

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: March 21, 2018

Final Decision Date Deadline: March 21, 2018

STATEMENT OF THE ISSUE: In accordance with Section 11.100.060(l) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, the amount of the Residential Rental Housing Fee will be determined by the City Council after a recommendation by the Board is provided to the City Council. Prior to July 1, the Board shall hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. The budget shall be funded by the Residential Rental Housing Fee. Staff members have prepared budget options and a corresponding draft fee study for the Rent Board's consideration and comment.

INDICATE APPROPRIATE BODY

- | | | | | |
|-----------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|
| <input type="checkbox"/> City Council | <input type="checkbox"/> Redevelopment Agency | <input type="checkbox"/> Housing Authority | <input type="checkbox"/> Surplus Property Authority | <input type="checkbox"/> Joint Powers Financing Authority |
| <input type="checkbox"/> Finance Standing Committee | <input type="checkbox"/> Public Safety Public Services Standing Committee | <input type="checkbox"/> Local Reuse Authority | <input checked="" type="checkbox"/> Other: <u>Rent Board</u> | |

ITEM

- | | | |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------|
| <input type="checkbox"/> Presentation/Proclamation/Commendation (3-Minute Time Limit) | | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Regulation | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Contract/Agreement | <input checked="" type="checkbox"/> Rent Board As Whole | |
| <input type="checkbox"/> Grant Application/Acceptance | <input type="checkbox"/> Claims Filed Against City of Richmond | |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Video/PowerPoint Presentation (contact KCRT @ 620.6759) | |

RECOMMENDED ACTION: RECEIVE proposed Fiscal Year 2018-19 Rent Program operating budget options and corresponding Rental Housing Fee Study and PROVIDE direction to staff – Rent Program (Nicolas Traylor/Michael Roush 620-6564).

AGENDA ITEM NO:

H-1.



AGENDA REPORT

DATE: March 21, 2018
TO: Chair Gray and Members of the Rent Board
FROM: Nicolas Traylor, Executive Director
SUBJECT: FISCAL YEAR 2018-19 BUDGET AND FEE STUDY

STATEMENT OF THE ISSUE:

In accordance with Section 11.100.060(l) of the Richmond Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance, the amount of the Residential Rental Housing Fee will be determined by the City Council after a recommendation by the Board is provided to the City Council. Prior to July 1, the Board shall hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. The budget shall be funded by the Residential Rental Housing Fee. Staff members have prepared budget options and a corresponding draft fee study for the Rent Board's consideration and comment.

RECOMMENDED ACTION:

RECEIVE proposed Fiscal Year 2018-19 Rent Program operating budget options and corresponding Rental Housing Fee Study and PROVIDE direction to staff.

FISCAL IMPACT:

The fiscal impact of the proposed budget options are as follows:

Budget Option A would result in a projected operating budget of \$2,626,443 and corresponding fees of \$180.28 for fully-covered Rental Units and \$83.69 for partially covered Rental Units.

Budget Option B would result in a projected operating budget of \$2,752,800 and corresponding fees of \$188.89 for fully-covered Rental Units and \$87.77 for partially covered Rental Units.

Budget Option C would result in a projected operating budget of \$2,874,675 and corresponding fees of \$197.98 for fully-covered Rental Units and \$90.97 for partially covered Rental Units.

DISCUSSION:

Receive an oral report and presentation from staff.

DOCUMENTS ATTACHED:

Attachment 1 – Draft Fiscal Year 2018-19 Operating Budget and Fee Study

**DRAFT FISCAL YEAR
2018-19
OPERATING BUDGET
AND RENTAL
HOUSING FEE STUDY**

CITY OF RICHMOND RENT PROGRAM

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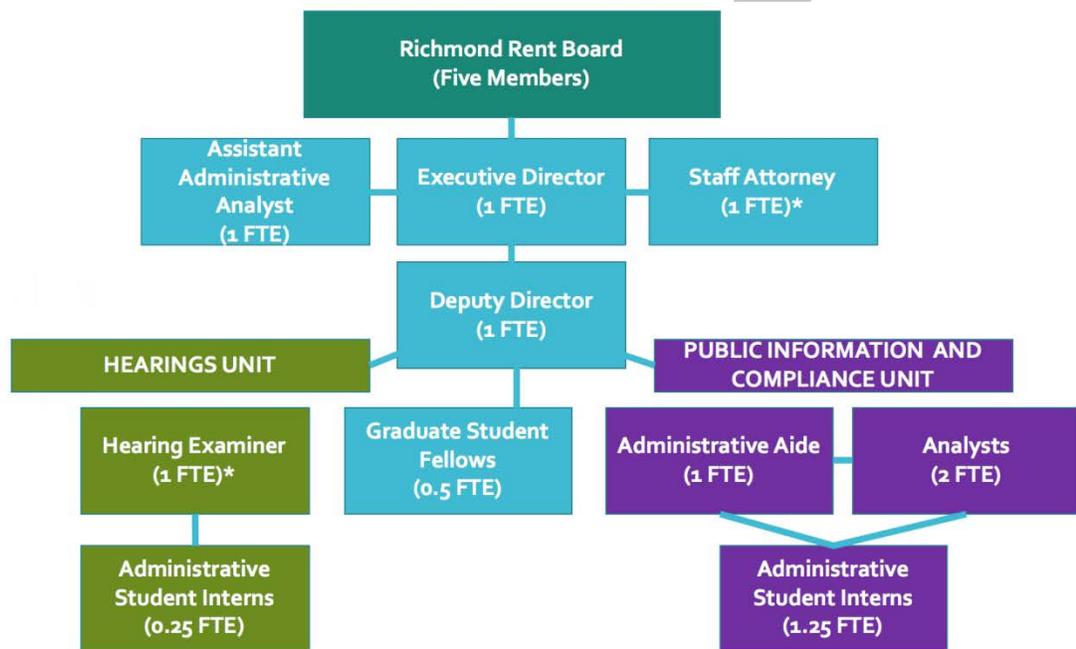
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DEPARTMENT ORGANIZATION AND GOALS

Organizational Chart

The Rent Program Department consists of 10 full time employees in three units: a management unit, hearings unit, and public information and compliance unit. The Rent Program Department is led by an Executive Director appointed by a five-member Rent Board comprised of Richmond residents. No more than two members of the Rent Board may own or manage rental property or act as realtors. Each departmental unit is described in greater detail below.



**These staff members are anticipated to be hired by April 2018*

Management Unit

The Management Unit is responsible for policy research, which includes conducting surveys and studies to help guide administrative improvements and the formation of sound public policy. The Management Unit also monitors and works with other rent control jurisdictions to prepare for and inform legislation and the promulgation of regulations. The Management Unit oversees all personnel related issues (hiring, training, discipline in conformance with MOU's, etc.). Other duties include: Board support; coordination and assurance with compliance with Brown Act requirements; coordination of agendas, minutes and documents for all Rent Board meetings. Additionally, the Management Unit conducts payroll, purchasing, finance and accounting and administrative workflow processes. Central to the Management Unit's duties are preparation, adoption, monitoring and reporting of the annual Rent Program budget. The Management Unit also works with the City Council and other City departments to develop and implement the annual Rent Program report, and coordinate housing policy consistent with the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection Program.

Legal Duties Associated with Management Unit

The general duties of the Staff Attorney include representing the Board in litigation; advising the Director and the Rent Board, reviewing and opining on decision on appeal, coordinating responses to public record act requests, training Rent Program Services Analysts and providing counseling support and quality control, supervising investigations and lawsuits for non-compliance, reviewing contracts, and responding to legal challenges to the Ordinance and applicable regulations. The Staff Attorney is also responsible for drafting rent regulations.

Public Information and Registration Unit

The Public Information and Compliance Unit is responsible for conducting outreach to tenants and landlords, which includes counseling landlords and tenants on rights and responsibilities under the Richmond Rent Ordinance and California law. Outreach also includes conducting monthly community educational workshops, developing and updating the “Guide to Rent Control in Richmond” and other informational handouts. The Unit is responsible for assisting landlords and tenants with the rent adjustment petition process, facilitating mediation sessions, billing and collecting registration fees and conducting registration/billing outreach. The Unit is also responsible for processing and tracking new tenancies, changes in rental status (new tenancy registration, claims of exemption, etc.)

Hearings Unit

The general duties of the Hearing Unit is to: conduct hearings and write decisions, including conducting settlement conferences, act as back-up resource on interpretation of Ordinance and Regulations, assist with drafting public information documents including acting as the primary author of the “Guide to Rent Control” and the “Petition Process”, review other documents to the public that pertain to the rent adjustment petition process, develop and revise petition forms, along with other senior staff, conduct mediations and conduct hearings for other City departments (on loan) if time periods. The Hearing Unit is also responsible for working on special projects as assigned by the Executive Director such as working with City staff to develop rent registration/tracking software to better administer adjustment of rent levels in the Maximum Allowable Rent Tracking database.

Mission Statement

The mission of the Richmond Rent Program is to regulate an inflated rental housing that if left unchecked leads to increasing social burdens, especially for those vulnerable populations, especially those with very low-income, low-income and moderate income and those with special needs. The negative impact of Richmond’s inflated housing market is wide-reaching and impacts all members of the interconnected Richmond community. The goal of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Protection program is to ensure housing stability for the residents of Richmond by limiting rent increases to the increase to the Consumer Price Index and to protect Tenants in good standing from unwarranted, arbitrary, discriminatory or retaliatory evictions, while still providing Richmond rental property owners the avenue to obtain a Fair Return in cases where the cost-of-living increases are insufficient to provide a Fair Return, and to recover possession of rental units for Just Cause.

The primary objectives of the Richmond Fair Rent, Just Cause for Eviction and Homeowner Program are (1) to provide housing stability for tenants similar to the housing stability and financial predictability that homeowners on a fixed term mortgage enjoy and (2) encourage and maintain the social, cultural and economic diversity that the City of Richmond proudly represents.

Fiscal Year 2018-19 Goals

- Establish a robust rent registration/rent tracking database/program.
- Establish a fully operational hearings unit (i.e. clear the backlog of petitions already filed). This includes developing all petition forms and getting them online.
- Train Rent Program Services Analyst and other senior staff on conducting mediations
- Get the Mediation Program fully up and running
- Publish the “Guide to Rent Control in Richmond”
- Expand use of innovative outreach tools: Create informational/info-graphic educational videos., create social media presence, conduct “targeted” outreach to problem properties
- Work with other City departments to improve housing inspection options and strengthen affordable housing policy
- Improve website and develop online registration of new tenancies, and other administrative forms

EXPENSE AND REVENUE SUMMARY

The Rent Program Department is designed to function as a cost-recovery department that operates without financial assistance from the City's General Fund.¹ Instead, the Department is funded by a Residential Rental Housing Fee, which is paid by all Landlords of Rental Units in the City of Richmond.

In November 2017, Rent Program staff members embarked on the first billing cycle of the Rental Housing Fee. Invoices were mailed to approximately 23,500 Rental Units identified in the City's database of total Rental Units. In many respects, the first billing cycle functioned as an additional public education and exemption verification project; approximately 3,300 suspected Rental Units mailed invoices for the Rental Housing Fee have been removed from the database following verification of exemption.

Table 1, below, contains a summary of funds expended and collected for departmental operations in Fiscal Years 2016-17 and 2017-18. The discrepancy in funds expended versus those budgeted, particularly in Fiscal Year 2017-18, is due to the absence of a Hearing Examiner and Staff Attorney, two of the highest budgeted positions in the department.

While the summary below reveals a relatively small surplus, it is anticipated the Department will have a negative fund balance by the close of the 2017-18 Fiscal Year, unless robust compliance efforts are undertaken to collect unpaid Rental Housing Fee revenue. Additionally, given the litigious nature of Rent Programs, it is important the Department establish adequate reserves for unanticipated expenses.

Table 1: Expense and Revenue Summary

| FISCAL YEAR | BUDGETED AMOUNT (EXCLUDING RESERVES) | FUNDS EXPENDED (AS OF 2/28/18) | REVENUE COLLECTED (AS OF 2/28/18) |
|-----------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------|
| 2016-17 | \$920,347 | \$789,592 | \$789,592 |
| 2017-18 (PARTIAL) ² | \$1,940,271 | \$571,866 ³ | \$850,075 |
| TOTAL | \$2,860,618 | \$1,361,458 | \$1,638,667 |

Source: City of Richmond Finance Department, 2018

¹ At their meeting on December 20, 2017, Rent Boardmembers approved a [Reimbursement Agreement](#) between the Rent Board and City of Richmond to repay funds advanced by the City for program startup.

² Amount of expended funds and revenue collected reflect 7 months of the 12-month fiscal year.

³ Note funds expended in Fiscal Year 2017-18 are only as of 2/28/17; this amount does not reflect the projected amount of expended funds for the entire Fiscal Year.

PROPOSED BUDGET OPTIONS

FY 18-19 Budget Must Focus on Rent Registration, Compliance, and Education

In Fiscal Year 2018-19, the Rent Program department is poised to create a strong, actively enforced Rent Ordinance that results in higher compliance than complaint-driven rent programs. The proposed budget should therefore reflect the need to allocate appropriate funds to administer rent tracking, rent registration and registration outreach, in addition to physical improvements to the office.

To perform effective registration outreach via rent tracking, two crucial components must be in place. The first is the development of a robust rent tracking database through vacancy rent registration. The second are adequate clerical resources to maintain, update and track Maximum Allowable Rent levels. Although a good database can automatically perform most rent ceiling calculations, and although a strong online registration component further eases administrative processes, all rent registration databases require both manual inputs by staff (due to MAR changes resulting from rent adjustment petitions) and regular database maintenance and updates, as the status of Rental Units may change periodically (e.g. from “fully exempt,” to “partially covered,” or “fully covered,” to “partially covered.”) Particularly in the context of a tiered fee, the status of each Rental Unit in the City is a critical piece of information that must be closely tracked.

Proposed Budget Priorities and Alternatives

Staff members recommend the Board consider adding the following line items to the Fiscal Year 2018-19 operating budget to support department operations:

- Maximize utility of the counseling area by reconfiguring the existing space to accommodate three counseling stations and improve comfort of clients and counselors
- Install permanent signage on doors and walls in 440 Civic Center Plaza to ensure community members can locate and navigate within the office
- Employ an additional Administrative Aide (1 FTE) to implement and administer rent registration consistent with regulations adopted by the Board
- Employ a contract attorney to perform compliance-related tasks, such as investigations, issuing correspondence for noncompliance, and pursuing legal action for noncompliance with the Ordinance, registration, and fee payment requirements.

The table below presents three possible budget alternatives as well as the associated costs and impacts on the Rental Housing Fee. It is important to note that budget alternatives A, B, and C are progressive, with each alternative including the components of the prior option. Staff members recommend the Board adopt Budget Option C, which includes all line items identified above, which are necessary to implement a fully-functional rent registration system and bolster compliance with program requirements.

Table 2: Proposed Budget Options and Corresponding Estimated Rental Housing Fee

| PROPOSED OPTION | DESCRIPTION OF SIGNIFICANT CHANGES ⁴ | ESTIMATED COST (\$) | TOTAL BUDGET (INCLUDING OPERATING AND RISK RESERVES EQUAL TO 25% OF EXPENSES) | CORRESPONDING APPROXIMATE PROPOSED RENTAL HOUSING FEE (ROUNDED UP TO NEAREST DOLLAR) | PROPOSED PORTION OF FEES PAID BY TENANT (50% OF TOTAL FEE) |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| A – BASELINE BUDGET WITH PHYSICAL IMPROVEMENTS | Add funds to furniture and construction costs for counseling area redesign and permanent signage | \$15,000 | \$2,626,443 | Partially Covered Units: \$84/unit Fully Covered Units: \$181/unit | Partially Covered Units: \$42/unit Fully Covered Units: \$90.50/unit |
| B – OPTION A PLUS ADDITIONAL RESOURCES FOR RENT REGISTRATION | Add funds to hire an additional Administrative Aide to administer rent registration | \$15,000 (Option A) + \$60,550 (salary) + \$33,303 (benefits) + \$6,233 (liability) + \$1,000 (IT account) = \$116,086 | \$2,752,800 | Partially Covered Units: \$88/unit Fully Covered Units: \$189/unit | Partially Covered Units: \$44/unit Fully Covered Units: \$94.50/unit |
| C – OPTION B PLUS ADDITIONAL RESOURCES FOR COMPLIANCE-RELATED WORK | Add funds to hire an additional Administrative Aide to administer rent registration and add a contract attorney to assist with compliance-related work | \$116,086 (Option B)+ \$97,500 contract for legal services (assumes contract attorney would work 10-15 hours per week at a rate of \$150/hour) = \$213,586 | \$2,874,675 | Partially Covered Units: \$91/unit Fully Covered Units: \$198/unit | Partially Covered Units: \$45.50/unit Fully Covered Units: \$99/unit |

⁴ Identified changes do not include regular, anticipated cost increases, such as step (salary) increases for employees, changes in indirect costs, and an increase in funds for computer equipment.

FISCAL YEAR 2018-19 RENTAL HOUSING FEE STUDY

Introduction and Background

Section 11.100.060(l)(1) of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (“Rent Ordinance”) provides all Landlords shall pay a Residential Rental Housing Fee to fund the Rent Program operating budget. The amount of the Rental Housing Fee is determined annually by the City Council following a recommendation from the Rent Board.

Under Section 50076 of the California Government Code, fees charged for any service or regulatory activity must not exceed the reasonable cost of providing the service. Those fees must be approved by the City Council, as the legislative body, in public session. Therefore, a fee study is necessary to ensure that the Residential Rental Housing Fee recommended by the Rent Board and charged to Landlords is commensurate to the level of services provided by the Rent Program.

The fee study is designed to allow the Rent Program Department to recover costs of all budgeted operations, including:

- Personnel costs of staff, benefits, and overtime;
- Risk management and supplemental liability insurance plan (SLIP);
- Charges allocated to City Departments to reimburse the General Fund for administrative services by central service departments (i.e. City Council, City Manager, City Attorney, City Clerk, Finance, HR, etc.);
- Information Technology (IT) expenses associated with the creation of a rent-tracking database and maintenance of computer hardware and software;
- Legal costs to support enforcement and defense of legal challenges to the Rent Ordinance;
- Costs of education and outreach, including the printing and distribution of print materials and hosting of community workshops and seminars;
- Contracts for translation and other professional services;
- Mileage and attendance at conferences and trainings; and,
- Operating and risk reserves to fund unanticipated costs and variations in collection of the Rental Housing Fee.

Structure of the Rental Housing Fee

Consistent with direction from the Rent Board in 2017, the FY 2016-17 and FY 2017-18 Rental Housing Fees were established as “flat fees,” applicable to all units regardless of partial or full applicability under the Rent Ordinance. This approach was justified during the first 1.5 years of program startup since the tasks and associated benefits of Departmental startup are reasonably shared among rental units regardless of status.

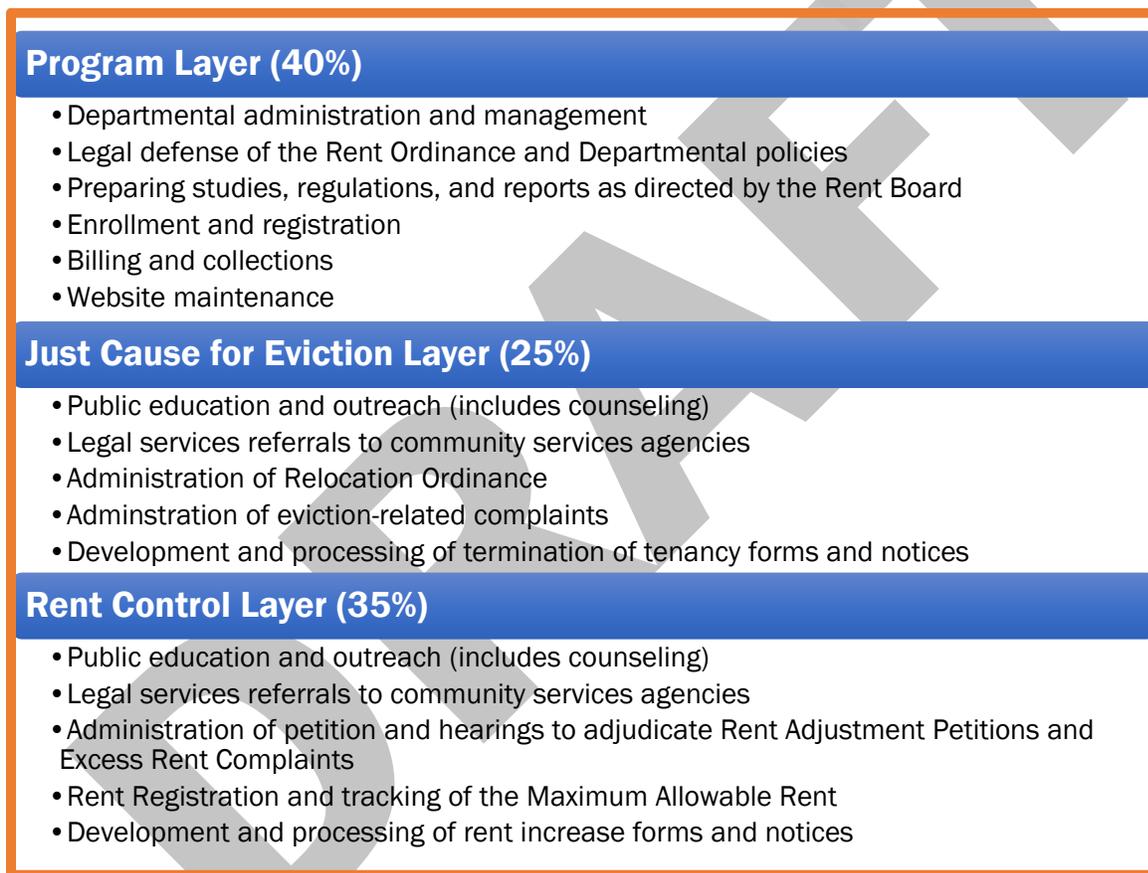
With much of the Rent Program Department now fully developed, Rent Program staff members propose a tiered fee, much like that contemplated in the [2017 Fee Study](#) prepared by Management Partners. Under this approach, costs of program administration are allocated among three components or layers: a general “program” layer (typically 40% of total costs), a “just cause” layer

(typically 25% of total costs), and a “rent control” layer (typically 35% of costs).⁵ Such allocations correspond with the amount of time spent administering each component of the program.

Staff members recommend the Board and City Council consider a tiered-fee approach to the Fiscal Year 2018-19 Rental Housing Fee to ensure the requirements of Section 50076 of the California Government Code are met. For example, owners of partially covered units should not be required to pay for petition and hearings process services, as tenants in these units do not have the same remedies as those afforded to fully covered units.

The figure below illustrates this concept and identifies key tasks associated with each program component.

Figure 1: Fee Layers and Associated Tasks

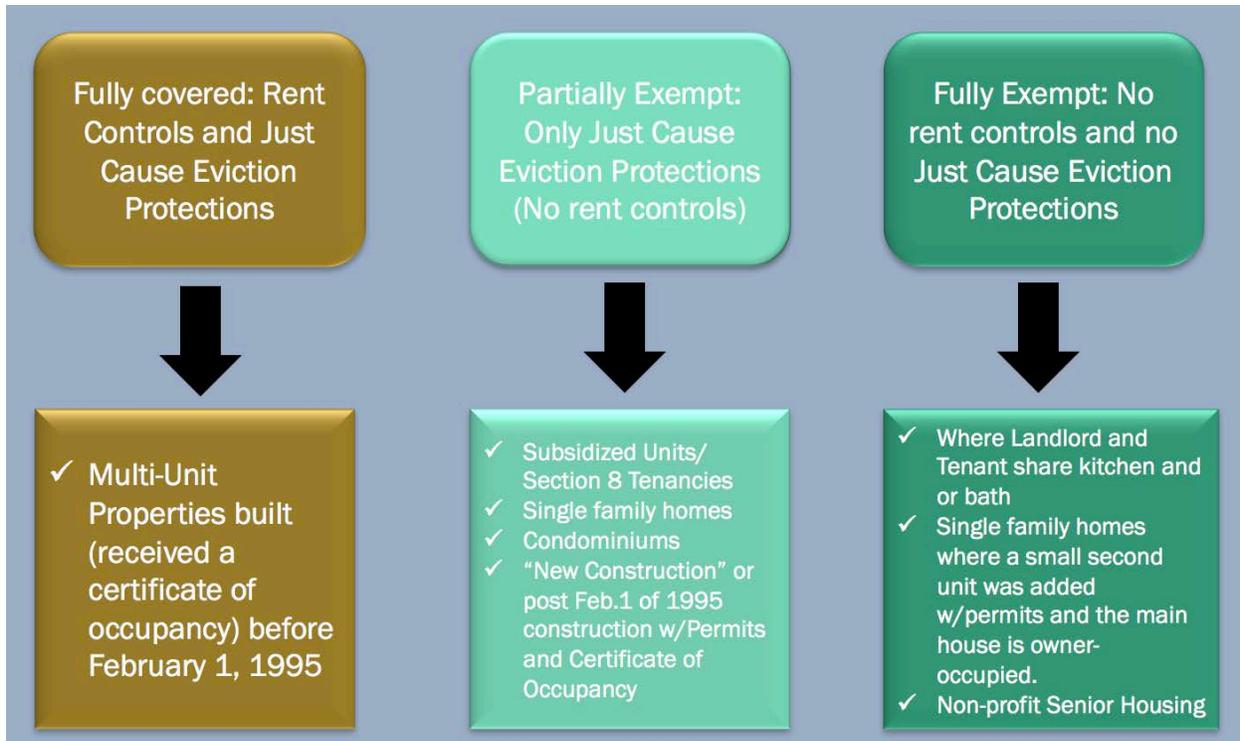


The amount of the Rental Housing Fee applicable to a particular Rental Unit depends on its status. Units applicable to the Just Cause for Eviction requirements, but exempt from the Rent Control provisions of the Ordinance (such as single family homes, governmentally-subsidized units, condominiums, and recently constructed units), are responsible for payment of Program and Just Cause for Eviction layers. Units subject to the Just Cause for Eviction and Rent Control provisions of the Rent Ordinance would be responsible for payment of all three layers. Units that are fully exempt

⁵ Line items allocated differently include the contract attorney to focus on compliance and community legal services contracts (both are allocated 50% to just cause and 50% to rent control layers)

from the Rent Ordinance are not responsible for payment of the Rental Housing Fee. Figure 2, below, identifies the types of units within each of these categories.

Figure 2: Fully, Partially, and Exempt Rental Units



Applicable Unit Counts and Database Development

The number of applicable Rental Units within each category is a critical input in the calculation of the Rental Housing Fees for partially and fully covered units. The Fiscal Year 2016-17 and Fiscal Year 2017-18 Fee Study utilized data provided by the Contra Costa County Assessor's Office to identify suspected Rental Units. While County Assessor data may be used to arrive at an estimated number of total rental units, it cannot produce an exact figure. Nevertheless, County Assessor data was the best and most readily available data at the time of the Fiscal Year 2016-17 and Fiscal Year 2017-18 Fee Study.

Over the past six months, Rent Program staff members, with assistance from the IT Department, have refined the database of Rental Units in the City of Richmond, most notably through the completion of an exemption verification project of single family homes in the City to accurately identify units that are truly rented. This project involved mailing an introductory letter and policy information to all single family homes and condominiums possessing one of the following characteristics in the County Assessor database:

- (1) No Homeowner's Tax Exemption was claimed
- (2) The site address of the property did not match the owner on record's mailing address

Approximately 15,500 properties met the above criteria. To confirm applicability to the Rent Ordinance, Rent Program staff members mailed information about the requirements of the Rent Ordinance. Owners of properties in the City of Richmond not containing Rental Units were required to complete and submit a Declaration of Owner Occupation/and or Exemption and submit documentation to provide exemption.

Rent Program staff members received and processed a total of 1,295 valid declarations proving exemption. An additional 507 declarations were received but have yet to be processed due to missing or incomplete information.

Additional sources of data, including the identification of rental units not identified in the previous fee study, include:

- Rental Units enrolled in the Rent Program online at www.richmondrent.org/enroll
- Rental Units identified by the Rental Inspection Program
- Rental Units participating in the Section 8 Housing Choice Voucher Program
- Rental Units with an active business license
- Rental Units in subsidized housing developments, such as those built with Low Income Housing Tax Credits (LIHTC), based on the [inventory of deed-restricted affordable housing](#) prepared by Rent Program staff members in 2017
- Unknown Rental Units identified through Tenant inquiries to the Rent Program Department

Rental Housing Fees Associated with each Budget Option

The table below presents the estimated tiered fees associated with each proposed budget option:

Table 3: Fiscal Year 2018-19 Proposed Budget Options and Rental Housing Fees

| UNIT COUNTS | | BUDGET OPTION A FEES (PER UNIT) | BUDGET OPTION B FEES (PER UNIT) | BUDGET OPTION C FEES (PER UNIT) |
|--------------------------------|--------|------------------------------------|------------------------------------|------------------------------------|
| TOTAL EXPENDITURES: | | \$2,626,443 | \$2,752,800 | \$2,874,675 |
| PARTIALLY COVERED UNITS | 10,381 | \$83.69 | \$87.77 | \$90.97 |
| FULLY COVERED UNITS | 9,750 | \$180.28 | \$188.89 | \$197.98 |
| TOTAL REVENUE: | | \$2,626,443 | \$2,752,800 | \$2,874,675 |

Comparison to Previously Adopted Rental Housing Fee and Peer Jurisdictions

On July 25, 2017, the Richmond City Council adopted [Resolution 99-17](#), establishing the Fiscal Year 2016-17 and Fiscal Year 2017-18 Residential Rental Housing Fees in the City’s master fee schedule for a total per-unit fee of \$145.00.

The proposed budget options and fee study approach result in a reduction in the Rental Housing Fee for partially covered units and an increase in the fee for fully-covered units. The difference is particularly pronounced when one considers the \$145.00 fee spanned one and a half fiscal years. The increase in the fee can be explained by increases in operating expenses necessary to establish

an actively-enforced Rent Program (namely, the employment of 10-11 full time employees), as well as decreases in the estimated total number of Rental Units in the City.

Table 4, below, compares the proposed Rental Housing Fee to fees to other jurisdictions with rent programs in the state of California. While Richmond’s proposed fees are lower than those charged in peer jurisdictions, it is important to note how the fee compares to median rents.

Table 4: Comparison of Program Budgets, Unit Counts, Fees, and Median Rents in Peer Rent Programs

| JURISDICTION | PROGRAM BUDGET (FY 17-18) | RENT-STABILIZED UNITS | FY 2017-18 FEES (PER UNIT) | MEDIAN GROSS RENT ⁶ (2012-2016 5-YEAR ESTIMATE) |
|-----------------------------------------|----------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| ACTIVELY ENFORCED RENT PROGRAMS | | | | |
| BERKELEY | \$5,125,740 | 19,093 | \$270.00 | \$1,434 |
| SANTA MONICA | \$5,181,693 | 27,542 | \$198.00 | \$1,626 |
| EAST PALO ALTO | \$427,415 | 2,325 | \$222.00 | \$1,510 |
| RICHMOND | \$2,874,675 (proposed Option C for FY 18-19) | 10,381 fully covered units; 9,750 partially covered units | \$198.00 for fully covered units; \$91.00 for partially covered units (proposed Option C for FY 18-19) | \$1,242 |
| PASSIVELY ENFORCED RENT PROGRAMS | | | | |
| LOS ANGELES | \$25,256,173 | 631,000 | \$24.51 | \$1,241 |
| OAKLAND | \$817,903 | 65,000 | \$68.00 | \$1,189 |
| WEST HOLLYWOOD | \$4,015,021 | 16,805 | \$144.00 | \$1,446 |
| ALAMEDA | \$1,782,000 | 14,899 | \$120 | \$1,478 |
| SAN FRANCISCO | \$8,227,649 | 173,000 | \$45.00 for apartments; \$22.50 for residential hotel rooms | \$1,632 |

Sources: Management Partners, 2017; City of Richmond Rent Program, 2018

Partial Pass-Through of the Rental Housing Fee

It is common among rent control jurisdictions in California to permit an optional, temporary pass-through of a portion of the Rental Housing Fee to be paid by Tenants in monthly installments over the course of the year. Indeed, the cities of Berkeley, Santa Monica, East Palo Alto, Los Angeles, Oakland, West Hollywood, and San Francisco allow the Landlord to recover 50% of the Rental Housing Fee divided over each month’s rent. In Berkeley, the Rent Board is authorized to reimburse low-income tenants. In West Hollywood, the pass-through may not be applied to Section 8 tenants.

It is important to note that the pass-through of the fee does not increase the Rent or Maximum Allowable Rent as defined in the Rent Ordinance; rather, the pass-through is a line item surcharge in excess of the Maximum Allowable Rent. For example, if the Rent Board adopts Budget Option C, for a rent-controlled Tenant, the associated monthly pass-through would be approximately \$8.25 per

⁶ The American Community Survey is an estimate; numbers denote estimates. Margins of error are not shown. Data source: 2012-2016 ACS 5-Year Estimates Table B25064

month. Such a policy would allow a Landlord of a rent-controlled unit to recover \$99 of the Rental Housing Fee if the Board elects to adopt Budget Option C.

Rent Program staff members recommend that the Board adopt such a policy following the City Council's adoption of the Fiscal Year 2018-19 Rental Housing Fee.

Conclusion

The Fiscal Year 2018-19 Budget must reflect the goals and mission of the Rent Program Department; that is, to create an actively enforced Department to serve empowered and knowledgeable community members. To achieve this, staff members recommend the Rent Board take the following actions:

- Adopt Fiscal Year 2018-19 Budget Option C
- Approve the Fiscal Year 2018-19 Rental Housing Fee Study
- Recommend to the City Council adoption of a fee of \$91.00 per unit for partially covered units and \$198.00 per unit for fully covered units to support continued program development
- Direct staff to prepare a regulation permitting a 50% pass-through of the Rental Housing Fee divided over each month's rent

APPENDIX

Appendix A: Fiscal Year 2018-19 Proposed Budget Options

Appendix B: Budget Option A Fee Study Calculations

Appendix C: Budget Option B Fee Study Calculations

Appendix D: Budget Option C Fee Study Calculations

DRAFT

DRAFT PROPOSED FISCAL YEAR 2018-19 RENT PROGRAM BUDGET OPTIONS

| | | | | | TOTAL ALLOCATED FY 17- 18 | OPTION A | OPTION B | OPTION C | Comments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------|-----------------------------|-----------------------|---------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| | FY 18-19 Salary | Benefits (at 55% of Salary) | Annual Salary & Benefits | TOTAL (1 employee) | | | | | |
| Title | | 0.55 | | | | | | | Salary Assumptions (includes Step Increase) |
| Executive Director* | \$ 148,000 | \$ 81,400 | \$ 229,400 | \$ 229,400 | \$ 214,908 | \$ 229,400 | \$ 229,400 | \$ 229,400 | \$9,024 - \$14,364 |
| Deputy Director* | \$ 101,896 | \$ 56,043 | \$ 157,939 | \$ 157,939 | \$ 150,418 | \$ 157,939 | \$ 157,939 | \$ 157,939 | \$8,087 - \$12,873 |
| Staff Attorney | \$ 140,328 | \$ 77,180 | \$ 217,508 | \$ 217,508 | \$ 108,754 | \$ 217,508 | \$ 217,508 | \$ 217,508 | \$9,024 - \$14,364 |
| Hearing Examiner | \$ 140,328 | \$ 77,180 | \$ 217,508 | \$ 217,508 | \$ 108,754 | \$ 217,508 | \$ 217,508 | \$ 217,508 | \$9,024 - \$14,364 |
| Rent Program Services Analyst | \$ 85,891 | \$ 47,240 | \$ 133,131 | \$ 133,131 | \$ 80,963 | \$ 133,131 | \$ 133,131 | \$ 133,131 | \$6,357 \$6,674 \$6,977 \$7,315 \$7,684 |
| Rent Program Services Analyst | \$ 82,102 | \$ 45,156 | \$ 127,258 | \$ 127,258 | \$ 80,963 | \$ 127,258 | \$ 127,258 | \$ 127,258 | \$6,357 \$6,674 \$6,977 \$7,315 \$7,684 |
| Administrative Analyst | \$ 74,242 | \$ 40,833 | \$ 115,075 | \$ 115,075 | \$ 90,706 | \$ 115,075 | \$ 115,075 | \$ 115,075 | \$6,357 \$6,674 \$6,977 \$7,315 \$7,684 |
| Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | \$ 93,853 | \$ 69,465 | \$ 93,853 | \$ 93,853 | \$ 93,853 | \$4,910 \$5,115 \$5,360 \$5,602 \$5,873 |
| Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | \$ 93,853 | \$ - | \$ - | \$ 93,853 | \$ 93,853 | \$4,910 \$5,115 \$5,360 \$5,602 \$5,873 |
| Student Intern | \$ 16,685 | | | | \$ 15,506 | \$ 16,685 | \$ 16,685 | \$ 16,685 | \$15.54 \$17.20 \$18.81 \$20.51 \$22.07 |
| Student Intern | \$ 16,685 | | | | \$ 15,506 | \$ 16,685 | \$ 16,685 | \$ 16,685 | \$15.54 \$17.20 \$18.81 \$20.51 \$22.07 |
| Student Intern | \$ 16,685 | | | | \$ 15,506 | \$ 16,685 | \$ 16,685 | \$ 16,685 | \$15.54 \$17.20 \$18.81 \$20.51 \$22.07 |
| Student Intern | \$ 16,685 | | | | \$ 15,506 | \$ 16,685 | \$ 16,685 | \$ 16,685 | \$15.54 \$17.20 \$18.81 \$20.51 \$22.07 |
| Overtime/Comp Time | | | | | \$ 12,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| <i>*Salary increases for Executive Staff are discretionary in nature. Figures shown represent maximums and are subject to Board or Director approval.</i> | | | | | | | | | |
| TOTAL PERSONNEL EXPENSES | | | | | \$ 978,955 | \$ 1,368,413 | \$ 1,462,265 | \$ 1,462,265 | |
| Cost Pool and Risk Management: | | | | | | | | | |
| General Liability and Worker's Comp | | | | | \$ 52,981 | \$ 62,330 | \$ 68,563 | \$ 68,563 | Workers Compensation - \$2,748 per employee, General Liability - \$3,485 per employee (combined total \$6,233 per employee.) 10 FTEs FY 18-19 |

| | | | | TOTAL ALLOCATED FY 17- 18 | OPTION A | OPTION B | OPTION C | Comments |
|------------------------------------------------------------|--|--|--|---------------------------------|------------|------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Space at 440 Civic Center Plaza | | | | \$ 52,275 | \$ 52,275 | \$ 52,275 | \$ 52,275 | Space at 440 CCP is based on the percentage of total square footage occupied. This percentage is then applied to the total annual debt service. Rent Program is presumed to occupy 0.9% of Civic Center's total square footage. The percentage was applied to the total annual debt service for FY 2016-17 to determine the cost. |
| Indirect Cost | | | | \$ 51,454 | \$ 51,454 | \$ 51,454 | \$ 51,454 | Indirect Costs are charges allocated to City Departments to reimburse the General Fund for administrative services by central service departments (i.e. City Council, City Manager, City Attorney, City Clerk, Finance, HR, etc.) Allocations are determined in the City's cost allocation plan completed by an external consultant. Since the Rent Program dept. is new, it was not included in the current cost allocation plan. Staff recommended using the allocation of a department similar in size. In this case, the City Manager's Office was used as the basis. |
| Supplemental Liability Insurance Policy (SLIP) | | | | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | General liability policy for the Rent Control program. |
| Sub-Total Cost Pool + Risk Management | | | | \$ 181,710 | \$ 191,059 | \$ 197,292 | \$ 197,292 | |
| IT Expenses: | | | | | | | | |
| Startup Costs Year 3 (refinement of Rent Program Database) | | | | \$ 29,500 | \$ 30,000 | \$ 30,000 | \$ 30,000 | Migration of enrollment data into Trakt, includes contract with DataTree for property verification data (\$250/month) |
| Annual IT Costs (Including replacement funding) | | | | \$ 18,683 | \$20,683 | \$21,683 | \$21,683 | General PC software and costs. |
| Sub-Total IT Expenses | | | | \$ 48,183 | \$ 50,683 | \$ 51,683 | \$ 51,683 | |

| | | | | | TOTAL ALLOCATED FY 17- 18 | OPTION A | OPTION B | OPTION C | Comments |
|------------------------------------------|--|--|--|--|---------------------------------|-------------------|-------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal Costs | | | | | | | | | |
| Outside Legal Counsel (Litigation) | | | | | \$ 120,000 | \$ 120,000 | \$ 120,000 | \$ 120,000 | Outside legal counsel to respond to litigation pertaining to the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. Previous litigation was dismissed without prejudice on Saturday, May 6, 2017. The budgeted amount reflects estimate for anticipated future litigation. |
| Rent Program Legal Counsel (Contract) | | | | | \$ 160,000 | \$ - | \$ - | \$ - | |
| Contract Attorney to focus on Compliance | | | | | \$ - | \$ - | \$ - | \$ 97,500 | Mass-mailing and exemption verification project; issuing correspondence; taking legal action. Assumes \$150/hour for 10-15 hours per week. |
| Community Services Agency Contracts | | | | | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | Legal services to provide assistance to Tenants that have paid the Maximum Allowable Rent, are being evicted (Unlawful Detainer), and are able to provide evidence that their Landlord is not in compliance with the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. |
| Sub-Total Legal Expenses | | | | | \$ 430,000 | \$ 270,000 | \$ 270,000 | \$ 367,500 | |
| Other Operating Expenses | | | | | | | | | |
| Postage & Mailing | | | | | \$ 75,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | Costs of mailing include production, printing, proofing, and postage |

| | | | | TOTAL ALLOCATED FY 17- 18 | OPTION A | OPTION B | OPTION C | Comments |
|----------------------------------------|--|--|--|---------------------------------|-------------------|-------------------|-------------------|----------------------------------------------------------------------------------------------------|
| Copying & Duplicating | | | | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | Bulk printing of materials for public outreach and information. |
| Copy Machine Rental | | | | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | Cost of rental and maintenance of Xerox machines in 440 Civic Center Plaza. |
| Miscellaneous Expenses | | | | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | Miscellaneous expenses associated with program development and operations. |
| Office Supplies and Furniture | | | | \$ 6,000 | \$ 21,000 | \$ 21,000 | \$ 21,000 | Cost of general office supplies, timestamp, and office furniture (e.g. desk chairs.) |
| Computer/Phone Supplies | | | | \$ - | \$ 6,300 | \$ 6,300 | \$ 6,300 | 10 computer monitors @ \$300.00; 8 headsets @ \$379.95; 1 phone setup @ \$200 |
| Sub-Total Other Operating | | | | \$ 146,000 | \$ 142,300 | \$ 142,300 | \$ 142,300 | |
| Professional and Admin Services | | | | | | | | |
| Professional Service Contracts: | | | | | | | | |
| Professional and Admin Services | | | | | | | | |
| Management Partners | | | | \$ 20,000 | \$ - | \$ - | \$ - | |
| Additional Subject Matter Experts | | | | \$ 30,000 | \$ - | \$ - | \$ - | |
| Contract Hearing Examiner Services | | | | \$ 6,025 | \$ - | \$ - | \$ - | Contract services to conduct hearings in the absence, or in addition to, a Staff Hearing Examiner. |
| Mediation Services | | | | \$ 30,000 | \$ 10,500 | \$ 10,500 | \$ 10,500 | Cost of attending Rosenberg Mediation Training for 7 staff members (\$1,500 per person) |

| | | | | | TOTAL ALLOCATED FY 17- 18 | OPTION A | OPTION B | OPTION C | Comments |
|-------------------------------------------|--|--|--|--|---------------------------------|---------------------|---------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Translation Services | | | | | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | Translation services to ensure that all forms and notices are available in both English and Spanish, at a minimum, and for oral translation, as it may be advantageous for administration. Assumes 9,000 words per month @ \$0.14/word and 25 hours of verbal translation @ \$50.00/hour. |
| Community Education | | | | | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | Materials and supplies for large-format community education workshops, computer support sessions, and the development of a LEAP Digital Literacy LearnerWeb module. |
| Mileage | | | | | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | Use of City pool car. |
| Training / Conferences | | | | | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | Legal and professional trainings (e.g. dispute resolution, handling of sensitive information) for staff, attendance at conferences. |
| Phone | | | | | \$ 1,200 | \$ - | \$ - | \$ - | |
| Books and Educational Materials | | | | | \$ 200 | \$ 200 | \$ 200 | \$ 200 | Educational and reference materials. |
| Ad & Promotional materials | | | | | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | Posting of community events and other information in publications. |
| Sub-Total Professional & Admin | | | | | \$ 155,425 | \$ 78,700 | \$ 78,700 | \$ 78,700 | |
| TOTAL OPERATING EXPENSES | | | | | \$ 961,318 | \$ 732,742 | \$ 739,975 | \$ 837,475 | |
| Reserves: | | | | | | | | | |
| Operating Reserve (17%) | | | | | \$ 329,846 | \$ 357,196 | \$ 374,381 | \$ 390,956 | As recommended by the Government Finance Officers Association (GFOA.) |
| Risk Reserve (8%) | | | | | \$ 155,222 | \$ 168,092 | \$ 176,179 | \$ 183,979 | Risk Management reserve fund. |
| Sub-Total Reserves | | | | | \$ 485,068 | \$ 525,289 | \$ 550,560 | \$ 574,935 | |
| GRAND TOTAL | | | | | \$ 2,425,338 | \$ 2,626,443 | \$ 2,752,800 | \$ 2,874,675 | |

DRAFT FISCAL YEAR 2018-19 RENT PROGRAM FEE STUDY: OPTION A

| REVENUE | | | | | | | | | | FEE COMPONENTS | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------|--------------------------|----------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------------|---------------------|-----------------------|---------|------------|--|--|
| | | | | Charged Units | Proposed Fees FY 2018-2019 | Costs Recovered | | Program Fee Part | Just Cause Fee Part | Rent Control Fee Part | | | | |
| | Fully Covered Units | | | 9,750 | \$ 180.28 | \$ 1,757,696 | | \$ 49.21 | \$ 34.48 | \$ 96.59 | | | | |
| | Partially Covered Units | | | 10,381 | \$ 83.69 | \$ 868,747 | | | | | | | | |
| | Total Units | | | 20,131 | | \$ 2,626,443 | | | | | | | | |
| EXPENDITURES | | | | | | | | | | COST ALLOCATION | | | | |
| Personnel - Salary & Benefits | | | | | | | | | | FY 2018-19 | | | | |
| | Annual Salary | Benefits (at 55% of Salary) | Annual Salary & Benefits | # of employees (FTE) | COMPENSATION | COMMENTS | Alloc % | Program | Alloc % | Terminations | Alloc % | Rent | | |
| | 12 | 0.55 | | | | | | | | | | | | |
| | Executive Director* | \$ 148,000 | \$ 81,400 | \$ 229,400 | 1 | \$ 229,400 | 40.0% | \$ 91,760 | 25.0% | \$ 57,350 | 35.0% | \$ 80,290 | | |
| | Deputy Director* | \$ 101,896 | \$ 56,043 | \$ 157,939 | 1 | \$ 157,939 | 40.0% | \$ 63,176 | 25.0% | \$ 39,485 | 35.0% | \$ 55,279 | | |
| | Staff Attorney | \$ 140,328 | \$ 77,180 | \$ 217,508 | 1 | \$ 217,508 | 40.0% | \$ 87,003 | 25.0% | \$ 54,377 | 35.0% | \$ 76,128 | | |
| | Hearing Examiner | \$ 140,328 | \$ 77,180 | \$ 217,508 | 1 | \$ 217,508 | 40.0% | \$ 87,003 | 25.0% | \$ 54,377 | 35.0% | \$ 76,128 | | |
| | Analyst (Housing Counselor) | \$ 85,891 | \$ 47,240 | \$ 133,131 | 1 | \$ 133,131 | 40.0% | \$ 53,252 | 25.0% | \$ 33,283 | 35.0% | \$ 46,596 | | |
| | Analyst (Housing Counselor) | \$ 82,102 | \$ 45,156 | \$ 127,258 | 1 | \$ 127,258 | 40.0% | \$ 50,903 | 25.0% | \$ 31,815 | 35.0% | \$ 44,540 | | |
| | Administrative Analyst (Rent Board Clerk) | \$ 74,242 | \$ 40,833 | \$ 115,075 | 1 | \$ 115,075 | 40.0% | \$ 46,030 | 25.0% | \$ 28,769 | 35.0% | \$ 40,276 | | |
| | Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | 1 | \$ 93,853 | 40.0% | \$ 37,541 | 25.0% | \$ 23,463 | 35.0% | \$ 32,848 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 16,685 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 16,685 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 16,685 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 16,685 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Overtime/Comp Time | | | | | \$ 10,000 | 40.0% | \$ 4,000 | 25.0% | \$ 2,500 | 35.0% | \$ 3,500 | | |
| <i>*Salary increases for Executive Staff are discretionary in nature. Figures shown represent maximums and are subject to Board or Director approval.</i> | | | | | | | | | | | | | | |
| | TOTAL PERSONNEL EXPENSES | | | 10 | \$ 1,368,412 | | | \$ 547,365 | | \$ 342,103 | | \$ 478,944 | | |
| COSTS | | | | | | | | | | COMMENTS | | | | |
| Cost Pool and Risk Management | | | | | | | | | | | | | | |
| | General Liability and Worker's Comp | | | 6233 | \$ 62,330 | Workers Compensation - \$2,748 per employee, General Liability - \$3,485 per employee (combined total \$6,233 per employee.) | 40.0% | \$ 24,932 | 25.0% | \$ 15,583 | 35.0% | \$ 21,816 | | |
| | Space at 440 Civic Center Plaza | | | | \$ 52,275 | Space at 440 CCP is based on the percentage of total square footage occupied. This percentage is then applied to the total annual debt service. Rent Program is presumed to occupy 0.9% of Civic Center's total square footage. The percentage was applied to the total annual debt service for FY 2016-17 to determine the cost. | 40.0% | \$ 20,910 | 25.0% | \$ 13,069 | 35.0% | \$ 18,296 | | |
| | Indirect Cost | | | | \$ 51,454 | Indirect Costs are charges allocated to City Departments to reimburse the General Fund for administrative services by central service departments (i.e. City Council, City Manager, City Attorney, City Clerk, Finance, HR, etc.) Allocations are determined in the City's cost allocation plan completed by an external consultant. Since the Rent Program dept. is new, it was not included in the current cost allocation plan. Staff recommended using the allocation of a department similar in size. In this case, the City Manager's Office was used as the basis. | 40.0% | \$ 20,582 | 25.0% | \$ 12,864 | 35.0% | \$ 18,009 | | |
| | SLIP Policy | | | | \$ 25,000 | General liability policy for the Rent Control program | 40.0% | \$ 10,000 | 25.0% | \$ 6,250 | 35.0% | \$ 8,750 | | |
| | Subtotal Cost Pool + Risk Management | | | | \$ 191,059 | | | \$ 76,424 | | \$ 47,765 | | \$ 66,871 | | |
| Information Technology Expenses | | | | | | | | | | | | | | |
| | Rent Tracking Database | | | | \$ 30,000 | Estimated startup costs. | 40.0% | \$ 12,000 | 25.0% | \$ 7,500 | 35.0% | \$ 10,500 | | |
| | Annual IT Costs (Including replacement funding) | | | | \$ 20,683 | General PC software and costs | 40.0% | \$ 8,273 | 25.0% | \$ 5,171 | 35.0% | \$ 7,239 | | |
| | Subtotal Information Technology Expenses | | | | \$ 50,683 | | | \$ 20,273 | | \$ 12,671 | | \$ 17,739 | | |

| Professional and Legal Services | | | | | | | | | | |
|---------------------------------|-----------------------------------------------------------------------------------------|--|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|-------|------------|-------|------------|
| 400201 | Professional Services Contracts | | | | | | | | | |
| | Translation Services | | \$ 30,000 | Translation services to ensure that all forms and notices are available in both English and Spanish, at a minimum, and for oral translation, as it may be advantageous for administration. Assumes 9,000 words per month @ \$.14/word and 25 hours of verbal translation @ \$50.00/hour. | 40.0% | \$ 12,000 | 25.0% | \$ 7,500 | 35.0% | \$ 10,500 |
| | Mediation | | \$ 10,500 | Cost of attending Rosenberg Mediation Training for 7 staff members (\$1,500 per person) | 40.0% | \$ 4,200 | 25.0% | \$ 2,625 | 35.0% | \$ 3,675 |
| | Legal Services | | | | | | | | | |
| | Outside Legal Counsel (to assist with anticipated litigation) | | \$ 120,000 | Outside legal counsel to respond to litigation pertaining to the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. Previous litigation was dismissed without prejudice on Saturday, May 6, 2017. Reflects estimate for anticipated future litigation. | 40.0% | \$ 48,000 | 25.0% | \$ 30,000 | 35.0% | \$ 42,000 |
| | Community Legal Services (Contract) (Eviction Defense Center & Centro Legal de la Raza) | | \$ 150,000 | Legal services to provide assistance to Tenants that have paid the Maximum Allowable Rent, are being evicted (Unlawful Detainer), and are able to provide evidence that their Landlord is not in compliance with the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance | 0.0% | \$ - | 50.0% | \$ 75,000 | 50.0% | \$ 75,000 |
| | Community Education | | \$ 20,000 | LEAP Digital Rent Program Literacy Proposal & other outreach activities. | 40.0% | \$ 8,000 | 25.0% | \$ 5,000 | 35.0% | \$ 7,000 |
| 400242 | Mileage | | \$ 1,000 | Use of City pool car. | 40.0% | \$ 400 | 25.0% | \$ 250 | 35.0% | \$ 350 |
| 400243 | Training / Conferences | | \$ 15,000 | Legal and professional trainings (e.g. dispute resolution, handling of sensitive information) for staff, attendance at conferences. | 40.0% | \$ 6,000 | 25.0% | \$ 3,750 | 35.0% | \$ 5,250 |
| 400262 | Books & Subs | | \$ 200 | Educational and reference materials | 40.0% | \$ 80 | 25.0% | \$ 50 | 35.0% | \$ 70 |
| 400271 | Ad & Promotional materials | | \$ 2,000 | Posting of community events and other information in publications | 40.0% | \$ 800 | 25.0% | \$ 500 | 35.0% | \$ 700 |
| | Subtotal Professional and Legal Services | | \$ 348,700 | | | \$ 79,480 | | \$ 124,675 | | \$ 144,545 |
| | Other Operating Expenses | | | | | | | | | |
| 400231 | Postage & Mailing | | \$ 50,000 | Costs of mailing include production, printing, proofing, and postage. | 40.0% | \$ 20,000 | 25.0% | \$ 12,500 | 35.0% | \$ 17,500 |
| 400233 | Copying & Duplicating | | \$ 50,000 | Bulk printing of materials for public outreach and information | 40.0% | \$ 20,000 | 25.0% | \$ 12,500 | 35.0% | \$ 17,500 |
| 400304 | Rental Exp - XEROX | | \$ 5,000 | Cost of rental and maintenance of Xerox machines in 440 Civic Center Plaza. | 40.0% | \$ 2,000 | 25.0% | \$ 1,250 | 35.0% | \$ 1,750 |
| 400322 | Misc. Exp | | \$ 10,000 | Miscellaneous expenses associated with program development and operations | 40.0% | \$ 4,000 | 25.0% | \$ 2,500 | 35.0% | \$ 3,500 |
| | Computer/Phone Supplies | | \$ 6,300 | 10 computer monitors @ \$300.00; 8 headsets @ \$379.95; 1 phone setup @ \$200 | 40.0% | \$ 2,520 | 25.0% | \$ 1,575 | 35.0% | \$ 2,205 |
| 400341 | Office Supplies and Furniture | | \$ 21,000 | Cost of general office supplies and anticipated counseling area redesign | 40.0% | \$ 8,400 | 25.0% | \$ 5,250 | 35.0% | \$ 7,350 |
| | Subtotal Other Operating Expenses | | \$ 142,300 | | | \$ 56,920 | | \$ 35,575 | | \$ 49,805 |
| | TOTAL OPERATING EXPENSES | | \$ 732,742 | | | \$ 233,097 | | \$ 220,686 | | \$ 278,960 |
| | Reserves | | | | | | | | | |
| | Operating Reserve (17%) | | \$ 357,196 | As recommended by the Government Finance Officers Association (GFOA.) | 40.0% | \$ 142,878 | 25.0% | \$ 89,299 | 35.0% | \$ 125,019 |
| | Risk Reserve (8%) | | \$ 168,092 | Risk Management reserve fund. | 40.0% | \$ 67,237 | 25.0% | \$ 42,023 | 35.0% | \$ 58,832 |
| | Subtotal Reserves | | \$ 525,289 | | | \$ 210,115 | | \$ 131,322 | | \$ 183,851 |
| | TOTAL | | \$ 2,626,443 | | | \$ 990,577 | | \$ 694,111 | | \$ 941,755 |
| | | | | Effective allocation rate | | 37.72% | | 26.43% | | 35.86% |

DRAFT FISCAL YEAR 2018-19 RENT PROGRAM FEE STUDY: OPTION B

| REVENUE | | | | | | | | | | FEE COMPONENTS | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------|--------------------------|----------------------|----------------------------|-----------------|---------|------------------|---------------------|-----------------------|---------|------------|--|--|
| | | | | Charged Units | Proposed Fees FY 2018-2019 | Costs Recovered | | Program Fee Part | Just Cause Fee Part | Rent Control Fee Part | | | | |
| | Fully Covered Units | | | 9,750 | \$ 188.89 | \$ 1,841,700 | | \$ 51.72 | \$ 36.05 | \$ 101.13 | | | | |
| | Partially Covered Units | | | 10,381 | \$ 87.77 | \$ 911,100 | | | | | | | | |
| | Total Units | | | 20,131 | | \$ 2,752,800 | | | | | | | | |
| EXPENDITURES | | | | | | | | | | COST ALLOCATION | | | | |
| Personnel - Salary & Benefits | | | | | | | | | | FY 2018-19 | | | | |
| | Annual Salary | Benefits (at 55% of Salary) | Annual Salary & Benefits | # of employees (FTE) | COMPENSATION | COMMENTS | Alloc % | Program | Alloc % | Terminations | Alloc % | Rent | | |
| Possible Positions, Titles, & Expenses | | | | | | | | | | | | | | |
| | Executive Director* | \$ 148,000 | \$ 81,400 | \$ 229,400 | 1 | \$ 229,400 | 40.0% | \$ 91,760 | 25.0% | \$ 57,350 | 35.0% | \$ 80,290 | | |
| | Deputy Director* | \$ 101,896 | \$ 56,043 | \$ 157,939 | 1 | \$ 157,939 | 40.0% | \$ 63,176 | 25.0% | \$ 39,485 | 35.0% | \$ 55,279 | | |
| | Staff Attorney | \$ 140,328 | \$ 77,180 | \$ 217,508 | 1 | \$ 217,508 | 40.0% | \$ 87,003 | 25.0% | \$ 54,377 | 35.0% | \$ 76,128 | | |
| | Hearing Examiner | \$ 140,328 | \$ 77,180 | \$ 217,508 | 1 | \$ 217,508 | 40.0% | \$ 87,003 | 25.0% | \$ 54,377 | 35.0% | \$ 76,128 | | |
| | Analyst (Housing Counselor) | \$ 85,891 | \$ 47,240 | \$ 133,131 | 1 | \$ 133,131 | 40.0% | \$ 53,252 | 25.0% | \$ 33,283 | 35.0% | \$ 46,596 | | |
| | Analyst (Housing Counselor) | \$ 82,102 | \$ 45,156 | \$ 127,258 | 1 | \$ 127,258 | 40.0% | \$ 50,903 | 25.0% | \$ 31,815 | 35.0% | \$ 44,540 | | |
| | Administrative Analyst (Rent Board Clerk) | \$ 74,242 | \$ 40,833 | \$ 115,075 | 1 | \$ 115,075 | 40.0% | \$ 46,030 | 25.0% | \$ 28,769 | 35.0% | \$ 40,276 | | |
| | Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | 1 | \$ 93,853 | 40.0% | \$ 37,541 | 25.0% | \$ 23,463 | 35.0% | \$ 32,848 | | |
| | Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | 1 | \$ 93,853 | 40.0% | \$ 37,541 | 25.0% | \$ 23,463 | 35.0% | \$ 32,848 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | |
| | Overtime/Comp Time | | | | | \$ 10,000 | 40.0% | \$ 4,000 | 25.0% | \$ 2,500 | 35.0% | \$ 3,500 | | |
| <i>*Salary increases for Executive Staff are discretionary in nature. Figures shown represent maximums and are subject to Board or Director approval.</i> | | | | | | | | | | | | | | |
| | TOTAL PERSONNEL EXPENSES | | | | 11 | \$ 1,462,265 | | \$ 584,906 | | \$ 365,566 | | \$ 511,793 | | |
| COSTS | | | | | | | | | | COMMENTS | | | | |
| Cost Pool and Risk Management | | | | | | | | | | | | | | |
| | General Liability and Worker's Comp | | | | | \$ 68,563 | 40.0% | \$ 27,425 | 25.0% | \$ 17,141 | 35.0% | \$ 23,997 | | |
| | Space at 440 Civic Center Plaza | | | | | \$ 52,275 | 40.0% | \$ 20,910 | 25.0% | \$ 13,069 | 35.0% | \$ 18,296 | | |
| | Indirect Cost | | | | | \$ 51,454 | 40.0% | \$ 20,582 | 25.0% | \$ 12,864 | 35.0% | \$ 18,009 | | |
| | SLIP Policy | | | | | \$ 25,000 | 40.0% | \$ 10,000 | 25.0% | \$ 6,250 | 35.0% | \$ 8,750 | | |
| | Subtotal Cost Pool + Risk Management | | | | | \$ 197,292 | | \$ 78,917 | | \$ 49,323 | | \$ 69,052 | | |
| Information Technology Expenses | | | | | | | | | | | | | | |
| | Rent Tracking Database | | | | | \$ 30,000 | 40.0% | \$ 12,000 | 25.0% | \$ 7,500 | 35.0% | \$ 10,500 | | |
| | Annual IT Costs (Including replacement funding) | | | | | \$ 21,683 | 40.0% | \$ 8,673 | 25.0% | \$ 5,421 | 35.0% | \$ 7,589 | | |
| | Subtotal Information Technology Expenses | | | | | \$ 51,683 | | \$ 20,673 | | \$ 12,921 | | \$ 18,089 | | |

| Professional and Legal Services | | | | | | | | | | |
|---------------------------------|-----------------------------------------------------------------------------------------|--|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------|-------|------------|-------|------------|
| 400201 | Professional Services Contracts | | | | | | | | | |
| | Translation Services | | \$ 30,000 | Translation services to ensure that all forms and notices are available in both English and Spanish, at a minimum, and for oral translation, as it may be advantageous for administration. Assumes 9,000 words per month @ \$.14/word and 25 hours of verbal translation @ \$50.00/hour. | 40.0% | \$ 12,000 | 25.0% | \$ 7,500 | 35.0% | \$ 10,500 |
| | Mediation | | \$ 10,500 | Cost of attending Rosenberg Mediation Training for 7 staff members (\$1,500 per person) | 40.0% | \$ 4,200 | 25.0% | \$ 2,625 | 35.0% | \$ 3,675 |
| | Legal Services | | | | | | | | | |
| | Outside Legal Counsel (to assist with anticipated litigation) | | \$ 120,000 | Outside legal counsel to respond to litigation pertaining to the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. Previous litigation was dismissed without prejudice on Saturday, May 6, 2017. Reflects estimate for anticipated future litigation. | 40.0% | \$ 48,000 | 25.0% | \$ 30,000 | 35.0% | \$ 42,000 |
| | Community Legal Services (Contract) (Eviction Defense Center & Centro Legal de la Raza) | | \$ 150,000 | Legal services to provide assistance to Tenants that have paid the Maximum Allowable Rent, are being evicted (Unlawful Detainer), and are able to provide evidence that their Landlord is not in compliance with the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance | 0.0% | \$ - | 50.0% | \$ 75,000 | 50.0% | \$ 75,000 |
| | Community Education | | \$ 20,000 | LEAP Digital Rent Program Literacy Proposal & other outreach activities. | 40.0% | \$ 8,000 | 25.0% | \$ 5,000 | 35.0% | \$ 7,000 |
| 400242 | Mileage | | \$ 1,000 | Use of City pool car. | 40.0% | \$ 400 | 25.0% | \$ 250 | 35.0% | \$ 350 |
| 400243 | Training / Conferences | | \$ 15,000 | Legal and professional trainings (e.g. dispute resolution, handling of sensitive information) for staff, attendance at conferences. | 40.0% | \$ 6,000 | 25.0% | \$ 3,750 | 35.0% | \$ 5,250 |
| 400262 | Books & Subs | | \$ 200 | Educational and reference materials | 40.0% | \$ 80 | 25.0% | \$ 50 | 35.0% | \$ 70 |
| 400271 | Ad & Promotional materials | | \$ 2,000 | Posting of community events and other information in publications | 40.0% | \$ 800 | 25.0% | \$ 500 | 35.0% | \$ 700 |
| | Subtotal Professional and Legal Services | | \$ 348,700 | | | \$ 79,480 | | \$ 124,675 | | \$ 144,545 |
| | Other Operating Expenses | | | | | | | | | |
| 400231 | Postage & Mailing | | \$ 50,000 | Costs of mailing include production, printing, proofing, and postage. | 40.0% | \$ 20,000 | 25.0% | \$ 12,500 | 35.0% | \$ 17,500 |
| 400233 | Copying & Duplicating | | \$ 50,000 | Bulk printing of materials for public outreach and information | 40.0% | \$ 20,000 | 25.0% | \$ 12,500 | 35.0% | \$ 17,500 |
| 400304 | Rental Exp - XEROX | | \$ 5,000 | Cost of rental and maintenance of Xerox machines in 440 Civic Center Plaza. | 40.0% | \$ 2,000 | 25.0% | \$ 1,250 | 35.0% | \$ 1,750 |
| 400322 | Misc. Exp | | \$ 10,000 | Miscellaneous expenses associated with program development and operations | 40.0% | \$ 4,000 | 25.0% | \$ 2,500 | 35.0% | \$ 3,500 |
| | Computer/Phone Supplies | | \$ 6,300 | 10 computer monitors @ \$300.00; 8 headsets @ \$379.95; 1 phone setup @ \$200 | 40.0% | \$ 2,520 | 25.0% | \$ 1,575 | 35.0% | \$ 2,205 |
| 400341 | Office Supplies and Furniture | | \$ 21,000 | Cost of general office supplies and anticipated counseling area redesign | 40.0% | \$ 8,400 | 25.0% | \$ 5,250 | 35.0% | \$ 7,350 |
| | Subtotal Other Operating Expenses | | \$ 142,300 | | | \$ 56,920 | | \$ 35,575 | | \$ 49,805 |
| | TOTAL OPERATING EXPENSES | | \$ 739,975 | | | \$ 235,990 | | \$ 222,494 | | \$ 281,491 |
| | Reserves | | | | | | | | | |
| | Operating Reserve (17%) | | \$ 374,381 | As recommended by the Government Finance Officers Association (GFOA.) | 40.0% | \$ 149,752 | 25.0% | \$ 93,595 | 35.0% | \$ 131,033 |
| | Risk Reserve (8%) | | \$ 176,179 | Risk Management reserve fund. | 40.0% | \$ 70,472 | 25.0% | \$ 44,045 | 35.0% | \$ 61,663 |
| | Subtotal Reserves | | \$ 550,560 | | | \$ 220,224 | | \$ 137,640 | | \$ 192,696 |
| | TOTAL | | \$ 2,752,800 | | | \$ 1,041,120 | | \$ 725,700 | | \$ 985,980 |
| | | | | Effective allocation rate | | 37.82% | | 26.36% | | 35.82% |

DRAFT FISCAL YEAR 2018-19 RENT PROGRAM FEE STUDY: OPTION C

| REVENUE | | | | | | | | | | | | | FEE COMPONENTS | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------|--------------------------|----------------------|----------------------------|-----------------|---------|------------|------------------|---------------------|-----------------------|------------|-----------------|--|--|--|--|--|--|
| | | | | Charged Units | Proposed Fees FY 2018-2019 | Costs Recovered | | | Program Fee Part | Just Cause Fee Part | Rent Control Fee Part | | | | | | | | |
| | Fully Covered Units | | | 9,750 | \$ 197.98 | \$ 1,930,265 | | | \$ 52.20 | \$ 38.77 | \$ 107.00 | | | | | | | | |
| | Partially Covered Units | | | 10,381 | \$ 90.97 | \$ 944,409 | | | | | | | | | | | | | |
| | | | Total Units | 20,131 | | \$ 2,874,675 | | | | | | | | | | | | | |
| EXPENDITURES | | | | | | | | | | | | | COST ALLOCATION | | | | | | |
| Personnel - Salary & Benefits | | | | | | | | | | | | | FY 2018-19 | | | | | | |
| | Annual Salary | Benefits (at 55% of Salary) | Annual Salary & Benefits | # of employees (FTE) | COMPENSATION | COMMENTS | Alloc % | Program | Alloc % | Terminations | Alloc % | Rent | | | | | | | |
| Possible Positions, Titles, & Expenses | | | | | | | | | | | | | | | | | | | |
| | Executive Director* | \$ 148,000 | \$ 81,400 | \$ 229,400 | 1 | \$ 229,400 | 40.0% | \$ 91,760 | 25.0% | \$ 57,350 | 35.0% | \$ 80,290 | | | | | | | |
| | Deputy Director* | \$ 101,896 | \$ 56,043 | \$ 157,939 | 1 | \$ 157,939 | 40.0% | \$ 63,176 | 25.0% | \$ 39,485 | 35.0% | \$ 55,279 | | | | | | | |
| | Staff Attorney | \$ 140,328 | \$ 77,180 | \$ 217,508 | 1 | \$ 217,508 | 40.0% | \$ 87,003 | 25.0% | \$ 54,377 | 35.0% | \$ 76,128 | | | | | | | |
| | Hearing Examiner | \$ 140,328 | \$ 77,180 | \$ 217,508 | 1 | \$ 217,508 | 40.0% | \$ 87,003 | 25.0% | \$ 54,377 | 35.0% | \$ 76,128 | | | | | | | |
| | Analyst (Housing Counselor) | \$ 85,891 | \$ 47,240 | \$ 133,131 | 1 | \$ 133,131 | 40.0% | \$ 53,252 | 25.0% | \$ 33,283 | 35.0% | \$ 46,596 | | | | | | | |
| | Analyst (Housing Counselor) | \$ 82,102 | \$ 45,156 | \$ 127,258 | 1 | \$ 127,258 | 40.0% | \$ 50,903 | 25.0% | \$ 31,815 | 35.0% | \$ 44,540 | | | | | | | |
| | Administrative Analyst (Rent Board Clerk) | \$ 74,242 | \$ 40,833 | \$ 115,075 | 1 | \$ 115,075 | 40.0% | \$ 46,030 | 25.0% | \$ 28,769 | 35.0% | \$ 40,276 | | | | | | | |
| | Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | 1 | \$ 93,853 | 40.0% | \$ 37,541 | 25.0% | \$ 23,463 | 35.0% | \$ 32,848 | | | | | | | |
| | Administrative Aide | \$ 60,550 | \$ 33,303 | \$ 93,853 | 1 | \$ 93,853 | 40.0% | \$ 37,541 | 25.0% | \$ 23,463 | 35.0% | \$ 32,848 | | | | | | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | | | | | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | | | | | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | | | | | | |
| | Administrative Student Intern | \$ 16,685 | \$ 9,177 | \$ 16,685 | 0.5 | \$ 16,685 | 40.0% | \$ 6,674 | 25.0% | \$ 4,171 | 35.0% | \$ 5,840 | | | | | | | |
| | Overtime/Comp Time | | | | | \$ 10,000 | 40.0% | \$ 4,000 | 25.0% | \$ 2,500 | 35.0% | \$ 3,500 | | | | | | | |
| <i>*Salary increases for Executive Staff are discretionary in nature. Figures shown represent maximums and are subject to Board or Director approval.</i> | | | | | | | | | | | | | | | | | | | |
| | TOTAL PERSONNEL EXPENSES | | | | 11 | \$ 1,462,265 | | \$ 584,906 | | \$ 365,566 | | \$ 511,793 | | | | | | | |
| COSTS | | | | | | | | | | | | | COMMENTS | | | | | | |
| Cost Pool and Risk Management | | | | | | | | | | | | | | | | | | | |
| | General Liability and Worker's Comp | | | | | \$ 68,563 | 40.0% | \$ 27,425 | 25.0% | \$ 17,141 | 35.0% | \$ 23,997 | | | | | | | |
| | Space at 440 Civic Center Plaza | | | | | \$ 52,275 | 40.0% | \$ 20,910 | 25.0% | \$ 13,069 | 35.0% | \$ 18,296 | | | | | | | |
| | Indirect Cost | | | | | \$ 51,454 | 40.0% | \$ 20,582 | 25.0% | \$ 12,864 | 35.0% | \$ 18,009 | | | | | | | |
| | SLIP Policy | | | | | \$ 25,000 | 40.0% | \$ 10,000 | 25.0% | \$ 6,250 | 35.0% | \$ 8,750 | | | | | | | |
| | Subtotal Cost Pool + Risk Management | | | | | \$ 197,292 | | \$ 78,917 | | \$ 49,323 | | \$ 69,052 | | | | | | | |
| Information Technology Expenses | | | | | | | | | | | | | | | | | | | |
| | Rent Tracking Database | | | | | \$ 30,000 | 40.0% | \$ 12,000 | 25.0% | \$ 7,500 | 35.0% | \$ 10,500 | | | | | | | |
| | Annual IT Costs (Including replacement funding) | | | | | \$ 21,683 | 40.0% | \$ 8,673 | 25.0% | \$ 5,421 | 35.0% | \$ 7,589 | | | | | | | |
| | Subtotal Information Technology Expenses | | | | | \$ 51,683 | | \$ 20,673 | | \$ 12,921 | | \$ 18,089 | | | | | | | |

| Professional and Legal Services | | | | | | | | | | |
|---------------------------------|-----------------------------------------------------------------------------------------|--|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------|-------|------------|-------|--------------|
| 400201 | Professional Services Contracts | | | | | | | | | |
| | Translation Services | | \$ 30,000 | Translation services to ensure that all forms and notices are available in both English and Spanish, at a minimum, and for oral translation, as it may be advantageous for administration. Assumes 9,000 words per month @ \$.14/word and 25 hours of verbal translation @ \$50.00/hour. | 40.0% | \$ 12,000 | 25.0% | \$ 7,500 | 35.0% | \$ 10,500 |
| | Mediation | | \$ 10,500 | Cost of attending Rosenberg Mediation Training for 7 staff members (\$1,500 per person) | 40.0% | \$ 4,200 | 25.0% | \$ 2,625 | 35.0% | \$ 3,675 |
| | Legal Services | | | | | | | | | |
| | Outside Legal Counsel (to assist with anticipated litigation) | | \$ 120,000 | Outside legal counsel to respond to litigation pertaining to the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance. Previous litigation was dismissed without prejudice on Saturday, May 6, 2017. Reflects estimate for anticipated future litigation. | 40.0% | \$ 48,000 | 25.0% | \$ 30,000 | 35.0% | \$ 42,000 |
| | Contract Attorney to focus on Compliance | | \$ 97,500 | Mass-mailing and exemption verification project; issuing correspondence; taking legal action. Assumes \$150/hour for 10-15 hours per week. | 0.0% | \$ - | 50.0% | \$ 48,750 | 50.0% | \$ 48,750 |
| | Community Legal Services (Contract) (Eviction Defense Center & Centro Legal de la Raza) | | \$ 150,000 | Legal services to provide assistance to Tenants that have paid the Maximum Allowable Rent, are being evicted (Unlawful Detainer), and are able to provide evidence that their Landlord is not in compliance with the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance | 0.0% | \$ - | 50.0% | \$ 75,000 | 50.0% | \$ 75,000 |
| | Community Education | | \$ 20,000 | LEAP Digital Rent Program Literacy Proposal & other outreach activities. | 40.0% | \$ 8,000 | 25.0% | \$ 5,000 | 35.0% | \$ 7,000 |
| 400242 | Mileage | | \$ 1,000 | Use of City pool car. | 40.0% | \$ 400 | 25.0% | \$ 250 | 35.0% | \$ 350 |
| 400243 | Training / Conferences | | \$ 15,000 | Legal and professional trainings (e.g. dispute resolution, handling of sensitive information) for staff, attendance at conferences. | 40.0% | \$ 6,000 | 25.0% | \$ 3,750 | 35.0% | \$ 5,250 |
| 400262 | Books & Subs | | \$ 200 | Educational and reference materials | 40.0% | \$ 80 | 25.0% | \$ 50 | 35.0% | \$ 70 |
| 400271 | Ad & Promotional materials | | \$ 2,000 | Posting of community events and other information in publications | 40.0% | \$ 800 | 25.0% | \$ 500 | 35.0% | \$ 700 |
| | Subtotal Professional and Legal Services | | \$ 446,200 | | | \$ 79,480 | | \$ 173,425 | | \$ 193,295 |
| | Other Operating Expenses | | | | | | | | | |
| 400231 | Postage & Mailing | | \$ 50,000 | Costs of mailing include production, printing, proofing, and postage. | 40.0% | \$ 20,000 | 25.0% | \$ 12,500 | 35.0% | \$ 17,500 |
| 400233 | Copying & Duplicating | | \$ 50,000 | Bulk printing of materials for public outreach and information | 40.0% | \$ 20,000 | 25.0% | \$ 12,500 | 35.0% | \$ 17,500 |
| 400304 | Rental Exp - XEROX | | \$ 5,000 | Cost of rental and maintenance of Xerox machines in 440 Civic Center Plaza. | 40.0% | \$ 2,000 | 25.0% | \$ 1,250 | 35.0% | \$ 1,750 |
| 400322 | Misc. Exp | | \$ 10,000 | Miscellaneous expenses associated with program development and operations | 40.0% | \$ 4,000 | 25.0% | \$ 2,500 | 35.0% | \$ 3,500 |
| | Computer/Phone Supplies | | \$ 6,300 | 10 computer monitors @ \$300.00; 8 headsets @ \$379.95; 1 phone setup @ \$200 | 40.0% | \$ 2,520 | 25.0% | \$ 1,575 | 35.0% | \$ 2,205 |
| 400341 | Office Supplies and Furniture | | \$ 21,000 | Cost of general office supplies and anticipated counseling area redesign | 40.0% | \$ 8,400 | 25.0% | \$ 5,250 | 35.0% | \$ 7,350 |
| | Subtotal Other Operating Expenses | | \$ 142,300 | | | \$ 56,920 | | \$ 35,575 | | \$ 49,805 |
| | TOTAL OPERATING EXPENSES | | \$ 837,475 | | | \$ 235,990 | | \$ 271,244 | | \$ 330,241 |
| | Reserves | | | | | | | | | |
| | Operating Reserve (17%) | | \$ 390,956 | As recommended by the Government Finance Officers Association (GFOA.) | 40.0% | \$ 156,382 | 25.0% | \$ 97,739 | 35.0% | \$ 136,835 |
| | Risk Reserve (8%) | | \$ 183,979 | Risk Management reserve fund. | 40.0% | \$ 73,592 | 25.0% | \$ 45,995 | 35.0% | \$ 64,393 |
| | Subtotal Reserves | | \$ 574,935 | | | \$ 229,974 | | \$ 143,734 | | \$ 201,227 |
| | TOTAL | | \$ 2,874,675 | | | \$ 1,050,870 | | \$ 780,544 | | \$ 1,043,261 |
| | | | | Effective allocation rate | | 36.56% | | 27.15% | | 36.29% |