background, information about the Rent Ordinance and how it codifies the right to a Fair Return, information on how Landlords are Entitled to a Fair Return, Selection of a “Fair Return”, an overview of the MNOI which included the MNOI rationale, selection of the Base Year, the Annual General Adjustment (AGA), Net Operating Income (NOI) Calculation, and Calculating the Fair Net Operating Income (NOI), A Basic Example of Calculation which included MNOI example calculations, definition of “Operating Expenses”, illustration of a fair return using the MNOI Standard, and Comparing 2015 NOI to 2020 NOI, adjustment of Base Year NOI, and what if Rents weren’t based on General Market Conditions, exceptional circumstances in the Base Year which included, factors considered in the determination of proportionally low Base Rents, Base Year Rent adjustments, and an example calculation, what if I do not have Base Year information, projection of Base Year Operating Expenses in the absence of actual data, how do Capital Improvements impact MNOI, Capital Improvements and Amortization, anticipated Capital Improvements, and Capital Improvements and Vacancy.

Rent Board Clerk informed Chair Finlay that a public speaker on the list had to leave by 6:30 PM and asked to speak before that

time. Chair Finlay granted the speaker Elizabeth Koller to speak after the five-minute break.

The Board discussed taking a five-minute informal break during the presentation to adjourn at 6:11 and reconvene at 6:16, which passed by the following vote: **Ayes:** Board Member Johnson, Vice Chair Mishek, and Chair Finlay. **Noes:** Board Members Conner and Vasilas. **Abstentions:** None. **Absent:** None.

The following individuals gave public comments: Elizabeth Koller, Jimmy Smith, Tuan Ngo and Ilona Clark. Discussion ensued.

A motion by Board Member Conner directing staff to draft a COVID-related exception to the MNOI petition process and to allow a petitioner who have already filed a petition during COVID and did not have a decision made be granted additional time to complete their application. General Counsel Charles Oshinuga recommended including due diligence or good cause standard in the motion to determine by the Board, not by Staff.

Vice Chair Mishek made a friendly amendment to Board Member Conner's motion to include a due diligence standard and to be determined by the Board at a later date. Board Member Conner accepted the friendly amendment. Motion seconded by Board Member Vasilas and passed by the following vote: **Ayes:** Board Members Conner, Johnson, and Vasilas. **Noes:** Vice Chair Mishek and Chair Finlay. **Abstentions:** None. **Absent:** None.

REPORTS OF OFFICERS

None.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:59 P.M.

Cynthia Shaw
Staff Clerk

(SEAL)

Approved:

VIRGINIA FINLAY
Virginia Finlay, Rent Board Chair