

RICHMOND, CALIFORNIA, February 28, 2018

The Special Meeting of the Richmond Rent Board was called to order at 6:01 P.M.

PLEDGE TO THE FLAG

ROLL CALL

Present: Boardmembers Combs, Finlay, Maddock, and Vice Chair Gerould.

Absent: Chair Gray.

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

None.

PUBLIC FORUM

Cordell Hindler invited the Board to community events including the Library Commission Meeting and Crime Prevention meeting in March. He also suggested possible dates for the Rent Program to give a presentation on Rent Control at the Richmond Neighborhood Coordinating Council, in April or May.

Linda Newton spoke regarding the proposed MNOI Fair Return Regulations and how they are difficult to understand. She spoke about how neighborhood groups expressed their concerns to Rent Program staff regarding these Regulations and would like the Rent Board to consider the research and recommendations made by the neighborhood groups, particularly as it may affect the future of landlords with fewer than 12 units.

Christina Redse thanked staff on their efforts in implementing these Regulations and serving the City of Richmond. She spoke about the proposed MNOI Fair Return Regulations and how they will impact small landlords and their ability to stay in business and to live on their rental property. She also has researched the ownership and census data for Richmond and found that most rental

housing is locally owned and are smaller buildings. She feels the impact of these Fair Return Regulations and the future character of the city cannot be overstated. She also mentioned that she has met with other small landlords to study and respond to the draft Regulations and they feel strongly that tenants and landlords will be better served if Ken Baar's legal perspective is complimented by an informed economic perspective on the Fair Return Regulations.

Ilona Clark spoke about the difficulty and the impact these Regulations will cause on small property owners and believes that Rent Control can balance the needs of Tenants and Landlords. She mentioned that even in the confines of the Ordinance and Costa Hawkins, there is an opportunity to build a foundation of common sense Rent Control and learn from the mistakes of other cities and continue to keep small property owners and tenants in Richmond.

Lori Wickliff spoke about the proposed Regulations being very complex and difficult to understand. She feels that Measure L is not benefiting tenants and landlords. She spoke about a prior meeting held with Rent Program staff regarding lease agreements that cannot be enforced and suggested staff to develop a lease agreement for landlords to use for tenants upon move-in. She also spoke about the MNOI Fair Return Regulations, noting that they are complex and she feels that she may need to seek advice from an accountant to assist with the calculations. She feels that Ken Baar's calculations for MNOI Fair Return turnover rates in Richmond are incorrect. She spoke about the comparisons to Berkeley and Oakland, and that the move-out rates are not that aggressive in Richmond and that landlords do not have the ability reset the rent often. She also recommended that Ken Baar be present at the Rent Board meetings to answer questions from community members and to explain the process. She also feels that even though she has made comments to the proposed Regulations and attended meetings with Rent Program staff and spoke in front of the Board that she is not being heard and her questions or concerns are not being answered.

RENT BOARD CONSENT CALENDAR

On motion of Boardmember Combs, seconded by Boardmember Maddock, the item(s) marked with an (*) were approved with Chair Gray absent.

*F-1. Approve the minutes of the February 21, 2018, Regular Meeting of the Richmond Rent Board.

*F-2. Receive letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100.

*F-3. Approve a sole source contract amendment with Kenneth Baar in the amount of \$20,001 for the preparation of rent adjustment regulations for consideration by the Rent Board, for a total contract amount not to exceed \$30,000. This item was continued from the February 21, 2018 meeting.

STUDY AND ACTION SESSION

G-1. The matter to receive a presentation concerning application of the proposed draft Maintenance of Net Operating Income (MNOI) Fair Return Regulation (Chapter 9) and provide direction to staff was presented by Deputy Director, Paige Roosa, with assistance from Ken Baar, who attended by conference call. The presentation included background, purpose, a fair return analysis with example calculations and illustrations, definition of operating expenses, and policy questions that included case study research and the recommended action. Discussion ensued. The following individuals gave comments: David Sharples, Edith Pastrano, Ana Gonzalez, Ilona Clark, Lori Wickliff, Michael St. John, Christina Redse, Martha Pastrano, Hipolito Pastrano, and Guillermo Monares. A motion by Vice Chair Gerould, seconded by Boardmember Combs, directed staff to provide the following: a study on the percentage of inflation that is applied to the base year net operating income (100%, 75%, and 65%) and to include examples and explanations, define the base year as 2015, resulting rent increases shall be capped to 15% per year, and the consideration of amortized capital improvements shall be a permanent (rather than temporary) concept as it relates to changes in the net operating income. The motion passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould. **Noes:** None. **Abstentions:** None. **Absent:** Chair Gray.

RENT BOARD AS A WHOLE

H-1. The matter to receive a proposed timeline for (1) adoption of the Fiscal Year 2018-19 Rent Program Budget; (2) recommendation of approval of the FY 2018-19 Rental Housing Fee to the City Council; and (3) billing of the FY 2018-19 Residential Rental Housing Fee was presented by Executive Director Nicolas Traylor. The presentation included information about the purpose and background of the item, an expense and revenue update, proposed budget adoption timeline, proposed fee adoption timeline, proposed billing timeline and the recommended action. Discussion ensued. No action was taken.

REPORTS OF OFFICERS

Executive Director, Nicolas Traylor, gave a brief report on the upcoming Eviction 101 Community Workshop on March 17th and commended staff for their great work and dedication to the program.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:32 P.M.

Cynthia Shaw and Ramona Howell
Staff Clerks

(SEAL)

Approved:

David Gray
David Gray, Chair