

SDCI, OPCD, and OH Comments on Council Bill 120325

SDCI, OPCD, and OH recommend that Council pursue this opportunity as a pilot project with a limited scope, as numerous questions about implementation of an ongoing citywide program remain unresolved. None of the departments have funding required to establish a data system for real estate market data collection and provide the ongoing support that will be needed. We anticipate it will be costly for a research university to set up and administer the program. It will be somewhat comparable to the RRIO registration system, the startup costs for which were approximately five million dollars. Contracting with an entity that is already conducting rent surveys with some property owners could reduce the costs somewhat. Ongoing funding would be needed for staffing, system maintenance, and customer support.

- Enforcement through the RRIO program will be a challenge, as reviewing the declarations to determine if they are truthful and that the information provided to the third-party vendor is accurate will require more staffing for compliance review and follow-up enforcement.
- SDCI will need to update its IT infrastructure to accommodate tracking landlord-submitted certifications. SDCI will also need at least one position to support enforcement of the legislation. It is important the landlord declaration requirement does not go into effect until after the system is in place to collect rent data.
- The soonest data collection would begin is 2023 due to complexity of required systems and outreach and engagement with landlords. Without sufficient time to ramp up, it is unlikely that the data delivered through this program would be of high enough quality and reliability for informing City policy and programs.
- OPCD would be prepared to select and contract with a qualified entity provided sufficient resources are available to fund the contract. Any uncertainty related to funding could be a hindrance to attracting a university partner.
- OPCD would need to work with the university to ensure that the data provided is structured in a way that enables the City to conduct analyses on housing cost trends, displacement risk, and other neighborhood level housing issues. There are some issues with the bill's specification of the information property owners would provide. Our technical staff would like to meet with Central staff on this.