

Item H-1: Regulation Establishing the 2020 Annual General Adjustment



June 17, 2020 | Regular Meeting of the Richmond Rent Board

Item H-1: Statement of the Issue

Section 11.100.070(b) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (Rent Ordinance) requires that no later than **June 30** of each year, the Board announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective **September 1** of that year.

Item H-1: AGA Background

- The Rent Board is required to announce the percentage by which Rent for eligible Rental Units will be generally adjusted effective September 1 of that year.
 - This rent percentage increase is referred to as the Annual General Adjustment or “AGA”
- The AGA reflects 100% of the Consumer Price Index for all urban consumers, measured for the San-Francisco-Oakland-San Jose region (“CPI”).
- The U.S. Bureau of Labor Statics quarterly publishes the CPI change in a given 12-month period.
- For our purposes, according to the Bureau of Labor Statistics, the CPI change for the annual period beginning in **February 2019 and ending in February 2020 was 2.9%**

Item H-1: Proposed Regulation 608

To maintain compliance with the Rent Ordinance, staff members are proposing adoption of Regulation 608, which would:

- Announce the 2020 AGA at 2.9%
- Authorize Landlords who are in compliance with the Rent Ordinance and other applicable Regulations, to increase rents by no more than 2.9% for tenancies that began prior to September 1, 2019
- Require a valid notice of rent increase be served on tenants prior to increasing the rents by the AGA
- It would also reaffirm the following noticing obligations:
 - Prior to increasing rents Landlords must serve tenants with a notice of rent increase in a manner consistent with Civil Code Section 827
 - Serve the Rent Board with a copy of the Rent increase notice
 - File a copy of proof of service of the Rent increase with the Rent Board

Item H-1: Next Steps

- Staff members have drafted a template rent increase notice and Maximum Allowable Rent Calculator for Landlord use based on the new 2020 Annual General Adjustment. These forms will be posted on the Rent Increase page on the Rent Program website (www.richmondrent.org).
- Announcement of the 2020 AGA will also be published through the Rent Program listserv and on social media accounts.

MAXIMUM ALLOWABLE RENT (MAR) CALCULATOR	
DISCLAIMER: This resource applies to rent-controlled units only. Information has not been verified by City staff. Questions? Please call (510) 234-RENT.	
STEP 1: ENTER THE BASE RENT	
The Base Rent is the rent in effect as of July 21, 2015, or the first rent charged for Tenants that moved in after July 21, 2015.	
LINE 1	Enter the Base Rent: <input type="text"/>
STEP 2: CALCULATE THE MAXIMUM ALLOWABLE RENT	
The Annual General Adjustment is equal to 100% of the Consumer Price Index and is adopted annually by the Rent Board. In order to be eligible to apply the Annual General Adjustment rent increase for a given year, the Tenant must have resided in the unit prior to September 1 of the prior year.	
LINE 2	If the Tenant moved into the Rental Unit prior to September 1, 2015, multiply Line 1 by 0.03 (if the Tenancy began on or after September 1, 2015*, enter "0") <input type="text"/>

Item H-1: Application of the 2020 AGA in light of City's Rent Freeze

- The Director of Emergency Services issued a [Supplemental Order](#), effective April 27, 2020, which extends the prohibition on certain types of evictions to commercial tenants and also prohibits rent increases on residential properties with more than one dwelling unit that were constructed before February 1, 1995 (including LIHTC properties) through [July 15, 2020](#), or any extension of the local emergency
- Additional community engagement and education is anticipated to address questions regarding application of the 2020 AGA in September 2020 in light of the City's rent increase moratorium.

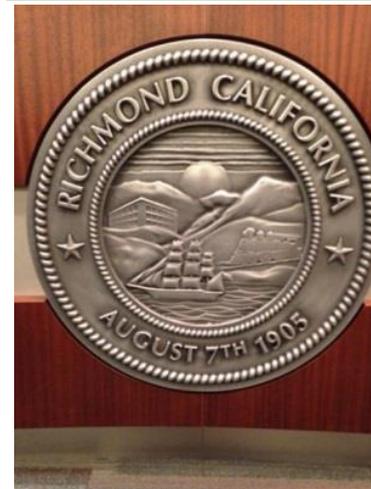
Item H-1: Recommended Action

ADOPT Regulation 608, establishing the 2020 Annual General Adjustment in the amount of 2.9% for tenancies commencing prior to September 1, 2019 – Rent Program (Nicolas Traylor/Paige Roosa 620-6564).

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Rent Board Governance Policies

Item H-2
June 17, 2020 –Rent Board Meeting



Background

- At their January 15, 2020, Regular Meeting of the Rent Board, Boardmembers examined the following governance regulation policies:
 1. Policies regarding procedural requirements for the adoption, amendment, and repeal of Rent Board regulations.
 2. Policies concerning meeting procedures.
 3. Policies concerning conflicts of interest.
- Each of these topics, and related policy questions, were contemplated and discussed by Boardmembers after the Staff presentation on January 15, 2020.

Statement of the Issue

- At the February 19, 2020, Regular Meeting, the Board received the draft governance regulations and directed staff to modify the proposed Regulation 324, regarding adjournment, to limit Rent Board meetings to three hours, with the Board's ability to extend the time if necessary.

Discussion Continued

- The purpose of these regulations is to ensure consistency and predictability during Rent Board meetings by creating a framework in which Rent Boardmembers will conduct the business of the public in adherence with existing State law.
- The Rent Board has received and reviewed the regulation and have directed staff to make one change to the proposed regulations.
- Staff members have made the requested edit and are seeking adoption of Chapter 3 Regulations.

Recommended Action

- ADOPT Chapter 3 of the Rent Board Regulations, regarding Rent Board governance.

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