

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (the "Agreement") is entered into on this December 20, 2017, between the Richmond Rent Board (the "Rent Board") and the City of Richmond, a municipal corporation (the "City") to pay for services and advanced funds provided by the City to the Rent Board to carry out its powers, duties, and functions as set forth in Measure L, now codified in Chapter 11.100, Richmond Municipal Code, and in other rent control/eviction protection ordinances adopted by the City ("Rent Program").

I. RECITALS

- A. Whereas, Measure L (The Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance) was approved by the voters on November 8, 2016 and became effective on December 30, 2016; and
- B. Whereas, Measure L establishes a Richmond Rent Board, requires the City to perform the duties of the Board during the transition period before Board Members are appointed and an Executive Director is hired, and requires the City to provide infrastructural support to the Board as it would to any other City Department; and
- C. Whereas, all City departments pay a cost allocation for infrastructural and administrative support; and
- D. Whereas, since November 8, 2016, the City has provided to the Rent Board, and continues to provide, the following services, including but not limited to: consultants, employees and staff, start-up costs and fees, overhead, IT services, administrative services, legal assistance; and
- E. Whereas, since November 8, 2016, the City has through its General Fund advanced on behalf of the Board, and continues to advance on behalf of the Board, funds to operate the Rent Program; and
- F. Whereas, the City will charge and collect fees ("Rent Program Fees") to landlords to recover costs for operating the Rent Program, the City Council adopted Rent Program Fees on July 25, 2017, and the Rent Program is beginning to collect but has not yet collected all of the Rent Program Fees; and
- G. Whereas, the City and the Rent Board desire to enter into this Agreement: (1) to set forth activities, services and facilities which the City will provide and make available to the Rent Board in furtherance of Rent Program; and (2) to provide that the Rent Board will reimburse the City for any and all costs and expenses incurred by it on behalf of the Rent Board; and
- H. Whereas, the City and the Rent Board intend that the Rent Program be self-sufficient and not require either permanent funding or cash advances from the General Fund of the City of Richmond; and
- I. Whereas, in taking steps to implement the Fair Rent and Just Cause for Eviction ordinance following voter approval in November 2016, it was necessary for the Rent Program to make expenditures prior to the time when the Rent Program could meet its annual revenue requirements through program registration fees and other funding sources that the Rent

Board may ultimately authorize, and these expenditures were necessarily advanced by the General Fund; and

- J. Whereas, the Rent Board and the City acknowledge that, due to the billing cycle that may be adopted by the Rent Board, the General Fund may need to advance cash from time to time to meet working capital requirements of the Rent Program, and such cash advances are anticipated especially in the early years of the program.

II. AGREEMENTS

In exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Rent Board agree as follows:

1. RECITALS

The parties hereby acknowledge and confirm the Recitals in this Agreement.

2. REIMBURSEMENT


- (a) The City may provide for the Rent Board such staff assistance, supplies, technical services, and other services and facilities of the City as the Rent Board may require in carrying out the Rent Program. Such assistance and services may include the services of City employees and consultants.
- (b) The City may, but is not required to, advance funds to the Rent Board or to expend funds on behalf of the Rent Board to carry out the Rent Program, particularly during the initial months of the Rent Program's operation prior to the receipt of any Rent Program Fees. The Rent Board shall adopt a budget to cover the estimated Rent Program expenditures, including adequate reserves to cover any shortfalls in revenue, based on the level of services reflected in the adopted budget. The City and the Rent Board agree that the City is not required to advance funds to the Rent Board from its General Fund, and that the long term goal is for the Rent Program to fund its operations without advances from the City General Fund.
- (c) The City will establish a separate Rent Program fund for the Rent Board and will keep a separate accounting for all of the Rent Board's revenues, expenditures, and fund balances. The revenues will generally consist of the Rent Program Fees, which will be deposited into this fund. The expenditures will generally consist of services paid, provided, and invoiced by the City and will be directly charged to the Rent Program fund.
- (d) The City will keep records of activities and services undertaken pursuant to this Agreement and the costs thereof in order that an accurate record of the Rent Board's fund balance and liability to the City can be ascertained. The City shall periodically, and at a minimum annually, submit to the Rent Board a statement of the costs incurred by the City in rendering activities and services to the Rent Board pursuant to this Agreement. The City will submit an initial invoice for costs incurred from November 2016 through June 30, 2017.

- (e) From the Rent Program fund, the Rent Board shall reimburse the City for any and all costs incurred for services and facilities provided by the City pursuant to this Agreement, including but not limited to the proration of administrative, overhead, IT, salary and benefits expenses provided, and any other cost allocations for infrastructural and administrative support, as well as consultant, attorney, and risk management expenses attributed to services rendered for the Rent Board.

- (f) It is the express intent of the parties that the City shall be entitled to reimbursement of any and all costs incurred by the City under this Agreement. The Rent Board will make the City whole and reimburse the City's General Fund for all funds that are advanced as soon as possible, and will pay all invoices in a timely manner so long as it has funds available to do so; however, in no instance should amounts invoiced by the City remain unpaid by the Rent Board for more than a two-year period.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

Richmond Rent Board:

By: 
David Gray, Chair

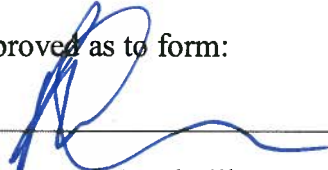
Date: 1/29/18

CITY:

By: 
Bill Lindsay, City Manager

Date: 1/29/18

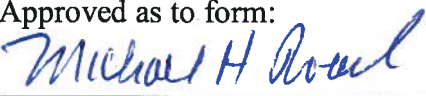
Approved as to form:



Bruce Reed Goodmiller

City Attorney

Approved as to form:



Rent Board Attorney