

The Rent Control Budget for fiscal year 1980-81 is composed of several department budgets. This was done to provide a more accurate picture of the operations of the Rent Control Office.

Some expenses, such as the general maintenance and operation costs, the indirect administrative costs and the equipment costs are incurred by the entire office. These costs have been apportioned to the various departments, legal, hearing and administration, based on the percentage of personnel in each department; the hearing function entails 43% of total personnel, administration 30% and legal 27%.

The loan repayment figure is pursuant to the agreement signed by the City Council and the Rent Control Board.

BUDGET SUMMARY

Administration	452,575
Hearing Function	598,817
Legal	<u>479,620</u>
	1,531,012
Loan Repayment	<u>121,000</u>
	1,652,012

## ADMINISTRATION

The Rent Control Administrator has responsibility for the implementation of Rent Control Board policy and serves as the director of the Rent Control staff.

The administrative staff has responsibility for preparation for the Rent Control Board meetings.

The investigators prepare staff reports on applications for removal permits, vested rights determinations and exemption requests. The Board secretary works with the administrator to prepare minutes, agendas and agenda packets for each Board meeting.

The registration forms and fee billing and payments are handled by the data coordinator and data clerk, with some additional help.

The information coordinators help people at the front desk, responding to questions and accepting petitions for rent increase, decrease and tenant complaints. Additionally these people answer the telephones and provide referrals to other city agencies. Approximately 30 to 50 people visit the office every day.

The planner works with the administrator and the Rent Control Board to assess long range impact on the housing market and to provide technical assistance to the Board.

ADMINISTRATION

1	Administrator	35,000	
2	Assistant Administrator	42,898	
1	Planner Programmer	17,580	
3	Investigators	44,856	
1	Executive Secretary	14,388	
1	Secretary	12,828	
1	Sr. Information Coordinator	12,168	
1	Data Coordinator	12,528	
3	Information Coordinators	33,840	
1	Data Clerk	10,380	
<u>1</u>	Jr. Clerk	9,360	
16			
	Cost of Living Adjustment	13,434	
	Step Increases	<u>13,963</u>	
		272,223	272,223
	<u>Overtime</u>	20,000	
	Temporary - 400 hours @\$10	4,000	
	Other: Programmer - 4 months	5032	
	Cashier - 4 months	3460	
	Info Coordinator - ½ Time	5916	
	Investigator - 2 months	<u>2492</u>	
		<u>16,900</u>	
		40,900	40,900
	<u>Employee Benefits</u>		
	Health Insurance	17,952	
	Retirement	<u>38,068</u>	
		56,020	56,020
	<u>Insurance Costs</u>		
300	Unemployment .008%	2,178	
301	Compensation 1.6%	4,356	
302	Comprehensive 1.3%	<u>3,539</u>	
		10,073	10,073
	Equipment (% Share)		5,377
	Operating Costs (% Share)		49,237
	Indirect Operating Costs (% Share)		<u>18,745</u>
		TOTAL	452,575

## HEARING FUNCTION

The Santa Monica Rent Control Board's administrative hearings process consists of conducting investigations, hearings, and appeals in response to petitions filed by landlords and tenants. Procedures are fairly similar to those of other administrative agencies. Investigators prepare written reports to clarify issues raised by the petition.

Hearing examiners conduct hearings in which testimony and arguments are given, and documents and other supporting materials are accepted into the record. Hearing examiners render written decisions based upon the credible evidence presented at the hearing. If a party to the decision wishes to appeal the hearing examiner's decision, such appeal is heard before the Rent Control Board.

The Board's hearing examiners have held 374 hearings on petitions for rent increases, 208 hearings on petition for rent decreases, and 175 hearings on tenant complaints. A total of 757 hearings since September 1979.

There are presently approximately 300 complaints still to be heard. The proposed budget increases the number of hearing examiners to enable the staff to process the complaints presently filed.

The proposed budget allows for 1430 administrative hearings next year. The estimated average cost per hearing is \$418.75. The California Department of Social Services which held approximately 9600 similar administrative hearings last year estimates its per hearing cost to be \$1500.00. The estimated cost per hearing including appeals of the Agricultural Labor Relations Board (ALRB) is more than \$13,000. The Agricultural Labor Relations Board administers programs mandated by state law and conducts administrative hearings. The estimated cost per hearing at the ALRB reflects significant travel and other overhead expenses relating to the size and nature of the ALRB's jurisdiction.

If the level of petitions filed drops significantly and the proposed staffing level is not necessary, then personnel adjustments will be made.

HEARING FUNCTION

Personnel

1	Operations Manager	26,304	
1	Hearing Supervisor	22,284	
8	Hearing Examiners	171,456	
3	Hearing Examiners (F/T Temp, 5 months)	26,790	
1	Hearing Examiner (P/T)	5,640	
1	Investigator Coordinator	15,696	
3	Investigators	44,856	
1	Secretary	12,828	
<u>3</u>	<u>Clerk Typists</u>	<u>36,504</u>	
22			
	Cost of Living Adjustment	8,791	
	Step Increases	<u>18,557</u>	
		389,706	389,706
	<u>Employee Benefits</u>		
	Health Insurance	20,196	
	Retirement	<u>54,496</u>	
		74,692	74,692
	<u>Insurance Costs</u>		
300	Unemployment .008%	3,118	
301	Compensation 1.6%	6,235	
302	Comprehensive 1.3%	<u>5,066</u>	
		14,419	14,419
	Rent for Office Space *		13,200
	Training		1,650
	Equipment (% Share)		7,708
	Operating Costs (% Share)		70,573
	Indirect Operating Costs (% Share)		<u>26,869</u>
		TOTAL	598,817

\* Calculation based on 10 people occupying space, 50 sq. ft. per person, or 500 sq.ft. of office space plus a hearing room of 500 sq. ft. Total need 1000 sq. ft. @\$1 per sq. ft. = \$1000/mo. rent. Telephone and Utilities @\$100/mo. = \$1200

This budget will allow 1430 hearings next year. The average cost per hearing is 418.75.

## LEGAL

The legal staff has responsibility for defending the Board's actions in court, advising the Board on legal issues and bringing such affirmative actions as the Board deems necessary.

The legal staff responds to all cases filed against the Rent Control Board, challenging individual decisions of the Board in the areas of removal permits, vested rights, rent adjustments, exemptions and complaints.

Additionally the legal staff is defending the Board in the lawsuits challenging the constitutionality of the Rent Control Charter Amendment.

The Board attorneys also advise the Rent Control Board regarding various legal issues.

It is anticipated that a legal staff of this size will not be necessary in later years.

LEGAL

Personnel

1	Senior Attorney	34,584	
2	Level 4 Attorney	55,704	
1	Level 3 Attorney	25,068	
3	Level 2 Attorney	66,420	
<u>3</u>	Legal Secretary	51,444	
10			
	Cost of Living Adjustment	4,116	
	Step Increases	<u>11,867</u>	
		249,203	
	4 Work/Study Law Students	<u>9,100</u>	
		258,303	258,303
	<u>Employee Benefits</u>		
	Health Insurance	11,220	
	Retirement	<u>34,851</u>	
		46,071	46,071
	<u>Insurance Costs</u>		
300	Unemployment .008%	1,994	
301	Compensation 1.6%	3,988	
302	Comprehensive 1.3%	<u>3,240</u>	
		9,222	9,222
	Legal Expenses		100,000
	Equipment (% Share)		4,840
	Operating Costs (% Share)		44,313
	Indirect Operating Costs (% Share)		<u>16,871</u>
		TOTAL	479,630

OPERATING COSTS

221	Telephone	2,400
231	Office Supplies and Expenses	36,000
232	Metered Postage	15,900
252	Legal Advertising	1,500
253	Personnel Advertising	2,500
261	Equipment - IBM Copier	15,600
	Typewriters	960
272	Mileage	1,200
290	Membership and Dues	400
401	Special Department Supplies Handbook	10,000
404	Books and Pamphlets	700
411	Printed Forms	7,000
412	Periodicals	500
506	Professional Services	40,913
521	Training (see Hearings for balance of this item)	4,800
701	Board Salary	<u>23,750</u>
	TOTAL	164,123

This figure is apportioned to Administration, Hearings and Legal based on % of total payroll as follows:

Administration	30%	49,237
Hearings	43%	70,573
Legal	<u>27%</u>	<u>44,313</u>
	100%	164,123

OPERATING COSTS 1980-81

<u>ACCT.</u>	<u>PROPOSED BUDGET</u>	
231	36,000	<u>Office Supplies &amp; Expenses</u> This account is budgeted for \$3000 per month. The prior year to date expenditures are \$34,552 for 9 months. However, in the early months many expenditures were charged incorrectly to this account, such as postage, thereby inflating the actual charges. Also many duplicating expenses are now charged to equipment rental. I feel \$3000 per month is a realistic figure for this account.
232	15,900	<u>Metered Postage</u> The \$15,900 budgeted figure is computed on \$.15 per piece. If postage rates increase this will have to be adjusted. This anticipates a billing of 8000 pieces, a re-billing of 5000, a registration mailing of 8000 and a mass mailing of 37,000; total of 58,000 pieces $x .15 = \$8700.$ Additionally our bill with the mail room is about \$600 per month for the noticing and daily correspondence. $\$600 \times 12 = \$7200.$ $\$7200 + \$8700 = \$15,900.$
252	1,500	<u>Legal Advertising</u> The account is budgeted at \$1500 although year to date expenditures are \$2088. Large amounts were expended in the initial publication of regulations, this expense should not be necessary on such a large scale again. Also some personnel expenses were charged to this, the only advertising account.
253	2,500	<u>Personnel Advertising</u> This item is budgeted to meet the personnel advertising needs for the office, since it is anticipated that the Rent Control Office will advertise directly for new employees.
261	16,560	<u>Equipment</u> \$1300 per month is budgeted for the purchase and servicing of the IBM Copier. This is based on purchase figures from IBM and an estimated copying rate of 80,000 per month. 499.61 - purchase of machine 214.00 - service 1-15,000 copies 46.00 - service of collator 525.50 - service of machine (15,001-80,000 copies) <u>1285.11</u> The \$1285 figure is rounded up to \$1300 per month, because the service costs may increase. \$960 is budgeted for typewriter rental until the new typewriters are obtained (2-3 months).

OPERATING COSTS 1980-81

<u>ACCT.</u>	<u>PROPOSED BUDGET</u>	
272	1,200	<u>Mileage</u> This was budgeted at \$3750 last year, of which \$526 was expended. The employees are using city cars and therefore not incurring the mileage originally foreseen.
290	400	<u>Membership and Dues</u> Although no expenses were charged to this account last year it seems appropriate that an allocation be made to enable the Rent Control Office to join housing organizations. Also the Board should consider the issue of Bar fees for attorneys. If the Board agrees to pay Bar fees the sum of \$400 may be low.
401	10,000	<u>Special Department Supplies</u> This figure is the cost of producing the Rent Control Handbook.
404	700	<u>Books and Pamphlets</u> An increased appropriation of \$700 is necessary because of the need for resource materials, such as real estate books and materials for hearing examiners and investigators. The present expenditure level is low because some of the purchases have been charged to office supplies (231) and/or periodicals.
411	7,000	<u>Printed Forms</u> This appropriation is for the printing of various forms used by the Board, such as increase petitions, decrease petitions, removals, etc. The line was not expended this fiscal year because the many changes in forms and regulations precluded having the forms typeset and printed. Once the forms are established as permanent forms then they will be printed. At the present time we are duplicating the forms, which in the long run is more expensive. This line does not include the cost of generating a new registration form. If a second registration is anticipated for the next fiscal year, then an addition of <u>\$2000</u> should be made to this line item.
412	500	<u>Periodicals</u> An increase is requested due to the expenditure level in the last several months. The office presently subscribes to the Evening Outlook, the Los Angeles Times, the Herald and the L.A. Daily Journal in addition to several housing publications.

OPERATING COSTS 1980-81

<u>ACCT.</u>	<u>PROPOSED BUDGET</u>	
506	40,913	<u>Professional Services - No Bid</u>
		28,113 - Data Processing costs, work order, computer time, paper, keypunch rental.
		5,280 - Keypunch operator ½ time
		7,833 - Programmer 1/3 time
		15,000 - Computer costs
		<u>28,113</u>
		7,800 - Security for Board Meetings.
		\$150 per week, 2 people
		\$ 15 per hour x 5 hours
		2,000 - Economic Consultants.
		\$50 per hour x 20 hours
		2,000 - Building Consultants.
		\$50 per hour x 20 hours
		<u>1,000</u> - Audit, Rent Control Contribution to City General Audit
		<u>40,913</u>
521	4,800	<u>Training</u>
		A portion of the training budget is directly attributable to the hearing function. That is, \$850 for books and manuals and \$800 for a 2 day training session. Additionally 12 training sessions are planned for the staff and Board at a cost of \$400 per session.
701	23,750	<u>Board Salary</u>
		This is budgeted as \$4750 x 5.

INDIRECT OPERATING COSTS

434	Administration Indirect Costs		
	Rent Control's share of City Hall operating costs:		
	City Hall maintenance, utilities, telephones, pool cars, etc.	30,000	
	Finance and Payroll Charges	15,000	
	Personnel	6,000	
	Purchasing	<u>2,300</u>	
		53,300	53,300
	Trailer Costs		
	Rental 313.76 x 12 =	3765.12	
	Set-up =	<u>5420.00</u>	
		9185.12	<u>9,185</u>
		TOTAL	62,485

This figure is apportioned on % of payroll as follows:

Administration	30%	18,745
Hearings	43%	26,869
Legal	27%	<u>16,871</u>
		62,485

Loan Repayment to City	
Principal plus 21,000 interest	121,000

