



Rent Stabilization Board

DATE: May 24, 2010

TO: Honorable Members of the Rent Stabilization Board

FROM: Jay Kelekian, Executive Director

SUBJECT: Recommendation to adopt a Resolution authorizing the Executive Director to extend Contract Number 8086 with the Berkeley Food and Housing Project for the administration of Board Resolution 10-05, Pass-Through to Certain Tenants a Portion of 2010's Registration Fee.

Recommendation:

That the Board adopt a resolution authorizing the Executive Director extend contract number 8086 with Berkeley Food and Housing Project to administer Board Resolution 10-05, which provides for a pass-through of a portion of the 2010 registration fee to pre-1999 tenants and for reimbursement of the pass-through to qualifying low-income tenants.

Background and Need For Rent Stabilization Board Action:

At its April 19, 2010 meeting, the Board passed Resolution 10-05 authorizing landlords to continue to pass through to tenants, whose tenancy began prior to January 1, 1999, up to \$48.00 of the 2010 registration fee as a rent increase of up to \$4.00 per month for 12 consecutive months. The Board also instructed the Executive Director to continue the program that allows low-income tenants with a household income at 40% or less of the Area Medium Income (AMI) to be reimbursed for any pass-through of the 2009 registration fee that they incur. The costs of this program are to come from funds, obtained through the AEPHI settlement, that are held by the Board and are committed under Regulation 1271(B) for expenditure for programs that benefit low-income tenants.

Three primary tasks must be performed to administer the reimbursement program envisioned by Board Resolution 10-05. First, it must be determined that the tenant household received valid and proper notice of a rent increase for pass-through of a portion of the 2010 registration fee. Second, upon application of a tenant seeking reimbursement of the rent increase, the tenant's household income must be verified to determine the tenant's eligibility for the requested reimbursement. Third, a check must be issued to each tenant who is determined to be eligible for reimbursement of additional rent paid as a consequence of having a portion of the 2010 registration fee passed-through to them by their landlord. In addition to these primary tasks, administration of the program will also require answering various inquiries and basic office management and record keeping.

The Berkeley Food and Housing Project (BFHP) is a Berkeley based not-for-profit agency that has been assisting lower-income Berkeley residents with housing related issues since the 1970's and has experience administering programs requiring income verification. BFHP was selected

last year to implement this program. Staff has worked closely with BFHP to set up and establish the current procedures for review of eligibility and disbursement of checks.

The current contract is set to expire at the end of June. Staff has contacted the BFHP and they are willing to continue providing this service under the same terms. The only request being made at this time is authorization to extend the term of the contract through February 2012.

Financial Impact:

\$18,000 from the AEPHI Settlement Fund was set aside last year to implement this program, of which less than \$3,000 has been expended. No additional allocation is being requested at this time.

Name and Telephone Number of Contact Person:

Jay Kelekian, Executive Director
(510) 981-7368

Attachments

RESOLUTION 10-

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND CONTRACT NUMBER 8086 THROUGH FEBRUARY 2012 WITH THE BERKELEY FOOD AND HOUSING PROJECT TO ADMINISTER REIMBURSEMENT OF ADDITIONAL RENT PAID AS A CONSEQUENCE OF THE PASS-THROUGH OF A PORTION OF THE 2010 REGISTRATION FEE AS AUTHORIZED BY RESOLUTION 10-05.

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, on April 19, 2010, the Rent Stabilization Board adopted Resolution 10-05 authorizing landlords to pass-through up to \$48.00 of the 2010 registration fee to pre-1999 tenants as a \$4.00 monthly rent increase for 12 months and instructing the Executive Director to develop a program that allows low-income tenants with a household income at 40% or less of Area Median Income to be reimbursed for the pass-through from funds held by the Board that are committed under Regulation 1271 (B) to be used exclusively for the benefit of low-income tenants; and

WHEREAS, it is believed that there is a general reluctance by the public to provide personal information to government agencies and that more tenants will seek reimbursement of the registration fee pass-through if the income verification required to receive reimbursement is done by a non-governmental organization; and

WHEREAS, the Berkeley Food and Housing Project (BFHP) is a local not-for-profit agency that has served low-income people in the Berkeley community on housing related issues for nearly 40 years; and

WHEREAS, BFHP entered into Contract Number 8086 with the Rent Stabilization Board on July 27, 2009, under the authority of Board approved Resolution Number 09-18, to verify the income of tenants seeking reimbursement of the 2009 registration fees that had been passed-through to them by their landlord and issued checks to those tenants who established entitlement; and

WHEREAS, the Board's contract with BFHP will expire on June 30, 2010; and

WHEREAS, BFHP has agreed to extend their contract through February 2012 and continue the verification and reimbursement process to tenants seeking reimbursement of the 2010 passed-through registration fees; and

RESOLUTION 10-

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND CONTRACT NUMBER 8086 WITH THE BERKELEY FOOD AND HOUSING PROJECT THROUGH FEBRUARY 2012, TO ADMINISTER THE REIMBURSEMENT OF ADDITIONAL RENT PAID AS A CONSEQUENCE OF THE PASS-THROUGH OF A PORTION OF THE 2010 REGISTRATION FEE AS AUTHORIZED BY BOARD RESOLUTION 10-05. Page 2

NOW, THEREFORE BE IT RESOLVED that the Executive Director is authorized to extend the contract with BFHP through February 2012, to verify the eligibility of certain low-income households for reimbursement of up to \$48.00 in additional rent paid as a consequence of the pass-through of a portion of the 2010 registration fee. The amount payable under the contract is not to exceed \$18,000.

Dated: May 24, 2010

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

Yes:

No:

Abstain:

Absent:

Lisa Stephens, Chair
Rent Stabilization Board

Attest: _____
Jay Kelekian, Executive Director