

DATE: April 25, 2022

TO: Rental Housing Committee

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

SUBJECT: **Mobile Home Rent Stabilization Program Recommended Budget for Fiscal Years 2021-22 and 2022-23 and Establishment of a Space Rental Fee**

RECOMMENDATION

To adopt a Resolution of the Rental Housing Committee of Mountain View Adopting the Fiscal Years 2021-22 and 2022-23 Budget for the Administration of the Mobile Home Rent Stabilization Program and Establishing a Space Rental Fee Sufficient to Support the Fiscal Years 2021-22 and 2022-23 Budget, to be read in title only, further reading waived (Attachment 1 to the memorandum).

INTRODUCTION AND BACKGROUND

On September 28, 2021, the City Council adopted an Ordinance of the City of Mountain View Enacting Mobile Home Rent Stabilization (MHRSO). This Ordinance went into effect on October 28, 2021. The stated purpose of the MHRSO in Section 46.1 is to *“protect mobile home residents from unreasonable rent increases, while at the same time protecting the rights of park owners and mobile home landlords to receive a fair return on their property and rental income sufficient to cover increases in the costs of repairs, maintenance, insurance, employee services, additional amenities, and other costs of operation.”*

The MHRSO creates a second rent stabilization program in the City of Mountain View that is comparable to the Community Stabilization and Fair Rent Act (CSFRA). The implementation of the MHRSO program benefits from the existing framework for the CSFRA program, using built-up experience, expertise, and streamlined processes, such as the management of a petition and hearing process, the development of forms, and the use of best practices, as well as a trusted relationship with Hearing Officers, and an established database that can be expanded upon. However, the MHRSO program still requires staffing and dedicated resources for its development, implementation, and administration. CSFRA funds, consisting of fees collected from CSFRA-covered multi-family apartments, can solely be used for the CSFRA program and are not available for the MHRSO program. 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.

The MHRSO, in Section 46.9(8), assigns the RHC powers and duties to implement and administer the MHRSO, including to: *“Establish a budget for the reasonable and necessary implementation of the provisions of the MHRSO, including, without limitation, the hiring of necessary staff, and charge fees as set forth herein in an amount sufficient to support that budget.”*

On March 28, 2022, the RHC reviewed a recommended budget for Fiscal Years 2021-22 and 2022-23. The purpose of the budget is to provide the funds necessary to administer the MHRSO. The budget is also used to calculate the annual Space Rental Fee. The Recommended Budget includes cost projections for the annual program costs. The RHC did not propose any changes to the Recommended Budget.

ANALYSIS

Fiscal Year 2021-22 is the first partial fiscal year and Fiscal Year 2022-23 will be the first full fiscal year of operations for the MHRSO program. The RHC and staff will closely monitor, evaluate, and gather information to assess the appropriate level and most effective and efficient methods to implement the MHRSO.

Fiscal Year 2021-22 Budget

The Fiscal Year 2021-22 budget totals \$399,000 and consists of the following key expenditures (see Exhibit A to the Resolution):

1. Staffing—\$135,000
2. General Operating Costs—\$60,200
3. Database IT System—\$30,000
4. Third-Party Professional Services—\$130,000
5. City Resources/Administrative Support—\$43,800

Fiscal Year 2021-22 Annual Space Rental Fees

To ensure full funding of the MHRSO program, the annual Space Rental Fee is calculated by dividing the total amount of the fiscal year budget, as approved by the RHC, by the total amount of mobile home spaces covered by the MHRSO. The City provided one-time start-up funding of \$107,000, which does not have to be reimbursed. The City does request reimbursement of provided operating funds of \$292,000. The number of rental spaces covered by the MHRSO for Fiscal Year 2021-22 amounts to 1,130. Based on the above calculation, the fee would be \$258.40 per space for Fiscal Year 2021-22 ($\$292,000/1,130$), which, once collected, shall be returned to the City.

Fiscal Year 2022-23 Budget

Resources in Fiscal Year 2022-23 for the continued implementation and administration of the MHRSO program include the following key components:

1. Staffing—\$205,400
2. General Operating Costs—\$10,000
3. Third-Party Professional Services—\$75,000
4. Database IT System—\$5,000
5. City Resources/Administrative Support—\$51,010

Fiscal Year 2022-23 Annual Space Rental Fees

To ensure full funding of the MHRSO program, the annual Space Rental Fee is calculated by dividing the total amount of the fiscal year budget, as approved by the RHC, by the total amount of mobile home spaces covered by the MHRSO. The fee would be \$307 per space for Fiscal Year 2022-23. These fees are usually charged six months into the fiscal year (January).

FISCAL IMPACT

Adoption of the Fiscal Years 2021-22 and 2022-23 Recommended Budget will provide appropriations for the operation of the MHRSO program for Fiscal Years 2021-22 and 2022-23. 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.

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- Attachments:
1. Resolution Adopting the Fiscal Years 2021-22 and 2022-23 Budget and Establishing a Rental Space Fee
 2. March 28, 2022 RHC Staff Report