



City of Mountain View Rental Housing Committee Meeting May 23, 2024, Agenda Item Questions

Item 4.2: CSFRA/MHRSO Expenditures

Q: Non-Personnel Services for CSFRA/MHRSO: Why were there lower advertising, material, and supply costs? Was this a conscious decision based on higher-than-expected costs in other areas?

A: The budgeted amount for this expenditure is based on staff's best estimates for the Fiscal Year. For this reporting period, Non-Personnel Services expenditures related to advertising, materials and supply costs was lower than anticipated due to:

- Overall reduction in expenditures as well as shifting staff resources from developing a newsletter to prepare for RUBS/One-Time Utility.
- Pending invoices that will cause expenditures to partially catch up to estimated expenditures once the invoices are processed. (CSFRA)

This was not to accommodate higher-than-expected costs in other areas.

Q: CSFRA on Capital Outlay: The staff report says: "This rebudget is used for ongoing development of the online portal. Items in the original RFQ remain outstanding due to shifting priorities outside of the original RFQ as determined by the RHC including the processing of online payments." Does it mean that the portal is behind schedule on development? What are the "shifting priorities" mentioned?

A: There were unanticipated priority items that emerged this fiscal year that required shifting staff resources to respond to those items, including developing an integrated payment system. This impacted staff's ability to work on the landlord petitions aspect of the online portal. The rebudget of \$48,850 will allow staff to work on this part of the online portal in FY 2024-25 and does not impact the fee.

Item 6.1:

Q: CSFRA annual fee: It looks like the increase from \$108 to \$120 (11% increase) is due to a 15% increase in operating expenses. Is this due to the additional staffing needed to implement the new regulations related to RUBS? Is this expected to decrease once the transition from RUBS is accomplished? If there are other key reasons for the increase, what are they?

A: Yes, the additional staffing is needed to implement the RHC-adopted regulations related to RUBS, including the One-Time Utility Adjustment process as well as ongoing administration. Additional staff capacity will also be necessary to implement the enhanced compliance and monitoring requirements that the RHC adopted, which has increased program compliance as well as the workload.

Q: Regarding the "Community Services Coordination" item, are there further details on what the "case management services" are?

A: The Housing Help Center (HHC) CSA Case Manager primarily support clients who are at risk of eviction by assisting clients through the initial screening and intake process, including receiving and responding to referrals, completing the initial screening process to determine eligibility, onboarding clients and completing County assessments. Additionally, they connect with landlords to coordinate rent relief payments and reduce evictions. They also attend Housing Help Center clinics and any other events held by the City of Mountain View and assist with outreach and education to landlords and tenants. This position significantly supports the Rent Stabilization Division thereby increasing staff workload capacity with limited cost to the budget.

Q: There seems to be a typo for "Operating Expenses" in Table 3 as it includes non-operating expenses in its calculation. This, among other cascading calculations, leads "Operating Balance" and "Excess (Def.) of Revenue" to be the same in Table 3 but not in Table 2.

A: Thank you for noticing this discrepancy. The typo has been corrected in the Budget Memo shared on 5/21/2024.

Q: To clarify, is the reserve targeted to 20% of total expenditures, including general fund administration?

A: Yes, that is correct. Using the CSFRA budget as a reference, the reserve is based on 20% of the sum of the following line items in Table 1, 4th column of the report for the Recommended Budget FY 2024-25:

- Operating Expenses - \$2,131,974
- City Administration - \$164,770
- Self-Insurance - \$49,020
- Compensated Absence Reserve - \$3,000
- Equipment Replacement Reserve - \$1,900
- TOTAL = \$2,350,994
- RESERVES = \$2,350,994 * 0.2 = \$470,133

Item 6.2:

Q: Once the one-time utility adjustment has been approved by staff for a particular apartment complex and the notices are sent to the tenants, do the changes go into effect immediately? When would the tenants have an opportunity to raise issues with the adjustment if they had any?

A: Tenants may raise issues with the adjustment when they are informed by staff that the Landlord has submitted a completed petition packet. Section B.12.i. provides when the one-time utility adjustment may be imposed, depending on when the tenancy was commenced. In most cases, the Landlord will be able to impose the adjustment at the same time that they impose the next AGA increase, as indicated in CSFRA Regulations Chapter 13:

"12. Imposition of Utility Adjustment.

- i) Upward Adjustment. If the Utility Adjustment Petition results in a one-time Rent increase, the Landlord may impose the adjustment either: (i) on a date no*

earlier than twelve (12) months after the most recent Rent increase for the Covered Rental Unit; (ii) on a date no earlier than twelve (12) months after the commencement of the tenancy; or (iii) upon the expiration of a longer than twelve (12) month term of the Tenant's current Rental Housing Agreement, whichever is latest. The Landlord shall provide a written notice of rent increase pursuant to California Civil Code Section 827. At all times before the Utility Adjustment goes into effect, the Landlord may continue to use RUBS or any similar system or methodology that is not based on a Tenant's actual usage in accordance with these Regulations to allocate Utility Charges to Tenants."