

DATE: November 13, 2023

TO: Rental Housing Committee

FROM: Anky van Deursen, Division Manager

SUBJECT: **CSFRA and MHRSO Quarterly Financial Expenditures for Fiscal Year 2023-24 through September 30, 2023**

RECOMMENDATION

Review the Quarterly Financial Expenditures Report for Fiscal Year 2023-24 through September 30, 2023 for both the Community Stabilization and Fair Rent Act (Attachment 1) and the Mobile Home Rent Stabilization Ordinance (Attachment 2).

BACKGROUND

As part of the administration of the Rent Stabilization Division, including the Community Stabilization and Fair Rent Act (CSFRA) and the Mobile Home Rent Stabilization Ordinance (MHRSO), the Rental Housing Committee (RHC) reviews program expenditures on a quarterly basis.

On June 12, 2023, the RHC adopted both the CSFRA Fiscal Year 2023-24 Budget of \$2,325,518 and the MHRSO Fiscal Year 2023-24 Budget of \$381,427 (both original adopted budget amounts were slightly lower, and these are the final amounts based on final salaries and benefit calculations).

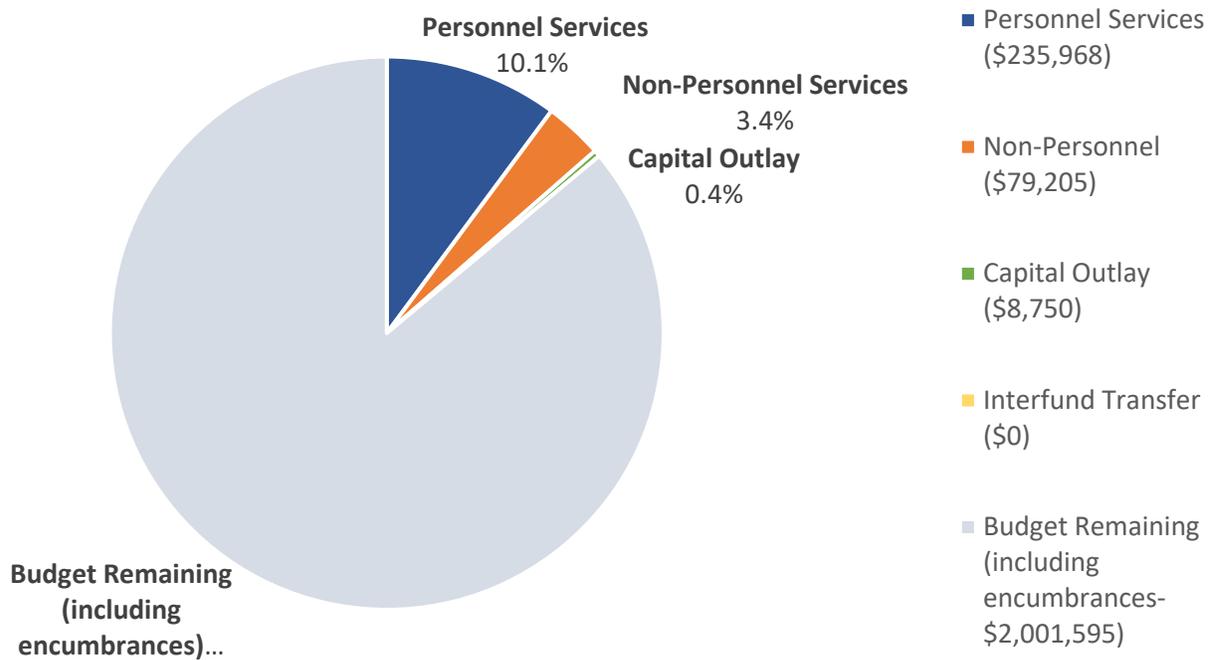
ANALYSIS

Both the CSFRA and the MHRSO Quarterly Financial Reports are divided into Personnel Services, Non-Personnel Services, Capital Outlay (CSFRA only), and Interfund Expenditures/Interfund Expenditures Transfer. This report is for the three-month period between July 1, 2023 and September 30, 2023, which represents 25% of the budget.

The CSFRA summary of expenditures for the first three months is as follows:

- A. As of September 30, 2023, about 20% of the Personnel budget has been spent. This means that \$235,968 of the total budget for Personnel of \$1,175,456 has been spent. This is below the 25% expected expenditure amount due to:
- Some personnel costs were charged to the Community Development Department budget for services provided related to the Tenant Relocation Assistance Ordinance and various other requested services outside of the CSFRA program, such as assistance with the Below-Market-Rate and Affordable Housing inquiries.
- B. As of September 30, 2023, 9% of the Non-Personnel budget is spent and a further 69% encumbered. This means that \$79,205 of the total budget for Non-Personnel of \$854,832 has been spent. This is below the 25% expenditure amount due mainly to:
- Contracted service provider invoices received are below budget, and other service providers bill on a quarterly basis, meaning that certain Q1 invoices will be received and charged in the next quarter.
- C. In the first three months of Fiscal Year 2023-24, 10% of the remaining Capital Outlay budget is spent, and a further 4% is encumbered. At the start of the Rent Stabilization Program, a Capital Outlay budget of \$250,000 was adopted to finance the development of a Rent Stabilization database over the years. At the start of this fiscal year a remaining amount of \$83,850 was rebudgeted and, to date, \$8,750 has been spent and a further \$3,100 encumbered. As expected, further deliverables upon completion of the next phases for the Database Management System are to be made in the following quarters.
- d. As of September 30, 2023, 0% of the Interfund Expenditures and Transfers budget for \$211,380 has been spent. It is the City's practice to post these expenditures in December as this reflects the halfway point through the fiscal year.

Figure 1 below presents the following expenditures this fiscal year to date as a percentage of the total CSFRA budget of \$2,325,518.



**Figure 1: Overview of CSFRA Expenditures through September 30, 2023
 (as a Percentage of the Total Fiscal Year 2023-24 CSFRA Budget)**

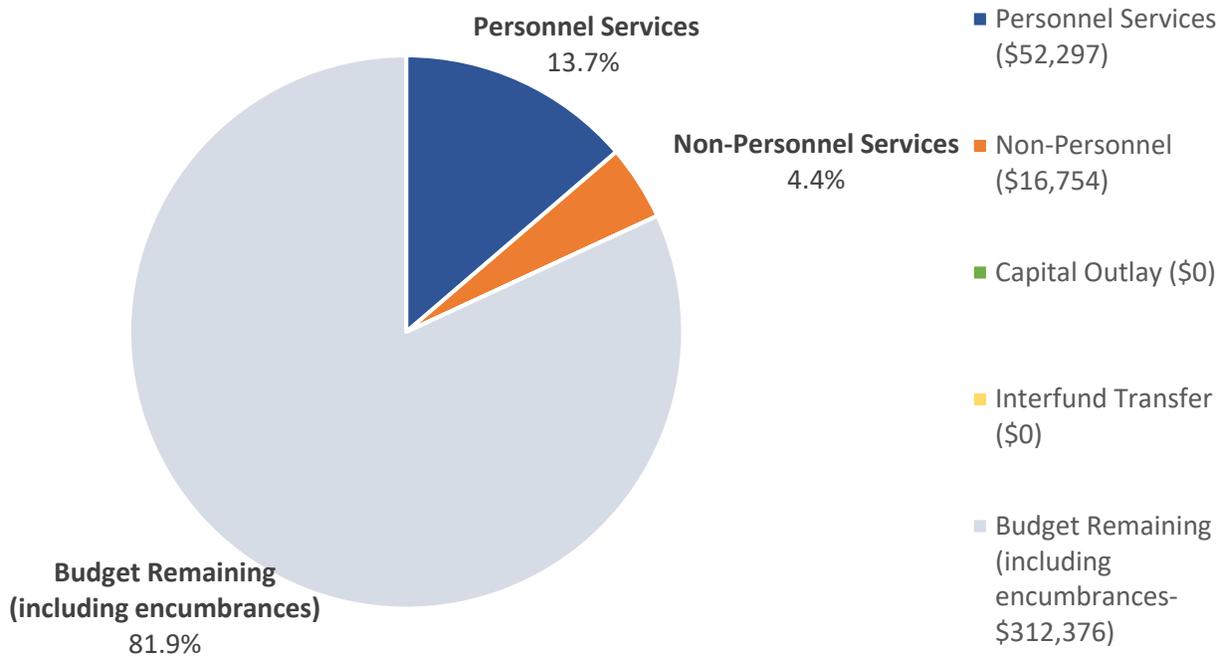
The MHRSO summary of expenditures for the first three months is as follows:

- A. As of September 30, 2023, 29% of the Personnel budget is spent. This means that \$52,297 of the total MHRSO Personnel budget of \$175,951 is spent. This is slightly over budget due to:
 - The work performed for and charged by staff to the MHRSO program.

- B. As of September 30, 2023, 10% of the Non-Personnel budget is spent and a further 72% encumbered. This means that \$16,754 of the total Non-Personnel budget of \$170,016 is spent. This low level is mainly caused by:
 - Contracted service provider invoices received are below budget, and other service providers bill on a quarterly basis, meaning that certain Q1 invoices will be received and charged in the next quarter.
 - Staff provided some services that are otherwise performed by contracted service providers.

C. As of September 30, 2023, 0% of the Interfund Expenditures and Transfers budget of \$35,460 has been charged. It is the City's practice to post these expenditures in December as this reflects the halfway point through the fiscal year.

Figure 2 below presents the following expenditures as part of the overall MHRSO budget of \$381,427.



**Figure 2: Overview of MHRSO Expenditures through September 30, 2023
(as a Percentage of the Total Fiscal Year 2023-24 MHRSO Budget)**

FISCAL IMPACT

The Fiscal Year 2023-24 Adjusted Budget for the CSFRA amounts to \$2,325,518, and the Fiscal Year 2023-24 Adjusted Budget for the MHRSO amounts to \$381,427. Total revenues are estimated to be sufficient to fund all expenditures for this fiscal year. Staff will return to the RHC on a quarterly basis for an update on incurred expenses compared to the adopted budgets.

PUBLIC NOTICING—Agenda posting.

AVD/KG/6/HSN/RHC
847-11-13-23M

- Attachments:
1. CSFRA Quarterly Financial Expenditures (Fiscal Year 2023-24 through September 30, 2023)
 2. MHRSO Quarterly Financial Expenditures (Fiscal Year 2023-24 through September 30, 2023)