



**FISCAL YEAR 2022-23 BUDGET
AND FEE STUDY UPDATE**
CITY OF RICHMOND RENT PROGRAM

ITEM G-1 | March 16, 2022, Regular Rent Board Meeting
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PROPOSED BUDGET OPTIONS AND CORRESPONDING ESTIMATED RENTAL HOUSING FEE STUDY FEBRUARY 16, 2022 - BOARD MEETING

PROPOSED OPTION	DESCRIPTION OF SIGNIFICANT CHANGES	ESTIMATED COST (\$)	TOTAL BUDGET (INCLUDING OPERATING AND RISK RESERVES EQUAL TO 18% OF EXPENSES)	CORRESPONDING APPROXIMATE PROPOSED RENTAL HOUSING FEE (ROUNDED UP TO NEAREST DOLLAR)
OPTION A	Reclassification from Assistant Administrative Analyst to Senior Administrative Analyst Increase current staff salaries for automatic Step Increases and cost- of-living	\$33,046	\$2,978,210	Partially Covered Units: \$124/unit Fully Covered Units: \$219/unit
OPTION B	Reclassification from Assistant Administrative Analyst to Senior Administrative Analyst Increase current staff salaries for automatic Step Increases and a portion for cost-of-living and IT Database Solution – annual subscription and setup costs	\$133,046 (\$100,00 more than Option A)	\$3,096,210	Partially Covered Units: \$129/unit Fully Covered Units: \$228/unit

UPDATE ON BUDGET AND FEE PROCESS

- **February 16, 2022, Regular Board Meeting – Fiscal Year 2022-23 Budget Options and Rental Housing Fees presented. Staff received direction to return with Option B for consideration.**
- **Prior to presenting final proposed budget, Staff waiting Fringe Benefits percentage, Cost Pool for Insurance, Administrative Charges, and Civic Center Allocation from the Finance (Budget) Department.**
- **Finance Department anticipated a significant increase of Cost Pool amounts for General Liability Insurance and Worker's Compensation (yet to be fully calculated and refined). The Cost Pool for Administrative Charges and Civic Center Allocation are still currently outstanding.**

UPDATE ON BUDGET AND FEE PROCESS DELAY WITH NEW METHODOLOGY

- **The City's delay in providing the allocations was the result of a proposed new methodology.**
- **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.**
- **Staff engaged in on-going discussions with the City regarding new methodology to calculate Cost Pool amounts.**
- **New methodology may conflict with 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.**

PROGRAM – WORKING WITH CITY TO FINALIZE COST POOL AMOUNT TO COMPLETE BUDGET

- **Upon receiving the final Cost Pool 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.**

REVISED TIMELINE – FY 2022-23 BUDGET AND FEE STUDY

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

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.

PRIOR FISCAL YEARS – WORKER’S COMPENSATION AND GENERAL LIABILITY

Actual Expenditures Charged To The Program

Fringe Benefits		FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Total
400121	P-Roll Ben/Worker Comp-Clerical	6,984	13,806	12,154	18,119	19,240	70,304
400122	P-Roll Ben/Worker Comp-Prof	28,774	69,352	60,744	74,669	79,290	312,828
	Total Fringe for WC	35,757	83,158	72,898	92,788	98,530	383,132
Cost Pool		FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Total
400574	Cost Pool/(ISF)-General Liability	26,138	55,701	75,144	69,510	79,937	306,430
400586	Cost Pool/(CAP)-Admin Charges	51,454	51,454	51,454	51,452	52,481	258,295
400591	Cost Pool/(IND)Civic Ctr Alloc	52,275	52,420	47,026	50,286	50,286	252,293
	Total Cost Pool Allocation	129,867	159,575	173,624	171,248	182,704	817,018
	Total Fringe for WC and Cost Pool	165,624	242,733	246,522	264,036	281,234	1,200,149