



**FY 2025 Registration
Fee Discussion**

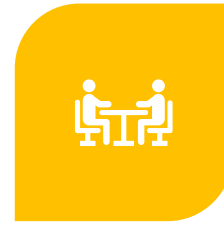
Core Rent Board Services



PUBLIC INFO
UNIT



LEGAL



HEARINGS &
MEDIATIONS



REGISTRATION &
RENT CEILING
RECORDS



FINANCE



PLANNING AND
ADMINISTRATION

FY 2024

Budget Deficit

- Adopted Revenues =
\$6,965,000
- Adopted Expenditures =
\$7,506,000
- Adopted FY24 Budget Deficit =
(\$541,000)

FY 2025 Baseline Revenue Requirements

- \$7,356,000 Registration Revenue Required to cover baseline expenditures
- **Approx. -\$331,000 budget deficit at current fee levels**
- \$310 Fully-Covered & \$190 Measure MM Fee required to cover baseline expenditures
- Targeting 16% Reserve as best practice
- Approx. 19,500 fully covered and 5,000 partially covered units

Rent Board Reserve Policy

- Target to maintain funds to cover 2 months of operations
- This equals 16% of expenditures
- Board's policy: Target 16%



Additional Unit Types



- Affordable Housing MM
586 Units @ \$53 unit = \$31,058 of Revenue
- Summer Fraternity & Sorority Rental
601 Units @ \$96 unit = \$57,696 of Revenue

Considerations for Setting the FY 2024/25 Fees

Closing Budget Deficit

Targeting the 16% Reserve Level

Returning to “Pay as you go” strategy

Anticipated Legal Costs

Increasing Capacity

BASELINE Expenditures

Expenditure	Projected Cost	Fully-Covered	MM	Total Fully Covered	Total MM
Baseline Expenditures	\$7,356,000	+\$20	+12	\$310 per unit	\$190 per unit
Reserve Options				Baseline	
Target 16% Reserve	\$1,168,000	+0	+0	\$310 per unit	\$190 per unit

Above Baseline – Fee Increase

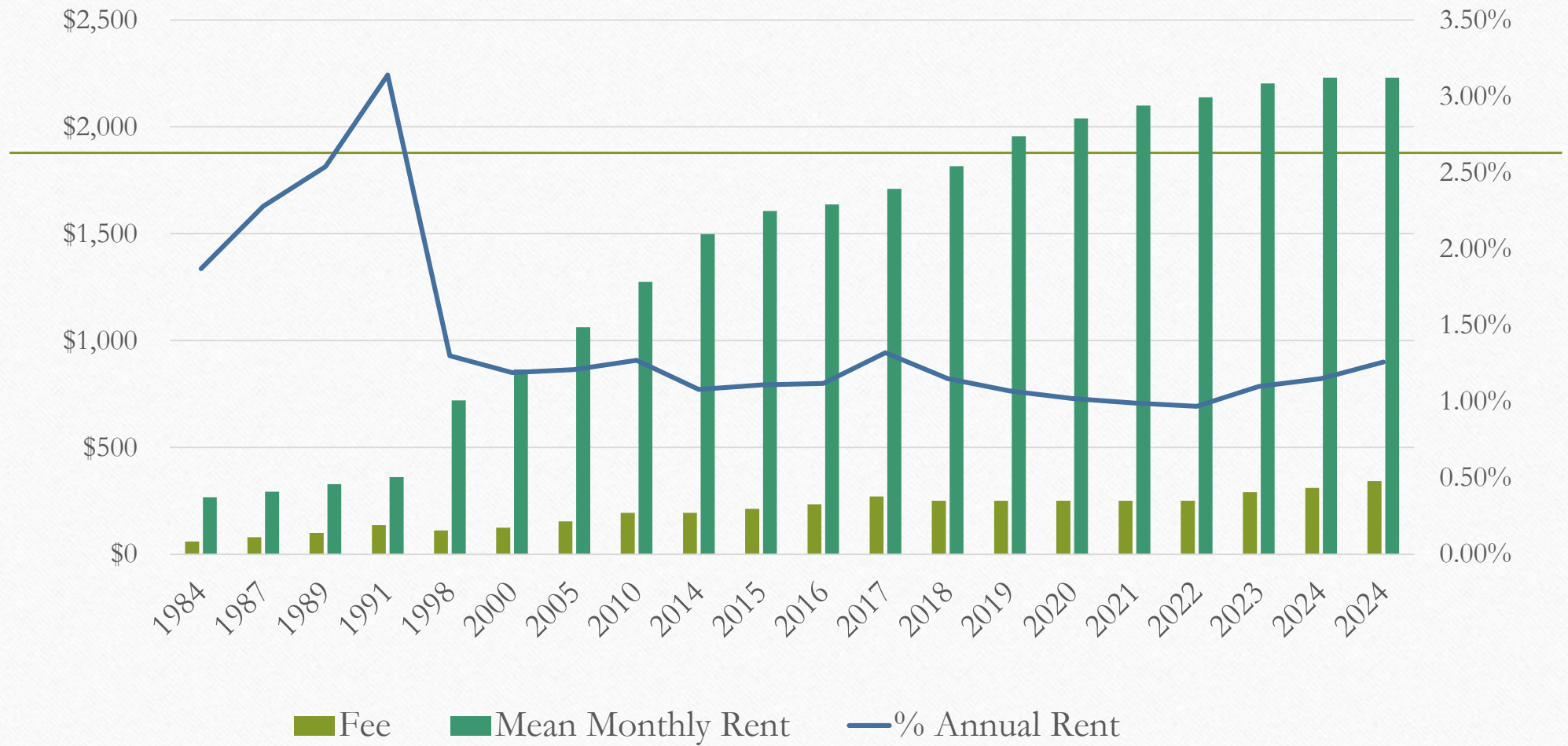
Adding Staff Capacity

Expenditure	Projected Cost	Fully-Covered	MM	Total Fully Covered	Total MM
Admin Support Staff (Baseline)	\$170,000	+\$7	+\$5	\$317 per unit	\$195 per unit
Policy Director (Baseline)	\$260,000	+\$11	+7	\$328 per unit	\$202 per unit
Digital Media Coord. (Baseline)	\$223,000	+10	+6	\$338 per unit	\$208 per unit

Planning For Additional Expenditures

Expenditure	Projected Cost	Fully-Covered	MM	Total Fully Covered	Total MM
Legal/Contingency Funding					
Anticipated Costs	\$100,000	+\$4	+\$3	\$342 per unit	\$211 per unit
OR					
Anticipated Costs	\$150,000	+\$6	+\$4	\$344 per unit	\$212 per unit

Fee as % of Annual Avg. (Mean) Rent



Registration Fee as Percentage of Annual Rental Since 1998

(Range of 0.97% to 1.32%)

Registration Year	Fully-Covered Unit Fee	Mean Monthly Rent (start of year)	% of Annual Rent
1998	\$112	\$720	1.30%
2000	\$124	\$865	1.19%
2005	\$154	\$1,062	1.21%
2010	\$194	\$1,274	1.27%
2014	\$194	\$1,498	1.08%
2015	\$213	\$1,606	1.11%
2016	\$234	\$1,637	1.12%
2017	\$270 (Incl. \$20 one-time Fee)	\$1,710	1.32%
2018	\$250	\$1,816	1.15%
2019	\$250	\$1,956	1.07%
2020	\$250	\$2,039	1.02%
2021	\$250	\$2,100	0.99%
2022	\$250	\$2,138	0.97%
2023	\$250	\$2,203	1.10%
2024	\$310	\$2,230	1.15%
2024	\$342	\$2,230	01.26%

Fee Range Using % of Annual Rent as a Guide

- \$2,230 average (mean) 2024 rent per month as of February 2024
- Reg. Fee in range of 0.97% and 1.32%* since 1998
- 0.97% to 1.32% = \$251 to \$341
- Post Costa Hawkins – Base Reg. Fee in range of 0.97% to 1.27%
- Reached 1.32% with one-time \$20 fee for RTS (Base fee was 1.22% & one-time RTS fee 0.10%)
- 1.15% to 1.27% = a fee range of \$310 to \$344

Measure MM

or Partially Covered Units

- January 2024 average MM unit rent = \$3,567 would be .49% at \$211 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%
2023	\$178	\$3,392	0.43%
2024	\$211	\$3,567	0.49%

Timeline for Adopting the FY 2025 Fee



March 21, 2024

- Public Hearing on Fee Increase
- Board take action on setting the fee levels for FY 2025

April 15, 2024

- Adopted fees are implemented for the FY2025 Registration period

Budget & Personnel Committee Recommendation

- Set Fully-Covered Fee at \$342 for FY 2025
- Set Measure MM Fee at \$211 for FY 2025
- Maintain 16% reserve level
- Increase Staff Capacity

QUESTIONS/COMMENTS
