

RESOLUTION 17-05

ESTABLISHING THE FISCAL YEAR 2018 ANNUAL REGISTRATION FEE, DUE JULY 3, 2017

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, the Rent Stabilization Board operates on the basis of a fiscal year and each year adopts an operational budget after public review and input; and

WHEREAS, Section 123 of Article XVII of the Charter of the City of Berkeley provides that the Rent Stabilization Board shall finance its reasonable expenses by charging landlords annual registration fees in amounts deemed reasonable by the Board; and

WHEREAS, the Budget and Personnel Committee has reviewed the anticipated increases in salary, fringe benefits and rent for office space to be incurred by the Program during the next fiscal year and believes an operational spending level of \$5,120,000 will be necessary to cover recurring and short-term operational costs in Fiscal Year 2018 (FY 2018); and

WHEREAS, the Executive Director and Rent Stabilization Board believe that new recurring annual revenues of at least \$5,120,000 in FY 2018 will be necessary to meet the Program's operating needs and maintain a reserve Fund balance approaching 6% throughout FY 2018; and

WHEREAS, because of the ongoing housing crisis, demand for Rent Stabilization Program services has increased dramatically the past several years, including an estimated 25% increase over the past 24-30 months; and

WHEREAS, the Board believes that, to the extent possible, the Program should continue to meet the needs of owners and tenants requesting our services and maintain a minimum level of staff to allow that to happen; and

WHEREAS, the Executive Director and the Rent Stabilization Board believe that in order to continue meeting increasing demand and being responsive to the changing needs of our clients, ongoing improvements to our technological capacity are essential; and

WHEREAS, the Board believes that important improvements to the Rent Tracking System database as well as the establishment of online registration capabilities can be achieved with an additional, one-time capital expenditure of \$400,000 - \$500,000; and

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WHEREAS, funding the desired technological improvements would require an additional, one-time increase in the per unit registration fee of between \$20 - \$25 to be earmarked specifically for these capital expenditures; and

WHEREAS, since 2009, the annual registration fee has only been increased twice, in 2015 and 2016 by \$19 and \$21 respectively; and

WHEREAS, inflation has increased approximately 21.4% and average rents of controlled units have increased by 36.6% since May 2009; and

WHEREAS, to reach the revenue targets referenced above, an annual registration fee of \$250 per unit is required, along with a one-time additional fee of \$20; and

WHEREAS, the Board will meet to consider and adopt a final budget document detailing the revenues, line-item expenditures and staffing model in June 2017.

NOW THEREFORE, BE IT RESOLVED that the annual FY 2018 registration fee, due July 3, 2017, is hereby set at \$270 per unit; and,

BE IT FURTHER RESOLVED that the Executive Director shall produce a final budget document detailing the revenues, total expenditure level (recurring and one-time costs) broken down in line-item detail, and staffing model for the Board's consideration and adoption at a scheduled meeting in June 2017.

Dated: May 15, 2017

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

YES: Chang, Laverde-Levine, Murphy, Simon-Weisberg, Soto-Vigil, Townley, Tregub,
Selawsky

NO: None

ABSTAIN: None

ABSENT: None

John Selawsky, Chairperson
Rent Stabilization Board

Attest: _____
Jay Kelekian, Executive Director