

The Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (RMC 11.100)

ITEM D-3

Special Meeting of the Richmond Rent Board | April 5, 2017

Overview of the Ordinance

RMC 11.100

The Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (RMC 11.100):

- Establishes a five-member Richmond Rent Board;
- Provides tenant eviction protections;
- Limits rent increases on applicable rental units;

(continued on next slide)

Overview of the Ordinance

RMC 11.100

The Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (RMC 11.100)*(continued from previous slide):*

- Requires that landlords complete and **file all notices** of termination of tenancy, rent increases, and changes in terms of tenancy with the Rent Board; and
- Establishes a **petition process**, where Landlords and Tenants can petition for an individual rent increase or decrease to ensure that Landlords are able to receive a reasonable return on their investment and Tenants are afforded a process to request a rent decrease.

Overview of the Ordinance

RMC 11.100

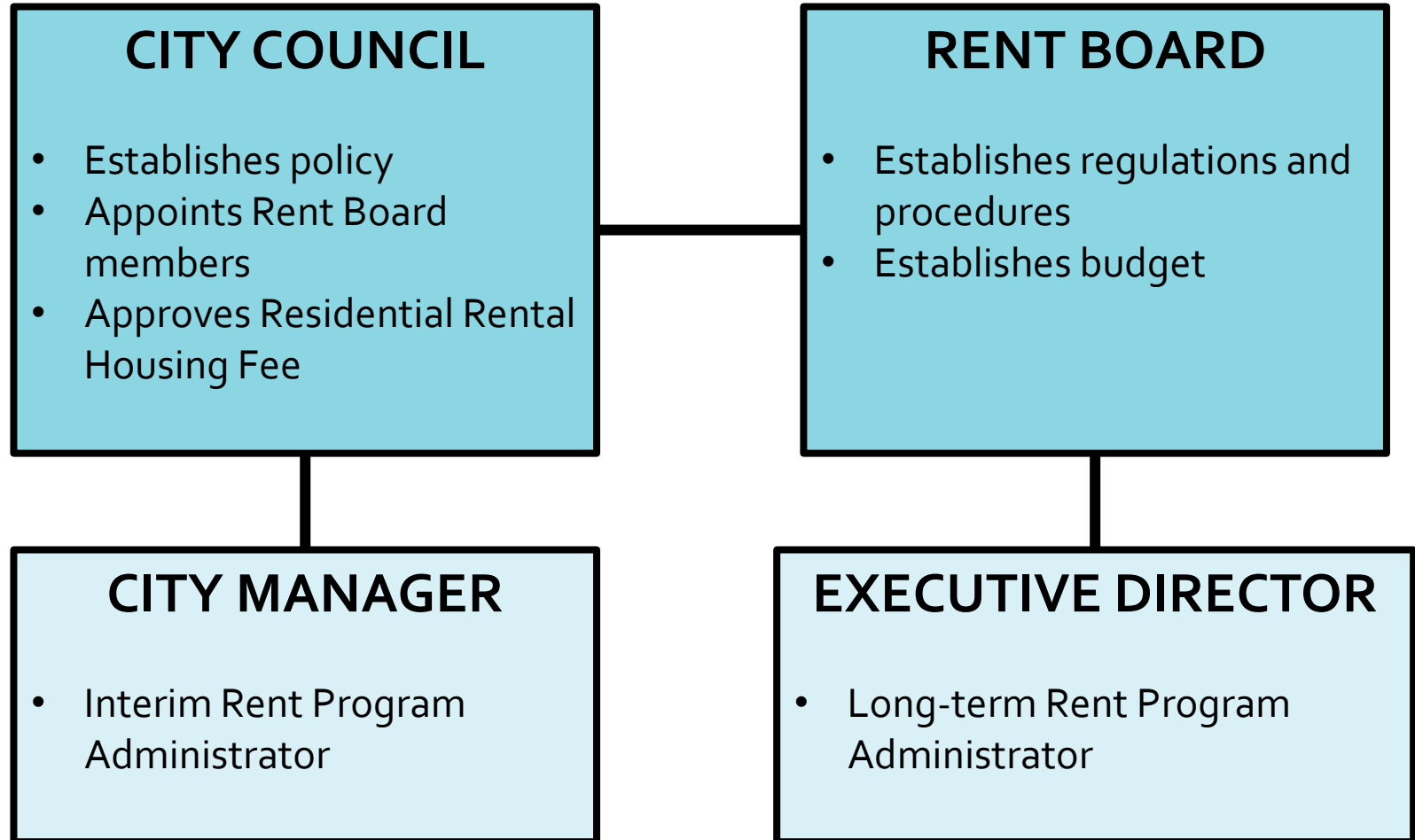
RMC 11.100.060 (m) Integrity and Autonomy of Board

“The City shall provide infrastructural support on an ongoing basis as it would with any other department. During [sic] the transition period before the Board Members are appointed and an Executive Director is hired, the **City shall take whatever steps necessary to perform the duties of the Board and implement the purpose of this Chapter.**”

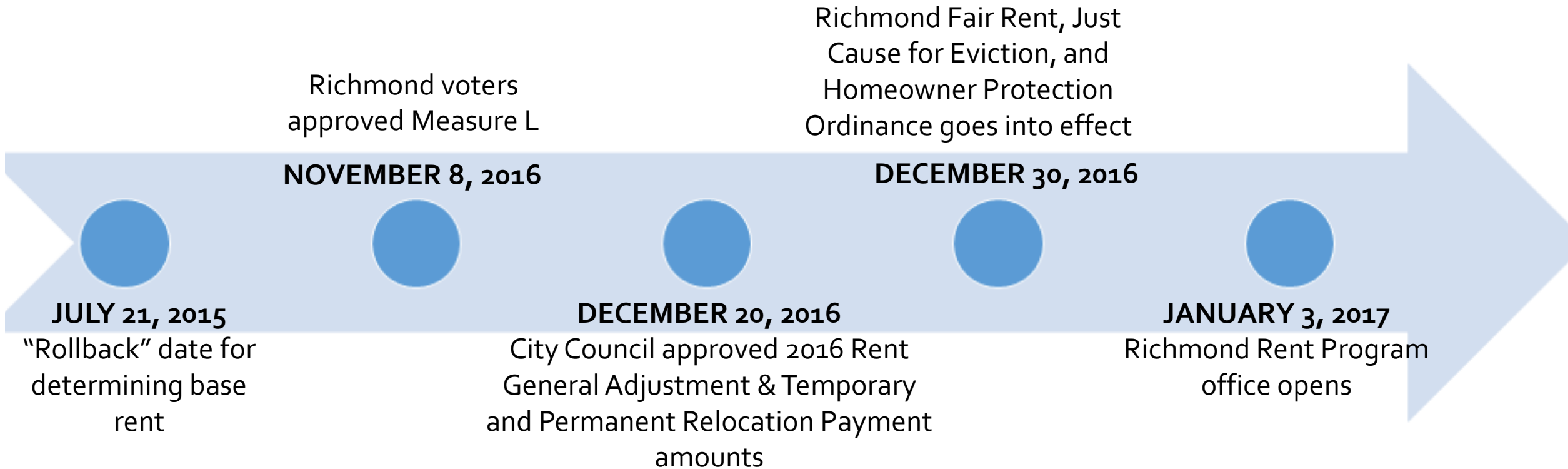
Overview of the Richmond Rent Program

- **Administration of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance**
- **Launch: January 3, 2017**
- **Over 1,800 inquiries** from tenants, landlords, property managers, realtors, and other community members
- **Walk-In/Phone Office Hours:**
 - Monday – Friday, 9:00 AM – 12:00 PM & 1:00 PM – 4:00 PM
 - Email: rent@ci.richmond.ca.us
- **Community Education (City Council direction)**
 - Community Workshops
 - Computer Lab Support Sessions

Rent Program Organizational Chart



Rent Program Timeline



Timeline (con't)

Landlords required to file all notices of rent increases, changes in terms of tenancy, and termination of tenancy notices with the Board BEFORE serving the notice on the Tenant (RMC 11.100.060(s)(1))

FEBRUARY 28, 2017

Rent Program Computer Lab Support Sessions (March 21 & 30, 2017), and Community Education Workshop #2 (March 29, 2017)

MARCH 23 – 30, 2017

JANUARY 18, 2017

Rent Program
Community
Workshop #1

MARCH 21, 2017
City Council appoints
Rent Board

APRIL 5, 2017
First Special Meeting of the
Richmond Rent Board

Key Terms

- Richmond Rent Board
- Just Cause for Eviction
- Written Warning Notice
- Temporary Relocation Payment
- Permanent Relocation Payment
- Controlled Rental Unit
- Costa-Hawkins Rental Housing Act
- Base Rent
- Consumer Price Index (CPI)
- Maximum Allowable Rent
- Annual General Adjustment
- Residential Rental Housing Fee

Richmond Rent Board

RMC 11.100.060

The **Rent Board** is comprised of five members:

- Appointed by City Council
- Richmond residents
- No more than two members who own or manage rental property or are realtors

The **Rent Board** has the ability to:

- Approve rent adjustments
- Charge and collect fees
- Hire an Executive Director
- Establish the **Annual General Adjustment (AGA)**

Just Cause for Eviction

RMC 11.100.050

Residential tenants can only be evicted for one of the following “Just Causes”(notice must state the reason):

- Failure to Pay Rent
- Breach of Lease
- Nuisance
- Failure to Give Access
- Temporarily Vacate in Order to Undertake Substantial Repairs*
- Owner Move-In*
- Withdrawal from Rental Market*
- Temporary Tenancy

***Relocation Payment required – See Relocation Ordinance established by the City Council (RMC 11.102)**

Written Warning Notice

RMC 11.100.050(d)

- **Must be served PRIOR to a notice of termination of tenancy if the Just Cause for Eviction is:**
 - **Breach of Lease**
 - **Nuisance**
 - **Failure to Give Access**
- Must be served within a “reasonable period” prior the serving a notice of termination of tenancy
- Must state that failure to cure may result in eviction
- Must inform Tenant of their right to request a reasonable accommodation
- Shall include the contact number of the Rent Program
- Shall include instructions for compliance
- Shall include information necessary to determine the date, time, place, witnesses present and other circumstances.

Temporary Relocation Payment

RMC 11.100.050

RMC 11.102.030

- Must be provided to Tenants when they must temporarily vacate for the landlord to undertake substantial repairs
- Notice of Entitlement to Relocation Payment must be provide with the notice of termination of tenancy
- Amount determined by a resolution of the City Council

Per Diem Description	Amount	Term (a)
Hotel or Motel	\$145	per day per household
Meal Expenses	\$29	per day per person
Laundry	\$1	per day per household
Pet Accommodations	Cat - \$28 Dog - \$51	per day per animal

(a) Applicable amounts shall be paid on a weekly basis, calculated on a daily basis, at a minimum. Alternatively, the Landlord may provide comparable housing located in Richmond. In such case, the Landlord shall provide per diem payments until the Tenant and their possessions have been moved into the comparable Rental Unit.

Permanent Relocation Payment

RMC 11.100.050

RMC 11.102.030

- **Must be provided to Tenants for Owner Move-In OR Withdrawal from the Rental Market**
- Notice of Entitlement to Relocation Payment must be provide with the notice of termination of tenancy
- Amount determined by a resolution of the City Council (*see next slide*)

Permanent Relocation Payment

RMC 11.100.050
RMC 11.102.030

Owner Move-In (R.M.C. 11.100.050(a)(6))

Maximum Cap per Unit Type (a) (b)	Base Amount	Qualified Tenant Household Amount (c)
Studio	\$3,400	\$3,950
1 Bedroom	\$5,250	\$6,050
2+ Bedroom	\$7,150	\$8,200

Withdrawal from Rental Market (R.M.C. 11.100.050(a)(7))

Maximum Cap per Unit Type (a) (b)	Base Amount	Qualified Tenant Household Amount (c)
Studio	\$6,850	\$7,850
1 Bedroom	\$10,500	\$12,100
2+ Bedroom	\$14,250	\$16,400

(a) If a Rental Unit is occupied by one Tenant then the entire per unit Relocation Payment shall be paid to the Tenant. If more than one Tenant occupies the Rental Unit, the total amount of the Relocation Payments shall be paid on a pro-rata share to each Eligible Tenant.

(b) The Relocation Payments will be calculated on a per Rental Unit basis, distributed on a per Tenant basis, and includes a maximum cap per Rental Unit.

(c) A "Qualified Tenant Household" is any household that includes at least one Tenant that is a Senior Citizen, Disabled, or has at least one minor dependent child as defined in R.M.C. 11.102.020(a) and (l). Sources: City of Santa Monica, 2016; American Community Survey, 2011-2015 (Table B25064).

Rent Control

RMC 11.100.030(d)

- Establishes a ceiling, or **Maximum Allowable Rent**, for **Controlled Rental Units**
- **Controlled Rental Units** does NOT include:
 - Hotel or motel rooms
 - Hospital, medical care, convent, or dormitory rooms
 - Rental units owned, operated, or managed by the government that are specifically exempt from municipal rent control
 - Single family homes, condominiums, and new constructions (see **Costa-Hawkins Rental Housing Act**)
 - Small, Second Units built in compliance with the Small, Second Unit Ordinance (RMC 15.04.810) as long as the owner is the Primary Resident of the first, larger single-family home
 - Rental rooms, as long as the Tenant shares a bathroom or kitchen with the homeowner

Costa- Hawkins Rental Housing Act

RMC 11.100.030

- **California state law** (CA Civil Code 1954.50 – 1954.535)
- **Exempts** certain types of units and new construction from Rent Control, including:
 - **Single-family homes and condominiums**
 - **Units which were issued a certificate of occupancy after February 1, 1995**
- Establishes **vacancy decontrol** (with limitations – refer to CA Civil Code Section 1954.53)

Base Rent

RMC 11.100.070

- The rent in effect on **July 21, 2015**

OR

- The rent in effect on the first date that rent was charged after July 21, 2015
(Only applies to tenants in controlled rental units that moved after July 21, 2015)

Consumer Price Index

RMC 11.100.070

- Used to calculate the **Annual General Adjustment**
- A measurement of the average change over time in the prices of goods and services determined by the United States federal government
- The CPI is the most widely used measure of inflation.

Maximum Allowable Rent

RMC 11.100.070

- The most money that can be charged for a **Controlled Rental Unit**
- The agreed upon rent amount cannot exceed the **Maximum Allowable Rent**, but it could be less. The **Maximum Allowable Rent** remains the same.
- Equals the **Base Rent + Annual General Adjustments (AGA)** + Individual Rent Adjustments (approved through the petition process)

- Example Calculation:

Base Rent: \$1,000 +
2016 Annual General Adjustment of 3%: \$30 +
Individual Rent Adjustments (if applicable): \$0 +/-

= **Maximum Allowable Rent** = \$1,030

Annual General Adjustment

RMC 11.100.070

- The amount by which the **Maximum Allowable Rent** for **Controlled Rental Units** increases each year.
- 2016 **Annual General Adjustment**: 3.0%
- The 2017 **Annual General Adjustment** will be announced no later than June 30, 2017 and will be effective September 1st, 2017.
- Does not automatically increase the actual rent paid by a tenant
 - A landlord may increase the rent up to the **Maximum Allowable Rent** with proper noticing

Noticing Requirements

RMC 11.100.060(s)(1)

- All Landlords must file a copy of rent increase notices, change in terms of tenancy, and tenancy termination notices with the Rent Board BEFORE serving the tenant the notice
- Interim Procedure:
 - STEP 1: Enroll all Rental Units at www.richmondrent.org
 - STEP 2: Notify the Rent Program using the appropriate online form at www.richmondrent.org
 - STEP 3: Serve the tenant the notice
 - STEP 4: Complete the online proof of service form at www.richmondrent.org

Residential Rental Housing Fee

RMC 11.100.060(l)(1-2)

- The Rent Board shall finance its reasonable and necessary expenses by charging Landlords annual registration fees in amounts deemed reasonable by the Board
- Shall be charged at the same time as the Business License Tax
- Amount determined by the City Council following a recommendation from the Rent Board
- In addition to:
 - Business License Tax
 - Rental Inspection Program Fee
 - Fire Prevention Services Fee

Contact Information

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