

HOUSING SERVICES

Rent Stabilization Program

Division Summary

SOURCES

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
Special Revenue Funds	266,236	337,532	323,300	456,625	326,025
TOTAL	266,236	337,532	323,300	456,625	326,025

EXPENDITURE BY DIVISION

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
Rent Stabilization	242,503	242,116	350,170	466,855	512,711
TOTAL	242,503	242,116	350,170	466,855	512,711

CHARACTER OF EXPENDITURES

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	82,170	82,146	99,378	92,970	99,340
Subtotal	82,170	82,146	99,378	92,970	99,340
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	67,528	43,980	87,700	164,000	188,900
Supplies and Materials	1,610	3,497	2,500	2,000	2,400
Overhead Allocations*	90,769	112,493	160,592	207,885	222,071
Capital Expenditures	426	0	0	0	0
Subtotal	160,333	159,970	250,792	373,885	413,371
TOTAL	242,503	242,116	350,170	466,855	512,711
(Use) of Rent Stabilization Fund Balance	23,733	95,416	(26,870)	(10,230)	(186,686)
NET GENERAL FUND CONTRIBUTION	0	0	0	0	0

*OVERHEAD ALLOCATIONS

	FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
City Council	2,500	2,500	2,500	2,500	2,500
City Attorney	36,120	66,185	98,715	152,311	159,861
City Manager	2,500	2,500	2,500	2,500	2,500
Finance	10,000	10,000	10,000	10,000	10,000
Housing Administration Services	39,649	31,308	46,877	40,574	47,210
TOTAL OVERHEAD ALLOCATION	90,769	112,493	160,592	207,885	222,071

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Division Summary cont.

AUTHORIZED STRENGTH

Position Summary

Rent Stabilization

TOTAL

FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
1	1	1	1	1
1	1	1	1	1

Position Detail

Housing Specialist I

Housing Specialist II

TOTAL

FY 2005-06 ACTUAL BUDGET	FY 2006-07 ACTUAL BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2007-08 AMENDED BUDGET	FY 2008-09 ADOPTED BUDGET
1	0	0	0	0
0	1	1	1	1
1	1	1	1	1

HOUSING SERVICES

Rent Stabilization

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 2008-2009 Adopted Budget results in a projected negative fund balance of - \$186,686. 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.

The division has a staffing level of 1 position for these services; however, a portion of the salary for the Housing Services Director and Executive Assistant is paid from the Rent Stabilization Fund.

SIGNIFICANT CHANGES

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

The General Fund does not support the activities of this budget; and it is fully funded from revenues generated by the Landlord Registration Fees. The Fiscal Year 2007-2008 Amended Budget of \$466,855 is an increase of \$116,685 from the Fiscal Year 2007-2008 Adopted Budget of \$350,170. This 33.3% projected increase primarily reflects the anticipated legal and hearing officer costs associated with the recent rent rate increases experienced in the community. In addition, an outside peer review is being conducted to assess the protocols, operation/organization structure and best practices. At the time of preparing this document, the Rent Board had not completed their review of the Registration Fee. The Projected Budget assumes no increase. Therefore, the fund balance will need to be used to balance in the amount of \$10,230.

FY 2007-2008 Amended to FY 2008-2009 Adopted:

The Fiscal Year 2008-2009 Adopted Budget of \$512,711 reflects an increase of \$45,856 from the Fiscal Year 2007-2008 Amended Budget of \$466,855. This 9.8% increase assumes the need to continue budgeting costs for rent increase litigation.

HOUSING SERVICES

Rent Stabilization FY 2007-2008 ACCOMPLISHMENTS

OBJECTIVE	RESULT
1 To ensure the provisions of the Rent Stabilization and Eviction for Good Cause Ordinance and its related regulations are fully implements and administered fairly to both tenants and landlords.	Ongoing.
2 To develop and implement Rent Stabilization policies approved by the Rent Stabilization Program (RSP) Board.	Not Accomplished. No new policies were approved by the RSP Board during the Fiscal Year.
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.	Ongoing.
4 To disseminate a quarterly bilingual newsletter to tenants and landlords.	Not accomplished.
5 To develop a Tenant and Landlord Handbook for East Palo Alto's RSP.	Not accomplished.
6 To sponsor tenant and landlord outreach/ educational workshops.	Accomplished and ongoing. Contracted with Community Legal Services to provide eleven (11) tenant educational workshops.
7 To enforce the Warranty of Habitability for residential rental units covered by the under the RSP jurisdiction.	Accomplished and ongoing.
8 To respond to tenant complaints as they relate to violations of the Warranty of Habitability, decrease in services/space and code enforcement concerns.	Accomplished and ongoing. Rent Stabilization Hearing Examiners have conducted multiple hearings in response to petitions filed by Rent Stabilization tenants regarding proposed rent increases.
9 To assist property owners and property managers with understanding their roles and obligations under the Rent Stabilization Ordinance.	Ongoing. Staff facilitated a workshop for Rent Stabilization property owners regarding their roles and responsibilities.
10 To administer and manage the annual registration cycle of all rental properties under the RSP.	Ongoing.

Additional Accomplishments

- 1 Initiated a Peer Review by the City of Berkeley's Rent Stabilization Program to review Rent Stabilization policies and procedures.

HOUSING SERVICES

Rent Stabilization

FY 2008-2009 OBJECTIVES

1. To implement an automated “complaint line” to assist tenants and landlords in initiating complaints with respect to the provisions of the Rent Stabilization and Eviction for Good Cause Ordinance by December 2008.
2. To present to City Council for discussion and approval; and incorporate the City of Berkeley Rent Stabilization Program’s recommendations to improve and enhance East Palo Alto’s Rent Stabilization Program to better serve its tenants and landlords by August 1, 2008.
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 by responding to 24 tenant petitions pending rent increases and to schedule hearings for resolution of such complaints by June 2009.
4. To disseminate a quarterly bilingual newsletter to tenants and landlords, with at least three (3) newsletter editions being completed and distributed by June 2009.
5. To sponsor 14 tenant and landlord outreach and educational workshops by June 2009.
6. To enforce the Warranty or Habitability for residential rental units covered under the RSP jurisdiction by scheduling 20 inspections.
7. To respond to tenant complaints as they relate to violations of the warranty of habitability, decrease in service/space within three (3) days of complaint.
8. To facilitate two (2) workshops to assist property owners and property managers with understanding their roles and responsibilities under the Rent Stabilization Ordinance by June 2009.
9. To administer and manage the annual registration cycle for all rental properties under the RSP during the month of July 2008.