

Contextual Information and Frequently Asked Questions Concerning the Rent Program's Database of Applicable Rental Units

Purpose of This Document

Members of the community have recently shared concerns on social media platforms about a purported "loss" of Rental Units in Richmond, based on applicable unit totals summarized in the Fiscal Year 2018-19, 2019-20, and 2020-21 Budget and Rental Housing Fee Study reports.

Below are a number of frequently asked questions concerning the methodology and data sources used to compile the Rent Program's database of applicable Rental Units. Questions concerning the information provided in this document may be emailed to Executive Director Nicolas Traylor at nicolas_traylor@ci.richmond.ca.us.

Relevant Links (click to access)

Fiscal Year 2017-18 Budget and Rental Housing Fee Study (includes part of Fiscal Year 2016-17):

<http://www.ci.richmond.ca.us/DocumentCenter/View/54053/Compiled-FY-17-18-Fee-Study>

Fiscal Year 2018-19 Budget and Rental Housing Fee Study:

http://www.ci.richmond.ca.us/DocumentCenter/View/54055/FINAL-FY-2018-19-BUDGET-AND-FEE-STUDY_3_28_18

Fiscal Year 2019-20 Budget and Rental Housing Fee Study:

<http://www.ci.richmond.ca.us/DocumentCenter/View/54054/COMPILED-FY-19-20-FEE-STUDY--APPROVED>

Fiscal Year 2020-21 Budget and Rental Housing Fee Study:

<http://www.ci.richmond.ca.us/DocumentCenter/View/54052/Approved-FY-20-21-Budget-and-Fee-Study>

June 20, 2018, Billing Methodology Presentation to the Rent Board:

<http://www.ci.richmond.ca.us/DocumentCenter/View/46759/Billing-Methodology-Item>

Frequently Asked Questions

- 1. The Fiscal Year 2017-18 Rental Housing Fee Study, the Rent Program's first fee study, indicates that there were 24,797 Rental Units in Richmond based on data from the County Assessor's Office in 2017. In comparison, the Fiscal Year 2020-21 Fee Study reports that there are now 17,684 Rental Units in Richmond based on the Rent Program's database. Does this mean Richmond lost 7,113 Rental Units between 2017 and 2020?**

In short, no. Richmond did not lose over 7,000 Rental Units between 2017 and 2020. Instead, between 2017 and 2020, staff members investigated and refined the database of **suspected** Rental Units to identify only those units that are truly rented. The Fiscal Year 2016-17 and Fiscal Year 2017-18 Fee Studies utilized data provided by the Contra Costa County Assessor's Office to identify suspected Rental Units. While County Assessor data may be used to arrive at an estimated number of total rental units, it cannot produce an exact figure. Nevertheless, County Assessor data was the best and most readily available data at the time of the Fiscal Year 2016-17 and Fiscal Year 2017-18 Fee Study. The assumptions used to identify suspected Rental Units included one that all housing units in the City for which there were no Homeowner's Tax Exemption on file were rentals. This assumption substantially overestimated the number of Rental Units in Richmond. Staff members heard from community members that there are a number of reasons why an owner might not have

claimed the Homeowner’s Tax Exemption, but not used their property as a rental. These reasons include:

- The owner didn’t know about the Homeowners Tax Exemption
- The owner doesn’t qualify for the Homeowner Tax Exemption because they don’t live in the property as their primary residence, but they use the property for another purpose besides renting it for residential purposes (e.g. Second/Vacation home, storage, work studio, etc.)

2. So then what is the reason for discrepancy? How did the estimate of close to 25,000 Rental Units in 2017 decrease to less than 18,000 in 2020?

The estimate arrived at using County Assessor data was a very rough estimate of **suspected** Rental Units. In 2017, when staff members partnered with the City’s IT Department to construct the Program’s (and the City’s) first comprehensive database of Rental Units in the City using the County Assessor data, cross-checked against data from the City’s Rental Inspection Program showing many units as Homeowner Exempt, as a starting point, approximately 23,500 units were estimated to be actually rented.

Next, in late 2017 staff members mailed invoices to owners of these 23,500 suspected Rental Units, and approximately 4,087 suspected Rental Units were determined to be exempt based on feedback from owners, who explained that the units are owner occupied or used for some other purpose. This left a remaining approximate 19,413 suspected units.

Between 2018 and 2020, owners of more than 1,500 units in the Rent Program’s database of suspected Rental Units contacted the Rent Program upon receipt on a Rental Housing Fee Invoice to claim that their unit(s) are not applicable to the Rent Ordinance because they are (a) occupied by the owner, or rented to a family member who does not pay any Rent, (b) are not offered for rent and are used for some other purpose, or (c) are otherwise not applicable because they are, for example, located outside of City boundaries, consist of a vacant lot, but were added to the initial database. As such, the latest estimate of suspected Rental Units in the City totals 17,684. This number continues to fluctuate as properties (single family homes and condominiums in particular) are bought and sold, rented by one owner, and owner-occupied.

The table below contains the number of unit records in each category as of March 2020.

Category	Number of Records
Suspected and Confirmed Rental Units	17,356 ¹
Owner Occupied Units	5,471
Units Not Applicable ²	684
Units Not Offered for Rent	317
Units Offered “Rent Free”	249
Units Under Review	4
Total Records	24,081

¹ This figure does not include an additional 328 units in the development pipeline that were included in the FY 2020-21 Fee Study.

² Includes units that are not used for residential rental purposes, units located outside the City’s boundaries, and vacant lots.

3. So how many Rental Units in Richmond are estimated to have actually been removed from the rental market between 2017 and 2020?

Rent Program records indicate that between the Rent Program's establishment in 2017 and the end of the 2018-19 Fiscal Year in June 2019, 185 units have been withdrawn from the rental market pursuant to the Ellis Act and 39 units have been removed from the rental market due to Owner Move-In, for a total of 224 units removed from Richmond's rental market.³

³ Fiscal Year 2019-20 data is still under analysis. Staff members will update this document when the data is available.