



MEMORANDUM

Finance and Administrative Services Department
Community Development Department

DATE: June 14, 2021

TO: Rental Housing Committee

FROM: Jesse Takahashi, Finance and Administrative Services Director
Anky van Deursen, Program Manager

SUBJECT: CSFRA Fiscal Year 2021-22 Budget and Rental Housing Fee

RECOMMENDATION

To adopt a Resolution of the Rental Housing Committee of the City of Mountain View Adopting the Fiscal Year 2021-22 Budget and Establishing a Rental Housing Fee Sufficient to Support the Fiscal Year 2021-22 Budget, to be read in title only, further reading waived (Attachment 1 to the memorandum).

INTRODUCTION AND BACKGROUND

On November 8, 2016, Measure V, otherwise known as the Community Stabilization and Fair Rent Act (CSFRA), was passed by the voters. The stated purposes of the CSFRA are: “to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Mountain View by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring landlords a fair and reasonable return on their investment and guaranteeing fair protections for renters, homeowners, and businesses.” (Section 1700)

The CSFRA requires dedicated resources for its development, implementation, and administration. Section 1709(d) of the CSFRA empowers the Rental Housing Committee (RHC) to establish a budget for the reasonable and necessary implementation of the provisions of the CSFRA, and Section 1709(j) requires the RHC to finance its reasonable and necessary expenses as necessary to ensure implementation of the CSFRA by charging landlords an annual rental housing fee.

On May 17, 2021, the RHC reviewed a recommended budget for Fiscal Year 2021-22. The purpose of the budget is to provide the funds necessary to administer the CSFRA. The budget is also used to calculate the annual rental housing fee. The recommended budget

includes cost projections for the recurring annual program costs and the rebudget of a specific item. The RHC proposed one change to the recommended budget as presented on May 17, 2021, namely to reduce the litigation line item from \$100,000 to \$80,000.

ANALYSIS

Fiscal Year 2021-22 is the fifth full fiscal year of operations, and the RHC and staff continue to evaluate and gather information to assess the appropriate level and most effective and efficient methods to implement the CSFRA. The financial impact resulting from the COVID-19 pandemic will continue long after the pandemic itself has faded. Besides measures enacted to mitigate against economic impacts, such as business and small landlord loan programs as well as rent relief programs, the RHC decided last year to adopt a pared-down budget with resulting lower fees for landlords to ease the financial burden. As previously indicated, the CSFRA program is not able to maintain the low level of the Fiscal Year 2020-21 budget in the upcoming fiscal year. However, compared to the recommended budget as presented to the RHC on May 17, 2021, staff was able to adjust some calculations to bring the recommended annual rental housing fee to \$102 per unit (Exhibit C to the Resolution).

Fiscal Year 2021-22 Budget

The Fiscal Year 2021-22 budget as presented totals \$2,098,926 and consists of the following key expenditures (see Exhibit A to the resolution):

- Staffing: \$919,456
- General operating costs (including training and outreach): \$176,500
- Third-party professional services: \$549,000
- Information Technology: \$159,200 (\$120,200 rebudget)
- City resources/administrative support: \$295,270

CSFRA Rental Housing Fee

An estimated total of 14,950 fully and partially covered rental units are located in the City of Mountain View. To ensure full funding of the CSFRA program, the annual rental housing fee is calculated by dividing the total amount of the Fiscal Year 2021-22 budget, as approved by the RHC, by the total amount of rental units covered by the CSFRA (14,950). The revenues required for Fiscal Year 2021-22 are reduced by the estimated

ending balance remaining from Fiscal Year 2020-21. Incorporating the balance with the recommended budget, the recommended Annual Housing Fee for Fiscal Year 2021-22 is \$102 per unit. The annual rental housing fees will be billed in January 2022.

FISCAL IMPACT

Adoption of the Fiscal Year 2021-22 recommended budget for the RHC in the amount of \$2,098,926 will provide appropriations for the operation of the CSFRA program for Fiscal Year 2021-22. The recommended action will also authorize the fee to be billed and collected to provide for the financial resources to recover the costs of the program.

PUBLIC NOTICING – Agenda posting.

JT-AVD/JS/6/CDD/RHC

814-06-14-21M

- Attachments:
1. Resolution Adopting the Fiscal Year 2021-22 Budget and Establishing a Rental Housing Fee
 - Exhibit A: Fiscal Year 2021-22 CSFRA Recommended Budget
 - Exhibit B: Fiscal Year 2021-22 CSFRA Statement of Revenues, Expenditures and Balances
 - Exhibit C: Fiscal Year 2021-22 CSFRA Recommended Rental Housing Fee
 2. May 17, 2021 RHC Staff Report – Fiscal Year 2021-22 Recommended Budget