

Proposed 2017 Rent Program Transition Plan

ITEM D-5

Special Meeting of the Richmond Rent Board | April 5, 2017

Transition Plan Purpose

- Inform Rent Board of progress to date
- Provide a status update on outstanding critical path items
- Seek approval of proposed approach
- Ensure coordinated transition once Executive Director is hired

Action Item A: Receive Brown Act Training

Description:

- City Attorney's Office shall provide the Rent Board with a training on the **California Brown Act** (CA Government Code Section 54950 et seq.)

Status:

- Assistant City Attorney Rachel Sommovilla is scheduled to provide Brown Act training.

Target Timeline:

- **April 5, 2017:** Brown Act guide received
- **April 19, 2017:** Brown Act training received

Action Item B: Receive and Approve Proposed 2017 Rent Program Transition Plan

Description:

- Rent Board shall receive the Proposed Rent Program Transition Plan.

Status:

- Transition Plan has been drafted for the Board's consideration.

Proposed Approach:

- Staff shall present the Transition Plan to the Rent Board for approval.

Target Timeline:

- **April 5, 2017:** Receive and approve Transition Plan

Action Item C: Hire Executive Director

Description:

- Section 11.100.060(o) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (“Ordinance”) provides that the Rent Board shall hire an Executive Director.

Status:

- An Executive Director job announcement was issued by the Human Resources Department on January 13, 2017.

Proposed Approach:

- Review applications, conduct interviews, and recommend one candidate to Human Resources to offer the position.

Target Timeline:

- **By April 19, 2017:** First round interviews
- **By April 26, 2017:** Second round interviews
- **By April 28, 2017:** Human Resources sends employment offer
- **May 22, 2017 (estimated):** Executive Director starts

Action Item D: Receive, Approve, and Publish FY 17- 18 Budget

Description:

- Section 11.100.060(n) provides that prior to July 1 of each year the Board shall hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year.
- At least 35 days prior to the beginning of each fiscal year, the Board's Executive Director shall submit to the Board the proposed budget as prepared by the Executive Director. Copies of the proposed budget shall be available for inspection by the public in the office of the Board at least 10 days prior to the hearing (by May 18).

Status:

- A draft FY 17-18 budget has been prepared as part of the FY 16-17 and FY17-18 Residential Rental Housing Fee Study.

Action Item D: Receive, Approve, and Publish FY 17- 18 Budget (con't)

Proposed Approach:

- Staff shall prepare a draft budget for the Rent Board's consideration during the second week of May. The Rent Board shall adopt the budget by May 27.

Target Timeline:

- **April 19, 2017:** Receive draft budget
- **April 26, 2017:** Review draft budget
- **May 10, 2017:** Approve draft budget
- **May 12, 2017:** Publish draft budget
- **May 24, 2017:** Consider amending and adopting FY 16-17 budget; adopt FY 17-18 budget

Action Item E: Conduct Residential Rental Housing Fee Study

Description:

- Section 11.100.060(l) of the Ordinance requires that the Board finance its reasonable and necessary expenses by charging Landlords annual registration fees.
- The amount of the Residential Rental Housing Fee will be determined by the City Council following a recommendation by the Rent Board.

Status:

- Interim staff are in the process of conducting a fee study in partnership with Management Partners, a consulting firm the City has retained for technical assistance regarding implementation of the Rent Program.
- A draft fee study shall be finalized in late March.

Action Item E: Conduct Residential Rental Housing Fee Study (con't)

Proposed Approach:

- Staff shall finalize Rent Control and Just Cause for Eviction fee study and present a proposed fee to the Rent Board for recommendation to the City Council.

Target Timeline:

- **April, 2017:** Draft fee study finalized
- **May, 2017:** Fee presented to Rent Board
- **May, 2017:** Fee is presented to City Council for adoption
- **June, 2017:** Fee is billed to Landlords, due within 30 days

Action Item F: Retain Staff

Description

- Adequate staff are needed to conduct essential Rent Program administrative and management functions.

Status

- The Rent Program currently employs interim staffing of three full-time employees (FTEs) and four part-time, temporary interns. It is anticipated that one FTE and all current part-time interns will cease working for the Rent Program in May/June.

Action Item F: Retain Staff (con't)

Proposed Approach

- Given that the Executive Director will not be retained until May 22 at best, the City Manager's Office shall initiate the recruitment of interns, administrative staff, and a minimum of one FTE to support the Rent Program.

Target Timeline

- **April:** Recruitment and interviews
- **April/May:** Hire staff

Action Item G: Enter into Professional Services Contracts

Description

- Professional service contracts are proposed to supplement administrative and management staff to provide the following services to the Rent Program:
- Legal counsel
- Hearing officers
- Mediation
- Unlawful detainer (UD) representation (eviction for payment of Base Rent)

Status

- Staff have obtained interim legal counsel (Michael Roush), and scopes of work from prospective contractors recommended by Management Partners (hearing officers and mediation services) and Tenants Together (UD representation).

Action Item G: Enter into Professional Services Contracts (con't)

Proposed Approach

- Staff shall enter into sole source, short-term contracts with the following providers:
- University of the Pacific (hearing officers)
- ECHO (mediation)
- Centro Legal (UD representation)

Target Timeline

- **April:** Enter into contracts with University of the Pacific (hearing officers), ECHO (mediation), and Centro Legal (UD representation for nonpayment of Base Rent).

Action Item H: Adopt Preliminary Regulations

Description

- The adoption of regulations is necessary to further the implementation and administration of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. Such regulations shall include, for example:
- Policies and procedures for evaluating petitions for upward and downward adjustments of the Maximum Allowable Rent (MAR)
- Metrics for determining Fair Rate of Return standards
- Administration of the Relocation Ordinance
- Enforcement policies
- Procedures for hearing Excess Rent Complaints
- Application of the Ordinance to Section 8 tenancies

Action Item H: Adopt Preliminary Regulations (con't)

Status

- Management Partners is preparing draft regulations for the Rent Board's consideration.
- Legal staff shall receive these regulations and will provide comments.

Proposed Approach

- Staff and legal counsel shall proceed with reviewing and providing comments on the draft regulations for the Board's consideration.

Target Timeline

- **April:** Preliminary regulations finalized
- **May:** Preliminary regulations presented to the Board for potential adoption
- **June (and ongoing):** Additional regulations are drafted and considered as needed.

Action Item I: Approve Process Maps

Description:

- To assist with implementation of the Rent Program, Management Partners and staff have drafted process maps to inform regulations and IT solutions for the Rent Program. These processes include:
- Enrollment in the Rent Program
- Application of the Annual General Adjustment (AGA)
- Petitions and Hearings
- Billing Procedure
- Habitability Complaints

Action Item I: Approve Process Maps (con't)

Status

- Enrollment, AGA, and Petition/Hearing draft process maps have been finalized. Billing procedure and habitability complaint process maps are still in preliminary draft form.

Proposed Approach

- Staff shall continue working with Management Partners to develop process maps for the Executive Director and Rent Board's consideration.

Target Timeline

- **April:** Habitability complaints draft process map is finalized
- **May:** Process maps are presented to the Rent Board
- **June:** Rent Board and staff comments are incorporated
- **July:** Process maps published

Action Item J: Conduct Community Education

Description:

- Community Education is critical for tenants, landlords, and community members. Section 11.100.060(g) of the Ordinance requires that the Rent Board publish and distribute a Rent Program brochure. This Brochure must be provided to tenants by the landlord at the beginning of tenancy and with each notice of rent increase.
- In addition, the City Council has directed staff to conduct community workshops and classes with legal service providers.

Action Item J: Conduct Community Education (con't)

Status:

- An English and Spanish Rent Program Brochure has been created and posted on the Rent Program website.
- A postcard was mailed to all residents (every door direct mail) and all non-resident property owners in late December, 2016.
- Staff hosted Rent Program Community Workshops on January 18, 2017, and March 29, 2017. Staff also hosted two Computer Lab Support Sessions, on March 23, 2017, and March 30, 2017.

Action Item J: Conduct Community Education (con't)

Proposed Approach:

- The Executive Director shall send out a second postcard to all residents and non-resident property owners (once adequate staffing is retained to respond to anticipated high volume of inquiries).
- The Executive Director (if hired) shall conduct additional Community Workshops in June.

Target Timeline:

- **May:** Rent Program sends second postcard
- **June:** Host additional community workshops
- **July:** Host class with legal service providers

Recommended Action

REVIEW and APPROVE the Proposed 2017 Rent Program Transition Plan for establishing an independent department

Contact Information

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