

DRAFT FISCAL YEAR 2020-21 BUDGET AND RENTAL HOUSING FEE STUDY

CITY OF RICHMOND RENT PROGRAM



ITEM G-1 | April 15, 2020 Regular Rent Board Meeting

www.richmondrent.org

BACKGROUND

- ❖ In accordance with Section 11.100.060(I) 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 is required to 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 a draft budget and corresponding draft fee study for the Rent Board's consideration and comment.
- ❖ The purpose of this item is to receive preliminary feedback from the Board prior to the scheduling of a public hearing for potential adoption of the Fiscal Year 2020-21 budget.

CONTENTS OF THIS PRESENTATION

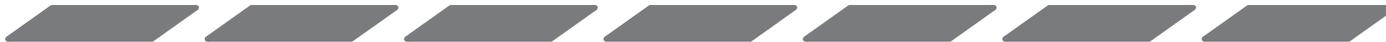
(1) Rent Program Mission Statement, Organization and Goals



(2) Proposed Fiscal Year 2020-21 Budget



(3) Financial Projections and Recommendations



(4) Draft Fiscal Year 2020-21 Rental Housing Fee Study



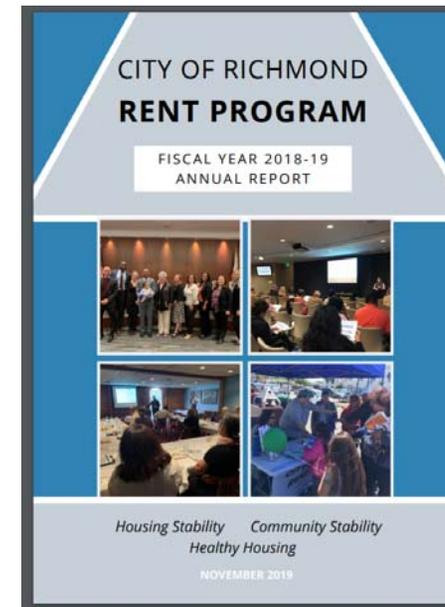


**(1) RENT PROGRAM MISSION
STATEMENT, ORGANIZATION,
AND GOALS**

DRAFT FY 2020-21 BUDGET

THE RENT PROGRAM MISSION: COMMUNITY STABILITY, HEALTHY HOUSING, AND AFFORDABILITY FOR RICHMOND TENANTS

- ❖ The mission of the Rent Program is to promote neighborhood and community stability, healthy housing, and affordability for Richmond tenants through the regulating of those landlord/tenant matters that reasonably relate to rents and evictions, while maintaining a landlord's right to a fair return.
- ❖ The connection between health and housing is well-documented.
- ❖ The 2019 Annual Report describes how housing quality, stability, and affordability impact resident and community health.



HOUSING STABILITY: MORE IMPORTANT NOW THAN EVER

- ❖ Since 2015, income hasn't kept pace with housing costs for Richmond renters.
- ❖ Many households in Richmond are cost-burdened, meaning they spend more than 30% of their income in housing.
- ❖ According to the American Community Survey, in 2018 the percentage of cost burdened households in Richmond was approximately 40%. About 25% spend over 50% of their monthly income on rent.

MEDIAN HOUSEHOLD INCOME FOR RENTERS IN RICHMOND BETWEEN 2015-2018

2015: \$46,806

2018: \$50,922

+9%

MEDIAN HOUSING COSTS FOR RENTERS IN RICHMOND BETWEEN 2015-2018

2015: \$1,379

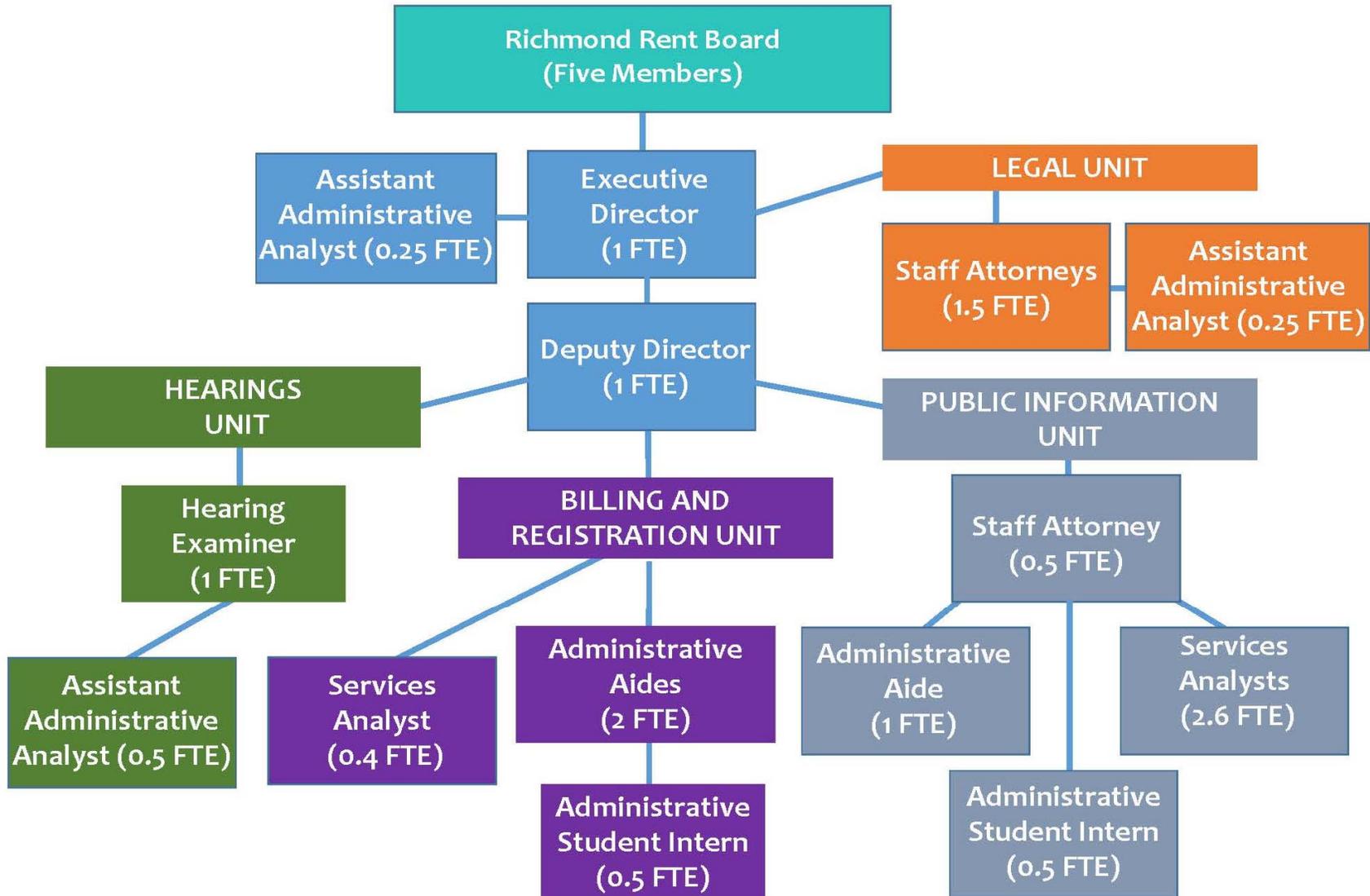
2018: \$1,572

+14%

*Source: American Community Survey Table S2503, 2015-2018;
2015 figures have been adjusted for inflation to 2018 dollars.*

- ❖ 95% of the 4,211 eviction notices filed with the Rent Program in the 2018-19 fiscal year were for nonpayment of rent.
- ❖ Richmond's unemployment rate is expected to increase as the impact of COVID-19 continues.
- ❖ Many residents have experienced a significant loss of income and were unable to pay rent this month.

PROPOSED RENT PROGRAM ORGANIZATIONAL CHART



PROPOSED FY 2020-21 GOALS



PROPOSED FY 2020-21 GOALS: PROGRAM DEVELOPMENT

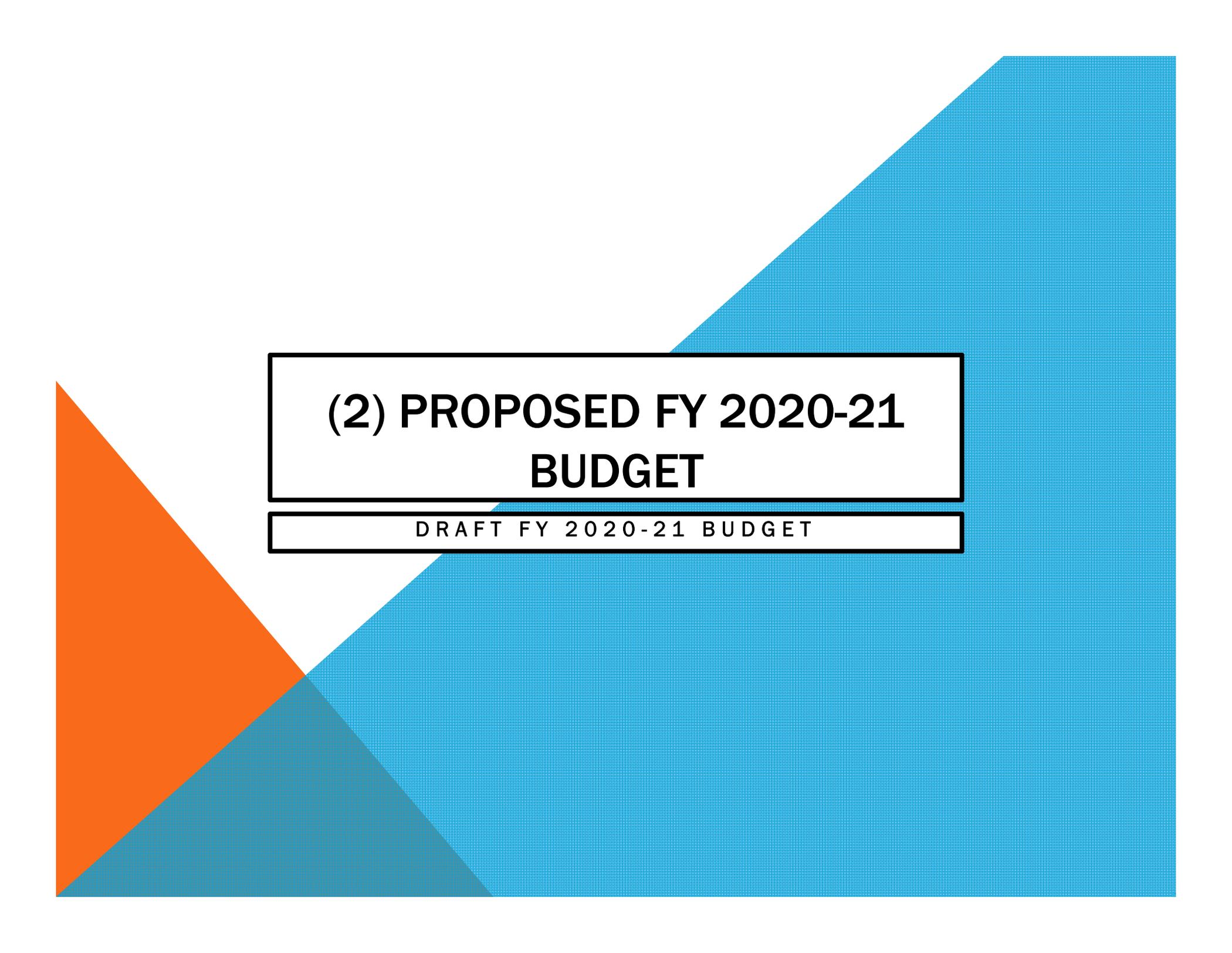
- ❖ Continue to invest resources in staff training, particularly for the Rent Program Services Analysts, to ensure staff members are knowledgeable on the requirements of the Rent Ordinance, Rent Board Regulations, and related State and Federal laws.
- ❖ Continue to implement the formal mediation program to provide free formal and informal mediation services to Landlords and Tenants as a means of resolving disputes that have a reasonable nexus to the Rent Ordinance through the assistance of a trained mediator.
- ❖ Continue to develop an online filing system for the submission of Property Enrollment and Tenancy Registration forms, as well as the filing of rent increase and termination of tenancy notices on the City's e-trakit website.

PROPOSED FY 2020-21 GOALS: OUTREACH

- ❖ **Publicize the Guide to Rent Control in Richmond and develop one-page fact sheets** on common topics such as Just Cause for Eviction, Owner Move-In evictions, the Ellis Act, and the Relocation Ordinance.
- ❖ **Develop a Comprehensive Outreach Plan** that includes, but is not limited to, continuing to bolster our social media presence, producing informational, infographic, and/or testimonial videos to highlight aspects of the Rent Ordinance and services provided by the Rent Program and expanding outreach efforts to local businesses, schools, non-profits, neighborhood councils, and other community stakeholders.
- ❖ **Launch Tenancy Registration Outreach** by beginning to mail out Notices of the Maximum Allowable Rent (MAR) (sent to Landlords and Tenants when Tenancy Registration Forms are submitted), and create a database accessible to the public where community members can research the MAR for a particular rental unit.

PROPOSED FY 2020-21 GOALS: PROGRAM SUSTAINABILITY AND COMPLIANCE

- ❖ Continue to improve collection of the Rental Housing Fee (greater than 85% compliance) to build up the Rent Program's reserves
- ❖ Continue to work collaboratively with other City departments to improve rental housing inspection options, seismic safety policy, enforcement of the Relocation Ordinance, and the collection of other City fees, such as the Business License Tax, Fire Prevention Services Fee, and Rental Inspection Program fee
- ❖ Implement more stringent exemption verification processes to require that claims of non-applicability or exemption are fully investigated and approved or denied by Rent Program staff (or the Rent Board, in the event of an appeal).



**(2) PROPOSED FY 2020-21
BUDGET**

DRAFT FY 2020-21 BUDGET

PROPOSED FY 2020-21 BUDGET: SALARIES & WAGES

- ❖ Proposed \$1,243,295 for Salaries and Wages includes the following allocations:
- ❖ Salaries for Permanent Staff: \$1,218,408 (*\$21,867 less than previous year due to staff turnover and reallocation of Rent Program Services Analyst positions*)
- ❖ Overtime wages: \$6,000
- ❖ Bilingual pay: \$12,239
- ❖ Auto Allowance: \$4,200
- ❖ Medical In-Lieu Plan: \$2,448



PROPOSED FY 2020-21 BUDGET: BENEFITS

❖ Proposed \$714,894 for Benefits includes the following allocations:

❖ Health Benefits:

- ❖ Health Insurance: \$151,455
- ❖ Dental Insurance: \$16,785
- ❖ Vision Insurance: \$2,193
- ❖ Employee Assistance Program: \$497

❖ Professional Development funds: \$4,162

❖ Medicare Taxes: \$16,622

❖ Life Insurance: \$4,454

❖ Long-Term Disability Insurance: \$10,365

❖ Unemployment Insurance: \$6,534

❖ Workers' Comp Insurance:

- ❖ Clerical staff: \$10,275
- ❖ Professional staff: \$63,748

❖ Other Post-Employment Benefits (OPEB): \$44,143

❖ Public Agency Retirement System (PARS) Benefits: \$537

❖ Miscellaneous Benefits: \$382,339

PROPOSED FY 2020-21 BUDGET: PROFESSIONAL AND ADMINISTRATIVE SERVICES

- ❖ Proposed \$227,500 includes the following allocations:
 - ❖ Professional Services Contracts:
 - ❖ Translation (written and verbal): \$151,455
 - ❖ Property Information (monthly subscription): \$3,500
 - ❖ Legal Information (monthly subscription): \$4,000
 - ❖ Community Services Agency Contracts:
 - ❖ Bay Area Legal Aid for weekly legal service clinics for Landlords and Tenants (Richmond residents): \$75,000
 - ❖ Eviction Defense Center (referrals to individuals who need assistance responding to Unlawful Detainer (eviction) lawsuits): \$125,000
 - ❖ Legal Filing Fees:
 - ❖ Anticipated legal filing fees in the event of litigation: \$10,000 (estimates approximately \$5,000 per writ)

PROPOSED FY 2020-21 BUDGET: TRAVEL AND TRAINING

- ❖ Proposed \$3,728 includes the following allocations:
- ❖ Meal allowances during travel and trainings: \$204
- ❖ Mileage reimbursement for travel: \$1,224
- ❖ Training costs (mediation training for one Staff Attorney): \$1,500
- ❖ Tuition reimbursement, consistent with the City's personnel policies: \$800

PROPOSED FY 2020-21 BUDGET: DUES AND PUBLICATIONS

- ❖ Proposed \$1,650 includes the following allocation:
- ❖ California BAR Association dues for three attorneys (\$550 per attorney)



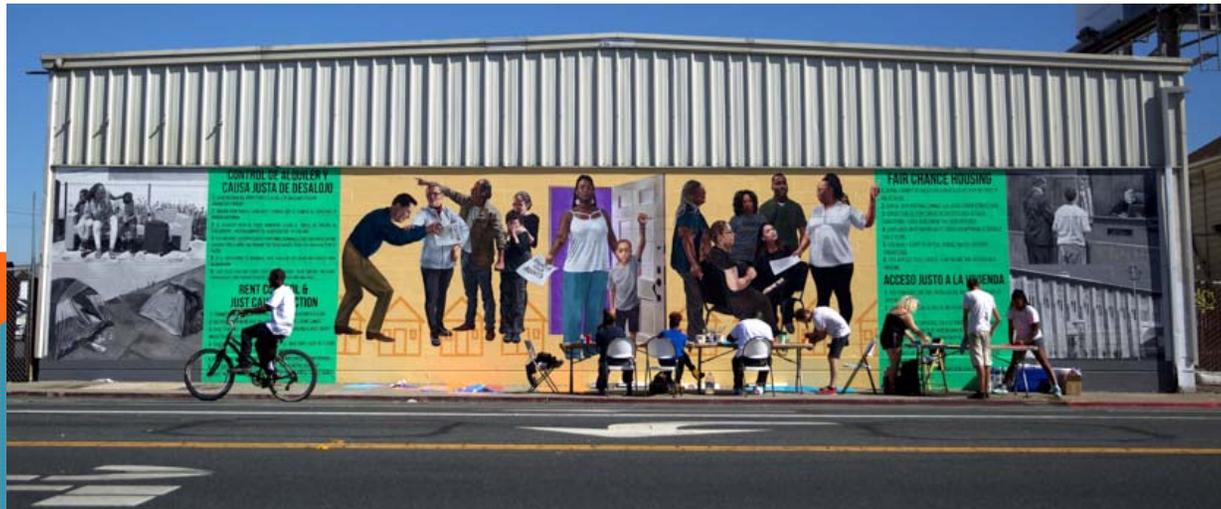
PROPOSED FY 2020-21 BUDGET: ADVERTISING AND PROMOTION

- ❖ Proposed \$3,713 includes the following allocations:
 - ❖ Newspaper announcements as required as part of the budget adoption process: \$200
 - ❖ Materials for 15 community workshops: \$3,513 (approximately \$235 per workshop)



PROPOSED FY 2020-21 BUDGET: ADMINISTRATIVE EXPENSES

- ❖ Proposed \$3,525 includes the following allocations:
 - ❖ Emails for Rent Boardmembers: \$1,200
 - ❖ Food for Rent Board Meetings: \$1,125
 - ❖ Business cards for staff members: \$600
 - ❖ Labor to refurbish the Rent Control and Just Cause for Eviction educational mural on Ohio Street: \$600



PROPOSED FY 2020-21 BUDGET: OFFICE EXPENSES – POSTAGE & MAILING

- ❖ Proposed \$25,432 includes the following allocations:
- ❖ One letter project to 5,000 Landlords/Tenants: \$1,450
- ❖ One postcard project to 5,000 Landlords/Tenants: \$1,450
- ❖ Rental Housing Fee invoices to 5,716 Landlords: \$1,657
- ❖ Late Rental Housing Fee invoices to 1,905 Landlords: \$552
- ❖ Sending the Notice of Apparent Lawful Rent Ceiling to 14,866 Tenants and Landlords: \$4,311
- ❖ Sending Rent Validation Reports to 14,866 Tenants and Landlords: \$4,311
- ❖ Mailing the Guide to Rent Control to 23,400 Tenants and Landlords: \$11,701

PROPOSED FY 2020-21 BUDGET: OFFICE EXPENSES – PRINTING & BINDING

- ❖ Proposed \$25,432 includes the following allocations:
- ❖ General print materials: \$4,000
- ❖ One letter project to 5,000 Landlords/Tenants: \$250
- ❖ One postcard project to 5,000 Landlords/Tenants: \$1,100
- ❖ Rental Housing Fee invoices to 5,716 Landlords: \$286
- ❖ Late Rental Housing Fee invoices to 1,905 Landlords: \$95
- ❖ Sending the Notice of Apparent Lawful Rent Ceiling to 14,866 Tenants and Landlords: \$780
- ❖ Sending Rent Validation Reports to 14,866 Tenants and Landlords: \$780
- ❖ Mailing the Guide to Rent Control to 23,400 Tenants and Landlords: \$19,890

PROPOSED FY 2020-21 BUDGET: OFFICE EXPENSES – EQUIPMENT RENTAL

- ❖ Proposed \$8,000 provides for the lease of combination printers, scanners, copiers and fax machines at the Rent Program office.



PROPOSED FY 2020-21 BUDGET: MISCELLANEOUS CONTRIBUTIONS AND EXPENSES

- ❖ Proposed \$5,925 includes the following allocations:
 - ❖ Two UC Berkeley Public Service Center interns for the 2020-21 academic year: \$3,000 (\$1,500 per intern)
 - ❖ Miscellaneous expenses based on minor unforeseen program needs throughout the year: \$2,925



PROPOSED FY 2020-21 BUDGET: OFFICE SUPPLIES, UTILITIES, AND SUPPLEMENTAL INSURANCE

- ❖ Proposed \$6,795 provides for office supplies purchased through the City's contracts with office supply vendors.
- ❖ Proposed \$284 for utilities provides for the cost of the Executive Director's work cell phone service.
- ❖ Proposed \$8,865 for the cost of a supplemental liability insurance policy (SLIP) for the Rent Program accounts for Errors and Omissions and General Liability coverage.

PROPOSED FY 2020-21 BUDGET: COST POOL AND NONCAPITAL ASSETS

- ❖ Proposed \$193,532 covers General Liability, Administrative Charges, and space at City Hall for the Rent Program, and includes:
 - ❖ General Liability and Workers Compensation: \$93,087 (\$7,758 per employee)
 - ❖ Administrative Charges (previously referred to as “Indirect Costs”): \$52,481
 - ❖ Civic Center Allocation: \$47,964
- ❖ Proposed \$1,100 in noncapital assets includes funds for the replacement of one desktop computer.





(3) FINANCIAL PROJECTIONS AND RECOMMENDATIONS

DRAFT FY 2020-21 BUDGET

EXPENSE AND REVENUE SUMMARY

FISCAL YEAR	BUDGETED AMOUNT	FUNDS EXPENDED	REVENUE COLLECTED	COLLECTION RATE
2017-18 ⁽¹⁾	FY 16-17 (partial): \$1,150,433	\$1,967,837	\$2,173,778 ⁽²⁾	61%
	FY 17-18: \$2,425,338			
2018-19	\$2,804,925	\$2,099,583	\$2,189,836	78%
2019-20	\$2,923,584	\$2,291,279 ⁽³⁾	\$2,614,775 ⁽⁴⁾	89% ⁽⁵⁾

[1] Includes the Fiscal Year 2016-17 Rental Housing Fee (December 2016 - June 2017)

[2] This figure includes revenue collected in Fiscal Year 2017-18 for both the Fiscal Year 2016-17 and Fiscal Year 2017-18 fees.

[3] This figure represents projected total expenses through the end of the 2019-20 fiscal year.

[4] This figure represents projected total revenues through the end of the 2019-20 fiscal year.

[5] This figure represents a projected collection rate based on projected expenses and revenues through the end of the 2019-20 fiscal year.

10-YEAR FINANCIAL PROJECTION: BACKGROUND

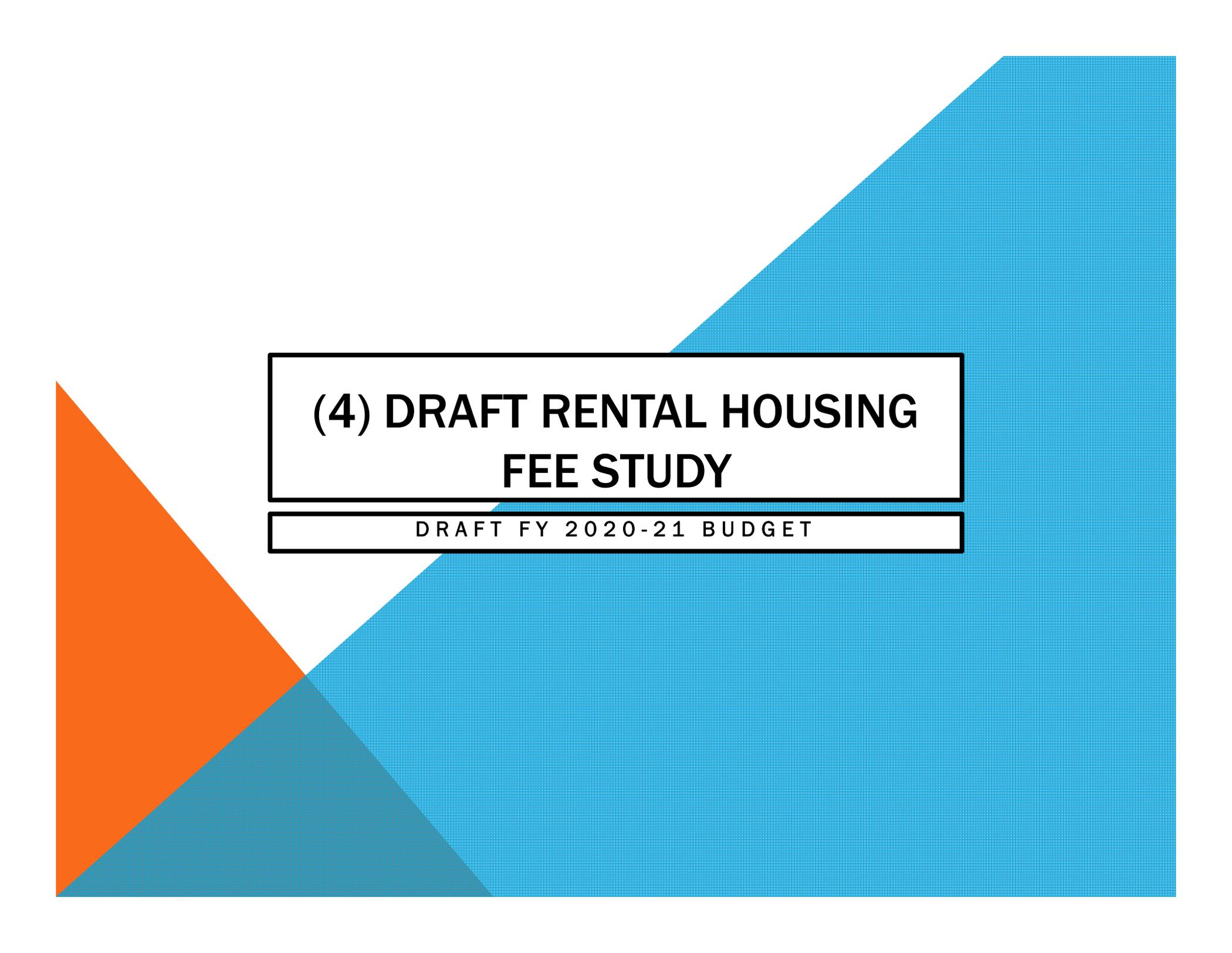
- ❖ In February 2020, the Rent Program entered into a contract with Kevin W. Harper CPA and Associates to prepare 10-year financial projections for the Rent Program and issue recommendations in support of the agency's goal of achieving long-term financial stability.
- ❖ These projections and recommendations from Kevin Harper are contained in Attachments B and C, respectively, of the fee study.
- ❖ Financial projections are living documents.
- ❖ As recommended by Kevin Harper, the financial projections will be updated continuously based on actual and projected expenses.
- ❖ The financial projections allow for more informed decision making.

10-YEAR FINANCIAL PROJECTION: HIGH-LEVEL SUMMARY

- ❖ Financial projection forecasts revenue and expenses through Fiscal Year 2029-30
- ❖ Assume that costs will increase 2 percent per year, unless otherwise specified
- ❖ Will currently allow the Rent Program to reach its goal of 20 percent reserves by the end of Fiscal Year 2020-21
- ❖ Additional reserves (beyond the 17% as recommended by the GFOA) may be earmarked for legal defense in the event of litigation
- ❖ Current projection also shows fees increasing with inflation; this is an open item for debate by the Board following a recommendation from the financial consultant
- ❖ As compliance with Property Enrollment and fee payment increases, reserves may accrue faster than the projection indicates – as such, fees may not necessarily need to increase each year

SUMMARY OF FINANCIAL RECOMMENDATIONS

- ❖ Maximize revenue by identifying Rental Units not currently in database
- ❖ Adopt Fee, Reserve, and Budget policies
- ❖ Work with the Finance Department to understand how the indirect costs are calculated and allocated, and then should determine whether the amounts being charged to the Rent Program are reasonable.
- ❖ Leverage relationships with peer jurisdictions to share information and lessons learned
- ❖ Present budget in a format consistent with City's budget and accounting codes
- ❖ Continue to refine the 10-year projection document
- ❖ Prepare budget and expense reports on a quarterly basis for monitoring purposes
- ❖ Consider adoption of an inflationary increase for the Rental Housing Fee
(additional legal review required)
- ❖ Consider conducting a time study that would support the percentage allocations in the fee study, and preparing the fee study when increases are sought or otherwise on a 3-5 year basis



**(4) DRAFT RENTAL HOUSING
FEE STUDY**

DRAFT FY 2020-21 BUDGET

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 Rent Board and approved by the City Council.
- ❖ 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.
- ❖ 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.

INTRODUCTION AND BACKGROUND (CONTINUED)

- ❖ The fee study is designed to allow the Rent Program Department to recover costs of all budgeted operations, including, but not limited to:
 - ❖ 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 reserves to fund unanticipated costs and variations in collection of the Rental Housing Fee.

PROPOSED FEE STRUCTURE AND EXAMPLE SERVICES

Program Layer (55%)

- Departmental administration and management
- Legal defense of the Rent Ordinance and Departmental policies
- Preparing studies, regulations, and reports as directed by the Rent Board
- Database development and maintenance
- Billing and collection of the Rental Housing Fee
- Website maintenance
- Interdepartmental coordination

Just Cause for Eviction Layer (20%)

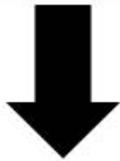
- Public education and outreach (includes counseling)
- Legal services referrals to community services agencies
- Administration of Relocation Ordinance
- Mediation of eviction-related complaints
- Processing of termination of tenancy notices and development of templates

Rent Control Layer (25%)

- Public education and outreach (includes counseling)
- Legal services referrals to community services agencies
- Administration of petition and hearings to adjudicate Rent Adjustment Petitions and Excess Rent Complaints
- Rent Registration and tracking of the Maximum Allowable Rent
- Processing of rent increase notices and development of templates

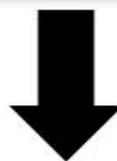
PROPOSED FEE STRUCTURE (CONTINUED)

**Fully Covered
("Controlled Rental
Units"): Rent Control
and Just Cause
Eviction Protections**



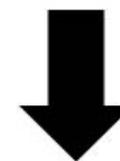
- ✓ Multi-Unit properties built (permitted with certificate of occupancy) before February 1, 1995

**Partially Covered:
Only Just Cause
Eviction Protections
(Not Rent-
Controlled)**



- ✓ Subsidized Units, including Section 8 Tenancies
- ✓ Properties with one dwelling unit on one parcel
- ✓ Condominiums
- ✓ "New Construction" or post Feb.1 of 1995 permitted construction with a new certificate of occupancy

**Fully Exempt: Not
Rent-Controlled
and no Just Cause
for Eviction
requirements**



- ✓ Where Landlord and Tenant share kitchen and or bath
- ✓ Single family homes where a small second unit was added w/permits and the main house is owner-occupied.
- ✓ Retirement homes

APPLICABLE UNIT COUNTS

STATUS	2019 TOTAL	CHANGE BETWEEN 2019 AND 2020 (Positive Number – Units Added; Negative Number –Units Lost)	2020 TOTAL
Fully Covered Units	7,802	-369	7,433
Partially Covered Units	7,246	-1,558	5,688
Governmentally Subsidized Units	4,211	+30	4,512 (includes 271 units of new construction)
Total Applicable Units	19,259	-1,957	17,633
Total Non- Applicable or Conditionally Exempt Units	5,470	1,242	6,712

PROPOSED BUDGET AND RENTAL HOUSING FEES

UNIT COUNTS		PROPOSED FY 2020-21	CHANGE FROM FY 2019-20
TOTAL EXPENDITURES:		\$2,896,242	-\$27,342 (-1%)
FULLY COVERED UNITS	7,433	\$219	\$7 (3.3%)
PARTIALLY COVERED UNITS (INCLUDING SUBSIDIZED UNITS)	10,251	\$124	\$12 (10.7%)
TOTAL REVENUE:		\$2,898,951	-\$38,257 (-1%)

^[1] Total expenditures include a 17% operating reserve (the minimum recommended by the GFOA)

^[2] Includes suspected Fully Covered rental units

^[3] Includes suspected Partially Covered rental units

^[4] Fees rounded to the nearest full dollar

COMPARISON OF PROPOSED FY 2020-21 RENTAL HOUSING FEE TO PRIOR YEARS

FISCAL YEAR	FULLY COVERED RENTAL UNITS	PARTIALLY COVERED RENTAL UNITS	GOVERNMENTALLY SUBSIDIZED RENTAL UNITS
2017-18	\$145	\$145	\$145
2018-19	\$207	\$100	\$50
2019-20	\$212	\$112	\$112
2020-21 (Proposed)	\$219	\$124	\$124

COMPARISON TO PEER JURISDICTIONS

JURISDICTION	PROGRAM BUDGET (FY 19-20)	RENT-STABILIZED UNITS	FY 2018-19 FEES (PER UNIT)	2019 MEDIAN GROSS RENT
ACTIVELY ENFORCED RENT PROGRAMS				
BERKELEY	\$5,377,500	19,093	\$250.00	\$3,114
EAST PALO ALTO	\$619,100	2,325	\$222.00	\$3,364
OAKLAND	\$9,293,006	65,000	\$101.00	\$2,926
RICHMOND	\$2,896,242 (proposed for FY 2020-21)	7,433 fully covered units; 10,251 partially covered units	\$219.00 for fully covered units; \$124.00 for partially covered units (proposed for FY 20-21)	\$2,718
SANTA MONICA	\$5,269,647	27,542	\$198.00	\$4,163
COMPLAINT-DRIVEN RENT PROGRAMS				
LOS ANGELES	\$7,967,538	631,000	\$38.75	\$2,822
WEST HOLLYWOOD	\$2,327,862	16,805	\$144.00	\$3,395
ALAMEDA	\$1,516,905	14,899	\$106	\$3,316
SAN FRANCISCO	\$9,144,677	173,000	\$50.00 for apartments; \$25.00 for residential hotel rooms	\$4,224

CONSIDERATION OF A 50% PASS THROUGH OF THE RENTAL HOUSING FEE

	FULLY COVERED RENTAL UNITS	PARTIALLY COVERED RENTAL UNITS
Proposed FY 2020-21 Fee	\$219.00	\$124.00
Landlord Pays	\$219.00	\$124.00
Possible Pass-Through Amount After Timely Payment (50%)	\$109.50	\$62.00
Monthly Cost to Tenant	\$9.13	\$5.20

Note that these figures are meant to illustrate that Landlords who pay the Rental Housing Fee to the Rent Program on time and in full would be able to collect up to 50% of the Rental Housing Fee from the Tenant in monthly installments. The proposed policy would not relinquish Landlords of the obligation to pay the Rent Program the entire Rental Housing Fee by the due date.

PASS-THROUGH POLICIES IN PEER RENT CONTROL JURISDICTIONS

JURISDICTION	PASS-THROUGH POLICY
Berkeley	50% (applies only to tenancies that began prior to January 1, 1999; City may reimburse low income tenants)
East Palo Alto	50%
Oakland	50%
Santa Monica	50%
Los Angeles	50%
West Hollywood	50% (excludes Section 8 tenants)
Alameda	50% (applies to FY 20-21 fee)
San Francisco	50%

STAFF RECOMMENDATIONS

- ❖ The recommendations put forth by staff for consideration are as follows:
- ❖ Staff members recommend that the Board receive the projections and recommendations put forth by Kevin Harper CPA and Associates;
- ❖ Adopt the proposed Fiscal Year 2020-21 Budget to provide the support necessary for continued development of all Rent Program operations;
- ❖ Approve the Fiscal Year 2020-21 Rental Housing Fee Study;
- ❖ Direct staff to prepare a regulation that would allow Landlords who timely pay the Rental Housing Fee to pass through fifty percent (50%) of the Rental Housing Fee to Tenants in monthly installments; and
- ❖ Recommend to the City Council adoption of a two-tier fee structure of \$219 for Fully Covered Rental Units and \$124 for Partially Covered Rental Units, including Governmentally Subsidized Rental Units.

ITEM G-1 RECOMMENDED ACTION

- ❖ **RECEIVE** a draft Fiscal Year 2020-21 Rent Program budget and corresponding Rental Housing Fee study, including 10-year financial projections and financial recommendations prepared by Kevin W. Harper and Associates, and **PROVIDE** direction to staff – Rent Program (Nicolas Traylor/Paige Roosa – 620-6564)

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Future Rent Board Meetings and the Coronavirus Pandemic



Statement of the Issue

- On March 4, 2020, California Governor Gavin Newsom issued Executive Order N-25-20, concerning the Coronavirus pandemic. Among other provisions, the Executive Order authorizes exceptions to how public meetings are typically conducted, such as, but not limited to, allowing public meetings to be conducted by teleconference, under specific circumstances. The purpose of this item is to allow the Rent Board to discuss how it would like to conduct its business in light of the Coronavirus pandemic and Executive Order N-25-20.

Discussion

- **Background**

- On March 4, 2020, California Governor Gavin Newsom issued Executive Order N-25- 20, authorizing a local legislative body to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and address the local legislative body during the period in which state or local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events.

What the Order Does

- **Executive Order N-23-20, in pertinent part does the following:**
 - Waives Brown Act requirements, to authorize governing entities, during the period in which state or local officials impose or recommend measures to promote social distancing, including but limited to limitations on public events to hold public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and address the local legislative body or state body.

What the Order Means

- **The Board and Staff can conduct their meetings via teleconference or video meeting (via zoom or similar application) with certain limitations, namely:**
 - Each state or local body must give advanced notice of each public meeting, according to the timeframe other prescribed by the Brown Act.
 - Each state or local body must notice at least one publicly accessible location from which members of the public comment shall have the right to observe and offer public comment at the public meeting consistent with public's right to access consistent with the Brown Act.

How Would The Board Handle Appeals?

While generally in normal circumstances, appeals must be done in person to ensure that oaths are taken properly, under the current circumstances, the Board may decide to allow appeals to be heard telephonically or electronically. To ensure that individuals are actually who they are (for the purposes of taking oaths), the Board may establish or direct staff to establish additional procedures to verify appellants and respondents identities.



Recommended Action

DISCUSS and DETERMINE the method and format for future Rent Board meetings and appeals as it relates to the Coronavirus pandemic.

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