



SPECIAL MEETING OF THE RENT BOARD OF THE CITY OF RICHMOND

**CITY COUNCIL CHAMBERS, COMMUNITY SERVICES BUILDING
440 Civic Center Plaza, Richmond, CA 94804**

**AGENDA
Thursday, March 12, 2026**

Link to Rent Board Meeting Agendas and Accompanying Materials:
www.ci.richmond.ca.us/3375/Rent-Board

Board Chair
Whitney Tipton

Board Vice Chair
Sara Cantor

Board Members
Tomas Espinoza
Jim Hite
Melvin Willis

NOTICE: MASKS ARE STRONGLY ENCOURAGED!!

Accessibility for Individuals with Disabilities

Upon request, the City will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services and sign language interpreters, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, interpretation service or

alternative format requested at least two days before the meeting. Requests should be emailed to cynthia_shaw@ci.richmond.ca.us and rent@ci.richmond.ca.us or submitted by phone at (510) 620-5552. Requests made by mail to the Rent Program Office, Rent Board meeting, 440 Civic Center Plaza, Suite 200, Richmond, CA 94804 must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

NOTICE TO PUBLIC

The City of Richmond encourages community participation at public meetings and has established procedures that are intended to accommodate public input in a timely and time-sensitive way. As a courtesy to all members of the public who wish to participate in Rent Board meetings, please observe the following procedures:

Public Comment on Agenda Items: Persons wishing to speak on a particular item on the agenda shall file a speaker form with City staff PRIOR to the Rent Board's consideration of the item on the agenda. Once the clerk announces the item, only those persons who have previously submitted speaker forms shall be permitted to speak on the item. Each speaker will be allowed up to four minutes to address the Rent Board.

Public Forum: Individuals who would like to address the Rent Board on matters not listed on the agenda or on items remaining on the consent calendar may do so under Public Forum. All speakers must complete and file a speaker's card with City staff prior to the commencement of Public Forum. The amount of time allotted to individual speakers shall be determined based on the number of persons requesting to speak during this item. The time allocation for each speaker will be as follows: 15 or fewer speakers, a maximum of 4 minutes; 16 to 24 speakers, a maximum of 3 and one-half minutes; and 25 or more speakers, a maximum of 3 minutes.

Conduct at Meetings: Richmond Rent Board meetings are limited public forums during which the City strives to provide an open, safe atmosphere and promote robust public debate. Members of the public, however, must comply with state law, as well as the City's laws and procedures and may not actually disrupt the orderly conduct of these meetings. The public, for example, may not shout or use amplifying devices, must submit comment cards and speak during their allotted time in order to provide public comment, may not create a physical disturbance, may not speak on matters unrelated to issues within the jurisdiction of the Rent Board or the agenda item at hand, and may not cause immediate threats to public safety.

City Harassment Policy: The City invites public comment and critique about its operations, including comment about the performance of its public officials and employees, at the public meetings of the City Council and boards and commissions. However, discriminatory or harassing comments about or in the presence of City employees, even comments by third parties, may create a hostile work environment, if severe or pervasive. The City prohibits harassment against an applicant, employee, or contractor on the basis of race, religious creed, color, national origin, ancestry, physical disability, medical condition, mental disability, marital status, sex (including pregnancy, childbirth, and related medical conditions), sexual orientation, gender identity, age or veteran status, or any other characteristic protected by federal, state or local law. In order to acknowledge the public's right to comment on City operations at public meetings, which could include comments that violate the City's harassment policy if such comments do not cause an actual disruption under the Council Rules and Procedures, while taking reasonable steps to protect City employees from discrimination and harassment, City Boards and Commissions shall adhere to the following procedures. If any person makes a

harassing remark at a public meeting that violates the above City policy prohibiting harassment, the presiding officer of the meeting may, at the conclusion of the speaker's remarks and allotted time: (a) remind the public that the City's Policy Regarding Harassment of its Employees is contained in the written posted agenda; and (b) state that comments in violation of City policy are not condoned by the City and will play no role in City decisions. If any person makes a harassing remark at a public meeting that violates the above City policy, any City employee in the room who is offended by remarks violating the City's policy is excused from attendance at the meeting. No City employee is compelled to remain in attendance where it appears likely that speakers will make further harassing comments. If an employee leaves a City meeting for this reason, the presiding officer may send a designee to notify any offended employee who has left the meeting when those comments are likely concluded so that the employee may return to the meeting. The presiding officer may remind an employee or any council or board or commission member that he or she may leave the meeting if a remark violating the City's harassment policy is made.

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**OPEN SESSION TO HEAR PUBLIC COMMENT BEFORE CLOSED
SESSION**

5:00 PM

A. ROLL CALL

B. PUBLIC COMMENT BEFORE CLOSED SESSION

C. ADJOURN TO CLOSED SESSION

CLOSED SESSION

Shimada Room, City Council Chambers

PUBLIC EMPLOYEE APPOINTMENT (Government Code Section 54957(b)(1)):

Pursuant to Government Code Section 54957(b)(1), the Board will meet in closed session to consider the appointment of an Executive Director.

SPECIAL MEETING OF THE RICHMOND RENT BOARD

AGENDA

5:30 PM

A. PLEDGE TO THE FLAG

B. ROLL CALL

C. STATEMENT OF CONFLICT OF INTEREST

D. AGENDA REVIEW

E. REPORT FROM LEGAL COUNSEL OF FINAL DECISIONS MADE IN CLOSED SESSION

F. PUBLIC FORUM

G. RENT BOARD AS A WHOLE

G-1. Receive a presentation on Regulation 204 and
Discuss the Board's options of exemption
compliance as it relates to its existing Regulations.

*Fred Tran
Charles Oshinuga*

H. REPORTS OF OFFICERS

I. ADJOURNMENT

Any documents produced by the City and distributed to a majority of the Rent Board regarding any item on this agenda will be made available at the Rent Program Office located on the second floor of 440 Civic Center Plaza and will be posted at www.richmondrent.org.

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Fred Tran

Phone: 620-6537

Meeting Date: March 12, 2026

Final Decision Date Deadline: March 12, 2026

STATEMENT OF THE ISSUE: At its February 18, 2026, meeting, the Board received numerous public comments from residents of Monterey Pines. The vast majority of the comments concerned habitability issues, security issues, and increased utility charges. Because the issues were not on the Board's agenda, the Board could not directly address the complaints of the residence. Consequently, the Board requested staff schedule a special meeting to discuss the issues concerning Monterey Pines. As such, staff has agendized this item with the intent of discussing issues raised by Monterey Pines and reviewing the Board's options under its current Regulations.

INDICATE APPROPRIATE BODY

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|---|---|--|--|---|
| ☐ City Council | ☐ Redevelopment Agency | ☐ Housing Authority | ☐ Surplus Property Authority | ☐ Joint Powers Financing Authority |
| ☐ Finance Standing Committee | ☐ Public Safety Public Services Standing Committee | ☐ Local Reuse Authority | ☒ Other: <u>Rent Board</u> | |

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|---|--|---------------------------------|
| ☐ Presentation/Proclamation/Commendation (3-Minute Time Limit) | | |
| ☐ Public Hearing | ☐ Regulation | ☐ Other: |
| ☐ Contract/Agreement | ☒ Rent Board As Whole | |
| ☐ Grant Application/Acceptance | ☐ Claims Filed Against City of Richmond | |
| ☐ Resolution | ☐ Video/PowerPoint Presentation (contact KCRT @ 620.6759) | |

RECOMMENDED ACTION: Receive a presentation on Regulation 204 and Discuss the Board's options of exemption compliance as it relates to its existing Regulations – Rent Board (Fred Tran 620-6537).

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AGENDA REPORT

DATE: March 12, 2026

TO: Chair Tipton and Members of the Rent Board

FROM: Fred Tran, Interim Executive Director
Charles Oshinuga, General Counsel

SUBJECT: Utilizing Regulation 204

STATEMENT OF THE ISSUE:

At its February 18, 2026, meeting, the Board received numerous public comments from residents of Monterey Pines. The vast majority of the comments concerned habitability issues, security issues, and increased utility charges. Because the issues were not on the Board's agenda, the Board could not directly address the complaints of the residence. Consequently, the Board requested staff schedule a special meeting to discuss the issues concerning Monterey Pines. As such, staff has agendaized this item with the intent of discussing issues raised by Monterey Pines and reviewing the Board's options under its current Regulations.

RECOMMENDED ACTION:

Receive a presentation on Regulation 204 and **Discuss** the Board's options of exemption compliance as it relates to its existing Regulations.

FISCAL IMPACT:

There is no fiscal impact related to this item at this time.

DISCUSSION:

On February 18, 2026, staff brought forth an item that requested the Board suspend both Regulation 202, and the processing of exemption applications brought pursuant to a claim that the rental unit was governmentally subsidized. The reason staff agendaized this item was because in recent months, the Rent Program had received a large volume of applications to exempt rental units due to those rental units receiving a government subsidy. These applications resulted in a loss of over 450 fully controlled rental units in a matter of months. Concerned with this trend, and the potential adverse impact it could have on rent control in the City of Richmond, staff decided to agendaize their item.

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Coincidentally, the tenants at Monterey Pines were experiencing an alleged high volume of habitability issues and utility charges. Since, in 2018, the Board exempted Monterey Pines from its rent control provisions, the tenants could not file a petition with the Board challenging their habitability issues or utility charges. Thus, at the February 18, 2026, Board meeting, the tenants gave public comment requesting the Board to immediately remove Monterey Pines rent control exemption.

Because the original item brought before the Board did not concern Monterey Pines, but rather, concerned how the Board processed and granted exemptions generally, the Board could not consider the issues raised by the Monterey Pines tenants. After the Board meeting, both Board members and tenant advocates requested a special meeting be held to consider Monterey Pines exemption status. Staff was able to coordinate March 12, 2026, as the earliest day for a special meeting, where all Board members and staff members were available. Upon researching the issue and applying the Board's own Rules and Regulations, staff have determined that the vehicle the Board has created to remove exemptions is found in Regulation 204.

Currently, the Rent Board's regulations allow for the removal of a granted exemption where a landlord fails to maintain their property in a habitable condition. Specifically, Regulation 204 authorizes the removal of a previously granted exemption where the landlord fails to substantially comply with any of the following:

1. Any applicable part of the Rent Ordinance, Resolution, or Rent Board Regulation.
2. Warranty of Habitability.
3. Enrolling applicable Rental Units.
4. Paying Business License Tax.
5. Resolution 19-01.
6. Any and all requirements set forth in any held regulatory agreement.

Where there is an allegation of a landlord's noncompliance, staff must investigate and make a determination as to whether the landlord has failed to comply with any of the aforementioned requirements. If staff determines that the landlord is not substantially complying with the aforementioned requirements, staff must send the landlord a written notice of noncompliance, identifying the issues substantiating its determination of noncompliance, and afford the landlord 60 days to bring themselves into compliance. If, after 60 days, the landlord has not remedied the issue, staff shall agendize the matter and there the Board shall make a determination of removal of the exemption.

Given the tenants' allegations at the February 18, 2026, staff began investigating the matter. Staff's investigation includes, but is not limited to, speaking with impacted tenants to understand the pervasiveness of the issue, speaking to the landlord's agent to understand their version of events and measure their willingness to comply, reaching out to the Housing Authority to get an understanding of permissible utility charges, and speaking with legal counsel to understand available tools for compliance.

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At this meeting, staff would like to update the Board on some of its findings. Thus, staff intend to present a PowerPoint presentation discussing Regulation 204 and parts of its investigation.

DOCUMENTS ATTACHED:

Attachment 1 –Chapter 2 Regulations

Attachment 2 – Resolution 19-01

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Chapter 2: APPLICABILITY

200. Purpose

The purpose of this Chapter 2 is to describe those categories of properties which are exempt from the Ordinance and to provide a process and procedure for those Controlled Rental Units seeking to establish an exemption from this Ordinance.

[Formerly Regulation 17-01; Adopted November 15, 2017]

201. Rental Units Exempt from both the Rent Control (R.M.C § 11.100.070) and Just Cause for Eviction (R.M.C § 11.100.050) Provisions of the Ordinance

- A. Rental Units in hotels, motels, inns, tourist homes and rooming and boarding houses that are rented primarily to transient guests for a period of fewer than 14 days;
- B. Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, or non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
 - 1. For purposes of this Regulation 201(B), “non-profit homes for the aged”, shall mean any residential care facility for the elderly, or skilled nursing facility for the elderly, which is currently licensed as a health care facility under California Administrative Code, Title 22, Division 5, Chapter 3, as amended. A skilled nursing facility for the elderly means a health facility or a distinct part of a hospital which provides the following basic services, skilled nursing care, and supportive care to patients whose primary need is for availability of skilled nursing care on an extended basis. It provides 24-hour in-patient care and, as a minimum, includes medical, nursing, dietary, pharmaceutical services and activity program. Extended medical care facilities and Residential care facilities for the elderly shall not include community care facilities or alcoholic or drug rehabilitation or detoxification centers. A community care facility means a facility which is maintained and operated to provide non-medical residential care. Alcohol and drug rehabilitation or detoxification centers mean recovery houses or other similar facilities providing living arrangements for persons recovering from alcoholism or drug addiction.
- C. Rental Units that are lawful and in full compliance with Richmond Municipal Code Chapter 15.04.610.020, as amended, (formerly known as the “Small, Second Unit Ordinance of the City” (R.M.C § 11.15.04)), if the owner is the Primary Resident of the first, larger single family home; and
- D. Rental Units where the Rental Unit is the Primary Residence of the property owner and the property owner shares with a Tenant(s) a bathroom or kitchen.

[Formerly Regulation 17-03; Adopted July 19, 2017; Amended December 15, 2021; Amended October 25, 2023]

201.5 Rooming and Boarding Houses

- A. For purposes of Regulation 201, Rooming and Boarding house(s) shall mean any building or portion thereof other than a hotel containing at least five (5) rooms individually offered for rent or rented to at least five tenants under separate Rental Housing Agreements.
- B. Where any building, structure, or part thereof is considered a Rooming and Boarding house, each room shall be treated as an individual Rental Unit and must be individually registered with the Rent Program, in a manner consistent with Chapter 4 of these Regulations.
- C. Use of a single Rental Housing Agreement shall not be dispositive in determining whether a building, structure, or part thereof is a Rooming and Boarding house. Rather, the following factors shall be considered by the Rent Program when determining whether a building, structure, or part thereof is a Rooming and Boarding house:
 - a. Whether the Landlord or Tenant maintains control over Tenant Replacement;
 - b. Whether there is a single or multiple Rental Housing Agreement(s);
 - c. The relationship between the Tenants of the Rooming and Boarding house;
 - d. How Rent is distributed, collected, and/or paid to the Landlord;
 - e. Access to common areas and/or housing services; and
 - f. The period of occupancy set forth in each single or multiple Rental Housing Agreement.

This is not an exhaustive list and the Rent Program may consider other evidence that has a tendency to prove or disprove that a particular building, structure, or part thereof is a Rooming and Boarding house.

[Adopted July 18, 2018]

202. Governmentally Subsidized Rental Units Exempt from the Rent Control Provisions of the Ordinance

The following rental units are exempt from the rent control (RMC 11.100.070), but not the just cause for eviction (RMC 11.100.050) provisions of the Ordinance.

- A. Rental units in which a tenant household holds a Section 8 Housing Choice Voucher and where the rent not does exceed the Payment Standard as published by the U.S. Department of Housing and Urban Development.
- B. Rental units for which the rent is subsidized by the Project-Based Section 8 Program

- C. Rental units that are “rent restricted” in a Low Income Housing Tax Credit Program Project. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.
- D. Rental units for which the rent is subsidized by the Section 202 Supportive Housing for the Elderly Program
- E. Rental units that are “rent restricted” under a regulatory agreement between a governmental agency and a property owner. “Rent Restricted” means the rent charged for the unit is affordable for a qualifying Tenant pursuant to the Regulatory Agreement.

[Formerly Regulation 17-01; Adopted November 15, 2017]

203. Other Rental Units Exempt from the Rent Control Provisions of the Ordinance

In addition to rental units that are exempt from rent control under R.M.C § 11.100.100.030 (d)(1)(2)(4) (5) and (6), rental units which a governmental unit, agency or authority owns, operates or manages are exempt from the rent control provisions of the Ordinance. Section 11.100.030 (d)(3), Richmond Municipal Code.

[Formerly Regulation 17-01; Adopted November 15, 2017]

204. Maintaining an Exemption Pursuant to Regulation 202: Compliance with Applicable Laws and Regulations

- A. Notwithstanding Regulation 202, Rental Units described in Regulation 202 shall not be exempt from Section 11.100.070 of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance where the property owner has failed to substantially comply with all of the applicable provisions of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance, Rent Board Orders, Regulations, and/or Resolutions, as well as the Implied Warranty of Habitability as described in Civil Code 1941.1, and Richmond Municipal Code Section 6.40.040. This includes, but is not limited to, a property owners obligation to comply with the following:

- (1) Timely payment of all owing Residential Rental Housing Fee. For purposes of this provision, a payment shall be considered timely where a property owner remits payment of the Residential Rental Housing Fee within 30 calendar days from the date the Rent Program sends the invoice. Where there is a dispute in the amount owed, payment shall be considered timely where the owner remits payment of the Residential Rental Housing Fee within 30 calendar days from the date the Rent Program sends the amended invoice. However, where the dispute is wholly concerned with assessed late fees, payment shall be considered timely where the owner remits payment of the Residential Rental Housing Fee within 5 calendar days from the date the Rent Program sends the amended invoice or 30 calendar days from the date the Rent Program sent the initial invoice, whichever is later. If a dispute does not result in an amended invoice, payment shall be due within 30

calendar days from the date the Rent Program sent the initial invoice;

(2) Payment of the Business License Tax pursuant to Richmond Municipal Code Section 11.100.060(1)(1);

(3) Enrollment of all applicable Rental Units pursuant to Regulation 405(B);

(4) All of the applicable provisions set forth in Resolution 19-01; and

(5) Any and all requirements set forth in any regulatory agreement executed between a developer and/or property owner and a Federal, State, or government entity.

- B. Where Rent Program Staff members have determined a property owner has failed to comply with any of the obligations set forth in Regulation 204(A), Rent Program Staff members shall immediately notify the property owner in writing of the obligation(s) the property owner has failed to satisfy. The written notification must identify the specific obligation(s) the property owner has failed to satisfy and provide the property owner up to 60 calendar days from the date of mailing of the notification to bring itself into compliance with the identified obligation(s). If a property owner fails to timely comply with the obligation(s) identified in the Rent Program Staff member's written notification, Rent Program Staff members may agendaize an item of noncompliance for the next regularly scheduled Rent Board meeting. The agenda item shall include an identification of the specific property that has failed to comply, specific findings of noncompliance, a recommendation of the removal of the exemption contained in Regulation 202 as it relates to the noncompliant property, and any other information Rent Program staff member(s) deems relevant.
- C. In addition to Regulation 204(A), Rental Units described in Regulation 202 shall not be exempt from Section 11.100.070 of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance where there is no longer in effect (a) a tenant with a Section 8 Housing Choice Voucher in the Rental Unit, (b) the Rental Unit is no longer in a Project-Based Section 8 Program, and/or (c) the Rental Unit is no longer rent restricted under a regulatory agreement and/or declaration of restrictive covenants.
- D. Nothing in Regulation 204(A) and/or Regulation 204(B) shall preclude tenants residing in Rental Units described in Regulation 202 from seeking advice or assistance from the Rent Program concerning applicable provisions of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance and utilizing the remedies provided in the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance to the extent permitted by Federal, State, and local law.

*Formerly Regulation 17-01; Adopted November 15, 2017]
[Amended February 20, 2019]*

205. Application for Applicability or Exemption Determination

Notwithstanding Regulation 403, both a Landlord and a Tenant may request that an Administrative Decision be rendered regarding the applicability of Richmond Municipal Code Chapter 11.100 on a Rental Unit or a claimed exemption pursuant to Richmond Municipal Code Section 11.100.030(d). All requests for an Administrative Decision regarding applicability and/or exemption must be made on an Official Rent Program form. The applicant must complete the Official Rent form and attach sufficient information and documentation as requested therein. The applicant shall have the burden of proof of demonstrating a claimed exemption or inapplicability of Richmond Municipal Code Chapter 11.00.

[Adopted June 20, 2018]

206. Issuing an Administrative Decision on Applicability or Exemption Status

1. In rendering an Administrative Determination, the Executive Director or assigned staff member may conduct an independent investigation into the underlying facts and rely on information and documentation obtained thereof.
2. All Administrative Determinations rendered under this Regulation must be made in writing, provide an explanation of the basis for the decision with citations to Richmond Municipal Code Chapter 11.100, and adequately describe the evidence relied on in reaching the decision.
3. All Administrative Determinations rendered under this Regulation shall consider the purpose of the Rent Ordinance, any relevant evidence tending to prove or disprove material facts, previous compliance with Richmond Municipal Code Chapter 11.100, paid Business License Tax, if any, and the rental history of the subject Rental Unit.
4. For those Administrative Determinations evaluating claims of the application of Richmond Municipal Code Chapter 11.100, the Executive Director or assigned staff member must make the following evidentiary findings prior to reaching an ultimate conclusion of applicability:
 1. Whether the applicant owns at least a fifty percent (50%) interest in the Property for which the determination is being sought and has owned fifty percent (50) interest since the date of filing the application;
 2. Whether the unit is a Rental Unit pursuant to Richmond Municipal Code Section 11.100.030(m)

3. Whether there exist a Rental Housing Agreement as defined by Richmond Municipal Code Section 11.100.030(k)
4. Whether there is a person referenced in the application who either receives or who would otherwise be entitled to receive Rent as defined by Richmond Municipal Code Section 11.100.030(j). For purposes of this section, a person who is “entitled to receive” need not actually receive Rent. Rather, they need only to be the one who would receive Rent if Rent was actually paid.
5. If the applicant claims the unit is owner-occupied, whether the owner has resided at the property as their Primary Residence beginning at least one hundred twenty (120) days prior to filing of the application for exemption.
5. Where the challenged Rental Unit has been rented or offered for rent in the same fiscal year in which the applicant has filed an application for determination of Richmond Municipal Code Chapter 11.100 applicability or exemption, the Executive Director or assigned staff member shall find that the provisions of Richmond Municipal Code Chapter 11.100 apply and shall only consider whether the Just Cause provisions apply or both the Rent Control and Just Cause provisions apply.
6. All administrative decisions under this Regulation must be rendered within 90 calendar days from the date of application. The Rent Program shall notify the applicant and impacted part of its Administrative Determination. If the applicant or impacted party disagrees with the Executive Director or assigned staff member’s Administrative Determination, the applicant or impacted party may, within 15 calendar days from the date of the Administrative Determination plus any additional time permitted under California Code of Civil Procedure Section 1013(a), as amended, file a request for hearing on the issues raised in the application. The hearing and any potential appeal shall be conducted in accordance with the rules and procedures set forth in Chapter 8 of these Regulations. For purpose of this section, impacted party shall include those persons who are either the Landlord or occupant of the subject Rental Unit.

[Adopted June 20, 2018; Amended October 21, 2020]

207. Challenging a Rental Unit’s Exempt Status

- A. Where a Rental Unit has been determined to be or treated as an exempt Rental Unit, a Tenant occupying said Rental Unit or his or her designee, may challenge the Rental Unit’s exemption status by filing a Tenant petition for rent withholding, pursuant to Chapter 4 of these Regulations. Such a petition shall not be granted if the challenged Rental Unit has been determined exempt pursuant to Regulation 206, unless the Tenant can demonstrate that there

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ATTACHMENT 1

has been a material change in facts, or that the information supplied by the Landlord in support of the exemption was misleading and/or false.

[Adopted June 20, 2018]

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Resolution No. 19-01

ESTABLISHING ADDITIONAL TERMS OF EXEMPTION FOR LOW-INCOME HOUSING TAX CREDIT PROVIDERS FROM THE RENT CONTROL PROVISIONS OF RICHMOND FAIR RENT, JUST CAUSE FOR EVICTION, AND HOMEOWNER PROTECTION ORDINANCE PURSUANT TO REGULATION 202.

WHEREAS, on November 8, 2016, the voters in the City of Richmond passed, by initiative, the "Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance"; and

WHEREAS, on November 15, 2017, the Richmond Rent Board adopted Regulation 202 and Regulation 204(formerly Regulation 17-01) exempting "governmentally subsidized Rental Units" from the rent control provisions of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance; and

WHEREAS, there are approximately 4,283 Rental Units in Richmond that receive Low-Income Housing Tax Credits (LIHTC) and/or direct subsidies from the Department of Housing and Urban Development (HUD), including the Housing Choice Voucher and Project-Based Section 8 programs. These units represent approximately 20 percent of Richmond's rental housing stock and represent a critical aspect of housing affordability in the city; and

WHEREAS, of the 4,283 governmentally subsidized Rental Units in Richmond, 2,702 Rental Units receive LIHTC funding; and

WHEREAS, maximum rents in LIHTC Rental Units are determined annually by the California Tax Credit Allocation Committee (TCAC) based on Area Median Income for Oakland-Fremont, CA HUD Metro FMR Area, which contains Alameda and Contra Costa Counties; and

WHEREAS, the methodology employed by HUD to calculate Contra Costa County's Area Median Income may not accurately reflect Area Median Income for Richmond Tenants. For purposes of this Resolution, Tenant shall have the same meaning as provided in Richmond Municipal Code Section 11.100.030(r); and

WHEREAS, in March 2018, Tenants at multiple LIHTC developments received rent increases in excess of ten (10) percent, the maximum rent permitted by TCAC for the year; and

WHEREAS, throughout the course of their work, Rent Program staff have also heard grievances from Tenants in LIHTC Rental Units regarding habitability, security, and other issues; and

WHEREAS, due to LIHTC's exemption pursuant to Regulation 202, Tenants living in these units cannot use the Rent Program's petition system to request rent adjustments and resolve grievances in this manner; and

WHEREAS, Rent Program staff convened 13 of the city's affordable housing providers for a conference call on May 18, 2018, to discuss these concerns and potential solutions; and

WHEREAS, in early June 2018, six affordable housing providers, representing approximately 63 percent of the deed-restricted units in the City of Richmond, submitted letters to the Rent Program indicating their willingness to limit annual rent increases in LIHTC Rental Units; and

WHEREAS, on June 20, 2018, the Rent Board appointed two of its members to an ad hoc committee to develop an agreement with LIHTC providers in conjunction with Rent Program staff to limit rent increases in these units and address other concerns raised by Tenants; and

WHEREAS, in communication with Rent Program staff, affordable housing providers have indicated their preference to voluntarily cap annual rent increases at 6 percent (6%) and noted that TCAC maximum rents have historically increased by around 2 or 3 percent per year; and

WHEREAS, at an August 24, 2018 meeting with Tenants of affordable housing and Tenant representatives, many expressed concerns about large rent increases leading to displacement and homelessness, particularly for low-income seniors and others on fixed incomes; and

WHEREAS, at this same meeting, Tenants of affordable housing and Tenant representatives expressed a strong willingness to participate in a Rent Board-initiated mediation process to resolve habitability and other concerns with management; and

WHEREAS, while the Tenants and Tenant representatives in attendance expressed concerns that any rent increase would pose a financial hardship, they indicated they preferred a flat percentage cap of 2 percent (2%) on annual rent increases; and

WHEREAS, to date, affordable housing providers and Tenants of affordable housing and their representatives have not agreed on the appropriate percentage of annual rent increases; and

WHEREAS, on November 7, 2018, the Ad Hoc committee convened and determined it prudent to present the Rent Board with various policy options related to the continual exemption of LIHTC Rental Units pursuant to Regulation 202;

NOW, THEREFORE, BE IT RESOLVED, that the owner of a LIHTC Rental Unit may increase the rent up to the maximum allowed by TCAC at any time, so long as the increase does not exceed five (5) percent during any 12-month period;

BE IT FURTHER RESOLVED, while LIHTC properties' rents are not regulated by the Rent Board, Rent Program staff shall meet annually with LIHTC providers to gather information pertaining to compliance with Regulation 204, housing quality, and rents; the rent information shall be provided in an editable spreadsheet and include the current and proposed rent. This meeting shall occur no later than 60 calendar days from the day TCAC releases its permitted Maximum Rent Schedule; and

BE IT FURTHER RESOLVED, the Rent Program shall issue an annual report to the Rent Board on the state of governmentally subsidized Rental Units in the City of Richmond, based on program data. This report shall include recommendations to the Board regarding compliance and housing quality, and may be compiled as a section of the Rent Program's Annual Report presented to the City Council; and

BE IT FURTHER RESOLVED, at the same meeting the Rent Board receives the Annual Report, the Rent Board shall consider the LIHTC complied Rent data and make findings of the overall compliance of LIHTC properties and whether continual exemption of these properties is achieving the purpose of the Rent Ordinance; and

BE IT FURTHER RESOLVED, in the event a majority of Rent Board members find substantial noncompliance among LIHTC Rental Unit(s) and/or continued exemption of these LIHTC Rental Unit(s) does not achieve the purpose of the Rent Ordinance, the Rent Board shall consider at its next regularly scheduled meeting whether to maintain the LIHTC Rental Unit exemption as described in Regulation 204; and

BE IT FURTHER RESOLVED, in the event that a majority of Rent Board members vote to remove the exemption of a LIHTC Rental Unit(s), Rent Board staff shall within 10 business days charge the non-exempt LIHTC Rental Unit(s) a Rental Housing Fee equivalent to the amount charged for fully covered units, or partially covered units where applicable, for the same fiscal year in which the exemption was removed, less any fees already paid, and apply the full provisions of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance, as permitted by State law.

BE IT FURTHER RESOLVED, that LIHTC providers who comply with the policies stated herein and Regulation 204, shall pay a Residential Rental Housing Fee as determined by an annual Rental Housing Fee Study approved by the Rent Board and adopted by the City Council, and maintain their exemption under Regulation 202; and

BE IT FURTHER RESOLVED, that the Tenants of governmentally subsidized Rental Units have the same rights as other Richmond Tenants to request counseling and mediation services from the Rent Program to resolve potential breaches of California Civil Code 1941.1 or other issues that implicate termination of a tenancy; and

BE IT FURTHER RESOLVED, that in no case shall a LIHTC provider be permitted to avail itself to the benefit of the provisions of this Resolution 19-01 and Regulation 202, unless that LIHTC provider has fully resolved any past and/or currently due Residential Rental Housing Fees and is otherwise in compliance with the Enrollment requirements pursuant to Regulation 405 and the requirements set forth in Regulation 204; and

BE IT FURTHER RESOLVED, that the Rent Program staff is authorized to develop rules and procedures to implement the counseling, enrollment, and mediation services associated with the purpose of this Resolution; and

