



Memorandum

TO: CITY COUNCIL

FROM: Mayor Liccardo

SUBJECT: SEE BELOW

DATE: November 14, 2017

Approved

San Juan (AI)

Date

11/14/2017

SUBJECT: APARTMENT RENT ORDINANCE STAFFING AND FEE IMPLEMENTATION

RECOMMENDATION

1. Approve Phase I and Phase II of the proposed staffing plan for the Rental Rights and Referrals Program, adding 6 FTE to reach 14.5 FTE, with a fee increase to \$55.80 by January 1, 2018.
2. Require staff to return during the Spring budget process with:
 - a) A current workload assessment for the 14.5 FTE already budgeted;
 - b) The status, workplan, and effectiveness assessment of the on-line registry;
 - c) An analysis of the extent to which technology, alternative staffing models (e.g., outsourcing to a non-profit for short-term, one-time needs), or other options may reduce the costs and staffing needed;
 - d) An assessment of the need for the staffing proposed in Phase III, and whether outsourcing to a non-profit might more appropriately address near-term needs that will not require sustained staffing. In particular, explain why the City needs three FTE for outreach.

DISCUSSION

I recommend the approval of Phase I and Phase II of the proposed staffing plan outlined in the staff memo from November 2nd. Yet the proposed plan adds millions of dollars in costs to the system for City staff, without adding a single affordable apartment or house to our inventory.

Within the proposed staffing and fee levels work plan, those costs will exceed \$1,000 annually per unit when the estimated \$86 fee structure in FY 2019-2020 is fully implemented (See Table 1).

Table 1: Proposed Staffing and Fee Levels

PHASE	EFFECTIVE DATE	FEE LEVEL	COST PER YEAR	FTE
Phase I	July 1, 2017	\$30.30	\$363.60	8.5 <i>Existing</i>
Phase II	January 1, 2018	\$55.80	\$669.60	6.0
Phase III	July 1, 2018	\$78.00 <i>Estimated</i>	\$936.00	8.0-9.0 <i>Estimated</i>
Annualized Costs	July 1, 2019	\$86.00 <i>Estimated</i>	\$1032.00	0.0
Total				23.0-24.0

Somebody will bear these costs. Even if we were to apportion 100 percent of those costs to the landlord, rent-burdened tenants will ultimately pay some share. That is, to the degree the elasticities of demand and supply dictate, costs will get passed on, so imposing the proposed \$1,000 annual cost on either landlords or tenants is no prescription for making housing more affordable.

We have an opportunity to consider other approaches. For example, in the proposed staffing plan outlined in the staff memo, three staff are recommended to provide public outreach and education services. Considering that the workload may be frontloaded and be scaled back by years 3, 5, or 10, this staffing may become superfluous, particularly in light of the many other needs we have in our budget-constrained City.

I urge staff to continue to look at Phase III of the recommended staffing plan and find creative ways to reduce the costs of implementing the Rental Rights and Referrals Program.