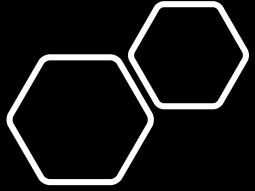




FY 2024 Registration Fee
Recommendation



FY 2023
Adopted
Budget

Maintained Registration Fee
Levels

Deficit Spend by \$925,000

Consider FY24 Fee Increase

RENT BOARD RESERVE POLICY

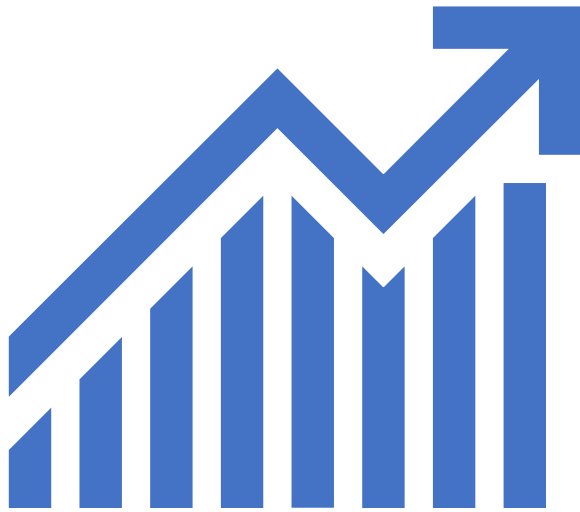
- Target to maintain funds to cover 1-2 months of operations
- This equals 8-16% of expenditures
- Board has maintained over 16% recently
- FY22-23 Budget authorized reducing reserve to 6.2%



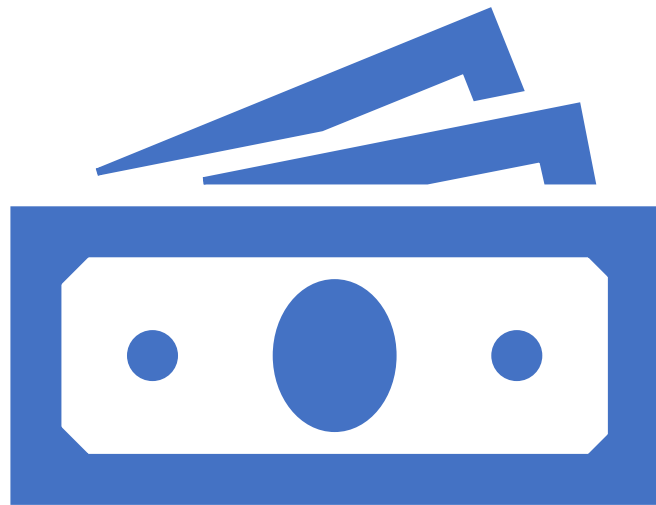
Annual Revenue by Registration Fee Type

- Fully-Covered Registration fee
19,600 Units @ \$250 unit = \$4,900,000 Revenue
- Partially-Covered Measure MM fee
5,000 Units @ \$150 unit = \$750,000 Revenue
- Affordable Housing Measure MM fee
586 Units @ \$37 unit = \$21,682 Revenue
- Summer Fraternity & Sorority Rental fee
601 Units @ \$70 unit = \$42,070 Revenue

FY 2023 Revenue Collection



- Adopted FY 2023 Revenue = \$5,687,000
- Actual Mid-Fiscal Year Revenue = \$5,686,913
- Updated Revenue Projection = \$5,850,934



FY 2023 Expenditures

- Authorized Expenditures = \$6,798,105
- Actual Expenditures = \$2,976,355
(As of 12/31/22)
- Updated Projected Expenditures = \$6,601,880

FY 2023 Budget Deficit

- Projected Revenues = \$5,851,000
- Projected Expenditures = \$6,602,000
- Projected FY 2023 Budget Deficit =
(\$751,000)

Projected Year End Status of Board's Uncommitted Reserve

	Start of Fiscal Year	End of Fiscal Year	Change
Adopted	\$1,348,978	\$423,473	-925,505
Updated Projection	\$1,348,978	\$974,133	-374,785

FY 2024 Status Quo Budget

- Budgets for existing staff positions only
- Includes known or reasonably anticipated cost increases
- Projected FY24 status quo expenditures = \$6,660,405
 - Personnel Costs +\$186,000 (1% COLA with benefit cost increases)
- Status quo FY24 is \$138,000 less than FY23 adopted budget



FY 2024 Baseline Revenue Requirements

- \$6,560,000 Registration Revenue Required to cover status quo expenditures
- **Approx. -\$710,000 budget deficit at current fee levels**
- \$285 Fully-Covered & \$172 Measure Fee required to cover status quo expenditures
- Targeting 8% Reserve reduces necessary fee levels to \$270 (fully-covered) and \$162 (Measure MM)
- Approx. 19,600 fully-covered and 5,000 partially covered units

Fully-Covered Fee Set at \$250 for FY 2018/19

Costs have increased by +\$1.5 million since FY 2018/19

Cost Increases due primarily to:

- Increased Personnel Costs +\$700,000
- New Positions & Staffing Model Restructuring +\$621,000
 - 75% covers 3 positions added to administer Measure MM (@\$460k)
- Commissioner Stipend Increase +\$106,500
- Building Rent & BUSD Meeting space + \$95,000
- PC Replacement & Software Lic. +\$65,805

Savings for Database Support & Maintenance = \$95,100

Five Core Rent Board Services



OUTREACH



COUNSELING



HEARINGS &
MEDIATIONS

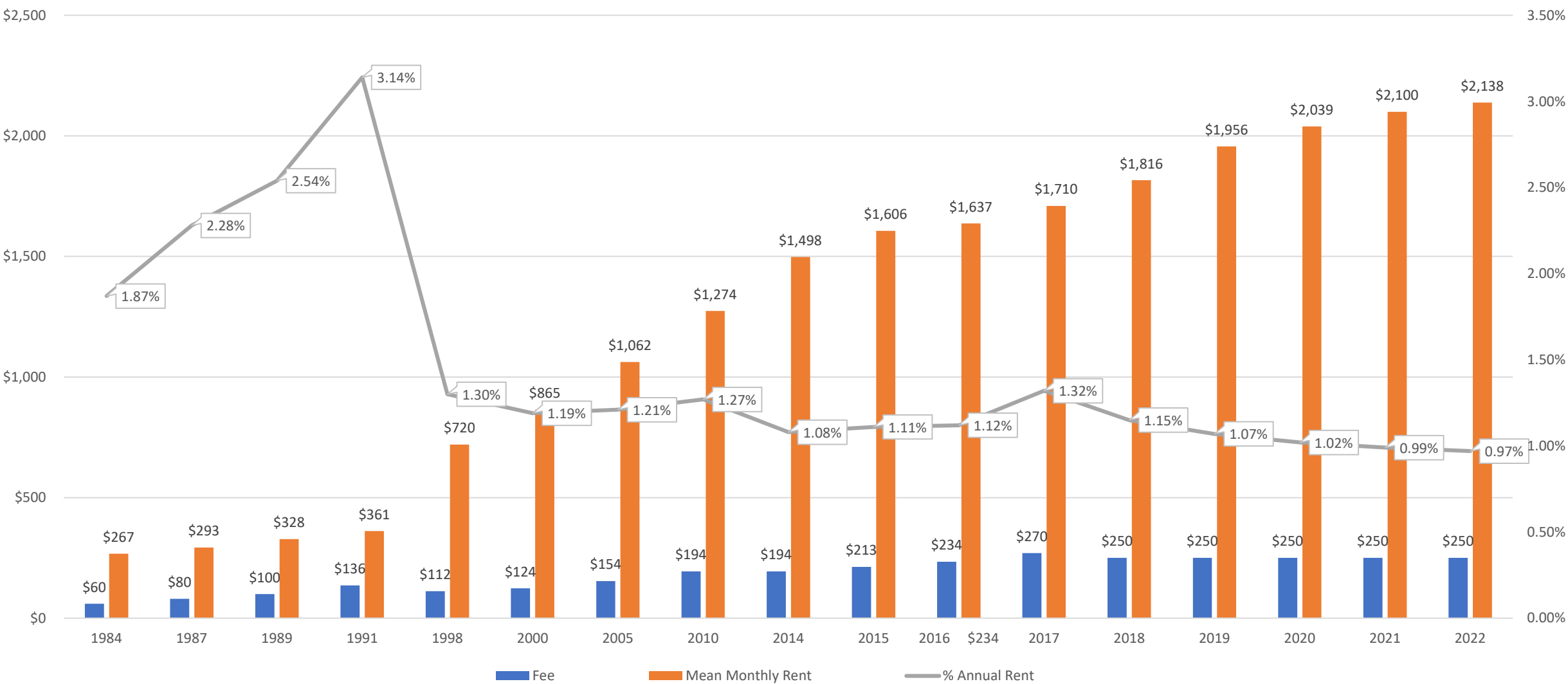


REGISTRATION &
RENT CEILING
RECORDS



POLICY,
ADMINISTRATIVE,
AND LEGAL
SUPPORT

Registration Fee as Percentage of Annual Rental (Range of 0.97% to 1.32% since 1998)



Fee Range Using % of Annual Rent as a Guide

- \$2,138 average (mean) 2022 rent per month as of December 2022
- Reg. Fee in range of 0.97% and 1.32%* since 1998
- 0.97% to 1.32% = \$251 to \$341
- Post Costa-Hawkins (1999 and after) – Reg. Fee generally in range of 1.07% to 1.27%
- 1.15% to 1.27% = a fee range of \$296 to \$328

- *Reached 1.32% with one-time \$20 fee for RTS (Base fee was 1.22% & one-time RTS fee 0.10%)

Inflation Compared to Average Rent Increase

Date	CPI	Avg. (mean) Annual Rent
June 30, 2017	286.062	\$1,816
Dec 31, 2022	331.222	\$2,154
	+15.79%	+18.06%
Applied to Fully-Covered Fee	\$289	\$297

Considerations for Setting the FY 2023/24 Fees

Closing Budget Deficit

Measured Fee Increase for FY 2023/24

Increasing Capacity

Targeting 16% Reserve

Returning to “Pay as you go” strategy by FY 2024/25

Measure MM or Partially Covered Units

- January 2023 average MM unit rent = \$3,392 0.39% would be \$159 per unit
- Measure MM revenue is approx. 12-14% of Revenue
- MM = 18% of total units and 20% of registered units

Registration Year	Measure MM Unit Fee	Mean Monthly Rent (start of year)	% of Annual Rent
2021	\$100	\$3,461	0.24%
2022	\$150	\$3,229	0.39%

Budget &
Personnel
Committee
Recommendation



Set Fully-Covered Registration Fee
at \$290 for FY 2023/24



Set Partially-Covered Measure MM Fee
at \$178 for FY 2023/24



Maintain 100% Affordable MM fee at \$37
& Summer Rental Fee at \$70 per unit



Target 16% Reserve

Questions

