



Rent Stabilization Board

FOR IMMEDIATE RELEASE

Press Contacts: Lisa Stephens, Chairperson, Berkeley Rent Stabilization Board (510) 575.2068
Jay Kelekian, Executive Director, Berkeley Rent Stabilization Board (510) 981.7368
Stephen Barton, Deputy Director, Berkeley Rent Stabilization Board (510) 981.7368

RENT BOARD CHAIR LISA STEPHENS RESPONDS TO CIVIL GRAND JURY'S FINAL REPORT

The Alameda County Civil Grand Jury has just completed a review of the Berkeley Rent Stabilization Board's budget, fees and personnel procedures and issued a Final Report. From the outset of its inquiry, we offered our full cooperation and provided extensive written documentation to support our oral testimony.

Civil Grand Juries can perform a vital role in our modern democracy by reviewing the activities of public agencies and acting as "watchdog" to ensure that those agencies are not abusing the public's trust. We would have welcomed a critical, fact-based analysis of the Rent Board's charge under the City Charter: the administration of the Rent Stabilization and Eviction for Good Cause Ordinance. Unfortunately, this Grand Jury missed such an opportunity. Instead, it has issued a report that ignored significant evidence substantiating the effective enforcement and reasonableness of the administration of Berkeley's rent and eviction laws, choosing to mask a disagreement about what type of rent control law Berkeley should have under the guise of criticism of administrative issues. Even more troubling for a report from a public body is the reliance on inaccuracies, innuendo and "perceived" problems, to give a veneer of plausibility to its conclusions.

In the normal course of events, I would ask the Board to respond to inquiries about the Grand Jury report if and when they arose. The factual errors and insinuation of impropriety in this case are so egregious that to not respond immediately does a disservice not only to the dedicated public servants who provide services to landlords and tenants alike on a daily basis, but to the voters who have consistently supported fair and active enforcement of the Ordinance. The Board may issue a formal response in the future.

Civil Grand Jury testimony is confidential. Testimony and evidence recounted here is mine and that of the Executive Director, Jay Kelekian. Although we do not know the substance or origin of the

complaints that triggered this investigation, the initial inquiries to which we responded and much of the Final Report mirror the June 28, 2011 letter sent to the City Auditor by Sid Lakireddy on behalf of the Berkeley Property Owners' Association (BPOA) (attached). The BPOA has been a consistent opponent of Berkeley's rent control laws since the late 1970's.

It is important to point out that despite a nine-month investigation, the Grand Jury found nothing illegal or unethical, and that none of the Board's activities were outside the scope of the Ordinance. Instead, the Grand Jury opined on what type of rent control Berkeley *should* have without any indication that they understood the distinctive nature of Berkeley's type of rent control and without any consideration of the strengths, weaknesses and costs of different approaches. The voters of Berkeley have consistently supported Berkeley's form of rent control over the 32 years it has been in effect. Our staffing levels and fees are in line with cities that have a similar form of rent control (Santa Monica, West Hollywood and East Palo Alto).

In its report, the Grand Jury either ignored or misstated numerous key points, including:

- The elected Board is accountable to the voters, who have repeatedly made clear that they support full enforcement of the Rent Stabilization & Eviction for Good Cause Ordinance.
- The purpose of the Ordinance is to create a reasonable balance between the interests of landlords and tenants in an unbalanced housing market.
- The increases to the initial annual registration fee *have* been passed through to most tenants and are paid through the rent.
- The Board carries out extensive review and oversight and does so transparently and in public. Board meetings are televised (with transcription), broadcast on radio and web cast to maximize total transparency and accessibility.
- The Board has six standing committees that meet regularly with staff to provide effective oversight.
- The staff at the Rent Board **has** decreased as needs have changed. At the height of rent control, the Rent Board had 36 FTE. Since the passage of vacancy decontrol the staffing level gone down from 27 to between 19 - 21 FTE the past few years.
- Due to the foreclosure crisis and the increased incentive that vacancy decontrol created to evict long-term tenants, the need for the Rent Program's services has **increased**. We receive over 10,000 client contacts a year.
- Overwhelmingly, tenants and most landlords (regardless of their opinion about the law) believe that the services they receive from the Rent Board staff are fair and professional.

- Berkeley's registration fee is within the range of the California cities with strong rent control enforcement policies: Santa Monica, East Palo Alto and West Hollywood.
- Los Angeles, San Francisco and Oakland charge lower fees, but studies have shown that these cities have a far higher rate of non-compliance with their ordinances and they have much larger populations and benefit from economies of scale.
- All Rent Board employees are hired through the City's civil service system, administered by the Human Resources Department, which ranks job applicants by their qualifications. Those hired at the Rent Board are judged the most qualified candidates by this process.
- The Executive Director's pay is similar to what other directors are paid in similar cities.
- The elected Board's compensation has not increased in 25 years, since 1987.
- Like most local and independent governmental agencies, the Board has a lobbyist to represent its interests in Sacramento and has had one since 1984 which includes the period when the majority of the Board were people supported by landlord organizations.
- The Board has detailed published regulations that govern the late payment penalty/waiver process and all waivers are reviewed by the Director to assure rules are applied correctly.
- We are fortunate that at a time when tax limitations and recession are crippling local government services, the Berkeley Rent Board is able to charge adequate fees and ensure that the Rent Stabilization and Eviction for Good Cause Ordinance is properly enforced.

Finally, perhaps what is most disturbing are the numerous unfounded and undocumented references to "**potential** areas of misuse" or "**perceptions** of impropriety" made by opponents of the Program. Anyone can make unfounded accusations and create a "perception" problem – we live in a time when many people claim the President of the United States is not really an American. The Civil Grand Jury's inaccurate and inconclusive review of these issues in and of itself contributes to these "perceptions of impropriety".

The attached document does not discuss "potential" problems or "perceptions" but rather the facts that were presented to, but often not included in, the Grand Jury's analysis or Final Report.

**Lisa Stephens, Chairperson
Berkeley Rent Stabilization Board
June 25, 2012**

Berkeley has chosen effective enforcement of its ordinance

Berkeley's voters have consistently supported a strong, fair system of rent regulation and the measures necessary to enforce it. The Civil Grand Jury report makes no effort to evaluate what is actually required in order to effectively implement Berkeley's Rent Stabilization and Eviction for Good Cause Ordinance and it ignores the evaluation studies done by the City of Berkeley, as well as those by the City of Los Angeles and by academic researchers. The Civil Grand Jury proclaims that the Rent Board "must reduce the high rental registration fees" and follow the example of the larger cities of Los Angeles, San Francisco and Oakland, all of which charge much lower fees (pp. 65-66). Proper enforcement requires rent registration and verification and unlike Berkeley, Santa Monica and some other cities, these larger cities don't do that. Instead they rely on tenant complaints about rent violations to enforce their ordinances. A recent study commissioned by the City of Los Angeles reported that more than one quarter of all rent stabilized tenants in Los Angeles – well over 100,000 tenant households – had been subject to rent increases over the legal limit and recommended that Los Angeles consider requiring rent registration as Berkeley does.¹ In contrast, Berkeley's recent study found that at most five percent of all tenants were paying an amount over the registered rent ceiling.² The Civil Grand Jury chooses as its model a system that allows tens of thousands of tenants to be overcharged and uses this as the basis for arguing that Berkeley's administrative costs are excessive. A system that promotes ongoing education, rent registration and verification adds to the cost of our program, but it costs tenants far more when they are overcharged as in other cities.

Berkeley has reduced staff since vacancy decontrol while responding to new problems and increased request for services

In 1986/87, the Rent Stabilization Program had 36 full-time equivalent staff (FTE). Prior to the passage of vacancy decontrol in 1995, the Rent Board had 27 FTE. In the current fiscal year, we have had between 18-21 FTE, despite the Civil Grand Jury report's claim that we have not reduced our activities (p. 65). The Grand Jury report claims, without substantiation, that vacancy decontrol has so greatly reduced the staffing needs of the Rent Stabilization Program that further reductions should be made. In the real world, to take only one example, vacancy decontrol changed the nature of the problems faced by tenants in Berkeley by providing a major incentive for landlords to push out long-term rent stabilized tenants so that they can be replaced with new tenants who would then pay current market rents, instead of the former tenants' much lower stabilized rent. In addition, the foreclosure crisis has increased the number of tenants being told that they must vacate foreclosed properties, even though foreclosure is not a good cause for

¹ Economic Roundtable, *Economic Study of the Rent Stabilization Ordinance (RSO) and the Los Angeles Housing Market*, 2009, p. 127.

² Berkeley Rent Stabilization Board, *Report on the April – May 2009 Survey of Tenants of Registered Rental Units*, March 15, 2010, pp. 21-22.

eviction. This has greatly increased the need for Rent Board action to ensure tenants are aware of and capable of exercising their rights to eviction for good cause. Vacancy decontrol has diminished the need for extensive hearings on issues such as rent increases for capital improvements, but it has increased the need for outreach and education on good cause for eviction.

The Grand Jury fails to acknowledge the actual changes in staffing levels that resulted from decontrol, despite having this evidence presented to them. For example, the Grand Jury was informed that prior to decontrol, the Board had as many as 6.85 FTE Hearing Examiners on staff. In 1995 (the earliest year we were able to get an accurate count of the number of hearings held), the Board had 4.6 FTE Hearing Examiners and conducted 485 hearings. In 2011, the number of Hearing Examiners was reduced to 1.85 FTE and 215 hearings and/or mediations were conducted. Similarly, it was pointed out to the Grand Jury that in 2002, the Board had three attorneys: a Chief Counsel and two individuals at the Staff Attorney III level. The combined 2011 cost for these three positions would be roughly \$475,000 in salary. In 2011 and 2012, the Board has had three attorneys: one Staff Attorney III and two individuals at the Staff Attorney I level. The combined 2011 salary cost for these new individuals serving in adjusted classifications is roughly \$325,000. That is a savings of \$150,000 per year.

The most common complaint about the Program in late 2002 was that the counseling was “biased, inconsistent and unreliable.” In response, since 2004, one entry-level attorney has been assigned to the Public Information Unit to serve as an “attorney of the day.” This is to provide initial and ongoing training to counselors, respond to difficult and more complex cases and provide immediate quality control assurances. Complaints about the quality of counseling are now rare and customer satisfaction surveys of owners and tenants indicate that now citizens are pleased with the service they receive in our Public Information Unit.

The Civil Grand Jury report summarily dismisses these staffing changes as the Rent Board “re-inventing itself” and rather than appreciating that the Rent Board is responsive to changing conditions and the need to improve services, treats this as evidence that it is a “self-sustaining” bureaucracy.

The Board provides effective oversight

The very reason the voters altered the City Charter to create an elected Rent Board was to increase transparency and accountability to the voters because they believed the intent of the Ordinance was not being carried out sufficiently by staff and the appointed Board; it was not solely for “stricter enforcement of the registration fee”, as the Grand Jury report states. The Rent Board takes its mission seriously and has an active committee structure that provides regular and ongoing oversight of staff efforts. Board committees include Budget & Personnel; Eviction, Foreclosure & Section 8, IRA/AGA/Habitability, Outreach, Waivers, Safe & Sustainable Housing and an Ad Hoc Committee on Smoke-Free Housing. Rent Board members typically

attend 25 - 40 publicly noticed meetings a year. The Board places an emphasis on transparency and accessibility to the public. Regular meetings of the full Board are televised with closed captioning, broadcast on radio and live webcast (webcasts are also archived for convenient home viewing).

The Budget and Personnel Committee reviews and discusses **all** changes to the staffing model before forwarding them on to the full Board for final approval. When appropriate under the law, the Board meets in closed session to discuss personnel matters. The Chair and other Board members provide informal feedback and direction to the Executive Director on a regular basis and the Board conducts a detailed formal evaluation of the Director every two to three years. The Grand Jury report did not mention that, similar to other departments in the City, the Rent Board financial practices are reviewed annually by an independent outside auditor, selected by the City. The report and findings of the outside auditor are forwarded to the Board as part of their oversight function. The most recent audit report was provided to the Grand Jury.

In addition, the Board has periodically commissioned studies of the effectiveness of the Program, who it is serving and how well it is meeting its objectives. These studies have resulted in new initiatives to improve program implementation, but were ignored in the report. A recent survey of tenants analyzed the nature of the tenant population assisted by rent regulation and how well they are served by the Program. This study found that new residents of Berkeley were often unaware of their rights and led the Board to work with staff through the Board's Outreach Committee to develop better ways of informing new residents. A recent economic study determined that the rental property owners who own buildings where there has been no turnover since vacancy decontrol (only 400 units out of 19,000) might not be receiving a fair return on their investment. In response, the Board's Individual Rent Adjustment Committee worked with staff to develop a new regulation that will allow them an additional rent increase. These are examples of real program evaluation and real accountability. Both the tenant survey and the economic study were provided to the Grand Jury.

Berkeley's fees are at the appropriate level to implement the Ordinance and are passed through to tenants

The Berkeley Rent Stabilization Board has made a policy decision to charge fees sufficient to enable it to fully enforce the Rent Stabilization and Eviction for Good Cause Ordinance. The Grand Jury wants the Rent Board to adopt a different policy that would reduce the fees, and thereby reduce the quality of regulatory oversight, making it easier for some property owners to violate the law. This is not just a simple concern with administrative efficiency, but a substantive policy change.

The recommendation by the Grand Jury to reduce the fees seems to be based on a fundamental misunderstanding of who actually pays the annual registration fee. Although property owners physically write the check, the increases to the initial registration fee are paid by the tenants

through their rents. Representatives from the Berkeley Property Owners Association have repeatedly made this point when arguing for lower fees.

From 1980 through 2004, the Board did an annual analysis of all costs incurred by property owners as the basis for determining the Annual General Adjustment (AGA.) All increases in the Registration Fee were included in this calculation. In 2004, the voters approved a measure that changed the way the AGA was calculated, setting it by law at 65% of CPI rather than through an annual cost study (this change took effect with the AGA approved in October 2005, affecting 2006 rents). Since 2005, the Board has increased fees from \$154 to \$194 per unit. The Grand Jury acknowledges that the Board allows \$48 (\$4 per month) to be passed through to tenants under full rent control. This amount includes the \$40 increase plus a portion of the City's fees for housing code enforcement. The Grand Jury fails to understand or acknowledge that the balance of the fee increases had already been included in the rent through prior AGA increases. For tenants whose rents have ever been decontrolled, this amount is paid out of the rent increase above what they would be paying under full rent control. The very logic of vacancy decontrol is that owners will account for all increases in fees, taxes and other operating costs when they set the new market rent.

Berkeley's fees fall within the normal range for the other California cities that have strong enforcement policies: East Palo Alto, Santa Monica and West Hollywood. Los Angeles, Oakland and San Francisco have very different complaint-based systems as well as economies of scale due to their larger size, so they are not a fair basis for comparison.

Table: Units Registered and Per Unit Fees in Cities with Strong Enforcement Policies

City	Registered Units	Per Unit Fees
Berkeley	19,000	\$194
East Palo Alto	1,900	\$234
Santa Monica	28,000	\$156
West Hollywood	15,000	\$120*

* West Hollywood also receives General Fund support to operate their Program

The Civil Grand Jury report incorrectly uses the initial 1980 registration fee of \$12 per unit to assert that Rent Board fees, currently \$194 per unit, have increased exorbitantly. As the Executive Director explained to the Grand Jury, the initial fee was set far too low to meet the requirements of the agency. Santa Monica, which provided significantly better administration of its ordinance in the early years, raised its fee to \$72 per unit in 1981, while Berkeley's fee was finally set at a more realistic \$60 per unit by the first elected Board back in 1984.

We note that rents in Berkeley have more than tripled since 1980, so the Rent Board's real operating costs have not increased any faster than the rents. The average owner of rental property in Berkeley saves far more in reduced property taxes due to valuations that have not kept up with market values than they pay in fees to the Rent Board. In addition, as a result of vacancy decontrol, landlords in Berkeley receive an average of an additional \$5,000 per unit annually from tenants, more than 25 times the amount of the annual registration fee.

Berkeley hires and promotes the most qualified staff

The Grand Jury report is simply wrong when it claims that the City of Berkeley hiring lists are not ranked by applicant qualifications and that this could make it easy for the Executive Director to hire minimally-qualified "friends". It is standard practice for the City of Berkeley's Human Resources Department to rank applicants on hiring lists, placing them in three groups: "qualified", "well qualified" and "most qualified". Almost every person hired or promoted by the Executive Director has been ranked in the "most qualified" group. There have been two or three exceptions over more than a decade and each has a specific justification based on the requirements of the position. The Grand Jury was informed of these facts, and could easily have verified this by contacting the City's Human Resources Department. The Executive Director offered to open up his files for every position hired over the previous five years so the Grand Jury's staff could determine that the most qualified person was selected. Regrettably, this offer was declined. Such a review would have revealed that the staff hired in recent years have extraordinary credentials, many with advanced degrees from prestigious universities. Instead, the Grand Jury falls back on possible "perceptions of impropriety" and the incorrect claim that there are no rankings to imply that the Executive Director **may** not have hired the most qualified people. This amounts to use of innuendo to denigrate the reputation of the highly-qualified Rent Board staff, as well as that of the Executive Director and the Board.

The Grand Jury report singles out for criticism the creation of the Deputy Director position and the accompanying hiring process. Again, the Grand Jury states the facts incorrectly. The need for the position of Deputy Director was first identified by the Board in 2006, in response to the heavy demand on the Executive Director and lack of administrative support. At the time, the budget could not support the new additional position. After retirement of several senior staff in 2009, the Board began the process of creating a new position. Any new classification in the City's Civil Service System must be approved by the City's Personnel Board and the City Council. The City Council approved the position and requested an open recruitment and selection process. The City's Human Resources Department conducted an extensive recruitment and evaluated all candidates, recommending the list of individuals to be interviewed by an outside panel. The panel included a City Attorney familiar with rent control laws and administration, the Chair of the Berkeley Housing Authority appointed by the Mayor, and a member of the Berkeley City Council who is often critical of rent control. Dr. Stephen Barton, the first person hired as Deputy Director, was selected as the most qualified candidate by this

panel. Prior to being interviewed by the panel of outside experts, Dr. Barton was ranked “most qualified” by the Human Resources Department staff.

Dr. Barton is a widely published, award-winning expert on housing policy and previously served the City with distinction, receiving a City of Berkeley proclamation of thanks from Mayor Bates in July 2007 when he stepped down after nine years as Housing Director. He retired after 15 months in the Deputy Director position but has remained in this position on an hourly basis in retirement and is expected to do so until his current projects are completed and the Board can make a smooth transition to a new Deputy. The report incorrectly claims that after his retirement as Deputy Director he was “rehired as a part-time senior planner”. The Grand Jury report suggests that the Deputy position had the sole purpose of succession planning and implies that Dr. Barton’s retirement indicates that his hiring was problematic. Dr. Barton was hired because his depth of knowledge of housing policy and City housing programs could facilitate the Rent Board’s efforts to better coordinate its work with other City departments. This project was expected to take approximately two years and he has been Deputy Director on a full-time or hourly basis for nearly two years now.

Claims that the Rent Board does not follow City procedures are not correct and unsupported by evidence

The Grand Jury recognizes that all hiring (except the Executive Director) is carried out through the Human Resources Department (p.64) following standard City procedures (p.68) but proceeds to claim that the HR Department does not provide enough oversight of the Rent Board’s personnel procedures (p.71) without providing a single example of such lack of oversight. In fact, the Human Resources Department must review and approve **any** changes in classifications used by a Department. New classifications such as the Deputy Director and Administrative Staff Assistant are also reviewed by the Personnel Board and the City Council. The Grand Jury states that “the BRSB and director should heed the advice from the city departments handling personnel, payroll, and finances” (p.69) but again fails to provide a single example of an occasion when the Board or the Executive Director did not heed such advice. The Director testified that the City of Berkeley purchasing standards were the minimum standards used and that the Rent Board will receive more bids from vendors than required under standard City practices. In addition, the report says that “Berkeley staff appears to be too deferential to the BRSB when problems are identified” (p.69) but does not specify any of the problems supposedly identified by staff from other departments.

Attorneys play a vital role in advising landlords, tenants and other staff

It is ironic that, having spent so much time inconclusively discussing unfounded “perceptions” that less than fully-qualified people are hired at the Rent Board, the Civil Grand Jury then goes on to criticize the Rent Board for hiring people they regard as over-qualified. According to the report, the Rent Board has too many attorneys, and their number should be reduced because

attorneys are only necessary to engage in lawsuits and are not needed to advise staff or talk to owners or tenants to explain complex regulatory issues. Again, the Civil Grand Jury provides no basis for this view and ignores the fact that good quality legal advice helps prevent lawsuits. The Rent Board public information and counseling staff handle over 10,000 inquiries from the public annually. In light of the complexity of landlord-tenant laws and regulations, it is essential that counseling staff be provided with ongoing training, quality review and assistance in responding to difficult questions and situations. These are vital functions that are best provided by people with legal training. It is worth noting that the salary differential between a Community Service Specialist II (the position used as a Housing Counselor) and a Staff Attorney I is only \$500 - \$900 per month. We firmly believe that we have the appropriate number of attorneys on staff in the appropriate classifications to reasonably meet our needs. Perhaps the Grand Jury's concern arises because they did not realize that twenty years ago the City Attorney determined that the Rent Board needed to have its own attorneys, rather than relying on the City Attorney's Office, to avoid any potential conflict of interest.

The Board is responsive to landlord concerns

Contrary to the picture provided by the Civil Grand Jury, the Rent Board pays close attention to the quality of its work with owners and managers of rental property. The Board is representative of Berkeley's renter/owner population. Five members of the Board are tenants and four are property owners. The Board has two landlords among its nine members – 22% of the Board – which is a far greater proportion than are in the general adult population. They are both small landlords who owner-occupy one unit and rent out another, which makes them similar to the vast majority of Berkeley landlords who rent out one to four units, although the majority of the units and all of the larger buildings are owned by a small number of landlords who have 15 units or more. More than half of our client contacts are with property owners. The Rent Board recently conducted a customer service survey of landlords and found that, regardless of how they may feel about the existence of rent stabilization in Berkeley, they mostly find the Rent Board staff to be responsive, professional and helpful.³ This is a tribute to the quality of the Rent Board staff, who work with a large number of small landlords who do not hire professional management to help ensure that they understand both their rights and their obligations under the law and how to meet their legal requirements. The Grand Jury seemed to be impressed when informed that the Board conducted special workshops and developed clear materials designed for new owners, and co-sponsored statewide legislation to make it easier to evict problematic tenants for nuisance but, again, failed to note these efforts in their report.

The Executive Director's salary is appropriate

The Civil Grand Jury was provided a detailed explanation and supporting written documentation on the Board's process in negotiating the Executive Director's salary. The Civil Grand Jury is

³ Jay Kelekian, Executive Director, "Customer Service Survey of Berkeley Rental Property Owners and Managers", Berkeley Rent Stabilization Board, June 18, 2012.

critical of the salary that the Board has negotiated with the Executive Director, stating that he is overpaid in comparison to other department heads within the City and that it is not appropriate to compare him to directors of other municipal rent control programs. Unfortunately, the comparison the report makes is to the *current* salaries of certain City of Berkeley department heads, rather than evaluating whether the comparisons and considerations the Board used at the time the salary was negotiated in 2008 were appropriate. At that time, we looked at a combination of the Executive Director's length of service to the City and his current job, the previous director's salary, other Rent Board employees' pay, and the salaries of other City employees with comparable responsibility.

The Board started with the City's salary range for small department heads, and compared the salaries and experience of the other roughly-equivalent department heads. In April 2008, this included the newly-hired City Clerk at \$169,776, the Director of Human Resources at \$161,136, and the Planning Director at \$179,039. We also looked at the previous Rent Board Director, who would have been making \$165,000-168,000 with only cost-of-living adjustments had she stayed. We also conducted a salary study within the agency. Prior to renegotiating his contract in 2008, several other Rent Board staff were making more than the Executive Director. We also recognized that the Executive Director of the Rent Board is a unique position within the city, answerable and serving at the pleasure of the nine elected commissioners. The only other city jobs like this are the Superintendent of Schools and the City Manager. And while the Grand Jury does not believe that we should have looked at the salaries of directors of other rent control programs, we did: at the time, Santa Monica, which is most equivalent to Berkeley, was advertising for a new Administrator at a salary substantially higher than the \$148,000 our Executive Director was making.

With all of these considerations we set the Executive Director's salary at \$160,500, the middle of the range for small department heads, plus any cost-of-living adjustments or other increases the City of Berkeley provided other department heads. We also provided annual step increases to allow the salary to approach the higher end of the salary range as the Director gained even more experience in the position. The Executive Director's current salary reflects this. The \$183,000 the Grand Jury report cites is also within the current range for small department heads of \$137,772-\$189,396. This range is set by the City of Berkeley, not the Rent Board. The current salary for the Administrator of the Santa Monica Rent Control Board is \$189,624.

Finally, we regulate an industry that wants to not only weaken but entirely eliminate rent regulation, with the result that the Director must be capable of managing and providing leadership in an environment that involves high controversy, high scrutiny, personal attack and frequent misrepresentation. Rent stabilization is a specialized field that requires expert administration based on a combination of management skills and deep knowledge of the regulatory system and its history. The Board believes that Executive Director Jay Kelekian has demonstrated the highest level of competence and accomplishment during his tenure at the

Berkeley Rent Board. We have set his salary at a level that helps ensure that he stays in that position as long as possible, rather than finding it attractive to seek another position.

The Rent Board's Legislative Advocate defends Berkeley's Ordinance, regardless of the political orientation of the Board

The Grand Jury incorrectly asserts that the hiring of a lobbyist is a "manifestation" of the political orientation of the Board, to advocate for "pro-tenant" legislation.

The charge of any elected body is to promote and defend the policies of the city's or agency's electorate and to fight against the diminution of local control by the state legislature. Most local and independent agencies retain lobbyists, including such unlikely entities as EBMUD and AC Transit.

Since 1984, the Rent Board has retained a legislative advocate (lobbyist) in Sacramento to monitor, support and oppose legislation in conformance with the purposes of the Ordinance. This includes the period of time when the majority of the Board were people supported by landlord organizations. The Ordinance and its provisions are under constant attack and have been for 32 years.

The legislation the Board supports is more accurately characterized as "pro-ordinance" rather than "pro-tenant." While much of the work of the legislative advocate is preventing the erosion of tenant protections, the Board also supports legislation that clarifies the landlord-tenant relationship and promotes the housing policies of the electorate. Examples of legislation of this type that the Board has supported recently include: SB 426 (Calderon) clarifying that certain problematic behavior by tenants can be considered a nuisance under state law; AB 1679 (Bonilla) allowing landlords and tenants to agree to use email to resolve the amount of the security deposit refund and direct deposit of the security deposit after a tenant vacates (sponsored by the California Apartment Association); SB 1229 (Pavley) prohibiting landlords from requiring de-clawing or de-voicing of animals as a condition to rent or remain in a unit; and AB 818 (Blumenfield) making recycling mandatory in all multi-family housing.

The Berkeley Property Owners' Association, California Apartment Association, California Housing Council, East Bay Rental Housing Association, Northern California Rental Property Association; numerous Boards of Realtors, the Apartment Associations of many different cities and counties; all have lobbyists working to alter Berkeley's laws protecting tenants.