

RICHMOND, CALIFORNIA, October 16, 2019

The Regular Meeting of the Richmond Rent Board was called to order at 5:01 P.M.

PLEDGE TO THE FLAG

ROLL CALL

Present: Boardmembers Conner, Finlay, Duncan, Vice Chair Gerould, Chair Maddock and Executive Director.

Absent: None.

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

On motion of Chair Maddock, seconded by Boardmember Conner, a request to move Item F-2 from the Consent Calendar for discussion before Item G-1 under Regulations, passed by the following vote: **Ayes:** Boardmembers Conner, Finlay, Duncan, Vice Chair Gerould and Chair Maddock. **Noes:** None. **Abstentions:** None. **Absent:** None.

PUBLIC FORUM

Cordell Hindler invited the Board to attend a community event in the month of October. He also invited the Board to attend the Contra Costa Mayors Conference, hosted by the City of El Cerrito at the Berkeley Yacht Club in the month of November. He also requested that there be research done with respect to the possibility of Rent Boardmembers receiving a stipend for their service and that this be included on the next Rent Board meeting agenda. He also mentioned that a presentation regarding other Rent Control jurisdictions and their Boardmembers receiving some sort of stipend for their service was presented to the Board at a previous meeting and that the Board should consider revisiting this matter sometime soon.

Marilyn Langlois thanked Rent Program Staff Members for raising the issue of possible Owner Move In Evictions Regulations and seeking community feedback over the past few months. She also mentioned that these new policies would be in place to ensure that Owner Move-In Evictions are done fairly and that they are not

excessive or fraudulent. She mentioned that she was very impressed with observing the Board and Staff working together with input from the community, developing all of the Regulations related to the Fair Rent, Just Cause for Eviction Ordinance during the first year and that was a monumental task. She feels that the Board and Staff will produce the same great work when it comes to the Owner Move-In issue and that she looks forward to discussing this issue further at another Regular Meeting.

RENT BOARD CONSENT CALENDAR

On motion of Vice Chair Gerould, seconded by Boardmember Finlay, the item(s) marked with an (*) were approved by a unanimous vote of the Rent Board:

*F-1. Approve the minutes of the August 21, 2019, Regular Meeting of the Richmond Rent Board. *This item was continued from the September 18, 2019, meeting.*

*F-3. Receive the August 2019 Rent Program Monthly Report. *This item was continued from the September 18, 2019, meeting.*

*F-4. Receive the September 2019 Rent Program Monthly Report.

*F-5. Receive the Rent Program FY 2019-20 Monthly Revenue and Expenditure Report through August 2019. *This item was continued from the September 18, 2019, meeting.*

*F-6. Receive the Rent Program FY 2019-20 Monthly Revenue and Expenditure Report through September 2019.

*F-7. Approve a correction to the minutes of the December 19, 2018, Regular Meeting of the Richmond Rent Board. *This item was continued from the September 18, 2019, meeting.*

F-2. The matter to receive letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100, was removed from the Consent Calendar for discussion before Item G-1 under Regulations. Chair Maddock requested to remove this item from the Consent Calendar to discuss a letter received from Vice President Jennifer Wood, of The John Stewart Company, discussing concerns about the increase in the Fiscal Year 2019-20 Rental Housing Fee for governmentally-subsidized rental units.

Executive Director Nicolas Traylor commented that he spoke with Ms. Wood to address her concerns and explain how the Fee Study was conducted and the reasons for the fee increase. Chair Maddock asked Executive Director Nicolas Traylor about when the next assessment would occur for such rental units. He responded that it will happen in February and mentioned that information regarding Affordable Housing will be included in the Annual Report that will be presented to the Rent Board in early spring.

REGULATIONS

G-1. The matter to rescind Regulation 842(B) and adopt Regulation 842.5 to clarify (1) when a Hearing Examiner's decision becomes effective and enforceable; (2) when a Landlord may recoup rents which accumulated during the pendency of an appeal; (3) when a Tenant may use excess rent to offset the monthly rent owed; (4) the impact that a finding of an excess rent liability has on a Landlords compliance with the Rent Ordinance; and (5) that a Tenant may not waive their rights granted under the Rent Ordinance as such a waiver would violate public policy was presented by Staff Attorney Charles Oshinuga. The presentation included the statement of the issue, background, discussions regarding decisions being final and enforceable, decision of the Rent Board on Appeal, other considerations of Regulation 842.5 and the recommended action. Discussion ensued. The following individuals gave comments: Ilona Clark (Boardmember Finlay responded to the community member about the item and clarified the topic of the item. The community member moved to comment on Item H-2 instead of Item G-1). A motion by Chair Maddock, seconded by Boardmember Conner, to rescind Regulation 842(B) and adopt Regulation 842.5 to clarify (1) when a Hearing Examiner's decision becomes effective and enforceable; (2) when a Landlord may recoup rents which accumulated during the pendency of an appeal; (3) when a Tenant may use excess rent to offset the monthly rent owed; (4) the impact that a finding of an excess rent liability has on a Landlords compliance with the Rent Ordinance; and (5) that a Tenant may not waive their rights granted under the Rent Ordinance as such a waiver would violate public policy, with a change to section 842.5 (E), removing words "in the event" and replace with the word "and" passed by the following vote: **Ayes:** Boardmembers Conner, Finlay, Duncan, Vice Chair Gerould and Chair Maddock. **Noes:** None. **Abstentions:** None. **Absent:** None.

RENT BOARD AS A WHOLE

H-1. The matter to approve the participation of Rent Program staff members in the City of Richmond's Open Data dashboard to assist with reporting on City Council-approved performance measures and strategic priorities was presented by Deputy Director Paige Roosa. The presentation included background information, performance measures/indicators, target goals/objectives, the request for participation, proposed next steps and the recommended action. Discussion ensued. There were no public comments on this item. No formal action was taken on this item; however, Boardmembers recommended that staff return to the Board with legal an analysis of the implications of participation, with an analysis of the goal and how does that match with the goals and objectives of the Rent Board, the effect that participation could have on the Rent Program and the estimated cost of participation in the City's Open Data dashboard.

H-2. The matter to receive training on Maintenance of Net Operating Income (MNOI) was presented by Staff Attorney Charles Oshinuga. The presentation included background information including Landlords entitlement to a Fair Return and the selection of a Fair Return methodology, the rationale behind the MNOI methodology, selection of the Base Year, The Annual General Adjustment (AGA), Net Operating Income (NOI) calculation, calculating the Fair Net Operating Income (NOI), a basic example calculation, definition of operating expenses which included MNOI example calculations and an illustration of Fair Return using the MNOI standard, adjustment of the base year NOI, and the factors that must be considered in the determination of exceptional circumstances in the Base Year that could merit a Base Year rent adjustment. Discussion ensued. The following individual gave comment: Ilona Clark. No action was taken.

ORAL UPDATES

I-1. Staff Attorney Charles Oshinuga gave an oral update on the Statewide Rent Control Act AB 1482. He provided background information on the Statewide Rent Control law and informed the Board that this Act passed and is not effective until January 2020. He also informed the Board that he has met with other Rent Control jurisdictions to ascertain the impact of the state law would on the Richmond Rent Board. He mentioned that he is still discussing the matter with other rent-controlled jurisdictions and indicated that staff will return to the Board with more information about how the new law will affect the Rent Program at

a later date. He also mentioned that he wanted to update the Board on this law to give the Board the opportunity to provide direction to staff. He also mentioned that the Board has policies in place that will allow a Landlord to receive up to a 15% rent increase, and is researching if these policies are at odds with AB 1482.

Discussion ensued. The following individuals gave comment: Sasha Graham. No formal action was taken; however, the Board requested that staff return to the Board with more information about the Rent Board's role with respect to AB 1482 and how AB 1482 affects the Costa-Hawkins Rental Housing Act.

REPORTS OF OFFICERS

Deputy Director Paige Roosa gave a brief update on the upcoming community workshop for Landlords, titled "Navigating the Eviction Process in Richmond" on Saturday, October 26, 2019. She also announced the launch of our Facebook and Instagram pages and encouraged the Board to promote and spread the word to community members about our Social Media pages. She also mentioned that staff members are excited to be working with consultants on this Social Media project. Executive Director Nicolas Traylor added that this Social Media campaign has been very successful. He also mentioned that there will be four videos that will be posted on the Rent Program's social media pages. Thus far, two of them are currently posted including an informational video about the Rent Program and the Executive Director that has received approximately 3,200 views.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:46 P.M.

Cynthia Shaw and Ramona Howell
Staff Clerks

(SEAL)

Approved:

LAUREN MADDOCK
Lauren Maddock, Chair