

HOUSING SERVICES

Rent Stabilization

Division Summary

SOURCES

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
Special Revenue Funds	260,834	266,236	266,300	323,316	323,300
TOTAL	260,834	266,236	266,300	323,316	323,300

EXPENDITURE BY DIVISION

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
Rent Stabilization	303,169	242,077	317,819	281,513	350,170
TOTAL	303,169	242,077	317,819	281,513	350,170

CHARACTER OF EXPENDITURES

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	119,642	82,170	84,421	85,172	99,378
Subtotal	119,642	82,170	84,421	85,172	99,378
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	78,223	67,528	88,700	53,600	87,700
Supplies and Materials	1,982	1,610	7,030	2,030	2,500
Overhead Allocations*	103,038	90,769	137,668	140,712	160,592
Capital Expenditures	284	0	0	0	0
Subtotal	183,527	159,907	233,398	196,342	250,792
TOTAL	303,169	242,077	317,819	281,514	350,170
(Use) of Rent Stabilization Fund Balance	(42,335)	24,159	(51,519)	41,803	(26,870)
NET GENERAL FUND CONTRIBUTION	0	0	0	0	0

*OVERHEAD ALLOCATIONS

	FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
City Council	2,500	2,500	2,500	2,500	2,500
City Attorney	52,490	36,120	80,090	84,337	98,715
City Manager	2,500	2,500	2,500	2,500	2,500
Finance	10,000	10,000	10,000	10,000	10,000
Housing Services	35,548	39,649	42,578	41,375	46,877
TOTAL OVERHEAD ALLOCATION	103,038	90,769	137,668	140,712	160,592

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Division Summary cont.

AUTHORIZED STRENGTH

FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
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Position Summary

Rent Stabilization

TOTAL

2	1	1	1	1
2	1	1	1	1

FY 2004-05 ACTUAL BUDGET	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ADOPTED BUDGET	FY 2006-07 AMENDED BUDGET	FY 2007-08 ADOPTED BUDGET
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Position Detail

Housing Specialist I

Housing Specialist II

Secretary II

TOTAL

1	1	1	0	0
0	0	0	1	1
1	0	0	0	0
2	1	1	1	1

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SERVICE DESCRIPTION

The Rent Stabilization Program administers and implements the voter approved Rent Stabilization and Eviction for Just Cause Ordinance. The primary purpose of the ordinance is to 1) stabilize rents, 2) protect residential tenants from unreasonable rent increases and discriminatory or retaliatory evictions, and 3) assure the habitability of rental units in an economically viable rental housing market, and provide a forum for both tenants and landlords to address their grievances.

The Rent Stabilization Financial Summary (pages 108-109) differs in presentation from the other divisional summaries. This is necessary to illustrate disparities between revenues and expenditures in the Rent Stabilization Fund. The FY 2007-2008 Adopted Budget results in a projected negative fund balance of -\$26,870. The General Fund is prohibited from contributing to the Rent Stabilization Program Fund and any deficit in the Fund, would have to be absorbed by the fund balance.

SIGNIFICANT CHANGES

FY 2006-2007 Adopted to FY 2006-2007 Amended:

The General Fund does not support the activities of this budget, but it is fully funded from the revenues generated by the Registration Fees. The Fiscal Year 2006-2007 Amended Budget of \$281,514 is a decrease of \$-36,305 from the Fiscal Year 2006-2007 Adopted Budget of \$317,819. This -11.4% decrease is largely due to a decrease in purchased services and Supplies and Materials.

FY 2006-2007 Amended to FY 2007-2008 Adopted:

The Fiscal Year 2007-2008 Adopted Budget of \$350,170 reflects an increase of \$68,656 from the Fiscal Year 2006-2007 Amended Budget of \$281,514. This 24.4% increase reflect full-year costs personnel costs of \$14,206 (16.7%) associated with a promotion and associated benefits within the division; an increase in purchases services of 34,100 (63.6%) and an increase in overhead allocation \$19,880 (14.1%) related to legal services charges. The adopted budget also reflects the elimination of a 12 day mandatory furlough program.

HOUSING SERVICES

Rent Stabilization

FY 2006-2007 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1 To ensure the provisions of the Rent Stabilization and Eviction for Good Cause Ordinance and its related regulations are fully implemented and administered fairly to both tenants and landlords.	Responded to numerous requests from real estate agents, brokers, attorneys and staff from various jurisdictions regarding questions about the Rent Stabilization Ordinance.
2 To develop and implement Rent Stabilization policies approved by the Rent Stabilization Program Board.	Work closely with the Rent Stabilization Program Board and legal staff to implement Rent Stabilization policies approved by the Board.
3 To enforce the guidelines and requirements for evictions under Section 13 of the Rent Stabilization Ordinance to protect residential tenants from unreasonable rent increases and arbitrary, discriminatory, or retaliatory evictions.	Achieved ensuring the provisions of the Rent Stabilization and Eviction for Good Cause Ordinance are fully implemented and administered fairly through answering questions and concerns regarding tenant and landlord roles and responsibilities.
4 To disseminate a bilingual newsletter to tenants and landlords.	No newsletter produced this year.
5 To Develop a Tenant and Landlord Handbook for East Palo Alto's Rent Stabilization Program.	Tenant and Landlord Handbook in process and will be completed by the end of the fiscal year.
6 To sponsor Tenant and Landlord Community Outreach/Educational workshops.	Community Legal Services will perform Outreach Training for tenants and staff will facilitate the training for the property owners.
7 To enforce the Warranty of Habitability for residential rental units under the Rent Stabilization Program.	Conducted three Administrative Hearings in response to complaints filed by tenants.
8 To continually revise and update the Rent Stabilization Program's database, as well as classify each structure by bedroom count (i.e. studio, one bedroom, two bedroom, etc.)	Registered 100% of the Rent Stabilization units in the Rent Stabilization Program.

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FY 2007-2008 OBJECTIVES

1. To ensure the provisions of the Rent Stabilization and Eviction for Good Cause Ordinance and its related regulations are fully implemented and administered fairly to both tenants and landlords.
2. To develop and implement Rent Stabilization policies approved by the Rent Stabilization Program (RSP) Board.
3. To enforce the guidelines and requirements for evictions under Section 13 of the Rent Stabilization Ordinance to protect residential tenants from unreasonable rent increases and arbitrary, discriminatory, or retaliatory evictions.
4. To disseminate a quarterly bilingual newsletter to tenants and landlords.
5. To develop a Tenant and Landlord Handbook for East Palo Alto's RSP.
6. To sponsor tenant and landlord outreach/educational workshops.
7. To enforce the Warranty of Habitability for residential rental units covered by the under the RSP jurisdiction.
8. To respond to tenant complaints as they relate to violations of the warranty of habitability, decrease in services/space and code enforcement concerns.
9. To assist property owners and property managers with understanding their roles and obligations under the Rent Stabilization Ordinance.
10. To administer and manage the annual registration cycle of all rental properties under the RSP.

**Rent Stabilization Related Events Processed by Staff In
FY 2006-07 (to date) by Quarter**

