

# City of Richmond Rent Program

## PROPOSED OWNER MOVE-IN EVICTION REGULATION

Community Workshops | June 2019



# AGENDA

- 1. Welcome and Introductions**
- 2. Presentation**
  - 1. Purpose**
  - 2. Review of Existing Owner Move-In Policy**
  - 3. Possible Owner Move-In Regulations**
- 3. Breakout Groups**
- 4. Next Steps and Closing**

# PURPOSE AND BACKGROUND



# PURPOSE OF THIS WORKSHOP

- 1. Provide an overview of the current Owner Move-In Eviction policies contained in the Rent Ordinance (RMC 11.100) and Rent Board regulations**
- 2. Present policy options for possible Rent Board regulations to clarify the intent of the Rent Ordinance**
- 3. Gather community feedback on specific policy options**
  - Comments, notes and survey submissions will be shared with the Rent Board**

# OVERVIEW OF EXISTING OWNER MOVE-IN LAWS

## Purpose of an Owner Move-In Eviction

- The owner wants to recover possession of the rental unit as a **Primary Residence** for the owner, or the owner's spouse, children, parents or grandparents.
- An owner in this section is considered an actual person who has at least 50% recorded ownership.

## Restrictions for Owner Move-In Evictions

- An eviction for owner move-in cannot occur if the same owner or chosen relative already lives in a unit on the property, or if a vacancy already exists on the property.

## Owner's right to a reasonable accommodation

- At all times an owner can request a reasonable accommodation if the owner or chosen relative is Disabled and another unit is necessary to accommodate the person's disability.

# OVERVIEW OF EXISTING OWNER MOVE-IN LAWS: NOTICING REQUIREMENTS

Landlord must  
serve proper  
notice on the  
Tenant

A copy of the Owner  
Move-In Eviction  
notice must be filed  
with the Rent  
Program

Permanent  
Relocation  
Payment is  
required

- The Tenant must be served with an Owner Move-In Notice (Termination of Tenancy). The Owner Move-In forms may be downloaded from the Rent Program website.
- Owner must give Tenant at least a 60-day written notice, for tenancies of a year or more or 30 days notice for tenancies of less than a year.
- Within **two (2) days** after serving the Tenant a termination of tenancy notice, Landlord must file a copy of the notice with the Rent Program with the completed proof of service. Failure to do so renders the notice of termination null and void. A Tenant may use the landlord's failure to file a copy with the Rent Program as a defense to an eviction lawsuit.
- The Landlord must provide Permanent Relocation Payments to the Tenant as determined by the Relocation Ordinance. The relocation assistance amounts depend on the number of bedrooms in the rental unit.

# OVERVIEW OF EXISTING OWNER MOVE-IN LAWS: SPECIFIC REQUIREMENTS

## Time to move in and occupancy requirements

The owner or qualifying relative moving in shall move into the Rental Unit within 90 days after the Tenant vacates and must occupy the unit as a primary residence for at least 36 consecutive months.

If the owner or chosen relative fails to occupy the unit within 90 days after the Tenant vacates, the owner shall:

1. Offer the unit to the Tenant who vacated it; and
2. Pay the tenant all reasonable expenses incurred in moving to and from the unit.

## Rent cannot be reset to the market rent for the first tenancy after the Owner Move-In Eviction

For controlled rental units, after the owner or owner's relative moves out and the unit is re-rented, the owner must:

Offer the unit to the tenant whose tenancy was terminated for OMI at the amount the tenant was paying at the time of the OMI. If the tenant who was evicted for OMI doesn't want to move back, the landlord must still set the rent to the rent level paid by the evicted tenant.

## Permanent Relocation Payment requirements

The owner must pay one-half of the applicable Relocation Payment when the Tenant has informed the owner in writing when the Tenant plans to vacate the unit. The remaining half is due within three business days after the Tenant has vacated the unit.

# OVERVIEW OF EXISTING OWNER MOVE-IN LAWS: PROTECTIONS FOR SENIORS OR PEOPLE WITH DISABILITIES

An owner may not evict a Tenant through Owner Move-In if the Tenant meets the following criteria

- The tenant has resided in the Rental Unit for at least five (5) years
- AND
- (1) is at least 62 years old OR
  - (2) Disabled
- OR The Tenant is terminally ill (5 year rule doesn't apply)

Special Exemption for owners who are Seniors, have a disability, or are terminally ill

- An owner may evict a Tenant who is protected if the owner or chosen relative also meet the criteria and no other units are available.

# POSSIBLE OWNER MOVE-IN REGULATIONS

# WHAT TYPES OF LANDLORDS SHOULD BE ABLE TO CONDUCT OWNER MOVE-IN EVICTIONS?

- **The Rent Ordinance** requires that a Landlord who conducts an Owner Move-In eviction must be a Landlord who is a “natural” person with at least a 50% recorded ownership interest in the property. (*RMC Section 11.100.050(a)(6)(A)*)
- **Some cities** have regulations to further clarify what qualifies as a “natural” person.
  - For example, in **West Hollywood**, a beneficiary with an interest of at least 50% in a trust that owns the property is considered a “natural” person, while LLCs and corporations are not.
- **Prohibiting LLC’s, corporations or non-profit agencies** from conducting OMI’s serves the purpose of preventing “sham” OMI evictions and limiting protections to individual property owners who intend in good faith to occupy the property as their primary residence.

# POLICY QUESTIONS

## POLICY QUESTION 1:

**Do you think a couple (married or in a registered domestic partnership) who share ownership of a property (each individual has a 50% recorded interest) should each be able to conduct an Owner Move-In eviction on a unit on a property? (So, for example, if a husband and wife own a duplex, should each individual be able to conduct an Owner Move-In on a unit?)**

## POLICY QUESTION 2:

**Do you think an individual who is a beneficiary with at least 50% recorded interest in a trust that owns the property should be able to conduct an Owner Move-In eviction?**



## HOW MANY OWNER MOVE-IN EVICTIONS SHOULD BE ABLE TO TAKE PLACE ON A PROPERTY?

- **Some cities limit the number of Owner Move-In evictions that can take place on a particular property.**
  - **For example, in Berkeley, there can be only one 50% owner move in conducted on a single property during an owner's tenure.**
  - **Berkeley also restricts Owner Move-In evictions to one unit on the property.**
    - **After an Owner Move-In eviction takes place on the property, that unit is designated as the unit that all future Landlords must use for the purposes of conducting an Owner Move-In.**
    - **The policy rationale for such types of regulations is to prevent owners from gradually clearing out an entire building through successive Owner Move-Ins.**

# POLICY QUESTIONS

## POLICY QUESTION 3:

**Do you think that a policy should be adopted to limit the number of Owner Move-In evictions that may be conducted by an owner or enumerated relative on a single property? In other words, should the Rent Board prohibit owners from conducting an Owner Move-In eviction for themselves in Unit A, for their parent in Unit B, and for a child in Unit C?**

## POLICY QUESTION 4:

**When an owner performs an Owner Move-In eviction on a unit that is part of a larger multi-unit building, do you think there should be a policy that would require any future Owner Move-In evictions on the property to occur in that same unit, for the duration of the owner's tenure?**

# TENANT'S FIRST RIGHT OF REFUSAL

- **The Rent Ordinance provides that all Tenants displaced due to termination of tenancy on the grounds of an Owner Move-In shall have the first right of refusal to return to the unit if it should ever be returned to the market by the Landlord or successor Landlord. The Rent charged shall be that Rent lawfully paid by the Tenant at the time the Landlord served the notice of termination of tenancy.**  
*(RMC Section 11.100.050(c))*
- **While the Rent Ordinance lays out that Tenants have the first right of refusal, without a regulation to clarify how the first right of refusal is performed, landlords could reasonably fail to satisfy this requirement because they weren't clear on how to do so. A clear understanding of the rules around first right of refusal would likely mitigate disputes between Landlord and Tenants.**
- **Compliance is likely improved when there's clear direction as to how to satisfy the requirements of this provision.**

# POLICY QUESTIONS

## POLICY QUESTION 5:

**When a Landlord notifies a former Tenant displaced due to Owner Move-In that the Rental Unit has been placed back on the rental market, how much time do you think the Tenant should have to respond that they would like to exercise their first right of refusal to return to the Rental Unit?**

## POLICY QUESTION 6:

**If the formerly displaced Tenant moves back into the Rental Unit after several years, do you think the Landlord should be able to include the Annual General Adjustment rent increases in the amount of the rent charged?**

# POLICY QUESTIONS

## POLICY QUESTION 7:

**How long do you think the Landlord and/or Rent Program should be required to maintain contact information for a formerly displaced Tenant due to an Owner Move-In, in the event that the Rental Unit is placed back on the rental market?**

## POLICY QUESTION 8:

**Who should hold the burden of maintaining contact information for the formerly displaced Tenant, in the event the Rental Unit is placed back on the rental market?**

# ADMINISTRATIVE REQUIREMENTS

- **Unlike in other cities with rent control and just cause for eviction policies, Landlords in Richmond are not currently required to submit documentation to the Rent Program to ensure the provisions of the Rent Ordinance are satisfied.**
- **Additional regulations could require Landlords to file with the Rent Program proof of occupancy, ownership interest, and offer the first right of refusal to a Tenant displaced due to an Owner Move-In eviction.**

# ADMINISTRATIVE REQUIREMENTS

## **POLICY QUESTION 9:**

**What types of additional forms or documentation, if any, do you think the Rent Program should administer to assist with monitoring compliance with the Owner Move-In requirements of the Rent Ordinance?**

*Examples:*

- A form completed by the Landlord asserting that the Landlord or enumerated relative has moved into the Rental Unit
- A form completed by the Tenant indicating their interest in re-renting the unit if it is ever placed back on the rental market
- A form completed by the Landlord certifying that the Landlord has occupied the Rental Unit in which they conducted the Owner Move-In eviction (this form would be sent to and completed by the Landlord every 12 months for 36 consecutive months)

# BREAKOUT GROUPS

**Group 1: What Types of Landlords Should be Able to Conduct Owner Move-In Evictions?** *Multipurpose Room, Side A*

**Group 2: How Many Owner Move-In Evictions Should be Able to Take Place on a Property?** *Multipurpose Room, Side B*

**Group 3: Tenant's First Right of Refusal**  
*Break Room, Side A*

**Group 4: Administrative Requirements**  
*Break Room, Side B*

## NEXT STEPS

**Individual comment cards and breakout session notes will be shared with subject matter experts drafting regulations**

- **The Rent Board is anticipated to consider regulations governing the Owner Move-In provisions of the Rent Ordinance in July and August 2019**
- **Comments may also be submitted in writing at the following addresses:**
  - **Email: [rent@ci.richmond.ca.us](mailto:rent@ci.richmond.ca.us) (please put “ATTN: BOARDMEMBERS” in subject line)**
  - **Mail: City of Richmond Rent Program, Attn: Rent Board, 440 Civic Center Plaza, Suite 200, Richmond, CA 94804**

## ADDITIONAL WAYS TO PROVIDE FEEDBACK

- **Complete the survey at <https://surveymonkey.com/r/3XL65M2> or in hard copy**
- **Write your comments on comment cards (staff can assist with scribing)**
- **Email the Rent Board by sending an email to [rent@ci.richmond.ca.us](mailto:rent@ci.richmond.ca.us) with “ATTN: BOARDMEMBERS” in the subject line**

# FUTURE WORKSHOPS

**Saturday, June 29, 2019: Realtor and Property Manager-Focused Workshop | 10 AM – 12 PM, City Council Chambers**

**Saturday, July 27, 2019: Rights and Responsibilities for Richmond Landlords | 10 AM – 12 PM, City Council Chambers**

**Saturday, August 31, 2019: Rights and Responsibilities for Richmond Tenants | 10 AM – 12 PM, City Council Chambers**

Access the full calendar at [www.richmondrent.org](http://www.richmondrent.org)

THANK YOU

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