

Richmond Rent Board

Program Budget and Fees

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Management
Partners



Budget Assumptions

- The budget was developed based on the following assumptions:
 - It must be sufficient to satisfactorily support the new program.
 - It is sufficient to provide high quality customer service.
 - The fee program will be structured to achieve full cost recovery.
 - Expenditures are limited while remaining consistent with the above goals.
 - The budget should support the integration of this new function with related City services.

Budget Summary

DRAFT RENT PROGRAM BUDGETS		
Expenditures	2017-2018	2016-2017
Personnel Compensation	\$ 949,497	\$ 392,876
Professional Services and Administration	\$ 584,894	\$ 298,500
IT Expenses	\$ 48,183	\$ 58,851
Other Operating Expenses	\$ 146,000	\$ 64,500
Cost Pool + Risk Management	\$ 181,710	\$ 105,620
Reserves	\$ 485,071	\$ 230,087
TOTALS	\$ 2,425,355	\$ 1,150,433

- Costs will increase in 2017-18 as the program is fully phased in.
- Reserves are necessary so that the program has a contingency and unanticipated expenditures will not impact general fund.
- Cost allocation and payment for liability insurance are necessary for full cost recovery.

Fee Structure and Basis

- Fees tie back to the budget and anticipated work load/participating units.
- Fees are structured to comply with state statutes that specify a nexus must be established between fees assessed and services rendered.
- Program is structured to be equitable to units based on programs applicable to the unit.
- Fee exemptions result from
 - Ordinance
 - Policy decisions as adopted by the Board

Fee Structure Based on Program Elements Applicable to Units



Proposed Fees and Considerations

- Fees will be paid by landlords
- Some pass-through of fees to tenants is allowed
- There is a fee differential for stabilized and non-stabilized units

	Applicable Units	Exempt	Units Charged	Proposed Fees	Total Fee Paid
Rent Stabilized Units	10,469	2,101	8,368	\$ 142.82	\$ 192.84
Non-Stabilized Units	24,797	250	24,547	\$ 50.12	\$ 50.12

Comparisons

	Berkeley	Santa Monica	East Palo Alto	Los Angeles	Oakland	West Hollywood	San Francisco	Richmond
Program Budget	\$4,863,500	\$5,026,553	\$637,370	\$22,347,942	\$2,950,000	\$1,900,000	\$6,942,409	\$2,425,355
Rent Stabilized Units	19,093	27,542	2,325	631,000	65,000	16,805	173,000	10,469
Rental Housing Fees (per unit)	\$234/year	\$175/year	\$234/year	\$25/year	\$68/year	\$120/yr	\$40 apartment; \$20 residential hotel room	\$50.12 General rental, \$192.94 Rent Stabilized
Who pays the fees?	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord
Portion Passed-Through to Tenants	50%; City may reimburse low-income tenants	50%	50%	50%	50%	50% (No pass through for Section 8 tenants)	50%	
Exemptions from Fees	Government subsidized housing, non-profit housing	Government subsidized housing	All Section 8	Certain government and non-profit subsidized, Project Based Section 8	Government subsidized housing	Some government subsidized housing	Government subsidized housing	

Next Steps

- Pending Board approval, adding fees to the City's Master Fee Schedule by the City Council on June 6, 2017.
- Billing of fees October 2017 by City of Richmond Finance Department with Business License renewals per Measure L.

Questions

Christine Butterfield, cbutterfield@managementpartners.com

David Jensen, djensen@managementpartners.com