

AGENDA ITEM REQUEST FORM

Department: Rent Program

Department Head: Nicolas Traylor

Phone: 620-6564

Meeting Date: March 16, 2022

Final Decision Date Deadline: March 16, 2022

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 is required to hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. Staff members will provide the Rent Board with an update of the progress of the budget and fee study for fiscal year 2022-23.

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

- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing
- Contract/Agreement
- Grant Application/Acceptance
- Resolution
- Regulation
- Rent Board As Whole
- Claims Filed Against City of Richmond
- Video/PowerPoint Presentation (contact KCRT @ 620.6759)
- Other: STUDY AND ACTION SESSION

RECOMMENDED ACTION: RECEIVE an update of the budget and fee study process and, if necessary, RESCHEDULE April's Regular Board Meeting to allow for time to resolve any issues with the City's Cost Pool allocation. (Nicolas Traylor/Fred Tran – 620-6564).

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AGENDA REPORT

DATE: March 16, 2022

TO: Chair Finlay and Members of the Rent Board

FROM: Nicolas Traylor, Executive Director
Fred Tran, Deputy Director

SUBJECT: FISCAL YEAR 2022–23 BUDGET AND FEE STUDY UPDATE

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 is required to hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. Staff members will provide the Rent Board with an update of the progress of the budget and fee study for fiscal year 2022-23.

RECOMMENDED ACTION:

RECEIVE an update of the budget and fee study process and, if necessary, RESCHEDULE April's Regular Board Meeting to allow for time to resolve any issues with the City's Cost Pool allocation. (Nicolas Traylor/Fred Tran – 620-6564).

FISCAL IMPACT:

There is no fiscal impact related to this item.

DISCUSSION:

Background

On February 16, 2022, Staff presented the operating budget options and corresponding Rental Housing Fees to the Rental Board for Fiscal Year 2022-23 and receive direction on the selection of one of two budget options. Prior to presenting the final proposed budget, Staff was awaiting the Fringe Benefits percentage, Cost Pool for Insurance, Administrative Charges, and Civic Center Allocation from the Finance (Budget) Department, as these charges impact the fee calculation. Rent Program staff met with the

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Finance and Human Resources Department on February 17, 2022, to receive further guidance of the City-wide cost allocation. Rent Program staff was advised by the Finance Department that the Cost Pool amounts were anticipated to increase, but the amounts had yet to be fully calculated and refined. The City's delay in providing the allocations was the result of a proposed new methodology in how cost allocations are calculated. Rather than present potentially inaccurate Cost Pool allocations for possible adoption by the Board, Staff requires additional time to produce accurate figures for the Board's consideration. Furthermore, Staff are engaged in on-going discussions with the City of Richmond regarding the proposed new methodology for calculating Cost Pool amounts. There is concern the revised methodology may conflict with the requirements of Section 50076 of the California Government Code which requires fees charged for any service or regulatory activity must not exceed the reasonable cost of providing the service.

The Cost Pool for Administrative Charges and Civic Center Allocation are still currently outstanding from the Finance Department and Rent Program leadership are engaged in on-going discussions with the City Attorney's, City Manager, Human Resources, and Finance Department.

Discussion

Upon receiving the final cost allocation amounts from the Finance Department, Rent Program Staff will present a proposed budget for potential adoption by the Rent Board. As a result of the City's delay in producing accurate Cost Pool numbers, a revised timeline for the budget adoption is required. The new proposed timeline is listed as Attachment 1.

DOCUMENTS ATTACHED:

Attachment 1 – Proposed FY 2022-23 Budget and Fee Study Timeline

PROPOSED FY 2022-23 BUDGET AND FEE STUDY TIMELINE

Date	Task	Lead
February 1, 2022	Budget Kickoff Meeting – Review Proposed Timeline	Fred
February Regular Rent Board Meeting (2/16/22) <i>Packet published 2/11/22</i>	Board Receives Timeline for Budget Adoption/Fee Study Approval/Approval of Fee/Billing	Fred
April 1, 2022	Newspaper announcement is sent to be published in the paper on Wednesday, April 6 & Saturday, April 9, 2022	Cindy
April Regular Rent Board Meeting (4/20/22) <i>Packet published 4/6/22</i>	PUBLIC HEARING HELD: Board receives revised FY 22/23 Budget and Fee Study and considers adoption (if not adopted, item may be continued in April and May, potential Special Meetings required)	Fred
City Council Meeting in April – April 26, 2022 (staff will insert placeholder for subsequent meetings in the event item requires several meetings) <i>(Item request due in eSCRIBE 4/7/22, supporting docs due 4/14)</i>	City Council Adopts Resolution Approving FY 22/23 Rental Housing Fee	Nick
May 2022	Rent Program staff notify Finance Department staff (Belinda Warner and Antonio Banuelos) of adopted fee for inclusion in the City’s Master Fee Schedule	Fred

Section 11.100.060(n) of the Rent Ordinance states:

(n) Budget. The Board shall, prior to July 1 of each year, hold a public hearing on a proposed budget and adopt an annual budget for the ensuing fiscal year. At least thirty-five days prior to the beginning of each fiscal year, the Board's Executive Director shall submit to the Board the proposed budget as prepared by the Executive Director. After reviewing the same and making such revisions as it may deem advisable, the Board shall determine the time for the holding of a public hearing thereon and shall cause to be published a notice thereof not less than ten days prior to said hearing, by at least one insertion in the official newspaper. Copies of the proposed budget shall be available for inspection by the public in the office of the Board at least ten days prior to said hearing. The City Council and the City Manager shall have no authority to oversee, supervise, or approve this budget. Upon final adoption, the budget shall be in effect for the ensuing fiscal year and the amounts stated therein shall be and become appropriated by the Board for the respective objects and purposes therein specified. At any meeting after the adoption of the budget the Board may amend or supplement the budget by the affirmative votes of at least three members. Copies of the adopted budget and any amendments or supplements shall be filed with the City Clerk, and City Manager.

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