

RRR BUDGET SUBCOMMITTEE
MEETING SYNOPSIS AT 11:00 AM
JANUARY 29, 2010

MEMBERS PRESENT:	David Oster	Chair Pro Term
	Donna Cox	Commissioner
	Michael Fitzgerald	Commissioner
STAFF:	Shasta Greene	City Attorney
	Vivian Frelix-Hart	Staff
	Rachel VanderVeen	Staff
	Ramos Theresa	Staff
	Ramo Pinjic	Staff
MEMBERS ABSENT:	James Bojorquez	Commissioner
PUBLIC:	Joshua Howard	Tri-County

MEETING

(a) Call to Order/Orders of the Day

Commissioner Oster called the meeting to order at 11:07 a.m. By Commission consensus public comment was added as agenda item (b)(1).

(b) Introductions

The Commissioners, staff, and public introduced themselves.

(1) Public Comment—none.

(c) Discussion / Action Items

(1) Review and discuss the Rental Rights and Referrals (RRR) Program Budget

Greene referred to the Mobilehome Rent Control Ordinance Chapter 17.22.910 and Apartment Rent Control Ordinance Chapter 17.23.490 were each Commission shall report to the city council not less than once each fiscal year their recommendation regarding the amount of fee necessary to recover the costs of administering such ordinances.

(2) Review and discuss the proposed FY 2009/2010 Fee Structures provided by the Rental Rights and Referrals (RRR) Program Budget

VanderVeen provided an overview of the Rental Rights and Referrals (RRR) Program and distributed a Budget spread sheet proposing the following program fee structure: 1) decrease the Apartment Rent Control fee from \$7.26 to \$7.00; 2) maintain the Mobilehome Rent Control fee at \$13.82; and 3) increase the Apartment Non-Rent Control fee from \$.80 to \$.98.

VanderVeen stated that staff reviewed FY 2009-10 Program budget and fee structure and determined the following: 1) the Apartment Rent Control fee generates an excess revenue therefore, the fee should be adjusted; and 2) indicated that the Apartment Non-

Rent Control fee does not generate the revenue necessary to support Program services at a 100% cost recovery. Frelix-Hart noted that the number of non-rent control units increased from 25,000 to 38,000 within the last few years subsequently increasing program service to a larger population.

(a) Mediation and Arbitration for Apartment Rent Control

VanderVeen proposed to the Budget Sub-Committee to decrease the current fee from \$7.26 to \$7.00 to reduce costs to property owners, incurring a smaller reserve. VanderVeen indicated that: 1) the contractual expenditure is a variable because mediation services vary from year to year; and 2) printing and duplicating is higher because there it's a substantial component of the Program.

Howard referred to the revenue surplus suggesting an apartment rent control fee decrease below \$7.00. Howard also stated that fair market rentals decreased 11% from last year impacting property owner revenue. Frelix-Hart responded by stating that staff would need to review information provided by Howard to recalculated a fee less than \$7.00.

(b) Arbitration for Mobilehome Rent Control

VanderVeen proposed to the Budget Sub-Committee to maintain the current fee at \$13.82. By Budget Sub-Committee consensus, the proposed fee was accepted.

(c) Mediation for Non-Rent Control

VanderVeen proposed to the Budget Sub-Committee to increase the current fee from \$.80 to \$.98 indicating that program service outreach increased from 25,000 to 38,000 units to be 100% cost recovery.

Howard asked if there was a cost recovery requirement to end a fiscal year with a profit. Howard indicated that the surplus was excessive. Frelix-Hart responded by stating that fees collected are restricted to administering the ordinances. Frelix-Hart pointed out that in FY 2007-08, fees for rent control were deferred while mobilehome and non-rent control fees significantly increased to balance expenditures for each program. Howard responded that apartment rents are not increasing but as of 2010 have decreased 11.6%. Fitzgerald added that property owners follow the market; meaning that when jobs are lost, rents decrease. Cox responded that mobilehome rents are steady increase 3% annually. Frelix-Hart requested that Howard submit information on rent decreasing.

Oster made a motion to accept staff's recommendation to decrease the Mediation and Arbitration fee for Apartment Rent Control from \$7.26 to \$7.00; maintain the Arbitration fee for Mobilehome Rent Control at \$13.82; and increase the Mediation fee for Non-Rent Control from \$.80 to \$.98 with the caveat that staff would review the proposed fees in light of the comments made about using the existing reserve to defray expenses and present the resulting findings to both Commissions. Cox seconded the motion. The motion passed (3:0).

(d) Adjournment - The meeting was adjourned at 11:50 a.m.