

ORDINANCE NO. _____ N.S.

AN ORDINANCE OF THE PEOPLE OF THE CITY OF RICHMOND APPROVED AT THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 8, 2022 AMENDING THE FAIR RENT, JUST CAUSE FOR EVICTION AND HOMEOWNER PROTECTION ORDINANCE TO LIMIT RENT INCREASES FOR REGULATED UNITS TO 3% OR 60% OF THE CONSUMER PRICE INDEX, WHICHEVER IS LESS

The People of the City of Richmond do ordain as follows:

SECTION 1. Title and Purpose.

TITLE. This Ordinance may be cited as the **RICHMOND ANNUAL ALLOWABLE RENTAL ADJUSTMENT ORDINANCE.**

PURPOSE. In Richmond, certain residential rental units' rental rates are controlled by Richmond's Fair Rent, Just Cause For Eviction And Homeowner Protection Ordinance. As written, Landlords are entitled to an annual rent increase equivalent to "one hundred (100%) percent of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year." The Annual General Adjustment for 2022 is five point two (5.2%) percent.

Due to historic levels of inflation, rent-controlled tenants in Richmond are set to receive an unprecedented rent increase. The historically high level of inflation has highlighted the need to ensure Richmond tenants are not forced to grapple with both rising prices of goods and services and rent increases that are inconsistent with the City's goal of protecting residents from excessive rent increases. As Such, this Ordinance would cap rent increases for controlled units at three percent (3%) or sixty percent (60%) of the local consumer price index, whichever is lower.

SECTION 2. Findings.

This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq. ("CEQA"), since in accordance with CEQA Guidelines Section 15061, subd. (b)(3), it can be seen with certainty that there is no possibility that the activity authorized herein may have significant effect on the environment. Additionally, CEQA review does not apply when a measure is placed on the ballot and approved by the voters.

SECTION 3. Conflicting Measures.

This measure is intended to be comprehensive. It is the intent of the people of City of Richmond that in the event this measure and one or more measures relating to the Fair Rent, Just Cause For Eviction And Homeowner Protection Ordinance appear on the same ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall

prevail in their entirety, and all provisions of the other measure or measures shall be null and void. If this measure is approved by a majority of the voters but does not receive a greater number of affirmative votes than any other measure appearing on the same ballot regarding the Fair Rent, Just Cause for Eviction and Homeowner Protection Act, this measure shall take effect to the extent not in conflict with said other measure or measures.

SECTION 4. Liberal Construction.

This measure shall be liberally construed to effectuate its purpose.

SECTION 5. Effective Date.

This ordinance shall be effective only if approved by a majority of the voters at the November 2022 Statewide General Election and shall go into effect ten (10) days after the vote is declared by the City Council. The limitation on rent escalation stated in this Amendment shall be effective immediately upon the effective date. Over the phase-in period which extends through August 31, 2023, no tenant's rent on a controlled unit shall be higher than what it was on August 31, 2022 plus a 3% increase. After the partial year of phase-in, the regular provisions of this Amendment shall apply.

SECTION 6. Savings Clause.

If any provision, sentence, clause, section, or part of this ordinance is found to be unconstitutional, illegal, or invalid by a court of competent jurisdiction, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, section, or part of this ordinance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this ordinance. It is declared that this ordinance would have been adopted had such unconstitutional, illegal, or invalid provision, sentence, clause, section, or part not been included.

SECTION 7. Fair Rent, Just Cause For Eviction And Homeowner Protection Ordinance Amendments.

Chapter 11.100.070 subdivision (b) of the Richmond Municipal Code is hereby amended as follows. Added text is shown as double underlined type; deleted text is shown as ~~striketrough~~ type.

(b)Annual General Adjustment. No later than June 30 each year, the Board shall announce the percentage by which rent for eligible Rental Units will be generally adjusted effective September 1 of that year.

(1)The Annual General Adjustment shall be equal to ~~one hundred sixty (160%)~~ percent of the percentage increase in the Consumer Price Index (All Urban Consumers, San Francisco-Oakland-San Jose region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the 12-month period ending as of March of the current year, or three (3%) percent, whichever is lower.

(2) Subparagraph 1 of this Subsection notwithstanding, in no event shall the Annual General Adjustment be less than zero percent (0%).

(3) ~~For the period between the effective date of this Charter and the first Annual General Adjustment announced September 1, the landlord may increase the Maximum Allowable Rent to include one Annual General Adjustment for September 2016. Notwithstanding any previously issued rent increase, the Annual General Adjustment for 2022 is three (3%) percent. In the event a landlord issued a rent increase on or after September 1, 2022 in excess of 3%, that tenant's rent shall be adjusted to their Maximum allowable rent on August 31, 2022 plus three (3%) percent.~~