



Rent Stabilization Board  
Office of the Executive Director

DATE: July 17, 2017

TO: Honorable Members of the Rent Stabilization Board

FROM: Jay Kelekian, Executive Director

SUBJECT: Recommendation to Adopt Resolution 17-16 Decreasing the Authorized Expenditure Level of Fund 440 for Fiscal Year 2018

**Recommendation:**

That the Board adopt Resolution 17-16 decreasing the authorized expenditure level of Fund 440 for fiscal year 2018.

**Background and Need for Rent Stabilization Board Action:**

At the June 19, 2017 Board Meeting, the Annual Budget was adopted at a maximum authorized spending level of \$5,525,740, with \$25,740 in spending contingent upon the actions of the Berkeley City Council in adopting its Bi-Annual Budget on June 27, 2017.

Specifically, the motion sought to trigger the availability of additional funds for anti-displacement counseling and eviction defense services depending upon the level of funding for anti-displacement adopted in the City Council's budget, as follows:

M/S/C (Soto-Vigil/Chang) MOTION TO ADOPT RESOLUTION 17-08 WITH THE FOLLOWING CHANGE: SET THE MAXIMUM EXPENDITURE LEVEL FOR FISCAL YEAR 2017-2018 AT \$5,525,740 WITH *friendly amendment by Townley (accepted)*: IF THE CITY COUNCIL APPROVES \$500,000 OR MORE FOR ANTI-DISPLACEMENT, THE MAXIMUM EXPENDITURE LEVEL WILL REVERT BACK TO \$5,500,000. Roll call vote. YES: Chang, Laverde-Levine, Murphy, Poblet, Simon-Weisberg, Soto-Vigil, Townley, Tregub; NO: None; ABSTAIN: None; ABSENT: None; RECUSED: Selawsky.\*  
Carried 8-0-0-0.

\*Chair Selawsky recused himself due to a personal conflict of interest as his son works for the Eviction Defense Center.

On June 27, 2017, Council approved \$650,000 for anti-displacement services, with \$550,000 directed to eviction defense providers-- \$300,000 for increased funding of eviction defense services, and \$250,000 for housing retention, a rental assistance fund administered by EBCLC when tenant households are threatened with eviction for non-payment of rent, and \$100,000 in

**Resolution 17-16 Decreasing Authorized Expenditure Level of Fund 440 for Fiscal Year 2018**

**July 17, 2017**

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flexible housing subsidies to help tenants who require rapid re-housing when displaced from their current homes. The relevant excerpt of the Annotated Agenda for the June 27, 2017 City Council Meeting is attached.

The City Council's allocation for anti-displacement services exceeded the expectations of the Board in adopting the contingent funding allocation of \$25,740. Therefore, in order to be consistent with the motion adopted on June 19<sup>th</sup>, staff recommends that the Board should adopt proposed resolution 17-16, revising the authorized appropriation level to \$5,500,000.

**Financial Impact:**

Per Resolutions 17-10 and 17-11, the Board currently has contracts with the EDC for \$140,000 and the EBCLC for \$142,500 for eviction defense services during Fiscal Year 2017. Resolution 17-16 does not have a financial impact, but clarifies that the Rent Board's annual budget for Fiscal Year 2018 is balanced.

**Name and Telephone Number of Contact Person:**

Jay Kelekian, Executive Director (510) 981-7368

**Attachments:**

1. Excerpt of Annotated Agenda from June 27, 2017 City Council Meeting showing Council's action concerning the Fiscal Year 2018-2019 Bi-Annual Budget
2. Resolution 17-08, adopted by the Board on June 19, 2017

## **RESOLUTION 17-16**

### **DECREASING THE AUTHORIZED EXPENDITURE LEVEL OF FUND 440 FOR FISCAL YEAR 2018**

**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**, on June 19, 2017 the Board adopted Resolution 17-08, adopting the Fiscal Year 2018 budget with a maximum authorized spending level of \$5,525,740; and

**WHEREAS**, Resolution 17-08 authorized \$25,740 in spending contingent upon the actions of the Berkeley City Council in adopting its Bi-Annual Budget on June 27, 2017; and

**WHEREAS**, the Board sought to trigger the availability of additional funds for anti-displacement counseling and eviction defense services depending upon the level of funding adopted in the City Council's budget; and

**WHEREAS**, the Berkeley City Council, in recognition of the need for additional anti-displacement counseling and eviction defense services to be provided to Berkeley tenants, has allocated \$300,000 per year to these services, as well as \$250,000 per year to the housing retention program, and \$100,000 per year for housing vouchers for displaced tenants in the 2017-2018 Biannual Budget; and

**WHEREAS**, this allocation totals \$650,000 and therefore exceeds the \$500,000 allocation anticipated by the Board;

**RESOLUTION 17-16**

**DECREASING THE AUTHORIZED EXPENDITURE LEVEL OF FUND 440 FOR FISCAL YEAR 2018 (Page 2)**

**NOW, THEREFORE BE IT RESOLVED** that the authorized maximum spending level of the fiscal year 2018 budget is decreased to \$5,500,000 (\$5,100,000 operational and \$400,000 for data base related capital).

Dated: July 17, 2017

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

YES:

NO:

ABSTAIN:

ABSENT:

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John Selawsky, Chair  
Rent Stabilization Board

Attest: \_\_\_\_\_  
Jay Kelekian, Executive Director

## Action Calendar – New Business

**47. FY 2018 & FY 2019 Biennial Budget Adoption****From: City Manager**

**Recommendation:** Adopt a Resolution: a) Adopting the FY 2018 & FY 2019 Budget as contained in the City Manager's FY 2018 & FY 2019 Proposed Biennial Budget that includes the Proposed Capital Budget, presented to Council on May 2, 2017 and as amended by subsequent Council action. b) Authorizing the City Manager to provide applicable advances to selected community agencies receiving City funds in FY 2018, as reflected in Attachment 2, and as amended by subsequent Council action.

**Financial Implications:** See report

Contact: Teresa Berkeley-Simmons, Budget Manager, 981-7000

**Action:** 30 speakers. M/S/C (Bartlett/Harrison) to:

1) adopt the first reading of Ordinance No. 7,563–N.S. (Annual Appropriations Ordinance) with total appropriations of \$172,891,802 for the General Fund, and total appropriations of \$476,396,570; second reading scheduled for July 11, 2017; and  
 2) adopt Resolution No. 68,075–N.S. a) Adopting the FY 2018 & FY 2019 Budget as contained in the City Manager's FY 2018 & FY 2019 Proposed Biennial Budget that includes the Proposed Capital Budget, presented to Council on May 2, 2017 and as amended by subsequent Council action. b) Authorizing the City Manager to provide applicable advances to selected community agencies receiving City funds in FY 2018, as reflected in Attachment 2, and as amended by subsequent Council action. Further amendments to the resolution include the amendments proposed by Mayor Arreguin and the changes below:

- \$150,000 in additional funds for the Pathways Project from the FUNDS\$ replacement account
- \$45,000 in additional funds for the RFP for Step Up Housing from the FUNDS\$ replacement account
- Modify the displacement allocation to \$650,000 as follows: \$300,000 for eviction defense; \$250,000 for retention; \$100,000 for rapid rehousing
- \$21,000 from Councilmember Worthington's Office Budget for the Berkeley Art Center

**Vote:** All Ayes.**48. FY 2018 Annual Appropriations Ordinance****From: City Manager**

**Recommendation:** Adopt first reading of an Ordinance adopting the FY 2018 Annual Appropriations Ordinance (AAO) in the amount of \$474,439,859 (gross appropriations) and \$422,633,335 (net appropriations).

**Financial Implications:** See report

Contact: Teresa Berkeley-Simmons, Budget Manager, 981-7000

**Action:** See Item 47. Adopted first reading of Ordinance No. 7,563–N.S. Second reading scheduled for July 11, 2017.

Recess 10:00 p.m. – 10:18 p.m.

**RESOLUTION 17-08**

**ADOPTING THE FISCAL YEAR 2017-2018 BUDGET, STAFFING MODEL POSITION  
DETAIL AND THE MAXIMUM EXPENDITURE LEVEL FOR FISCAL YEAR 2017-2018**

**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**, on May 1, 2017, the Rent Board held a budget workshop which included a detailed discussion of the ongoing and special responsibilities performed by the staff in each division of the Program; and,

**WHEREAS**, on May 15, 2017, after reviewing the overall budget priorities of the Program, the Board determined that an annual registration fee of \$250 per unit plus an additional one-time fee of \$20 totaling \$270 would be necessary to meet the Program's operating and capital needs; and,

**WHEREAS**, since January, the Budget and Personnel Committee has met a half dozen times to discuss and evaluate the work and challenges facing the Program as well as the resources available to carry out the high-quality public service our clients deserve and have come to expect; and,

**WHEREAS**, on June 8, 2017, the Budget and Personnel Committee and the Executive Director met and discussed a line-item operating budget and staffing model for FY 2018 for the Board's review and consideration; and,

**WHEREAS**, the proposed operating budget (including contracts) for FY 2018 authorizes expenditures totaling \$5,125,740; and

**RESOLUTION 17-08**

**ADOPTING THE FISCAL YEAR 2017-2018 BUDGET, STAFFING MODEL POSITION  
DETAIL AND THE MAXIMUM EXPENDITURE LEVEL FOR FISCAL YEAR 2017-2018**  
(Page 2)

**WHEREAS**, the Budget and Personnel Committee and Executive Director recommend that the Board also authorize the set-aside of up to \$400,000 additional for one-time capital improvement projects or contracts designed to enable a comprehensive online registration function and enhancements to the new Rent Tracking data base; and

**WHEREAS**, after reviewing the current workload and filled positions along with the goals and objectives for FY 2017/2018 articulated by the Board, the Executive Director and the Budget and Personnel Committee, the Board believes that a staffing level of at least 22.35 Full-Time Equivalents (FTE's); and,

**NOW, THEREFORE, BE IT RESOLVED** that an overall spending level totaling \$5,525,740 (\$5,125,740 operational and \$400,000 for data base related capital) and a staffing level of 22.35 FTE's is hereby adopted for the Fiscal Year 2017-2018.

Dated: June 19, 2017

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

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

NO: None

ABSTAIN: None

ABSENT: None

RECUSED: Selawsky

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John Selawsky, Chairperson  
Rent Stabilization Board

Attest: \_\_\_\_\_  
Jay Kelekian Executive Director