

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: April 15, 2020

Final Decision Date Deadline: April 15, 2020

STATEMENT OF THE ISSUE: Members of the community have sent letters to the Rent Board and Rent Program staff members. Staff members recommend letters that do not pertain to a specific item on the Rent Board agenda be included as consent items for consideration by the Rent Board.

INDICATE APPROPRIATE BODY

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|---|---|--|--|---|
| <input type="checkbox"/> City Council | <input type="checkbox"/> Redevelopment Agency | <input type="checkbox"/> Housing Authority | <input type="checkbox"/> Surplus Property Authority | <input type="checkbox"/> Joint Powers Financing Authority |
| <input type="checkbox"/> Finance Standing Committee | <input type="checkbox"/> Public Safety Public Services Standing Committee | <input type="checkbox"/> Local Reuse Authority | <input checked="" type="checkbox"/> Other: <u>Rent Board</u> | |

ITEM

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|---|--|--|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Regulation | <input checked="" type="checkbox"/> Other: <u>CONSENT CALENDAR</u> |
| <input type="checkbox"/> Contract/Agreement | <input type="checkbox"/> Rent Board As Whole | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | |

RECOMMENDED ACTION: RECEIVE letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100 – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:
F-2.

Cynthia Shaw

From: Ilona Clark <in70clark@gmail.com>
Sent: Tuesday, March 24, 2020 12:35 PM
To: Ben Choi; Demnlus Johnson III; Eduardo Martinez; Jael Myrick; Melvin Willis; Nat Bates; Tom Butt - external; Trina Jackson; Cynthia Shaw; Paige Roosa; Emma Gerould; Lauren Maddock; Nancy coombs; Nicolas Traylor; Rent Program; Virginia Finlay; Alana Conner
Subject: COVIC-19 and economic impacts on housing in Richmond

Esteemed Richmond City Council members,

I have recently read Order 20-20 and am writing to you with my input. I admire the Council's efforts to soften the effects of the current situation on Richmond's residents. I have some questions and issues with the order that I'm hoping you will address.

The order says a renter needs to demonstrate inability to pay rent due to COVID-19. **A list of acceptable documents should be made available to give guidance to community members.**

Medical documents - While we may accept medical information from renters, I do not believe we can ask for them or say that we accept them in a way that might be construed as coercive. Medical privacy laws must be considered. Medical documents must be requested or required by the City

If this crisis continues for more than a few months, many housing providers will be hurting. As you know, most Richmond housing providers are small-timers, and many of us live in our rentals. Many of us are not much better off than our own renters. If we are unable to collect rent, we must have agreements with our banks who will confer similar forbearance to us on mortgage payments.

Interest rates. Since non-paid rents are considered loans per Order 20-20, can interest be applied? if so how much and when? If not, will Richmond refrain from charging interest on late property tax payments and can we expect banks to do the same for late mortgage payments?

Actions you can take:

- Until State and/or Federal government funding is acquired, utilize reserve funds (provided by Richmond Landlords/Property Owners rent program fees) in Richmond Rent Program as well as City funds as a loan for Tenants who document meeting COVID-19-related financial impacts to continue paying their rent. The rent program has a reserve fund with a balance of over \$300,000 according to the latest packet page 38. What are such reserve for if not to help our community through crises such as the present one?
- Richmond should delay property tax payments without penalty as we are expected to accept delays in rent payments without penalty.
- City should support all Richmond residents and taxpayers and immediately reach out to state and federal representatives and senators to seek equal protections for Property Owners of impacted Tenants.
- City should manage (keep record of, if not directly administer) all loans provided by state and/or federal funding to support Order 20-20, protecting all eligible tenants and their housing providers.
- If the federal government ultimately provides one or two stimulus payments, there should be a requirement to use a certain percentage of that towards rent and mortgage payments owed, within 5(?) days of receipt of stimulus payment.

Richmond City Council makes decisions that affect the health and economic stability of all our residents and service providers. We strongly advise the Council to make necessary amendments to Order 20-20 to protect

both tenant **and** housing providers. Regulations that are not thought out or poorly implemented are very likely to cause an even deeper systemic crisis in our community.

With my personal best wishes for each of your continued good health,

Ilona Clark, Association of United Richmond Housing Providers

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A mistake that makes you humble is better than an achievement that makes you arrogant

Cynthia Shaw

From: Ilona Clark <in70clark@gmail.com>
Sent: Monday, April 6, 2020 8:19 PM
To: ilona clark
Subject: Fwd: [bahn] Fwd: Loans & Grants for Tenants in Need

While nobody wants to see anyone that is truly impacted by the virus put out on the streets, the entire burden for keeping the public housed cannot be forced upon the backs of individual citizens.

Housing is an essential service. **Who else is forced to provide an essential service for free?** Nurses, grocery store clerks, doctors, amazon delivers, hospitals, all essential; all get paid.

In times of panic, calmer and wiser heads are required to keep society intact. Allowing any tenant in San Jose to eliminate their rent due to a direct financial impact of the corona virus is a panicked reaction that will again have far reaching consequences that short-term city council-members will not have to face. The fabric of society counts on laws to be upfront in advance so that we know how to follow them and that they apply to everyone. Cities have decided to make laws retroactive as well as change business contracts so that housing providers have no idea what law will come next or how they will be able to financially prepare for new laws. Panicked law making is not responsible governance and is the primary driver creating lack of stability in housing.

This is a reaction to panic by asking private citizens to perform a public service. For free.

Thousands of small mom and pop landlords depend on their rental income to both pay their bills and to be their pensions. The fact that the city council offers to remove pensions from older landlords while maintaining an 3.5% annual increase on their own government, tax-payer-paid pensions is more than irony; it is selfish in a time of great need.

Consoling yourselves that mom and pops can get a delay in mortgage payments is not a reality. The majority will still have to pay without delay.

For those mom and pops who do eventually qualify for a delay in mortgage payment, it would be just that. A delay in mortgage payment. Not a waiver. And the criteria for getting a mortgage delay from a bank will be far different than the criteria set forth from the city council for tenants rent waiver.

Quite frankly, banks have not agreed. They have not agreed on who can apply or if. They have not set forth criteria. The eviction moratorium laws in California are confusing. Santa Clara County doesn't require notice from tenants for 60 days but San Jose might and it's not clear on the new CA state law. All these laws colliding will also collide with banks offers, requirements, and stipulations. If we can't provide the correct documentation to our bank because a city or a county or a state doesn't require it from the tenant, then automatically we would not qualify for a delay in payment from the bank even if our mortgage was backed by Fannie/Freddie.

What if the tenants have savings but the housing provider does not? What if the housing provider gets sick but the tenant does not?

If cities are confident that mom and pops would get a loan delay, please contact our banks directly and request the delay for each of us.

ITEM F-2 ATTACHMENT 2

There is no waiver: for maintenance fees, for up keep, for property taxes, for insurance, for the contractors we employ, for the utilities we must pay. We will still have bills during the pandemic and after. Asking us to make our tenants our fiscal responsibility is unconstitutional and unwarranted when other solutions abound. Tenants are not our children.

While some may be able to avail themselves of mortgage relief or small business loans, if housing providers are ultimately never able to collect deferred rent, they may never catch up. As a result, mortgage relief is nothing more than kicking both mortgage default and personal bankruptcy cans down the road.

Do you think this action will eventually raise the price of housing? Perhaps you do.

Many tenants already see these eviction moratoriums as carte blanche for not paying rent for any reason. Tenants ask why they have to still pay rent, some who own Teslas. Tenants have no stake in the game. No reason to budget. No reason to cut back on other discretionary spending.

People don't have to choose between food and rent. A homeless crisis can be averted. An eviction crisis can be averted. Cities don't have to place the entire burden of housing the public on our shoulders.

The city could easily offer loans to tenants to pay their bills once the tenants have met the City's own direct correlational connection to coronavirus. The City could deal with the paperwork required by the City to verify and investigate tenant's ability to pay. **We call for rent loans, rent grants, rent vouchers and other subsidies to ensure citizens can continue to pay for housing and other essential needs without bankrupting their landlords.**

We did not go into the business of providing housing so that we could provide unsecured loans to tenants. We are not familiar with making personal loans. This is not our profession.

We should not be forced to financially provide for our tenants. For their housing. For their utilities. Tenants should not be our fiscal dependents. And yet that is what the City continues to unconstitutionally mandate.

Offer tenants City loans

NOW!

Ilona Clark, Resident and Housing Provider

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A mistake that makes you humble is better than an achievement that makes you arrogant

Cynthia Shaw

From: Ilona Clark <in70clark@gmail.com>
Sent: Saturday, April 4, 2020 10:25 PM
To: Cynthia Shaw; Paige Roosa; Emma Gerould; Lauren Maddock; Nicolas Traylor; Rent Program; Paul Cohen; Virginia Finlay; Ben Choi; City Clerk Dept; Demnlus Johnson III; Eduardo Martinez; Jael Myrick; Melvin Willis; Nat Bates; Tom Butt - external; Trina Jackson; Alana Conner
Subject: Fwd: Berkeley's "Good Samaritan" Regulation Relating to Rent Ceilings

To the City of Richmond, Rent Board,

I'm sure the recent **Letter Template for Tenants Facing Financial Hardship Due to COVID-19** that you sent out had the best of intentions but it fell short of the mark. Requiring that all renters pay back rent within 6 months of the end of this crisis, does not give flexibility for those who may need it. Your letter should specify that this is merely a guideline and give residents the flexibility to work out terms that suit both parties (not the rent board), rather than naming meaningless deadlines that may not be appropriate in all situations.

more importantly, please consider Berkeley's announcement below. This should be adopted in Richmond as well. I never thought I'd advocate for Richmond to follow Berkeley in housing policy but here I am.

From the City of Berkeley:

Rent Discounts & Evictions: COVID-19 Related Measures

Rent Board Adopts "Good Samaritan" Regulation Assuring Property Owners No Penalty For Lowering or Forgiving Rent During COVID-19 State of Emergency

The Rent Board has received numerous calls from property owners asking if they may temporarily reduce or forgive rent to assist their tenants in coping with the COVID-19 crisis without that act of kindness resulting in a permanent reduction in the amount of rent that can be charged for the unit. In most cases, the property owners have always had this ability, with only newer tenancies being in doubt. On April 4, 2020, the Rent Board adopted an emergency regulation that makes clear that for ALL tenancies that began prior to March 3, 2020, an owner may reduce or forgive rent owed without that generosity changing the rent ceiling for the unit. Please see the announcement below.

FOR TENANCIES THAT BEGAN ON OR BEFORE MARCH 3, 2020: Rent Board emergency [Regulation 1017.5](#) allows a landlord and tenant to agree in writing to a temporary rent reduction throughout the duration of the local State of Emergency for the COVID-19 pandemic without reducing the lawful rent ceiling. Ordinarily, under [Rent Board Regulation 1013\(A\)\(2\)](#), the lawful rent ceiling must account for discounted or "free" rent during the initial term of the tenancy. Regulation 1017.5 supersedes this existing rule.

The written agreement must include a statement that the reduction is temporary, and is not related to market conditions, habitability, or a reduction in housing services. Written agreements entered into during the local State of Emergency may extend beyond the expiration of the local State of Emergency where the landlord and tenant expressly agree to the duration in writing.



Local and State Measures Concerning Evictions

The [local eviction moratorium](#), adopted by the City Council, applies to evictions for nonpayment of rent due to financial impact/hardship due to COVID-19 and most no-fault evictions during the local State of Emergency.

Financial Impact/Hardship includes:

- Decrease in household income due to layoffs or reduction of hours
- Decrease in household income due to caregiving responsibilities, including child care needs arising from school closures
- Substantial material out-of-pocket medical expenses

Tenants should provide landlords with written notice of their inability to pay rent no later than 7 days after the rent is due, and maintain documentation showing the financial impact. Tenants must also pay unpaid rent that accrued during the local state of emergency within six months after the expiration of the local emergency. Landlords may not charge a late fee on the rent. Under the terms of the Moratorium, landlords are prohibited from evicting tenants financially affected by the COVID-19 crisis for failure to pay back rent during the local State of Emergency if the tenant has notified the landlord of their inability to pay rent within 7 days of rent being due.

A landlord may request that the City Manager or their designee waive or modify the prohibition on evictions if they can prove hardship or that not being able to evict would be an unconstitutional taking. Guidelines developed by the City Manager's Office can be viewed [here](#).

The Rent Board has compiled several resources for your information:

- [Rent Board webpage dedicated to COVID-19 information and resources](#)
- [March 2020 Eviction Moratorium Fact Sheet](#)
- [Frequently Asked Questions about COVID-19 for Berkeley Tenants and Landlords](#)
- [Template Letter to Inform a Landlord of a Material Loss of Income Due to COVID-19](#)
- [Information and Applications for City of Berkeley COVID-19 Housing Retention Grants](#)



Questions?

In response to the March 31st Shelter in Place Order issued by the City of Berkeley's Public Health Officer, our office remains closed, but we are responding to voicemails and emails regularly. *Please include the property address and unit number in email or voicemail messages.*

Phone: (510) 981 - 7368 **Email:** rent@cityofberkeley.info

You can scan and email completed forms to rent@cityofberkeley.info.
Landlords can register tenancies using [online registration](#).