



RIGHTS AND RESPONSIBILITIES FOR RICHMOND TENANTS



CITY OF RICHMOND RENT PROGRAM

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TOPICS COVERED

Purpose

**Overview of the
Richmond Rent
Ordinance**

**Properties Covered
under the Rent
Ordinance**

**Just Cause for
Eviction, Eviction
Noticing
Requirements, and
the Eviction Process**

**The Annual General
Adjustment (AGA),
Rent Increase Noticing
Requirements, Base Rent,
and Maximum Allowable
Rent (MAR)**

**When Rents Can Be
Raised to Market**

**Rent Adjustment
Petitions**

**Overview of
Important California
Civil Codes**

PURPOSE OF THE RENT ORDINANCE

The purpose of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance, also known as the Rent Ordinance, is to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Richmond by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair return.

OVERVIEW OF THE RICHMOND RENT ORDINANCE

- **November 8, 2016: Rent Ordinance passed by Richmond voters**
- **December 30, 2016: Rent Ordinance goes into effect**
- **January 3, 2017: Rent Program Office opens**

Rent increases are limited to the Annual General Adjustment (100% of the CPI)

“Base rents” rolled back to the rent paid by Tenant on July 21, 2015 or the first rent paid by tenant for tenancy commencing after July 21, 2015.

Landlords must have one of eight “Just Causes” to terminate tenancy or evict

Ordinance provides a Rent Adjustment/Fair Return Petition Process

The Richmond Rent Ordinance (RMC 11.100)

Rent Control

Rents are regulated. The Maximum Allowable Rent is calculated by taking the **Base Rent** + **Annual General Adjustments (cost-of-living increase)** + any allowable **Individual Rent Adjustment** that is ordered by a Hearing Examiner.

Annual General Adjustment (AGA):
100% of the Consumer Price Index in the Bay Area (inflation rate)

Petition Process:
A mechanism to increase or decrease the MAR based on reasons permitted by the Rent Ordinance

Base Rent: Requires rents to be rolled back to the rent in effect as of **July 21, 2015**, or the first rent charged for Tenants that moved in after July 21, 2015

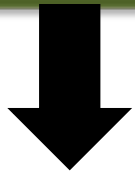
Just Cause for Eviction Protections

a Landlord needs to have one of the eight “**Just Causes**” to terminate tenancy

- 1) Failure to Pay Rent
- 2) Breach of Lease
- 3) Nuisance
- 4) Failure to Give Access
- 5) Temporarily Vacate in Order to Undertake Substantial Repairs
- 6) Owner-Move-in/Owner Relative Move-In
- 7) Withdrawal from the Rental Market (Ellis Act)
- 8) Temporary Tenancy

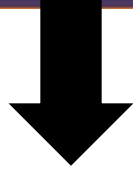
WHICH PROPERTIES ARE COVERED BY THE RENT ORDINANCE?

Fully Covered
("Controlled Rental
Units"): Rent Control
and Just Cause for
Eviction Protections



- ✓ Multi-Unit Properties built on or before February 1, 1995

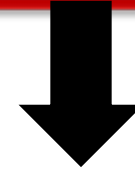
Partially Covered:
Only Just Cause for
Eviction Protections
(Not Rent-
Controlled)



- ✓ Subsidized Units, including Section 8 Tenancies
- ✓ Properties with one dwelling unit on one parcel
- ✓ Condominiums
- ✓ "New Construction" constructed after February 1, 1995*

*Costa Hawkins requires units be permitted with a certificate of occupancy (i.e., permits are final and unit is fit for residential habitation).

Fully Exempt: No
Rent Control and no
Just Cause for
Eviction Protections



- ✓ Landlord and Tenant share kitchen and/ or bath
- ✓ Single family homes where a permitted ADU was added and the main house is owner- occupied.
- ✓ Retirement Homes

ACCESSORY DWELLING UNITS (ADUS)

Accessory Dwelling Units (ADUs) and the Rent Ordinance



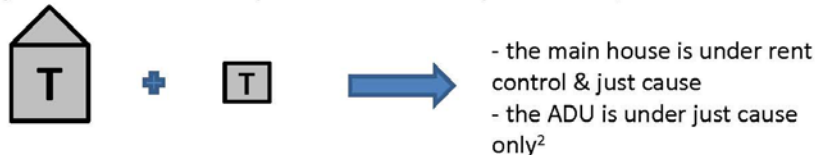
If the main house is the owner's primary residence and the 2nd unit is a permitted ADU, then...



If the main house is the owner's primary residence and the 2nd unit is not permitted, then...



If both units are tenant-occupied and the 2nd unit is a permitted ADU, then...



If both units are tenant-occupied and the 2nd unit is not permitted, then...



If the main house is tenant-occupied and the 2nd unit is owner-occupied, then...



Key

O = owner-occupied (primary residence)

T = tenant-occupied



main house



permitted ADU



unpermitted 2nd unit

Note: all units are exempt from rent control if built after 1995

For more information on ADU requirements, contact the Planning Division at (510) 620-6706

For more information on Rent Control and Just Cause, contact the Rent Program at (510) 234-RENT (7368)

References

1. RMC 11.100.040 (2)
2. RMC 11.100.030 (d)(5)

**Just Cause for
Eviction**

**Eviction Noticing
Requirements**

**The Eviction
Process**

Note: Pages 7-12 apply to Fully Covered and Partially Covered Units

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** (after having been served a three-day notice to pay or quit)
- **Breach of Lease** (if a tenant continues to violate the lease after being warned in writing to cease the violation(s))
- **Nuisance** (if a tenant continues to cause a nuisance after being warned in writing to cease causing the nuisance)
- **Failure to Give Access** (if a tenant continues to deny a landlord lawful entry per Civil Code 1954, after receiving a written warning to cease denying lawful entry)
- **Temporarily Vacate in Order to Undertake Substantial Repairs***
- **Owner Move-In***
- **Withdrawal from Rental Market (Ellis Act)***
- **Temporary Tenancy**

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

Note: If you receive a Notice of Termination of Tenancy it is recommended that you contact the Rental Program at (510)234-RENT (7368)

WRITTEN WARNING NOTICE REQUIREMENTS 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” of no less than 5 days prior to 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.

JUST CAUSE FOR EVICTION: NOTICING RULES

RMC 11.100.050

- **Landlord must submit a copy of any eviction notice served on a Tenant within 2 business days of having served the Tenant.**
- **The Landlord must submit an online form on the Rent Program's website (www.richmondrent.org), and upload a copy of the notice with a proof of service. This noticing requirement does not apply to properties or units that are exempt from the Just Cause provisions of the Rent Ordinance.**

Tenant fails to pay rent

Landlord serves the Tenant with a Notice to Pay Rent or Quit

Landlord must file a copy of the notice with the Rent Board, within 2 business days of serving the tenant. Failure to do so is a defense to an Eviction Lawsuit

Tenant fails to pay rent within the noticing period

Landlord files eviction lawsuit

Tenant must respond with their affirmative defense(s) to eviction lawsuit within 5-days of having been served the lawsuit.

Tenant responds with affirmative defenses within the 5-day deadline

Court mails notice of Hearing (trial) date

Tenant fails to respond within 5-day deadline

Landlord files request for default judgement

If approved, default judgement is entered against the Tenant.

Judge or jury trial is held

Tenant wins: remains in unit

Landlord wins: awarded possession of unit

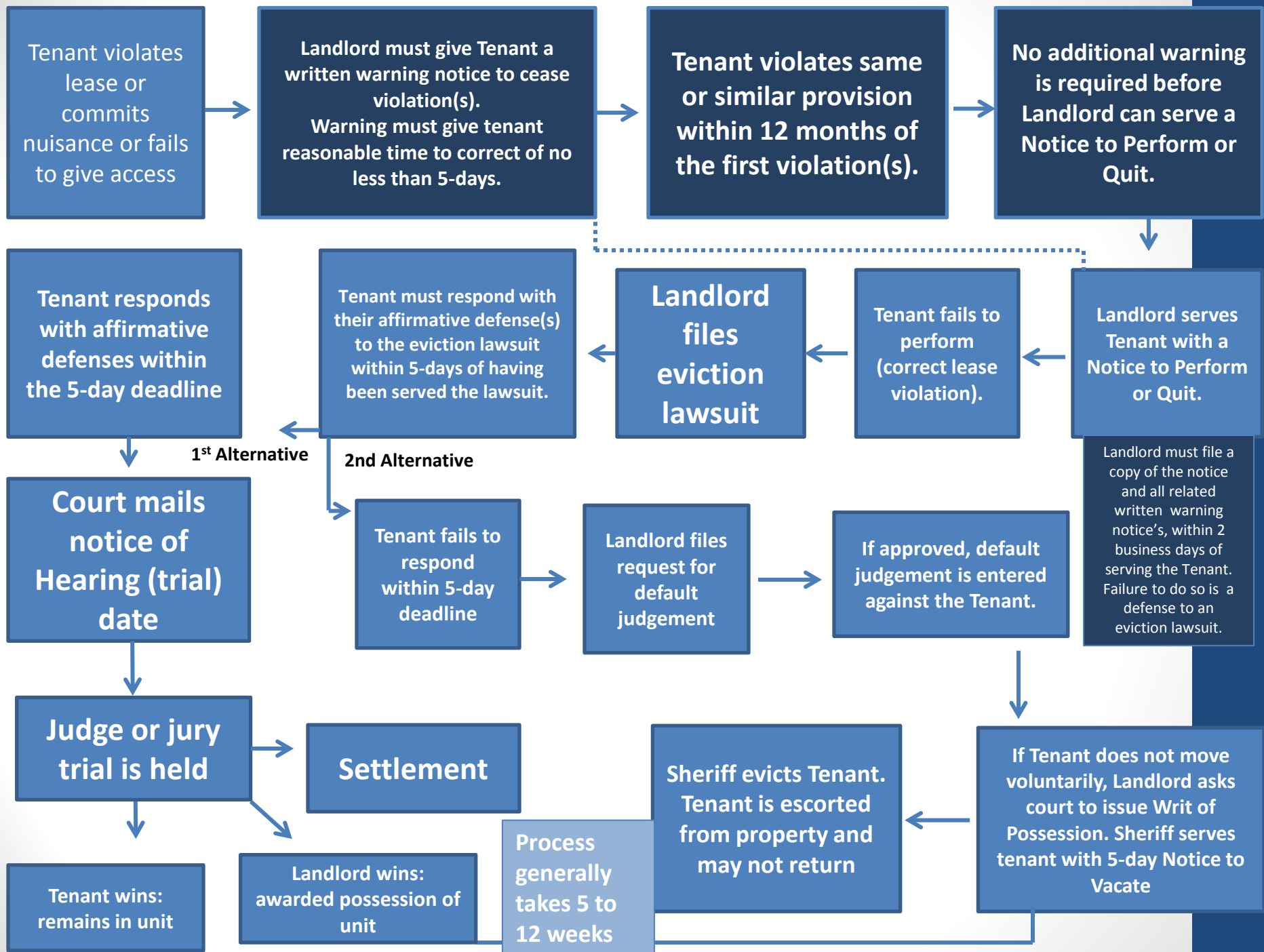
Settlement

Sheriff evicts Tenant. Tenant is escorted from property and may not return.

If Tenant does not move voluntarily, Landlord asks the court to issue Writ of Possession. Sheriff serves Tenant with 5-day Notice to Vacate.

1st Alternative

2nd Alternative



**The Annual
General
Adjustment
(AGA)**

**Rent Increase
Noticing
Requirements**

Base Rent

**Maximum
Allowable Rent
(MAR)**

THE 2016, 2017, 2018, AND 2019 ANNUAL GENERAL ADJUSTMENTS

2016 Annual General Adjustment: 3.0%

2017 Annual General Adjustment: 3.4%

2018 Annual General Adjustment: 3.6%

2019 Annual General Adjustment, effective
September 1st: 3.5%

A Landlord must give the Tenant proper notice of a rent increase per California Civil Code 827: A Landlord may increase the rent up to the **Maximum Allowable Rent** with a 30-day notice.

Note: the AGA rent increase may only be applied to tenancies in effect prior to Sept. 1 of the previous year.

ANNUAL GENERAL ADJUSTMENT (AGA)

What is the AGA and how is it calculated?

Annual allowable cost-of-living increase, based on 100% of Consumer Price Index (inflationary rate).

When can first AGA be taken after new tenancy starts?

One full calendar year must expire after September 1 of each year.

When during the year can the AGA be taken?

The AGA can be taken on September 1 of each year after proper legal notice.

Can Landlords “bank” AGA increases?

Yes, a limit of 5% of previously deferred AGAs can be recovered each year, plus the current year’s AGA, but Rent increases may not be applied retroactively.

WHAT ARE THE REQUIREMENTS FOR TAKING AN AGA RENT INCREASE?

Administrative Requirements

Landlord must be in compliance with all aspects of the Rent Ordinance including: enrollment of rental property; completion of tenancy registration form; payment of Rental Housing Fee; rents properly rolled back; and any overcharges refunded to Tenant

Noticing Requirements

Provide the Rent Program with a copy of the rent increase with proof of service within 10 business days of having served the Tenant

Legal
requirements
for taking the
AGA rent
increase

Reminder: **Only** properties that are subject to the rent control provisions of the Ordinance must file rent increase notices with the Rent Program

MAXIMUM ALLOWABLE RENT (MAR)

The maximum rent that can be charged for a **Controlled Rental Unit**

A rent increase cannot exceed the **Maximum Allowable Rent**, but it can be less. Even if the maximum rent is not charged, the **Maximum Allowable Rent** remains the same. The landlord may choose to raise the rent to the maximum in accordance with state law and the Rent Board's banking regulation.

Equals the **Base Rent + Annual General Adjustments (AGA) + Individual Rent Adjustments** (approved through the petition process)

THE CREATION OF A NEW “BASE” RENT DUE TO THE RENT ROLLBACK

- Under the Rent Ordinance, rents are **required to be rolled back** to 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**

Example:

July 21, 2015: the tenant is paying \$1,000 (this is the base rent).

On December 30, 2016 the Rent Ordinance goes into effect.

Rent Ordinance Not in Effect

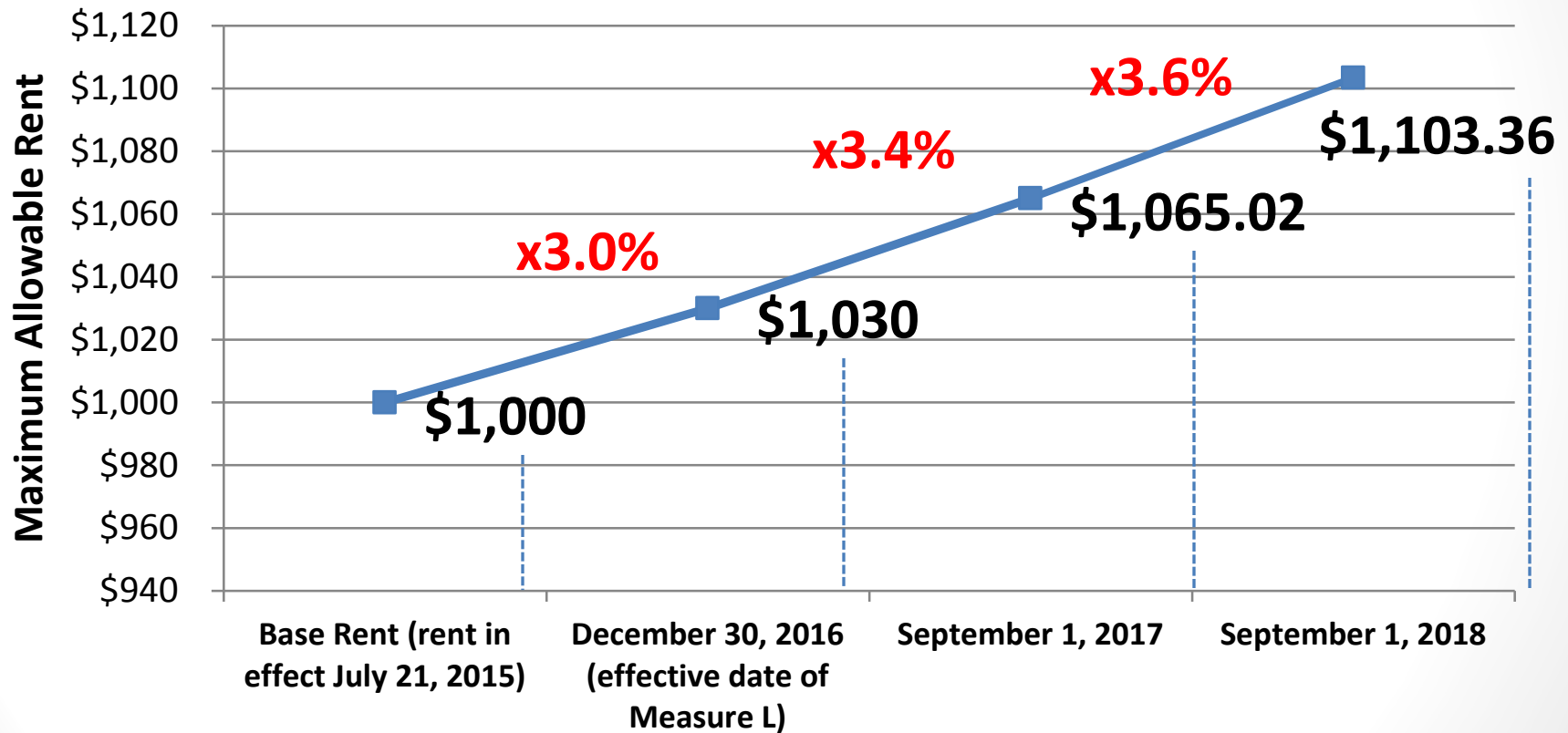
September 2014: Tenancy begins, rent is \$1,000

December 2015: rent is raised to \$1,100

December 30, 2016: the rent is “rolled back” to \$1,000 (base rent).

February 2017: after proper notice, the Landlord increases the rent by the allowed 2016 AGA of 3% to \$1,030.

MAXIMUM ALLOWABLE RENT (MAR): EXAMPLE



Note: AGA rent increases are not automatic; rent increases may only take effect if a tenancy began prior to September 1st of the previous year and AFTER a proper 30-day notice has been filed with the Rent Board at www.richmondrent.org.

WHEN RENTS CAN BE RAISED TO “MARKET”

WHEN RENTS CAN BE RAISED TO “MARKET”

- 1. WHEN THERE IS A VOLUNTARY VACANCY AND A NEW TENANCY STARTS.**
- 2. WHEN ALL OF THE ORIGINAL OCCUPANTS/LEASEHOLDERS VACATE AND ONLY HOLD-OVER SUBTENANTS REMAIN IN THE UNIT.**
- 3. IF THE TENANT NO LONGER LIVES IN THE UNIT AS HIS OR HER PRIMARY RESIDENCE (I.E. THE LEASE HOLDING TENANT IS SUBLETTING OR USING UNIT AS A VACATION HOME).**

HOW DOES RENT CONTROL WORK IN CALIFORNIA?

Currently, cities in California with rent control operate under the **Costa Hawkins Rental Act**, also known as vacancy **decontrol** and **re-control**.

What is vacancy decontrol and re-control?

*Tenancy starts
(re-control)*

In March 2015,
Landlord and Tenant
contract for \$1000
rent
+ garbage/water and
parking included

2016

Rent increases
by 3.0% to
\$1,030

2017

Rent increases by
3.4% to \$1,065.02

*New tenancy starts or all of
the original occupants have
vacated (decontrol)*

In 2018, Landlord
resets rent to \$1,450
and contracts with a
new Tenant, parking
is NOT included.



RENT ADJUSTMENT PETITIONS

TENANT RENT ADJUSTMENT PETITIONS

Petition for Excessive Rent due to failure on behalf of the Landlord to roll back the Rent or for charging Rent above the Maximum Allowable Rent (MAR)

Petition to reduce the Rent due to decrease in space, services, and/or habitability

Petition to reduce the Rent due to a reduction in the number of Tenants allowed

Important Petition Facts: (1) Landlord has right to object to petition; (2) Most petitions and almost all habitability petitions will result in a hearing conducted by Hearing Examiner; (3) Some petitions will be decided administratively if no objection is filed by the other party and the facts of the case are straightforward or not disputed;
(4) Either party can appeal a Hearing Examiner's decision.

LANDLORD RENT ADJUSTMENT PETITIONS

Petition to increase the Maximum Allowable Rent (MAR)
due to increase in number of occupants allowed*

Petition to increase the Maximum Allowable Rent (MAR)
due to increase in space or services

Petition to increase the Maximum Allowable Rent (MAR)
due to increases in Net Operating and Maintenance costs

Important Petition Facts: (1) Tenant has right to object to petition; (2) Most petitions and almost all habitability petitions will result in a hearing conducted by Hearing Examiner; (3) Some petitions will be decided administratively if no objection is filed by the other party and the facts of the case are straightforward or not disputed.

(4) Either party can appeal a Hearing Examiner's decision.

*A petition for an increase in the number of occupants will not be approved if it concerns additional tenants pursuant to the Regulations of the Richmond Rent Board, Chapter 9, Section 903 (B)(2)

OVERVIEW OF IMPORTANT CALIFORNIA CIVIL CODES

**Implied Warranty of
Habitability: Civil Code
1941.1 and 1941.2**

**Security Deposit Law:
Civil Code 1950.5**

**Landlord Entry Law:
Civil Code 1954**

**Proper Notice for
Terminating Tenancies:
Civil Code 1946 and
1946.1**

**Rent Increase Notice
Law:
Civil Code 827**

**Lease Breaking Law:
Civil Code 1951.2**

1941.1: Implied Warranty of Habitability

Landlords must provide a property that is in "habitable" condition and fit to live in. Landlords must repair problems that make the property uninhabitable – except for problems caused by the Tenant or the Tenant's guests, children or pets. In order for the property to be habitable, it must have all of the following:

- ✓ **Effective waterproofing/weather protection of roof and exterior walls, including unbroken windows and doors.**
- ✓ **Plumbing facilities in good working order, including hot and cold running water, connected to a sewage disposal system.**
- ✓ **Gas facilities in good working order.**
- ✓ **Heating facilities in good working order.**
- ✓ **An electrical system, including lighting, wiring and equipment, in good working order.**
- ✓ **Clean and sanitary buildings, grounds and appurtenances (for example, a garden or a detached garage) which are free from debris, filth, rubbish, garbage, rodents and vermin.**
- ✓ **Adequate trash receptacles in good repair.**
- ✓ **Floors, stairways and railings in good repair.**
- ✓ **A working toilet, wash basin, and bathtub or shower. The toilet and bathtub/shower must be in a room that is ventilated, and that allows for privacy.**
- ✓ **A kitchen with a sink, which cannot be made of an absorbent material (for example, wood).**
- ✓ **Natural lighting in every room through windows or skylights. Unless there is a ventilation fan, the windows must be able to open at least halfway.**
- ✓ **Safe fire or emergency exits leading to a street or hallway. Stairs, hallways and exits must be kept litter free. Storage areas, garages, and basements must be kept free of combustible materials.**
- ✓ **Operable deadbolt locks on the main entry doors of rental units, and operable locking or security devices on windows.**
- ✓ **Working smoke detectors in all units of multi-unit buildings, such as duplexes and apartment complexes. Apartment complexes also must have smoke detectors in common stairwells.**

1941.2: Tenant's Responsibilities

A Tenant must take reasonable care of the rented property and common areas, such as hallways. This means that the Tenant must keep those areas in good condition. A Tenant must also repair all damage that he or she causes, or that is caused by the Tenants' guests, children or pets. California Civil Code section 1941.2 requires the Tenant to do all of the following:

- ✓ Keep the premises "as clean and sanitary as the condition of the premises permits."
- ✓ Use and operate gas, electrical and plumbing fixtures properly. (Examples of improper use include overloading electrical outlets, flushing large foreign objects down the toilet, and allowing any gas, electrical, or plumbing fixture to become filthy.)
- ✓ Dispose of trash and garbage in a clean and sanitary manner.
- ✓ Not destroy, damage, or deface the premises, or allow anyone else to do so.
- ✓ Not remove any part of the structure, dwelling unit, facilities, equipment or appurtenances, or allow anyone else to do so.
- ✓ Use the premises as a place to live, and use the rooms for their proper purposes. For example, the bedroom must be used as a bedroom and not as a kitchen.
- ✓ Notify the Landlord when deadbolt locks and window locks or security devices do not operate properly.

1950.5: Security Deposit Law

Definition of Security Deposit

Any payment, fee, deposit or charge, imposed at the beginning of the tenancy as an advance payment of rent, or to be used for recovering rent defaults, repairing damages caused by the Tenant, or cleaning. This does not include an application or screening fee. The first month's rent isn't considered a security deposit, but money paid in excess of the first month's rent (including what is called "last month's rent") is considered part of the deposit.

How much can a Landlord collect for a security deposit?

A security deposit may not exceed two times the monthly rent for an unfurnished unit or three times the monthly rent for a furnished unit.

What can a Landlord deduct from the security deposit?

A Landlord may deduct from a Tenant's security deposit only the amount that is reasonably necessary to: (1) cover rent defaults, (2) repair damages a Tenant or a Tenant's guest caused other than normal wear and tear, (3) do necessary cleaning defined as the amount of cleaning needed to return the unit to the same level of cleanliness as at the beginning of the tenancy, and (4) if allowed by the lease, cover the cost of restoring or replacing personal property (including keys) or furniture, excluding ordinary wear and tear.

Landlords are obligated to offer a walk-through inspection at the end of tenancy

Tenant's have a right to a walk-through inspection no earlier than 2-weeks prior to the Tenant vacating. The Landlord must give 48 hours prior written notice of the inspection, unless the Tenant waives this requirement in writing. The purpose of the inspection is to identify needed cleaning for the Tenant to perform before moving out so as to avoid deductions from the security deposit. Immediately after the inspection, the Landlord must provide an itemized list of repairs and cleaning that need to be done to avoid authorized deductions. The Landlord may still deduct for cleaning or repairs that were not identified during the inspection because they were concealed by the Tenant's belongings.

1950.5: Security Deposit Law

When does the security deposit have to be returned to the Tenant(s)?	Within 21 days after the Tenant (or Tenants) leave the unit vacant, the Landlord must (1) furnish the Tenant with a written statement itemizing the amount of, and purpose for, any deductions from the security deposit; and (2) return any remaining portion of the deposit to the Tenant. Where several roommates live together and have paid a deposit, the Landlord is not required to return the deposit until the unit is returned to the Landlord vacant.
Requirement to provide itemized statement of Landlord's charges, along with receipts	If more than \$125 is deducted from the deposit for cleaning and repairs together, the Landlord must attach to the itemized statement copies of documents showing the Landlord's charges and costs to clean and repair the unit.
Effect of sale on deposit	A Landlord who sells a rental property must either: 1) transfer the deposit to the new Landlord; or 2) return the deposit to the Tenant.
Tenant's recourse if deposit is not returned within 21 days of vacating	A Tenant who does not receive the refund and accounting within 21 days, or disputes the amount claimed by the Landlord, may sue the Landlord for the disputed amount (in Small Claims Court if the amount is less than \$10,000) and up to twice the amount of the deposit for the "bad faith retention" of (i.e., the unreasonable refusal to return) any security. In court, the Landlord has to prove that the amounts retained were reasonable.

1954: Lawful Landlord Entry

- Landlord may only enter to make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workers, or contractors or to make an inspection pursuant to Section 1950.5 (Security Deposit Law).
- Landlord must give the Tenant written notice to enter, at least 24 hours prior to entry
- Landlord does not need to provide written or verbal notice to enter in cases of emergency (such as fire, flooding, etc.)
- The Tenant cannot demand that they be there when the Landlord enters
- Entry must be during “normal business hours”
- Landlord must state the time and date, as well as the purpose of the entry in the written notice
- In Richmond, it is “Just Cause” to evict a Tenant who denies a Landlord lawful entry, after the Tenant has been warned to cease denying lawful access and continues to do so.

1946: Proper Notice When Terminating Tenancies

- Landlord must give at least 30 days written notice to terminate a tenancy if the tenancy is less than one year. Under this same Code, a Tenant must give a 30-day written notice to vacate (terminate their tenancy) and can give notice on any day of the month, once the lease has converted to a month-to-month lease. A Landlord can require more than 30-days notice if the Tenant is on a fixed-term lease when they are giving notice to vacate.
- Under Civil Code 1946.1, a Landlord must give at least 60-days written notice to terminate a tenancy, if the tenancy has lasted a year or more.
- Note: Any termination notice served in the City of Richmond must cite one of the permitted just causes for eviction, unless the Rental Unit is fully-exempt from the Rent Ordinance.

827: Giving Proper Notice for Changes in Terms of Tenancy, including Rent increases

- Generally, changes in terms of tenancy require a minimum 30-day written notice.
- A notice to increase rent by 10% (during any 12 month period) or less requires a 30-day written notice of rent increase
- A notice to increase rent by more than 10% (during any 12 month period) requires a 60-day written notice of rent increase

1951.2: Lease Breaking Law

If a Tenant breaks a lease they are liable for unpaid rent remaining on the lease, but only if:

- **The Landlord attempts to mitigate unpaid rent damages by making a reasonable effort to re-rent the unit**
- **In other words, if a Tenant breaks a lease, the Landlord cannot make the Tenant pay for the remaining unpaid rent unless the Landlord can show that they made a reasonable effort to re-rent and were still unable to find a replacement/new Tenant**

THANK YOU!

Richmond Rent Program

510-234-RENT (7368)

Rent@ci.richmond.ca.us

Or

Visit us at:

www.richmondrent.org