



CITY OF ALAMEDA

RENT PROGRAM REGULATORY FEE STUDY UPDATE FOR FY 2018-19

MAY 2018

PREPARED FOR:

**CITY OF ALAMEDA
CITY COUNCIL**

PREPARED BY:



SCI Consulting Group

4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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Vanessa Cooper, Alameda Housing Authority
Jennifer Kauffman, Alameda Housing Authority
Debbie Potter, City of Alameda
Elena Adair, City of Alameda
Nerissa Pon, City of Alameda
Alameda County Assessor’s Office
Alameda County Auditor’s Office

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION.....	1
LEGAL FRAMEWORK	2
METHODOLOGY AND APPROACH	3
SUMMARY OF GENERAL FINDINGS.....	4
SUMMARY OF GENERAL RECOMMENDATIONS.....	4
DETERMINATION OF RENTAL UNITS	5
DETERMINATION OF REGULATORY COSTS	7
FULLY BURDENED HOURLY RATES.....	7
COMPOSITE FULLY BURDENED HOURLY RATES FOR RENT PROGRAM.....	8
DIRECT AND INDIRECT LABOR COSTS	9
SERVICES AND SUPPLIES COST	16
RENT STABILIZATION PROGRAM SUMMARY 2017-18 AND 2018-19.....	19
PROGRAM ADMINISTRATION	19
DETERMINATION OF THE FEE	21
APPENDICES	22
APPENDIX A – RENT INCREASE FLOWCHART.....	23
APPENDIX B – TERMINATION FLOWCHART	24
APPENDIX C – CAPITAL IMPROVEMENT PLAN FLOWCHART	25

TABLE OF FIGURES

FIGURE 1 – ESTIMATED RENTAL UNITS	6
FIGURE 2 – FULLY BURDENED HOURLY RATES EFFECTIVE JULY 1, 2018	7
FIGURE 3 – HOURLY RATE LABOR COSTS FOR RENT PROGRAM ADMINISTRATOR	8
FIGURE 4 – GENERAL RENT PROGRAM LABOR COSTS BY ACTIVITY	10
FIGURE 5 – RENT INCREASE ADMINISTRATION LABOR COSTS BY ACTIVITY	11
FIGURE 6 – TERMINATION ADMINISTRATION LABOR COSTS BY ACTIVITY	12
FIGURE 7 – CIP PROCESS BY ACTIVITY	13
FIGURE 8 – CONTRACT SERVICES	14
FIGURE 9 – CITY ADMINISTRATION / LEGAL SUPPORT LABOR COSTS BY DEPT. / POSITION	15
FIGURE 10 – SERVICES AND SUPPLIES COST – RENT PROGRAM ADMINISTRATION	17
FIGURE 11 – SERVICES AND SUPPLIES COST – CITY ADMINISTRATION	18
FIGURE 12 – HOURS NEEDED TO PERFORM MAIN PROGRAM ACTIVITIES	20
FIGURE 13 – RENT PROGRAM REGULATORY FEE DETERMINATION	21

EXECUTIVE SUMMARY

INTRODUCTION

On March 1, 2016, the City of Alameda (“City”) adopted a Rent Review, Rent Stabilization and Limitations on Evictions Ordinance (“Ordinance”) creating a new regulatory framework for both rental property owners and residential tenants (“Rent Program”). The Ordinance went into effect on March 31, 2016 and is intended to protect tenants from the rapidly increasing cost of rental housing and the potential risk of eviction. The Ordinance also establishes procedures to help resolve landlord-tenant disputes over rent increases, particularly those greater than 5% in one year.

In June 2016, a Rent Program 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 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 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 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 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 Ordinance No. 3148.

In November 2017, Rent Program Registration letters were mailed to property owners with qualified rental units subject to the fee, estimated to be approximately 14,700 units. Based on confirmation from property owners who had received the letter, the previous rental unit count was revised to 13,620 rental units. These revisions accounted for multi-family residences with one or more owner-occupied units, confirmation of number of units receiving government subsidies, and single-family residences that changed from rental to owner occupied as a result of change in property ownership.

The purpose of this Rent Program Regulatory Fee Study Update (“Fee Study Update”) is to establish the legal and policy basis for imposing regulatory fees for reviewing and enforcing allowable: rent increases, termination of tenancies, and relocation payment benefits for no cause terminations,¹ and providing information to landlords and tenants regarding the rent program regulations in the City of Alameda. The fees will be used to reimburse the City departments for reasonable direct and indirect costs and contracted services attributable to reviewing and acting upon the applications and verifying and enforcing compliance with the Ordinance.

LEGAL FRAMEWORK

In order to impose such fees, this Study will present findings in order to meet the procedural requirements of Proposition 26, which are as follows:

1. Demonstrate that 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, recent case law has provided further clarification of these substantive requirements, which are as follows:

- Costs need not be “finely calibrated to the precise benefit each individual fee payor might derive.”²
- 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.³
- Demonstrating 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.⁴ Reasonable costs associated with the creation of the regulatory program may be recovered by the regulatory fee.⁵

The Rent Program Fee covers the cost of administering the Rent Review, Rent Stabilization,

¹ Evictions and terminations of tenancies are further defined in Section 6-58.140 of the Ordinance.

² Griffith v. County of Santa Cruz (2012)

³ Griffith v. County of Santa Cruz (2012); Newhall County Water District v. Castaic Lake Water Agency (2016)

⁴ Griffith v. County of Santa Cruz (2012)

⁵ League of California Cities Propositions 26 and 218 Implementation Guide, May 2017, pp. 70-71.

and Limitations on Evictions Ordinance. This Ordinance provides a framework for reviewing and enforcing allowable: rent increases, termination of tenancies and relocation payment benefits for no cause terminations.

METHODOLOGY AND APPROACH

The total annual cost of administration of the Rent Program and enforcement of the Ordinance by the City and Housing Authority is used to determine the City's Rent Program regulatory fee is consistent with the procedural requirements related to the Ordinance. These costs are then allocated to the payor in a way that demonstrates that the costs bear a fair or reasonable relationship to the payor's burden on or benefits from the program.

The City went through a deliberative process to establish a reasonable expenditure plan to use in setting the fees. An interdepartmental working group representing staff from the Housing Authority of the City of Alameda, 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.

To set the regulatory fee by the Fee Study Update, the City and Housing Authority evaluated the number of inquiries and cases and identified specific tasks and activities associated with Rent Program regulations. Each department then determined the specific hours and personnel needed by their department to complete their tasks and activities utilizing task hours and cases since July 1, 2017. The estimated labor hours for each activity were then multiplied by each relevant department's current hourly labor rate for each position completing the task. The hourly labor rates include various salary and benefits, departmental support, supervision, and other administration overhead and similar indirect costs.

The type of costs included in the fees are 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. These time estimates, and level of effort were then reviewed and evaluated by City staff, and SCI Consulting Group for their reasonableness.

In order to ensure that the fee bears a fair or reasonable relationship to the payor's burden on or benefits from the regulatory program, this Fee Study Update supports the use of an annual fee per rental unit based on the total annual costs to administer the program applied to the rental units.

SUMMARY OF GENERAL FINDINGS

The following general findings from the Study are:

1. The administrative structure and the processes described in the Ordinance are well designed and fair and have worked effectively for the City to limit the effects of rapid rent increases, and the associated risks of evictions, without placing an undue or onerous burden upon the City's rental marketplace.
2. The City's proposed Fee is not a tax, but a regulatory fee in that the Ordinance creates a City regulation for both residential rental property owners and residential tenants. The Fee recovers the full costs associated with administration and enforcement of the regulations.
3. The City went through a deliberative process to establish a reasonable expenditure plan that is valid for use in setting the Fee.
4. The fee amounts determined by this Study do not exceed the reasonable cost of the administration of the Program and enforcement of the Rent Program regulations.
5. 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. The Rent Program Regulatory Fee in the amount of \$119 annually per rental unit within the City would fairly recover the projected budget of \$1.59 million to cover the costs of administration of the Rent Program and enforcement of the Ordinance.
2. The estimated revenue balance of the 2017-18 Rent Program is approximately \$330,000. The City should evaluate applying a portion of the balance (recommended at 50%) to the total cost of administering the Rent Program for 2018-19 which would reduce the fee to \$106 per rental unit.
3. The City should evaluate the actual costs versus estimates to determine whether or not the Fee can be adjusted every five (5) years based on the change in the Consumer Price Index or, as needed based on any substantive changes made to the Ordinance. The new Fee would then be effective on July 1 of each year.

DETERMINATION OF RENTAL UNITS

This section describes the process for determining the number of rental units subject to the Rent Program Regulatory Fee.

Using April 2018 Assessor's parcel data provided by the Alameda County Assessor's office, all residential properties within the City were identified and classified as 1) rental units or 2) excluded units. In addition to the Assessor's parcel data, the latest City's Rent Program Registration parcel records were used to further identify rental and non-rental units. The City's Finance Department maintains the Rent Program Registration parcel records for the collection of the Rent Fee which was updated in early May 2018.

Figure 1 on the following page shows the estimated number of rental units. Rental units include all currently rented single-family residences, and individually owned condominiums and townhomes and all multi-family units currently rented or that are vacant but available to the rental market. Owner-occupied units in multi-family buildings in which the property owner resides (e.g., triplex where the owner lives in one unit and rents two units) were identified, and the units not occupied by the owner were designated as rental units. Rental units owned by a public agency or not-for-profit were identified in the Assessor's data.

Rental units were then further categorized as 1) exempt or 2) non-exempt rental units as defined by the Costa Hawkins Rental Housing Act of 1995. California state law exempts single-family residences, condominiums, and multi-family units, built after February 1995, from a binding decision regarding the allowable amount of rent increases. However, these units remain subject to the rent increase administrative requirements as well as all termination of tenancy requirements. These properties are categorized as Exempt. Multi-family residences, including duplexes, built before February of 1995, are not exempt from a binding decision on the allowable amount of a rent increase. These properties are categorized as Non-Exempt.

The parcel data research included in this Study in support of the Rent Program Regulatory Fee provides a high degree of accuracy but it requires continued monitoring to keep up with property changes. For instance, these are several reasons for fluctuations in the number of rental units:

- Property owner's need for their own family's use may reduce the number of units they have available to rent.
- Property ownership may change from year to year, and the residence may change to primary residence or owner occupied.

- Confirmation of number of units subject to governmental regulatory agreements.

The City's Finance Department continues to work on tracking potential landlords by updating its parcel records with changes to property ownership, property land use, mailing address, and unit information as needed.

FIGURE 1 – ESTIMATED RENTAL UNITS

Land Use	Exempt Units¹	Non-Exempt Units¹	Total Units²
<i>Calc</i>	<i>a</i>	<i>b</i>	<i>d = a + b</i>
Single Family Detached / Townhome	1,530	0	1,530
Multi-Family Residential	6	11,142	11,148
Mixed Use	2	348	350
Condominium	361	0	361
Total Estimated Rental Units	1,899	11,490	13,389

Source: City of Alameda; County of Alameda Assessor's Office; SCI Consulting Group

¹ Exempt units are single family rental homes and multi-family units built after February 1, 1995. Non-exempt units are multi-family units built before 1995 (Costa Hawkins Units).

² Does not include rental units subject to governmental regulatory agreements (including Section 8 vouchers and affordable housing covenants)

DETERMINATION OF REGULATORY COSTS

This section determines the costs associated with administration and regulation of the Rent Program for FY 2018-19. The type of costs covered in the Fee includes direct labor and indirect labor costs, contracted services and supply costs.

FULLY BURDENED HOURLY RATES

The City of Alameda entered into a staffing services agreement with the Housing Authority of the City of Alameda ("Housing Authority") to administer the Rent Program in April 2016. In November 2016, the City issued a Request for Proposals for Program Administration Services. In June 2017, City Council approved a three-year contract with the Housing Authority to continue in its capacity as Program Administrator. Therefore, the cost determination is based on the Housing Authority as Program Administrator.

Labor costs are based on the fully burdened hourly rates for City and Housing Authority staff involved with the administration of the Rent Program and enforcement of the Ordinance. Figure 2 shows the salary/wage and benefits for City and Housing Authority staff. A full-time employee is available for 1,872 hours per year to perform the activities.

FIGURE 2 – FULLY BURDENED HOURLY RATES EFFECTIVE JULY 1, 2018

Department / Office / Division	Position	Annual Salary	Annual Benefits	Annual Salary and Benefits	Fully Burdened Hourly Rate ¹
		<i>Calc</i>		<i>a</i>	<i>b = a / billable hours</i>
Rent Program	Director	\$139,458	\$61,501	\$200,959	\$107.34
Rent Program	Analyst	\$106,605	\$47,013	\$153,618	\$82.06
Rent Program	Rent Specialist	\$75,767	\$33,413	\$109,180	\$58.32
Rent Program	Assistant	\$65,446	\$28,861	\$94,307	\$50.37
City Attorney's Office	Assistant City Attorney	\$180,686	\$56,172	\$236,858	\$126.52
City Attorney's Office	Paralegal	\$80,025	\$43,270	\$123,295	\$65.86
Finance	Accounting Technician	\$61,736	\$31,326	\$93,062	\$49.71
Community Development	Director	\$203,835	\$79,556	\$283,391	\$151.38
Contracted Labor	Attorney				\$250
Contracted Labor	Hearing Officer				\$300

Source: City of Alameda; Housing Authority

Notes:

¹ The fully burdened hourly rates include annual salary and benefits divided by 1,872 "billable hours" for each position. The Attorney and Hearing Officer is a flat rate per hour.

COMPOSITE FULLY BURDENED HOURLY RATES FOR RENT PROGRAM

Figure 3 below shows the composite fully burdened hourly labor rate for the Rent Program. The Housing Authority estimates that 6.0 full-time equivalents (“FTEs”) are necessary to administer the Rent Program. Dedicated staff will include the Director, an Analyst, three (3) Rent Specialists, and a Program Assistant. As shown, the composite fully burdened hourly rate for the administration of the Rent Program is \$69.12.

FIGURE 3 – HOURLY RATE LABOR COSTS FOR RENT PROGRAM ADMINISTRATOR

Position Description	FTEs	Fully Burdened Hourly Rate ¹
Director	1.0	\$107.34
Analyst	1.0	\$82.06
Rent Specialist	3.0	\$58.32
Assistant	1.0	\$50.37
Composite Fully Burdened Hourly Labor Rate	6.0	\$69.12

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

Notes:

¹ See Figure 2. The composite fully burden hourly rate is based on the number of FTEs by position for the Program.

DIRECT AND INDIRECT LABOR COSTS

Figures 5 through 9 on the following pages detail the direct and indirect labor associated with the administration of the Rent Program and enforcement of the Ordinance for fiscal year 2018-19. The labor costs are segmented by Rent Program activity and level of effort provided by City and Housing Authority staff. The hours for each Rent Program activity were determined for Housing Authority staff by diagraming the tasks involved with the activity and the estimated level of effort. (These flowcharts are in Appendices A through C.) 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 – GENERAL RENT PROGRAM LABOR COSTS BY ACTIVITY

Task / Activity	Position Description	Fully Burdened Hourly Rate	Staff (FTEs)	Annual Billable Hours	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a</i>	<i>b (rounded)</i>	<i>c</i>	<i>d = a * c</i>
General Program Administration					
Public Contact for Inquiries	Program	\$69.12	0.274	512	\$35,389
Outreach materials/workshops/clinics/mailers	Program	\$69.12	1.015	1,901	\$131,397
Development of program policies, procedures, forms, website	Program	\$69.12	0.219	410	\$28,339
Administration of Client Management Database and online forms	Program	\$69.12	0.291	545	\$37,670
Reporting and Analysis data statistics; Coordination with City departments	Program	\$69.12	0.166	311	\$21,496
Staff meetings and training	Program	\$69.12	0.274	512	\$35,389
Program billing	Program	\$69.12	0.065	121	\$8,364
Quality assurance of case files	Program	\$69.12	0.051	96	\$6,636
Total			2.355	4,408	\$304,681

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

FIGURE 5 – RENT INCREASE ADMINISTRATION LABOR COSTS BY ACTIVITY

Task / Activity	Position Description	Fully Burdened Hourly Rate	Staff (FTEs)	Annual Billable Hours	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a</i>	<i>b (rounded)</i>	<i>c</i>	<i>d = a * c</i>
Rent Increase					
General Questions, Intake, Review, and Case Management	Program	\$69.12	1.549	2,900	\$200,448
RRAC Hearing; RRAC Mediates; Post RRAC Meeting, Withdraw Confirmation	Program	\$69.12	0.136	255	\$17,626
No Agreement/Agreement, No Compliance	Program	\$69.12	0.243	455	\$31,450
Violation Not Addressed, Violation Addressed	Program	\$69.12	0.085	160	\$11,059
Petition to Hearing Officer	Program	\$69.12	0.008	15	\$1,037
Prepare File for Non-Binding CC Review	Program	\$69.12	0.003	6	\$415
Total			2.024	3,791	\$262,034

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

FIGURE 6 – TERMINATION ADMINISTRATION LABOR COSTS BY ACTIVITY

Task / Activity	Position Description	Fully Burdened Hourly Rate	Staff (FTEs)	Annual Billable Hours	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a</i>	<i>b (rounded)</i>	<i>c</i>	<i>d = a * c</i>
Termination Notice Administration					
General Questions, Intake, Review, and Case Management	Program	\$69.12	0.593	1,110	\$76,723
Staff inform of Deficiencies, Violation not addressed/Violation addressed	Program	\$69.12	0.222	415	\$28,685
Staff inform parties, Unit Restriction Monitored	Program	\$69.12	0.379	710	\$49,075
Total			1.194	2,235	\$154,483

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

FIGURE 7 – CIP PROCESS BY ACTIVITY

Task / Activity	Position Description	Fully Burdened Hourly Rate	Staff (FTEs)	Annual Billable Hours	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a</i>	<i>b (rounded)</i>	<i>c</i>	<i>d = a * c</i>
CIP Process					
Program Administrator reviews CIP application	Program	\$69.12	0.011	20	\$1,382
Program Administrator works with Landlord concerning tenant relocation issues and capital improvement projects.	Program	\$69.12	0.013	24	\$1,659
Total			0.024	44	\$3,041

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

FIGURE 8 – CONTRACT SERVICES

Task / Activity	Position Description	Fully Burdened Hourly Rate	Annual Billable Hours	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a</i>	<i>b</i>	<i>c = a * d</i>
Contract Labor				
Attorney	Contract	\$250.00	360	\$90,000
Hearing Officer	Contract	\$300.00	100	\$30,000
Total			100	\$120,000

Source: City of Alameda; SCI Consulting Group

FIGURE 9 – CITY ADMINISTRATION / LEGAL SUPPORT LABOR COSTS BY DEPT. / POSITION

Task / Activity	Position Description	Fully Burdened Hourly Rate	Staff (FTEs)	Annual Billable Hours	Estimated Annual Labor Cost
	<i>Calc</i>	<i>a</i>	<i>b (rounded)</i>	<i>c</i>	<i>d = a * c</i>
City Administration					
Finance Department	Account Technician	\$49.71	1.000	1,872	\$93,057
Community Development Department	Director	\$151.38	0.100	187	\$28,338
Legal Support					
City Attorney's Office	Assistant City Attorney	\$126.52	0.600	1,123	\$142,107
City Attorney's Office	Paralegal	\$65.86	0.200	374	\$24,658
Total			1.900	3,557	\$288,161

Source: City of Alameda; SCI Consulting Group

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 by the Finance Department; 3) legal support 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.

The services and supplies budget for 2017-18 included one-time costs of \$77,000 for a total budget of \$402,700. The anticipated annual services and supplies cost for the upcoming fiscal year is \$292,171.

A significant savings in the upcoming budget is attributed to the Housing Authority leasing office space for lower than originally budgeted. The two-year lease for the office space expires in September 2019 at which time the leasing cost may be increased.

The projected budget for 2018-19 are shown in Figure 10 on the following page.

FIGURE 10 – SERVICES AND SUPPLIES COST – RENT PROGRAM ADMINISTRATION

Administration Costs	2018-19 Projected Budget
Audit	\$2,575
Copy Services (1 copy machine with one year service)	\$3,090
Database Maintenance Costs	\$10,300
Database: Server Purchase and development of solution & related IT Costs	-
Fair Housing Training (3 per year)	\$7,000
Laserfiche Online forms	\$8,343
Consulting Services	\$5,150
Mediation for 20 cases (\$500/per Case)	\$10,300
Office Supplies: Including Ink and Paper	\$8,240
Outreach/Mail Services: Printing and Postage	\$30,900
Phone/Fax/Internet Services	\$3,090
Recruitment Services	\$1,030
RRAC Mediation Training	\$5,150
Software/licenses: Microsoft/ Adobe/Database	\$6,180
Staff Trainings/Conferences	\$10,300
Translation Services for inquiries/cases/meetings	\$4,120
Translation Services: Brochure (x1)/FAQ's (x3)/Print Ads (x12)	\$3,090
Website Hosting	\$412
Overhead Costs	
Finance/HR/IT/Exec. Support	\$97,850
Office Costs (subject to change)	
IT Support (\$130/per hour; 62 hours for set up & ongoing maintenance)	\$1,339
Equipment & Set up: Computer/Copiers/Fax/Phones	
Lease (approx. 800 sq. ft.)	\$73,712
Total	\$292,171

Source: Alameda Housing Authority; City of Alameda Finance Department; SCI Consulting Group

Figure 11 below shows the projected annual services and supplies cost associated with City administration and legal support for fiscal year 2018-19. The projected 2018-19 budget is \$110,070, which is a decrease of \$54,730 from 2017-18.

FIGURE 11 – SERVICES AND SUPPLIES COST – CITY ADMINISTRATION

Item	2018-19 Projected Budget
Finance Department	
Software	\$6,000
Forms Printing	\$10,000
Postage	\$15,000
Office Equipment	\$6,000
Equipment Maintenance	\$1,500
Bank Charges	\$10,000
<u>Total Finance Department</u>	<u>\$48,500</u>
All Other City Departments	
Cost Allocations (Intra and Inter-dept.)	\$61,570
Total All Other City Departments	\$61,570
Total City Administration	\$110,070

Source: City of Alameda Finance Department; SCI Consulting Group

RENT STABILIZATION PROGRAM SUMMARY 2017-18 AND 2018-19

The City of Alameda's Rent Stabilization Program started in April 2016, with the initial Fee Study Update being completed in June 2016 and the Council adopting the program fee in June 2017. In June 2018, the City Council will receive the 2018-19 Rent Program Fee Study Update and have the option to approve a resolution confirming the Rent Program fee. Following is a brief explanation of the additional information that supported this revised Fee Study Update.

PROGRAM ADMINISTRATION

The Housing Authority's administration of the program has allowed staff to refine policies and procedures and revise the hours needed for the program activities such as the Rent Increase, Termination of tenancy, and the Capital Improvement Plan (the "CIP") administration. For example, the hours to provide general program administration, Rent Increase, and CIP activities have decreased from 2017-18 to 2018-19. However, the hours for Termination activities have increased due to additional resources needed for monitoring following a no cause termination of tenancy. As a result, the Housing Authority estimates that staffing levels of 6.0 full-time equivalents ("FTEs") is necessary to continue to administer the Rent Program for the upcoming fiscal year. The dedicated staff includes a Director, an Analyst, three (3) Rent Specialists, and a Program Assistant.

For fiscal year 2017-18, the Rent Program was administered with several permanent employees and supplemented with temporary employees, who are not fully burdened employees. The permanent employees are fully burdened and receive an annual 3% increase in salaries and benefits. This fiscal year, the Program Director position was vacant for a combined total of six months. The Housing Authority is also actively recruiting to hire an additional Rent Specialist for the upcoming fiscal year. Due to the long-term vacancy of the Director and Rent Specialist, expenditures for the fiscal year 2017-18 program administration were less than anticipated. In addition to the salary and benefits saving, the Housing Authority had to defer important projects like purchasing and implementing a client database system, training on the database system, and conducting extensive outreach to landlords and tenants. The \$50,000 to implement a client management database was collected in fiscal year 2017-18 and will be spent in fiscal year 2018-19.

Figure 12 on the next page shows the revised hours needed to perform the main program activities from 2017-18 to 2018-19.

FIGURE 12 – HOURS NEEDED TO PERFORM MAIN PROGRAM ACTIVITIES

	2017-18 Estimated Annual Billable Hours	2018-19 Estimated Annual Billable Hours
General Program Administration	5,089	4,408
Rent Increases	5,094	3,791
Terminations	895	2,235
Capital Improvement Plan	94	44
Appeals Process	240	100
Total	11,412	10,578

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

In addition to the Housing Authority staff, the City of Alameda provides support staff in the Finance and Community Development Departments as well as the City Attorney's Office. The City's Finance Department has a one (1) FTE for billing and questions. The Housing Authority has worked closely with City Attorney's office for legal interpretations of the Ordinance, including enforcement and coordinating hearings and court appearances. This relationship is expected to continue in the upcoming year. The projected City Attorney's hours for the Rent Program will continue with .80 FTE and a contracted part-time attorney. The Community Development Director will continue to dedicate 10% of her time coordinating the Rent Program on the City's behalf.

The full implementation and administration of the Rent Program will continue in fiscal year 2018-19, including implementing and employee training on a new Client Management Database System, and setup of new application software and equipment. The Housing Authority and the City should continue to evaluate the actual costs versus the estimates of the Program to determine whether the Fee can be adjusted within the next five (5) years.

DETERMINATION OF THE FEE

Figure 13 shows the determination of the Fee. The estimated cost of the Rent Program for fiscal year 2017-18 was approximately \$1.77 million which resulted in the program fee of \$120 per unit. Earlier this year, the unit count was revised 13,620 units once the program fee bills were sent to property owners and confirmation was made that some parcels were not rentals covered by the Ordinance. As a result, the anticipated revenue for 2017-18 was revised to \$1.634 million. To date, \$1.33 million, or 81%, has been collected and approximately \$950,000 expended for 2017-18. In addition to the \$950,000, the \$50,000 collected this fiscal year to purchase the client management database will be spent next fiscal year. Therefore, the projected revenue balance for the 2017-18 Rent Program after the expenditures should be approximately \$332,000.

For 2018-19, the estimated cost to administer the Rent Program is \$1.59 million which brings the Rent Program Fee to \$119 per rental unit for 13,389 rental units. It is recommended that half of the 2017-18 projected Rent Program fund balance of \$332,000, or \$166,000, is applied to the total cost of Rent Program administration for 2018-19 as a credit. The remaining 50% of the 2017-18 Rent Program fund balance would be applied to cover any unanticipated expenses in 2018-19. As shown below, the adjusted proposed Rent Program Fee with the "credit" is \$106 per rental unit.

FIGURE 13 – RENT PROGRAM REGULATORY FEE DETERMINATION

Category	FTEs	Labor Costs	Services and Supplies	Annual Cost
<i>Calc</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>e = b + c + d</i>
Program Administrator	6.0	\$776,424	\$292,171	\$1,068,595
City of Alameda Support	1.9	\$288,161	\$110,070	\$398,231
Contract Labor		\$120,000	\$0	\$120,000
Total Estimated Cost	7.9	\$1,184,585	\$402,241	\$1,586,826
Rental Units ¹				13,389
Rent Program Regulatory Fee (Per Unit, Rounded)				\$119
Total Estimated Cost				\$1,586,840
50% of 2017-18 Projected Program Funds Remaining (\$332,000)				\$166,000
Adjusted Total Estimated Cost - 2017-18 Projected Program Funds				\$1,420,826
Rent Program Regulatory Fee (Per Unit, Rounded)				\$106

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

Notes:

¹ See Figure 1.

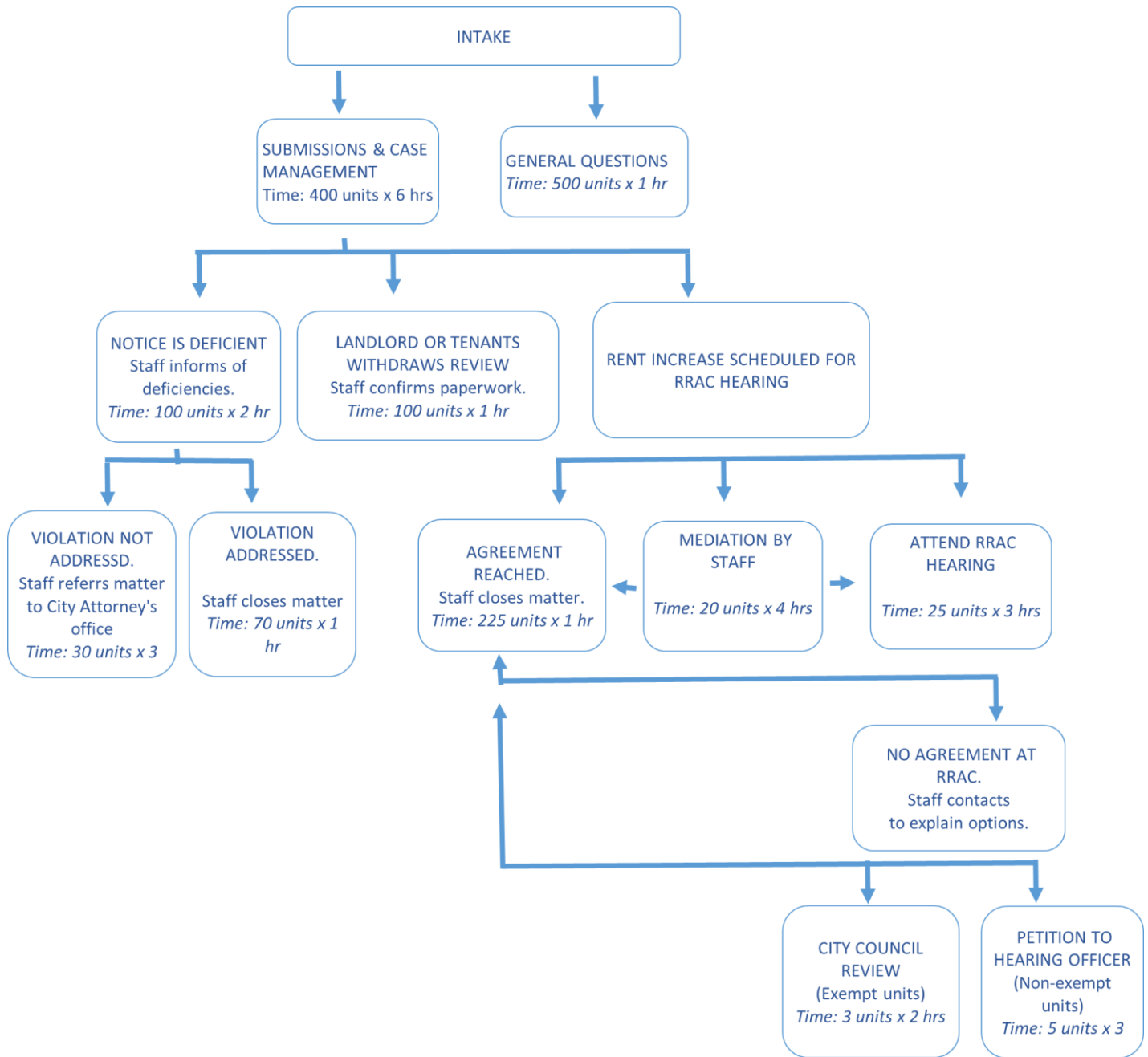
APPENDICES

Appendix A – Rent Increase Flowchart

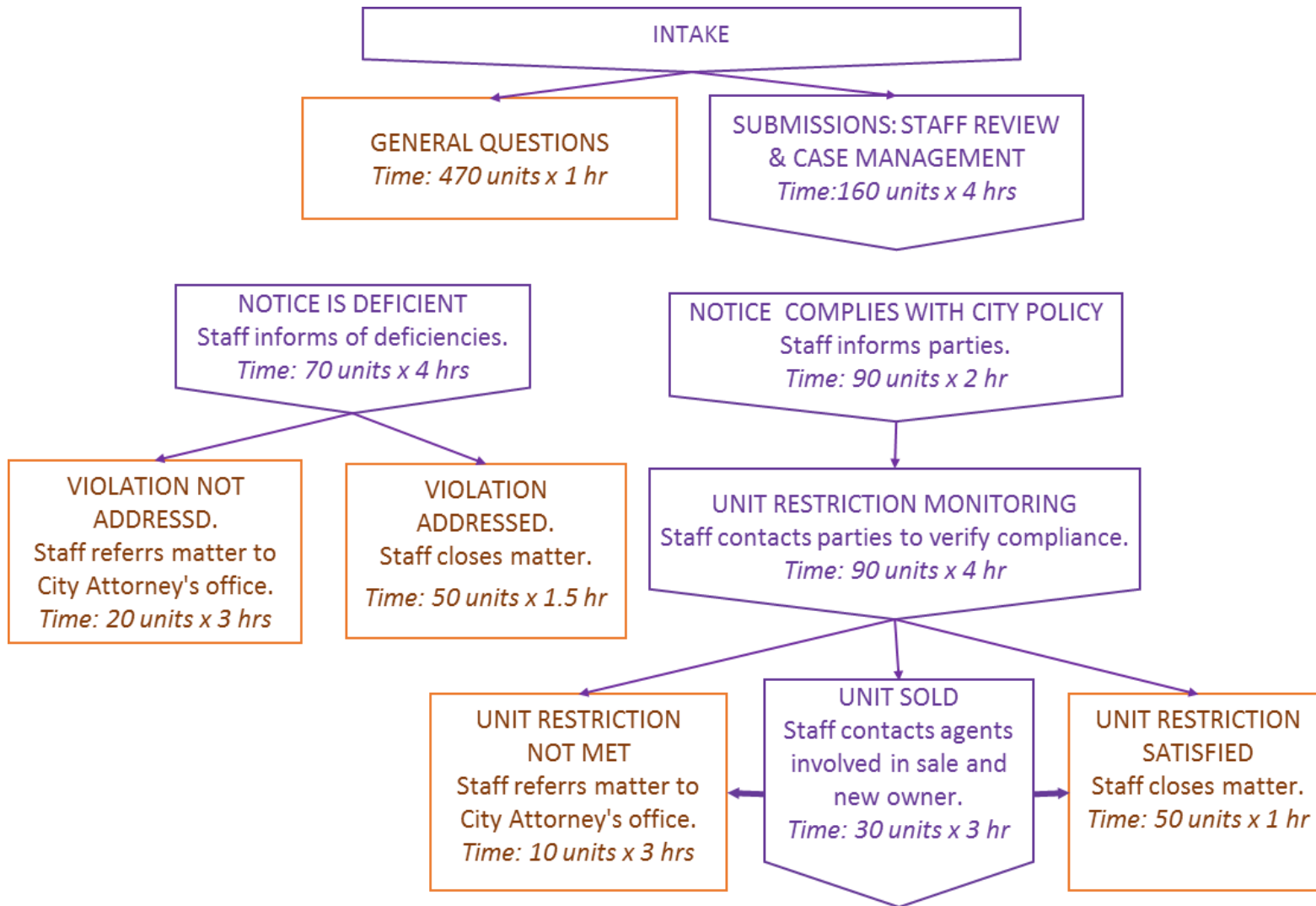
Appendix B – Termination Flowchart

Appendix C – Capital Improvement Plan Flowchart

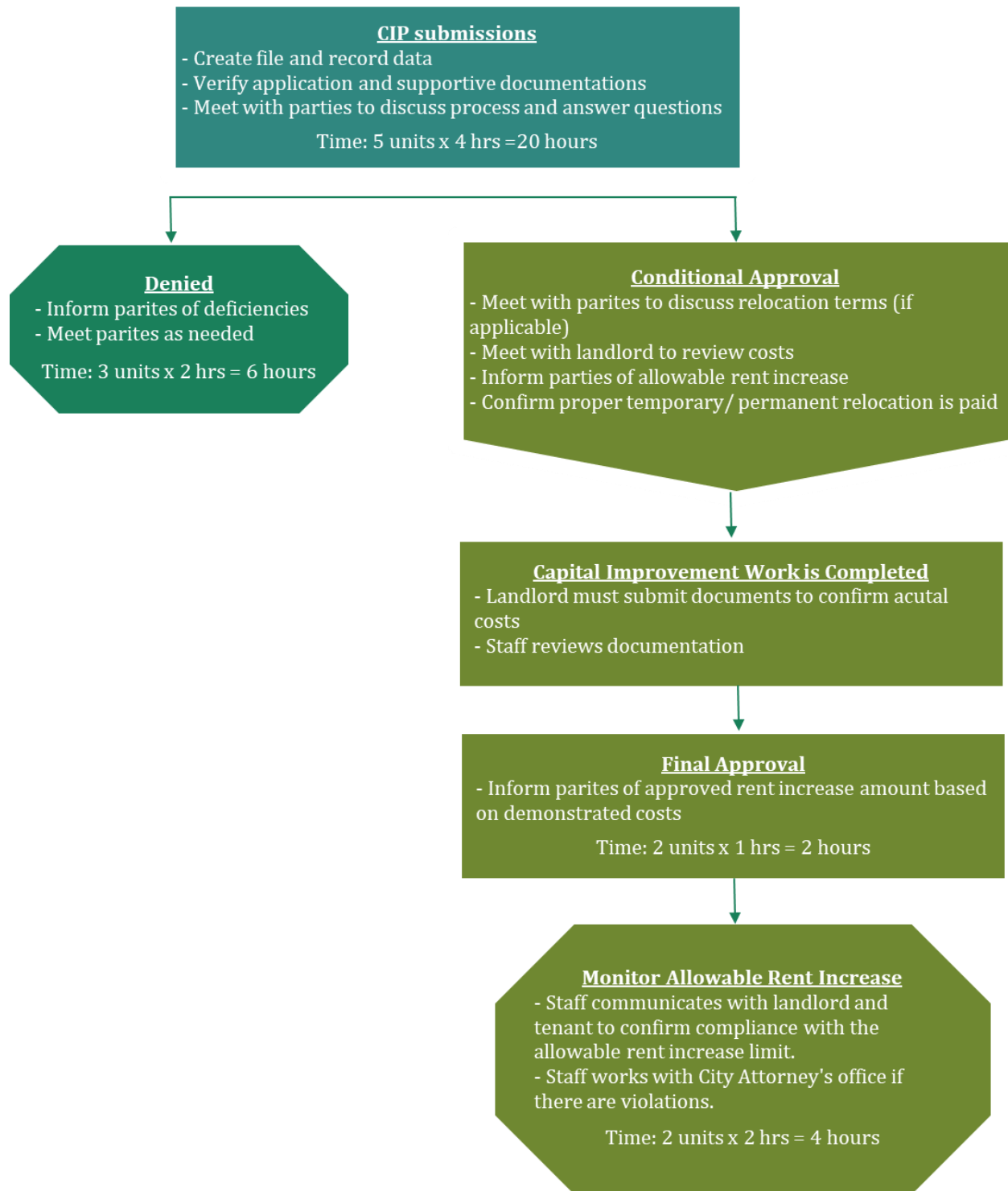
APPENDIX A – RENT INCREASE FLOWCHART



APPENDIX B – TERMINATION FLOWCHART



APPENDIX C – CAPITAL IMPROVEMENT PLAN FLOWCHART



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