



**Rent Stabilization Board**

RENT STABILIZATION BOARD

DATE: June 16, 2022

TO: Honorable Members of Rent Stabilization Board

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

SUBJECT: Recommendation to adopt Resolution 22-13 approving the Board's Fiscal Year (FY) 2022/23 Line-Item Budget, Staffing Model & Maximum Expenditure Level

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**Recommendation:**

That the Board adopts Resolution 22-13 approving the FY 2022/23 line-item budget and staffing model of 25.0 FTE career employees and authorizing an overall spending level of \$6,645,255, which includes \$162,750 in expenditures from the Board's Capital Reserve.

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

Legally, the Board has, through the end of June, to adopt a staffing model and budget with a maximum expenditure authorization for FY 2022/23. The process for adopting the annual budget is guided by the Budget and Personnel Committee, which has met five times in calendar year 2022 to review the budget's status, the staffing model's composition, and the projected revenues and expenditures in the coming year.

The Board received the FY 2021/22 mid-fiscal year budget report at its March 17, 2022 meeting and, after reviewing the status of the budget, elected to amend the staffing model to convert the vacant Deputy Director position to a new Policy Director position. This new position will serve as the lead staff person for the Board's policy projects and initiatives.

The Board was also provided with an update on the status of the budget and the projected expenditure level for the next fiscal year at its April 21, 2022, meeting. At that meeting, the Board received a recommendation from the Budget & Personnel Committee to utilize some of its uncommitted reserves to avoid any increase to the registration fee when the rental housing market continues to experience economic hardships due to the impacts of the COVID-19

pandemic. The Board supported this recommendation by voting to maintain all registration fees at their current level, including the fully-covered fee at \$250 unit and the Measure MM fee at \$150 unit. The Rent Board funds larger than expected uncommitted reserve balance, caused primarily by the vacant Deputy Director position and turnover in five other budgeted positions, gave the Board the flexibility to avoid increasing registration fees in FY 2022/23.

### **Update on Measure MM Registration**

Approximately 4,750 Measure MM units have been registered in this initial year of Measure MM registration. This includes 600 units in affordable housing projects operated by nonprofits that pay the lower \$37 per unit Measure MM fee. Measure MM revenue is projected at around \$650,000 in FY 2022. The total number of rental units subject to Measure MM will continue to grow as new buildings are constructed and then leased for the first time. Staff regularly review City of Berkeley permit records and have identified over 300 potential Measure MM units in newly constructed buildings that may require registration next fiscal year.

Staff and the Budget and Personnel Committee will continue to monitor the status of Measure MM registration. Staff are still developing reports in the agency's new 3Di Rental Registry and will provide a more detailed report on Measure MM implementation next fiscal year once all the necessary reporting tools within the 3Di system have been developed.

### **Final FY 2020/21 Year-end Fund Balance**

On April 21, 2022, staff received the latest draft report regarding the Board's audited financial statements for FY 2020/21. The Board's financial statements are produced by an independent auditor hired by the City of Berkeley's Finance Department. After reviewing the Board's latest financial statements and conferring with the Finance Department, the agency's total revenue in FY 2020/21 was \$4,998,518, and its total expenditures were \$5,056,770. This resulted in an over \$50,000 reduction to the Board's uncommitted reserve, which lowered the Board's total fund balance for FY 2020/21 to \$1,444,749. The year-end fund balance comprises \$897,166 in uncommitted reserve, \$495,500 in capital reserve, and an additional 52,083 in carryover expenditures for contract work completed in FY 2020/21, invoiced, and paid for in FY 2021/22.

### **3<sup>rd</sup> Quarter Update on FY 2021/22 Budget Status and Year-End Projections**

The agency's Mid-Fiscal Year 2022 Budget Report projected that total FY 2021/22 expenditures would be around \$500,000 lower than the Board authorized in its adopted budget. This change was primarily due to better than anticipated first-year revenue from Measure MM registration and decreased personnel expenditures due to staff turnover and the vacant Policy Director position.

At the end of the 3<sup>rd</sup> quarter of FY 2021/22 (as of March 31, 2021), the agency's total revenue was \$5,587,609, and its total expenditures were \$3,639,399. Lower than projected personnel costs continued in the 3<sup>rd</sup> quarter as the agency worked to fill vacant positions. Staff now project that total FY 2022 expenditures will end at around \$5,620,000, while total FY 2022 revenue projects at \$5,642,000.

The Board should have a budget surplus of over 20,000 this fiscal year. The Board projects to start next fiscal year with an uncommitted fund balance of just over 1.1 million, which is over 16% of proposed FY 2022/23 recurring expenditures. The Board also will have close to \$360,000 in its capital reserve, though \$260,000 has already been earmarked towards the continued development of the 3Di Rent Registry system.

### **Programmatic Accomplishments in FY 2022**

FY 2021/22 has been a significant year of transition for the Rent Board, highlighted by a successful first year of Measure MM registration, the implementation of Berkeley's Fair Chance Ordinance, and the hiring of the Board's new Executive Director. Additionally, staff completed several other major projects while dealing with the ramifications of having turnover in five staff positions, including the agency's Public Information Unit (PIU) Manager and the Registration Unit Manager positions. Despite the challenges of working through staff turnover while simultaneously onboarding a new Executive Director, the agency has continued to devote the majority of its focus and energy to performing its core services to the tenants and landlords of Berkeley. The program's core services are as follows:

1. Regularly communicating with Berkeley's 50,000 plus tenants and 2,800 landlords to ensure they are informed and educated on the protections, requirements, and services under the Rent Stabilization and Eviction for Good Cause Ordinance.
2. Providing counseling and other direct services to over 1,000 clients per month who call and email for advice and assistance. Due to the COVID-19 pandemic, the agency only provided limited in-person counseling services this past fiscal year but began to offer clients the possibility to schedule appointments to meet with a housing counselor over the phone or via video conference. At the Board's direction, agency staff also spent considerable time reaching out to the community through seminars and workshops conducted remotely. Staff is scheduled to participate in person at the City of Berkeley Juneteenth Festival on Sunday, June 19<sup>th</sup>. This will be the first in-person event since the beginning of the COVID-19 pandemic.
3. Providing administrative hearings and mediations to Berkeley's landlords and tenants.
4. Maintaining accurate records on the occupancy status, rents, and services for over 30,000 rental units in the City of Berkeley and processing payments, changes in tenancy and exempt status, and requests for penalty waivers for all units covered by the Ordinance.
5. Guiding policy, transparency, and governance: Historically, 2-3 FTE are dedicated to providing policy, administrative, legal, and logistical support for the Board and its committees. Staffing in this area has recently increased to 6-8 FTE as the agency continues to address the housing affordability crisis.

The vast majority of our resources are dedicated to the multitude of tasks involved in carrying out the five essential "core" areas of work listed above. Providing these services at a high level is the primary way in which we carry out the purpose and mission of the Ordinance articulated in Section 120 of the City Charter:

***"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.”***

In addition to these “core” areas of work, the agency was tasked with four major projects this past fiscal year that took significant energy, time, and focus from agency staff. The first was the continued implementation of the new registration requirements due to the passage of Berkeley’s Measure MM. As mentioned earlier in the report, staff have successfully registered approximately 4,750 units in this registration year, and initial compliance with the Measure MM registration requirements has been high.

The second major project was the continued implementation of the new 3Di Rental Registry System. Staff and the 3Di team successfully migrated over 40 years of rental data from the Rent Tracking System (RTS) database to the 3Di Rental Registry System. The migration of this rental data took place in mid-December 2021, and although some initial hiccups and data cleanup was required, the migration was a success overall. Registration of both fully-covered and Measure MM rental units will take place in the 3Di system for the first time during this registration period.

The agency also prioritized ensuring a successful transition to a new, permanent Executive Director after the unexpected retirement of the previous Executive Director. Under the recommendation of the City’s Human Resources Department (HR), the Board contracted with Rebecca Burnside of “It’s Personnel” to conduct a recruitment for a new Executive Director. Its Personnel conducted a nationwide search for the best Executive Director candidates and included community stakeholders, agency staff, and the elected Board in the hiring process. This effort concluded with selecting and hiring the agency’s current Executive Director, DéSeana Williams, in November of 2021. Ms. Williams brings a wealth of affordable housing and organizational management experience to the Rent Board after working for the Detroit Housing Commission for 15 years.

Finally, the agency staff succeeded in successfully recreating and migrating hundreds of pages of web content in the City’s new web content management system to publish on the City’s newly-redesigned <https://rentboard.berkeleyca.gov> website. Updating and recreating this web content was an enormous and complex task requiring significant contributions from staff in every work unit. After months of content editing, review, and content migration, the Board’s new website launched on April 29, 2022, complete with recreated versions of the agency’s Annual General Adjustment (AGA) and security deposit calculators. The agency’s new web pages have a more straightforward, more modernized design that is less text-dense and formatted to be easier to navigate and comprehend. The website is also formatted, so its size adapts appropriately for clients browsing the Rent Board’s web pages using a smartphone or tablet.

In addition to these four major projects, the agency has maintained its ongoing efforts to fulfill the Board’s charge under the City Charter. The Board has continued to work with Berkeley’s City Council to promote important legislation that directly relates to the work agency staff perform to achieve the goals articulated in the Charter and the Rent Ordinance itself. To this end, the Board and City Council’s 4x4 Joint Task Force Committee on Housing (4x4 Committee) have met more frequently to tackle important rental housing issues, including

potential changes to the Rent Ordinance and the Relocation Ordinance and residential unit demolitions.

The following is a partial list of some of the important achievements the Board and agency have made over the past fiscal year:

- Contract with Anti-Eviction Mapping Project to create a report on the potential displacement and equity impacts of upzoning in Berkeley
- Convert the vacant Deputy Director position to a new Policy Director position
- Implement an appointment scheduling system for video conference and phone call housing counselor appointments
- Launched and adapted to the “Counseling Dashboard” in the 3Di system
- Continue to provide remote services in all areas from counseling, registration, hearings & mediations, and public meetings due to ongoing COVID-19 Pandemic
- Enact a COVID-19 hardship waiver process
- Provide increased in-person services to clients during 9 a.m. to 2 p.m. office hours on Mondays, Tuesdays, Thursdays, and Fridays.
- Hearings Unit held 66 hearings and 57 mediations in calendar year 2021, which represents a slight increase from calendar year 2020 (57 petitions, 56 mediations)
- Assist the City of Berkeley with the implementation and creation of administrative regulations for the City’s Fair Chance Ordinance, which prohibits discrimination based on tenants’ past criminal history
- Create, select and hire for the new General Counsel position
- Review and propose improvements to the Berkeley’s Relocation Ordinance
- Facilitate nine mediation cases involving Measure MM units
- Assist with development and public process for Berkeley’s 2023-31 Housing Element Update
- Complete the Request for Proposal (RFP) process and selected a vendor to complete a new tenant survey in Fall of 2022
- Interview, select and hire for five existing staff positions, including the Public Information Unit (PIU) Manager and Registration Unit Manager positions
- Provide client counseling and live webinars on Measure MM requirements, state and local eviction moratorium
- Work with the 4x4 Committee and other stakeholders on potential revisions to the City’s Demolition Ordinance
- Work with the City of Berkeley and the Eviction Defense Center to support the City’s housing retention grants

The staff has done an outstanding job providing remote services throughout the pandemic while also taking on the unique challenges of implementing Measure MM’s new services and registration requirements. The Board and landlord/tenant community have come to expect the agency to deliver its core services at a high level, and the agency has managed to do so under some of the most trying circumstances in its history. The agency’s core services will remain

critical to landlords and tenants as rental housing market conditions return closer to normal and the ability to evict tenants for the non-payment of rent is eventually reinstated.

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

On April 14, 2020, the Berkeley City Council adopted the Ronald V. Dellums Fair Chance Access to Housing Ordinance (B.M.C. Chapter 13.106). The Ordinance prohibits housing providers from advertising, directly or indirectly, that they will not consider applicants with criminal histories except as required by state or federal law.

On December 14, 2020, the Board agreed in principle to administer this Ordinance 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.” The agency ultimately agreed to assist with the outreach and counseling of Berkeley landlords and tenants on the Ordinance, to work with City Attorney’s office to draft administrative regulations related to the implementation of the hearings process, including an administrative review process, and to hold full evidentiary hearings on complaints.

Staff and City administration agreed to compensate the agency for its work on the Fair Chance Ordinance based on the actual number of hours staff spend on implementation, with an estimated amount of \$10,350 in startup costs and \$105,500 in ongoing personnel costs. Agency staff began implementing the Fair Chance Ordinance starting July 1, 2021.

During FY 2021/22, Rent Board staff assisted with the drafting of Berkeley Administrative Regulation 1.18 (which establishes procedures for adjudication of administrative complaints), trained PIU staff on the Ordinance requirements, provided counseling to over 20 clients, and sent two warning letters to property owners that were using lease language that violated the Ordinance because it questioned potential tenants about their criminal background. Staff has met regularly with personnel from the Just Cities Institute. This non-profit group was integral to the development of the Ordinance, which the City of Berkeley contracts to help with outreach and community development around the Fair Chance Ordinance. Rent Board staff and Just Cities held a Fair Chance Ordinance webinar for housing providers on May 9, 2022, and will hold an informational webinar for tenants on June 27, 2022.

Thus far, staff has spent just over 190 hours counseling and outreach, and the total cost of implanting and administering the Ordinance is estimated at around \$40,000. As more potential tenants learn about the Fair Chance Ordinance, staff estimate that the Fair Chance workload should increase and are asking City Council to continue to allocate funding not to exceed \$105,500 for Fair Chance Ordinance implementation in FY 2022/23.

### **Goals and New Initiatives in FY 2022/23**

The Executive Director, the Budget & Personnel Committee, Outreach Committee, and other Board committees have identified 24 projects that are priorities during the upcoming fiscal year.

Several the of the larger projects, as well as City-wide policy initiatives, carry over from this current fiscal year:

1. Complete the initial fiscal year of Measure MM unit registration and provide a comprehensive report to Board on the outcome and overall impact of registering and providing services to Measure MM units.
2. Issue RFP's for longer-term Rent Board contracts, including the Eviction Defense Center, East Bay Community Law Center, Brian Augusta and Associates, QuickCaption, and Berkeley Community Media.
3. Increase agency capacity and resilience by creating additional staff positions and documentation of internal processes and procedures.
4. Begin the process of exploring available office buildings that have more space to grow staff capacity and are available when the agency's current lease expires in February of 2024.
5. Provide outreach and assistance to tenants and landlords on laws and requirements for evictions as state and local eviction moratoria come to an end.
6. Enhance agency efficiency with workflow process and responses for housing counselors.
7. Re-establish relationships and activity for Rent Board education and outreach with other City agencies, such as Aging Services and HHCS.
8. Work on interdepartmental anti-displacement policies to address results from proactive Housing Code Enforcement inspections.
9. Complete annual evaluations of all employees, including Executive Director and General Counsel.
10. Provide increased training opportunities for both staff and the Board.
11. Work with 3Di Inc. to build out reporting tools in the 3Di system and increase overall system efficiency.
12. Create and hire a new Policy Director position that focuses on achieving Board's housing policy objectives.
13. Implement and administer the City's Fair Chance Housing Ordinance.
14. Complete a survey of tenants and begin scoping a study/survey of property owners.
15. Use the 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays of each month to work on agency-wide improvement areas identified in the 2020 executive transition survey
16. Provide racial equity training for all agency staff
17. 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.
18. Work with the City to revamp and improve the Relocation Ordinance.
19. Monitor development projects, including the creation of new Accessory Dwelling Units (ADUs) that impact the tenancies of/services to existing tenants.

20. Continue to monitor Short-Term Rental Ordinance compliance to prevent the loss of long-term rentals.
21. Continue studying and memorializing the impacts of Costa-Hawkins on Berkeley and other cities in the state.
22. Working with City Council to assist with adopting the Tenant Opportunity to Purchase Act (TOPA).
23. Continue working with local and regional groups to develop a coordinated and effective response to the housing crisis.
24. Work with the City of Berkeley IT Department to enhance agency cybersecurity.

Two of the Budget & Personnel Committee's primary concerns in this budget cycle were the need for data surrounding the implementation of Measure MM and the importance of supporting efforts to increase staff capacity. Providing the Board with data and analysis on Measure MM implementation is a priority for the next fiscal year. More details on the process proposed for increasing staff capacity are included later in this report.

### **Highlights of the FY 2022/23 Proposed Budget**

The proposed FY 2022/23 Budget (Attachment 3) requests new spending authorization totaling \$6,645,755. This amount includes \$6,289,405 toward the agency's recurring operational expenses (86.7% of which is for staff and office rent), \$267,750 towards development and maintenance of the 3Di Rental Registry database, the Fall 2022 tenant survey, consultant support for annual evaluations of the Executive Director and General Counsel, and additional staff and Board training.

**\$122,750 - Database Solution** - The Board adopted a one-time \$20 adjustment to the registration fee in FY 2017/18, with the \$400,000 collected placed in the Board's Capital Reserve and earmarked for finding a sustainable long-term solution to our database needs. The agency contracted with 3Di, Inc. in the Fall of 2020 to first develop a standalone module for Measure MM registration and then create a replacement for the previous Rent Tracking System (RTS) and case management databases. The Measure MM system launched in February of 2021. An integrated rental registry for fully-covered units, petitions, eviction tracking, and counseling case management launched in March of 2022.

**\$90,000 - Enhanced Training** - The proposed budget recommends that \$10,000 be allocated on a recurring basis to the Training line item (40-63) for ongoing enhanced training opportunities for staff. An additional one-time allocation of \$80,000 is set aside in the CIP line item for project management, customer service, racial equity training for staff, and Board and Commission training for Board members.

**\$62,000 – Commissioner Stipend Inflation Adjustment and Technology Stipend** – The proposed budget recommends increasing the commissioner's monthly stipend from \$500 to \$811.23 a month and to adjust the commissioner's stipend upward each year based on increases to the consumer price index beginning in January of 2023. The proposed budget also establishes

a \$2,500 technology stipend for commissioners, which is provided to each Board member at the beginning of each four-year period they serve as an active commissioner. The initial technology stipend payment would take place in July of 2022, as soon as it is administratively feasible.

**\$40,000 – Tenant Survey** – Completing a new tenant survey is a top priority for the Outreach Committee. The agency has contracted with the Social Science Research Center at California State University Fullerton to perform an updated tenant survey in the Fall of 2022. Staff proposes the Board utilize its capital reserve for this expenditure.

**\$10,000 – Annual Performance Evaluations** – The Executive Director and General Counsel position report directly to the elected Rent Board. An annual review process is required in the Board's contracts with the staff filling these positions. The Budget & Personnel Committee intends to work with Keren Stashower of Kinnectics LLC to design and organize the evaluation process.

### **Increasing Staff Capacity**

In the FY 2021/22 mid-fiscal year budget report, the Executive Director requested the Board's feedback on her a proposal to add three additional new positions to the Board's staffing model in the near future. These positions are:

1. **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 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.
2. **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 providing core Rent Board services, including education, counseling, and 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 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.
3. **Digital Education and Social Media Coordinator:** For years, the Board has expressed an interest in increasing the agency's social media presence and adapting its 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.

These positions are not only new to the agency; they do yet exist as City of Berkeley job classifications. Creating a new City of Berkeley classification generally requires input from HR, Berkeley's labor unions, and approval from the Personnel Board. Once these positions are created and their details finalized, staff will bring a recommendation to the Budget & Personnel Committee requesting that they be added to the Board's staffing model.

Staff met with HR to begin creating the new Policy Director position and will report back to the Board and Budget Personnel Committee as a process and timeline finalized. The creation of the Finance Director, Senior Housing Counselor, and Digital Education and Social Media Coordinator will take priority after the Policy Director position is created and advertised. Staff hopes to have these positions in place and ready to be added to the agency's staffing model prior to the production of the Board's FY 2022-23 mid-fiscal year budget update.

### **Lease of 2001 Center Street**

The Rent Board has leased office space on the first and second floor of 2001 Center Street since August 9, 1993. The agency's current lease with 2001 Center Street LLC is set to expire at the end of February 2024. When the previous lease agreement was near expiration in 2019, the agency began negotiations to move to a vacant City of Berkeley owned office space at 1947 Center Street, where Berkeley's Planning Department and Finance Departments are located. The 1947 Center Street location required some significant tenant improvements before it would be ready for occupancy by Rent Board staff. Staff negotiated a five-year extension at 2001 Center Street, including an early termination option that would allow the agency to move to 1947 Center Street if an agreement was reached to lease 1947 Center Street. Ultimately, Rent Board staff could not reach an agreement with Berkeley's Public Works Department on lease terms, and the agency decided to remain at its present location.

With the lease of 2001 Center Street now set to expire in just over a year and a half, the Executive Director has begun the process of looking into potential new locations and will update the Board if any suitable sites are identified. The size of the agency's current office space limits the Rent Board's ability to grow since there are no vacant office spaces that are not reserved for an existing staff position. Given the lack of available space at 2001 Center Street, it will be challenging to find adequate room for the additional staff positions discussed in the previous section of this report. To sustainably add to staff capacity, the Executive Director hopes to identify a larger office space that gives the agency room to grow but is still centrally located and easily accessible by transit.

### **Status of the Rent Board Fund Reserve Balance**

Historically, the Board has attempted to maintain a “one-to-two-month” uncommitted reserve balance in the Rent Stabilization Fund. Historically, the City Auditor’s recommendation is that the reserve contains at least two months or 16% of the agency’s recurring operational budget. Certain Departments, such as Berkeley’s Planning & Development department, aim to maintain a much larger reserve, closer to twelve months. Such a large reserve has not been necessary for the Board since registration revenues have become very consistent. A relatively small reserve of between 8%-16% has been sufficient to meet the Board’s needs.

Although the Board has previously elected to go below the 8% reserve level to contain the size of fee increases, it has maintained a reserve of over 16% since the end of the Fiscal Year 2017/18. Staff anticipates the agency will end this current fiscal year with an uncommitted reserve of over 16%, which means the agency should start FY 2022/23 with the recommended two-month reserve. The Board also has around \$360,000 set aside in its Capital Reserve, \$260,000 of which is earmarked for the ongoing development of the 3Di Rent Registry.

On April 21st, the Board agreed to maintain the amount of the registration fee for fully-covered rental units and Measure MM units at \$250 and \$150 per unit, respectively. This is the fifth year in a row that the Board has set the full-covered fee at \$250 per unit. The Board has prioritized avoiding fee increases while tenants and landlords are still struggling due to the ongoing impacts of the COVID-19 pandemic.

The proposed budget also allocates \$162,750 of the capital reserve towards the continued development and maintenance of the 3Di Rent Registry system and for the completion of the tenant survey. This would leave the Board’s capital reserve with a remaining total of \$197,100. \$137,100 of this amount is still reserved for future expenditures and possible improvements to the 3Di Rent Registry system, and the remaining \$60,000 has not been committed.

With an overall FY 2023/23 revenue projected at \$5,687,0200 (including the City of Berkeley’s allocation for Fair Chance Ordinance administration), the expenditure level proposed by staff and the Budget & Personnel committee would reduce the Board’s uncommitted reserve by around \$800,000. At this level, the Board would end FY 2022/23 with just over 300,000 in its uncommitted reserve, which is just under 5% of its recurring operational budget.

### **Sustainability of FUND 440 Reserve Balance**

In FY 2020/21 and FY 2021/22, the adopted budget anticipated spending down the Board’s uncommitted reserve, so the reserve ended the year with less than 8% of recurring expenditures remaining. Savings in personnel costs from staff turnover and ongoing vacancies, as well as better than anticipated registration revenue from both fully-covered and Measure MM units, meant that the Board’s reserve was never significantly reduced. As a result, the Board’s uncommitted reserve projects stand at roughly the same level it was at two fiscal years ago.

For the FY 2022/23 budget, staff and the Budget & Personnel Committee’s recommendation again proposes a significant drawdown of the Board’s uncommitted reserve, this time by 72%. While this is a significant reduction, it is similar to what the Board has adopted for the current

fiscal year and far less than what was adopted for FY 2020/21. Under this budget proposal, the Board's uncommitted reserve projects to contain just over \$300,000 at the end of the FY 2022/23, but that does not include any of the nearly \$200,000 held in the Board's capital reserve. The Board is still in an excellent fiscal position compared to previous fiscal years. It can always make any necessary adjustments during its mid-fiscal year budget review process.

The Board is again considering a budget proposal at a time when the recent crisis is still impacting the tenants and landlords, and the rental housing market has still not returned to normal with local and state eviction moratoriums still in place. The Board has adopted a strategy to avoid fee increases during the ongoing Covid-19 pandemic, and the Budget & Personnel Committee recommends the Board continue to utilize the reserve in this manner and to hold off on returning to its normal "pay as you go" method at least for one more year. Neither the Committee nor staff recommends the Board make a practice of using the reserve to fund recurring expenditures in this manner, except under special circumstances such as these.

### **Explanation of the Line-Item Budget**

The budget proposal primarily focuses on the necessary expenditures to maintain the agency's core services. Changes from the previously adopted budget are described under each item.

**Monthly Employees (11-01):** Proposed expenditures will increase from the FY 2021/22 adopted budget by \$165,000. This increase is primarily due to cost of living adjustments negotiated for Rent Board staff by the various labor unions. **Total request = \$3,015,000.**

**Hourly Employees (11-03):** The Board has utilized temporary employees that are paid on an hourly basis in previous years. The most recent temporary position was in the Associate Planner classification, and the Board converted that to a permanent position when it adopted its FY 2021/22 budget. The proposed staffing model does not include any temporary employees for this fiscal year. **Total request = \$0.**

**Overtime (13-01):** Given that the agency's Registration Unit and Public Information Unit are fully staffed, there is not a significant need for overtime anticipated for the next fiscal year. To maintain preparation for any special projects that require staff overtime, the proposed budget recommends an allocation for overtime work of \$1,000. **Total request = \$1,000**

**Fringe Benefits (27-20):** Fringe benefits in FY 2017/18 were 65.5% of the total salary for monthly and hourly employees. This decreased to around 61-62% for FY 2020/21 and FY 2021/22. This is mainly because there are more new employees at the Board, and newer retirement plans require slightly lower contributions than longer-term employees. In the most recent labor negotiations, the City of Berkeley agreed to gradually increase retirement contributions for newer employees over several years (the amount of years varies depending on the labor union). Staff recommends the Board increase the total budgeted amount for this line item by 275,000 to ensure sufficient funding to cover this anticipated increase to the cost of fringe benefits. **Total request = \$2,075,000**

**Stipends (30-12):** The Budget & Personnel Committee is recommending the Board increase commissioner stipends to \$811.23 per month and to annually adjust the commissioner stipend for CPI beginning in January of 2023. Staff recommends the Board increase this line item by \$38,500 to cover the projected costs of this increase. **Total request = \$92,000**

**Misc. Legal Expenses (30-23):** For most of the past decade, these costs have been limited to \$3,000 - \$4,000 annually for the service of the small claims lawsuits and some incidental court costs. In FY 2019/20, the Board contracted with outside legal counsel and an investigator related to confidential personnel matters and continued to utilize outside legal counsel for personnel and litigation support in FY 2021/22. This year, the proposed budget allocates additional funds for outside counsel to support litigation efforts and assist the Board with confidential personnel matters. **Total request = \$85,000**

**Temp Agency Employees (30-36):** The Registration Unit has requested the Board authorize a temporary agency worker to assist with the registration effort for both fully-covered and Measure MM units. Registration of both fully-coved and Measure units are both taking place in the 3Di Rent Registry in this current registration period, and additional staff capacity is required to assist clients as they work with this system for the first time. **Total request = \$25,000**

**Misc. Professional Services (30-38):** This line item represents our contracts with community service agencies to provide eviction counseling and defense to low-income clients (totaling \$318,000 in FY 2022/23) as well as the contract with our legislative advocate (\$60,000 in FY 2022/23). On April 28, 2022, the Eviction/Section 8/Foreclosure Committee voted to approve proposals for contract extensions for the East Bay Community Law Center (EBCLC) and the Eviction Defense Center (EDC). All three contracts will be discussed in greater detail at the June 16, 2022, Board Meeting. **Total request = \$378,000**

**Office Equip Mtc./Copy Machine (30-42):** This is for the maintenance and servicing of the agency's two copy machines. **Total request = \$13,000**

**Bldg Structures Mtc. Svc. (30-43):** This line item primarily covers pest control and other minor building maintenance issues not covered in our rental contract with the building owner. Through March of FY 2021/22, \$313 has gone to this expenditure. The proposed budget recommends this allocation be maintained at \$500 for FY 2022/23. **Total request = \$500**

**Bank Credit Card Fees (30-51):** The Board incurs service fees charged by banks so that owners may pay their registration fees with a credit card. Staff is projecting a total expenditure of \$25,000 for this line item in FY 2021/22 and recommends the Board maintain this allocation for FY 2022/23. **Total request = \$25,000**

**Professional Dues and Intern Fees (40-10):** Consistent with City practice, the Program pays for the dues/fees that we require incumbents of a position to hold. The most common are bar dues, but the agency has also paid for other dues such as those for Notary Public Certification in the past. This item also included previous Cal in Local Government charges, which the Board has not participated in recently due to Covid-19 safety concerns. **Total request = \$2,000.**

**Telephones (40-31):** Includes charges for mobile devices (cell phones) and phones housed in our offices. This also includes charges for wireless connectivity. We estimate FY 2021/22 expenditures will be approximately \$7,000 and do not anticipate this will change in FY 2022/23. **Total request = \$7,000**

**Printing and Binding (40-50):** Includes charges for the printing of all postcards and newsletters, the annual report, large mailings (like the AGA and ALRC mailings to owners and tenants), and the Guide to Rent Control. Staff proposes to reduce this allocation by \$5,000 for the next fiscal year since there will not be the need for as many focused mailings to Measure MM units. **Total request = \$30,000**

**Transportation & Commercial Travel (40-61 & previously 40-64):** These line items were combined when the City moved to its new cloud-based financial software system ERMA in October 2018. Due to the ongoing COVID-19 concerns, this allocation has once again all but gone unused in FY 2021/22. We recommend maintaining this allocation of \$3,000 in case staff need to travel to an in-person event at some point next fiscal year. **Total request = \$3,000**

**Meals and Lodging (40-62):** This line item is for the cost of food and/or lodging when on Rent Board business out of town. As we explained for the previous items, the amount of travel staff has decreased significantly due to ongoing COVID-19 concerns. Since the allocation is small, staff recommends leaving it at \$1,000. **Total request = \$1,000**

**Training and Registration Fees (40-63):** For the past several years, the majority of this allocation covers MCLE (ongoing legal training) and fees for professional conferences or trainings attended by staff or the Board. Three years ago, the Board increased the allocation for this item by \$10,000 to accommodate for additional recurring professional trainings of interest to Program staff and Board members, as appropriate. **Total request = \$12,000**

**Advertising/Public Access (40-70):** The total amount budgeted for these services in FY 2021/22 is \$45,000. The majority of these costs are associated with making the activities and proceedings of the Board accessible and transparent to the public. Major expenditures include cable coverage on BCM, closed captioning of our meetings, and webcasting of our meetings. Other typical costs in this category include PTA directory advertisements, Rent Board magnets, the design of newsletters, the publishing of legal notices, and attendance at community events. Staff recommends increasing this allocation by \$6,600 for FY 2022/23 to ensure sufficient funding for additional outreach efforts next fiscal year. **Total request = \$50,600**

**Books and Publications (40-80):** These charges are almost exclusively for legal books or subscriptions for online legal research. This line item also pays for our RealQuest property records subscription. The amount budgeted in FY 2021/22 was \$13,000, and most of this allocation will be spent. Staff recommends that the Board continue with the same allocation for FY 2022/23. **Total request = \$13,000**

**Rental of Land/Buildings (50-10):** This charge covers the costs of renting the agency's office space on Center Street and any costs to keep the building open additional "after" hours once a week. In FY 2018/19, we renegotiated the lease and extended the lease term through February 29, 2024. The monthly rent has increased significantly under the current lease. At the beginning of fiscal year 2019 (July 2018), the monthly rent was \$20,423, increasing to 27,916 as of March 1, 2019. This year's rent will average \$28,893 per month. Some of this allocation is also available for rental of the Berkeley Unified School District Board Room to allow Board meetings to resume in person, if necessary, later this fiscal year. **Total request = \$370,000**

**Postage (51-10):** This line item covers the costs for all day-to-day operational mailing needs (Hearings and Admin units, VR mailings, exemption verification), all seasonal mailings (registration, ALRC notices), and also the costs for mailing postcards and newsletters to owners and tenants. Staff recommends this allocation be reduced from \$40,000 to \$35,000 as physical mailings should be reduced now that most Measure MM properties have registered with the Board. **Total request = \$35,000**

**Messenger/Delivery (51-20):** The majority of this line item reflects charges related to the delivery of agenda packages. Due to the continued use of Federal Express to deliver time-sensitive contract amendments packages, staff recommends an allocation for this line item be maintained at \$500 for FY 2022/23. **Total request = \$500**

**Office Supplies (55-11):** The agency has been able to reduce expenditures in this line item in each of the past several years after moving toward a paperless agenda system. Staff recommends maintaining the allocation for this item at \$13,500. **Total request = \$13,500**

**Food and Water (55-50):** Previously, when the Board had early or contiguous in-person meetings (a closed session leading directly into a Board meeting), some food was provided to commissioners. However, historically, the largest portion of this expenditure is for drinking water for staff and the public (per a long-standing Board resolution). This line item also reflects food for meetings hosted by the Board or staff. Staff recommends this allocation be maintained at \$1,000 for FY 2022/23. **Total request = \$1,000**

**Office Equipment and Furniture (70-41):** Staff intends to reconfigure office space on the first floor to increase the number of workspaces and better allow for social distancing. The proposed budget recommends maintaining this allocation at \$5,000 to ensure sufficient funding is in place to pay for these improvements. **Total request = \$5,000**

**Computers, Printer, Software (70-44):** This line item is used for any additional computer or printers purchased, which is not part of the PC Replacement (75-25) below. Staff anticipates purchasing six additional laptops for staff next fiscal year, and this line item now includes. This line item has also placed \$30,000 of funding for the new commissioner technology stipend. This addition raises the total recommended allocation to \$45,000. **Total request = \$45,000**

**PC Replacement Contribution/City Software Licenses (75-25):** All of the agency's computers have an assumed life span and are rotated out at the end of that assumed cycle. The agency pays

a fixed cost into a recurring fund based upon the number of computers we have and the estimated replacement cost. The City's IT Department also provides other hardware, including servers, and we have subscriptions to many citywide software licenses. There have been ongoing negotiations with the City's IT Department on what the Rent Board's recurring IT costs are. To this point, the Rent Board has only agreed to pay for clear added costs that the City of Berkeley incurs for our hardware and citywide software licenses used by agency staff. These costs have remained the same for FY 2021/22 at \$74,305. **Total request = \$74,305**

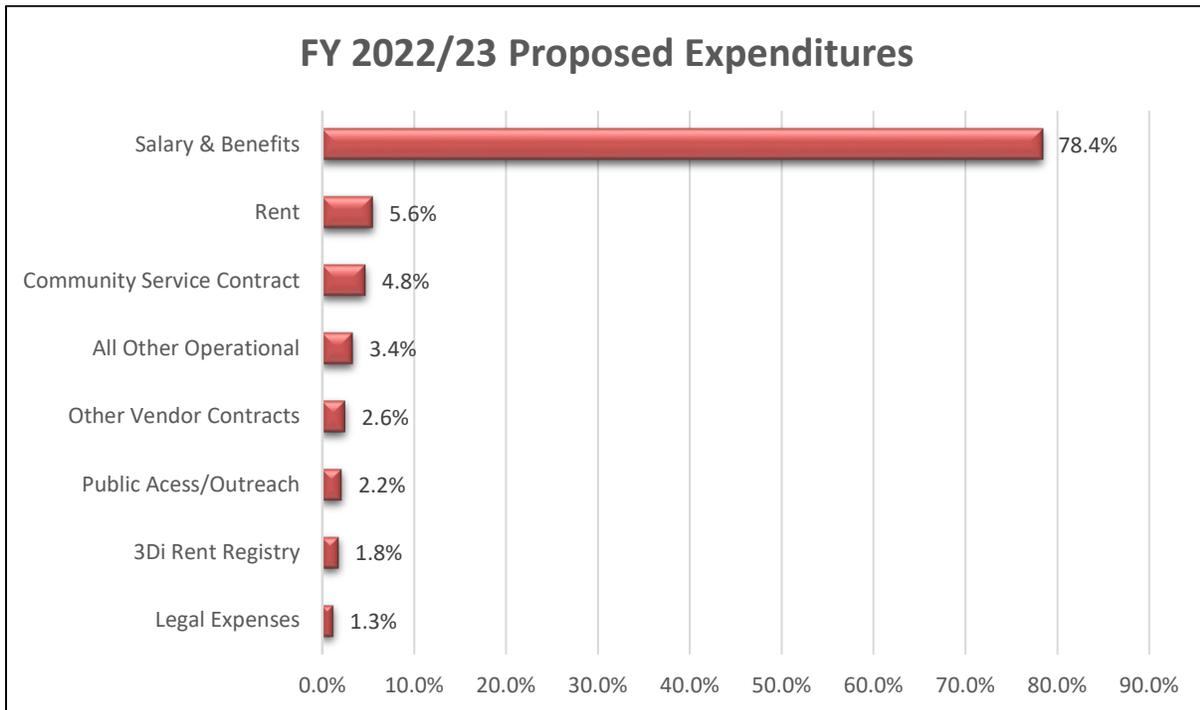
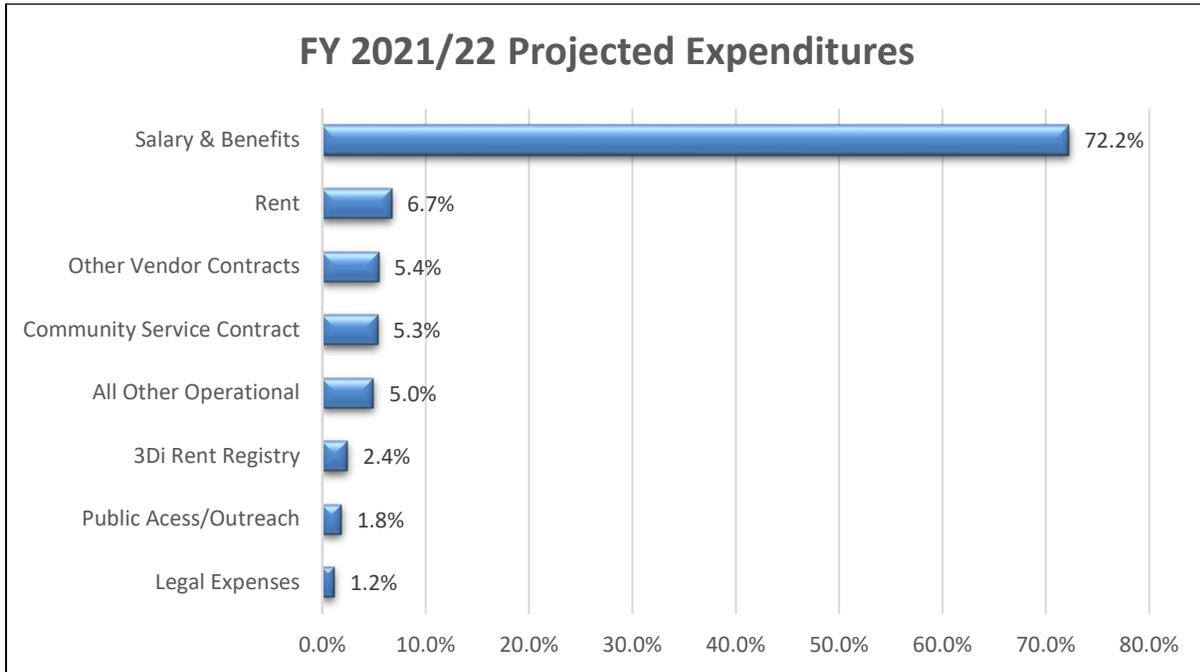
**Mail Services (76-35):** This is a charge from the City, assessed to all departments, to cover the cost of the employee who sorts and delivers the mail. The charge remains unchanged from FY 2021/22. **Total request = \$3,600**

**City Vehicle / Fuel & Maint. (75-50):** This charge is also from the City, assessed to the agency for the use of three off-street parking spaces used by Program staff. The charge remains the same for FY 2022/23. **Total request = \$1,500**

**Capital Expenditures:** Capital expenditures for the current year are projected to be \$252,650 by year-end; the majority of these expenditures are for the new 3Di Rent Registry system. For FY 2022/23, staff recommends setting aside \$80,000 for staff and Board trainings, \$40,000 to complete the Fall of 2022 tenant survey, \$20,000 for a consultant to support the annual evaluations of both the Executive Director and General Counsel, and \$5,000 for IT support of agency's previous RTS database, which needs to be archived before it is then decommissioned. The Board's contract with 3Di also calls for a total of \$122,750 in payments for system development and support in FY 2022/23. **Total request = \$267,750**

**Annual Capital Reserve:** The proposed budget recommends reducing the Board's capital reserve by around \$160,000. Any amount not spent on these projects will revert to the Capital Reserve for future allocation. The annual capital reserve was created so the Board could set aside an annual amount for future capital expenditures. Given the Board's desire to avoid raising the full-covered registration fee as the economy recovers from the COVID-19 pandemic, staff does not recommends allocating additional funds to the capital reserve this year. The Board's capital reserve is projected to be just under \$200,000 at the end of FY 2022/23. **Total Estimated Cost = \$0.**

**Graphic Overview of Changes in Rent Board Expenditures** The graphics below compare, in broad categories, how the Board budget was allocated in the current fiscal year and how it is allocated in the proposed budget.



**Attachments:**

1. Proposed FY 2022/23 Line-Item Budget with 3/4th-year FY 2022 Update and Final Year-end FY 2021 actuals

2. Proposed FY 2022/23 Position Detail sorted by classification only
3. Proposed FY 2022/23 Position Detail grouped by unit, classification, and job duty
4. Resolution 22-13 authorizing FY 2022/23 Expenditure Authorization and Staffing Model

**Rent Stabilization Program  
FUND 440  
FY 2022 3-4ths Year Budget Update with Proposed FY 2023 Budget**

Code	Description	Actual Year-End FY 2021	Adopted FY 2022	3/4ths FY 2022	Projected Year-End FY 2022	Proposed FY 2023
11-01	Monthly Employees	2,325,298	2,850,000	1,643,520	2,350,000	3,015,000
11-03	Hourly Employees	0	0	0	0	0
13-01	Overtime	477	2,000	476	1,000	1,000
27-20	Benefits	1,550,686	1,800,000	1,065,944	1,625,000	2,075,000
30-12	Stipends	51,800	53,500	39,900	53,500	92,000
30-23	Misc. Legal Expenses	225,683	20,000	10,692	65,000	85,000
30-36	Temp. Agency Employees	801	5,000	14,804	30,000	25,000
30-38	Misc. Professional Services	336,739	410,000	359,954	565,188	378,500
30-42	Office Equip. Mtc. Svcs. / Furniture	6,796	13,000	9,896	13,000	13,000
30-43	Bldg. & Structures Mtc. Svc.	392	500	313	500	500
30-51	Bank Credit Card Charges	7,615	25,000	10,314	25,000	25,000
40-10	Professional Dues & Intern Fees	2,060	3,000	139	2,000	2,000
40-31	Telephones	7,292	5,000	6,658	7,000	7,000
40-50	Printing and Binding	24,798	35,000	15,547	27,500	30,000
40-62	Meals & Lodging	0	1,000	0	1,000	1,000
40-63	Registration Fees/Training	0	12,000	693	3,000	12,000
40-61/64	Transportation & Commercial Travel	12	3,000	73	3,000	3,000
40-70	Advertising/public access	33,720	45,000	27,775	45,000	50,600
40-80	Books & Publications	13,207	13,000	10,157	13,000	13,000
50-10	Rental of Land / Buildings	336,232	375,000	287,454	375,000	370,000
51-10	Postage	26,798	40,000	4,764	30,000	35,000
51-20	Messenger / Delivery	0	500	0	500	500
55-11	Office Supplies	12,346	13,500	9,666	13,500	13,500
55-50	Food and Water	704	1,000	645	1,000	1,000
70-43	Office Equipment and Furniture	0	5,000	0	5,000	5,000
70-44	Computers, Printers, Software	2,767	12,000	29,408	35,000	45,000
75-25	PC Replacement/City Software Licences	50,709	74,305	55,728	74,305	74,305
75-35	Mail Services	3,600	3,600	2,700	3,600	3,600
75-50	City Vehicle / Fuel & Maint.	1,500	1,500	0	1,500	1,500
	<b>Expenditure Subtotal**</b>	<b>5,019,751</b>	<b>5,822,405</b>	<b>3,618,019</b>	<b>5,369,093</b>	<b>6,378,005</b>
	Special Projects (RTS Upgrade, online registration, training)	37,019	453,130	21,380	252,650	257,750
	Annual Capital Reserve	0	0	0	0	0
	<b>Total Authorized Fund Expenditures*</b>	<b>5,056,770</b>	<b>6,275,535</b>	<b>3,639,399</b>	<b>5,621,743</b>	<b>6,635,755</b>
	Fully-covered Unit Revenue		5,000,000	4,941,308	4,950,000	4,950,000
	Measure MM Revenue		350,000	644,584	650,000	685,000
	Fair Chance Ord. Administration		115,850	0	40,000	50,000
	Misc. (Project review, Settlements, Admin. Fees)		50,000	1,717	2,000	2,000
	<b>Total Authorized Fund Revenue*</b>	<b>4,998,518</b>	<b>5,515,850</b>	<b>5,587,609</b>	<b>5,642,000</b>	<b>5,687,000</b>
	Annual Surplus/Shortfall	(58,252)	(759,685)	1,948,210	20,257	(948,755)
	<i>Previous FY Carryover Expenditures</i>			52,083	52,083	
	<b>FUND BALANCE (cash basis)</b>	<b>1,444,749</b>	<b>685,064</b>	<b>2,633,273</b>	<b>1,465,006</b>	<b>516,251</b>
	<b>FUND BALANCE (accrual basis)</b>	<b>1,392,666</b>	<b>632,981</b>	<b>2,581,190</b>	<b>1,465,006</b>	<b>516,251</b>
	<b>TOTAL UNCOMMITTED OPERATIONAL FUND BALANCE</b>	<b>897,166</b>	<b>355,981</b>	<b>2,085,690</b>	<b>1,105,156</b>	<b>319,151</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 fund:

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

**Rent Board Position Detail**  
Sorted by Classification

<b>Classification Title</b>	<b>Adopted FY 21/22</b>	<b>Proposed FY 22/23</b>
Accounting Office Specialist III	1.00	1.00
Associate Management Analyst	1.00	1.00
Associate Planner	1.00	1.00
Associate Planner (Temporary)	<b>0.50</b>	<b>0.00</b>
Community Service Specialist II	7.00	7.00
Community Service Specialist III	0.80	1.00
Deputy Director	<b>1.00</b>	<b>0.00</b>
Executive Director	1.00	1.00
General Counsel	1.00	1.00
Office Specialist II	4.00	4.00
Office Specialist III	1.00	1.00
Legal Secretary	1.00	1.00
Policy Director	0.00	1.00
Senior Hearing Examiner	1.00	1.00
Senior Management Analyst	0.75	1.00
Senior Planner	1.00	1.00
Staff Attorney II	2.00	2.00
<b>TOTAL FTE:</b>	<b>25.05</b>	<b>25.00</b>

**Changes in FY 2023 include the following:**

- Create a 1.0 FTE Policy Director (Authorized by Board Resolution 22-03)
- Eliminate a 1.0 FTE Deputy Director (Authorized by Board Resolution 22-03)
- Increase Senior Management Analyst to 1.0 FTE
- Increase Community Services Specialist III to 1.0 FTE

## RENT BOARD POSITION DETAIL

Sorted by Unit, Classification and Job Assignment  
Budget Code 11-01 (Monthly Employees) + 11-03 (Hourly Employees)

FY 2022 Adopted		FY 2023 Proposed	
<b>Administration / Policy Unit</b>		<b>Administration / Policy Unit</b>	
Executive Director	1.00	Executive Director	1.00
Deputy Director	1.00	Deputy Director	0.00
Policy Director	0.00	Policy Director	1.00
Community Services Specialist II	1.00	Community Services Specialist II	1.00
Associate Management Analyst	1.00	Associate Management Analyst	1.00
Senior Planner	0.70	Senior Planner	0.70
Associate Planner (Temporary)	0.50	Associate Planner (Temporary)	0.00
Associate Planner (Permanent)	1.00	Associate Planner (Permanent)	1.00
Office Specialist II	1.00	Office Specialist II	1.00
<b>Subtotal for FTE</b>	<b>7.20</b>	<b>Subtotal for FTE</b>	<b>6.70</b>
Salary/Benefit Total = \$1,250,000		Salary/Benefit Total = \$1,428,000	
<b>Legal Unit</b>		<b>Legal Unit</b>	
General Counsel	1.00	General Counsel	1.00
Staff Attorney II	1.60	Staff Attorney II	1.60
Legal Secretary	0.50	Legal Secretary	0.50
<b>Subtotal for FTE</b>	<b>3.10</b>	<b>Subtotal for FTE</b>	<b>3.10</b>
Salary/Benefit Total = \$600,000		Salary/Benefit Total = \$882,000	
<b>Hearings Unit</b>		<b>Hearings Unit</b>	
Senior Hearing Examiner	1.00	Senior Hearing Examiner	1.00
Staff Attorney II	0.20	Staff Attorney II	0.20
Legal Secretary	0.50	Legal Secretary	0.50
<b>Subtotal for FTE</b>	<b>1.70</b>	<b>Subtotal for FTE</b>	<b>1.70</b>
Salary/Benefit Total = \$331,000		Salary/Benefit Total = \$400,000	
<b>Registration Unit</b>		<b>Registration Unit</b>	
Senior Management Analyst	0.75	Senior Management Analyst	1.00
Community Services Specialist II	1.00	Community Services Specialist II	1.00
Accounting Office Specialist III	1.00	Accounting Office Specialist III	1.00
Office Specialist III	1.00	Office Specialist III	1.00
Office Specialist II	2.00	Office Specialist II	2.00
Senior Planner	0.15	Senior Planner	0.15
Staff Attorney II	0.10	Staff Attorney II	0.10
<b>Subtotal for FTE</b>	<b>6.00</b>	<b>Subtotal for FTE</b>	<b>6.25</b>
Salary/Benefit Total = \$900,000		Salary/Benefit Total = \$1,021,000	
<b>Public Information Unit</b>		<b>Registration &amp; Public Information Units</b>	
Community Services Specialist III	0.80	Community Services Specialist III	1.00
Community Services Specialist II	5.00	Community Services Specialist II	5.00
Office Specialist II	1.00	Office Specialist II	1.00
Senior Planner	0.15	Senior Planner	0.15
Staff Attorney II	0.10	Staff Attorney II	0.10
<b>Subtotal for FTE</b>	<b>7.05</b>	<b>Subtotal for FTE</b>	<b>7.25</b>
Salary/Benefit Total = \$1,160,000		Salary/Benefit Total = \$1,330,000	
<b>Total RSB Staff</b>	<b>25.05</b>	<b>Total RSB Staff</b>	<b>25.00</b>

**Board Approved Changes in FY 2022 include the following:**

Create a 1.0 FTE General Counsel  
Eliminate a 1.0 FTE Staff Attorney III  
Create a 1.0 FTE Associate Planner Position  
Reduce 1.0 FTE Temporary Associate Planner Position to 0.5 FTE

**Changes in FY 2023 include the following:**

Create a 1.0 FTE Policy Director (Authorized by Board Resolution 22-03)  
Eliminate a 1.0 FTE Deputy Director (Authorized by Board Resolution 22-03)  
Increase Senior Management Analyst to 1.0 FTE  
Increase Community Services Specialist III to 1.0 FTE

**RESOLUTION 22-13**

**ADOPTING THE FISCAL YEAR 2022-2023 BUDGET, STAFFING MODEL POSITION  
DETAIL, AND THE MAXIMUM EXPENDITURE LEVEL**

**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 six times in fiscal year 2021-22 to monitor the budget and the Program's progress in meeting the goals established by the Board; and

**WHEREAS**, on April 21, 2022, 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 maintain the Measure MM fee at \$150 per unit; and,

**WHEREAS**, on June 6, 2022, the Budget and Personnel Committee and the Executive Director met and discussed a line-item operating budget and staffing model for FY 2023 for the Board's review and consideration; and,

**WHEREAS**, the proposed operating budget (including contracts) for FY 2022-2023 authorizes new expenditures totaling \$6,635,755, which includes both recurring operational and capital needs; and

**WHEREAS**, the proposed budget for FY 2022-2023 includes up to \$122,750 in previously authorized expenditures from the capital reserve for the creation of an integrated database solution to replace the Program's existing rent tracking and case management databases; and

**RESOLUTION 22-13**

**ADOPTING THE FISCAL YEAR 2022-2023 BUDGET, STAFFING MODEL POSITION  
DETAIL, AND THE MAXIMUM EXPENDITURE LEVEL (Page 2)**

**WHEREAS**, the proposed budget for FY 2022-2023 also includes up to \$40,000 in authorized expenditures from the capital reserve to pay for a tenant survey in the Fall of 2022; and

**WHEREAS**, after reviewing the current workload and filled positions along with the goals and objectives for FY 2022-2023 articulated by the Board, the Executive Director, and the Budget and Personnel Committee, the Board believes that it is necessary to maintain a staffing level of at least 25.0 career Full-Time Equivalents (FTE's).

**NOW, BE IT RESOLVED** that an overall spending level totaling \$6,635,755 (\$6,289,405 in recurring operational and special projects and \$162,750 in funding from the capital reserve) and a staffing level of 25.0 FTE's is hereby adopted for the Fiscal Year 2022-2023.

Dated: June 16, 2022

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

YES:

NO:

ABSTAIN:

ABSENT:

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

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

# FY 2022/23 Budget Recommendation

Staff and Budget & Personnel Committee



# Providing Board's Core Services



Outreach



Counseling



Hearings & Mediations



Registration and Rent  
Ceiling Records

FY 2022  
Year-End  
Projections

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**\$5,621,743** Expenditures

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**\$5,627,000** in Revenue

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**Uncommitted Reserve: \$1,090,156**

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**Capital Reserve: \$350,850**

FY 2023  
Budget  
Proposal



**\$6,697,755** spending level



**\$6,341,405** in recurring expenditures



**\$162,750** from Board's capital  
reserve

## Increased Personnel Costs



Budget Item	Adopted FY 2022	Proposed FY 2023	Difference
Monthly Employees	\$2,850,000	\$3,015,000	+\$165,000
Benefits	\$1,800,000	\$2,075,000	+\$275,000
<b>Total Personnel</b>	<b>\$4,650,000</b>	<b>\$5,090,000</b>	<b>+\$440,000 (9.5%)</b>

# Budgeting for FY 2023

## Agency Priorities



Report on Measure MM implementation



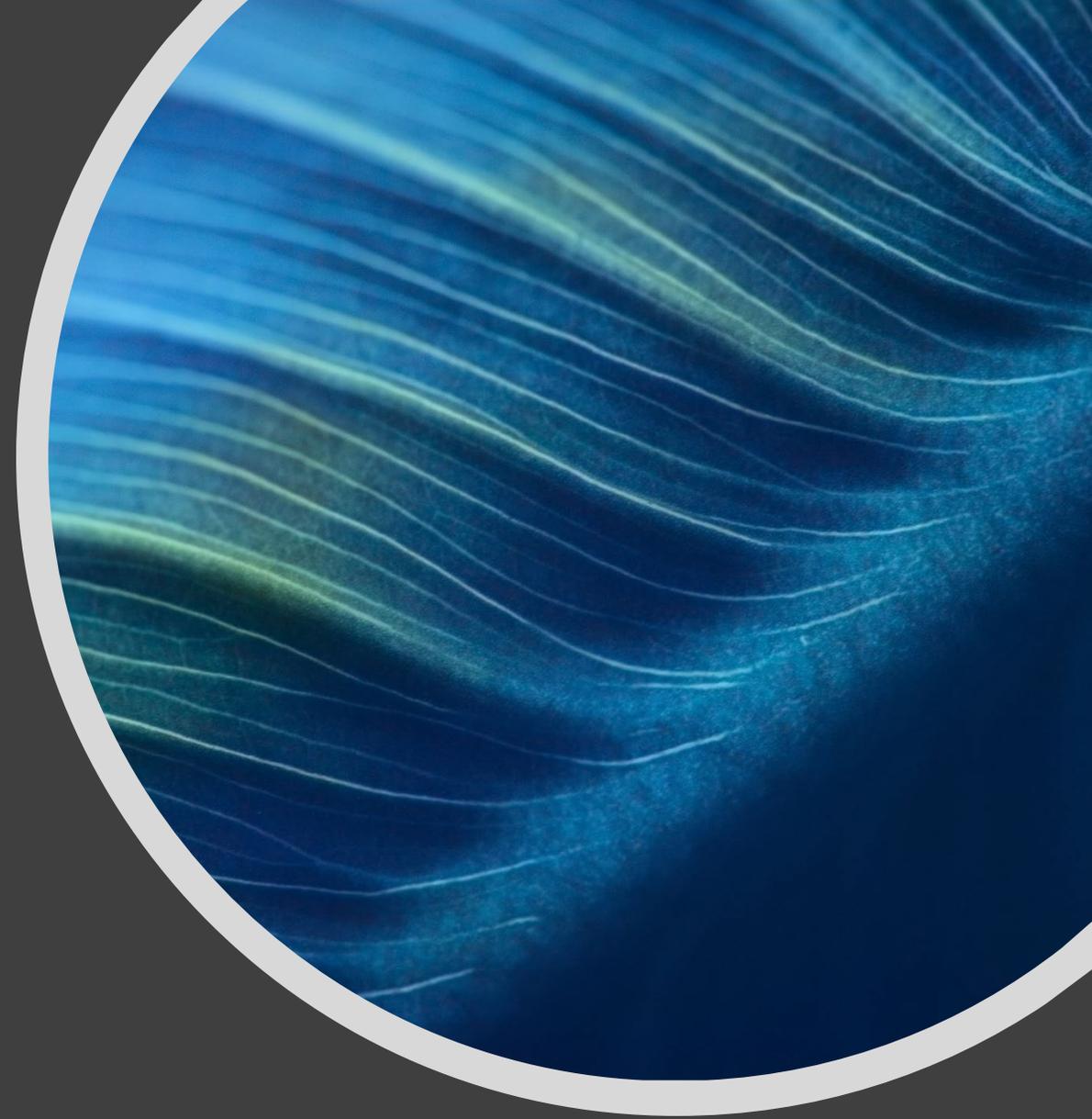
Complete Tenant Survey



Issue new RFPs for ongoing Board contracts



Staff and Board Trainings



# FY 2023 Budget Proposal Highlights

\$130,000  
For increased  
Commissioner  
Stipends

\$122,750 to \$3Di  
Rent Registry

\$90,000 to Staff &  
Board trainings

\$40,000 for  
tenant survey

\$18,000 Increase  
to EDC & EBCLC  
Contracts

\$10,000 to ED &  
General Counsel  
performance  
evaluations

# Staffing Model

25.0 FTE

2.0 existing vacancies (Policy Director & Office Specialist in PIU)

Staff to work with HR on creation of:

Finance Director

Senior Housing Counselor

Digital Education and Social Media Coordinator

# FY 2023 Revenue Projections

Revenue Type	FY 2023 Projected
Fully-Covered Units	\$4,950,000
Measure MM Units	\$685,000
Fair Chance Ord.	\$50,000
Misc. Fees	\$2,000
<b>Total Projected Revenue</b>	<b>\$5,687,000</b>

**+\$45,000** above to FY 2022

# Projected FY 2023 Budget Deficit

Proposed Expenditures: \$6,697,755

Projected Revenue: \$5,687,000

Difference: **(\$1,010,755)**

Board 8%-16% Reserve Policy

4% Reserve at FY 2023 year-end

# Rent Board Reserve Status FY 2023 Year-End



Questions

