

**HOUSING SERVICES**  
**FY 2010-2011 Adopted Budget**  
**Rent Stabilization Division**

**Division Summary**

**SOURCES**

	FY 2007-08 ACTUAL	FY 2008-09 ACTUAL	FY 2009-10 ADOPTED BUDGET	FY 2009-10 AMENDED BUDGET	FY 2010-11 ADOPTED BUDGET
Rent Stabilization Fund	469,699	296,259	307,077	140,000	581,269
10% TOT Housing Fund	-	143,000	357,708	236,300	-
<b>TOTAL</b>	<b>469,699</b>	<b>439,259</b>	<b>664,785</b>	<b>376,300</b>	<b>581,269</b>

**EXPENDITURE BY DIVISION**

	FY 2007-08 ACTUAL	FY 2008-09 ACTUAL	FY 2009-10 ADOPTED BUDGET	FY 2009-10 AMENDED BUDGET	FY 2010-11 ADOPTED BUDGET
Rent Stabilization Division	184,520	705,522	543,428	328,697	581,269
<b>TOTAL</b>	<b>184,520</b>	<b>705,522</b>	<b>543,428</b>	<b>328,697</b>	<b>581,269</b>

**CHARACTER OF EXPENDITURES**

	FY 2007-08 ACTUAL	FY 2008-09 ACTUAL	FY 2009-10 ADOPTED BUDGET	FY 2009-10 AMENDED BUDGET	FY 2010-11 ADOPTED BUDGET
<b>PERSONNEL</b>					
Salaries and Benefits	62,546	102,170	93,698	90,167	227,989
<b>Subtotal</b>	<b>62,546</b>	<b>102,170</b>	<b>93,698</b>	<b>90,167</b>	<b>227,989</b>
<b>SUPPLIES AND SERVICES</b>					
Purchased Services	118,714	599,148	443,730	232,530	292,780
Supplies and Materials	3,260	4,204	6,000	6,000	7,500
Capital	-	-	-	-	53,000
<b>Subtotal</b>	<b>121,974</b>	<b>603,352</b>	<b>449,730</b>	<b>238,530</b>	<b>353,280</b>
<b>TOTAL</b>	<b>184,520</b>	<b>705,522</b>	<b>543,428</b>	<b>328,697</b>	<b>581,269</b>
<b>NET GENERAL FUND CONTRIBUTION</b>	<b>(285,179)</b>	<b>266,263</b>	<b>(121,357)</b>	<b>(47,603)</b>	<b>-</b>

# HOUSING SERVICES

## FY 2010-2011 Adopted Budget

### Rent Stabilization Division

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#### Division Summary cont.

##### AUTHORIZED STRENGTH

##### Position Summary

Rent Stabilization

TOTAL

FY 2007-08 ADOPTED BUDGET	FY 2008-09 ADOPTED BUDGET	FY 2009-10 ADOPTED BUDGET	FY 2009-10 ADOPTED BUDGET	FY 2010-11 ADOPTED BUDGET
1	1	2	2	2
<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

##### Position Detail

Housing Specialist I/II

\* RSP Administrator

TOTAL

FY 2007-08 ADOPTED BUDGET	FY 2008-09 ADOPTED BUDGET	FY 2009-10 ADOPTED BUDGET	FY 2009-10 ADOPTED BUDGET	FY 2010-11 ADOPTED BUDGET
1	1	1	1	1
-	-	1	1	1
<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

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

# HOUSING SERVICES

**FY 2010-2011 Adopted Budget**

## **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 2009-2010 Adopted Budget results in a projected negative fund balance of - \$236,300. 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 or other eligible special revenue funds for housing purposes.

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 2009-2010 Adopted to FY 2009-2010 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 Landlord Registration Fees. The Fiscal Year 2009-2010 Amended Budget Expenditure of \$328,697 is a decrease of -\$214,731 from the Fiscal Year 2009-2010 Adopted Budget Expenditure of \$543,428. This -60% decrease relates to a net reduction of approximately \$260,000 in settlement payment with Pagemill that was later reversed by the court and offset by a \$75,000 increase in outside legal services related to the Pagemill litigation. The Fiscal Year 2009-2010 Adopted Budget implementation of a 3 day mandatory furlough program for non-sworn City staff to occur in the fourth quarter of the fiscal year was not required and is not reflected in the FY2009-2010 Amended Budget.

#### **FY 2009-2020 Amended to FY 2010-2011 Adopted:**

The Fiscal Year 2010-2011 Adopted Budget of \$581,269 reflects an increase of \$252,572 from the Fiscal Year 2009-2010 Amended Budget of \$328,697. This 56% increase in expenditures is largely due to the proposed funding of the Rent Stabilization Program Administrator, which reflects an increase of \$137,822 in salaries and benefits. It is important to note that this position is only being recommended if rent stabilization fees support this position on an annual basis. Also, contributing to this increase is additional budget of \$76,000 in outside legal services and tenant outreach professional services. The Adopted Budget includes a cost of living adjustment.

# HOUSING SERVICES

FY 2010-2011 Adopted Budget

## Rent Stabilization

### FY 2009-2010 ACCOMPLISHMENTS

OBJECTIVE	RESULT
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.	Not Accomplished: due to cash flow constraints.
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.	The City Council agreed to propose a new Rent Stabilization Ordinance for voters to approve on the June 2010 election ballot.
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.	Accomplished: Tenants and landlords petitions are being processed and hearings scheduled with Hearing Examiners.
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.	Not Accomplished: due to cash flow constraints.
5. To sponsor 4 tenant and landlord outreach and educational workshops by June 2010.	Community Legal Services will conduct four tenant workshops prior to 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.	Accomplished and on-going inspections, as requested.
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.	Accomplished.
8. To administer and manage the annual registration cycle for all rental properties under the RSP during the month of July 2010.	Accomplished.
9. To administer and manage the annual registration cycle for all rental properties under the RSP during the month of July 2010.	Accomplished.

# **HOUSING SERVICES**

**FY 2010-2011 Adopted Budget**

## **Rent Stabilization**

### **FY 2010-2011 OBJECTIVES**

1. To enforce the guidelines and requirements for evictions as set forth in Section 16 of the “newly approved” Rent Stabilization Ordinance (to be approved by the voters on the June 2010 ballot) to protect residential tenants from unreasonable rent increases by responding to tenant petitions proposed rent increases and to assign to a Hearing Examiner to conduct hearings for resolving such complaints.
2. To facilitate a landlord outreach, education and training workshops based on the “newly” approved Rent Stabilization Ordinance by June 2011
3. To disseminate a quarterly bilingual newsletter to inform tenants and landlords about provision in the “newly” approved Rent Stabilization Ordinance
4. To install software program created specifically for the Rent Stabilization Program.
5. To enforce the Warranty of Habitability for residential rental units covered under the Rent Stabilization Program jurisdiction by scheduling inspections, as requested by tenants.
6. To respond to any tenant complaints as they relate to violations of the warranty of habitability, and decrease in service and/or space within three (3) days of complaint being reported.
7. To administer and manage the annual registration cycle for all rental properties under the Rent Stabilization Program.