

DRAFT FISCAL YEAR 2025-26 RENT PROGRAM BUDGET



Nicolas Traylor-Executive Director
Richmond Rent Program
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ITEM G-1

STATEMENT OF THE ISSUE

- The Richmond Rent Ordinance requires an annual recommendation and approval of the Residential Rental Housing Fee.
- The Rent Board must adopt a budget and hold a public hearing before July 1 each year.
- The fee revenue supports program operations that regulate rents and evictions in Richmond.
- On April 16, 2025, the Board reviewed budget options and directed staff to incorporate specific changes into a draft budget.
- Board selected a combination of Budget Options 1 and 2:
 - **Option 1:** Includes:
 - Staff promotions
 - Security for public meetings
 - A new landlord survey initiative
 - **Option 2:** Adds a new Rent Program Services Analyst focused on compliance
- Total additional cost from both options: \$152,296
- These enhancements support both service delivery and revenue collection efforts.

FISCAL IMPACT

- Total Proposed Budget: \$3,623,013
- Rental Housing Fee adjustments:
 - *Fully Covered Units: Increase from \$238 to \$269*
 - *Partially Covered Units: Increase from \$135 to \$152*
- Fee changes reflect added staffing and operational enhancements.

BUDGET ALLOCATIONS

- Major expenditure categories:
- Salaries & Wages: \$2,111,635 (includes merit, COLA, and retirement leave payouts)
- Fringe Benefits: \$1,119,167* (53% of salaries, aligns with City and actuals)
- Professional & Administrative Services: \$390,606
- Office Operations and Supplies: \$77,300
- Utilities and Insurance: \$10,000
- Cost Pool Charges: Net \$0 (includes internal cost allocation offsets**)

* NET \$1,033,472 with \$85,695 Deferred Comp. – cost pool charge

** General Liability \$104,979, Admin Charges \$52,481, Civic Center Rent \$56,218, Oper Transfer In (\$299,373), \$85,695 Deferred Comp. included in Fringe Benefits

UPDATE ON PROPOSED STAFF PROMOTIONS

RPSA 1 to 2 promotion and additional step increase for the Senior Admin. Analyst remain as presented at the April Board meeting.

- Proposed promotion update: Administrative Assistant to Administrative Services Coordinator (instead of Admin. Analyst)
- Benefits of change:
 - *Reduces workload on Senior Analyst (Board Clerk & Hearings Coordinator)*
 - *Facilitates professional development and career progression*
 - *Allows for supervision of contracts and liaison work with HR and Finance*
- Financial impact is similar to the originally proposed promotion to Analyst

COMPLIANCE-FOCUSED ANALYST ROLE

- Purpose: Strengthen revenue collection and compliance capacity
- Key responsibilities:
 - *Identify and bill unreported rental units*
 - *Improve fee collection rates*
 - *Lead registration and compliance-related outreach*
 - *Assist with implementing new housing ordinances*
- FY 2025–26 cost: \$116,500 (start date projected for Q2)

FY 2026-27 PROJECTIONS

- Full-year cost for the new analyst: \$155,000
- Anticipated fee changes:
 - *Fully Covered Units: \$287*
 - *Partially Covered Units: \$162*
- FY 2025–26 fee collection impact limited due to analyst onboarding timeline

EXECUTIVE DIRECTOR RETIREMENT PAYOUTS

- Retirement effective: February 28, 2026
- Budget includes:
 - Salary from July 1, 2025, to retirement:
estimated \$153,665
 - Accrued vacation/sick leave payout:
estimated (530 hours) \$64,732
- Costs are included in FY 2025–26 Salaries & Wages and Fringe Benefits

FRINGE BENEFITS ASSUMPTIONS

- Fringe benefits rate: 53% of total salaries and wages
- Derived from:
 - City-provided projections (May 6, 2025, Draft Operating Budget)
 - Rent Program actuals to April 30, 2025
- Coverage: health, retirement, life, unemployment, workers' comp
- Ensures consistent and accurate forecasting of benefit costs

RECOMMENDED ACTION

- **Receive** the draft FY 2025–26 Rent Program Budget
- **Direct** staff to schedule a public hearing for final review and adoption
- **Receive:**
 - *10-year budget and revenue projections*
 - *Financial impact analysis of analyst position and Executive Director's leave payout*