

Item H-1: Amended Fiscal Year 2016-17 and Fiscal 2017-18 Residential Rental Housing Fee Study

Regular Meeting of the Richmond Rent Board | June 21, 2017

Item H-1: Statement of the Issue

- The City Council will determine the Residential Housing Fee after the Board provides a recommendation. (RMC 11.100.060(l))
- A fee study is necessary to ensure that the Residential Rental Housing Fee recommended by the Board and charged to the Landlords is proportionate to the services provided by the Rent Program.

Richmond Rent Board

Program Budget and Fees

June 21, 2017

Management
Partners



Budget Summary

DRAFT RENT PROGRAM BUDGETS		
Expenditures	FY 2017-18	FY2016-17
Personnel Compensation	\$ 949,497	\$ 392,876
Professional Services and Administration	\$ 584,894	\$ 298,500
IT Expenses	\$ 48,183	\$ 58,851
Other Operating Expenses	\$ 146,000	\$ 64,500
Cost Pool + Risk Management	\$ 181,710	\$ 105,620
Reserves	\$ 485,071	\$ 230,087
TOTALS	\$ 2,425,355	\$ 1,150,433

- Costs will increase in FY 2017-18 as the program is fully phased in
- Reserves are necessary so the program has a contingency and unanticipated expenditures will not impact the general fund
- Cost allocation and payment for liability insurance are necessary for full cost recovery

Rental Inventory Estimate

- Based on Tax Assessor's Property Record Data
- Units Counted:
 - Single Family Homes
 - Condos
 - Multiple Family Unit Dwellings
- Excludes Units with Homeowner Exemptions Claimed
- For Rent Stabilized Unit Count, excludes units exempt under the Costa-Hawkins Act

Rental Housing Inventory

Assessor Data Extract of Residential Properties in Richmond dated Jan 2017

Property Type	Residential Parcels in Richmond	Units in Parcel	Total Residential Units	Properties with Occupancy After February 1, 1995	Units in Properties Not Exempt under Costa-Hawkins	Homeowner Exemptions on File	Rental Units Subject to Rent Stabilization	All Rental Units *** (Subject to Just-Cause)
Single Family *	15,406	1	15,406	14,767	0	8,152	0	
Single Family	51	1	51	50	0	22	0	
Single Family	250	1	250	206	0	72	0	
Single Family	4,087	1	4,087	4,051	0	1,746	0	
Single Family	1,071	1	1,071	713	0	599	0	
Single Family	2,209	1	2,209	942	0	1,339	0	
Condo/Coop	3,145	1	3,145	2,586	0	1,334	0	
All Single Family	26,219		26,219	23,315	0	13,264	0	12,955
Duplex	895	2	1,790	880	1,760	201	1,559	1,589
Triplex	230	3	690	224	672	30	642	660
Quad	615	4	2,460	608	2,432	29	2,403	2,431
Combo	80	Estimate from Assessor Count**	240	79	237	13	224	227
5-12	219	Assessor Count***	1,503	216	1,481	4	1,477	1,499
13-24	21	Assessor Count***	402	20	386	0	386	402
25-59	20	Assessor Count***	658	15	526	0	526	658
60+	25	Assessor Count***	4,376	18	3,252	0	3,252	4,376
All Multiple Family	2,105		12,119	2,060	10,746	277	10,469	11,842
Totals	28,324		38,338	25,375	10,746	13,541	10,469	24,797

Fee FY 2016

- Remains the same as proposed earlier \$46.87 per unit

Fee FY 2017-2018 Options

- Two Level Fee

	Applicable Units	Exempt Units	Charged Units	Proposed Fees FY 2017-18	Total Fee for Unit Type
Rent Stabilized Unit Fees	10,469	2,101	8,368	\$142.82	\$192.94
All Other Rental Unit Fees	24,797	250	24,547	\$50.12	\$50.12

- Single Level Fee

	Applicable Units	Exempt Units	Charged Units	Proposed Fees FY 2017-18
Flat Fee	24,797	0	24,797	\$97.81

Comparisons

	Berkeley	Santa Monica	East Palo Alto	Los Angeles	Oakland	West Hollywood	San Francisco	Richmond
Program Budget	\$4,863,500	\$5,026,553	\$637,370	\$22,347,942	\$2,950,000	\$1,900,000	\$6,942,409	\$2,425,355
Rent Stabilized Units	19,093	27,542	2,325	631,000	65,000	16,805	173,000	10,469
Rental Housing Fees (per unit)	\$234/year	\$175/year	\$234/year	\$25/year	\$68/year	\$120/year	\$40 apartment; \$20 residential hotel room	\$50.12 General rental, \$192.94 Rent Stabilized
Who pays the fees?	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord
Portion Passed-Through to Tenants	50%; City may reimburse low-income tenants	50%	50%	50%	50%	50% (No pass through for Section 8 tenants)	50%	
Exemptions from Fees	Government subsidized housing, non-profit housing	Government subsidized housing	All Section 8	Certain government and non-profit subsidized, Project Based Section 8	Government subsidized housing	Some government subsidized housing	Government subsidized housing	

Next Steps

- Pending Board approval, adding fees to the City's Master Fee Schedule at the next regular City Council following adoption of the fees
- Billing of fees October 2017 by City of Richmond Finance Department with Business License renewals per Measure L

Questions

Christine Butterfield, cbutterfield@managementpartners.com

David Jensen, djensen@managementpartners.com

Item H-1: Recommended Action

- **RECEIVE** an amended Fiscal Year 2016-17 and Fiscal Year 2017-18 Residential Rental Housing Fee Study and **RECOMMEND** to the Richmond City Council :
 - (1) A “flat fee” of \$47 for all rental units for Fiscal Year 2016-17; and
 - (2) Either a “flat fee” of \$98 for all rental units for Fiscal Year 2017-18 OR a “tiered fee” approach for non-controlled and Controlled Rental Units of \$50 and \$193, respectively.