

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: May 18, 2022

Final Decision Date Deadline: May 18, 2022

STATEMENT OF THE ISSUE: The minutes of the April 20, 2022, Regular Meeting of the Richmond Rent Board require approval.

INDICATE APPROPRIATE BODY

- | | | | | |
|---|---|--|--|---|
| <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

- | | | |
|---|--|--|
| <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: APPROVE the minutes of the April 20, 2022, Regular Meeting of the Richmond Rent Board – Rent Program (Cynthia Shaw 620-5552).

AGENDA ITEM NO:

F-1.

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RICHMOND, CALIFORNIA, April 20, 2022

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

Due to the coronavirus (Covid-19) pandemic, Contra Costa County and Governor Gavin Newsom have issued multiple orders requiring sheltering in place, social distancing, and reduction of person-to-person contact. Accordingly, Governor Gavin Newsom has issued executive orders that allow cities to hold public meetings via teleconferencing.

Public comments were confined to items appeared on the agenda and were limited to the methods provided below. DUE TO THE SHELTER IN PLACE ORDERS, and consistent with Executive Order N29-20, the meeting utilized video/teleconferencing only. The following provides information on how the public participated in this meeting.

The public was able to view the meeting using Zoom at the following link:

<https://us02web.zoom.us/j/88489729067?pwd=bHZGY1B2V0lzc1NYLzQ3REhmTlVwdz09>
Password: rentboard

Or By Telephone:

US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or
+1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592
Webinar ID: 884 8972 9067

International numbers available:

<https://us02web.zoom.us/j/kwWMeh1Pc>

Community members who wished to make a public comment were required to submit their comments via email by 3:00 p.m. on Wednesday, April 20, 2022, to the Rent Board Clerk, Cynthia Shaw at cynthia_shaw@ci.richmond.ca.us, to be considered into the record.

PLEDGE TO THE FLAG

ROLL CALL

Board Members Present: Conner, Johnson, Vasilas, Vice Chair Mishek, and Chair Finlay.

Staff Present: General Counsel Charles Oshinuga, Deputy Director Fred Tran, and Executive Director Nicolas Traylor.

Absent: None.

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

None.

PUBLIC FORUM

Ray “Jimmy” Smith expressed his concerns regarding his submission of the Landlord Petition packet for Rent Increase under Fair Return Standard: Maintenance of Net Operating Income (MNOI), in 2020, at the beginning of COVID, when the pandemic began affecting the local business, tenants in the area and during the period when everything was shut down by the federal, state and local governments which cause his package to be placed on pause at the time just like many court cases, major surgeries things of that nature due to COVID. He said that he resubmitted the petition packet to the Rent Program in January 2022, for review of the Maintenance of Net Operating Income (MNOI), for a 20-unit apartment building in Point Richmond that involved major renovations that included new balconies, earthquake structural repairs, and retrofitting, that cost around \$456,000. He restated that he submitted the packet in January 2022, and it was returned to him because staff needed some direction from the Board on how to deal with an MNOI Petition packet for expenses made in 2019-2020. He mentioned that he is reaching out to the Board to see if he could receive some guidance on how we could move forward and receive some return on investment for this project.

Cordell Hindler was called to speak but was not present due to technical difficulties. His name was recalled later during Public Comment.

Board Clerk Cynthia Shaw read an emailed public comment as a request for accommodations from a community member named Karen, who lives at Heritage Park Senior apartments in Richmond. She wanted to find out what can be done as tenants in an apartment complex with a management that doesn't seem to care about the health, safety, or lives of their

elderly tenants, many with health and disability issues. She mentioned that they had ongoing and increasing numbers of serious problems since she moved there over ten years ago. Currently, they have had a malfunctioning Fire Alarm going off day and night for six weeks now, scaring the living daylights out of people and placing vulnerable tenants at risk of having cardiac events or strokes. Other tenants have become increasingly complacent and non-responsive to the many false alarms, putting their lives in danger in the event of an actual fire. Some tenants are not able to leave their units without assistance due to illness or disability. Because they are not informed about what is going on or when the alarms might be triggered due to being worked on, these tenants are being put in a difficult and terrifying position, not knowing when or if they need help to evacuate. Other tenants are left to wait outside in the cold at night, waiting for someone to turn off the alarms. One tenant was forced to leave their apartment to sit in their car in a parking lot and slept in their car overnight because of the pain caused by the alarms and the probability of it causing a cardiac event. Management calls this problem simply an “annoyance.” This is unacceptable. It goes way beyond violating the right to quiet enjoyment of our homes. It’s made their homes uninhabitable and a danger to live in. As seniors, we deserve more than being treated like this.

Ilona Clark was called to speak, but Chair Finlay allowed Mr. Hindler to speak instead since he was experiencing technical difficulties when his name was called.

Cordell Hindler expressed that he approves the items on the Consent Calendar except for item F-6 regarding City legislative bodies continuing to meet via videoconference and teleconference. He mentioned that he opposes virtual meetings because he has spoken with other cities in West County, and they have been holding Hybrid meetings. He is bringing this suggestion to the Board to consider holding Hybrid meetings. He said that the public can still call into the meeting, like City Council meetings. He would like the Rent Board to look into the possibility of holding Hybrid meetings in the future. He also invited the Board to attend the Richmond Rotary Club weekly meeting held on May 6th located at the Richmond Country Club. He added that the speaker for this meeting is the City Manager’s office will provide an overview of the Economic and Development initiatives.

Ilona Clark was called to speak but was not present.

Elaine Dockens was called to speak but was not present.

Board Member Johnson asked staff if someone would follow-up with community member Karen to discuss her concerns. Executive Director Nicolas Traylor responded that he has been in communication with Karen regularly and he said that he will follow-up on the current issues. He also mentioned that he has been in communication with the management of Heritage Park about the fire alarm issue. He added that apparently the issue has been resolved recently within the past week or so. He also added that there are ongoing issues from what he understands.

Board Member Vasilas asked if staff could elaborate on Mr. Smith's comment. Executive Director Nicolas Traylor responded that Mr. Smith filed a Maintenance of Net Operating Income petition, which is a fair return petition. He conducted work on the building in 2019 & 2020, and those are both years that do not count as the current year. The current year is 2021. He added when conducting an MNOI analysis, we look at the base year, which is 2015 (the year prior to rent regulations taking effect, so it's presumed that you received a fair return during that year) and compare that year with the current year which is the preceding calendar year (2021). The comparison of the net operating income for both years to see if the owners kept up with the cost of living. Mr. Traylor's understanding is Mr. Smith's concern is due to the pandemic, he was unable to file in 2021 for 2020, and as a result, he is unable to count those expenses to do the MNOI analysis. That is his concern, and he wanted to bring it to the Board's attention and point out that the pandemic impacted him and therefore was unable to file during the time he would have otherwise qualified to include those expenses. Board Member Vasilas asked Mr. Traylor if they could talk more about this issue offline, and Mr. Traylor agreed.

RENT BOARD CONSENT CALENDAR

On motion of Vice Chair Mishek, seconded by Board Member Johnson, the item(s) marked with an (*) were approved unanimously:

*F-1. Approve the minutes of the March 16, 2022, Regular Meeting of the Richmond Rent Board.

*F-2. Receive the Fiscal Year 2021-22 Monthly Activity Report through March.

*F-3. Receive the Rent Program FY 2021-22 Monthly Revenue and Expenditure Report through March.

*F-4. Receive the Budgeted versus Actual Revenue and Expenditures Report for the third quarter ending March 31, 2022.

*F-5. Approve late fee waiver(s) for March 2022 pursuant for Regulation 425.

*F-6. Adopt a resolution making the required findings pursuant to Government Code Section 54953(e)(3) and determining that as a result of the continued threat to public health and safety posed by the spread of COVID-19, City legislative bodies shall continue to meet via videoconference and teleconference.

REGULATIONS

G-1. The matter to adopt Regulation 610, establishing the 2022 Annual General Adjustment in the amount of 5.2% for tenancies commencing prior to September 1, 2021, was presented by Executive Director Nicolas Traylor. The presentation included the statement of the issue, Annual General Adjustment background, proposed Regulation 610, information about Regulation 602 regarding Banking, 2022 AGA next steps, and the recommended action. Discussion ensued. The following individual gave comment: Ilona Clark. A motion by Chair Finlay, seconded by Vice Chair Mishek, to adopt Regulation 610, establishing the 2022 Annual General Adjustment in the amount of 5.2% for tenancies commencing prior to September 1, 2021, passed by the following vote: **Ayes:** Board Members Conner, Vasilas, Vice Chair Mishek and Chair Finlay. **Noes:** Board Member Johnson. **Abstentions:** None. **Absent:** None.

General Counsel Charles Oshinuga made a brief comment to all who gave public comments that were confused by the Banking Regulation to contact the Rent Program prior to seeking a rent increase. He added that nothing in our Regulation ties the Banking Regulation to the State limitations. So, if that's your understanding, please contact the Rent Program to understand how it will work and how it works generally.

STUDY AND ACTION SESSION

H-1. The matter to receive an updated Fiscal Year 2022-23 Rent Program operating budget, discuss, and provide direction to staff was presented by Deputy Director Fred Tran.

The presentation included an update on budget and fees which included an interim solution that was tentatively reached with the City, an update on the increase in fringe benefits, Budget Options and Recommendations for the Rent Board which included proposed scenarios for budget Option B, at 78% and 62% Fringe Benefits with new a database and propose scenarios for budget Option B, at 78% and 62% Fringe Benefits without a new database, budgetary next steps, and the recommended action. Discussion ensued. The following individual gave comment: Ilona Clark.

A motion by Board Member Conner, seconded by Board Member Vasilas, proposed the following direction to staff: to prepare the Fiscal Year 2022-23 Rent Program operating budget, to reflect Option B without a new database, at 78% fringe benefits, to include \$20,000 for consultants, defer hiring of the current two vacant positions to add to the cost savings and find other cost savings to the budget. Board Member Vasilas withdrew his motion to allow for discussion. Discussion ensued. After discussion among Board Members, Board Member Vasilas reinstated his second motion. The motion failed by the following vote: **Ayes:** Board Members Conner and Vasilas. **Noes:** Board Member Johnson, Vice Chair Mishek and Chair Finlay. **Abstentions:** None. **Absent:** None.

A motion by Vice-Chair Mishek, seconded by Board Member Johnson, proposed the following direction to staff: prepare the Fiscal Year 2022-23 Rent Program operating budget and return to the Board with budget Option B that includes a new database, at 78% fringe benefits, and to include the budgeted 12 staff positions, passed by the following vote: **Ayes:** Board Member Johnson, Vice Chair Mishek and Chair Finlay. **Noes:** Board Members Conner and Vasilas. **Abstentions:** None. **Absent:** None.

REPORTS OF OFFICERS

Executive Director Nicolas Traylor gave a brief report that we are currently recruiting a new Rent Services Analyst. He added that we are very excited about this process and satisfied with the list, and we expect to begin interviewing within the next few weeks. Mr. Traylor also reported that our next workshop webinar titled "How to File a Rent Increase or Decrease Petition" will be held on Friday, April 29, 2022. He also added that he would be working closely with Deputy Director Fred Tran to go over the budget numbers to ensure the city's numbers are thoroughly

analyzed and provide any documentation necessary to back up their request. He also expressed appreciation to the Board for their robust discussion on this matter.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:13 P.M.

Cynthia Shaw

Staff Clerk

(SEAL)

Approved:

Virginia Finlay, Rent Board Chair

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