

RICHMOND, CALIFORNIA, March 21, 2018

The Regular Meeting of the Richmond Rent Board was called to order at 5:00 P.M.

PLEDGE TO THE FLAG

ROLL CALL

Present: Boardmembers Combs, Finlay, Maddock, and Vice Chair Gerould.

Absent: Chair Gray.

STATEMENT OF CONFLICT OF INTEREST

None.

AGENDA REVIEW

None.

PUBLIC FORUM

Cordell Hindler mentioned his conversation with the President of the Richmond Neighborhood Coordinating Council about the Rent Program providing a presentation on rent control at their Board meeting. He also invited the Rent Board to attend the Crime Prevention meet and greet in March.

Lori Wickliff alleged a discrepancy in the February 28th, 2018, Rent Board meeting minutes about adding a similar language to the Regulations as Berkeley, regarding a sub tenant who is being overcharged by the master tenant. She also mentioned an issue with Item F-3 on the February 28, 2018 meeting agenda, regarding Ken Baar's contract and not given the opportunity to comment on the item. She mentioned that she would like this Item to be added to the agenda in an upcoming meeting to discuss further.

Sherry Zalabak spoke about affordable housing, noting it is limiting and rent control has caused small landlords to relocate to other cities or go out of the rental business. She feels that the Ordinance is unfair to landlords and that it doesn't allow the landlord to gain access to a fair return and to move back into their rentals. She also feels

that the Ordinance doesn't seem to protect landlords in the way that it protects tenants. She mentioned two points to prevent possible legal actions against the Rent Board: 1) allow landlords easy access to a fair return with the guarantee that it will benefit both landlords and tenants and 2) show that rent control will protect landlords as well, instead of making small landlords feel as if they are being punished, like other rent-controlled cities do.

Ilona Clark expressed her feelings regarding Ken Baar's contract and how he was appointed. She feels that he was appointed unfairly and his expertise is based upon the extent to which his housing policies end up in court. She spoke about how the item regarding his contract was pulled from the agenda last month and how the housing providers weren't given the opportunity to comment. She also spoke about the precedence that the Sole Source Contract sets for the Richmond Rent Program and how difficult it is to understand the process.

Michael Gliksohn commended the Rent Program staff for their great work and for the continued education on rent control from experienced staff.

Marcia Umland expressed her concerns with the enrollment process and expressed that the process is confusing. She also spoke about how she sympathizes with tenants when it comes to the housing issues of Richmond, however the rent control process should be simple for owners.

RENT BOARD CONSENT CALENDAR

On motion of Boardmember Combs, seconded by Boardmember Maddock, the item(s) marked with an (*) were approved with Chair Gray absent.

*F-1. Approve the minutes of the February 28, 2018, Special Meeting of the Richmond Rent Board.

*F-2. Receive letters from community members regarding the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, RMC 11.100.

REGULATIONS

G-1. The matter to adopt a Maintenance of Net Operating Income (MNOI) Fair Return Regulation (Chapter 9) was presented by Deputy Director Paige Roosa. The presentation included information on the background of the regulation, an overview of relevant policy questions with examples that included case study research, MNOI examples with calculations, a definition of operating expenses, illustrations of fair return using the MNOI standard, a table with an example of “partial indexing” concept, additional recommended modifications, and the recommended action. Discussion ensued. The following individuals gave comments: Ilona Clark, Linda Newton, Sherry Zalabak, and Lori Wickliff. A motion by Vice Chair Gerould, seconded by Boardmember Maddock, to adopt Maintenance of Net Operation Income (MNOI) Fair Return Regulation (Chapter 9), with the following modifications: the existing provision stated in Regulation section 905 (A) (9) will remain and to deny staff’s recommendation to change the provision from two years to one year, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould. **Noes:** None. **Abstentions:** None. **Absent:** Chair Gray.

RENT BOARD AS A WHOLE

H-1. The matter to receive proposed Fiscal Year 2018-19 Rent Program budget options and corresponding Rental Housing Fee Study and provide direction to staff was presented by Executive Director Nicolas Traylor. The presentation included information about department organization and goals, a Rent Program organizational chart, unit descriptions which included the Management Unit, Public Information and Compliance Unit, and Hearings Unit, a draft of the Rent Program’s Mission Statement, Fiscal Year 2018-19 goals, expense and revenue summary, proposed FY 2018-19 budget options that included proposed budget priorities and themes, proposed budget and corresponding estimated rental housing fee option A, B and C, which included a photo to explain the importance of the counseling area redesign, the importance of exterior and interior permanent signage, importance of hiring an Administrative Aide to implement rent registration, the importance of hiring a contract Attorney to perform compliance operations, and a proposed option comparison. The draft Fiscal Year 2018-19 Rental Housing Fee study included the introduction and background, proposed fee structure, Rental Housing Fees for each budget option (A, B, and C), proposed Rental Housing Fee summary, comparison to peer

jurisdictions, partial pass-through of the Rental Housing Fee, staff recommendation and the recommended action. Discussion ensued. The following individuals gave comments: Ilona Clark and Lori Wickliff. A motion by Vice Chair Gerould, seconded by Boardmember Finlay, to receive proposed Fiscal Year 2018-19 Rent Program operating budget options and corresponding Rental Housing Fee Study and provide the following direction to staff: hold a special Rent Board meeting in April to adopt the fee study and budget, including, but not limited to: recommending the Rental Housing Fee amount, exploring fee pass-through options, adopt the budget, and for staff to provide a third tier in the fee study applicable to affordable housing units, passed by the following vote: **Ayes:** Boardmembers Combs, Finlay, Maddock and Vice Chair Gerould. **Noes:** None. **Abstentions:** None. **Absent:** Chair Gray.

REPORTS OF OFFICERS

Executive Director Nicolas Traylor gave a brief report on the Eviction 101 Community Workshop held on March 17th, 2018, and gave an update on the Staff Attorney and Hearing Examiner interviews, noting that offers of employment have been made to both candidates.

Boardmember Finlay asked a question of Boardmember Maddock whether or not the actual expended funds in FY 2017-18 for salaries and benefits is of value, since there has been an increase in staff costs since last year's budget was adopted. Boardmember Maddock responded that she is more interested in the actual versus budgeted amounts for operating expenses, rather than salaries and benefits.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:37 P.M.

Cynthia Shaw and Andrea Zuniga
Staff Clerks

(SEAL)

Approved:

DAVID GRAY
David Gray, Chair