



CITY OF ALAMEDA

RENT PROGRAM REGULATORY FEE STUDY UPDATE

FISCAL YEAR 2020-21

PREPARED FOR:

CITY OF ALAMEDA
CITY COUNCIL

PREPARED BY:

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ACKNOWLEDGMENTS

This Rent Program Regulatory Fee Study Update was prepared by SCI Consulting Group (SCI) under contract with the City of Alameda (City). The work was accomplished under the general direction of Debbie Potter, Director of the Community Development Department.

We would like to acknowledge the contributions made by the following individuals and organizations to this project:

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EXECUTIVE SUMMARY

INTRODUCTION

On March 1, 2016, the City of Alameda (City) adopted a Rent Review, Rent Stabilization and Limitations on Evictions Ordinance (Rent Stabilization Ordinance) creating a new regulatory framework for both rental property owners and residential tenants (Rent Program). Program administration is shared between City of Alameda and the Housing Authority of the City of Alameda. City of Alameda staff provide oversight, finance, and legal support for the Rent Program. The Housing Authority staff manage the day-to-day operations.

In June 2016, a Rent Program Administration Regulatory Fee Study (Fee Study) was presented to the City Council (Council) to establish the legal and policy basis for imposing an annual Rent Program Administration Regulatory Fee (Program Fee) on rental units within the City for administration of the new Rent Program and enforcement of the Ordinance.

The Council elected to fund the program with general fund revenue rather than adopt a program fee at that time. A key reason was a desire to gather more data about the program and the cost to administer the program. Additionally, the City placed the Rent Stabilization Ordinance on the November 2016 ballot to provide the City of Alameda registered voters with the opportunity to confirm the Ordinance.

On November 8, 2016, the registered voters within the City of Alameda confirmed Measure L1, the Rent Stabilization Act. In April 2017, Council accepted the annual report for the Program, directed staff to prepare certain amendments to the Ordinance and update the Rent Program Administration Regulatory Fee Study based on revised administrative and service costs and the updated inventory of rental units.

On June 6, 2017, Council adopted an annual Program Fee of \$120 per rental unit for administration and enforcement procedures necessary to administer the Rent Program in accordance with the Ordinance.

In June 2018, based on a supplemental fee study, Council adopted a revised annual Rent Program Fee of \$106 per rental unit for Fiscal Year 2018-19. The fee study determined the rate to be \$119 per rental unit but was reduced to \$106 after applying a portion of the fund balance from fiscal year 2017-18 to 2018-19 program costs. The annual Rent Program Fee remained the same for Fiscal Year 2019-20.

In June 2019, Council adopted Ordinance No. 3244 which eliminated “no cause” terminations as grounds for eviction for all rental units. In July, Council adopted Ordinance No. 3246 establishing a maximum allowable rent increase (referred to as the Annual General

Adjustment or AGA) for rental units that are not exempt from rent control under State law.

In September 2019, Council adopted Ordinance 3250, Rent Control, Limitations on Evictions and Providing Relocation Payments to Certain Tenants Ordinance (Ordinance 3250). Accordingly, this Fee Study Update was initiated, essentially as an update to the current fee study to review and quantify the changes in direct and indirect costs associated with implementing and administering Ordinance 3250, and to make recommendations regarding the specific Fee per rental unit for fiscal year 2020-21.

Below is a summary of the Ordinance 3250:

- Prohibits no-cause evictions
- Establishes an Annual General Adjustment, which is calculated based on 70% of the percentage change in the Consumer Price Index for the 12-month period ending April of each year.
- Creates a rent registry database documenting information on each rental unit
- Adds and clarifies definitions as to which units are exempt from the ordinance
- Increases the length of time (from one year to three years) that an owner must reside in the unit following a termination of a tenancy based on an owner move in
- Revises the calculation for permanent relocation payments to tie the calculation to HUD-established fair market rents for similar rental units
- Eliminates the option to trade extra time in the unit for a reduction in relocation payments
- Mandates a relocation payment when a rent increase is more than 10% and the tenant decides to vacate rather than pay the increase
- Regulates buyout agreements
- Allows landlords to pass through 50% of the rent program fee to tenants without the pass through being included in the calculation of a rent increase
- Extends eviction protections to Section 8 voucher holders

LEGAL FRAMEWORK

In order to impose such fees, this Study will present findings to meet the procedural requirements of Proposition 26, which require analysis and support that:

1. The levy, charge, or other exaction is not a tax; and
2. The amount is not more than necessary to cover the reasonable cost of the governmental activity; and

3. The manner in which those costs are allocated to a payor bears a fair or reasonable relationship to the payor's burden on, or benefits received from, the governmental activity.

Additionally, case law has provided further clarification of these substantive requirements, that:

- The costs need not be “finely calibrated to the precise benefit each individual fee payor might derive.”¹
- The payor's burden or benefit from the program is not measured on an individual basis. Rather, it is measured collectively, considering all fee payors.²
- That the amount collected is no more than is necessary to cover the reasonable costs of the program is satisfied by estimating the approximate cost of the activity and demonstrating that this cost is equal to or greater than the fee revenue to be received.³ Reasonable costs associated with the creation of the regulatory program may be recovered by the regulatory fee.⁴

METHODOLOGY AND APPROACH

The total annual cost to administer the Rent Program by the City and the Housing Authority was used to determine the City's Rent Program Fee. These costs have then been allocated to the payor in a way that demonstrates that the costs bear a fair and reasonable relationship to the payor's burden on or benefits received from the Program.

The City and Housing Authority staff engaged in a deliberative process to establish a reasonable expenditure plan to use in determining the fees. An interdepartmental working group representing staff from the Housing Authority, the Community Development Department, the Finance Department, and the City Attorney's Office worked together to develop and review the procedures, costs, and the proposed fees.

In order to update the regulatory fee, the City and Housing Authority calculated the estimated number of inquiries and cases associated with the tasks that are and will be required by Ordinance 3250, and then identified specific tasks, personnel, equipment and materials and other resources required to complete these tasks. Each department then determined the specific hours and personnel needed by its department to complete its tasks and activities utilizing task hours and cases. The estimated labor hours for each task was then multiplied

¹ Griffith v. County of Santa Cruz (2012)

² Griffith v. County of Santa Cruz (2012); Newhall County Water District v. Castaic Lake Water Agency (2016)

³ Griffith v. County of Santa Cruz (2012)

⁴ League of California Cities Propositions 26 and 218 Implementation Guide, May 2017, pp. 70-71.

by the appropriate hourly labor rate.

The hourly labor rates were blended over multiple positions, and include various salaries and benefits, departmental support, supervision, and other administration overhead and similar indirect costs. The type of costs included in calculating the fees were labor costs, contracted services, supplies, inter- department charges, and other incidental costs. Detailed supporting analysis tables served as the mechanism to determine specific fee rates and estimated hours, as summarized in this Fee Study Update.

SUMMARY OF GENERAL FINDINGS

The following general findings from the Study are:

- The administrative structure and the processes described in the Ordinance 3250 by design and effect have limited rent increases for most rental units in the City and have limited the grounds for eviction; there is no evidence that either has placed an undue or onerous burden upon the City's rental marketplace.
- The City's proposed Program Fee is not a tax, but a regulatory fee in that Ordinance 3250 creates a City regulation for both residential rental property owners and residential tenants. The Program Fee recovers the full costs associated with administration and enforcement of the regulations.
- The City and Housing Authority staff engaged in a deliberative process to establish a reasonable expenditure plan that is valid for use in setting the Program Fee.
- The fee determined by this Study does not exceed the reasonable cost of the administration and enforcement of the Rent Program and regulations.
- The fee bears a fair or reasonable relationship to the payor's burden on or benefits from the regulatory program.

SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in the Study, the following general recommendations are:

1. Consider a tiered-fee approach for Fully Regulated and Partially Regulated units for Fiscal Year 2020-21 to ensure the requirements of California Government Code Section 50076 are met. ("Fully" and "Partially" Regulated units are defined in Determination of Rental Units.)
2. Fund the Program Fee for the Privately Owned Rent Subsidized Units from the City's General Fund.
3. Evaluate the actual costs compared to the estimated costs to determine whether the Fee should be adjusted every five (5) years based only on the percentage

change in the Consumer Price Index in the absence of any material and substantive change to the Ordinance. The adjusted Program Fee would then be effective on July 1 of each year.

RENT PROGRAM REVENUE AND EXPENDITURES SUMMARY

The City of Alameda's Rent Stabilization Program started in April 2016 and the City Council funded the Program from the General Fund in Fiscal Year 2016-2017. Council adopted a program fee in June 2017 to fund the Rent Program in Fiscal Year 2017-2018 and going forward.

Figure 1, below, shows the program budget, estimated revenue, program expenses, and the revenue collected for the three previous fiscal years. The City continues to pursue collecting any outstanding fees.

FIGURE 1 – RENT PROGRAM REVENUE AND EXPENDITURES SUMMARY

Fiscal Year	2019-20	2018-19	2017-18
Program Fee per Unit	\$106	\$106	\$120
Rent Program Budget	\$1,586,826	\$1,586,826	\$1,799,712
Estimated Revenue (Revised) ¹	\$1,399,834	\$1,422,649	\$1,614,414
Program Expenditures	\$1,257,467 ²	\$1,128,959	\$957,572
Revenue Collected ³	\$1,224,086	\$1,264,497	\$1,369,134
Percentage of Collected Revenue ⁴	87%	89%	85%

Source: City of Alameda

¹ The estimated revenue has been revised based on the updated count of rental units multiplied by the program fee for the fiscal year.

² This figure is the actual expenditures from July 2019 to March 2020 and the estimated expenditures from April 2020 to June 2020.

³ These figures does not include late fees collected in Fiscal Years 2018-19 and 2019-20. Late fees were not established in Fiscal Year 2017-18.

⁴ Percentage of Collected Revenue = Revenue Collected/Estimated Revenue (Revised)

DETERMINATION OF RENTAL UNITS

At the Rent Program's commencement in 2016, property data from the Alameda County Assessor's office was used to identify the estimated number of residential rental units in the City of Alameda. Rental units included all single-family residences, individually owned condominiums and townhomes, and multi-family units that were currently rented or available for rent. The annual Rent Program fee collection process further refined the inventory of rental units because rental property owners self-identified the number of rental units on their property with the annual Rent Program fee payment.

Within the rental property inventory, rental units are subdivided into two categories based on the regulations that apply to the unit:

- Fully Regulated units are multi-unit properties (two or more units on a legal lot of record) for which a certificate of occupancy was issued prior to February 1995. These units are subject to all provisions in Ordinance 3250.
- Partially Regulated units are single-family homes, condominiums, townhomes, permitted accessory dwelling units on the same lot as a single-family home, certain rent subsidized units, and units at multi-unit properties for which a certificate of occupancy was issued after February 1995. These units are subject to all regulations in Ordinance 3250, except for the rent control provisions that limit annual rent increases to the Maximum Allowable Rent.

Based on rental unit data collected over the past four years, the number of rental units included in this Fee Study in support of the Program Fee provides a high degree of certainty as to the number of rental units. Nevertheless, the number of rental units in the rental market will fluctuate for several reasons. For example, a landlord may terminate a tenancy in order to allow the landlord or a member of the landlord's family to move into the unit or a landlord may withdraw the rental unit from the rental market permanently.

The registration requirements adopted in Ordinance 3250 will allow the City to gain a more complete understanding of the residential rental market and monitor fluctuations in the number of available rental units. The registration system will also allow staff to record and identify trends regarding changes in ownership and changes in tenancy.

Figure 2, on the following page, shows the estimated number of available rental units.

FIGURE 2 – ESTIMATED RENTAL UNITS

	Fully Regulated Units¹		Partially Regulated Units²		Total Units³
Estimated Rental Units	11,195	+	2,697	=	13,892

Source: City of Alameda; Housing Authority

¹ Multi-unit properties for which a certificate of occupancy was issued prior to February 1, 1995. A multi-unit property has two or more units on a legal lot of record, even if a property owner lives in one of the units. However, if the second unit is a permitted accessory dwelling unit, the property may be subject to different regulations.

² Single-family homes, condominiums, multi-unit properties for which a certificate of occupancy was issued after February 1, 1995. A permitted accessory dwelling unit on the same lot as a single-family home is a Partially Regulated unit.

³ Total Units do not include excluded units defined in Section 6-58.20 of Ordinance 3250.

DETERMINATION OF REGULATORY COSTS

This section describes the costs associated with administration of the Rent Program for FY 2020-21. The type of costs covered in the Program Fee includes direct labor and indirect labor costs, contracted services, and supply costs.

RENT PROGRAM ADMINISTRATOR

The Housing Authority of the City of Alameda (Housing Authority) has served as the Rent Program Administrator since 2016. The Housing Authority staff currently consists of six full-time employees to administer the Rent Program: one Director, one Management Analyst, three Rent Specialists, and a Program Assistant.

The Rent Program Administrator implements and administers Ordinance 3250 and implementing regulations. Administration includes budget preparation and tracking, answering general questions from the public, informing landlords and tenants of the Ordinance and regulations, processing rent increase petitions, termination of tenancy submissions, and conducting outreach efforts such as workshops and stakeholder meetings. The Rent Program is currently implementing the online Rent Registry to collect registration information for each rental unit in the City. Once registration is complete, staff will begin the annual Maximum Allowable Rent (MAR) notification process to landlords and tenants for Fully Regulated units. If disagreements concerning the MARs cannot be resolved at the staff level, staff will manage the petition and hearing process to resolve disagreements and update the rent registry following hearing decisions.

In anticipation of the increase in workload, additional staff may be hired on a temporary basis to meet the demands in service needs. Therefore, the Housing Authority estimates that annual staffing levels of 6.5 full-time equivalents (FTEs), i.e., six full time staff and .5 temporary staff, are necessary to administer the Rent Program for the upcoming fiscal year.

Labor costs to administer the Rent Program are based on the composite, fully burdened hourly rates (FBHR) for the six full-time Housing Authority staff. Since the work performed by temporary staff is limited in scope, and as needed, the labor cost is not included in the composite FBHR. Figure 3, on the following page, shows the billable hours, estimated annual labor costs, and the individual and composite FBHR for the rent program staff.

FIGURE 3 - HOURLY RATE LABOR COSTS FOR RENT PROGRAM ADMINISTRATOR

Position	Staff (FTEs)	Annual Billable Hours	Estimated Annual Labor Cost	Fully Burdened Hourly Rate
		<i>a</i>	<i>b</i>	<i>c=b/a</i>
Program Director	1.00	1,872	\$217,194	\$116.02
Management Analyst	1.00	1,872	\$153,833	\$82.18
Rent Program Specialist	3.00	5,616	\$365,017	\$65.00
Rent Program Assistant	1.00	1,872	\$101,414	\$54.17
Composite Fully Burdened Hourly Labor Rate	6.00	11,232	\$837,458	\$74.56
Temporary Staff	0.50	936	\$32,760	\$35.00

Source: Housing Authority of the City of Alameda

RENT PROGRAM ADMINISTRATOR - DIRECT AND INDIRECT LABOR COSTS

Figure 4 on the following page details the estimated hours for the Rent Program Administrator to conduct each activity associated with the administration of the Rent Program. The labor costs are segmented by Rent Program activity and time provided by Housing Authority staff. These time estimates, and level of effort were then reviewed and evaluated by other Housing Authority staff, City management and SCI for their reasonableness.

FIGURE 4 - HOURLY RATE LABOR COSTS FOR RENT PROGRAM ADMINISTRATOR

Task / Activity	Regulated Units	Staff (FTEs)	Annual Billable Hours	Fully Burdened Hourly Rate	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a/1,872</i>	<i>a</i>	<i>b</i>	<i>c = a * b</i>
Rent Program Administration - Fully and Partailly Regulated Units					
Registration Notification Process (First Year)	All	0.08	152	\$74.56	\$11,333
Manage Property Exemption submissions	All	0.03	50	\$74.56	\$3,728
New Owner submissions	All	0.05	100	\$74.56	\$7,456
Managing failure to comply cases	All	0.05	100	\$74.56	\$7,456
Manage Public Records Requests	All	0.03	60	\$74.56	\$4,474
Answer general calls	All	1.87	3,500	\$63.99 ¹	\$223,934
Manage Unit Exemption submissions	All	0.40	750	\$74.56	\$55,920
Reporting and Analysis; Coordination with City departments	All	0.04	78	\$74.56	\$5,816
Program billing	All	0.03	48	\$74.56	\$3,579
Outreach, meetings, workshops, etc.	All	0.53	1,000	\$74.56	\$74,560
Quality assurance of case files	All	0.05	100	\$74.56	\$7,456
Database Administration	All	1.07	2,000	\$74.56	\$149,120
No Fault Terminations submissions	All	0.12	225	\$74.56	\$16,776
Buyout Agreement submissions	All	0.02	40	\$74.56	\$2,982
Temporary Relocation Payment submission	All	0.01	20	\$74.56	\$1,491
Rent Relocation Increase submission	All	0.01	20	\$74.56	\$1,491
Capital Improvement Plan submissions	All	0.01	25	\$74.56	\$1,864
Rent Program Administration Costs - Fully and Partailly Regulated Units		4.42	8,268		\$579,436
Additional Program Services - Fully Regulated Units					
Annual Maximum Allowable Rent notifications to tenants and landlords	Fully Regulated	0.51	950	\$74.56	\$70,832
Manage Tenant and Landlord petition of the Maximum Allowable Rent	Fully Regulated	1.31	2,450	\$74.56	\$182,672
New Tenant submissions (Includes Base Rent certification process)	Fully Regulated	0.16	300	\$74.56	\$22,368
Landlord Rent Upward Adjustment Appeal	Fully Regulated	0.05	100	\$74.56	\$7,456
Tenant Rent Downward Adjustment Appeal	Fully Regulated	0.05	100	\$74.56	\$7,456
Total		2.08	3,900		\$290,784

Source: Housing Authority of the City of Alameda

¹FBHR includes 936 billable hours to be completed by temporary staff at the rate shown in Figure 2.

CITY OF ALAMEDA STAFF AND CITY ATTORNEY'S OFFICE

In addition to the Housing Authority staff, the City of Alameda provides support staff in the Finance and Community Development Departments as well as in the City Attorney's Office. The City's Finance Department has allocated .75 FTE for collecting the annual program fee, auditing the financial deposits from the bank, and monitoring and collecting delinquent program fee payments. The Community Development Director will continue to dedicate 10% of the Director's time coordinating the Rent Program on the City's behalf.

The City Attorney's Office works closely with the Rent Program Administrator to provide legal advice and support concerning the Ordinance, including drafting new legislation and implementing regulations, meeting/conferencing regularly with Rent Program staff and the Community Development Director, overseeing enforcement of the Ordinance,, coordinating hearings for petitions, and appearing at administrative hearings and judicial proceedings when the City's interests concerning the Ordinance are involved The Office also reviews Public Records Act requests concerning the Rent Program and, when necessary, attends and assists at workshops to educate landlords and tenants regarding the Rent Program.

In Fiscal Year 2020-21, the City Attorney's Prosecutorial Unit will assist with Rent Program compliance and Rent Program related issues, such as fair housing.

CITY OF ALAMEDA STAFF AND CITY ATTORNEY'S OFFICE - DIRECT AND INDIRECT LABOR COSTS

Figure 5 on the following page details the estimated time allocation and labor costs provided by City staff and the City Attorney's office. These time estimates were reviewed and evaluated by City management and SCI for their reasonableness.

FIGURE 5 - CITY ADMINISTRATION / LEGAL SUPPORT LABOR COSTS BY DEPT / POSITION

Task / Activity	Position Description	Staff (FTEs)	Annual Billable Hours	Fully Burdened Hourly Rate	Estimated Annual Labor Cost
City Department					
Finance Department	Account Technician	0.75	1,404	\$51.87	\$72,825
Community Development Department	Director	0.10	187	\$147.46	\$27,605
Legal Support					
City Attorney's Office	Chief Assistant City Attorney	0.50	936	\$152.03	\$142,300
City Attorney's Office	Assistant City Attorney	0.50	936	\$147.61	\$138,158
City Attorney's Office	Hearing Officer (Contracted Labor)		200	\$200.00	\$40,000
Prosecutorial Unit					
City Attorney's Office	Assistant City Attorney	0.50	936	\$149.89	\$140,300
City Attorney's Office	Paralegal	0.50	936	\$65.49	\$61,300
Total			5,535		\$622,488

Source: City of Alameda

SERVICES AND SUPPLIES COST

The annual cost of contracted services, supplies and other expenses associated with 1) administration of the Program; 2) collection of the Fee; 3) legal support and program enforcement provided by the City Attorney's office; and 4) oversight by the Community Development Department are presented below and on the following page. Cost allocations cover overhead costs associated with executive, finance, human resources and information technology support of all budgeted positions.

As shown in Figure 6, the anticipated services and supplies cost for the Rent Program Administrator is \$424,770. The Services and Supplies cost are expected to increase 5% and 7% for fiscal years 2021-22 and 2022-23, respectively. The increase is largely attributed to the office space lease for the Housing Authority staff and the annual rent registry subscription for the annual maintenance, training, and technical support of the Rent Registry Software.

FIGURE 6 - SERVICES AND SUPPLIES BUDGET

Items	2020-21 Projected Budget
Administrative Costs	
Audit	\$2,652
Recruitment Services	\$1,061
Software/licenses: Microsoft/ Adobe/Database	\$6,365
Database Maintenance Costs	\$10,609
Laserfiche Online forms	\$8,593
Website Hosting	\$1,250
Phone/Fax/Internet Services	\$8,000
Copy Services (1 copy machine with one year service)	\$3,183
Office Supplies: Including Ink and Paper	\$8,487
Outreach/Mail Services: Printing and Postage	\$66,000
Translation Services for inquiries/cases/meetings	\$3,183
Translation Services: Brochure (x1)/FAQ's (x3)/Print Ads (x12)	\$4,244
Consultant Services	\$16,000
Mediation for 20 cases (\$500/per Case)	\$10,609
Staff Trainings/Conferences	\$10,609
Rent Registry Subscription Fee	\$19,200
City Finance Lockbox Service	\$8,316
Overhead Costs	
Finance/HR/IT/Exec. Support	\$100,786
CalPERS Pension Liability	\$15,000
Office Costs (subject to change)	
IT Support (\$130/per hour; 62 hours for set up & ongoing maintenance)	\$3,500
Lease (approx. 800 sq. ft.)	\$117,123
Total	\$424,770

Source: Housing Authority of the City of Alameda

Figure 7 below shows the projected annual services and supplies cost associated with City administration and legal support for Fiscal Year 2020-21. The projected budget is \$99,070.

FIGURE 7 - SERVICES AND SUPPLIES COST – CITY ADMINISTRATION

Items	2020-21 Projected Budget
City Departments	
Supplies	\$10,000
Postage	\$10,000
Equipment Maintenance	\$1,500
Miscellaneous	\$77,570
Total City Administration	\$99,070

Source: City of Alameda Finance Department

DETERMINATION OF THE FEE

For Fiscal Year 2020-21, the estimated cost of the Rent Program is approximately \$2.016 million. The estimated unit count is 13,892 units.

For the past three years, as part of administering the Rent Program, the majority of expenses were spent on creating and managing general program processes: hiring dedicated staff to administer the program, establishing an office location, providing public education and outreach and resources, and creating and implementing a database system for rental unit information. The tasks and expenses supported a uniform fee for all rental units.

Based on changes to the Rent Program, for Fiscal Year 2020-21, the costs for general program administration, and tasks related to the ordinance regulations, have been separated into two categories: 1) those applicable to partially and fully regulated units (i.e., all rental units), and 2) additional costs/tasks for fully regulated units. For example, partially regulated units are not subject to administering various tasks associated with the Annual General Adjustment, such as notices concerning the MAR, and overseeing the petition and hearing services. The estimated costs to fulfill these services are calculated in Additional Rent Program Regulatory Fee (*Fully Regulated Units only*). By contrast, all rental units are subject to the termination of tenancy and relocation payment provisions of the Ordinance.

The estimated cost to administer the Rent Program results in a tiered fee of \$105 for the Partially Regulated units and \$153 for the Fully Regulated units. The Rent Program also has an estimated fund balance of \$400,000 from the previous fiscal year. It is recommended \$300,000--approximately 75% of the Rent Program fund balance--be applied to the Rent Program fee for Fiscal Year 2020-2021, in that landlords in the program have already provided those funds.. The proposed fee would be \$84 for the Partially Regulated Units and \$132 for the Fully Regulated Units as detailed in Figure 8. Figure 9 shows the Rent Program Budget by unit type and proposed program fee. Both Figures are on the following page.

FIGURE 8 - RENT PROGRAM REGULATORY FEE DETERMINATION

Total Costs		Labor Costs		Services and Supplies		Annual Cost	Rent Program Fund
	<i>Calc</i>	<i>a</i>	<i>+</i>	<i>b</i>	<i>=</i>	<i>a + b = c</i>	
Base Rent Program Administration Costs (All Units)							
Rent Program Administrator	<i>Figure 3</i>	\$579,436		<i>Figure 5</i>	\$393,670 =	\$973,106	\$973,106
City Administration/Legal Support/Prosecutorial Unit	<i>Figure 4</i>	\$399,538		<i>Figure 6</i>	\$99,070 =	\$498,608	\$498,608
		\$978,975			\$492,740 =	\$1,471,715	\$1,471,715
							(\$300,000)
Base Rent Program Costs for All Units		\$978,975	+	\$492,740		\$1,471,715	\$1,171,715
Estimated Rental Units						13,892	13,892
Base Rent Program Regulatory Fee¹ (All Units, Rounded Down)						\$105.00	\$84.00
Rent Program Administrator	<i>Figure 3</i>	\$290,784		<i>Figure 5</i>	\$31,100 =	\$321,884	\$321,884
Legal Support/Prosecutorial Unit (including Hearing Officer)	<i>Figure 4</i>	\$222,919	+		- =	\$222,919	\$222,919
Additional Rent Program Costs (Fully Regulated Units only)		\$513,703	+	31,100	=	\$544,803	\$544,803
Estimated Fully Regulated Rental Units						11,195	11,195
Additional Rent Program Regulatory Fee¹ (Fully Regulated Units only, Rounded Down)						\$48.00	\$48.00
Total Rent Program Cost						\$2,016,518	\$1,716,518
Base Rent Program Regulatory Fee¹ (All Units, Rounded Down)						\$105.00	\$84.00
Additional Rent Program Regulatory Fee¹ (Fully Regulated Units only, Rounded Down)						\$48.00	\$48.00
Total Rent Program Regulatory Fee¹ (Fully Regulated Units only, Rounded Down)						\$153.00	\$132.00

Source: Housing Authority of the City of Alameda; City of Alameda; SCI Consulting Group

¹The Proposed Rent Program Fee is rounded down to the nearest dollar.

FIGURE 9 – RENT PROGRAM BUDGET BY UNIT TYPE

Unit Type	Estimated Units	Proposed Rent Program Regulatory Fee ¹	Total Rent Program Budget
Partially Regulated Units	2,697	\$84.00	\$226,548
Fully Regulated Units	11,195	\$132.00	\$1,477,740

¹The Proposed Rent Program Fee is rounded down to the nearest dollar.

EXEMPTION FOR LANDLORDS OF PRIVATELY OWNED RENT SUBSIDIZED UNITS

Privately owned rent-subsidized units are primarily units in the Housing Choice Voucher Section 8 program. This federal program imposes certain requirements on the amount a tenant may pay to occupy the unit. In order to encourage landlords to participate in Section 8 and similar rent subsidized programs, it is recommended the City exempt these landlords from paying the Program Fee. If such landlords are exempted, the City's General Fund must be used to "backfill" as it were the necessary funds for the Rent Program. The estimated cost to the General Fund for approximately 930 units participating in the Housing Choice Voucher program is \$78,120.

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