

HOUSING SERVICES

Rent Stabilization Program

Division Summary

SOURCES

	FY 2006-07 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ADOPTED BUDGET	FY 2008-09 AMENDED BUDGET	FY 2009-10 ADOPTED BUDGET
1 Rent Stabilization Fund	337,532	469,699	326,025	277,883	307,077
2 10% TOT Housing Fund	0	0	0	0	357,708
TOTAL	337,532	469,699	326,025	277,883	664,785

EXPENDITURE BY DIVISION

	FY 2006-07 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ADOPTED BUDGET	FY 2008-09 AMENDED BUDGET	FY 2009-10 ADOPTED BUDGET
Rent Stabilization	242,116	386,563	512,711	666,244	675,976
TOTAL	242,116	386,563	512,711	666,244	675,976

CHARACTER OF EXPENDITURES

	FY 2006-07 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ADOPTED BUDGET	FY 2008-09 AMENDED BUDGET	FY 2009-10 ADOPTED BUDGET
<u>PERSONNEL</u>					
Salaries and Benefits	82,146	62,546	99,340	109,397	93,698
Subtotal	82,146	62,546	99,340	109,397	93,698
<u>SUPPLIES AND SERVICES</u>					
Purchased Services	43,980	118,714	188,900	447,040	443,730
Supplies and Materials	3,497	3,260	2,400	5,500	6,000
*Overhead Allocations	112,493	202,043	222,071	104,307	132,548
Subtotal	159,970	324,017	413,371	556,847	582,278
TOTAL	242,116	386,563	512,711	666,244	675,976
(Use) of Rent Stabilization Fund Balance	95,416	83,136	(186,686)	(388,361)	(11,191)

NET GENERAL FUND CONTRIBUTION

0 0 0 0 0

*OVERHEAD ALLOCATIONS

	FY 2006-07 ACTUAL	FY 2007-08 ACTUAL	FY 2008-09 ADOPTED BUDGET	FY 2008-09 AMENDED BUDGET	FY 2009-10 ADOPTED BUDGET
City Council	2,500	2,500	2,500	0	2,500
City Attorney	66,185	149,486	159,861	56,565	69,257
City Manager	2,500	2,500	2,500	0	2,500
Finance	10,000	10,000	10,000	0	10,000
Housing Administration Services	31,308	37,557	47,210	47,742	48,291
TOTAL OVERHEAD ALLOCATION	112,493	202,043	222,071	104,307	132,548

1 Revenue assumption is based on current registration fees.

2 Other revenue source is required as RS fund balance has been depleted.

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Rent Stabilization Program

Division Summary cont.

AUTHORIZED STRENGTH

Position Summary

Rent Stabilization

TOTAL

FY 2006-07 ADOPTED BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2008-09 ADOPTED BUDGET	FY 2008-09 ADOPTED BUDGET	FY 2009-10 ADOPTED BUDGET
1	1	1	1	2
1	1	1	1	2

Position Detail

Housing Specialist I/II

* RSP Coordinator

TOTAL

FY 2006-07 ADOPTED BUDGET	FY 2007-08 ADOPTED BUDGET	FY 2008-09 ADOPTED BUDGET	FY 2008-09 ADOPTED BUDGET	FY 2009-10 ADOPTED BUDGET
1	1	1	1	1
0	0	0	0	1
1	1	1	1	2

* Position classification is under desk audit and is contingent upon availability resources.

HOUSING SERVICES

Rent Stabilization

SERVICE DESCRIPTION

Administer and implement 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 differs in its 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, by ordinance, from contributing to the Rent Stabilization Program Fund and any deficit in the Fund would have to be absorbed by the Rent Stabilization Fund balance.

The division has a staffing level of 2 positions 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 2008-2009 Adopted to FY 2008-2009 Amended:

The General Fund is prohibited, by Ordinance, to support the activities of this program; as it is required to fully fund its operation from revenues generated by the Registration Fees. The Fiscal Year 2008-2009 Amended Budget Expenditure of \$666,244 is an increase of \$153,533 from the Fiscal Year 2008-2009 Adopted Budget Expenditure of \$512,711. This 29.9% projected increase primarily reflects more than anticipated outside legal services. The projected revenue of \$277,883 is not sufficient to cover the projected expenditure of \$666,244; leaving a projected operating deficit of -\$388,361. The deficit is accommodated by using the available balance in the Rent Stabilization Fund.

FY 2008-2009 Amended to FY 2009-2010 Adopted:

The Fiscal Year 2009-2010 Adopted Budget of \$672,185 reflects an increase of \$5,941 from the Fiscal Year 2008-2009 Amended Budget of \$666,244. The 0.9% increase is not a significant change; however, the 2009-2010 Adopted Budget assumes revenue from registration fees totaling \$300,000; leaving an operating deficit of \$368,899. The budget proposes \$11,191 to be funded by the projected Rent Stabilization fund balance and the remaining \$357,708 deficit to be covered by the 10% TOT Housing set-aside. At the time of preparing this budget document, the Rent Board had not completed their review of the 2009-10 registration fees and this proposed budget assumes no increase in the registration fee. This adopted budget includes a decrease of \$241,400 for legal expenses, but includes an assumption for anticipated legal settlement costs. The Fiscal Year 2009-2010 adopted budget also reflects the implementation of a 3 day mandatory furlough program for non-sworn City staff to occur in the fourth quarter of the fiscal year if necessary and approved. In addition, the City Council approved a new position for this division pending available resources to fund the position. This position will require a desk audit to determine the appropriate, job duties, position title and salary range.

HOUSING SERVICES

Rent Stabilization Program FY 2008-2009 ACCOMPLISHMENTS

OBJECTIVE	RESULTS
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.	Not implemented at this time.
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.	The City Council and Rent Stabilization Board held a joint study session. The City Council is preparing to approve recommendations for proposed revision to the RS Ordinance for voter approval in November 2009. The Rent Board and its sub-committee are focusing on the technology updates needed of the office administration.
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.	Four (4) appeal hearing have been conducted and additional appeal hearings are pending before the end of this fiscal year.
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.	Not implemented at this time.
5. To sponsor 14 tenant and landlord outreach and educational workshops by June 2009.	No vendor identified or selected to conduct the educational workshops
6. To enforce the Warranty or Habitability for residential rental units covered under the RSP jurisdiction by scheduling 20 inspections.	Staff made 10 requests to the Building Department for residential 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.	Staff made 10 requests to the Building Department for residential inspections.
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.	Not implemented at this time.
9. To administer and manage the annual registration cycle for all rental properties under the RSP during the month of July 2008.	Staff implemented the annual registration cycle and staff's actions were challenged in court.

HOUSING SERVICES

Rent Stabilization

FY 2009-2010 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 June 2010.
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 October 1, 2010.
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 tenant petitions pending rent increases and assign to a Hearing Examiner to schedule hearings for resolution of such complaints.
4. To disseminate a quarterly bilingual newsletter to tenants and landlords, with at least three (3) newsletter editions being completed and distributed by June 2010.
5. To sponsor 4 tenant and landlord outreach and educational workshops by June 2010.
6. To enforce the Warranty or Habitability for residential rental units covered under the RSP jurisdiction by scheduling inspections, as requested by tenants.
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 being reported.
8. To facilitate two (2) workshops to assist property owners and property managers with understanding their roles and responsibilities under the revised Rent Stabilization Ordinance by June 2010.
9. To administer and manage the annual registration cycle for all rental properties under the RSP during the month of July 2010.