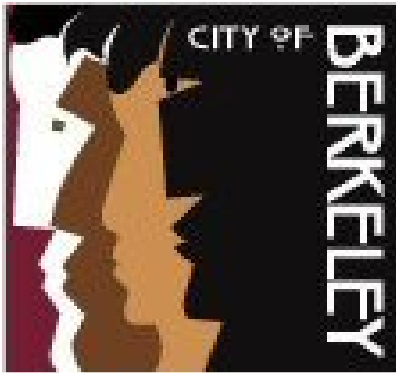


**City of Berkeley**  
**RENT STABILIZATION**  
**BOARD**



**PROPOSED BUDGET**  
**FOR**  
**FISCAL YEAR 2007 - 2008**

City of Berkeley  
Rent Stabilization Board  
2125 Milvia Street  
Berkeley, CA 94704  
510.644.6128

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**CITY OF BERKELEY  
RENT STABILIZATION BOARD  
FY 2008 PROPOSED BUDGET**

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**ELECTED OFFICIALS**

Jesse Arreguin, Chair  
David Blake  
Howard Chong  
Jack Harrison, Vice Chair  
Chris Kavanagh  
Jason Overman  
Lisa Stephens  
Eleanor Walden  
Pamela Webster

**RENT BOARD BUDGET  
AND PERSONNEL COMMITTEE**

Jesse Arreguin  
Jason Overman, Chair  
Pamela Webster  
Howard Chong, Alternate

Prepared by:  
Jay Kelekian, Executive Director

Thanks to Pam Wyche, Administrative Staff Assistant, Darcy Jojola, Information Systems Specialist, Jacquelyn Morgan, Community Services Specialist II, and Allison Pretto, Assistant Management Analyst for their assistance in preparing this document.

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TAB 1

## **RESOLUTION 07-16**

### **ADOPTING FISCAL YEAR 2007-2008 EXPENDITURE LEVEL AND POSITION DETAIL**

**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 7, 2007, the Rent Board reviewed the overall budget priorities for the Program; and,

**WHEREAS**, the Board determined that projected revenues of \$3,355,000 in FY 2008 will be necessary to meet the Program's operating needs, necessitating the annual registration fee to be set at \$170 per unit; and,

**WHEREAS**, on May 7, 2007, the Board adopted Resolution 07-04 which directed the Executive Director to work with the Budget and Personnel Committee to return with a spending level that does not exceed \$3,525,000 for Fiscal Year 2008 and set the annual registration fee due on July 1, 2007 at \$170 per unit; and,

**WHEREAS**, the Budget and Personnel Committee and the Executive Director have met and crafted an operating budget for FY 2008 with an expenditure level of \$3,525,000; and,

**WHEREAS**, after reviewing the proposed work plan for the year, the Board believes that the Program can achieve all goals and objectives listed in the proposed budget with a staffing level of 19.3 full-time equivalents.

**RESOLUTION NO. 07-16**

**ADOPTING FISCAL YEAR 2007/2008 EXPENDITURE LEVEL AND POSITION DETAIL**

**NOW, THEREFORE, BE IT RESOLVED** that an operational spending level totaling \$3,525,000, and a staffing level of 19.3 FTE's is hereby adopted for Fiscal Year 2007-2008.

Dated: June 25, 2007

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

Yes:

No:

Abstain:

Absent:

---

Jesse Arreguin, Chairperson  
Rent Stabilization Board

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

**RENT BOARD POSITION DETAIL  
FY 2008 PROPOSED  
Budget Code 11-01 Monthly Employees**

Position Description		COMMENTS
<b>Administration Unit</b>		
Executive Director	1	
Administrative Staff Assistant	1	
Info Systems Specialist	1	
Office Specialist III	0.5	
<b>Subtotal for FTE &amp; Salaries</b>	<b>3.5</b>	<b>\$339,000</b>
<b>Legal Unit</b>		
Staff Attorney III	1	
Staff Attorney III	1	
Senior Field Representative	1	
Office Specialist III	0.5	
<b>Subtotal for FTE and Salaries</b>	<b>3.5</b>	<b>\$374,000</b>
<b>Hearing Unit</b>		
Senior Hearing Examiner	1	
Senior Hearing Examiner	0.6	
Senior Hearing Examiner	0.7	
Community Services Specialist II	1	
<b>Subtotal for FTE and Salaries</b>	<b>3.3</b>	<b>\$332,000</b>
<b>PIU/Registration Units</b>		
Staff Attorney II	1	Change from Staff Attorney I
Associate Management Analyst	1	
Assistant Management Analyst	1	
Assistant Management Analyst	1	Change from Office Specialist II
Community Services Specialist II	1	
Community Services Specialist I	1	
Office Specialist III	1	
Office Specialist II	1	
Office Specialist II	1	
<b>Subtotal for FTE and Salaries</b>	<b>9</b>	<b>\$595,000</b>
<b>Total FTE and Salaries</b>	<b>19.3</b>	<b>\$1,640,000</b>

Unit Salary Subtotals are rounded to the nearest \$1000.

## Rent Stabilization Program FY 2008 PROPOSED BUDGET

		FY 2006	FY2007	FY 2007 Year End	FY2008
Code	Description	Actual	Adopted	Projected **	Proposed
11-01	Monthly Employees	1,391,592	1,540,000	1,465,000	1,640,000
11-03	Hourly Employees	0	0	0	25,000
13-01	Overtime	466	3,000	500	1,500
27-20	Benefits	794,180	830,000	790,000	910,000
30-12	Stipends	54,200	54,000	54,000	54,000
30-23	Misc. Legal Expenses	1,587	10,000	3,000	3,000
30-36	Temp Agency Empl's	38,595	15,000	23,000	0
30-38	Misc. Prof. Services	261,568	324,000	322,000	287,000
30-42	Office Equip Mtc. Svcs/Furniture	23,399	20,000	10,000	17,000
30-43	Bldg & Structures Mtc Svc.	540	4,000	5,500	4,000
40-10	Professional Dues	1,855	2,000	2,000	2,000
40-31	Telephone	5,024	10,000	40,000	8,000
40-50	Printing and Binding Outside	36,169	45,000	30,000	40,000
40-61	Commercial Trans	682	1,000	400	500
40-62	Meals & Lodging	1,724	2,000	2,000	2,000
40-63	Registration Fees	4,132	4,500	2,500	4,500
40-64	Transportation	1,630	2,500	1,500	2,000
40-70	Advertising	26,453	45,000	30,000	40,000
40-80	Books & Pubs	9,877	10,000	9,500	10,000
50-10	Rental of Land/Buildings	195,840	207,500	210,000	220,000
50-30	Rental of Off Equip & Furniture	1,476	1,500	1,000	1,000
51-10	Postage	46,300	55,000	36,000	48,000
51-20	Messenger/Delivery	824	2,000	1,200	2,000
55-11	Office Supplies	7,393	18,000	16,000	16,000
70-41	Office Equipment	0	4,000	500	1,000
70-44	Computers	19,110	25,000	17,000	17,000
75-30	Central Duplicating	4,189	5,000	7,500	5,000
75-50	City Vehicle/Fuel & Maint.	4,847	6,500	6,500	6,500
75-90	Training	0	3,000	1,000	2,500
81-01	Liability Payments	448	2,000	0	2,000
	RTS Data Base Upgrade Project			0	125,000
	<b>Expenditure Subtotal</b>	<b>2,934,184</b>	<b>3,252,000</b>	<b>3,109,700</b>	<b>3,497,000</b>
	Other Department Transfer	33,046	38,000	22,000	28,000
	<b>Total Fund Expenditures</b>	<b>2,967,230</b>	<b>3,290,000</b>	<b>3,131,700</b>	<b>3,525,000</b>
	<b>Total Fund Revenue</b>	<b>3,019,264</b>	<b>3,037,500</b>	<b>3,010,000</b>	<b>3,355,000</b>
	Prior year's adjustment			0	
	<b>Fund Balance</b>	<b>\$679,991</b>	<b>\$427,491</b>	<b>558,291</b>	<b>388,291</b>

\*\* Amounts include actual expenditures and amounts set aside but not yet expended.  
The "Fund Balance" reflects the "Uncommitted Available Reserve."



TAB 2



Rent Stabilization Board

## MEMORANDUM

**DATE:** June 25, 2007

**TO:** Honorable Members of the Rent Stabilization Board

**FROM:** Jay Kelekian, Executive Director

**SUBJECT:** OVERVIEW OF THE FY 2007/08 PROPOSED BUDGET  
EXPENDITURE LEVEL AND POSITION DETAIL

---

### RECOMMENDATION

That upon the conclusion of this evening's public testimony and Board discussion, the Board approve Resolution 07-16, adopting FY 2008 expenditure levels and position detail. This Resolution, in conjunction with Resolution 07-04 (attached) setting the registration fee, adopted on May 7<sup>th</sup>, shall set the Board's revenue, expenditure and staffing authorizations for FY 2007/08.

### INTRODUCTION:

According to Section 120 of the Charter of the City of Berkeley, the purpose and mission of the elected Rent Stabilization Board is as follows: *"The purpose of this article is to provide for proper administration of programs to regulate residential rents; to protect tenants from unwarranted rent increases and arbitrary, discriminatory or retaliatory eviction; to help maintain the diversity of the Berkeley community; and to ensure compliance with legal obligations relating to the rental of housing."*

Every year, I challenge the Board to evaluate whether we are fulfilling our mission and purpose as defined by the voters. Once again, I believe that by any measure used, we may answer with an unequivocal "Yes." This is true if the measure is based upon frequency of use or if we measure by effectiveness of services offered. This is also true if we look on a qualitative basis at the value to the individuals actually receiving service and benefits from the Program.

If frequency of service is our yardstick, we can say that over 10,000 individuals each year contact our offices and speak with a well-trained, courteous and helpful counselor. Several hundred additional individuals access the information we produce and provide via our Web site each week.

If you measure our purpose and mission based upon our success in guiding public policy and promoting innovative approaches for the delivery of services, than I would direct your attention to Sections 5 and 8 of this book. Section 5 lists most of our ongoing activities and projects, while Section 8 covers many specific work projects or accomplishments realized over the past few years. The list includes important public policy recommendations as well as improvements in outreach, accessibility, hearings and appeals, and a renewed focus on providing fair and equal service to all members of our diverse community of constituents.

I believe that there is some value in counting the number of individuals served and describing the types of new initiatives or public policies promulgated, but the best measure of relevancy is found by looking directly at some of the individuals we are here to serve.

Last week I told the Board about the landlord that phoned for assistance and concluded her counseling session by telling us: *“Thank you - I don’t like paying any fee or tax but at least I feel that I get quality assistance from your office and because of that, I don’t mind paying your fee.”* I am not purporting that the final thought in this owner’s statement about not minding paying our fee is the prevailing sentiment among Berkeley property owners. I am suggesting that contrary to the statements of some, property owners are able to receive professional, helpful and valued services from our staff.

The Agency has provided detailed assistance to a broad spectrum of the tenant community as well. Two cases I have been involved with in the past two months involve staff providing counseling to tenants in a large apartment building and a hotel. In the large apartment building, the tenants were being told by their landlord that due to city mandated repairs, which turned out not to be accurate, he had to sell their building either as Tenancies in Common or as condominiums. This owner conveyed to the tenants that should they not agree to move out “voluntarily” he would also consider a mass eviction under the Ellis Bill. The tenant population at this building contained a cross-section of working families, seniors and minorities. Almost all of the units were long-term (pre-1999) tenants with fully controlled rents. One individual tenant was blind and over 90 years of age and quite concerned about having to relocate suddenly. We provided initial counseling and made a referral to one of our community service agencies. Through the efforts of the Agency and our partners in the community, the tenants were able to receive accurate and timely advice about their rights and the owners’ obligations. That same week, staff began counseling several tenants residing at a Berkeley hotel that was being sold. The tenants, one a long-term elderly gentleman and long-time downtown merchant, were being coerced into leaving although they neither wanted nor were required to vacate. With our efforts, these tenants were made aware of their right as long-term tenants who had lived at the hotel for years to remain in possession, and the landlord was made aware of their obligations and duties to the tenants. The elderly gentleman was also referred to one of our community service agencies in case the owner continued with threats of eviction.

When we take an unbiased look at the services this Program provides, I remain confident that the Board and ultimately the citizens of Berkeley have much to be proud of.

While the list of accomplishments this year is extensive and impressive, there are three areas that stand out in my mind as prime examples of the Board’s balanced approach to implementing and improving the Rent Stabilization Ordinance:

1. Over the past several years, the Board has been extremely active in policy areas, both big and small, designed to protect tenants while being balanced and fair toward property owners. The Board weighed in on the issue of soft story buildings in 2005 and 2006, making every effort to make sure that the proposal ultimately adopted was not overreaching or unnecessarily costly or burdensome on property owners. I suspect we will continue our work in this area in the coming year as Council begins considering a second phase to the Soft Story Ordinance. Board members have also worked long hours on crafting a Condominium Conversion Ordinance that strikes the right balance by allowing a reasonable number of conversions (100 per year) while guaranteeing that sitting tenants are fully protected and the affordable housing stock is replenished. Since 2005, the Rent Board has sent several recommendations for improving the Condominium Ordinance to the Council. Each time, the majority of the Board's advice has been followed by a unanimous City Council. The Rent Board has proposed three amendments to the Ordinance or City Charter since 2004 and each time the voters accepted the Board's recommendation overwhelmingly. The Board has also been successful in strengthening the Ellis Act mitigation protections, and individual members of the Board have been active (and successful) in statewide legislative initiatives over the past two years.

The Board has been responsive to changing needs in the community by also adopting regulations to address issues of a more limited scope. The Board adopted Regulation 705, which provides that security deposits may be increased to allow a tenant to have a pet otherwise prohibited by the lease. Regulation 1017 was adopted in the wake of hurricanes Rita and Katrina in response to property owners desiring to establish a procedure by which they could offer below-market housing to disaster victims for a limited duration of time.

2. For the past several years the Board has been very supportive in the proposed service improvements in the PIU and Hearings Unit. The numerous calls, emails and letters I receive from owners and tenants regularly tell me that these changes are bearing fruit. The Hearings Unit improvements include reducing the average time to receive a decision, and the examiners have continued regularly offering mediations, which include written settlements. When appropriate, this is a valuable alternative to a formal hearing. The PIU is well on the road to implementing the "Case Management" approach conceived several years ago. While it has not progressed as rapidly as I envisioned, people who come in do get more detailed, understandable and relevant information and are presented with a variety of options for how to resolve their problems. The case management model will be further enhanced once the RTS capabilities are upgraded.
3. Having great policies and services are not particularly useful if a person cannot see or obtain access to them. For this reason, over the past three years the Board and Program have placed a concerted emphasis on increasing accessibility and transparency of the Agency. Closed captioning and Web casting of all Board meetings is now well established, and this year we have been able to place most items contained in our agenda package on our Web site. The Program has increased outreach generally and has targeted outreach to our Spanish-speaking population. Our attractive bus shelter ads are in both Spanish and English. As I describe later, expanding outreach to new or underserved constituencies will be a focus in FY 2008. In order to maximize public access to our services, the Rent Board offices have remained open on the twelve VTO days observed by other departments in the City of Berkeley.

I do not feel it is in any way an exaggeration to say that the past two years have comprised a busy, productive, and vital period. The balanced and measured application of the Rent Stabilization and Just Cause for Eviction Ordinance makes a huge difference in the quality of many people's lives. This fact cannot be overlooked, nor should it be understated. The Ordinance properly applied by the Board and staff are beneficial to the community in 3 primary ways:

1. By fully protecting the 5000 households with long-term tenants from unlimited rent increases. Roughly 27% of all units still have not received full Costa-Hawkins rent increases.
2. Through the Just Cause for Eviction protections afforded in the Ordinance and guarded by those agencies funded by the Board to better ensure low-income tenants have access to those protections.
3. Provision of rent controls and eviction protections maintain stability and security even for the 73% of tenant households that have had their rent brought up to market because of a new tenancy. This is a particularly important protection during a period when the rental housing market is "hot" and prices are rising.

The most recent census figures show that, for the most part, we have historically been serving the populations the voters intended (low- and fixed-income persons, minorities, students, handicapped and the aged) when they adopted the Ordinance in 1980. This conclusion was confirmed by studies by the Housing Department, which also show that only a small fraction of current Berkeley tenant households (apx 13%) have an income sufficient to afford the average condominium in Berkeley. Berkeley condominiums generally sell for several hundred thousand dollars below the costs of single-family homes. Therefore, the vast majority of tenants in Berkeley directly benefit from the rent control and eviction protections in the Ordinance.

According to the 1998 survey by Bay Area Economics (BAE) and confirmed by the 2000 Census, the overwhelming majority of tenants in rent-controlled units are of low and moderate income, and the diversity and complexion of Berkeley would have changed dramatically if not for the Rent Stabilization Ordinance. Several years ago, the Housing Department provided Council with an analysis of the 2000 Census. While the entire report is very revealing and recommended reading, the introductory paragraph succinctly captures my point about the Program's relevance in maintaining a diverse community:

*"Berkeley is a City with people of very diverse incomes. According to the 2000 Census, the median household income of all households was \$44,242 in 1999 - \$80,324 median for owner-occupied households and only \$27,341 median for rental-occupied households. The 2000 Census also reported that approximately 28% of Berkeley households are very low income, meaning that they have an income of under \$25,000, which is less than 50% of the area median for a two-person household, and have a head of household over the age of 24, so that they are not likely to be dependent students. About half of these 13,510 households are at or below the poverty line, which is set at only 20% of the area median income. This is the group that generally needs housing assistance and often social service assistance as well in order to maintain a decent standard of living and avoid the risk of homelessness."*

## THE BUDGET PROCESS AND ACTION TONIGHT

The Board received a mid-year budget update for the FY 2007 budget at its March Board meeting. The Budget and Personnel Committee also began meeting in early April to continue discussions on the status of the FY 2007 budget. The Committee met three times since April 16th to develop a framework for crafting our FY 2008 budget. Based upon those initial meetings, the Committee recommended a multi-stepped process that included a public hearing on May 7<sup>th</sup> and approval of budget guidelines and a twelve-point action plan. The Board has already approved the guidelines for which the action plan served as much of the foundation. This evening, we wish to receive final authorization on the expenditure levels and staffing model.

As has been our practice for the past several years, we began by looking at a “Status Quo” budget (see page \_\_), which built in all known increases (such as negotiated employee COLAs, increased cost of health care and office rent) and any known decreases. The “Status Quo” budget assumed no other changes. At the Committee’s request, those projections went out an additional year, into FY 2009 (see page \_\_).

From the start, the “Status Quo” budget projections proved problematic; showing a potential Fund balance of \$115,000 (since revised to \$122,000) at the end of FY 2008 and a Fund deficit of nearly \$400,000 by the end of FY 2009. More troubling, if unchecked, the gap between recurring revenues and expenditures would be approximately \$435,000 in the first year and over \$500,000 in FY 2009.

The Committee supported the approach that in developing an acceptable budget, we needed to both be frugal by continuing our practice of cutting where we can, but **not** allow the situation to prevent the Program from delivering the services necessary to fulfill our mission. We also would not waver in our commitment to continuing improvements in service delivery. This caused the Budget and Personnel Committee to look at increases as well as decreases to the original “Status Quo” budget. Most significant of these changes was a one-time set-aside of \$125,000 for an upgrade of our Rent Tracking System (RTS) database, which is nearly fourteen years old. Staff and the Committee were confident that the final budget being proposed, while potentially cutting back in some positions or areas, also will continue to make important strides in improving the services we deliver to the public.

On May 1<sup>st</sup>, the Committee adopted a recommendation that, when adopted in June, the final budget include a maximum expenditure level of \$3,525,000 for FY 2008. This reflects a reduction in the amount of recurring expenditures of \$45,500 from what was reflected in the “Status Quo” budget. It also reflects the \$125,000 in one-time expenditures for the RTS upgrade noted above. These guidelines, along with the recommendation to increase the annual registration fee by \$16 per unit per year were presented to the Board on May 7<sup>th</sup> at the public hearing on the Budget. The Board seemed amenable to each of the recommendations made and formally adopted the \$16-per-unit fee increase as well as a maximum expenditure level for FY 2008 of \$3,525,000.

## BACKGROUND:

Section 6(N) of the Rent Ordinance provides that the Board shall finance its reasonable and necessary expenses by charging landlords a reasonable annual registration fee, which may not be passed on to tenants without prior Board authorization. On May 7<sup>th</sup>, the Board adopted a registration fee of \$170 per unit, due July 1<sup>st</sup> 2007, and authorized a \$2 per month pass-through for all units that have never had a full Costa-Hawkins increase. (See attached resolution on page)

Every year, the Board calculates its budget, calculates the number of registered units, determines its expected income from past fees and penalties, and sets a reasonable registration fee. In order to make final decisions determining the Budget and Fee, the Board must consider (1) its current budget, (2) the program and service goals for the upcoming fiscal year, (3) its revenue sources, and (4) the fiscal implications of the various options. The remainder of this document discusses the various factors that impact the determination of the budget and the amount of the registration fee for the coming year.

### I. RENT BOARD RESERVES

According to City records, as well as my discussions with the City's outside auditor, C. G. Uhlenberg, LLP, at the end of last fiscal year (05/06), the Board had a fund reserve balance of approximately \$680,000. The Board also carried approximately \$85,000 in obligations from prior years into FY 2006/07, leaving an uncommitted available fund balance of roughly \$595,000 at the beginning of this fiscal year.

In May 2006, when the Board adopted its FY 2007 budget, the Board believed that the Program would be ending this fiscal year with an uncommitted reserve balance of roughly \$332,000. For a variety of reasons, we will end this fiscal year with an even healthier reserve balance than anticipated in May 2006.

Based upon the actual expenditures and revenues through the end of May 2007, I estimate that the Board will spend, encumber or commit approximately \$3,132,000 in FY 2006/07. I also estimate that the Board will raise approximately \$3,010,000 in revenue during this fiscal year. Thus, I estimate that the Board will end this fiscal year (2006/07) with an uncommitted available fund balance of slightly over \$558,000.

Given the vagaries and volatility of the legislature and the courts, you have been advised over the years that it is essential to maintain a healthy reserve balance so that the Board is able to respond should a major change in how the Ordinance is implemented become necessary. In each of the past several years I indicated that, absent any planned major capital improvements, a reserve balance of roughly 10% of your budget (apx. \$300,000 - \$325,000) is sufficient, given the current political climate.

### II. PROPOSAL FOR BALANCING THE BUDGET IN FY 2008 & 2009

On May 7<sup>th</sup>, I presented a proposed strategy for achieving a balanced budget over the next two years (at least through June 2009). That strategy is outlined once again below. As previously indicated, the "Status Quo" budget from which we started our discussions would, if unaltered, result in transforming a Fund reserve of \$680,000 at the beginning of this year, into a modest and potentially

insufficient reserve of \$115,000 by the end of FY 2008. This was prior to allocating anything for the \$125,000 estimated as necessary to maintain and upgrade the RTS database. This one-time expenditure would have completely depleted the reserve. When we projected the unaltered “Status Quo” budget out one additional year, the Board foresaw a negative fund balance of between \$400,000 - \$500,000 by the end of FY 2009. These projections assume that no additional savings were realized over the next two years.

The “Status Quo” budget for FY 2008 assumed recurring expenditures totaling \$3,445,500 and revenue totaling \$3,010,000. Thus, a structural gap of \$435,000 existed for FY 2008 alone, even before budgeting for the RTS upgrade. The structural gap would have increased in FY 2009 and all subsequent years unless the structural assumptions were changed. The challenge the Board faced was how best to narrow or eliminate this structural gap to an acceptable level - balancing a commitment to maintaining a vital and ever-improving program with the potential unpopularity of an increase in the registration fee.

The Board’s previous practice of deficit spending to draw down the Fund reserve, rather than increase fees, has served both the Board and the public well. In the previous twelve years, the fee had increased a total of 23.2% from \$125 to \$154, while the CPI has gone up over 40% over the same period. Median rents citywide have increased roughly 70% since 1995. With the fee being raised to \$170 per unit, the fees will have now increased by 36% since the mid-1990’s

Regrettably, we were unable to utilize reserves alone to bridge this gap, and a combination of fee increases as well as expenditure reductions must also be relied upon. In addition, it is imperative that to reduce the amount of any potential fee increase, we make sure all units that are required to register do so. The increases over the FY 2007 Adopted Budget amounts that comprised the FY 2008 Status Quo budget include:

- Approximately \$90,000 for scheduled Cost of Living increases (COLA’s).
- Approximately \$75,000 for anticipated additional fringe charges primarily due to rising health care premiums charged to the City.
- Approximately \$6,000 (a 2% COLA) for additional funding for professional service contracts (line item 30-38). As was explained at your April 16<sup>th</sup> Board meeting, the Status Quo budget amount is reached by first deducting \$30,000 in one-time items and then adding the \$6,000.
- Approximately \$12,500 for additional rental charges.
- Approximately \$27,500 in reduced revenue collection projections.



Director and Budget Committee's Proposed Modifications to the Status Quo Budget

<u>Proposed Action</u>	<u>Savings/ Cost In FY 2008</u>
1. Additional one-time capital expenditure, totaling \$125,000, to the FY 2008 budget for RTS database upgrades:	(- \$125,000)
2. Additional allocation for Continuation of Succession Planning efforts:	(- \$15,000)
3. Additional allocation to increase use of hourly/temp employees:	(- \$10,000)
4. Reduce funding for the Senior Planner in the Housing Department from 33% to 20%:	\$12,000
5. Reduce funding for 30-38 contracts from 2007 budgeted levels and levels listed in 2008 Status Quo budget by 4.3%:	\$13,000
6. Reduce Status Quo expenditure allocation levels in operational budget for items other than personnel, contracts and rent by 13.5%:	\$45,500
7. Increase the registration fees by \$16 per unit:	\$320,000
8. Pass along the majority (\$12) of the registration fee increase to tenants that are living in units that have never received a vacancy decontrol increase:	0
9. Adjust recurring revenue assumptions to reflect resumed implementation of the New Unit registration project:	\$25,000
10. By January 2008, identify an additional \$40,000 in savings, unbudgeted revenue or additional cuts, to take effect in FY 2009:	0
11. Continue the practice of paying for new increases in recurring costs by identifying recurring savings to offset the cost(s): <i>(Note: this prevents us from going further into debt)</i>	0
12. Continue the practice of paying for increased costs for existing non-COLA driven budgeted items by identifying offsetting savings in other budgeted areas: <i>(Again, this is to prevent us from going further into debt)</i>	0

### III. DESCRIPTION OF PROPOSED CHANGES TO THE STATUS QUO BUDGET

The Budget Committee and I have proposed that a combination of twelve measures be utilized to contain and reduce expenditures and raise the revenues necessary to continue improving the Program's operation. Page \_\_\_ presents a chart showing the financial impact of these measures on the Fund balance.

**Proposed Action 1: Add one-time capital expenditure, totaling \$125,000, to the FY 2008 budget for RTS database upgrades.** This is a difficult request to propose at a time when the Board is already facing the probability of a fee increase. The existing RTS database has served us well over the past 14 years but is now limiting our ability to move forward with the information we are being requested to provide. Of even greater importance is the concern that the system will fail and we will be limited in our ability to recover from a disastrous system failure without incurring very substantial costs. Two years ago, we raised the possibility of upgrading or replacing the RTS database. Limited upgrades were made in FY 2006. The FY 2007 budget included an allocation of \$30,000 to begin the design of a new system, with the idea that additional funding would be available in FY 2008. As was discussed on April 16<sup>th</sup>, we did not move forward with a separate design process this fiscal year but, beginning in July, will be working closely with the City of Berkeley's Information Technology Department to develop a system that not only meets our anticipated future needs but also works harmoniously with the existing and planned City platforms. It is our hope to either complete or make substantial progress on the database upgrade in FY 2008 and are asking that the entire anticipated amount of the project be set aside in the FY 2008 Budget.

**Proposed Actions 2 and 3: Continuation of Succession Planning efforts and an Additional allocation of \$10,000 to increase use of hourly/temporary employees.** It is assumed that these will be recurring expenditures. For the past several years, the Board has been committed to planning for the future stewardship of the Program by supporting the Executive Director's agenda of Succession Planning. Succession Planning has consisted of three key components: recruiting and hiring of quality staff; training of existing staff in leadership and development of other key skills; and when appropriate, building in steps for promotional opportunities. Specifically, I am requesting that we upgrade the Staff Attorney I position to Staff Attorney II. The incumbent has been at the top step of the entry-level position and is ready to move up to the journey level in this classification. I am also recommending that the position of Office Specialist II be converted to Assistant Management Analyst, to allow the Program to meet our increased analytical obligations. It is requested that \$15,000 be set aside for FY 2008.

In addition, it is requested that the Status Quo Budget allocation for Temporary/Hourly employees be increased by \$10,000 to reflect a more realistic amount of \$25,000 for the year. Because of retirement, extended illnesses and a prolific staff (three newborns in two fiscal years), we will spend between \$45,000 and \$50,000 for these temporary employee services in FY 2007; substantially more than the \$15,000 budgeted in May 2006.

**Proposed Action 4 and 5: Reduce use of the Senior Planner in the Housing Department down to 20% time and reduce "38-30" contract expenditures by \$13,000.** It is assumed that these will be recurring savings and are designed to offset the increases proposed in Action 2 and Action 3 above. For several years, the Board has set aside funding for utilizing

the services of a Senior Planner in the Housing Department to conduct research, surveys, or perform desired analysis. We have set aside funding to use between 25% – 33% of the individual's time. We are charged based upon actual services performed. If this recommendation is adopted we will reduce the amount set aside for these services by approximately \$12,000 per year.

It is also recommended that we reduce the overall recurring allocation for contracts issued under line item 30-38 from the amount set aside in the Status Quo budget. The total allocation would be reduced by 4.3%, from \$300,000 down to \$287,000.

**Proposed Action 6: Reduce Status Quo expenditure allocation levels in the operational budget by an additional \$45,500 in items other than personnel, contracts and rent.** It is assumed that these cuts would be recurring savings. This reflects a 13.5% reduction taken from items in the operational budget other than personnel, rent and contracts (which are already covered in recommended Action #5). These cuts are spread over seventeen line items including printing, postage, advertising, computers, and miscellaneous legal expenditures, as well as other operational areas. The decreases to the Status Quo Budget are reflected on the table on **page \_\_\_\_** in red. Details of these changes are provided in Section 3 of this report.

**Proposed Action 7 & 8: Increase the registration fee by \$16 and pass some or all of the increase along to tenants in units that have never had a full Costa-Hawkins increase.** The Board accepted these recommended actions on May 7<sup>th</sup> with the adoption of Resolution 07-04 (**attached on page \_\_\_\_**). The majority of the proposed balancing measures are focused on containing the expenditure side of the budget despite tremendous pressure caused by increased salary and benefit costs. In the Status Quo budget for FY 2008, only three areas are scheduled to increase over FY 2007: RTS replacement, office rent and personnel related costs. We have already discussed the one-time allocation of \$125,000 to redesign and upgrade the 14-year-old RTS database before it crashes. Approximately \$12,500 (roughly 6%) is set aside for increased rental charges. The final, and most significant, change is in personnel-related costs. Even with no changes in staffing, our costs are projected to increase by \$165,000 in FY 2008. After three consecutive years of cutting staff, I have asked the Board to maintain the staffing levels in FY 2007 and 2008 at 19.3 FTE. We cannot bridge or even significantly narrow the gap through cost-cutting measures alone. Both the revenue and the expenditure side of the picture require adjustment. Increasing the registration fees by \$16 (10.4%) will raise an additional \$320,000 per year.

The last two times the Board increased the registration fee, a significant portion (two-thirds or greater) was passed through to the tenants. The Budget Committee and the Executive Director recommended that this practice be continued for units that have not experienced a turnover in tenancy prior to January 1, 1999. The Board also extended the pass-through for the fee increase in 2005. Thus, once the registration fee is paid in full and proper notice served on the tenant, an owner will be able to add \$2.00 per month as a temporary general adjustment to the rent for tenancies that began prior to January 1, 1999. It is expected that most owners will wait and take the pass-through with their AGA in January. Regardless of when the pass-through is first collected, it cannot last more than twelve months and must end by December 2008, unless extended by the subsequent Board action.

Since the adoption of statewide vacancy decontrol, rent levels have been set using two different standards. Approximately 30% of the rental units in the City have a tenancy that began prior to January 1, 1999, when vacancy decontrol came completely into effect. In the past, the Board has attempted to guarantee that owners of these rent-controlled units continue to receive compensation for actual increased costs such as adjustments to the registration fee. Units with tenancies that began on or after January 1, 1999, fall under vacancy decontrol rules. Under vacancy decontrol, owners are expected to take into account past and anticipated future operating cost increases when setting the initial rent for a new tenancy. Therefore, increases to the registration fee presumably have been factored into the rent charged.

**Proposed Action 9: Adjust recurring revenue assumptions by \$25,000 to reflect resumed implementation of the New Unit registration project.** Based upon actual and projected year-end collections for FY 2007, the Status Quo budget's initial recurring revenue estimate was adjusted down to \$3,010,000. The anticipated shortfall in collections is linked to temporary staffing interruptions, which caused a pause in the implementation of the New Unit Registration Project. It is believed that if this project is resumed and implemented in FY 2008, that an additional \$25,000 (minimum) in recurring revenue will be realized. The proposed action will both assist the Program financially and also allow for a fairer application of the registration requirements of the Ordinance.

Last year, we began a project of reviewing units listed in our database as exempt from the registration requirements of the Ordinance. Currently, there are over 10,000 units in our database listed as exempt. The vast majority of these units are in fact exempt. However, a notable number of the units claimed as exempt should actually be required to register with the Program. When we receive a claim of exemption from an owner, we take steps to verify that claim. If confirmed, we change our database. Once all the units at a property have been listed in our database as exempt, we stop billing the owner and sending notices to the unit. Thus, while there is an initial verification of the exemption, there is little follow-up in subsequent years. In FY 2006, we sent out letters to many properties in which all units were listed as exempt and offered a reasonable settlement if the owner voluntarily informed us of a unit that needed to be registered. With little or no follow-up, we collected nearly \$20,000 in past due fees. In FY 2008, in fairness to the majority of owners that do properly report and pay for their rental units, staff will resume this project that needed to be "put on the back burner" this year.

**Proposed Action 10: By January 2008, identify an additional \$40,000 in savings, unbudgeted revenue or additional cuts, to take effect in FY 2009.** The proposed budget balancing plan, clearly will meet the Board's stated goal of maintaining a 10% or \$300,000 minimum fund reserve at the end of FY 2008. However, if estimates for FY 2009 are correct, the Program will fall below the \$300,000 Fund reserve goal by June 2009. In order to meet this target, and better guarantee that potential future fee increases are limited, it is proposed that the Committee be charged with identifying an additional \$40,000 in cuts, savings or unbudgeted revenue in early 2008.

**Proposed Action 11 and 12: Pay for recurring new increased costs by identifying**

**offsetting savings, and pay for increased costs of existing budgeted items by identifying offsetting savings in other areas of the operational budget.** This practice was adopted by the Board several years ago and has been in place since that time. It is listed here in part as a reminder and in part to inform new Board members of some of the measures we have been undertaking for several years to contain costs. This technique is a good way of controlling “cost spikes” and “cost creep” which have a tendency to infiltrate budgets unless a vigilant eye is maintained. One example of how this technique was used in the development of this proposal can be seen in recommended actions 2-4, as the chart below demonstrates.

<b>EXPENDITURE</b>	<b>INCREASE</b>	<b>DECREASE</b>	<b>LINE ITEM</b>
Hourly/Temporary Agency Personnel	\$10,000		11-03
Continue Succession Planning Efforts	\$15,000		11-01
Reduce Senior Planner to 20%		(\$12,000)	Other dept
Reduce Contracts 4.3%		(\$13,000)	38-30
Totals	\$25,000	(\$25,000)	

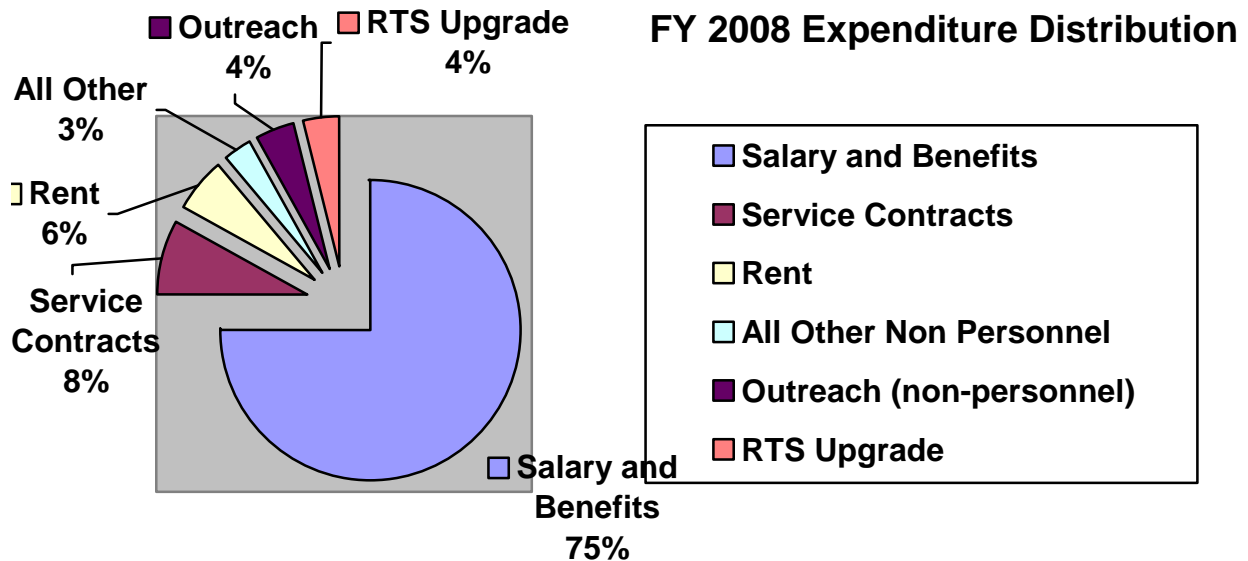
#### IV. BUDGET PRIORITIES AND DISTRIBUTION

The Budget and Personnel Committee has discussed with the Executive Director some of the improvements we envision with the adoption of this year’s budget.

- Completion of the phone replacement project as well as the design and eventual implementation of the RTS upgrade. These will conclude the series of capital improvement items first identified as funding priorities several years ago.
- Continue to expand outreach efforts beyond our traditional mailings to owners and tenants. Also increase outreach efforts to schools, religious organizations and other community-based organizations.
- Work with the City Council to develop an anti-harassment ordinance as well as increased standards for maintaining rental units in habitable condition.
- Ongoing improved coordination with other City Departments including the sharing of key information.
- Continue our work advising Council on how to mitigate the adverse impacts of pending changes in City housing policy such as soft-story and condominium conversion ordinances.

If the proposed changes to the “Status Quo” budget are adopted the Program would allocate

spending in the following six general areas:



V. THE BASIS FOR REVENUE ASSUMPTIONS

The Board receives almost all its income from two sources: registration fees for the current year, and back fees and penalties for previous years.

A. Estimate of Registered Units

The FY 2007 budget estimates approximately 19,000 units will be registered and raise \$2,887,500 in current year registration fees. Through May, we have received \$2,853,141, or 99% of the \$2,887,500 budgeted. By year-end, we may reach our target or fall a little short of our mark – it is too early to know for sure. I estimate that in FY 2008, with a registration fee of \$170 per unit we will collect approximately \$3,190,000 in current year fees.

B. Estimate of Income from Past Fees and Penalties

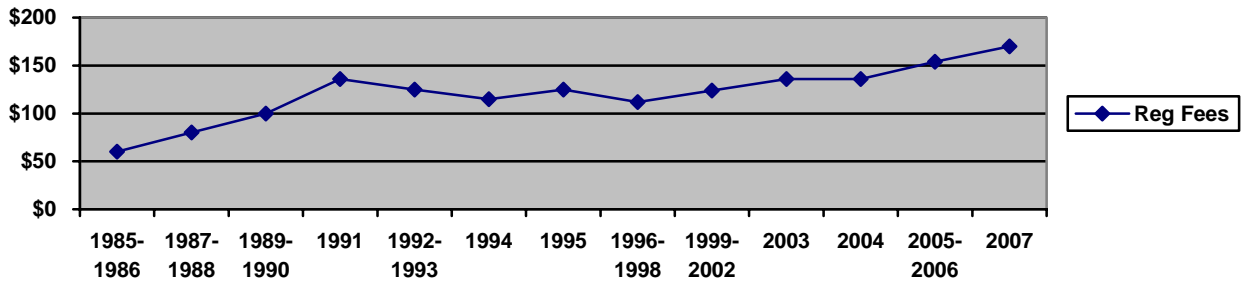
Historically, the Board has collected in excess of \$100,000 in prior years’ fees and penalties. The current year’s budget estimated \$150,000 from these items. Based on collections through May, I estimate we will fall a little short of our projections – collecting closer to \$130,000. Consequently, given the resumption of the New Unit review project, I would revise my estimate in FY 2008 upward to \$160,000.

C. Estimate of Total Income from Fees and Penalties

If annual registration fees yield \$3,190,000, the prior fees and penalties result in an additional \$160,000, and we collect \$5,000 from various miscellaneous revenues, the total year-end revenue is projected to be \$3,355,000. This continues the trend of utilizing the fund reserves to minimize increases to the registration fee. If we are able to fully implement our budget, the Board will be left with a fund reserve of approximately \$388,000 (11%%) at the end of FY 2008 and approximately \$313,000 (9%) at the end of FY 2009.

## VI. HISTORY OF REGISTRATION FEES

Two years ago, the Board increased the registration fee for the second time since 1999. Last year, we did not increase the fee but dipped into Fund reserves. For the reasons already discussed, the registration fee for next year was increased to \$170. The following graph shows all the registration fees assessed by the elected Rent Stabilization Board. The Registration Year is listed by the calendar year it is due (not by fiscal year). For example: the proposed fee of \$170 in the last column is for FY 2008 but is due July 1, 2007 and listed under Registration Year 2007. Page 17 of this report, is a table showing, year by year, the annual registration fees charged and the adopted FTE staffing levels.



RESOLUTION 07-04

ADOPTING FISCAL YEAR 2008 BUDGET GUIDELINES AND ESTABLISHING THE ANNUAL REGISTRATION FEE

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 of the Rent Board has reviewed the overall budget priorities for next fiscal year and recommends an overall spending level not to exceed \$3,525,000 for Fiscal Year 2008; and,

WHEREAS, neither the Budget & Personnel Committee nor the Board has had sufficient time to comprehensively review or comment on the line-item detail of the proposed budget; and,

WHEREAS, the Executive Director and Rent Stabilization Board believe that recurring annual revenues of \$3,355,000 in FY 2008 will be necessary to meet the Program's operating needs and it will require an annual registration fee of \$170 per unit; and,

NOW, THEREFORE, BE IT RESOLVED that in order to guide the Executive Director and the Budget and Personnel Committee in drafting a final line item budget, a maximum operational spending level totaling \$3,525,000 is hereby adopted for Fiscal Year 2008 with the establishment of a registration fee of \$170 per unit in order to meet the



RESOLUTION NO. 07-04

ADOPTING FISCAL YEAR 2008 BUDGET GUIDELINES AND ESTABLISHING THE ANNUAL REGISTRATION FEE - Page 2

Board's projected budget.

BE IT FURTHER RESOLVED that the Executive Director shall produce a final budget document detailing the revenues, line-item expenditures and staffing model for Rent Board consideration and adoption at its regularly scheduled meeting in June 2007.

Dated: May 7, 2007

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

Yes: Blake, Chong, Harrison, Kavanagh, Overman, Stephens, Webster, Arreguin  
No: None  
Abstain: None  
Absent: Walden

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Jesse Arreguin, Chairperson  
Rent Stabilization Board

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

# Rent Stabilization Fund

FY 2008 Two-Thirds Update (February)  
and FY 2008 Status Quo Budget

Code	Description	FY 2005 Actual	FY 2006 Actual	FY2007 Adopted	2007 Adjusted	FY 2007 2/3 Year	FY 2007 Year End Projected **	FY2008 Status Quo
11-01	Monthly Employees	1,369,300	1,391,592	1,540,000	1,540,000	883,438	1,465,000	1,630,000
11-03	Hourly Employees	0	0	0	0	7,338	23,500	0
13-01	Overtime	416	466	3,000	3,000	17	2,000	3,000
27-20	Benefits	693,103	794,180	830,000	830,000	475,137	790,000	905,000
30-12	Stipends	54,280	54,200	54,000	54,000	31,250	54,000	54,000
30-23	Misc. Legal Expenses	-6,539	1,587	10,000	10,000	135	5,000	10,000
30-36	Temp Agency Empl's	21,872	38,595	15,000	15,000	22,836	23,500	15,000
30-38	Misc. Prof. Services	309,255	261,568	324,000	365,000	190,860	322,000	300,000
30-42	Office Equip Mtc. Svcs/Furniture	7,574	23,399	20,000	20,000	2,253	12,000	20,000
30-43	Bldg & Structures Mtc Svc.	495	540	4,000	4,000	4,875	5,500	4,000
40-10	Professional Dues	1,705	1,855	2,000	2,000	1,895	2,000	2,000
40-20	Insurance	0	84	500	500	84	500	500
40-31	Telephone	15,325	5,024	10,000	50,000	2,645	50,000	10,000
40-50	Printing and Binding Outside	34,125	36,169	45,000	45,000	14,264	32,000	45,000
40-61	Commercial Trans	944	682	1,000	1,000	0	1,000	1,000
40-62	Meals & Lodging	1,124	1,724	2,000	2,000	960	2,000	2,000
40-63	Registration Fees	4,970	4,132	4,500	4,500	0	4,500	4,500
40-64	Transportation	815	1,630	2,500	2,500	500	2,500	2,500
40-70	Advertising	30,870	26,453	45,000	45,000	23,307	30,000	45,000
40-80	Books & Pubs	9,434	9,877	10,000	10,000	5,713	10,000	10,000
50-10	Rental of Land/Buildings	197,541	195,840	207,500	207,500	206,683	210,000	220,000
50-30	Rental of Off Equip & Furniture	0	1,476	1,500	1,500	0	1,500	1,500
51-10	Postage	38,145	46,300	55,000	55,000	26,386	38,000	55,000
51-20	Messenger/Delivery	970	824	2,000	2,000	748	2,000	2,000
55-11	Office Supplies	13,023	7,393	18,000	18,000	9,117	16,000	18,000
70-41	Office Equipment	1,341	0	4,000	4,000	0	1,000	4,000
70-44	Computers	15,372	19,110	25,000	25,000	11,673	18,000	25,000
75-10	Facilities Maint. Charges	2,450	0	0	0	0	0	0
75-30	Central Duplicating	4,362	4,189	5,000	5,000	3,250	5,000	5,000
75-50	City Vehicle/Fuel & Maint.	6,432	4,847	6,500	6,500	2,669	6,500	6,500
75-90	Training	330	0	3,000	3,000	575	3,000	3,000
81-01	Liability Payments	100	448	2,000	2,000	0	1,000	2,000
	<b>Expenditure Subtotal</b>	<b>2,829,134</b>	<b>2,934,184</b>	<b>3,252,000</b>	<b>3,333,000</b>	<b>1,928,608</b>	<b>3,139,000</b>	<b>3,405,500</b>
	Other Department Transfer	27,587	33,046	38,000	38,000	13,196	30,000	40,000
	<b>Total Fund Expenditures</b>	<b>2,856,721</b>	<b>2,967,230</b>	<b>3,290,000</b>	<b>3,371,000</b>	<b>1,941,804</b>	<b>3,169,000</b>	<b>3,445,500</b>
	<b>Total Fund Revenue</b>	<b>2,708,438</b>	<b>3,019,264</b>	<b>3,037,500</b>	<b>3,037,500</b>	<b>2,940,204</b>	<b>3,010,000</b>	<b>3,010,000</b>
	<b>Prior year's adjustment</b>				<b>30,332</b>	<b>30,332</b>	<b>30,332</b>	
	<b>Fund Balance</b>	<b>\$627,957</b>	<b>\$679,991</b>	<b>\$427,491</b>	<b>\$376,823</b>	<b>\$1,708,723</b>	<b>551,323</b>	<b>115,823</b>

\*\* Amounts listed in "FY 2007 Year-End Projected" reflect both the amounts that will actually be spent in the fiscal year as well as that which will be carried over into next year

TAB 3

# RENT STABILIZATION FUND

FY 2008 Proposed Budget

Based on May Projections

Code	Description	FY 2006 Actual	FY2007 Adopted	2007 Adjusted	FY 2007 "11/12ths"	FY 2007 Year End Projected **	FY2008 Status Quo	FY2008 Proposed
11-01	Monthly Employees	1,391,592	1,540,000	1,540,000	1,297,761	1,465,000	1,630,000	1,640,000
11-03	Hourly Employees	0	0	0	18,255	22,000	0	25,000
13-01	Overtime	466	3,000	3,000	17	500	3,000	1,500
27-20	Benefits	794,180	830,000	830,000	713,055	790,000	905,000	910,000
30-12	Stipends	54,200	54,000	54,000	44,700	54,000	54,000	54,000
30-23	Misc. Legal Expenses	1,587	10,000	10,000	135	3,000	10,000	3,000
30-36	Temp Agency Empl's	38,595	15,000	15,000	22,836	23,000	15,000	0
30-38	Misc. Prof. Services	261,568	324,000	365,000	232,132	322,000	300,000	287,000
30-42	Office Equip Mtc. Svcs/Furniture	23,399	20,000	20,000	5,748	10,000	20,000	17,000
30-43	Bldg & Structures Mtc Svc.	540	4,000	4,000	4,875	5,500	4,000	4,000
40-10	Professional Dues	1,855	2,000	2,000	1,895	2,000	2,000	2,000
40-20	Insurance	84	500	500	84	100	500	500
40-31	Telephone	5,024	10,000	50,000	4,344	40,000	10,000	8,000
40-50	Printing and Binding Outside	36,169	45,000	45,000	26,175	30,000	45,000	40,000
40-61	Commercial Trans	682	1,000	1,000	0	400	1,000	500
40-62	Meals & Lodging	1,724	2,000	2,000	960	2,000	2,000	2,000
40-63	Registration Fees	4,132	4,500	4,500	525	2,500	4,500	4,500
40-64	Transportation	1,630	2,500	2,500	900	1,500	2,500	2,000
40-70	Advertising	26,453	45,000	45,000	27,197	30,000	45,000	40,000
40-80	Books & Pubs	9,877	10,000	10,000	8,410	9,500	10,000	10,000
50-10	Rental of Land/Buildings	195,840	207,500	207,500	208,380	210,000	220,000	220,000
50-30	Rental of Off Equip & Furniture	1,476	1,500	1,500	0	1,000	1,500	1,000
51-10	Postage	46,300	55,000	55,000	30,108	36,000	55,000	48,000
51-20	Messenger/Delivery	824	2,000	2,000	944	1,200	2,000	2,000
55-11	Office Supplies	7,393	18,000	18,000	13,912	16,000	18,000	16,000
70-41	Office Equipment	0	4,000	4,000	0	500	4,000	1,000
70-44	Computers	19,110	25,000	25,000	14,681	17,000	25,000	17,000
75-30	Central Duplicating	4,189	5,000	5,000	7,117	7,500	5,000	5,000
75-50	City Vehicle/Fuel & Maint.	4,847	6,500	6,500	5,605	6,500	6,500	6,500
75-90	Training	0	3,000	3,000	575	1,000	3,000	2,500
81-01	Liability Payments	448	2,000	2,000	0	0	2,000	2,000
	RTS Data Base Upgrade Project				0	0	0	125,000
	<b>Expenditure Subtotal</b>	<b>2,934,184</b>	<b>3,252,000</b>	<b>3,333,000</b>	<b>2,691,326</b>	<b>3,109,700</b>	<b>3,405,500</b>	<b>3,497,000</b>
	Other Department Transfer	33,046	38,000	38,000	13,196	22,000	40,000	28,000
	<b>Total Fund Expenditures</b>	<b>2,967,230</b>	<b>3,290,000</b>	<b>3,371,000</b>	<b>2,704,522</b>	<b>3,131,700</b>	<b>3,445,500</b>	<b>3,525,000</b>
	<b>Total Fund Revenue</b>	<b>3,019,264</b>	<b>3,037,500</b>	<b>3,037,500</b>	<b>2,983,487</b>	<b>3,010,000</b>	<b>3,010,000</b>	<b>3,355,000</b>
	Prior year's adjustment			0	0	0		
	<b>Fund Balance</b>	<b>\$679,991</b>	<b>\$427,491</b>	<b>\$346,491</b>	<b>\$958,956</b>	<b>558,291</b>	<b>122,791</b>	<b>388,291</b>

**RENT STABILIZATION PROGRAM - EXPENDITURE DETAIL**  
**Fiscal Year 2007 – Budget Update (through May) and**  
**Fiscal Year 2008 Proposed Budget**

11-01 - Monthly Employee Salaries

- FY 2007 Adopted:	\$1,540,000
- FY 2007 Projected:	\$1,465,000
- FY 2008 Proposed:	\$1,640,000

I am projecting approximately \$75,000 in monthly employee salary savings in FY 2007 due primarily to two unanticipated vacancies; in both cases the vacancies were not filled on a career basis for several months. The positions were covered in part by reassigning existing staff and in part through the use of temporary agency personnel and hourly employees (see line-items 11-03 and 30-36 below). I am recommending that we maintain our current staff level at 19.3 Full-Time Equivalents (FTE) in FY 2008. I am anticipating that we will continue to have Hearing Examiners charge out for their time assisting other City departments conduct their hearings. This has resulted in salary savings over the past several years in excess of \$15,000.

In three of the previous four years we have, through attrition, eliminated one staff position. During that period, the Program has gone from 22.3 FTE benefited employees down to 19.3 FTE. This protracted practice has resulted in a substantial savings in salary and benefit charges, because two of the three positions were senior management positions. This practice has also created an opportunity to allow several staff members to take on additional and more challenging “lead” responsibilities. For the past several years I have expressed that we have both the capacity as well as the organizational need to continue challenging our employees and create some promotional opportunities. The Board has been very supportive in this area. Previous reclassifications are already paying dividends.

I am recommending that in FY 2008, we reclassify three positions; two classification upgrades and one lateral change. Given the very ambitious outreach and counseling goals for the agency (see Section 8, Goals for FY 2008), I am convinced we need additional analytical capacity and propose converting the Office Specialist II, clerical position in the Registration Unit to an Assistant Management Analyst position. The individual hired to fill the OSII position has been acting as a Provisional Assistant Management Analyst for over a year and I would like to make this change a permanent part of our staffing model. I believe implementation of our work plan would suffer if we were to return this slot to a full-time clerical job. I also wish to upgrade the Staff Attorney I position to Staff Attorney II. The individual filling the Staff Attorney I position has been at the top step in the entry level attorney series and it would be appropriate to allow him to formally begin taking on some journey level responsibilities. These two changes will increase salary costs by approximately \$10,000 in FY 2008, and the increased costs will be recurring in future years. The final move is a lateral change in the Public Information Unit (PIU) and Registration Unit and reverses a change in the staffing model I made earlier in the year. Because a position was filled by a long-term incumbent, the Board, last year, approved an Assistant Management Analyst in the PIU. When this individual retired, I switched the classification to Community Service Specialist I. It is currently filled by a CSSI. I plan on having this position work in the PIU as a counselor, work in the Registration Unit assisting with exemption verification and new unit registration issues and when necessary, provide me with some analytical support. After consulting with the Human Resources Department, I believe it would be appropriate to convert this position back to an Assistant Management Analyst. I have listed this position as being part-time in PIU and part-time in Registration. These proposed staffing changes combined with cost-of-living adjustments of between 4.8% and 5%, scheduled to take effect in July, result in a proposed expenditure authorization for FY 2008 of \$1,640,000.

11-03 - Hourly Employee Salaries

- FY 2007 Adopted:	\$	0
- FY 2007 Projected:	\$	22,000
- FY 2008 Proposed:	\$	25,000

As noted above, because of staff turnover we will experience substantial savings in line item 11-01. Clearly, we needed to continue performing the tasks these individuals had been assigned. While everyone in the agency pitched in and assisted in assuring coverage, we also made it through by utilizing a temporary agency and temporary hourly salaried employee. The total cost for these services this year will be roughly \$45,000 over the two expenditure categories. When the Board adopted the Budget last year, we did not anticipate the need to hire under this classification. In most years we hire temporary individuals to assist only on a seasonal basis. Over the previous several years we had relied exclusively on temporary agency employees (line-item 30-36). When it became apparent that the need this year would be for a longer period, I switched to salaried hourly employees. This provided greater conformance with City of Berkeley personnel rules and MOU's with the respective unions. In addition, switching to Hourly employees allowed us to pay the individual performing the work a few dollars more and save money from the rate we were paying the temp agency.

While we recently filled the vacant career positions and are now staffed at authorized levels, we are still clearing out some backlogs from the past year. In addition, our seasonal needs for additional clerical support will continue. For these reasons, I have asked that the allocation for temporary staff be increased from the \$15,000 budgeted this year (in line-item 30-36) to \$25,000 for FY 2008. I have also shifted the cost from line item 30-36 to hourly salaried employees (line-item 11-03), though we may incur costs in both areas over the year.

13-01 - Monthly Rated Employees - Overtime

- FY 2007 Adopted:	\$3,000
- FY 2007 Projected:	\$ 500
- FY 2008 Proposed:	\$1,500

For several years, we utilized compensatory time and flexible schedules to avoid or limit overtime costs. While this is still our primary practice, the past several years I authorized some limited overtime during our annual registration period and at other times to complete some time-sensitive projects. Because we consistently capture savings in this area at the end of the year, I recommend that we reduce the budgeted amount in FY 2008 to \$1,500.

27-20 - Employee Benefits

- FY 2007 Adopted: \$830,000
- FY 2007 Projected: \$790,000
- FY 2008 Proposed: \$910,000

Employee retirement, medical and dental plans, workers compensation, other insurance and fringe benefits are all included in this line-item. While the rate of increases have slowed a bit from the period of FY 2004- FY 2006, medical and retirement costs continue, more than any other factor, to fuel the citywide budget difficulties of the past several years. As I pointed out the past several years, in FY 2003, the Program had 22.3 FTE budgeted and spent \$375,000 for fringe benefits (apx. 30% of salary). In FY 2004, we reduced staffing to 21.3 FTE yet the rate jumped to roughly 40% of salary, and a projected cost of \$550,000. In FY 2005, we adopted a staffing model of 20.3 FTE and left an additional position vacant for most of the year. Nevertheless, the benefits price tag rose to just under \$700,000. In FY 2006, we spent just under \$800,000 on fringe costs. I anticipate that we will spend a similar amount in FY 2007, which is lower than budgeted due to salary savings noted above but still roughly 55% of salary. Next year, based upon City estimates, we anticipate spending approximately \$910,000. While the rates nearly tripled in the five years since the Board adopted the FY 2003 budget, I believe that it is important to note that the actual benefits that employees and Board members receive has not significantly changed during that period. The rising rates are driven primarily by increases in PERS charges and the rates for medical coverage. Based upon the initial projections from the City, I propose increasing this item to \$910,000 for FY 2008.

30-12 - Stipends

- FY 2007 Adopted: \$54,000
- FY 2007 Projected: \$54,000
- FY 2008 Proposed: \$54,000

Each of the nine elected Rent Board members receives a maximum of \$500 per month for meeting attendance.

30-23 - Misc. Legal Expenses

- FY 2007 Adopted: \$10,000
- FY 2007 Projected: \$ 3,000
- FY 2008 Proposed: \$ 3,000

This item covers external costs associated with our litigation. Expenses include costs of depositions, copying documents, preparation of administrative records and some other court-related costs. The adopted FY 2007 budget set aside \$10,000 for these services. Fortunately, we have not needed to utilize this contingency very much this year. I believe we are able to reduce this amount by \$7,000, down to \$3,000 for FY 2008. This should be a safe amount based upon actual costs over the past several years. If it turns that we have under-budgeted in this area, I will have to find savings elsewhere in the budget.

30-36 - Temporary Agency Employees

- FY 2007 Adopted: \$15,000
- FY 2007 Projected: \$23,000
- FY 2008 Proposed: \$ 0

Please see the detailed discussion in 11-03 Hourly Employee Salaries above. It is worth noting that the projected costs for FY 2007 listed above were incurred during the first half of this fiscal year, prior to switching to the Hourly Employee category.

30-38 - Misc. Professional Services

- FY 2007 Adopted: \$324,000 (\$365,000 Adjusted Budget with carryover)
- FY 2007 Projected: \$322,000
- FY 2008 Proposed: \$287,000

This line-item covers a number of services including Credit Card Service Fees, Consultants and Other Services. The main component is still the professional contracts we enter into each year. The chart below lists both the amount originally budgeted (based on the Adjusted Budget) and what I estimate will be our year-end expenditures, including encumbrances. Unless otherwise noted below, any unexpended amount included in the year-end projection, which is encumbered, will be carried over into next fiscal year.

The budget guidelines proposed by the Budget Committee and adopted by the Board on May 7<sup>th</sup> set aside \$287,000 for Miscellaneous Professional Services. This reflects an 11.4% decrease in this line-item from the amount budgeted last year (\$324,000). Because \$30,000 of the \$324,000 was set aside for a non-recurring computer design contract, which never was executed, a more accurate reflection of the cut in this line-item would be 4.3%, which is the amount staff and the Budget Committee recommended cutting from the Status Quo Budget. The Board, having approved contracts and purchase orders at the May 21<sup>st</sup> and June 18<sup>th</sup> meetings, has already allocated the lion's share of the funding for this line-item. The chart below reflects my estimate of how we will spend the balance of the amount allocated.

	<b>FY 2007 Adjusted Budget *</b>	<b>Year-End Projection **</b>	<b>FY 2008 Proposed Budget</b>
Credit Card Service Fees	\$ 20,000	\$ 15,000	\$ 14,000
RTS Redesign Contract	30,000	0	0
Closed Captioning	6,500	6,000	8,000
Quartet (RTS)	17,535	17,535	0
Legislative Representation	43,240	43,000	45,000
Community Service Contracts	237,250	236,500	216,000
Consulting Attorneys	6,475	0	0
2001 Center St. (after hours)	2,500	2,500	2,500
Alhambra Water	1,500	1,500	1,500
<b>Total</b>	<b>365,000</b>	<b>322,035</b>	<b>287,000</b>

\* The "Adjusted Budget" reflects the maximum budget allocations authorized in the Adopted Budget plus all carryover funding from prior years.

\*\* Year-End Projections include amounts actually expended or encumbered this year. Increased spending this year over the amount listed in the Adopted Budget reflects carryover funds from prior years, not an additional allocation to the contract over that which was budgeted. Generally, any amount in a contract that is not spent this year will be carried over into next year. Balances from purchase orders that charge based upon actual services delivered (Closed Captioning, Alhambra Water, Credit Cards and 2001 Center Street) generally do not carry over into the next fiscal year.



30-42 - Office Equipment Maintenance/Furniture

- FY 2007 Adopted: \$20,000
- FY 2007 Projected: \$10,000
- FY 2008 Proposed: \$17,000

Included are all our office equipment maintenance agreements. Purchases of furniture are also included in this item. Historically, \$20,000 has been adequate to cover our needs in this area. In FY 2006, we exceeded the \$20,000 amount because we purchased a new copy machine with scanning capabilities. Over the past several years staff has been very frugal and not made any significant furniture purchases other than a few necessary ergonomic improvements. This has resulted in a substantial savings in FY 2007. I believe that in FY 2008, we can reduce the amount allocated by \$3,000 to a funding level of \$17,000.

30-43 - Building Maintenance/Structures

- FY 2007 Adopted: \$4,000
- FY 2007 Projected: \$5,500
- FY 2008 Proposed: \$4,000

This is for cleaning of our offices and other minor office modifications that may be made during the year. We exceeded our standard budget this year because of the changes to lobby and counter in the Public Information Unit. These changes have received quite a bit of praise and allowed for greater comfort and a bit more privacy when receiving counseling at the counter. I am requesting that in FY 2008 we maintain \$4,000 as our baseline allocation for this item.

40-10 - Professional Dues

- FY 2007 Adopted: \$2,000
- FY 2007 Projected: \$2,000
- FY 2008 Proposed: \$2,000

Professional association dues include the California Bar for Program attorneys. Based upon actual expenditures through May I anticipate spending most, if not all of the current year's allocation. The same amount should suffice in FY 2008.

40-20 - Insurance

- FY 2007 Adopted: \$ 500
- FY 2007 Projected: \$ 100
- FY 2008 Proposed: \$ 500

The City of Berkeley maintains several casualty insurance policies on equipment used by the Rent Program, and we are billed for this. For many years, the cost had been fairly consistent (\$1000). Because, the charges in this item decreased for several consecutive years, we decreased the amount allocated in FY 2007 to \$500. While it appears that we may not spend all of that allocation this year, I am recommending that we maintain the allocation in FY 2008 at \$500.

40-31 - Telephones

- FY 2007 Adopted: \$ 10,000 (\$50,000 with carryover)
- FY 2007 Projected: \$ 40,000
- FY 2008 Proposed: \$ 8,000

Over the years, our basic phone costs have remained fairly steady, in the range of \$6,000 - \$10,000 per year. The FY 2007 Adopted Budget allocates \$10,000 for phones, but the Adjusted Budget reflects a carryover from the prior year of an additional \$40,000 as a onetime allocation to upgrade our antiquated and persistently problematic analog-based phone system. As I mentioned at the June 18<sup>th</sup> Board meeting, we will probably not execute the contract for the new phones until early in FY 2008. We also anticipate a savings of at least \$10,000 over what was allocated. This savings is reflected above under FY 2007 Projected expenditures. Because we budget based upon “new” allocations of funding, I have continued listing the expenditure above as a projected cost in FY 2007. If we in fact do not pay for the phones this fiscal year, I will carry over \$30,000 into next fiscal year. I have reduced the FY 2008 allocation for basic phone costs by \$2,000 down to \$8,000, which should suffice in covering our monthly phone bills.

40-50 - Printing and Binding, Outside

- FY 2007 Adopted: \$45,000
- FY 2007 Projected: \$30,000
- FY 2008 Proposed: \$40,000

We use outside vendors for printing, folding, design and mailing the Newsletters, the AGA, and the Apparent Lawful Rent Ceiling mailings. Our printing and mailing costs are quite high because we do so many mailings, including sending all new tenants and owners a copy of our excellent Guide to Rent Control. We realized some savings this year because we only produced two newsletters, due to staffing shortages and we had a surplus of Guides, which allows the program to hold off until next fiscal year in incurring this expenditure. We also did a little more in-house printing this year (see 75-30 below). I recommend that in FY 2008 we reduce the amount allocated by \$5,000 below this year’s budgeted amount. I believe we will be able to achieve our goals with an allocation of \$40,000 for FY 2008.

40-61 - Commercial Transportation

- FY 2007 Adopted: \$1,000
- FY 2007 Projected: \$ 400
- FY 2008 Proposed: \$ 500

Staff and Board members will travel to both Sacramento and/or Southern California for conferences related to rent control and on legislative activities. I believe we can reduce this allocation to \$500 in FY 2008.

40-62 - Meals and Lodging

- FY 2007 Adopted: \$2,000
- FY 2007 Projected: \$2,000
- FY 2008 Proposed: \$2,000

This reflects reimbursement for food/lodging when employees and/or Board members attend meetings, conferences and other events. We may experience modest savings in this item this year but I believe the FY 2008 allocation should remain at \$2,000

40-63 - Registration Fees

- FY 2007 Adopted: \$4,500
- FY 2007 Projected: \$2,500
- FY 2008 Proposed: \$4,500

These fees are for conferences or professional trainings attended by Rent Board members or staff. While we will realize savings this year, I believe it is atypical when compared to the actual charges over the past few years. For this reason, I am recommending that we maintain the allocation at \$4500 in FY 2008.

40-64 - Transportation

- FY 2007 Adopted: \$2,500
- FY 2007 Projected: \$1,500
- FY 2008 Proposed: \$2,000

This is a combination of the expenses for private auto use and, on rare occasions, the cost of rental cars. The amount is based on prior years' expenditure levels and can be reduced by \$500 in FY 2008.

40-70 - Advertising

- FY 2007 Adopted: \$45,000
- FY 2007 Projected: \$30,000
- FY 2008 Proposed: \$40,000

This includes costs for legal advertising of Rent Board public hearings and new regulations, the costs of cable transmission, and public radio broadcast of our meetings. This line-item can also include charges for newspaper, magazine and/or bus ads, if the Board chooses to direct our energy in that direction. The Outreach Committee has been considering expanding efforts to include a campaign that could reach tenants with children in Berkeley's public schools. Because of turnover in our outreach staff this year, we did not fully implement our advertising/outreach plan and will realize some savings. I am requesting that in FY 2008 we reduce the funding level by \$5,000, which should still allow staff to implement the expanded outreach efforts discussed at the Outreach Committee.

40-80 - Books and Publications

- FY 2007 Adopted: \$10,000
- FY 2007 Projected: \$ 9,500
- FY 2008 Proposed: \$10,000

Legal updates account for the vast majority of this item along with various other publications on public management and rent programs. We will experience some savings in FY 2007 but I am requesting that the amount budgeted in FY 2008 remain at \$10,000.

50-10 - Rental of Land/Buildings

- FY 2007 Adopted: \$207,500
- FY 2007 Projected: \$210,000
- FY 2008 Proposed: \$220,000

The lease for our office space at 2125 Milvia Street makes up the lion's share of this item. This line-item also includes costs for the use of Old City Hall for Board meetings and the occasional rental of a meeting room, which together total up to \$2,500 per year. We will slightly exceed our budgeted amount this fiscal year. We have not received the invoice for next year's rent yet but based upon CPI and other indicators, I estimate roughly a 4% increase for next year and am recommending we allocate \$220,000 for this item in FY 2008.

50-30 - Rental of Office Equipment and Furniture

- FY 2007 Adopted: \$1,500
- FY 2007 Projected: \$1,000
- FY 2008 Proposed: \$1,000

This is for lease payments for minor office equipment and the Metro-scan/RealQuest database updates. I believe we are able to reduce the allocation in FY 2008 by \$500.

51-10 - Postage

- FY 2007 Adopted: \$55,000
- FY 2007 Projected: \$36,000
- FY 2008 Proposed: \$48,000

There are numerous mailings related to petitions, registration, property updates, etc., as well as our newsletters, AGA mailings, Apparent Lawful Rent Ceiling notices and mailing our Guide to all new owners and tenants. Based upon actual expenditures through May, I believe that our remaining mailing needs for this fiscal year will place us at right around \$36,000, which reflects a substantial savings compared to the \$48,000 budgeted. This is due in part to the fact that only two newsletters were mailed out this year rather than three. We also carried a surplus with the Postmaster into this year. I believe that when we add in the mailing of the third newsletter as well as some planned outreach for units at risk of being converted to TICs or Condominiums, and the recent increase in postage that \$48,000 would be an appropriate level for FY 2008. This item also reflects approximately \$3,500 in charges as the Rent Board's portion for operating the mailroom.

51-20 - Messenger/Delivery

- FY 2007 Adopted: \$2,000
- FY 2007 Projected: \$1,200
- FY 2008 Proposed: \$2,000

This includes messenger service for various deliveries. We use staff for deliveries whenever possible. I've assumed the same level of funding in FY 2008.

55-11 - Office Supplies

- FY 2007 Adopted: \$18,000
- FY 2007 Projected: \$16,000
- FY 2008 Proposed: \$16,000

This allocation is for office supplies, the largest item of which is paper. Based upon actual charges through May, we should realize about \$2,000 in savings in FY 2007. Because we have been so successful in containing these costs over the past five years, I am recommending that we cut the allocation by an additional \$2,000 in FY 2008 to the \$16,000, the same amount we anticipate spending this year.

70-41- Office Equipment

- FY 2007 Adopted: \$4,000
- FY 2007 Projected: \$ 500
- FY 2008 Proposed: \$1,000

This category includes office equipment other than computers. Based upon actual charges through May, I am projecting that we will spend only \$500 in FY 2007. I am recommending that we cut the allocation in FY 2008 by \$3,000 and assume that \$1,000 will suffice in FY 2008.

70-44 - Computers

- FY 2007 Adopted: \$25,000
- FY 2007 Projected: \$17,000
- FY 2008 Proposed: \$17,000

The FY 2007 budget allocated \$25,000 for computers, including hardware and software. This line-item does not account for contracted programming, which is reflected in item 38-30, above nor will it account for the RTS database upgrade, which will be tracked separately. After several years of discussion, the City implemented a replacement schedule, which the Rent Board was an early beneficiary of in FY 2006 and 2007. Consequently, at least for the next year or so, we should be able to contain these costs somewhat. The FY 2008 allocation includes \$10,000 as our portion of the scheduled replacement contribution and \$ 5,000 as our annual contribution to the web casting/video streaming contract. An additional \$2,000 has been included for software and/or hardware not covered by our replacement agreement.

75-30 - Central Duplicating

- FY 2007 Adopted: \$ 5,000
- FY 2007 Projected: \$ 7,500
- FY 2008 Proposed: \$ 5,000

For most large staff reports, hearing decisions, appeals, etc., we use the City's central duplicating office to make sufficient copies and we are billed for this usage. This year, we utilized the services of the City's central duplicating office more than in prior years. When we do so, there is generally an offsetting savings in line item 40-50, Outside Printing and Binding. Based upon our historical usage over the past several years, rather than the most recent year, I am recommending that this line-item remain unchanged next year.

75-50 - City Vehicle

- FY 2007 Adopted: \$ 6,500
- FY 2007 Projected: \$ 6,500
- FY 2008 Proposed: \$ 6,500

We use a City vehicle for site visits. We've also included line items 75-60, Parking Permits (\$960) and 75-70, City Garage (\$900). Because we use a fairly old vehicle, our costs have been contained over the years. The majority of charges are for gas and maintenance of the vehicle. I am recommending that we maintain our allocation in FY 2008 at \$6,500.

75-90 - Training

- FY 2007 Adopted: \$ 3,000
- FY 2007 Projected: \$ 1,000
- FY 2008 Proposed \$ 2,500

Previously, this item reflected only training offered by the City. Last year, I renamed it as I had hoped to expand training opportunities for interested staff this year. We have done some of this additional training, mostly in the area of mediation. Several years ago, the City greatly expanded their training offerings and we utilized this resource to hone the skills of our staff. Most training offered by the City is free. This is for in-house training classes that have fees charged and some outside trainings (though the City also lists these in line-item 40-63, depending upon the training) I want to maintain a small, but not insignificant, amount for employees to seek reimbursement for training received outside from the classes offered by the City (i.e. taking an approved budgeting or business writing class at a local college) that will enhance the employee's job performance. The total amount for both types of training could be \$2,500 in FY 2008, which is a slight decrease from the amount budgeted in FY 2007.

81-01 - Liability Payments

- FY 2007 Adopted: \$ 2,000
- FY 2007 Projected: \$ 0
- FY 2008 Proposed: \$ 2,000

This is for possible court-ordered attorney’s fees and other incidental court costs. I am not aware of any cases pending this year for which the Board is at risk of incurring these charges. I recommend this item remain unchanged in FY 2008.

RTS Database Upgrade Project

- FY 2007 Adopted: \$ 30,000
- FY 2007 Projected: \$ 0
- FY 2008 Proposed: \$ 125,000

The necessity for this expenditure is discussed in greater detail in Section 2 of this budget book. When the Board adopted the Budget Guidelines for FY 2008 on May 7<sup>th</sup>, \$125,000 was earmarked for this project. I will be tracking and reporting expenditures for this upgrade on a “project budget basis.” This means that while we may expend funding in other line-items (consultants, salary, computer hardware or software, etc.) I will be reporting these expenditures to you as a part of this “RTS Upgrade Project” rather than in the other line-items. I do this so that we can better track the actual costs of this project and also to avoid “cost creep” in the various line-items, which might occur by mixing recurring operational expenses with large, one-time capital expenditures.

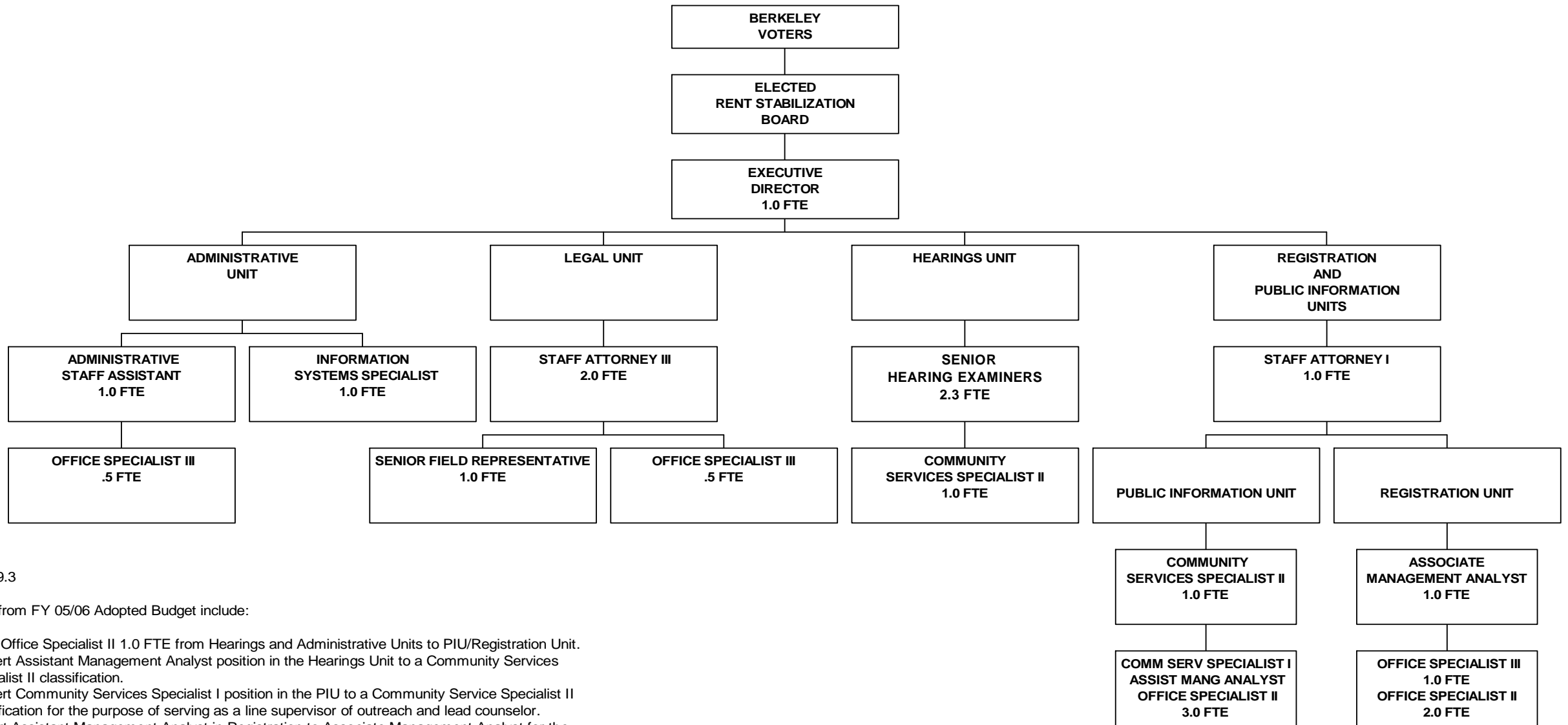
Transfer to Housing Department

- FY 2007 Adopted: \$ 38,000
- FY 2007 Projected: \$ 22,000
- FY 2008 Proposed: \$ 28,000

The FY 2007 adopted budget set aside \$38,000 for the cost of a senior planner, in the Housing Department, to work on research projects as necessary. The individual is charged based upon actual hours worked on issues related to the Rent Stabilization Ordinance and there has been an assumed cap on our ability to access these services of 30% of his time. In reality, this year other priority projects in the Housing Department have limited the number of hours he has been available for Rent Board issues. This will result in a significant savings this fiscal year. I have renegotiated the cap to try to arrive at a more realistic percentage of time we may utilize these services. Our revised cap is no more than 20% of the individual’s time. This works out to roughly \$28,000 for FY 2008. If the individual continues to have limited availability to work on Rent Board issues, I may recommend that we redirect the allocation to secure the services of a consultant.

TAB 4

**BERKELEY RENT STABILIZATION BOARD ORGANIZATION CHART**  
 Adopted Budget - Fiscal Year 2007



TOTAL 19.3

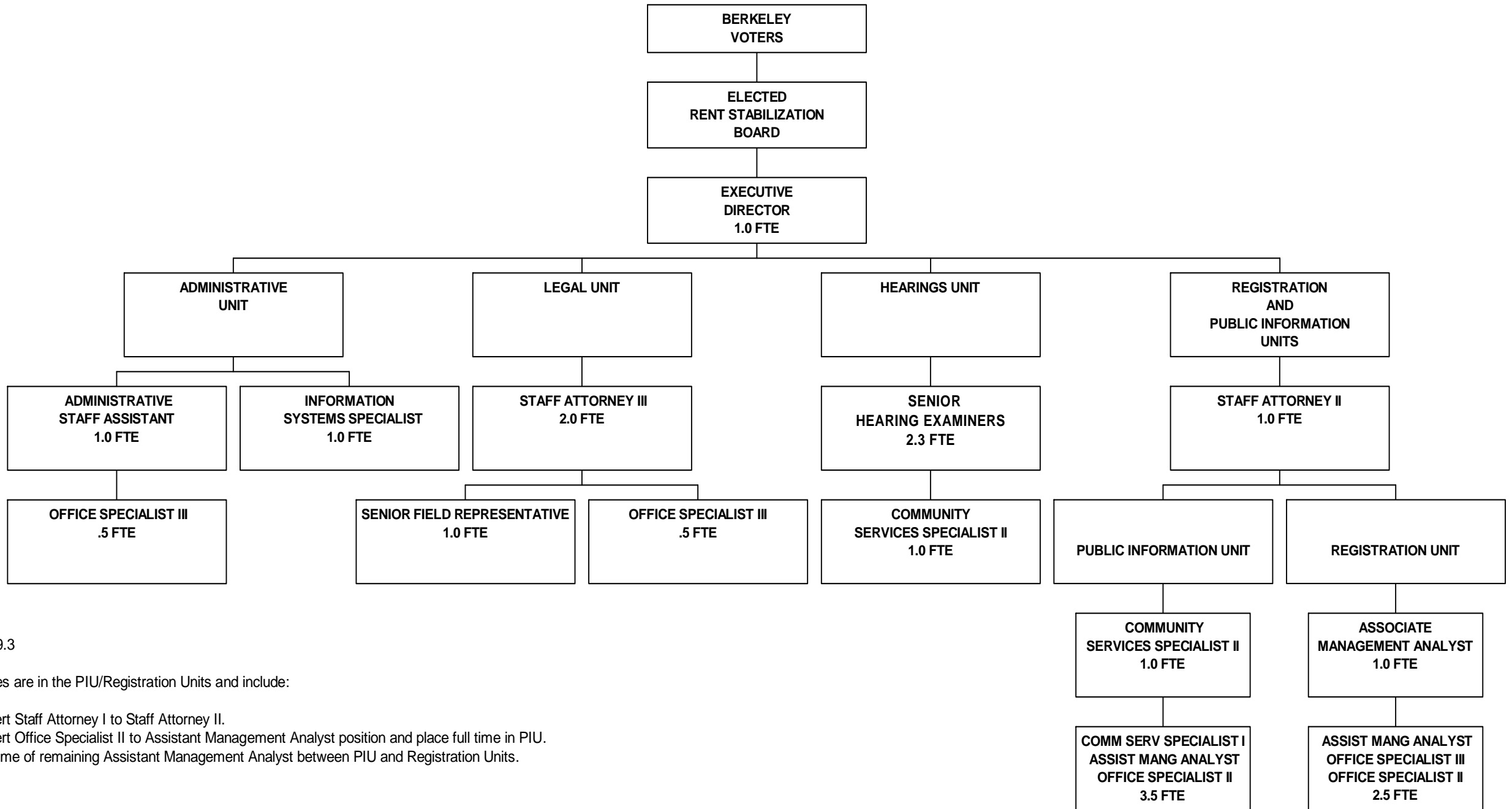
Changes from FY 05/06 Adopted Budget include:

1. Move Office Specialist II 1.0 FTE from Hearings and Administrative Units to PIU/Registration Unit.
2. Convert Assistant Management Analyst position in the Hearings Unit to a Community Services Specialist II classification.
3. Convert Community Services Specialist I position in the PIU to a Community Service Specialist II classification for the purpose of serving as a line supervisor of outreach and lead counselor.
4. Convert Assistant Management Analyst in Registration to Associate Management Analyst for the purpose of serving as a line supervisor for registration activities.



# BERKELEY RENT STABILIZATION BOARD ORGANIZATION CHART

## Fiscal Year 2008 Proposed



TOTAL 19.3

All changes are in the PIU/Registration Units and include:

1. Convert Staff Attorney I to Staff Attorney II.
2. Convert Office Specialist II to Assistant Management Analyst position and place full time in PIU.
3. Split time of remaining Assistant Management Analyst between PIU and Registration Units.

TAB 5



Rent Stabilization Board

## MEMORANDUM

**DATE:** June 25, 2007

**TO:** Honorable Members of the Rent Stabilization Board

**FROM:** Jay Kelekian, Executive Director

**SUBJECT:** Work Plan Analysis of Activities and Projects for FY 2007/2008

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This analysis of existing activities and projects will serve as a starting point for understanding the ongoing work performed by Program staff as well evaluating any new budget proposals. The items below represent our ongoing, “bread and butter,” core projects. Section 8 of this book, which provides lists of more recent accomplishments by the Board and of the goals and areas of anticipated emphasis for FY 2008, supplements the work plan outlined in this section.

### **CORE ACTIVITIES** **Organized by Unit**

#### **REGISTRATION**

<b>Activity</b>	<b>Brief Description</b>	<b>Staff Involved</b>	<b>Status</b>
1. Annual Registration	Bills are prepared and mailed in mid-May. From Mid May-July 15 every year we have an intense period during which the Board receives 85% to 90% of annual fees. Involves updating RTS, receiving and depositing funds. Careful record -keeping by staff is critical.	Registration, Info Systems Specialist and Administrative Unit	Annual
2. Registration	Process registration changes and correct records throughout year.	Registration and PIU	Ongoing

<b>Activity</b>	<b>Brief Description</b>	<b>Staff Involved</b>	<b>Status</b>
3. Collection	Review unpaid accounts; send out penalty billings, contact people to collect past due bills. In June every year we file small claims court actions against landlords who did not pay. Cases are litigated in the fall and judgments collected.	Registration, Senior Field Representative and Legal	Ongoing
4. VR Processing	VR forms are analyzed, corrected and entered in RTS. Forms are then copied and mailed to tenants to verify accuracy. The Program processes over 5,200 VR's this past year.	Registration	Ongoing
5. Investigate RWN Petitions	For hearings unit, investigate allegations that landlord is not registered. Includes review of records and in-person unit inspection and interviews. Prepare reports for Hearing Examiners.	Senior Field Representative	Ongoing
6. Analysis of RTS Data	From time to time reports are issued on the registration status of all units, changes from previous years and median and average rents or other topics.	Info Systems Specialist and Director	Periodic
7. Update of RTS Data	Database projects: to correct gaps or inconsistent cells in RTS data.	Registration and I.S. Specialist	Periodic
8. Verification of Exemptions	Mailings and other verification efforts to uncover non-compliance with registration requirements. (Also see Section 8 on Goals for FY 2008)	Registration	Periodic

## PUBLIC INFORMATION UNIT

Activity	Description	Staff	Status
1. Individual Counseling	Oral information and advice given to clients at the counter and over the telephone. Literature distributed. Over 800 personal contacts and about 100 e-mail responses per month.	PIU	Ongoing
2. Written Interpretations	Letters written to landlords and others when it appears that an unlawful practice may be occurring.	PIU	Ongoing
3. Prepare Written Material	PIU staff prepares and updates fliers, booklets, model letters and other informational material.	PIU and Hearing Examiners	Ongoing
4. Informational Workshops	PIU staff presents workshops and group counseling to the public both on site and off. This year we will do between 15 - 20 presentations at workshops, festivals, on campus and/or community meetings.	PIU and Director	Periodic
5. Staff Board Committees	PIU staffs Outreach Committee.	PIU	Ongoing
6. Coordination of Outreach Efforts	See list of projects included in Outreach plan.	PIU	Ongoing
7. Informal Mediations	When appropriate, counselors offer to assist parties in understanding the ordinance and informally mediate disputes between parties, sometimes over the phone. A more formal (but still voluntary) mediation process is available through the Hearings Unit	PIU	Ongoing

## LEGAL DIVISION

Activity	Description	Staff	Status
1. Defend Board in Litigation	Writs of Mandate and civil rights challenges.	Legal	Ongoing
2. Prosecute Violations of Ordinance	Mostly failure to register and violation of Board orders.	Legal	Ongoing (very few)
3. Prepare Appeals	Staff prepares recommendations on appeals of hearing examiners decisions. About 10-15 appeals have been filed in each of the past several years.	Legal	Ongoing
4. Draft Regulations	Done as needed.	Legal and Board	Ongoing
5. Draft Legal Opinions	Opinions are issued on topics of Rent Stabilization law, conflict, Brown Act, Ellis Act, power of the Board, and other related issues.	Legal	Ongoing
6. Assist Staff With Complex Legal Issues	Registration, PIU, the Board and occasionally the hearing examiners consult the attorneys about legal issues as they arise. Advice is given primarily orally and in writing. Occasionally, Legal staff negotiates directly with landlords on difficult registration issues.	Legal	Ongoing
7. Preparation of Contracts	The Legal Unit reviews and/or drafts all contracts that the Director enters into on behalf of the Board.	Legal	Ongoing
8. Monitoring of Contracts	In FY 2007, the Legal Unit resumed the monitoring of all contracts. Prior to FY2007, this was performed by the City.	Legal	Ongoing

<b>Activity</b>	<b>Description</b>	<b>Staff</b>	<b>Status</b>
9. Assist in Drafting and Evaluating Legislation	Works with our Sacramento lobbyist in crafting and evaluating proposed legislation that could adversely alter the Ordinance adopted by the voters.	Legal and Director	Ongoing
10. Ellis Enforcement	Responsibilities include re-writing forms, advising landlords and tenants, determining legal effect of various options and giving out information. Revising and updating the Ellis Implementation Ordinance.	Legal	Ongoing
11. Measure Y	Distribute information, administer escrow accounts and monitor compliance with Measure Y.	PIU, Legal, and Senior Field Representative	Ongoing
12. Staff IRA/AGA/Habitability and Eviction/Section 8 Committees	Legal staff provides primary support for both the IRA/AGA/Habitability Committee and the Eviction/Section 8 Committee.	Legal	Ongoing
13. Monitor AE Phi Claims	Close out and reconcile all claims filed which were determined to be valid. Almost all claims have been resolved, but some final accounting needs to be completed.	Legal	Ongoing but should wrap up in FY 2008
14. Assist in Drafting Amendments to the Rent Ordinance	Legal staff played an essential role in our efforts to craft revisions that updated and enhanced the Ordinance in 2004 and 2006.	Legal	Periodic
15. Support Outside Litigation that Furthers the Purpose of the Rent Ordinance	This usually occurs by Legal staff filing an Amicus Curiae brief with the courts. However, Board Resolutions authorize staff to file for injunctive relief and/or intervene in unlawful detainers.	Legal	As Needed

## HEARINGS UNIT

Activity	Description	Staff	Status
1. Conducts Hearings & Writes Opinions	Over the past three years we have had between 150 – 175 petitions filed per year, and issued an average of 164 decisions per year.	Hearing Examiners	Ongoing
2. Conducts Settlement Conferences	A settlement conference is held prior to each hearing.	Hearing Examiners	Ongoing
3. Consults with Staff on Legal Issues	Examiners serve as a back-up resource for staff on legal issues.	Hearing Examiners	Ongoing
4. Assists staff with written documents	Hearings staff reviews important documents, like the newsletter, the Guide and most public information.	Hearing Examiners	Ongoing
5. Waivers	Determine whether penalties should be assessed or waived for late payments. Approximately 400 waivers per year are granted.	Hearings Unit Community Specialist II and Senior Field Representative	Ongoing
6. Develop & Revise Petition Forms	Make sure forms are amended to track regulation changes.	Hearings Unit and Legal	Ongoing
7. Conducts Hearings for Berkeley Housing Authority	Examiners conduct termination hearings for the BHA. This provides due process safeguards for tenants, reduces the cost to BHA and allows the Program to reduce payroll costs.	Hearing Examiners	Ongoing
8. Conducts Voluntary Mediation of Disputes	The Hearings Unit schedules, facilitates and memorializes the results of all formal mediations.	Hearing Examiners	Ongoing



## ADMINISTRATIVE UNIT

<b>Project</b>	<b>Description</b>	<b>Staff</b>	<b>Status</b>
1. Prepares and Monitors Budget	Tracks incoming revenue & expenditures. Performs budget modifications as needed.	Administrative Unit	Ongoing
2. Orders and maintains equipment and supplies.	Orders supplies, furniture and equipment as needed. Includes computer hardware and software. Ensures upkeep and maintenance. Anticipates shortages.	Administrative Unit	Ongoing
3. Maintains Board Records Including Regulations	Maintains and updates all regulations and documents in accordance with record retention guidelines and other practices.	Administrative Unit	Ongoing
4. Payroll	Performs payroll function within City parameters.	Administrative Unit	Ongoing
5. Maintains RTS System	Make sure RTS system works. Fix problems. Reprogram to add functions. Coordinates with outside consultants.	Info Systems Specialist	Ongoing
6. Prepares Board Agendas, Minutes	Prepares & mails agendas and minutes in timely manner to public, press & Board.	Administrative Unit	Ongoing
7. Staffs Board Committees	Budget and Personnel Committee, Soft Story Committee and 4 x 4 Committee and assists on all other committees.	Administrative Unit	Ongoing
8. Requests for RTS Data	We regularly receive requests from the public, City, or other agency downloads or analysis of the data maintained in the RTS database.	Info Systems Specialist	Ongoing
9. Public Records Act	Responds to Requests for information under the Public Records Act	Administration and Legal Units	Periodic

**PROJECTS**  
**Organized by Topic**

**Outreach: Our goal is to ensure that tenants and owners know their rights and responsibilities under rent control and have the tools to assert them.**

<b>Project</b>	<b>Description</b>	<b>Staff</b>	<b>Status</b>
1. Newsletter	Published by the Rent Board three times a year and distributed to all tenants, landlords, City officials and interested parties throughout the City. Sent to more than 25,000 addresses.	PIU and Administrative Unit	Ongoing but Seasonal
2. Web Page	Board's Web page is a major source of information. Our site receives over 2,500 unique visitors each week.	Info Systems Analyst and PIU	Ongoing
3. Ask the Rent Board	Bi-weekly column published in local newspapers, which answers questions on a wide variety of landlord-tenant problems. Editors have told us the column is very popular.	PIU and/or Hearings Unit	Suspended due to staff shortages in the past 2 years. I hope we will be able to resume publication this year.
4. Training RLA	Rent Board staff assists the ASUC Renter's Legal Assistance in training their staff to give counseling advice to students.	PIU	Ongoing
5. Tenants' Rights Week	Board staff works with UC students to have a tenants' rights week in the fall and spring, which gives out advice for students as tenants.	PIU	Ongoing
6. Home visits	The past few years, the PIU has made in-person visits to tenants at several different locations in order to explain their rights.	PIU	As needed

<b>Project</b>	<b>Description</b>	<b>Staff</b>	<b>Status</b>
7. Guide to Rent Control	We publish the Guide in both hard copy and on the Web page. The Guide is now mailed to all new owners & tenants and is updated every year or so.	Hearings Unit and PIU	Ongoing
8. Place Articles in Publications Geared for Property Owners and/or Managers	Beginning in 2005, the Program periodically began publishing informational articles in publications operated by the Rental Housing Association (RHA) or the Apartment Owners' Association.	PIU and Director	As Invited but several times a year.
9. AGA Mailing	In addition to providing information about the AGA, we use these mailings to distribute general information about local and State laws. Mailings go to all owners and over 19,000 rental units.	Registration/PIU and Administrative Unit	Ongoing
10. LRC Notices Mailings	In February of each year we mail notices of lawful rent ceilings to all owners and tenants. In addition to providing information about lawful rent ceilings, we use this mailing to distribute general information about local and State laws. We precede the February mailing to tenants and owners with a mailing only to owners. This helps to improve the accuracy of the notices that are mailed in February and has reduced the number of petitions filed unnecessarily.	Registration/PIU and Administrative Unit	Ongoing
11. Advertising	We have utilized print advertising in local newspapers and campus magazines. Messages focus on publicizing events or reminders of local policies. We began bus shelter ads this year and hope to add other venues in FY 2008.	PIU	Ongoing
12. Refrigerator Magnets	Produce Rent Stabilization refrigerator magnets to be mailed out to Berkeley tenants and landlords along with the Guide to Rent Control.	PIU	New Initiative in FY 2007 was well received.

<b>Project</b>	<b>Description</b>	<b>Staff</b>	<b>Status</b>
13. Educational Video Clips and DVD's	Produce educational video clips for the RSB Web site and DVD's for workshops and BTV.	PIU	New in FY 2008
14. Outreach to Tenant Families attending Berkeley Public Schools	57% of public school students in Berkeley come from families that rent. These families are most at risk of being displaced. We will begin publicizing our services in the schools.	PIU	New in FY 2008
15. Rent Board Posters	Update and begin distributing the poster advertising our services. Periodically have staff go out and repost.	PIU	Renewed In FY 2008
16. First-time Renters' Guide	A new proposal being discussed and defined at the Outreach Committee that outlines issues important to a first time renter.	PIU	New in FY 2008
17. Increased Outreach to Spanish-Speaking Clients	We have resumed translating much of our material into Spanish, including our newsletter and Guide to Rent Control. We have increased outreach by notifying the community that services can be provided in a bilingual setting.	PIU	Begun in FY 2006 and 2007 to be expanded in FY 2008
18. Closed Captioning of Board Meetings	This practice, begun in 2005, increases public access to Berkeley tenants and owners that are hearing impaired. Captioned text also appears on archived Web casts of meetings.	Administrative Unit	Begun in FY 2005 Ongoing
19. Webcasting of Board Meetings	Since this project began in January 2006, regularly scheduled Board meetings have been viewed by hundreds of additional citizens who were not able to attend the meetings in person.	Info Systems Specialist and Administrative Unit	Begun in 2006 Ongoing

**Eviction Defense: Goal is to ensure that tenants know and are able to assert their rights in any possible eviction actions and thereby avoid unnecessary or illegal displacement prohibited by the Ordinance.**

<b>Project</b>	<b>Description</b>	<b>Staff</b>	<b>Status</b>
1. Compliance	As to all 3-day, 30-day notices and UDs, determine whether landlord is in compliance with Ordinance. If not, inform landlord and tenant. This has had the effect of stopping more than 80% of the improper evictions.	PIU and Legal	Ongoing
2. Tenant Notification	As to all 3-day, 30-day notices and UDS, directly notify tenants of their rights and the resources available for assistance.	PIU	Ongoing
3. Eviction Defense	Board funds three organizations to represent limited income tenants facing eviction.	PIU Supervisor and Legal	Ongoing
4. Monitoring and Implementation of Measure Y	As to all owner/relative occupancy evictions, give advice, answer questions, maintain records and administer escrow funds. Prepare tracking report to Board.	PIU, Legal and Senior Field Representative	Ongoing
5. Condominium Conversion and TIC Displacement Counseling	Counseling and workshops on Condo Conversion and TIC Ordinance changes. Consideration of possible informational mailing to at-risk units and/or monitoring of compliance with the law.	PIU	Begun in FY 2006 activity increased & expanded in FY 2007 Ongoing in FY 2008
6. Monitoring and Oversight of Ellis Act Implementation Ordinance	Counsel landlords and tenants of their rights under the Ellis Implementation Ordinance. If an Ellis eviction is filed we hold all required relocation funds in escrow, pending resolution and disbursement. We also file constraints on the property as required by the Ordinance and monitor ongoing status of the unit.	Legal	Ongoing

TAB 6

**Rent Stabilization Fund Balance**  
**FY 2004 - 2006 Actuals**  
**FY 2007 Projected**  
**FY 2008 Status Quo Projected**  
**FY 2008 and 2009 Proposed Budget**

Description	Actual	Actual	Actual	Adjusted *	Projected	Status Quo	Proposed	Projected
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2007	FY 2008	FY 2008	FY 2009
<b>Beginning Balance</b>	857,102	776,240	627,957	679,991	679,991	558,291	558,291	388,291
<b>Recurring Revenues</b>	2,676,924	2,708,438	3,019,264	3,037,500	3,010,000	3,010,000	3,035,000	3,035,000
<b>Registration Fee Increase</b>							320,000	320,000
<b>Recurring Expenditures</b>	2,751,131	2,856,721	2,967,230	3,371,000	3,131,700	3,445,500	3,400,000	3,470,000
<b>One time RTS Project</b>							125,000	
<b>Prior Year Adjustment</b>	-6,655			0	0			
<b>Additional Cuts/Revenue</b>								40,000
<b>Ending Balance</b>	<b>776,240</b>	<b>627,957</b>	<b>679,991</b>	<b>346,491</b>	<b>558,291</b>	<b>122,791</b>	<b>388,291</b>	<b>313,291</b>

\* Adjusted Budget reflects the Adopted budget plus unspent carryover of approximately \$85,000 from prior year.

**The Proposed Plan for FY 2008 and FY 2009 assumes the following changes to the Status Quo Budget:**

1. Recurring Revenues are adjusted upward by \$25,000 to reflect resumption of the New Unit Registration Project.
2. The annual registration fee will increase by \$16 (approximately 10%) per unit, per year raising \$320,000 per year.
3. Recurring Expenditures will decrease by \$45,500 reflecting the following changes:
  - a. Increases totaling \$25,000 to reflect increased use of temporary/hourly employees (\$10,000) and continuation of Succession Planning efforts (\$15,000).
  - b. Offsetting decreases totaling \$25,000 by reducing use of a Senior Planner in the Housing Department to 20% FTE and reducing "30-38" contracts by \$13,000.
  - c. Additional cuts to the Status Quo allocations totaling \$45,500. Specific cuts to be determined in June budget. This reflects a 13.5% decrease in the operational budget for items other than personnel, contracts and rent.
4. In FY 2008, a one time expenditure of \$125,000 for RTS upgrade.
5. By January 2008, the Budget committee will identify \$40,000 in additional cuts or revenue to guarantee that the revenue/expenditure gap in FY 2009 is not greater than \$75,000 and the Fund balance remains above \$300,000.

TAB 7



**REGISTRATION FEES CHARGED BY THE ELECTED  
BERKELEY RENT STABILIZATION BOARD**

<b>REGISTRATION YEAR</b>	<b>REGISTRATION FEE</b>	<b>FULL-TIME EQUIVALENT*</b>
1985	\$60	31.50
1986	\$60	36.00
1987	\$80	31.50
1988	\$80	31.50
1989	\$100	32.93
1990	\$100	33.63
1991	\$136	26.85
1992	\$125	29.65
1993	\$125	26.20
1994	\$115	25.35
1995	\$125	26.60
1996	\$112	26.60
1997	\$112	24.60
1998	\$112	24.60
1999	\$124	23.70
2000	\$124	22.20
2001	\$124	22.30
2002	\$124	22.30
2003	\$136	21.30
2004	\$136	20.30
2005	\$154	19.30
2006	\$154	19.30
2007	\$170	19.3

**\* NOTE: The Registration Fee is listed by calendar year of the year due, while the FTE count is by fiscal year.**

TAB 8

## Rent Board's Accomplishments During FY 06 and FY 07

*In addition to our ongoing work plan, noted in Section 5, the Rent Stabilization Board & Program realized the following improvements or accomplishments in FY 06 or FY 07*

### Legal and Legislative Improvements

- Proposed revision to the City Charter, amending the process in which Rent Board members are replaced if they are unable to complete their term.
- Successfully advocated for several changes to the TIC/Condo Conversion Ordinance adopted and subsequently amended by the Council
- Supported AB 1169 to require 60-day notice be given in most no-fault evictions
- Defeated several attacks in the State Legislature that would have had adverse impacts on the protections offered by Berkeley's Ordinance
- Proposed revisions/improvements to the Ellis Implementation Ordinance adopted by Council, including the expansion of relocations fees to all displaced tenants with an increase in the amount of relocation fees for low-income, disabled or elderly tenants
- Resolution to Council in support of the Drayage Building tenants
- Assisted in staff analysis for report to Council on the impacts of Ballot Measure E, which would have replaced the Condominium Ordinance approved by Council
- Advocated for publication of Appellant Court decision in *Pierri* case
- Successful appearance, as amicus curiae in *Nemarian v Nicolleti* case
- Successfully defended all challenges to the Ordinance including challenge to Regulation 1016 in *Patricelli v RSB*
- Endorsed Proposition 1C, for low-income housing, adopted by the voters

## **Outreach Improvements**

- PIU counter and lobby improvements
- Began Web casting of Rent Board meetings
- Began advertising Rent Board services in Spanish and English in bus shelters
- Continued mailing the Guide to Rent Control to **all** new tenants & new owners
- Began sending newsletters to newly constructed units (deposit issue)
- Began offering a Spanish translation of the newsletter and Guide to Rent Control
- Revised the Format for and expanded the coverage in the Newsletter
- Numerous other improvements to the web site
- Issued and distribute brochure on the mediation process offered by the Board
- Revised/ updated Guide to Rent Control to include changes in state legislation and changes to our Ordinance adopted by the voters in November 2006
- Publication in other newsletters including Rental Housing of the Rental Housing Association of Northern Alameda County

## **Health, Safety and Making the Rent Board More Accessible to the Disabled Community**

- Began closed captioning and Web casting of our meetings
- Upon request, had Newsletter translated into Braille
- Accessibility training for key public service staff downstairs
- Review & modification of Web site for compliance with ADA
- Continued support for RHSP and other City programs improving habitability
- Advised Council and kept owners and tenants fully apprised of proposals related to the “soft story” building project

## **Hearings, Appeals, and Regulation Changes**

- Developed and expanded the mediation process offered by hearing examiners as an alternative to the formal hearing process Continued progress on streamlining hearings and reducing the time for decisions to be issued
- Staff began the review and clean-up of inconsistent or outdated regulations

- Adopted Regulation 1018, establishing a process for owners or tenants to petition for an initial rental rate.
- Adopted Regulation 1017 – Enabling owners to offer below market housing to disaster victims (in response to hurricanes Katrina and Rita)
- Adopted Regulation 1301 – Clarifying when a non-comparable dwelling unit is available as a replacement unit for purposes of eviction for owner occupancy
- Adoption of Regulation 1380 – to conform with the Berkeley Municipal Code changes resulting with the enactment of Measure Y
- Adopted Regulation 1241.5 - Effect of Landlord Offer to Comply with Rent Overcharge Refund
- Adoption of Regulation 705 – to provide that security deposits may be increased during a tenancy in consideration of the landlords waiver of a prohibition on pets
- Adopted the policy on exemption status of a single family house after a second unit is constructed on the property

### **Other Improvements and Accomplishments**

- Advocacy that the County implement the IRV measure adopted by Berkeley voters in 2004
- Reached final settlement in the AEPi case and contributed \$200,000 of uncollected overcharge reimbursement to the Housing Trust Fund for construction of new affordable housing units
- Advocacy of additional funding being provided to the Housing Trust Fund
- Counseled tenants and owners about the Condo Conversion Ordinance
- Recruitment and hiring of several new staff members to fill key vacant positions
- Provided regular updates on market median rents to owners and tenants
- Ongoing intervention and counseling in problem buildings
- Completed Phase I of our Exemption Verification Project by contacting owners of properties in which all units on the property have been listed as exempt in our records for the past two or more years

- Provided a location (our office) for the public to pay traffic tickets on the monthly City of Berkeley VTO days when other City offices are closed
- Completed some important infrastructure improvements including painting and recarpeting the office, purchase of a new copy machine, design and installation of counter improvements in the Public Information Unit and tentative selection of a new phone system
- Training and orientation of new Board members

## Goals/Objectives/Priorities for FY 07/08

(Not in order of priority or anticipated completion)

1. Continue to monitor, constructively comment on, and mitigate the adverse impacts of pending proposed changes in City housing policy, such as the Soft Story and Condominium Conversion Ordinances that could have a devastating impact on the availability of affordable housing in the City.
2. Begin the redesign and upgrading of our 14 year-old Rent Tracking System (RTS) computer database and network.
3. Implementation of several outreach improvements discussed by the Outreach Committee (see the Section 5 of the Budget Book), including:
  - Targeting outreach to families in the Berkeley public schools
  - Expand advertisements in bus shelters
  - Increased presence at community events and meetings
  - Mailing of refrigerator magnets to owners and tenants
  - Increased outreach to Spanish speaking clients
  - Development of a “first-time renters’ guide”
  - Production of Educational Video Clips and DVD’s
  - Expanded publication of articles in publications geared for property owners
  - PSA spots on BCM and other TV stations
  - Consider publishing Ask the Rent Board again
4. Replace and upgrade our outdated phone system and possibly switch to the City of Berkeley’s “981” phone line – 981-RENT.
5. Continue with our customer improvement efforts and “succession planning” strategy by increasing the expectations and requirements of two additional positions thereby creating some promotional opportunities. Continue training and professional growth of those promoted in FY 2007
6. Increase utilization of the scanning capabilities of our copy machine. Explore cost and practicality of scanning more documents and making them accessible via our web site.
7. Work with RHA, consultants and realtors on development of a “Prospective Buyers” handout and other pre-purchase services
8. Begin customer satisfaction surveys for Hearings, PIU and outreach functions.

9. Continue providing informal and formal mediation to parties as a method for early resolution of potential disputes – We will continue to expand and promote the use of this service.
10. Continued development and refinement of our very successful case management system of counseling. Integrate with new RTS.
11. Expand the use of model letters for counselors and public.
12. Possibly begin conducting hearings of appeals for the Housing Department's Rent Housing Safety Program (RHSP).
13. Improve coordination of services, trainings and referrals with HHS and Housing Departments, so that there is greater transfer of clients that have multiple needs.
14. Continue improving base of research & information available on the realities of rent control and affordable housing policy.
15. Consideration of additional changes to the Ellis Implementation Ordinance.
16. Aggressively defend rent control and other tenant protections at the state level.
17. Renewed focus on Exemption Review Project and database clean up.
18. Begin sending notices to tenants in building in which an owner has applied for a construction permit, notifying them of their rights and obligations.
19. Continue monitoring condo conversions and counseling tenants in at risk units.
20. Work with Council's 4x4 Committee to develop an anti-harassment ordinance similar those in Southern California.
21. Work with Council's 4x4 Committee and appropriate City staff on the issue of mold and habitability problems in the City of Berkeley.
22. Work with Council's 4x4 Committee for ways of promoting greater recycling in large buildings.
23. Explore the feasibility of having Rent Stabilization Program employees trained as post disaster workers (providing or facilitating emergency housing) in case of a large disaster.