



Rent Stabilization Board  
Office of the Executive Director

DATE: March 17, 2022

TO: Honorable Members of the Berkeley Rent Stabilization Board

FROM: Honorable Members of the Budget & Personnel Committee  
By: DéSeana Williams, Executive Director  
Lief Bursell, Senior Planner

SUBJECT: Mid-Fiscal Year 2021-2022 Budget Report

### **Recommendation**

That the Board review the mid-fiscal year budget report and adopt Resolution 22-03 to adjust the agency's staffing model by converting the vacant Deputy Director position to a new Policy Director position, which will serve as the lead staff person for the Board's policy projects and initiatives.

### **Background**

On June 17, 2021, the Board adopted a staffing model and budget with a maximum expenditure authorization for Fiscal Year (FY) 2021/22. Prior to adopting the budget, the Board voted to keep the annual registration fee for fully-covered units at \$250 per unit and to set the Measure MM unit fee at \$150 per unit<sup>1</sup>. Due to the ongoing impacts of the COVID-19 pandemic on the rental market, the Board chose to maintain the fully-covered unit fee at \$250 per unit, which has remained at that level since FY 2018/19 and to utilize its uncommitted reserve to pay for any expenses that were not covered by FY 2021/22 revenue. The Board also set a lower Measure MM registration fee of \$37 per unit for 100% affordable housing projects that are managed by a non-profit and are within the regulatory period established by a regulatory agreement with the City of Berkeley through its Housing Trust Fund program.

The Board's adopted budget anticipated spending down the uncommitted reserve by around \$550,000 this fiscal year. The Board has maintained a larger than expected uncommitted reserve balance over the past several fiscal years primarily due to staff turnover and unexpected vacancies in several previously-budgeted positions. This reserve has given the Board the

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<sup>1</sup> The Measure MM fee included a base fee of \$100 per unit to cover the FY 2021/22 costs, and an additional \$50 fee to recover FY 2020/21 implementation costs. Similarly, the \$37 per unit affordable housing project fee includes a \$25 base fee and an additional \$12 to recover FY 2020/21 costs.

flexibility to avoid fee increases while still funding important projects such as the upcoming tenant survey and the Anti-Eviction Mapping Project's (AEMP) upzoning impact analysis. The Board's established reserve policy is to maintain an uncommitted reserve that covers all expenditures for between one and two months or 8%-16% of recurring expenditures. Although the Board has previously chosen to go below this 8% reserve level to limit the extent of fee increases, it has maintained a two-month or 16% reserve in recent years. The year's adopted budget anticipated ending this fiscal year with approximately \$332,000 in its uncommitted reserve, which is approximately 6% of recurring expenditures. The Board determined that decreasing the reserve below its minimum 8% level was an acceptable trade-off to avoid increasing the fully-covered fee that applies to between 19,000 and 20,000 units at a time when the economy and rental housing market are still impacted by the COVID-19 pandemic and both local and statewide eviction moratoriums.

The Board also voted to incorporate a formal mid-fiscal year budget review as a permanent part of the Board's annual budget process. The Board utilized a mid-fiscal year budget review process for the first time last fiscal year and it successfully allowed the Board to pivot to respond to the passage of Measure MM and hire an additional Housing Counselor position. This additional counseling position has helped to respond to inquiries related to the Measure MM implementation, as well as the increased services the agency is providing to Measure MM units.

### **FY 2020/21 Year-End Fund Balance**

The staff has reviewed the final reports from the Finance Department on the Board's FY 2020/21 revenues and expenditures. The Board's year-end FY 2020/21 revenue was \$4,998,516 and total expenditures were \$5,059,050. \$52,083 in expenditures owed for services provided in FY 2020/21 was carried over to FY 2021/22 – this is not surprising as the last invoices of the year for work completed in June are often not submitted in time to process payment until July or August and, therefore, these expenditures must be accounted for in the following fiscal year. For this reason, the Board's year-end fund balance is higher on a cash basis than an accrual basis, which accounts for expenses that were incurred even if they are yet paid for.

The Board's total FY 2020/21 year-end fund balance was \$1,435,979 (on an accrual basis). The Board's capital reserve ended the year at \$495,500, which left its uncommitted reserve at \$940,479. This is 16.7% of projected recurring expenditures. Please note that these numbers are still preliminary because they have not yet been audited. The City of Berkeley contracts with an outside auditor to review its financial statements, and an audit of the Board's FY 2020/21 financial statements should be ready to review sometime in March or April of 2022.

As discussed in the FY 2021/22 budget recommendation, the outside auditor's report will show that the Rent Board's FY 2020/21 revenue is \$328,327 lower than the numbers that were provided to the Board and are being discussed here. This is due to a malfunction in the agency's online payment system that resulted in \$328,327 in FY 2020/21 revenue being deposited as FY 2019/20 revenue. For budgetary purposes, it is more accurate to count this revenue in FY 2020/21, even though it is accounted for elsewhere in the Board's audited financial statements.

## **Fiscal Year 2021-2022 Revenue Collection**

The Board's adopted budget anticipated the agency collecting \$5,515,850 in revenue for the current fiscal year. As of December 31, 2021, the agency has collected \$5,434,941, well on pace to reach or exceed the amount. At the mid-fiscal year point, 298 delinquent fully-covered unit accounts owed a total of \$176,000 in current year fees. Overall, collection for fully-covered units is slightly lower than last year as the number of delinquent accounts is higher and owes about \$75,000 more than at the midpoint of last year.

When the Board adopted its FY 2021/22 budget, the main area of uncertainty was the rate of compliance and the overall total number of Measure MM units that would register during the initial registration year for Measure MM units. The Board chose a conservative estimate of 50% compliance rate for the initial year and the adopted budget only anticipated \$300,000 (\$350,000 including late registration penalties) in revenue. Actual Measure MM revenue at mid-year is \$616,724, with a total of 4,570 units registering, including 598 units paying the lower \$37 per unit, affordable housing fee. As of the mid-year, 270 outstanding Measure MM accounts owe just over \$125,000 in current year registration fees. Recently, staff sent out a second round of penalty bills to both Measure MM and fully-covered properties.<sup>2</sup> Overall there are approximately \$300,000 in unpaid registration fees<sup>3</sup> and the number of delinquent accounts is higher than normal, which is not unexpected given the COVID-19 impacts and the addition of the new Measure MM registration requirements.

At the request of the Budget & Personnel Committee, the attached mid-fiscal year budget update spreadsheet identifies in separate rows what revenue comes from Measure MM registration fees and what revenue comes from fully-covered unit registration fees.

## **Administration of the Fair Chance Ordinance**

On December 14, 2020, the Board agreed in principle to administer the recently-passed Ronald V. Dellums Fair Chance Access to Housing Ordinance (B.M.C. Chapter 13.106) on behalf of the City after receiving a letter from Mayor Arreguín requesting that the agency do so "subject to the negotiation of an agreement between the City administration and the Board regarding the specific roles and responsibilities in ordinance implementation".

Staff submitted a proposed budget that estimated \$10,350 in startup costs and \$105,500 in ongoing personal costs to administer the Ordinance. As part of their FY 2021/22 adopted budget, the City Council agreed to transfer \$115,850 in funds from the City of Berkeley general fund and that the Board staff would bill them only the actual costs to run the program.

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<sup>2</sup> The Board adopted Resolution 21-19 on July 15, 2022, which created an amnesty period to allow property owners the opportunity to pay the Board's Registration Fee for FY 2020/2021 without penalty. Resolution 21-19 gives a 90-day amnesty to owners of fully-covered units if they were financially impacted by COVID-19; and a 120-day amnesty for Measure MM units without consideration of COVID-19 financial hardship.

<sup>3</sup> There are also nearly one million dollars in penalty fees still outstanding between fully-covered and partially covered units.

The agency has set up Fair Chance Ordinance and is now actively administering it, but other than some limited counseling on the Ordinance, the administration has taken far fewer resources than initially anticipated. As of December 31, 2021, the agency has not yet billed the City's general fund related to the Fair Chance Ordinance and does not anticipate billing for a significant amount unless there are active cases that arise and require full evidentiary hearings. Year-end 2021/22 revenue projections have been reduced by \$100,000 to reflect the anticipated reduction in compensation for administering the Fair Chance Ordinance.

### **Fiscal Year 2021-2022 Mid-Year Expenditures & Updated Projections**

As of December 31, 2021, the Board has expended a total of \$2,312,414. Actual mid-year expenditures are significantly less than what was anticipated in the Board's adopted budget due to salary savings and because the bulk of capital expenditures, mostly for the 3Di Rent Tracking System (RTS) replacement, will take place in the 3<sup>rd</sup> and 4<sup>th</sup> quarter. Salary expenditures were down in the 1<sup>st</sup> half of the year due to the turnover of five positions and the vacant Deputy Director position. Staff now project that total FY 2021/22 expenditures will be around \$550,000 less than what the Board authorized in the adopted budget.

A preliminary mid-year budget update is attached to this report and provides details on actual expenditures by budget line-item. The staff has also updated the projected year-end projections with updated projections on personnel expenditures, accounted for any changes or additions to the Board's contracts with outside vendors, and reduced spending from the Board's capital reserve.

As discussed earlier in this report, the actual year-end numbers for FY 2020/21 are not yet final and are pending final review by the City of Berkeley's contracted outside auditor.

### **Current Agency Priorities**

The Rent Board's adopted FY 2022 Budget continues to prioritize the Rent Board's five core services<sup>4</sup> or areas of work, which are:

- Outreach
- Counseling
- Petitions & Mediations
- Registration of controlled rental units
- Policy, administrative, and legal support

In addition to the agency's ongoing "core" work, the Board's adopted budget included the following priority projects and initiatives (current status in parenthesis):

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<sup>4</sup> More detail on the Board's core services can be found in the June 18, 2020 report recommending adoption of the FY 2020/21 Line-Item Budget and June 20, 2019 report on Rent Stabilization and Good Cause for Eviction in the 21<sup>st</sup> Century.

- Complete the initial registration of Measure MM units. (Mostly complete)
- Provide increased service to Measure MM units. (Ongoing – there have been 9 mediation requests and just under 200 counseling cases involving Measure MM units)
- Prepare and execute a phased office reopening and begin to provide more in-person services to clients. (In progress)
- Provide outreach and assistance to tenants and landlords on laws and requirements for evictions as state and local eviction moratoriums come to an end. (*In progress*)
- Fully transition from the agency’s existing RTS Database to the agency’s new integrated software platform being developed by 3Di. (*In progress*)
- Recruit, select, hire and train a new permanent Executive Director. (**Complete**)
- Create and hire a new General Counsel position that reports directly to the Board. (**Complete**)
- Implement and administrate the City’s Fair Chance Housing Ordinance. (**Complete**)
- Complete a survey of tenants and begin scoping a study/survey of property owners. (*In progress*)
- Use the 2nd and 4th Wednesdays to work on agency-wide improvement areas identified in the executive transition survey. (Ongoing)
- Continue work to improve the Demolition Ordinance to reach the appropriate balance of allowing new construction, while protecting sitting tenants and mitigating the overall loss of housing affordability. (*In progress*)
- Work with the City of Berkeley to revamp and improve the Relocation Ordinance. (In progress)
- Monitor development projects including the creation of new ADUs that impact the tenancies or services to existing tenants. (Ongoing)
- Continue to monitor Short-Term Rental Ordinance compliance to prevent the loss of long-term rentals. (Ongoing)
- Continue studying and memorializing the impacts of Costa-Hawkins on Berkeley and other cities in the state. (Ongoing)
- Implement a two-phase project to recreate all Rent Board web content (including PDFs) and transfer to the new website CMS, and expand integration with the City’s public records portal. Implementing and administratively improving the launch of the 3Di platform to effectively capture and report Measure MM unit registration. (*In progress*)
- Developing the 3Di platform to replace the existing Rent Tracking System (RTS) and case management system. (*In progress*)
- Implement redesign of a new agency website. (**Nearly complete**, new website scheduled to launch in March of 2022)
- Providing input to the Planning Department and HHCS Department on planned revisions to Berkeley’s Demolition Ordinance and Relocation Ordinance. (*In progress*)
- Continue working with local and regional groups to develop a coordinated and effective response to the housing crisis. (Ongoing)

- Work with the City of Berkeley IT Department to enhance agency cyber security.  
(Ongoing)

The following projects have been identified by Staff, with the Board and its other committees as priorities, but implementation work has not yet begun:

- Select a vendor to complete the scanning of all property files and other agency files.
- Provide enhanced training for staff and Board members
- Recruit, select, hire and train a new permanent Executive Director.
- Providing input to the 4x4 Committee and City Council on implementation of the Fair Chance and “TOPA” Ordinance.
- Working with City Council to assist with the adoption of the Tenant Opportunity to Purchase Act (TOPA).

As the agency continues with the launch and implementation of its two priority projects, the Measure MM implementation and the RTS and case management replacement project, these are large, time-intensive projects that impact staff in all the work units. Additionally, the administratively heavy involvement of staff in the City of Berkeley’s website overhaul has further stretched staff resources. These larger, agency-wide projects are particularly administratively intense and often take up all extra staff capacity for any other initiatives or projects beyond the provision of the agency’s five core services. This is particularly true at this moment when staff is continuing to work on the data migration and transition of RTS and case management, as well as the launch of the registration for fully-covered units in 3Di.

The launch and data migration phase of the 3Di system transition is ongoing and should extend well into the next fiscal year, particularly for the non-registration-related features such as Case Management, and the modules used for the processing of both evictions and petitions. Staff should have increased capacity to take on an additional project, such as the scanning of property files after the full data migration and complete module launch have been completed.

It is important to note that the initiatives/projects listed above do not impact all work units equally. For example, the increased volume of client contacts directly related to Measure MM and the data migration with 3Di has impacted mainly the Registration Unit and the Public Information Unit. The city of Berkeley’s website overhaul project has deeply impacted the Administrative and Planning Unit. The resources a proposed initiative requires, and the agency’s current workload and capacity to respond, are important factors when considering any changes to the existing staffing model.

### **Current Staffing Model**

The agency’s current staffing model has 25.0 Full-time Equivalent (FTE) career positions. Thus far in FY 2022, the agency has successfully recruited and hired a permanent Executive Director,

as well as added and hired for the new General Counsel position. Additionally, the former temporary position of Associate Planner has been made permanent and the staff person who filled the temporary position has been appointed to the permanent position.

After the recent hiring of a new PIU Manager, there are currently three (3) vacant positions within the agency. All vacancies are indicated in the adopted organizational chart attached to this report. Two of our permanent staff members are also on temporary leave but are expected to return sometime within the next six months.

### *Filling Vacancies*

The three current vacancies are the Deputy Director position, a Senior Management Analyst that serves as the Registration Unit manager, and a Staff Attorney II position. Staff estimate that a new Registration Unit manager will be hired as soon as April, and the Staff Attorney II position will be filled sometime within the 2<sup>nd</sup> Quarter of 2022.

The FY 2021 mid-fiscal year report stated that the agency has adapted to operating without a Deputy Director has not had an active staff person in that role for several years. After reviewing the agency's needs and the Board's desire for a senior staff person to work on housing policy issues, staff recommends the Board remove the Deputy Director position from the staffing model and create and hire a new Policy Director position.

Part of the justification for creating the Deputy Director position was to hire and train a successor to the agency's previous Executive Director. Now that a new Executive Director is in place, succession planning is no longer a priority. The only benefit to having a Deputy Director is that this position serves as the backup to the Executive Director in case of emergency, vacation, or extended absence. Now that the agency's new General Counsel position has been filled by its former Acting Executive Director, there is an experienced senior staff person that reports directly to the Board and can back up the Executive Director when necessary.

The Board's adopted budget states that the Board is interested in pursuing a candidate to increase capacity to provide direction regarding several policy initiatives the Board is interested in adopting. Most of the policy issues the Board has raised recently are in the areas of housing and land use planning. A Deputy Director is an operations-focused position, and these policy areas require a staff person with a background and education in those areas. The proposed Policy Director would be created with the specific policy areas the Board is focusing on in mind.

The conversion of the vacant Deputy Director position is the only change staff is proposing to the staffing model at present, but there are several additional changes that staff recommends the Board consider implementing in FY 2022/23.

### *Future Staffing Model Changes*

Given the imperative to increase capacity to further broaden how we provide service both internally and externally, there is a need to separate internal functions within certain units and introduce more focused functions in others. To achieve this, the staff is recommending the Board consider the creation of a total of three new positions in the next fiscal year. These positions are a Finance Manager, Senior Housing Counselor, and a Digital Education and Social Media Coordinator.

#### *Finance Manager*

Currently, payroll, finance, and budgetary functions are splintered between several work units. The Finance Manager would take over supervision of these tasks. In addition, the Finance Manager will be the first step to creating a finance unit that will also be responsible for contracting and purchasing activities. The Rent Board's current staffing model and organizational structure have limited capacity to handle these functions efficiently. An independent and financially-focused unit will allow for increased resources in other units that are currently handling these functions, offer more streamlined processes, and provide a centralized unit to be accountable for these functions which will further stabilize the organization and benefit overall productivity.

#### *Senior Housing Counselor*

There is a need to create a higher-level counselor position in the Public Information Unit (PIU). PIU staff are essential for the provision of core Rent Board services including education, counseling, and conducting community outreach. The PIU housing counselors must possess a niche, in-depth knowledge, and understanding of the Ordinance, state and local laws, and the intersections of multiple community agencies and resources related to rental housing. A Senior Housing Counselor would provide an additional and necessary layer to the unit where responsibility will be dedicated to highly specialized cases, research, and special projects. Moreover, adding this layer will allow the current housing counselors to continue to improve response times and increase regular counseling availability to consistently provide nuanced and detailed assistance with our clients' unique housing situations.

#### *Digital Education and Social Media Coordinator*

For years, the Board has expressed an interest in increasing the agency's social media presence and adapting our outreach program to include popular applications such as Twitter and LinkedIn. Additionally, as the Rent Board aligns with the City of Berkeley's new website platform, there will be an increased need to centralize the management of our print, web, and digital outreach to ensure clear, consistent, and accurate messaging. The Digital Education and Social Media Coordinator will also take on the responsibility to increase our digital education presence that

will update the community more broadly on important affordable housing matters, legislation, and resources that not only inform but benefit those we serve.

### **Budget & Personnel Committee Recommendation**

Having reviewed a similar report and hearing staff's presentation, on March 8, 2022, the Budget & Personnel Committee unanimously recommended that the full Board authorize a staffing model adjustment to convert the vacant Deputy Director position to a new Policy Director position. If the Board adopts this change, staff will take the appropriate steps to work with the Human Resource Department to create and then advertise for the position.

The Budget & Personnel Committee will continue to discuss the other positions mentioned in this report at future meetings before bringing any additional recommendations to the Board.

### **Next Steps**

After reviewing the mid-fiscal year budget report and making changes to the current staffing model, the Board also needs to provide input on additional programs or initiatives they would like considered for inclusion in the FY 2022/23 budget. Starting at their March 29, 2022 meeting, the Budget & Personnel Committee will review the initial budget projections for the next fiscal year and then begin working on a recommendation for the setting of the FY 2022/23 registration fee. The Board should anticipate considering the registration fee recommendation at either its regular meeting on April 21, 2022 or at a special meeting during the first week of May. If there are no new major increases proposed to the agency's expenditures, the Board may be able to again avoid any significant increase to next year's registration fees.

### **Conclusion**

Staff has prepared Resolution 22-03, which the Board must adopt to convert the vacant Deputy Director Position to a new Policy Manager position. Staff awaits the Board's direction on the Budget & Personnel Committee's recommendation, as well as its feedback on the other potential future changes to the staffing model that are identified in this report.

Attachments:

1. Mid-Fiscal Year Budget Update Spreadsheet
2. Adopted Fiscal Year 2021/2022 Staffing Model & Organization Chart
3. Proposed Resolution 22-03 Adjusting Staffing Model to Convert the Vacant Deputy Director Position to a New Policy Director Position.

**Rent Stabilization Program**  
**FUND 440**  
**Preliminary FY 2021 Year-End & FY 2022 Mid-Year Budget Update**

Code	Description	Adopted FY 2021	Actual Year-End FY 2021	Adopted FY 2022	Mid-Year FY 2022	Projected FY 2022
11-01	Monthly Employees	2,482,000	2,325,298	2,850,000	1,108,336	2,500,000
11-03	Hourly Employees	0	0	0	0	0
13-01	Overtime	5,000	477	2,000	177	1,000
27-20	Benefits	1,620,000	1,550,686	1,800,000	672,318	1,600,000
30-12	Stipends	53,500	51,800	53,500	26,900	53,500
30-23	Misc. Legal Expenses	360,000	225,683	20,000	8,485	65,000
30-36	Temp. Agency Employees	0	801	5,000	11,013	25,000
30-38	Misc. Professional Services	410,000	336,739	410,000	192,636	586,241
30-42	Office Equip. Mtc. Svcs. / Furniture	13,000	6,796	13,000	5,044	13,000
30-43	Bldg. & Structures Mtc. Svc.	400	392	500	202	500
30-51	Bank Credit Card Charges	25,000	7,615	25,000	10,020	25,000
40-10	Professional Dues & Intern Fees	3,000	2,060	3,000	139	3,000
40-31	Telephones	5,000	7,292	5,000	3,696	5,000
40-50	Printing and Binding	25,000	24,798	35,000	12,180	35,000
40-62	Meals & Lodging	1,000	0	1,000	0	1,000
40-63	Registration Fees/Training	12,000	0	12,000	1,393	12,000
40-61/64	Transportation & Commercial Travel	5,000	12	3,000	51	3,000
40-70	Advertising/public access	30,000	33,720	45,000	23,016	45,000
40-80	Books & Publications	13,000	13,207	13,000	6,571	13,000
50-10	Rental of Land / Buildings	355,000	336,232	375,000	171,468	375,000
51-10	Postage	25,000	26,798	40,000	3,703	30,000
51-20	Messenger / Delivery	500	0	500	0	500
55-11	Office Supplies	15,000	12,346	13,500	5,689	13,500
55-50	Food and Water	2,000	704	1,000	459	1,000
70-43	Office Equipment and Furniture	5,000	0	5,000	0	5,000
70-44	Computers, Printers, Software	10,000	2,767	12,000	606	12,000
75-25	PC Replacement/City Software Licences	50,709	50,709	74,305	37,152	74,305
75-35	Mail Services	3,600	3,600	3,600	1,800	3,600
75-50	City Vehicle / Fuel & Maint.	1,500	1,500	1,500	0	1,500
	<b>Expenditure Subtotal**</b>	<b>5,531,209</b>	<b>5,022,031</b>	<b>5,822,405</b>	<b>2,303,054</b>	<b>5,502,646</b>
	Special Projects (RTS Upgrade, online registration, training)	565,000	37,019	453,130	9,360	290,900
	Annual Capital Reserve	0	0	0	0	0
	<b>Total Authorized Fund Expenditures*</b>	<b>6,096,209</b>	<b>5,059,050</b>	<b>6,275,535</b>	<b>2,312,414</b>	<b>5,793,546</b>
	Fully-covered Unit Revenue			5,000,000	4,816,700	4,920,000
	Measure MM Revenue			350,000	616,724	650,000
	Fair Chance Ord. Administration			115,850	0	0
	Misc. (Project review, Settlements, Admin. Fees)			50,000	1,517	3,000
	<b>Total Authorized Fund Revenue*</b>	<b>4,850,000</b>	<b>4,998,516</b>	<b>5,515,850</b>	<b>5,434,941</b>	<b>5,573,000</b>
	Annual Surplus/Shortfall	(1,246,209)	(60,534)	(759,685)	3,122,527	(220,546)
	<i>Previous FY Carryover Expenditures</i>				52,083	52,083
	<b>FUND BALANCE (cash basis)</b>	<b>289,938</b>	<b>1,488,035</b>	<b>728,350</b>	<b>3,850,877</b>	<b>1,267,489</b>
	<b>FUND BALANCE (accrual basis)</b>	<b>289,938</b>	<b>1,435,979</b>	<b>676,294</b>	<b>3,798,821</b>	<b>1,267,516</b>
	<b>TOTAL UNCOMMITTED OPERATIONAL FUND BALANCE</b>	<b>254,938</b>	<b>940,479</b>	<b>399,294</b>	<b>3,763,821</b>	<b>907,316</b>

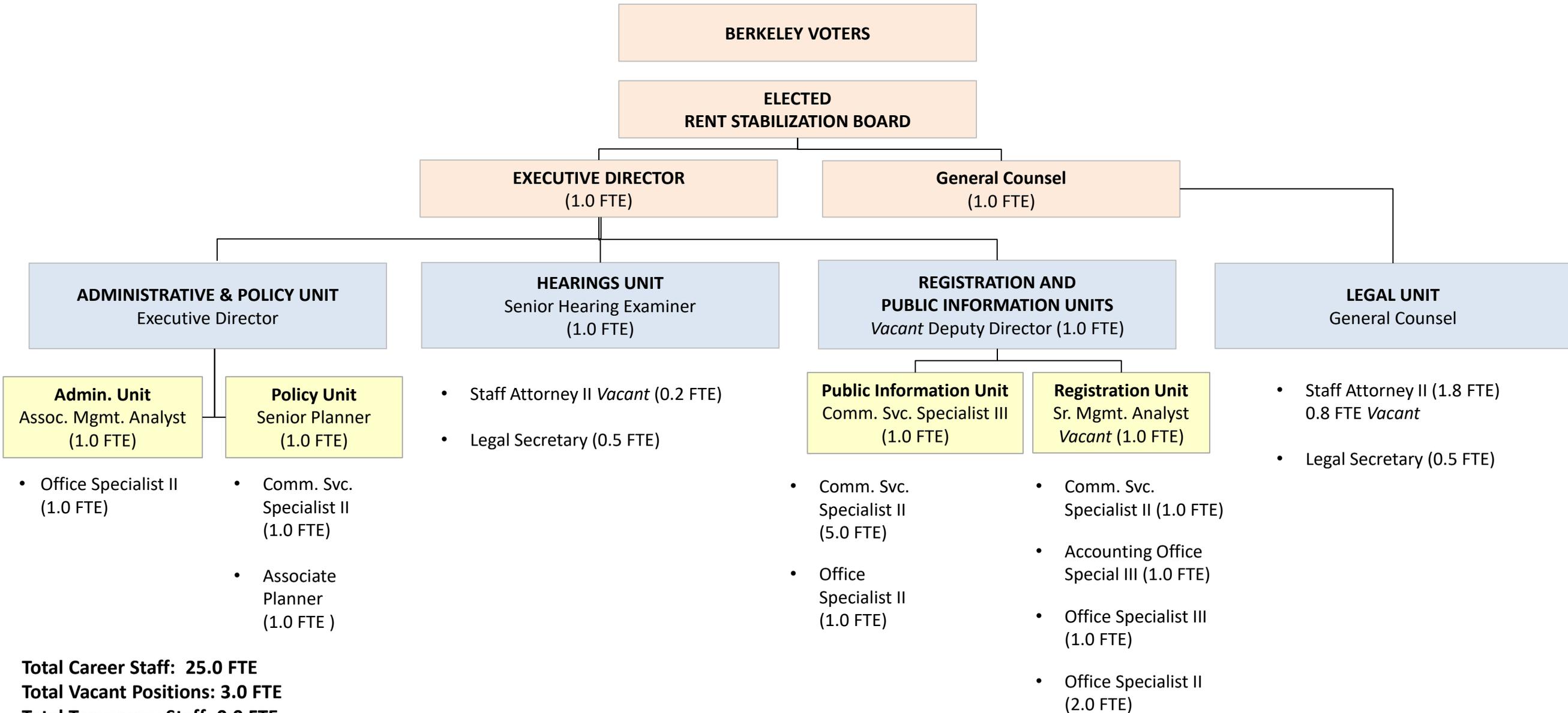
\* Note: this report only reflects charges & revenues against the Rent Board Fund (Fund 440) and does not include services charged to or received from other funds

\*\* Note: variance in actual expenditures and total fund balance reflects remaining balance in reimbursement offset escrow

# Adopted Berkeley Rent Stabilization Program 2021/22 Organization Chart

Career and Temporary Positions FY 2021/22

Sorted by Division Supervision



**Total Career Staff: 25.0 FTE**

**Total Vacant Positions: 3.0 FTE**

**Total Temporary Staff: 0.0 FTE**

**RESOLUTION 22-03**

**ADJUSTING THE FISCAL YEAR 2021-2022 STAFFING MODEL POSITION DETAIL TO CONVERT THE VACANT DEPUTY DIRECTOR POSITION TO A NEW POLICY DIRECTOR POSITION**

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

**WHEREAS**, the Rent Stabilization Board operates based on 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 met twelve times in the fiscal year 2020-21 to monitor the budget and the Program's progress meeting the goals established by the Board; and

**WHEREAS**, the Board completed a formal, mid-fiscal year budget review for the first time on February 18, 2021, and added a new Housing Counselor position to respond to the increased demand for services resulting from the passage of Measure MM; and

**WHEREAS**, on May 6, 2021, after reviewing the available reserves and considering the economic stress caused by the global COVID-19 pandemic, the Board voted to maintain the annual registration fee for full-covered units at \$250 per unit and to set the Measure MM fee at \$150 per unit; and,

**WHEREAS**, on June 1, 2021, the Budget and Personnel Committee and the Acting Executive Director met and discussed a line-item operating budget and staffing model for FY 2022 for the Board's review and consideration; and,

**WHEREAS**, on June 17, 2021, the Board adopted Resolution 21-13, authorizing the Fiscal Year 2021-2022 staffing model and maximum expenditure level; and the proposed operating budget (including contracts) for FY 2021-2022 authorizes new expenditures totaling \$6,275,535, which includes both recurring operational and capital needs; and

## **RESOLUTION 22-03**

### **ADJUSTING THE FISCAL YEAR 2021-2022 STAFFING MODEL POSITION DETAIL TO CONVERT THE VACANT DEPUTY DIRECTOR POSITION TO A NEW POLICY DIRECTOR POSITION (Page 2)**

**WHEREAS**, with the adoption of Resolution 21-13, the Board also added a formal, mid-fiscal year review as a permanent part of its budget process going forward, to assess revenues, reserves, and the need for staffing model and/or programmatic changes; and

**WHEREAS**, after performing the mid-fiscal year budget review in February and March of 2022 and examining the current workload and filled positions along with the goals and objectives for FY 2021-2022 articulated by the Board, the Executive Director, and the Budget & Personnel Committee, the Board believes that it is necessary to convert the vacant Deputy Director Position to a new Policy Director Position; and

**WHEREAS**, the Deputy Director Position was initially created in 2010 to backup and assist the Executive Director with day to day operations; work on special projects, and as a succession planning tool to help identify and train a potential successor to the Board's previous Executive Director; and

**WHEREAS**, Board has recently hired a new Executive Director and created a new General Counsel position that reports directly to the Board and can back up the Executive Director when the need arises, and

**WHEREAS**, the Board has identified several policy initiatives, such as the need to study the continued impacts of Costa Hawkins, improving Berkeley's tenant Relocation Ordinance, and working with local and regional groups to develop a coordinated and effective response to the housing crisis; and

**WHEREAS**, the Deputy Director position is more operationally focused and the majority of the Board's identified policy initiatives require policy expertise, particularly in the areas of housing and land use planning; and

**WHEREAS**, the creation of a new Policy Director position that can lead the Board's policy initiatives will improve the agency's ability to accomplish the goals outlined in the Board's adopted budget.

**RESOLUTION 22-03**

**ADJUSTING THE FISCAL YEAR 2021-2022 STAFFING MODEL POSITION DETAIL TO CONVERT THE VACANT DEPUTY DIRECTOR POSITION TO A NEW POLICY DIRECTOR POSITION (Page 3)**

**NOW, THEREFORE, BE IT RESOLVED** that the Board directs staff to eliminate the vacant Deputy Director position and create a new permanent Policy Director position; and

**BE IT FURTHER RESOLVED THAT** this change to the staffing model will not cause the Board to exceed the overall spending level totaling \$6,275,535 it previously authorized for the Fiscal Year 2021-2022.

Dated: March 17, 2022

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

YES:  
NO:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Leah Simon-Weisberg, Chairperson  
Rent Stabilization Board

Attest: \_\_\_\_\_  
DéSeana Williams, Executive Director

Distributed at the meeting



# FY 2022 Mid-Fiscal Year Budget Review

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Budget & Personnel Committee  
and Executive Director

# FY 2022 Adopted Budget



Maintaining \$250 Per Unit Fee



Implementing Measure MM



Utilizing Uncommitted Reserve

Measure MM  
Mid-Year  
Registration  
Update

---

4,570 registered Measure MM  
units, 892 claimed exempt

---

598 units from 100%  
affordable housing projects

---

\$616,724 total revenue

# FY 2021-22 Revenue Collection

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- Adopted FY 2022 Revenue = \$5,515,850
- Actual Mid-Fiscal Year Revenue = \$5,434,941
- Updated Projected Revenue = \$5,573,000





# FY 2021-22 Expenditures

- Authorized Expenditures = \$6,275,535
- Actual Expenditures = \$2,312,414 (Mid-Fiscal Year)
- Updated Projected Expenditures = \$5,793,546

# Impact to Uncommitted Reserve

	Start of Fiscal Year	End of Fiscal Year	Change
Adopted	\$940,479	\$399,924	-540,555
Updated Projection	\$940,479	\$907,316	-33,163

**+\$507,000** increase above adopted budget

# Five Core Rent Board Services



OUTREACH



COUNSELING



HEARINGS &  
MEDIATIONS



REGISTRATION &  
RENT CEILING  
RECORDS



POLICY,  
ADMINISTRATIVE,  
AND LEGAL  
SUPPORT

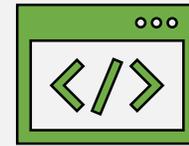
# Large Agency Wide Projects



MEASURE MM  
IMPLEMENTATION



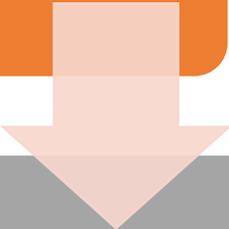
RTS TO 3DI  
DATABASE TRANSITION



WEBSITE REDESIGN  
& CONTENT MIGRATION

# Current Staffing Model

25.0 Full time equivalent (FTE)  
Career Positions



3.0 FTE Vacant

# VACANT POSITIONS

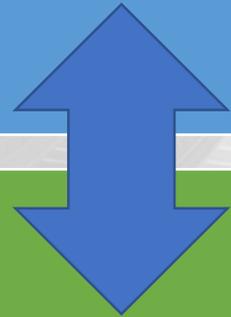
Deputy  
Director

Staff Attorney  
II

Registration  
Unit Manager

# Budget & Personnel Committee Staffing Model Recommendation

Convert Vacant  
Deputy Director



To New Policy  
Director Position

# Potential New Positions Under Consideration for FY 2023



Finance Manager



Senior Housing Counselor



Digital Education & Social  
Media Coordinator



## Next Steps

- Collect Input
- Prepare Recommendation for FY 23 Registration Fee
- Set Fee no later than 1<sup>st</sup> week of May

# Questions

