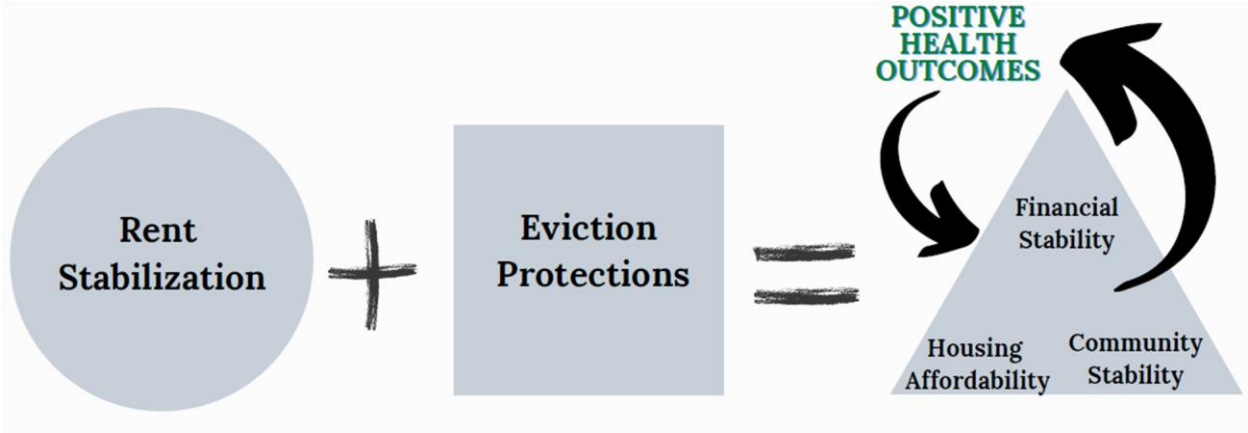


# FY 2022-23 BUDGET & RENTAL HOUSING FEE STUDY

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## CITY OF RICHMOND RENT PROGRAM

PROPOSAL: MAY 31, 2022



City of Richmond Rent Program  
440 Civic Center Plaza, Suite 200  
Richmond, CA 94804  
(510) 234-RENT [7368]  
[www.richmondrent.org](http://www.richmondrent.org)



**Boardmembers**  
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Shiva Mishek  
Alana Grice Conner  
Carole Johnson  
Michael Vasilas

# ACKNOWLEDGMENTS

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## Special Thanks to the below City staff and departments:

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# I. RENT PROGRAM ORGANIZATION AND GOALS

## Mission Statement

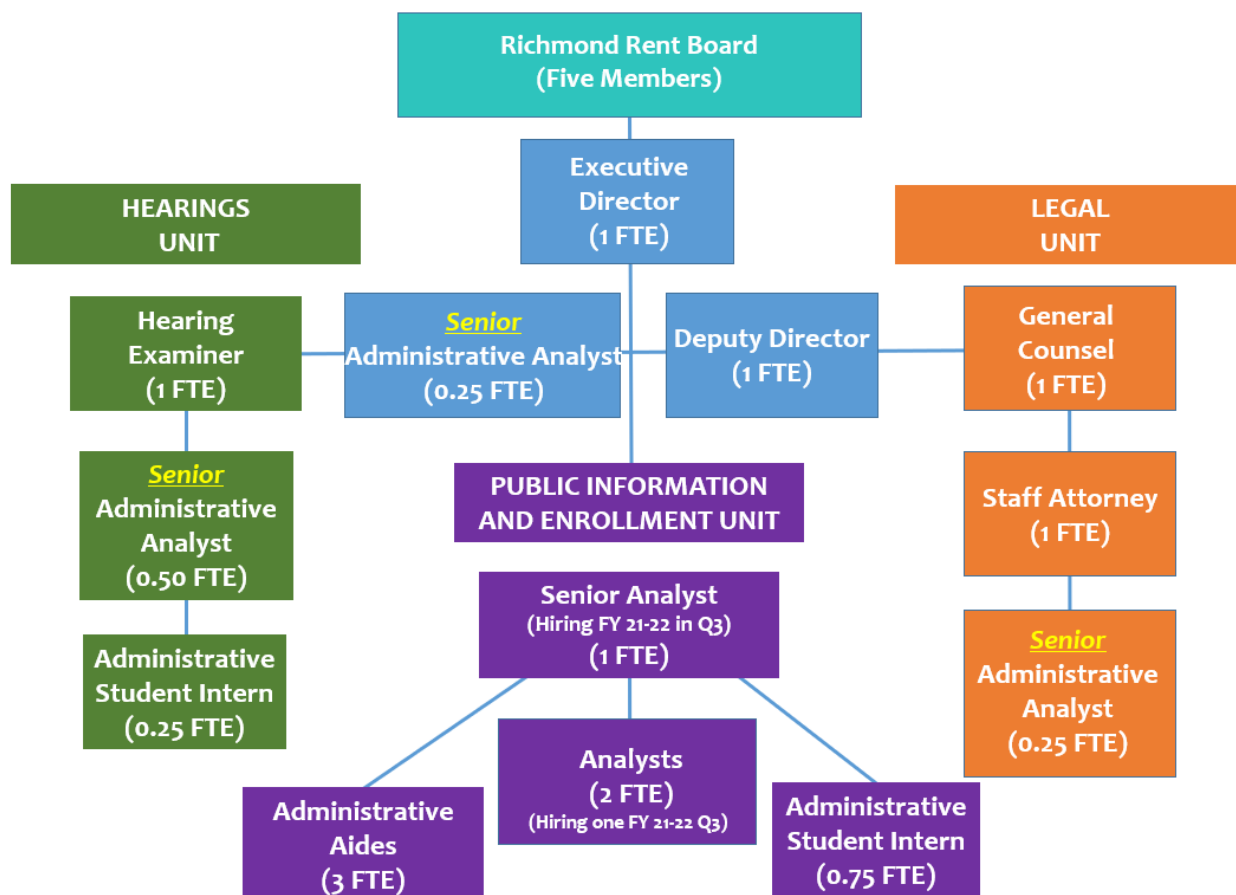
The mission of the Rent Program is to promote neighborhood and community stability, healthy housing, and affordability for Richmond Tenants through the regulating of those Landlord/Tenant matters that reasonably relate to rents and evictions, while maintaining a Landlord’s right to a fair return.

## Proposed Fiscal Year 2022-23 Organizational Chart and Labor Summary

The Richmond Rent Program was established following the adoption of the Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance (Rent Ordinance) by a majority of Richmond voters in 2016. In accordance with the Rent Ordinance, an Executive Director appointed by a five-member Rent Board comprised of Richmond residents leads the Rent Program.

The following figures illustrate how the proposed staffing plan for the upcoming year compares to prior years. Of particular note is the proposed addition of two new personnel classifications, including that of a General Counsel and a Senior Rent Program Services Analyst, as well as the consolidation of the Public Information and Billing and Registration Units into one combined Public Information and Enrollment Unit (PIE). The rationale for these proposed changes to the organizational chart is described in further detail below. Figure 1 contains the proposed organizational chart for the 2022-23 fiscal year, and Figures 2 and 3 provide a summary of full-time equivalents (FTEs) since Fiscal Year 2020-21.

**Figure 1. FY 2022-23 Rent Program Organizational Chart**



**Figure 2. Proposed Fiscal Year 2022-23 Labor Summary**

<i>Unit</i>	<i>Authorized Positions 2020/2021</i>	<i>Authorized Positions 2021/2022</i>	<i>Proposed Positions 2022/2023</i>	<i>Amount of Change 21/22 - 22/23</i>
Management	<b>2.25</b>	<b>2.25</b>	<b>2.25</b>	<b>0</b>
Legal	<b>1.75</b>	<b>2.25</b>	<b>2.25</b>	<b>0</b>
Public Information	<b>4.6</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Billing & Registration	<b>2.9</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Public Information & Enrollment	<b>N/A</b>	<b>6.75</b>	<b>6.75</b>	<b>0</b>
Hearings	<b>1.5</b>	<b>1.75</b>	<b>1.75</b>	<b>0</b>
<b>TOTAL</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>0</b>

**Figure 3. Proposed Fiscal Year 2021-22 Permanent Staff by Classification**

<i>Classification</i>	<i>Authorized Positions 2020/2021</i>	<i>Authorized Positions 2021/2022</i>	<i>Proposed Positions 2022/2023</i>	<i>Amount of Change 21/22 - 22/23</i>
Administrative Aide	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>
Administrative Student Intern	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
Assistant Administrative Analyst	<b>1</b>	<b>1</b>	<b>0</b>	<b>-1</b>
Deputy Director	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
Executive Director	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
General Counsel	<b>N/A</b>	<b>1</b>	<b>1</b>	<b>0</b>
Hearing Examiner	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
Rent Program Services Analyst I/II	<b>3</b>	<b>2</b>	<b>2</b>	<b>0</b>
Senior Rent Program Services / Administrative Analyst	<b>N/A</b>	<b>1</b>	<b>2</b>	<b>1</b>
Staff Attorney	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Total</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>0</b>

**Proposed Reclassification for a Senior Administrative Analyst**

The proposed Fiscal Year 2022-23 budget includes a reclassification from an Assistant Administrative Analyst position to a Senior Administrative Analyst (1 FTE). The reclassification would require approval from both the Personnel Board and City Council. This role will assist with managing the Hearings Unit, provide administrative support to the Executive Director, and the Legal Unit. This role will receive direction from the Executive Director and oversees the petition process for the Hearings Unit. The Senior Administrative Analyst will also take direction from the General Counsel, Hearing Examiner, and Staff Attorney in a supportive capacity, but does not direct, the legal work of the agency. Furthermore, the position will manage and work closely with all phases of the Rent Board, including the coordination of meetings and communications with all Board Members and the public. This proposed change would not increase the overall number of full-time equivalents (FTEs) employed by the agency.

**Consolidation of Public Information and Billing and Registration Units**

The organizational chart for Fiscal Year 2021-22 includes a “Public Information and Enrollment Unit” that replaces the existing Public Information and Billing and Registration Units. This new organizational structure is anticipated to be advantageous to the agency for the following reasons:

- **Improved compliance with enrollment, registration, and fee payment requirements**  
In their conversations with community members, Rent Program Services Analysts (housing counselors) frequently discover rental units that are not in compliance with

the Rent Program in terms of property enrollment, tenancy registration, and fee payment requirements. Coordination between housing counselors and staff who oversee enrollment, registration, and fee payment operations is important, and the new organizational structure will support closer communication and collaboration to ensure that there is follow up after a rental unit found to be noncompliant.

- **Greater efficiency in serving members of the public**  
Distinct units can create unnecessary silos. The Rent Program is a relatively small agency and will be better equipped to face surges in demand or unforeseen circumstances if all Public Information and Enrollment Unit staff have a foundational understanding of both the Rent Ordinance and its requirements, as well as internal policies and procedures regarding property enrollment, tenancy registration, and payment of the Rental Housing Fee. Under the previous organizational structure, staff members in the Billing and Registration Unit would not typically assist with preparation for community workshops, and staff in the Public Information Unit may not have been familiar enough with Billing and Registration processes to fully assist community members with a billing issue. The new proposed structure would provide greater flexibility and redundancy among staff roles.
  
- **Promotes collaboration on large outreach projects**  
With 6.75 FTE, the new consolidated Public Information and Enrollment Unit will be the largest unit in the agency and better able to manage completion of large projects, such as mailing the Guide to Rent Control, rent validation reports, and Rental Housing Fee invoices to thousands of Landlords and Tenants. Mass-mailing projects also present opportunities to share information that community members may not otherwise seek out; for example, mailing of Rental Housing Fee invoices to all Landlords is an opportunity to share information about other aspects of the Rent Ordinance.

### Progress Towards the Achievement of Fiscal Year 2021-22 Goals

As part of the Fiscal Year 2022-23 Rent Program budget development process, staff members identified a series of goals that the proposed budget would support. As was the case for the greater City of Richmond and the nation as a whole, the Covid-19 pandemic forced a reconsideration of goals and objectives for the 2021-22 fiscal year. Table 1, on the following page, provides a status update on the goals established for the 2021-22 fiscal year and notes the impacts of the Covid-19 pandemic.

**Table 1. Progress towards achievement of Fiscal Year 2021-22 Goals**

Fiscal Year 2021-22 Goal	Progress Towards Achievement
Develop a training schedule for Rent Program Services Analysts (but accessible to all staff), to ensure housing counselors remain knowledgeable on the requirements of the Rent Ordinance and apprised of any changes to Rent Board Regulations and related State and Federal laws.	<b>Nearly complete.</b> Rent Program Services Analysts received regular and ongoing support and training from the managing Staff Attorney on the Rent Ordinance and related laws and regulations. Senior staff members provided specific trainings on new regulations and processes as needed. Rent Program Services Analysts provided weekly informational sessions to support staff in the Public Information Unit to keep them apprised of changes to the law and current topics of relevance. Rent Program Services Analysts also develops collateral to communicate updates to the community.
Continue to implement the 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.	<b>Nearly complete, but significantly impacted by the Covid-19 pandemic, work is ongoing.</b> With mediation guidelines and administrative procedures in place, staff members continue to assess the bandwidth of the Public Information Unit to determine how many mediations may be scheduled per month. The Covid-19 pandemic delayed the process of filling vacancies in the Public Information Unit and eliminated the possibility of in-person mediations. The Executive and Deputy Directors facilitated mediations as necessary, but the mediation program has yet to be fully launched.
Continue to develop an online filing system for the submission of Property Enrollment and Tenancy Registration	<b>Progress is ongoing.</b> Online submission of forms and notices has yet to be fully launched; staff members anticipate systems will continue to be developed in the 2022-23 fiscal

<p>forms, as well as the filing of rent increase and termination of tenancy notices on the City's e-TRAKIT website.</p>	<p>year. There is also consideration to upgrade to more a modern system that is suited for Rent Programs.</p>
<p>Publish and distribute the Guide to Rent Control in Richmond and one-page fact sheets on common topics such as Just Cause for Eviction, Owner Move-In evictions, the Ellis Act, and the Relocation Ordinance.</p>	<p><b>Nearly complete but significantly impacted by the Covid-19 pandemic.</b> The Guide to Rent Control has been completed and is slated to be distributed to Landlords and Tenants concurrent with the mailing of Rent Validation Reports for Fully Covered Rental Units. Landlords and Tenants of partially-covered Rental Units are anticipated to receive the Guide to Rent Control as well, in the absence of a Rent Validation Report. Originally planned to be completed during the 2020-21 fiscal year, the distribution of such materials was significantly delayed by the transition to remote work necessitated by the Covid-19 pandemic. Staff members anticipate completion of this task during the 2021-22 and 2022-23 fiscal year as the severity of the pandemic decreases and restrictions lessen.</p> <p>One-page fact sheets pertaining to Just Cause for Eviction, Owner Move-In evictions, the Ellis Act, and the Relocation Ordinance have been drafted and are in the process of being displayed on the Rent Program website.</p>
<p><b>Fiscal Year 2021-22 Goal</b></p>	<p><b>Progress Towards Achievement</b></p>
<p>Develop and Execute 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.</p>	<p><b>Progress is ongoing but was significantly impacted by the Covid-19 pandemic.</b> During the 2020-21 fiscal year, the Executive Director, in partnership with Public Information Unit staff members, spearheaded an outreach strategy to conduct site visits and make connections with local businesses, churches, and community centers. While the initiative gained momentum in the preceding fiscal year, progress was severely stunted in Fiscal Year 2021-22 due to the risks of in-person contact remained during the Covid-19 pandemic. Instead, outreach was primarily conducted through the agency's social media accounts, which proved to be an effective means of sharing information. Informational webinars were conducted, comprehensive fact sheets created, podcasts recorded, and instruction videos were produced to be posted to the Rent Program website.</p>
<p>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.</p>	<p><b>Progress is ongoing due to the limitations of remote work during the Covid-19 pandemic.</b> Over three-fourths of all rent-controlled tenancies have been registered to date; however, thousands of forms still need to be entered into the database. Billing and Registration unit staff developed template forms and continue to work closely with the City's IT department staff to ensure notices can be automatically generated and mailed to Landlords and Tenants to educate them about the Maximum Allowable Rent for their specific unit. Originally planned to be completed during the 2020-21 fiscal year, generating, and mailing of such reports was significantly delayed by the transition to remote work necessitated by the Covid-19 pandemic. Staff members anticipate initiation of this task during the 2021-22 fiscal year as the severity of the pandemic decreases and restrictions lessen. Staff is also considering a new database to transition the registration online.</p>
<p>Continue to improve collection of the Rental Housing Fee (greater than 90% compliance) through investing in effective compliance and outreach projects to ensure that all Rental Units subject to the Rent Ordinance are assessed the Rental Housing Fee and all Landlords who should be paying the Rental Housing Fee receive an invoice and are made aware of their financial obligation to the Rent Program.</p>	<p><b>On Track to Complete and compliance is ongoing.</b> Revenue is continuously being collected. Total Rental Housing Fee revenue is projected to approach 80% by the close of the fiscal year.</p>

<p>Continue to work collaboratively with other City Departments to improve rental housing inspection options, seismic safety policy, enforcement of the Relocation Ordinance, the Richmond Rapid Response Fund (R3F) Rent Assistance Program for Displacement and Homelessness Prevention, and the collection of other City fees, such as the Business License Tax, Fire Prevention Services Fee, and Rental Inspection Program fee.</p>	<p><b>Progress is ongoing.</b> Rent Program staff continue to host monthly meetings with the Richmond Police Department, Code Enforcement, Richmond Housing Authority, and Community Development Department to foster open communication about issues pertaining to the Rent Ordinance. In addition to monthly meetings, staff members in the Public Information and Billing and Registration Unit are frequently in communication with the Finance and Community Development Departments to streamline operations and improve customer service provided to community members by facilitating information sharing and identifying opportunities for collaboration. The Finance Department currently updating their systems to invoice and credit fees for Measure U.</p>
<p>Continue to implement the recommendations provided by Kevin Harper CPA and Associates, including monitoring budgeted versus actual expenses and providing quarterly reports to the Rent Board, updating the Board's 10-year financial projection, and proposing budgetary policies for the Board's consideration.</p>	<p><b>Ongoing.</b> Rent Program staff completes a variance report and compares budgeted revenues and expenditures monthly. The financing is currently in line with the 10-year financial projection. The Program is requesting to purchase an annual subscription to a system that's custom to the Program's needs. The solution will offer functions of CRM, Billing/Invoice, Interaction Log, Registration, and Petition Management.</p>

### Proposed Fiscal Year 2022-23 Goals

The proposed Fiscal Year 2022-23 budget has been prepared for the Board's consideration in acknowledgement of the following goals in three broad categories: Program Development, Outreach, and Program Sustainability and Compliance.

#### PROGRAM DEVELOPMENT:

1. **Continue to invest in staff training and professional development** to ensure staff members are knowledgeable on the requirements of the Rent Ordinance, Rent Board Regulations, and related State and Federal laws.
2. **Continue to develop online services** (e.g., filing system for the submission of Property Enrollment and Tenancy Registration forms, online appointment scheduling system, increasing Zoom counseling sessions, as well as the filing of rent increase and termination of tenancy notices).

#### OUTREACH:

1. **Increase awareness of the Rent Ordinance** by publicizing and distributing the comprehensive Guide to Rent Control in Richmond and continue to develop online outreach services (e.g., fact sheets, webinars, and podcasts on new pandemic related laws and other common topics such as Just Cause for Eviction, Owner Move-In Evictions, Rent Increases, the Rent Adjustment Petition process, the Ellis Act, and the Relocation Ordinance).
2. **Expand education efforts** through targeted outreach to specific groups, such as (but not limited to) tenants and providers of affordable housing, realtors, monolingual Spanish speaking households, small property owners, and problem properties (those with code violations).
3. **Develop systems to produce** Notices of the Maximum Allowable Rent (MAR) (sent to Landlords and Tenants when Tenancy Registration Forms are submitted), including a database accessible to the public where community members can research the MAR for a particular rental unit.



## **PROGRAM SUSTAINABILITY AND COMPLIANCE:**

1. **Provide highest level of service to the rental community.** To properly administer these services, the Rent Program must continually collect the Rental Housing Fees to support the necessary operations.
2. **Improve and focus on sustainability of the agency.** The success of the Program is tied to the ability to retain, develop, and effectively deploy staff resources in the most effective and efficient manner possible.
3. **Continue to work collaboratively with other City departments to improve rental housing inspection options,** Richmond's Rent Assistance Program, enforcement of the Relocation Ordinance, and the collection of other City fees (e.g., Business License Tax, Fire Prevention Services Fee, and Rental Inspection Program fee).
4. **Continue to develop and refine the Rent Program's database, transitioning from using the City's TRAKiT database, to a new database solution** designed to work specifically for the needs of the Rent Program. A more effective and efficient database will allow for more accurate billing, enhancing the Program's collection rate, and improving the Program's ability to accurately track lawful rents, Hearing's decisions, eviction trends, etc. The anticipated long-term impact should be a decrease in overall long-term staff costs, by reducing the number of positions necessary to perform the work of the agency.

## II. PROPOSED FY 2022-23 BUDGET

The figure below contains the revised Fiscal Year 2022-23 budget based on feedback provided by the Rent Board at its May 31, 2022, Special meeting. Detailed descriptions of the components within each line item are contained in the sections that follow.

BUDGET							
Object #	City Account Description	FY 18-19 ACTUALS	FY 19-20 ACTUALS	FY 20-21 ACTUALS	FY 21-22 PROPOSED	FY 22-23 PROPOSED	Notes
	<b>REVENUES</b>						
340445	Fees/Admin Fees	2,189,703	2,681,689	2,764,961	2,893,854	3,062,687	(1)
361701	Int & Invest/Pooled-All Other	367	11,537	6,096	14,460	14,000	
364867	Revenue from Collections	133	13,042	24,796	30,000	30,000	
	<b>TOTAL REVENUES</b>	<b>2,190,203</b>	<b>2,706,268</b>	<b>2,795,854</b>	<b>2,938,314</b>	<b>3,106,687</b>	
	<b>EXPENSES</b>						
400001	Salaries & Wages/Executive	530,092	639,594	649,356	677,798	724,848	(2)
400002	Salaries & Wages/Mgmt-Local 21	294,152	263,080	183,838	284,628	324,846	(2)
400003	Salaries & Wages/Local 1021	128,866	150,317	168,422	169,860	202,332	(2)
400006	Salaries & Wages/PT-Temp	49,557	45,905	32,244	43,036	35,776	(2)
400031	Overtime/General	4,778	2,094	1,312	2,500	2,500	
400048	Other Pay/Bilingual Pay	6,993	9,064	9,719	11,377	11,172	
400049	Other Pay/Auto Allowance	4,200	4,200	4,200	4,200	4,200	
400050	Other Pay/Medical-In Lieu of	2,700	1,500	-	2,400	-	
400079	Comp Absences/WC-Prof-Mgt-Tec	1,486	5,328	-	-	-	
	<b>Subtotal - Salaries &amp; Wages</b>	<b>1,022,823</b>	<b>1,121,084</b>	<b>1,049,091</b>	<b>1,195,799</b>	<b>1,305,674</b>	
400103	P-Roll Ben/Medicare Tax-ER Shr	14,937	16,389	15,313	15,992	18,207	(3)
400104	P-Roll Ben/PERS Benefits	-	-	-	-	-	
400105	P-Roll Ben/Health Insurance Be	146,557	136,575	128,611	140,309	232,291	(3)
400106	P-Roll Ben/Dental Insurance	16,652	17,021	17,534	15,508	17,520	(3)
400109	P-Roll Ben/Employee Assistance	430	473	422	464	216	(3)
400110	P-Roll Ben/Professional Dev-Mg	3,728	5,200	1,500	3,750	6,750	(3)
400111	P-Roll Ben/Vision	2,106	2,095	2,049	2,052	2,052	(3)
400112	P-Roll Ben/Life Insurance	5,557	4,006	3,433	3,713	4,139	(3)
400114	P-Roll Ben/Long Term Disabilit	9,408	10,100	9,259	10,076	12,342	(3)
400116	P-Roll Ben/Unemployment Ins	1,860	5,100	4,960	5,730	5,472	(3)
400117	P-Roll Ben/Personal/Prof Dev	750	1,493	1,500	5,250	2,250	(3)
400118	P-Roll Ben/Worker Comp-Injury Appt	-	-	692	359	-	(3)
400121	P-Roll Ben/Worker Comp-Clerica	13,806	12,154	14,541	19,240	24,001	(3)
400122	P-Roll Ben/Worker Comp-Prof	69,352	60,744	74,891	79,290	-	(3)
400127	P-Roll Ben/OPEB	39,338	43,623	42,145	22,763	40,723	(3)
400130	P-Roll Ben/PARS Benefits	642	434	50	94	-	(3)
400149	P-Roll Ben/Misc	123,021	140,616	139,314	151,638	156,287	(3)
400151	P-Roll Ben/Misc (UAL)	162,985	235,683	271,234	271,391	287,268	(3)
	<b>Subtotal Fringe Benefits</b>	<b>611,127</b>	<b>691,706</b>	<b>727,447</b>	<b>747,618</b>	<b>809,518</b>	
400201	Prof Svcs/Professional Svcs	32,112	38,241	10,957	18,350	143,455	(4)
400206	Prof Svcs/Legal Serv Cost	137,614	193,742	149,994	210,000	210,000	(5)
400220	Prof Svcs/Info Tech Services	2,375	-	2,142	-	-	
400241	Travel & Trng/Meal Allowance	359	-	-	-	-	
400242	Travel & Trng/Mileage	1,284	17	-	-	-	
400243	Travel & Trng/Conf, Mtng Trng	280	-	-	-	-	
400245	Travel & Trng/Tuition Rmb/Cert	800	800	-	800	800	(6)
400261	Dues & Pub/Memberships & Dues	824	1,590	1,453	1,650	1,650	(7)
400263	Dues & Pub/Subscription	1,500	-	-	-	-	
400271	Ad & Promo/Advertising & Promo Materials	1,559	2,106	1,702	5,675	800	(8)
400272	Ad & Promo/Community Events	1,563	1,722	-	-	-	
400280	Adm Exp/Program Supplies	5,292	1,600	3,432	3,950	5,380	(9)
	<b>Subtotal Prof &amp; Admin Services</b>	<b>185,563</b>	<b>239,819</b>	<b>169,680</b>	<b>240,425</b>	<b>362,085</b>	
400231	Off Exp/Postage & Mailing	10,849	5,905	6,528	22,647	17,300	(10)
400232	Off Exp/Printing & Binding	12,071	3,295	3,428	25,807	24,404	(11)
400233	Off Exp/Copying & Duplicating	46	-	236	500	500	
400304	Rental Exp/Equipment Rental	8,721	4,532	2,488	8,000	9,000	(12)
400321	Misc Exp/Misc Contrib	3,000	-	1,500	3,000	2,000	(13)
400322	Misc Exp/Misc Exp	3,061	2,262	-	2,925	2,000	
400341	Off Supp/Office Supplies	8,721	6,024	1,891	6,795	5,000	
400344	Off Supp/Computer Supplies	18	783	-	-	-	
	<b>Subtotal Other Operating</b>	<b>46,486</b>	<b>22,801</b>	<b>16,072</b>	<b>69,674</b>	<b>60,204</b>	
400401	Utilities/Tel & Telegraph	254	414	551	500	500	
400538	Contract Svcs/Other Contract Svcs	-	-	103	-	-	
400552	Prov Fr Ins Loss/Ins Gen Liab	8,029	8,765	9,047	9,300	9,300	
400574	Cost Pool/(ISF)-Gen Liab	55,701	75,144	69,513	79,937	-	(14)
400586	Cost Pool/(CAP)-Admin Charges	51,454	51,454	51,454	52,481	-	(14)
400591	Cost Pool/(IND)Civic Ctr Alloc	52,420	47,026	50,289	50,286	48,217	
400601	Noncap Asst/Comp Hrdware<5K	-	6,526	-	10,800	-	
400604	Noncap Asst/Furniture <5K	13,328	-	-	-	-	
	<b>TOTAL EXPENSES</b>	<b>2,047,186</b>	<b>2,264,738</b>	<b>2,143,246</b>	<b>2,456,820</b>	<b>2,595,497</b>	
	<b>OPERATING RESERVE</b>	<b>560,985</b>	<b>424,794</b>	<b>420,821</b>	<b>429,944</b>	<b>467,190</b>	(15)
	<b>TOTAL BUDGET</b>	<b>2,804,925</b>	<b>2,923,584</b>	<b>2,896,242</b>	<b>2,886,764</b>	<b>3,062,687</b>	

## **Budget Notes**

- (1) Assumes a Fiscal Year 2021-22 Rental Housing Fee of \$226 for Fully Covered units and \$127 for Partially Covered units.
- (2) See page 11 for detailed salary and wage assumptions.
- (3) The Rent Program is seeking the City to cap Total Fringe Benefits at 62% of Total Salaries and Wages.
- (4) Includes \$100,000 for cloud-based solution – IT charge, \$20,000 for consultants to complete Cost Pool and Fringe Benefits analysis, \$2,205 TRAKiT annual fee, \$4,000 for a property information subscription, \$3,000 for a legal research subscription, \$8,000 for scheduled interpretation, \$6,000 for written translation, and \$250 for on-demand interpretation services.
- (5) Includes \$125,000 contract with the Eviction Defense Center to assist with Unlawful Detainer cases, \$75,000 for a contract with Bay Area Legal Aid for the weekly Housing Rights Clinics, and \$10,000 for legal filing fees in the event of litigation.
- (6) In accordance with City personnel policies, eligible employees may receive reimbursement of up to \$800 for higher education tuition.
- (7) Anticipated cost of Bar Association dues for three attorneys (\$550 per Attorney).
- (8) Budgeted amount includes funds to satisfy the requirement to publish notices in the newspaper for public hearings as part of the budget adoption process, social media promotions, and promotional materials.
- (9) Budgeted amount includes the cost of email accounts for Rent Board Members, business cards, and videoconference/webinar accounts.
- (10) Budgeted amount reflects anticipated postage costs for Rental Housing Fee invoices, tenancy registration mailings, and the Guide to Rent Control.
- (11) Budgeted amount reflects anticipated printing costs for Rental Housing Fee invoices, tenancy registration mailings, and the Guide to Rent Control.
- (12) Lease of copy machines including a cost-per-copy amount. 36-month lease ends in 2022.
- (13) Stipends for 2 UC Berkeley Public Service Center interns, ranging from \$1,000 - \$1,500 per intern.
- (14) Rent Program is working with the City to determine the proper methodology of Cost Pool allocation, new methodology is under review.
- (15) Budgeted reserve is equal to 18 percent of total operating expenses consistent with the Rent Board's proposed Reserve Policy.

## SALARIES AND WAGES

<b>400001 – 400006 Permanent Employees</b>	<b>Proposed Allocation: \$1,287,802</b>
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The allocation reflects salary-related costs for all filled positions and includes a cost-of-living adjustment (COLA) for all non-exempt staff as set forth in the collective bargaining agreements with the City's employee unions. The Deputy Director and General Counsel positions are proposed to forfeit cost-of-living adjustments in Fiscal Year 2022-23.

Position	Fiscal Year 2021-22 Salary	Fiscal Year 2022-23 Salary	Notes
Executive Director	\$153,336	\$165,603	COLA for prior 3 fiscal years
Hearing Examiner	\$145,380	\$149,596	COLA – partial
General Counsel ( <i>formerly Staff Attorney</i> )	\$145,380	\$152,649	Reclassified from Staff Attorney – December 2021
Deputy Director	\$120,000	\$140,000	Hired August 2021
Staff Attorney	\$113,702	\$117,000	COLA - partial
<b>Subtotal Executive Staff</b>	<b>\$677,798</b>	<b>\$724,848</b>	
Rent Program Services Analyst II	\$92,208	\$83,724	Budgeted at Step 3 of Analyst II
Senior Administrative Analyst ( <i>pending Personnel Board and Council approval; budgeted amount reflects 50% Senior Administrative Analyst salary schedule, Step I</i> )	\$74,244	\$80,982	Reclassification from Assistant Administrative Analyst: Third Quarter
Rent Program Services Analyst I	\$70,968	\$74,244	Budgeted at Step 5 of Analyst II
Senior Analyst ( <i>Personnel Board and Council approved FY2021-22; budgeted amount reflects Senior Management Analyst salary schedule</i> )	\$47,208 (50% annual salary)	\$85,896	Reallocate from Rent Program Services Analyst and reclassify as Senior Analyst
<b>Subtotal Local 21 Management Staff</b>	<b>\$284,628</b>	<b>\$324,846</b>	
Administrative Aide	\$70,476	\$70,476	
Administrative Aide	\$32,160 (50% annual salary)	\$61,380	Hire March 2022
Administrative Aide	\$67,224	\$70,476	Anticipated to receive regular step increase
<b>Subtotal SEIU 1021 Staff</b>	<b>\$169,860</b>	<b>\$202,332</b>	
Administrative Student Intern	\$21,518	\$17,888	
Administrative Student Intern	\$21,518	\$17,888	
<b>Subtotal Part Time/Temp Staff</b>	<b>\$43,036</b>	<b>\$35,776</b>	
<b>TOTAL SALARIES</b>	<b>\$1,175,322</b>	<b>\$1,287,802</b>	

<b>SALARIES AND WAGES</b>	
<b>400031 Overtime</b>	<b>Proposed Allocation: \$2,500</b>

The allocation accounts for \$2,500 for the Public Information and Enrollment Unit for work that cannot be completed during regularly scheduled hours. Most overtime hours are anticipated to be incurred during billing and registration periods, when there is a high volume of inquiries and thousands of mailers to print and assemble. The proposed allocation also accounts for overtime hours utilized during weekend or evening outreach events.

<b>SALARIES AND WAGES</b>	
<b>400048 Bilingual Pay</b>	<b>Proposed Allocation: \$11,172</b>

The allocation accounts for the two percent (2%) salary premium granted to seven (6) bilingual staff members employed by the Rent Program. These staff members include:

- Staff Attorney (1 FTE)
- Hearing Examiner (1 FTE)
- Rent Program Services Analysts (1 FTE)
- Senior Rent Program Services Analyst (1 FTE)
- Administrative Aides (2 FTE)

<b>SALARIES AND WAGES</b>	
<b>400049 Auto Allowance</b>	<b>Proposed Allocation: \$4,200</b>

The allocation accounts for an automobile allowance for the Executive Director, in the amount of \$350 per month.

<b>BENEFITS</b>	
<b>400103 - 400151 Fringe Benefits</b>	<b>Proposed Allocation: \$809,518</b>

The allocation accounts for benefits provided to full-time employees. Individual plan changes and/or actual rate changes during the fiscal year may affect the amount actually expended.

These benefits include:

- Health Benefits
  - Health Insurance (\$232,291)
  - Dental Insurance (\$17,520)

- Vision Insurance (\$2,052)
- Employee Assistance Program (\$216)
- Professional Development funds – 9 permanent employees are eligible for reimbursement of up to \$750 for eligible expenses (\$6,750)
- Medicare Taxes (\$18,207)
- Life Insurance (\$4,139)
- Long-Term Disability Insurance (\$12,342)
- Unemployment Insurance (\$5,472)
- Workers’ Comp Insurance<sup>1</sup>
  - Clerical staff (\$24,001)
  - Professional staff (\$0)
- Other Post-Employment Benefits (OPEB) (\$40,723)<sup>2</sup>
- Public Agency Retirement System (PARS) Benefits (\$102)
- Miscellaneous Benefits (\$443,555)<sup>3</sup>

<b>PROFESSIONAL AND ADMINISTRATIVE SERVICES</b>	
<b>400201 Professional Services</b>	<b>Proposed Allocation: \$143,455</b>

The allocation accounts for professional services provided by contractors. These services include:

- Cloud-based Solution suited for the Program’s critical needs and goals. The system will improve the efficiency, accuracy, and reliability of the critical data. The available modules consist of a CRM/Database to store all the rental unit data such as property addresses, landlord information, and activity/interaction log, which would include the history and summary of all submissions and notices filed with the Rent Program. The system would also integrate billing/invoicing. This will also allow online submissions of Property Enrollment forms, Tenancy Registration forms, and Rent Adjustment petitions.

<sup>1</sup> The Rent Program is seeking for the City to cap Total Fringe Benefits at 62% of Total Salaries and Wages. No charge will be included in the budget for Worker’s Compensation for Professional staff and Worker’s Compensation for Clerical staff had been adjust for the cap.

<sup>2</sup> According to the California Department of Human Resources, through the collective bargaining process and under the authority of Government Code 22944.5, OPEB (Other Post-Employment Benefits) is the method by which the State of California, as the employer, and its employees jointly prefund health benefits that active employees will receive as state retirees. All employees in positions that are eligible for health benefits, whether or not currently enrolled, prefund OPEB. The state prefunds a matching contribution.

<sup>3</sup> Miscellaneous benefits refer to the employer portion of CalPERS pension costs for miscellaneous (non-sworn) staff. CalPERS costs are remitted in two parts—one being a percentage of payroll each pay period (object code 400149) and the other being a flat dollar amount per FTE for the unfunded liability (object code 400151). CalPERS provides an annual valuation report that specifies these rates/dollar amounts.

Finally, the solution will allow for comprehensive counseling and petition case management. Start-up costs and first year annual subscription (estimate \$100,000).

- Consultants to review and analyze Cost Pool Allocation methodology provided by the City. A proper mechanism for charging overhead costs to the Rent Program needs to be established for the administrative support provided by the City of Richmond. The Rent Program and City will mutually solicit a new consultant to prepare a separate joint study to be used for cost allocation between the two parties (estimated \$20,000).
- Translation Services
  - Written translation (\$8,000)
  - Scheduled verbal interpretation (\$6,000)
  - On-demand verbal interpretation (\$250)
- Property Information subscription (\$250 per month, plus \$1,000 annually for special reports, for a total of \$4,000)
- Legal Information subscription (\$250 per month, for a total of \$3,000)
- TRAKiT End User license for Citywide database (\$2,205)

<b>PROFESSIONAL AND ADMINISTRATIVE SERVICES</b>	
<b>400206 Legal Services</b>	<b>Proposed Allocation: \$210,000</b>

The allocation accounts for legal services provided by contractors for community members. More specifically, the allocation includes funds for two categories of legal services:

1. Community Services Agency Contracts
  - The Rent Program contracts with Bay Area Legal Aid in the amount of \$75,000 to offer weekly legal service clinics for both Landlords and Tenants who are Richmond residents
  - The Rent Program contracts with the Eviction Defense Center in the amount of \$125,000 to provide legal referrals to individuals who need assistance with responding to Unlawful Detainer (eviction) lawsuits.
2. Legal costs
  - The additional costs for legal filing fees in the event of litigation.

<b>TRAVEL AND TRAINING</b>	
<b>400245 Tuition Reimbursement</b>	<b>Proposed Allocation: \$800</b>

The allocation accounts for reimbursement for tuition reimbursement, consistent with the City’s personnel policies (\$800).

<b>DUES AND PUBLICATIONS</b>	
<b>400261</b> <b>Memberships &amp; Dues</b>	<b>Proposed Allocation:</b> <b>\$1,650</b>

The allocation accounts for California BAR Association dues for three attorneys (\$550 per attorney).

<b>ADVERTISING AND PROMOTION</b>	
<b>400271</b> <b>Advertising &amp; Promotional Materials</b>	<b>Proposed Allocation:</b> <b>\$800</b>

The allocation accounts for newspaper announcements as required as part of the budget adoption process (\$200) and monthly promotion on social media accounts (\$600).

<b>ADMINISTRATIVE EXPENSES</b>	
<b>400280</b> <b>Program Supplies</b>	<b>Proposed Allocation:</b> <b>\$5,380</b>

The allocation includes funds for supplies not classified as office supplies, including:

- Emails for Rent Board Members (\$100 per month, for a total cost of \$1,200)
- Business cards for staff members (\$50 per order, for an estimated 12 orders, for a total cost of \$600)
- Zoom Accounts
  - 8 Standard Accounts (\$1,313)
  - 3 Webinar Accounts (\$2,267)

<b>OFFICE EXPENSES</b>	
<b>400231</b> <b>Postage and Mailing</b>	<b>Proposed Allocation:</b> <b>\$17,300</b>

The allocation includes funds for mailing invoices, letters, and the Guide to Rent Control to Tenants and Landlords. Specifically, the allocation accounts for the following projects and assumes a postage rate of \$0.58 per envelope for all projects, with the exception of the Guide to Rent Control mailing, which assumes a postage rate of \$0.50 per envelope:

- Rental Housing Fee invoices to 5,716 Landlords: \$3,315
- Late Rental Housing Fee invoices to 1,905 Landlords: \$1,105
- Sending the Notice of Apparent Lawful Rent Ceiling to 1,000 Tenants and Landlords: \$580
- Sending Rent Validation Reports to 1,000 Tenants and Landlords: \$580
- Mailing the Guide to Rent Control to 23,439 Tenants and Landlords: \$11,719



<b>OFFICE EXPENSES</b>	
<b>400232 - 400233</b> <b>Printing and Binding</b>	<b>Proposed Allocation:</b> <b>\$24,904</b>

The allocation includes funds for printing resources for community members, as well as invoices, letters, and the Guide to Rent Control for Tenants and Landlords. Specifically, the allocation accounts for the following projects:

- General print materials: \$4,000 (includes \$500 in account string 400233)
- Rental Housing Fee invoices to 5,716 Landlords: \$286
- Late Rental Housing Fee invoices to 1,905 Landlords: \$95
- Printing the Notice of Apparent Lawful Rent Ceiling for 1,000 Tenants and Landlords: \$50
- Printing Rent Validation Reports for 1,000 Tenants and Landlords: \$50
- Printing the Guide to Rent Control for 23,439 Tenants and Landlords: \$19,923

<b>OFFICE EXPENSES</b>	
<b>400304</b> <b>Equipment Rental</b>	<b>Proposed Allocation:</b> <b>\$9,000</b>

The allocation provides for funding for the lease of combination printers, scanners, copiers, and fax machines at City Hall. In 2019, the Rent Program, in partnership with the Richmond Promise, Arts and Culture, and Department of Infrastructure, Maintenance, and Operations, entered into a 36-month lease for two machines for the second floor of 440 Civic Center Plaza building. The cost of the lease is shared equally among participating entities, while the cost-per-copy is charged to each entity. The cost to the Rent Program is approximately \$666 per month, which includes \$558 for the lease of two machines and approximately \$108 for cost-per-copy charges (\$0.0055 per page for black and white copies; \$0.048 for color.)

<b>MISCELLANEOUS EXPENSES</b>	
<b>400321 - 400322</b> <b>Miscellaneous Contributions and Expenses</b>	<b>Proposed Allocation:</b> <b>\$4,000</b>

The allocation provides for the Rent Program to continue to partner with the UC Berkeley Public Service Center to retain a student intern for the 2021-22 academic year. The estimated cost is approximately \$2,000 per intern. The allocation also includes \$2,000 for miscellaneous expenses based on minor unforeseen program needs throughout the year.

<b>OFFICE SUPPLIES</b>	
<b>400341</b> <b>Office Supplies</b>	<b>Proposed Allocation:</b> <b>\$5,000</b>

The Rent Program purchases office supplies through the City's purchasing division which contracts with an office supply vendor. This allocation covers traditional office supplies necessary to maintain daily professional operations.

<b>UTILITIES</b>	
<b>400401 Telephone</b>	<b>Proposed Allocation: \$500</b>

The allocation covers the cost of the Executive Director’s work cell phone service. During the Covid-19 pandemic, the Executive Director’s cell phone has been utilized by program staff to handle incoming calls to the main Rent Program phone line.

<b>SUPPLEMENTAL INSURANCE</b>	
<b>400552 General Liability Insurance</b>	<b>Proposed Allocation: \$9,300</b>

The allocation covers the cost of a supplemental liability insurance policy (SLIP) for the Rent Program. More specifically, the policy accounts for Errors and Omissions and General Liability coverage.

<b>COST POOL</b>	
<b>400574 – 400591 General Liability, Admin Charges, Space</b>	<b>Proposed Allocation: \$48,217</b>

The allocation covers General Liability, Administrative Charges, and space at City Hall for the Rent Program.

The Rent Program has been in discussions with the City of Richmond to evaluate the new methodology and accuracy of the allocation that covers General Liability and Administrative Charges. Staff reviewed the allocation for General Liability and Administrative Charges from the Finance (Budget) Department since being advised by the Finance Department that the Cost Pool amounts were anticipated to increase significantly.

The City’s new methodology must align with California law which requires fees charged for any service or regulatory activity must not exceed the reasonable cost of providing the service of the Rent Program.

Rent Program leadership are engaged in on-going discussions with the City Attorney’s, City Manager, Human Resources, and Finance Department regarding the budgeted Cost Pool and Fringe Benefits amounts. Rent Program staff have reached a tentative solution and understanding with the City to hire consultants to review and analyze the Cost Pool Allocation methodology provided by the City. A proper mechanism for charging overhead costs to the Rent Program needs to be established for the administrative support provided by the City of Richmond. The Rent Program and City will mutually solicit a new consultant to prepare a separate joint study to be used for cost allocation between the two parties (Professional Services estimated \$20,000).

- **General Liability and Workers' Compensation** at a total cost of \$0. The City's new methodology must align to 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 of the Rent Program. Until this methodology has been researched and validated by consultants hired jointly with the City, no charge will be included in the budget.
- **Administrative Charges (previously referred to as "Indirect Costs")** are allocated to City Departments to reimburse the General Fund for administrative services performed by central service departments (e.g. Information Technology (IT), Human Resources, Finance Department, City Manager, City Attorney, City Clerk, and City Council.) Allocations are determined in the City's Cost Allocation Plan (CAP) which is conducted by an external consultant on a periodic basis. The Rent Program was not included in the most recent Cost Allocation Plan. The City Manager's Office was used as the basis for the original figure in prior years. The new CAP was conducted by NBS, and the latest report dated April 25, 2022, requires further research and validation on the consultant's findings. The City's new methodology must align to 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 of the Rent Program. Until this methodology has been researched and validated by consultants hired jointly with the City, no charge will be included in the budget. The cost allocated in the budget is \$0.
- **Civic Center Allocation** refers to the cost of space at 440 Civic Center Plaza. The cost of this space is based on the percentage of total occupied square footage at City Hall. This percentage is then applied to the total annual debt service. Based on the most recent assessment conducted in 2017, the Rent Program is presumed to occupy 0.9% of the total square footage at City Hall. Since the Rent Program's square footage has increased each year since 2017, the budgeted allocation has increased accordingly. The City anticipates conducting a new assessment in the near future, and as such, the cost of these charges may increase or decrease depending on their findings. The cost allocated in the budget is \$48,217.

### III. EXPENSE AND REVENUE PROJECTIONS

#### Overview

In accordance with the Rent Ordinance, the Rent Program’s budget is funded by a Residential Rental Housing Fee, paid by all Richmond Landlords. Table 2, below, contains a summary of funds expended and collected for departmental operations since the Program’s establishment in 2017. Collection efforts for all assessed fees are ongoing. In 2019, the Rent Board entered into a contract with a collection services agency to recover unpaid fees. To date, the agency has collected approximately \$50,000 in outstanding fee revenue. This figure is expected to grow as collection efforts continue.

**Table 2. Expense and Revenue Summary**

FISCAL YEAR	BUDGETED AMOUNT	FUNDS EXPENDED	FEE REVENUE COLLECTED <sup>4</sup>	COLLECTION RATE
2017-18 <sup>5</sup>	FY 16-17 (partial): \$1,150,433	\$1,967,834	\$2,753,351 <sup>6</sup>	77%
	FY 17-18: \$2,425,338			
2018-19	\$2,804,925	\$2,047,186	\$2,192,672	78%
2019-20	\$2,923,584	\$2,264,738	\$2,684,140	92%
2020-21	\$2,896,242	\$2,137,638	\$2,778,234	96%
2021-22	\$2,893,854	\$2,456,820 <sup>7</sup>	\$2,604,469 <sup>8</sup>	90% <sup>9</sup> + PROJECTED

Source: City of Richmond Rent Program, 2022 (reports generated using eTRAKiIT and MUNIS software systems.)

#### 10-Year Financial Projection

A ten-year financial projection of revenue, expenses, and reserves is contained in Appendix B of this report. The projected Rental Housing Fee collection rate for the 2021-22 fiscal year is expected to be above 80 percent. There may be a slight decrease in the collection rate from prior years primarily attributable to the challenges posed by the Covid-19 pandemic. Not only have many property owners experienced financial hardship because of the effects of the pandemic, but the Rent Program and City of Richmond’s ability to collect revenue has also been negatively impacted by the shift to remote work, which has significantly reduced staff time in the office and eliminated the possibility for property owners to pay the Rental Housing Fee in person at City Hall.

<sup>4</sup> Includes revenue collected by the collection agency.

<sup>5</sup> Includes the FY 2016-17 Rental Housing Fee (December 2016 – June 2017)

<sup>6</sup> Includes revenue collected in FY 2017-18 for both the FY 2016-17 and FY 2017-18 fees.

<sup>7</sup> Represents projected total expenses through the end of FY 2021-22.

<sup>8</sup> Represents projected total revenues through the end of FY 2021-22, excluding interest.

<sup>9</sup> Represents a collection rate based on projected expenses and revenues through the end of FY 2021-22.

# IV. FISCAL YEAR 2022-23 RENTAL HOUSING FEE STUDY

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## Introduction and Background

Section 11.100.060(l)(1) of the Rent Ordinance provides all Landlords shall pay a Residential Rental Housing Fee to fund the Rent Program budget. The amount of the Rental Housing Fee is established annually by the Richmond 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.

The fee study is designed to allow the Rent Program to recover costs of all budgeted operations, including, but not limited to:

- Personnel costs of staff, benefits, and overtime;
- Risk management of general and supplemental liability insurance;
- 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 a property and 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;
- An operating reserve 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, its first year of existence, the Fiscal Year 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 utilized during the first 1.5 years of program startup since the tasks and associated benefits of the agency’s startup were reasonably shared among Rental Units regardless of status.

For the 2018-19 Fiscal Year, the Rent Board adopted 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 (calculated at 55% of costs), a “just cause” layer (20% of total costs), and a “rent control” layer (25% of costs). Such allocations correspond with the

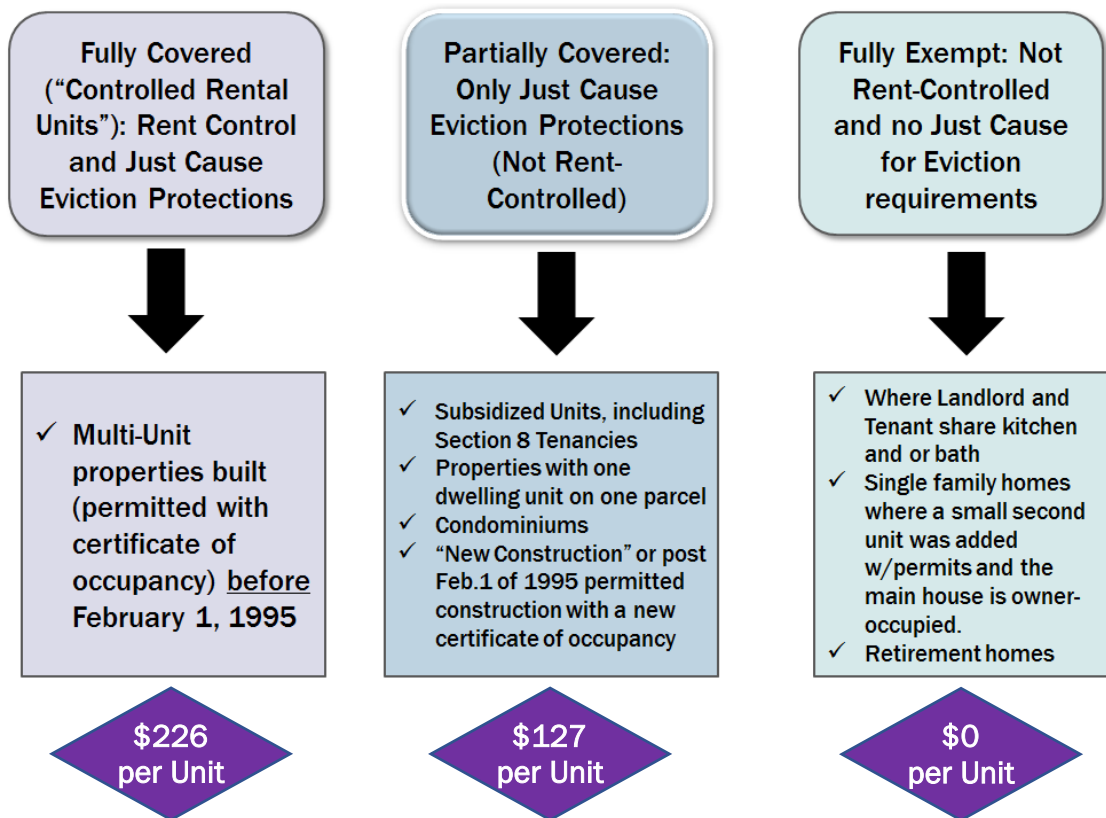
amount of resources spent administering each component of the program. Staff members recommend the Board continue to utilize a tiered-fee approach in its determination of the Fiscal Year 2022-23 Rental Housing Fee to ensure the requirements of Section 50076 of the California Government Code are met. The figure on the following page illustrates this concept and identifies key example tasks associated with each program component. This list is not exhaustive; the tasks below are identified for illustrative purposes only.

**Figure 2. Fee Layers and Associated Tasks**

<p><b>Program Layer (55%)</b></p> <ul style="list-style-type: none"> <li>• Agency administration and management</li> <li>• Legal defense of the Rent Ordinance and agency policies</li> <li>• Preparing studies, regulations, and reports as directed by the Rent Board</li> <li>• Database development and maintenance</li> <li>• Billing and collection of the Rental Housing Fee</li> <li>• Website maintenance</li> <li>• Development of informational materials</li> <li>• Interdepartmental coordination</li> </ul>
<p><b>Just Cause for Eviction Layer (20%)</b></p> <ul style="list-style-type: none"> <li>• Public education and outreach (includes counseling on evictions)</li> <li>• Legal services referrals to community services agencies</li> <li>• Administration of Relocation Ordinance</li> <li>• Administration of eviction-related complaints</li> <li>• Evictions intervention mediations (payment plan agreements and mediations to avoid breach of lease/nuisance etc.)</li> <li>• Processing of termination of tenancy notices and development of templates</li> </ul>
<p><b>Rent Control Layer (25%)</b></p> <ul style="list-style-type: none"> <li>• Public education and outreach (includes counseling)</li> <li>• Legal services referrals to community services agencies</li> <li>• Administration of petition and hearings to adjudicate Rent Adjustment Petitions and Excess Rent Complaints</li> <li>• Rent Registration and tracking of the Maximum Allowable Rent</li> <li>• Processing of rent increase notices and courtesy compliance letters</li> </ul>

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 properties with only one dwelling unit on the parcel, governmentally subsidized units, condominiums, and permitted units built after February 1, 1995), 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 from the Rent Ordinance are not responsible for payment of the Rental Housing Fee. Figure 3, below, identifies the types of units within each of these categories and the proposed fee.

**Figure 3. Proposed Fees Applicable to Fully Covered, Partially Covered, and Fully 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 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 2017-18 Fee Study.

Since the first iteration of the Rental Housing Fee Study in Fiscal Year 2017-18, staff have continued to refine 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 under the Rent Ordinance, Rent Program staff members mailed information about the requirements of the Rent Ordinance to all the owners of properties that met the criteria above. Owners of

properties in the City of Richmond that did not contain any Rental Units (for example, owners of condominiums that are owner-occupied) were required to complete and submit a Declaration of Owner Occupancy and/or Exemption form and submit documentation to allow staff members to approve the exemption. Rent Program staff members received and processed approximately 1,731 Declaration of Owner Occupancy and/or Exemption forms.

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](http://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 and other sources to the Rent Program

Since the adoption of last year's Rental Housing Fee, staff members have continued to refine the database of Rental Units through processing of Property Enrollment and Owner Declaration forms. These processes have further unveiled suspected Rental Units that are not truly rented, decreasing the total number of applicable Rental Units among which the Rent Program budget is divided to calculate the Rental Housing Fee. For example, the processing of Property Enrollment forms has unearthed many multifamily properties where an owner may occupy one unit. In such case, the status of a unit would be changed from "Compliant" or "Noncompliant" [Partially or Fully Covered Rental Unit] to "Owner Occupied." The table on the following page summarizes these changes as of February 2021. In total, records indicate that the Rent Program is aware of 18,150 Rental Units applicable to the Rent Ordinance.

According to the 2019 American Community Survey (Table DP04), the number of renter-occupied housing units in Richmond is reported as 20,467 units, with a margin of error of 1,767. The American Community Survey is a sample, not a complete count, which is why the margin of error is reported. This means that there is estimated to be between 18,700 and 22,234 renter-occupied housing units in Richmond. **This data suggests that there could be at least one thousand Rental Units absent from the Rent Program's database.** Rent Program staff are committed to dedicating resources to compliance and outreach projects to ensure that all Rental Units subject to the Rent Ordinance are assessed the Rental Housing Fee and all Landlords who should be paying the Rental Housing Fee receive an invoice and are made aware of their financial obligation to the Rent Program.



**Table 3. Unit Status Counts, 2020 – 2022**

NOTE: These numbers are continuously being verified and all figures are subject to change.

STATUS	2020 TOTAL	2021 TOTAL	2022 TOTAL	CHANGE BETWEEN 2021 AND 2022
SUSPECTED FULLY COVERED RENTAL UNITS	8	31	33	+2
FULLY COVERED RENTAL UNITS	7,425	7,484	7,632	+148
<b>SUBTOTAL – FULLY COVERED UNITS</b>	<b>7,433</b>	<b>7,515</b>	<b>7,665</b>	<b>+150</b>
SUSPECTED PARTIALLY COVERED RENTAL UNITS (EXCLUDING GOV SUBSIDIZED RENTAL UNITS)	120	203	124	-79
PARTIALLY COVERED RENTAL UNITS (EXCLUDING GOV SUBSIDIZED RENTAL UNITS)	5,568	5,497	5,863	+366
<b>SUBTOTAL – PARTIALLY COVERED UNITS (EXCLUDING GOV SUBSIDIZED RENTAL UNITS)</b>	<b>5,688</b>	<b>5,700</b>	<b>5,987</b>	<b>+287</b>
<b>SUBTOTAL - GOVERNMENTALLY SUBSIDIZED RENTAL UNITS</b>	<b>4,512</b>	<b>4,508</b>	<b>4,498</b>	<b>-10</b>
<b>TOTAL APPLICABLE UNITS</b>	<b>17,633</b>	<b>17,723</b>	<b>18,150</b>	<b>+277</b>
OWNER OCCUPIED	5,463	5,625	5,759	+134
RENT FREE	250	259	250	-9
NOT AVAILABLE FOR RENT	317	315	265	-50
NOT APPLICABLE <sup>10</sup>	682	805	533	-272
<b>TOTAL NON-APPLICABLE OR CONDITIONALLY EXEMPT UNITS</b>	<b>6,712</b>	<b>7,004</b>	<b>6,807</b>	<b>-197</b>

## Rental Housing Fees Associated with Proposed FY 2022-23 Budget

Table 4, below, present the fees corresponding to the proposed Fiscal Year 2022-23 budget:

**Table 4. Fiscal Year 2022-23 Proposed Budget and Rental Housing Fees**

UNIT COUNTS		PROPOSED FY 2022-23	CHANGE FROM FY 2022 TO 2023
TOTAL BUDGET <sup>11</sup>		\$3,062,686	+\$175,923 (+6.1%)
FULLY COVERED UNITS <sup>12</sup>	7,665	\$226	+\$8 (+3.5%)
PARTIALLY COVERED UNITS (INCLUDING SUBSIDIZED UNITS) <sup>13</sup>	10,485	\$127	+\$4 (+3.4%)
TOTAL REVENUE <sup>14</sup>		\$3,106,686	+\$168,372 (+5.7%)

## Comparison to Previously Adopted Rental Housing Fee and Peer Jurisdictions

On May 4, 2021, the Richmond City Council adopted [Resolution 65-20](#), approving the Fiscal Year 2021-22 Residential Rental Housing Fee in the City's master fee schedule of \$218 per Controlled Rental Unit and \$123 per Partially Covered Rental Unit. Table 5, below, contains a historical comparison of the Residential Rental Housing Fees charged in previous years.

**Table 5. Comparison of Proposed FY 2022-23 Rental Housing Fee to Prior Year Fees**

FISCAL YEAR	FULLY COVERED RENTAL UNITS	PARTIALLY COVERED RENTAL UNITS	GOVERNMENTALLY SUBSIDIZED RENTAL UNITS <sup>15</sup>
2017-18	\$145	\$145	N/A
2018-19	\$207	\$100	\$50
2019-20	\$212	\$112	N/A
2020-21	\$219	\$124	N/A
2021-22	\$218	\$123	N/A
2022-23 (Proposed)	\$226	\$127	N/A

<sup>11</sup> Total expenditures include a budgeted reserve equal to 18 percent of proposed expenses.

<sup>12</sup> Includes suspected Fully Covered Rental Units

<sup>13</sup> Includes suspected Partially Covered Rental Units

<sup>14</sup> Fees rounded to the nearest full dollar; includes revenue from collections agency and interest

<sup>15</sup> Governmentally Subsidized Rental Fees aligned with Fully Covered and Partially Covered Fees, only the exception was in Fiscal Year 2018-19 when adopted fees were half of Partially Covered Fees

Table 6 compiled by the Richmond Rent Program on this page compares the proposed Rental Housing Fee to fees in other jurisdictions with rent programs in the state of California. This table calculates a per unit cost of administration, revealing that of California's actively enforced programs. Richmond's proposed fees are comparable to the peer jurisdictions with actively enforced rent programs, it is important to consider that Richmond's average rental rates are also less than those in peer rent control jurisdictions.

**Table 6: Comparison of Program Budgets, Unit Counts, Fees, and Median Rents in Case Study Cities**

JURISDICTION	2021-22 PROGRAM BUDGET	APPLICABLE RENTAL UNITS	RENTAL HOUSING FEES (PER UNIT)	AVERAGE RENT <sup>16</sup>	PORTION OF FEE PASSED THROUGH TO TENANTS
<b>ACTIVELY ENFORCED RENT PROGRAMS</b>					
BERKELEY	\$5,822,405	19,607	\$250	\$3,164	50%, City may reimburse low-income Tenants <sup>17</sup>
EAST PALO ALTO	\$400,930	2,325	\$222	\$2,662	50%
OAKLAND	\$5,954,690	65,000	\$101	\$2,772	50%
RICHMOND	\$3,062,686 (proposed for FY 2022-23)	7,665 Fully Covered Units; 10,485 Partially Covered Units	\$226 per Fully Covered Unit; \$127 per Partially Covered Unit (proposed for FY 2022-23)	\$2,537	None
SANTA MONICA	\$5,505,178	26,620	\$198	\$3,891	50%
<b>COMPLAINT-DRIVEN RENT PROGRAMS</b>					
LOS ANGELES	\$7,575,111	631,000	\$90 per Fully Covered Unit; \$30 per Partially Covered Unit	\$2,661	50%
WEST HOLLYWOOD	\$2,335,728	15,800	\$144 <sup>18</sup>	\$3,354	50% (excludes Section 8 Tenants)
ALAMEDA	\$1,376,529	12,174 Fully Regulated Units; 1,887 Partially Regulated Units	\$148 per Fully Regulated Unit; \$100 per Partially Regulated Unit; \$0 for Subsidized Units	\$2,560	50%
SAN FRANCISCO	\$9,381,302	173,000	\$59 per apartment unit; \$29.50 per residential hotel room	\$3,230	50%

<sup>16</sup> Source: RentCafe: The average apartment per square footage varies greatly depending on unit type, with less expensive and luxury alternatives for houses and apartments alike. Studio apartments are the smallest and most affordable, 1-bedroom apartments are closer to the average, while 2-bedroom apartments, and 3-bedroom apartments offer more square footage. Zillow Rent Index (ZRI) was used as the source in prior year.

<sup>17</sup> Pass-through only applies to tenancies that began prior to January 1, 1999.

<sup>18</sup> West Hollywood's Rent Program receives support from the City's General Fund, and the \$144 fee allows the program to recover 65% of total costs. The program would need to collect \$221 per unit to recover 100% of costs.

## Conclusion and Recommended Actions

The revised 2022-23 budget will support the overarching goal of the Rent Program; that is, to continue to develop as an actively enforced program that equips community members with an understanding of their rights and responsibilities under the Rent Ordinance. The Fiscal Year 2022-23 Fee Study will allow the agency to recover costs of all budgeted operations and does not necessitate changing the amount of the Rental Housing Fee.

The recommendations put forth by staff for consideration by the Rent Board are as follows:

- Adopt the proposed Fiscal Year 2022-23 Budget to provide the support necessary for continued development of all Rent Program operations.
- Receive and approve the Revised Fiscal Year 2022-23 Rental Housing Fee Study.
- Direct staff to prepare a resolution, consistent with the Rent Board's approved Fee Study and Budget, recommending to the City Council adoption of a two-tier fee structure for Fiscal Year 2022-23 of \$226 for Fully Covered Rental Units and \$127 for Partially Covered Rental Units.

## V. UNIT DESCRIPTIONS

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### *Management Unit (2.25 FTE)*

The Management Unit, comprised of the Executive Director, Deputy Director, and Senior Administrative Analyst (0.25 FTE), is responsible for guiding the development of the Rent Program agency and managing day-to-day operations. The Senior Administrative Analyst supports the Executive Director with confidential matters of the Rent Program and administers full collaboration with the Rent Board. The Management Unit also conducts policy research to support the agency and Rent Board, which includes conducting surveys and studies to help guide administrative improvements and the formation of sound public policy. The Management Unit oversees all personnel-related issues (hiring, training, discipline in conformance with MOU's, etc.) Other duties include providing staff support to the Rent Board, including but not limited to the preparation of agendas, minutes, and documents for all Rent Board meetings. Central to the Management Unit's duties are preparation, monitoring, and reporting of the annual Rent Program budget. The Management Unit also publishes the Rent Program Annual Report, required by the Rent Ordinance.

### *Legal Unit (2.25 FTE)*

The Legal Unit includes General Counsel (1 FTE), Staff Attorney (1 FTE) and a Senior Administrative Analyst (0.25 FTE). The duties of the Legal Unit include representing the Board in litigation, advising the Director and the Rent Board on legal matters (this may include the preparation of Confidential Legal Memoranda and ensuring compliance with Brown Act requirements, reviewing and opining on decisions on appeal, coordinating responses to public records act requests, training Rent Program Services Analysts, supervising investigations and lawsuits for non-compliance, reviewing contracts, and responding to legal challenges to the Ordinance and applicable regulations. Staff members in the Legal Unit are also responsible for drafting regulations for consideration by the Rent Board and establishing processes to monitor rent increase and termination notices in accordance with the requirements of the Rent Ordinance.

### *Public Information and Enrollment Unit (6.75 FTE)*

The Public Information and Enrollment Unit, comprised of a Senior Rent Program Services Analyst, Administrative Aides (3 FTE), Rent Program Services Analysts (2 FTE) and Administrative Student Intern (0.75 FTE), is responsible for educating community members about Landlord and Tenant rights and responsibilities under the Rent Ordinance, as well as related State and Federal laws. This includes maintenance of the agency's property enrollment and tenancy registration database. The enrollment and tenancy registration database is an essential tool used to generate accurate Rental Housing Fee invoices, track the Maximum Allowable Rent for Controlled Rental Units, and manage contact and case information for all Rental Units in the City of Richmond. Public Information and Enrollment Unit staff members are responsible for planning and executing the annual billing cycle of the Rental Housing Fee and managing the collection of revenue, including late fees. Community education is provided in the form of one-on-one counseling, facilitating mediation sessions, drafting print materials such as the Guide to Rent Control, and providing direct referrals to community legal services agencies. Staff members in this unit also plan, prepare, and conduct monthly community educational workshops for Landlords and Tenants, maintain

the agency's social media accounts, and assist Landlords and Tenants with the filing of Rent Adjustment Petitions.

***Hearings Unit (1.75 FTE)***

The Hearings Unit consists of a Hearing Examiner, who is supported by a Senior Administrative Analyst (0.5 FTE) and an Administrative Student Intern (0.25 FTE). The main functions of the Hearings Unit include administering the petition process, conducting hearings, and issuing decisions, conducting settlement conferences, acting as a back-up resource on interpretation of the Rent Ordinance and regulations, assisting with drafting public information documents such as the Guide to Rent Control and other print and online materials and maintaining all forms required for administration of the Rent Adjustment Petition process. Staff members in the Hearings Unit also assist with special projects, such as working with City staff to develop rent registration/tracking software to adjust rents in the Maximum Allowable Rent database.

## **VI. APPENDICES**

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Appendix A: Proposed FY 2022-23 Budget and Fee Study Calculations

Appendix B: Ten-year Financial Projection

PROPOSED FY 2022 - 2023 RENT PROGRAM BUDGET AND FEE STUDY													
FEE STUDY													
				# UNITS	Proposed Fee	Revenue			Program Fee		Just Cause Fee		Rent Control Fee
				7,685	\$226	\$1,729,668		2022-23	\$ 87.60		\$ 39.53		\$ 98.52
				10,485	\$127	\$1,333,019							
						\$3,062,687							
<b>BUDGET</b>													
Object #	City Account Description	FY 18-19 ACTUALS	FY 19-20 ACTUALS	FY 20-21 ACTUALS	FY 21-22 PROPOSED	FY 22-23 PROPOSED	Notes	Program Allocation (%)	Program Allocation (\$)	Just Cause Allocation (%)	Just Cause Allocation (\$)	Rent Control Allocation (%)	Rent Control Allocation (\$)
<b>REVENUES</b>													
340445	Fees/Admin Fees	2,189,703	2,681,689	2,764,961	2,893,854	3,062,687	(1)						
361701	Int & Invest/Pool-All Other	367	11,537	6,096	14,460	14,000							
364867	Revenue from Collections	133	13,042	24,796	30,000	30,000							
	<b>TOTAL REVENUES</b>	<b>2,190,203</b>	<b>2,706,268</b>	<b>2,795,854</b>	<b>2,938,314</b>	<b>3,106,687</b>							
<b>EXPENSES</b>													
400001	Salaries & Wages/Executive	530,092	639,594	649,356	677,798	724,848	(2)	55%	398,666	20%	144,970	25%	181,212
400002	Salaries & Wages/Mgmt-Local 21	294,152	263,080	183,838	284,628	324,846	(2)	55%	178,665	20%	64,969	25%	81,212
400003	Salaries & Wages/Local 1021	128,866	150,317	168,422	169,860	202,332	(2)	55%	111,283	20%	40,466	25%	50,583
400006	Salaries & Wages/PT-Temp	49,557	45,905	32,244	43,036	35,776	(2)	55%	19,677	20%	7,155	25%	8,944
400031	Overtime/General	4,778	2,094	1,312	2,500	2,500		55%	1,375	20%	500	25%	625
400048	Other Pay/Bilingual Pay	6,993	9,064	9,719	11,377	11,172		55%	6,145	20%	2,234	25%	2,793
400049	Other Pay/Auto Allowance	4,200	4,200	4,200	4,200	4,200		55%	2,310	20%	840	25%	1,050
400050	Other Pay/Medical-In Lieu of	2,700	1,500	-	2,400	-		55%	-	20%	-	25%	-
400079	Comp Absences/WC-Prof-Mgt-Tec	1,486	5,328	-	-	-		55%	-	20%	-	25%	-
	<b>Subtotal - Salaries &amp; Wages</b>	<b>1,022,823</b>	<b>1,121,084</b>	<b>1,049,091</b>	<b>1,195,799</b>	<b>1,305,674</b>			<b>718,120</b>		<b>261,135</b>		<b>326,418</b>
400103	P-Roll Ben/Medicare Tax-ER Shr	14,937	16,389	15,313	15,992	18,207	(3)	55%	10,014	20%	3,641	25%	4,552
400104	P-Roll Ben/PERS Benefits	-	-	-	-	-		55%	-	20%	-	25%	-
400105	P-Roll Ben/Health Insurance Be	146,557	136,575	128,611	140,309	232,291	(3)	55%	127,760	20%	46,458	25%	58,073
400106	P-Roll Ben/Dental Insurance	16,652	17,021	17,534	15,508	17,520	(3)	55%	9,636	20%	3,504	25%	4,380
400109	P-Roll Ben/Employee Assistance	430	473	422	464	216	(3)	55%	119	20%	43	25%	54
400110	P-Roll Ben/Professional Dev-Mg	3,728	5,200	1,500	3,750	6,750	(3)	55%	3,713	20%	1,350	25%	1,688
400111	P-Roll Ben/Vision	2,106	2,095	2,049	2,052	2,052	(3)	55%	1,129	20%	410	25%	513
400112	P-Roll Ben/Life Insurance	5,557	4,006	3,433	3,713	4,139	(3)	55%	2,276	20%	828	25%	1,035
400114	P-Roll Ben/Long Term Disabilit	9,408	10,100	9,259	10,076	12,342	(3)	55%	6,788	20%	2,468	25%	3,086
400116	P-Roll Ben/Unemployment Ins	1,860	5,100	4,960	5,730	5,472	(3)	55%	3,010	20%	1,094	25%	1,368
400117	P-Roll Ben/Personal/Prof Dev	750	1,493	1,500	5,250	2,250	(3)	55%	1,238	20%	450	25%	563
400118	P-Roll Ben/Worker Comp-Injury Appt	-	-	692	359	-	(3)	55%	-	20%	-	25%	-
400121	P-Roll Ben/Worker Comp-Clerica	13,806	12,154	14,541	19,240	24,001	(3)	55%	13,201	20%	4,800	25%	6,000
400122	P-Roll Ben/Worker Comp-Prof	69,352	60,744	74,891	79,290	-	(3)	55%	-	20%	-	25%	-
400127	P-Roll Ben/OPEB	39,338	43,623	42,145	22,763	40,723	(3)	55%	22,398	20%	8,145	25%	10,181
400130	P-Roll Ben/PARS Benefits	642	434	50	94	-	(3)	55%	-	20%	-	25%	-
400149	P-Roll Ben/Misc	123,021	140,616	139,314	151,638	156,287	(3)	55%	85,958	20%	31,257	25%	39,072
400151	P-Roll Ben/Misc (UAL)	162,985	235,683	271,234	271,391	287,268	(3)	55%	157,997	20%	57,454	25%	71,817
	<b>Subtotal Fringe Benefits</b>	<b>611,127</b>	<b>691,706</b>	<b>727,447</b>	<b>747,618</b>	<b>809,518</b>			<b>445,235</b>		<b>161,904</b>		<b>202,380</b>
400201	Prof Svcs/Professional Svcs	32,112	38,241	10,957	18,350	143,455	(4)	55%	78,900	20%	28,691	25%	35,864
400206	Prof Svcs/Legal Serv Cost	137,614	193,742	149,994	210,000	210,000	(5)	10%	21,000	70%	147,000	20%	42,000
400220	Prof Svcs/Info Tech Services	2,375	-	2,142	-	-		55%	-	20%	-	25%	-
400241	Travel & Trng/Meal Allowance	359	-	-	-	-		55%	-	20%	-	25%	-
400242	Travel & Trng/Mileage	1,284	17	-	-	-		55%	-	20%	-	25%	-
400243	Travel & Trng/Conf, Mtng Trng	280	-	-	-	-		55%	-	20%	-	25%	-
400245	Travel & Trng/Tuition Rmb/Cert	800	800	-	800	800	(6)	55%	440	20%	160	25%	200
400261	Dues & Pub/Memberships & Dues	824	1,590	1,453	1,650	1,650	(7)	55%	908	20%	330	25%	413
400263	Dues & Pub/Subscription	1,500	-	-	-	-		55%	-	20%	-	25%	-
400271	Ad & Promo/Advertising & Promo Materials	1,559	2,106	1,702	5,675	800	(8)	55%	440	20%	160	25%	200
400272	Ad & Promo/Community Events	1,563	1,722	-	-	-		55%	-	20%	-	25%	-
400280	Adm Exp/Program Supplies	5,292	1,600	3,432	3,950	5,380	(9)	55%	2,959	20%	1,076	25%	1,345
	<b>Subtotal Prof &amp; Admin Services</b>	<b>185,563</b>	<b>239,819</b>	<b>169,680</b>	<b>240,425</b>	<b>362,085</b>			<b>104,647</b>		<b>177,417</b>		<b>80,021</b>
400231	Off Exp/Postage & Mailing	10,849	5,905	6,528	22,647	17,300	(10)	55%	9,515	20%	3,460	25%	4,325
400232	Off Exp/Printing & Binding	12,071	3,295	3,428	25,807	24,404	(11)	55%	13,422	20%	4,881	25%	6,101
400233	Off Exp/Copying & Duplicating	46	-	236	500	500		55%	275	20%	100	25%	125
400304	Rental Exp/Equipment Rental	8,721	4,532	2,488	8,000	9,000	(12)	55%	4,950	20%	1,800	25%	2,250
400321	Misc Exp/Misc Contrib	3,000	-	1,500	3,000	2,000	(13)	55%	1,100	20%	400	25%	500
400322	Misc Exp/Misc Exp	3,061	2,262	-	2,925	2,000		55%	1,100	20%	400	25%	500
400341	Off Supp/Office Supplies	8,721	6,024	1,891	6,795	5,000		55%	2,750	20%	1,000	25%	1,250
400344	Off Supp/Computer Supplies	18	783	-	-	-		55%	-	20%	-	25%	-
	<b>Subtotal Other Operating</b>	<b>46,486</b>	<b>22,801</b>	<b>16,072</b>	<b>69,674</b>	<b>60,204</b>			<b>33,112</b>		<b>12,041</b>		<b>15,051</b>
400401	Utilities/Tel & Telegraph	254	414	551	500	500		55%	275	20%	100	25%	125
400538	Contract Svcs/Other Contract Svcs	-	-	103	-	-		55%	-	20%	-	25%	-
400552	Prov Fr Ins Loss/Ins Gen Liab	8,029	8,765	9,047	9,300	9,300		55%	5,115	20%	1,860	25%	2,325
400574	Cost Pool/(ISF)-Gen Liab	55,701	75,144	69,513	79,937	-	(14)	55%	-	20%	-	25%	-
400586	Cost Pool/(CAP)-Admin Charges	51,454	51,454	51,454	52,481	-	(14)	55%	-	20%	-	25%	-
400591	Cost Pool/(IND)-Civic Ctr Alloc	52,420	47,026	50,289	50,286	48,217		55%	26,519	20%	9,643	25%	12,054
400601	Noncap Asst/Comp Hrdware<5K	-	6,526	-	10,800	-		55%	-	20%	-	25%	-
400604	Noncap Asst/Furniture <5K	13,328	-	-	-	-		55%	-	20%	-	25%	-
	<b>TOTAL EXPENSES</b>	<b>2,047,186</b>	<b>2,264,738</b>	<b>2,143,246</b>	<b>2,456,820</b>	<b>2,595,497</b>			<b>1,333,024</b>		<b>624,099</b>		<b>638,374</b>
	<b>OPERATING RESERVE</b>	<b>560,985</b>	<b>424,794</b>	<b>420,821</b>	<b>429,944</b>	<b>467,190</b>	(15)	55%	<b>256,954</b>	20%	<b>93,438</b>	25%	<b>116,797</b>
	<b>TOTAL BUDGET</b>	<b>2,804,925</b>	<b>2,923,584</b>	<b>2,896,242</b>	<b>2,886,764</b>	<b>3,062,687</b>			<b>1,589,978</b>		<b>717,537</b>		<b>755,172</b>
	<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>143,017</b>	<b>441,530</b>	<b>652,608</b>	<b>481,494</b>	<b>511,190</b>							

- Notes:
- (1) Assumes a Fiscal Year 2022-23 Rental Housing Fee of \$226 for Fully Covered unit and \$127 for Partially Covered units
  - (2) See page 11 of the budget and fee study report for detailed salary and wage assumptions
  - (3) The Rent Program is seeking the City to cap Total Fringe Benefits at 62% of Total Salaries and Wages.
  - (4) Includes \$100,000 for cloud-based solution - IT charge, \$20,000 for consultants - Cost Pool and Fringe Benefits, \$2,205 TRAKIT annual fee, \$4,000 for a property information subscription, \$3,000 for a legal research subscription, \$8,000 for scheduled interpretation, \$6,000 for written translation, and \$250 for on-demand interpretation services.
  - (5) Includes \$125,000 contract with the Eviction Defense Center to assist with Unlawful Detainer cases, \$75,000 for a contract with Bay Area Legal Aid for the weekly Housing Rights Clinics, and \$10,000 for legal filing fees in the event of litigation.
  - (6) In accordance with City personnel policies, eligible employees may receive reimbursement of up to \$800 for higher education tuition.
  - (7) Anticipated cost of Bar Association dues for three attorneys (\$550 per Attorney).
  - (8) Budgeted amount includes funds to satisfy the requirement to publish notices in the newspaper for public hearings as part of the budget adoption process and social media promotions.
  - (9) Budgeted amount includes the cost of email accounts for Rent Board Members, business cards, and videoconference/webinar accounts.
  - (10) Budgeted amount reflects anticipated postage costs for Rental Housing Fee invoices, tenancy registration mailings, and the Guide to Rent Control.
  - (11) Budgeted amount reflects anticipated printing costs for Rental Housing Fee invoices, tenancy registration mailings, and the Guide to Rent Control.
  - (12) Lease of copy machines including a cost-per-copy amount. 36-month lease ends in 2022.
  - (13) Stipends for UC Berkeley Public Service Center interns, ranging from \$1,000-\$1,500 per intern.
  - (14) Rent Program is working with the City to determine the proper methodology of Cost Pool allocation, new methodology is under review.
  - (15) Budgeted reserve is equal to 18 percent of total operating expenses consistent with the Rent Board's proposed Reserve Policy.



Object #	City Account Description	Historical Actuals		Current Year 2020-21			Projection										
		2018-19	2019-20	Actuals to 12/31/20	Projected to	Total	2021-22	Variance	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>REVENUES</b>																	
340445	Fees/Admin Fees (a)	2,189,703	2,681,689	2,187,010	324,041	2,511,051	2,604,469	(1)	2,604,469	2,630,513	2,683,124	2,736,786	2,791,522	2,847,352	2,904,299	2,962,385	3,021,633
361701	Int & Invest/Pooled-All Other	367	11,537	9,640	4,820	14,460	14,460		14,749	15,044	15,345	15,652	15,965	16,284	16,610	16,942	17,281
364867	Revenue from Collections	133	13,042	18,658	9,329	27,988	30,000		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>Total Revenues</b>		<b>2,190,203</b>	<b>2,706,268</b>	<b>2,215,308</b>	<b>338,190</b>	<b>2,553,499</b>	<b>2,648,929</b>		<b>2,649,218</b>	<b>2,675,557</b>	<b>2,728,469</b>	<b>2,782,438</b>	<b>2,837,487</b>	<b>2,893,636</b>	<b>2,950,909</b>	<b>3,009,327</b>	<b>3,068,914</b>
<b>EXPENSES</b>																	
<b>Salaries &amp; Wages</b>																	
400001	Salaries & Wages/Executive	530,092	639,594	333,524	333,524	667,048	677,798	(2)	691,354	705,181	719,285	733,671	748,344	763,311	778,577	794,149	810,032
400002	Salaries & Wages/Mgmt-Local 21	294,152	263,080	82,674	102,956	185,630	284,628	(2)	338,473	345,242	352,147	359,190	366,374	373,701	381,175	388,799	396,575
400003	Salaries & Wages/Local 1021	128,866	150,317	95,266	94,992	190,258	169,860	(2)	206,060	210,182	214,385	218,673	223,046	227,507	232,057	236,699	241,433
400006	Salaries & Wages/PT-Temp	49,557	45,905	14,338	14,336	28,673	43,036	(2)	43,897	44,775	45,670	46,584	47,515	48,466	49,435	50,424	51,432
400031	Overtime/General	4,778	2,094	409	650	1,060	2,500	%	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988
400048	Other Pay/Bilingual Pay	6,993	9,064	4,937	4,086	9,024	11,377	%	13,224	13,488	13,758	14,033	14,314	14,600	14,892	15,190	15,494
400049	Other Pay/Auto Allowance	4,200	4,200	2,100	2,100	4,200	4,200	#	4,284	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
400050	Other Pay/Medical-In Lieu of	2,700	1,500	-	-	-	2,400	%	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868
400079	Comp Absences/WC-Prof-Mgt-Tec	1,486	5,328	-	-	-	-		-	-	-	-	-	-	-	-	-
<b>Subtotal - Salaries &amp; Wages</b>		<b>1,022,823</b>	<b>1,121,084</b>	<b>533,249</b>	<b>552,645</b>	<b>1,085,893</b>	<b>1,195,799</b>		<b>1,302,290</b>	<b>1,328,166</b>	<b>1,354,645</b>	<b>1,381,654</b>	<b>1,409,203</b>	<b>1,437,303</b>	<b>1,465,965</b>	<b>1,495,201</b>	<b>1,525,021</b>
<b>Fringe Benefits</b>																	
400103	P-Roll Ben/Medicare Tax-ER Shr	14,937	16,389	7,781	7,279	15,060	15,992	(3)	17,284	17,627	17,979	18,337	18,703	19,076	19,456	19,844	20,240
400104	P-Roll Ben/PERS Benefits	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
400105	P-Roll Ben/Health Insurance Be	146,557	136,575	63,625	68,508	132,132	140,309	(3)	151,648	154,662	157,745	160,890	164,098	167,370	170,708	174,112	177,585
400106	P-Roll Ben/Dental Insurance	16,652	17,021	7,302	7,302	14,604	15,508	(3)	16,761	17,094	17,435	17,782	18,137	18,499	18,868	19,244	19,628
400109	P-Roll Ben/Employee Assistance	430	473	218	218	437	464	(3)	501	511	521	532	542	553	564	576	587
400110	P-Roll Ben/Professional Dev-Mg	3,728	5,200	159	956	1,116	3,750	(3)	3,796	3,871	3,949	4,027	4,108	4,190	4,273	4,358	4,445
400111	P-Roll Ben/Vision	2,106	2,095	966	966	1,932	2,052	(3)	2,217	2,261	2,307	2,352	2,399	2,447	2,496	2,546	2,597
400112	P-Roll Ben/Life Insurance	5,557	4,006	1,748	1,748	3,497	3,713	(3)	4,013	4,093	4,175	4,258	4,343	4,429	4,518	4,608	4,700
400114	P-Roll Ben/Long Term Disabilit	9,408	10,100	4,743	4,746	9,489	10,076	(3)	10,890	11,107	11,328	11,554	11,784	12,019	12,259	12,503	12,753
400116	P-Roll Ben/Unemployment Ins	1,860	5,100	2,660	2,736	5,396	5,730	(3)	6,193	6,316	6,442	6,570	6,701	6,835	6,971	7,110	7,252
400117	P-Roll Ben/Personal/Prof Dev	750	1,493	1,500	-	1,500	5,250	(3)	5,314	5,420	5,528	5,638	5,751	5,865	5,982	6,102	6,223
400118	P-Roll Ben/Worker Comp-Injury Appt	-	-	338	-	338	359	(3)	387	-	-	-	-	-	-	-	-
400121	P-Roll Ben/Worker Comp-Clerica	13,806	12,154	8,435	9,684	18,119	19,240	(3)	20,795	21,208	21,631	22,063	22,502	22,951	23,409	23,876	24,352
400122	P-Roll Ben/Worker Comp-Prof	69,352	60,744	37,319	37,350	74,669	79,290	(3)	85,698	87,400	89,143	90,920	92,733	94,582	96,468	98,392	100,354
400124	P-Roll Ben/CON-MEDICL EE Share	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
400127	P-Roll Ben/OPEB	39,338	43,623	21,437	-	21,437	22,763	(3)	24,603	25,092	25,592	26,102	26,623	27,154	27,695	28,248	28,811
400130	P-Roll Ben/PARS Benefits	642	434	15	73	88	94	(3)	101	103	105	108	110	112	114	116	119
400149	P-Roll Ben/Misc	123,021	140,616	70,857	71,944	142,801	151,638	(3)	163,893	167,149	170,481	173,881	177,348	180,884	184,491	188,170	191,923
400151	P-Roll Ben/Misc (UAL)	162,985	235,683	126,812	128,763	255,574	271,391	(3)	293,323	299,151	305,115	311,199	317,404	323,733	330,189	336,774	343,490
<b>Subtotal Fringe Benefits</b>		<b>611,127</b>	<b>691,706</b>	<b>355,916</b>	<b>342,272</b>	<b>698,188</b>	<b>747,618</b>		<b>807,420</b>	<b>823,463</b>	<b>839,880</b>	<b>856,626</b>	<b>873,706</b>	<b>891,128</b>	<b>908,899</b>	<b>927,024</b>	<b>945,513</b>
<b>Prof &amp; Admin Services</b>																	
400201	Prof Svcs/Professional Svcs	32,112	38,241	4,980	4,980	9,960	18,350	(4)	18,717	19,091	19,473	19,863	20,260	20,665	21,078	21,500	21,930
400206	Prof Svcs/Legal Serv Cost	137,614	193,742	33,332	99,996	133,328	210,000	(5)	214,200	218,484	222,854	227,311	231,857	236,494	241,224	246,048	250,969
400220	Prof Svcs/Info Tech Services	2,375	-	-	-	-	-		-	-	-	-	-	-	-	-	-
400241	Travel & Trng/Meal Allowance	359	-	-	-	-	-	%	510	520	531	541	552	563	574	586	598
400242	Travel & Trng/Mileage	1,284	17	-	-	-	-	%	1,224	1,248	1,273	1,299	1,325	1,351	1,378	1,406	1,434
400243	Travel & Trng/Conf, Mtng Trng	280	-	-	-	-	-		-	-	-	-	-	-	-	-	-
400245	Travel & Trng/Tuition Rmb/Cert	800	800	-	800	800	800	(6)	800	800	800	800	800	800	800	800	800
400261	Dues & Pub/Memberships & Dues	824	1,590	-	1,650	1,650	1,650	(7)	2,100	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757
400263	Dues & Pub/Subscription	1,500	-	-	-	-	-		-	-	-	-	-	-	-	-	-
400271	Ad & Promo/Advertising & Promo	1,559	2,106	537	537	1,074	5,675	(8)	5,789	5,904	6,022	6,143	6,266	6,391	6,519	6,649	6,782
400272	Ad & Promo/Advertising & Promo	1,563	1,722	-	-	-	-		-	-	-	-	-	-	-	-	-
400280	Adm Exp/Program Supplies	5,292	1,600	584	584	1,168	3,950	(9)	4,029	4,110	4,192	4,276	4,361	4,448	4,537	4,628	4,721
<b>Subtotal Prof &amp; Admin Services</b>		<b>185,563</b>	<b>239,819</b>	<b>39,433</b>	<b>108,547</b>	<b>147,980</b>	<b>240,425</b>		<b>247,369</b>	<b>252,558</b>	<b>257,593</b>	<b>262,729</b>	<b>267,967</b>	<b>273,311</b>	<b>278,761</b>	<b>284,320</b>	<b>289,991</b>
<b>Other Operating</b>																	
400231	Off Exp/Postage & Mailing	10,849	5,905	3,063	3,063	6,126	22,647	(10)	15,377	15,685	15,998	16,318	16,645	16,977	17,317	17,663	18,017
400232	Off Exp/Printing & Binding	12,071	3,295	1,815	1,815	3,630	25,807	(11)	12,469	12,718	12,973	13,232	13,497	13,767	14,042	14,323	14,609
400233	Off Exp/Copying & Duplicating	46	-	236	236	472	500	%	510	520	531	541	552	563	574	586	598
400304	Rental Exp/Equipment Rental	8,721	4,532	985	6,000	6,985	8,000	(12)	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
400321	Misc Exp/Misc Contrib	3,000	-	-	3,000	3,000	3,000	(13)	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
400322	Misc Exp/Misc Exp	3,061	2,262	-	2,000	2,000	2,925	%	2,984	3,043	3,104	3,166	3,229	3,294	3,360	3,427	3,496
400341	Off Supp/Office Supplies	8,721	6,024	1,254	1,254	2,508	6,795	%	6,931	7,070	7,211	7,355	7,502	7,652	7,805	7,961	8,121
400344	Off Supp/Computer Supplies	18	783	-	-	-	-		-	-	-	-	-	-	-	-	-
<b>Subtotal Other Operating</b>		<b>46,486</b>	<b>22,801</b>	<b>7,353</b>	<b>17,368</b>	<b>24,721</b>	<b>69,674</b>		<b>49,490</b>	<b>50,480</b>	<b>51,490</b>	<b>52,520</b>	<b>53,570</b>	<b>54,641</b>	<b>55,734</b>	<b>56,849</b>	<b>57,986</b>
400401	Utilities/Tel & Telegraph	254	414	229	229	458	500	%	510	520	531	541	552	563	574	586	598
400552	Prov Fr Ins Loss/Ins Gen Liab	8,029	8,765	7,950	1,200	9,150	9,300	%	9,486	9,676	9,869	10,067	10,268	10,473	10,683	10,896	11,114
4005																	

