



**MEMORANDUM**

Finance and Administrative Services Department  
Community Development Department

**DATE:** June 1, 2020

**TO:** Rental Housing Committee

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

**SUBJECT:** CSFRA Fiscal Year 2020-21 Budget and Rental Housing Fee

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**RECOMMENDATION**

To adopt a Resolution of the Rental Housing Committee of Mountain View Adopting the Fiscal Year 2020-21 Budget and Establishing a Rental Housing Fee Sufficient to Support the Fiscal Year 2020-21 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 4, 2020, the RHC reviewed a proposed budget for Fiscal Year 2020-21. 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 proposed budget

includes cost projections for the recurring annual program costs and the rebudget of a specific item. The RHC proposed one change to the proposed budget as presented on May 4, 2020, namely to add \$13,000 to the General Operating Costs, bringing the proposed annual fee to \$85 (Exhibit C to the Resolution).

## **ANALYSIS**

Fiscal Year 2020-21 is the third 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 mounting financial impact resulting from the life-threatening COVID-19 pandemic is evident in our community and will continue long after the pandemic itself has faded. While several measures have been enacted already to mitigate against economic impacts that many residents in our rent-stabilized community are facing due to work closures and job loss, landlords are also facing financial insecurity as some tenants are unable to pay their rent. It is unclear in the coming months how deep and widespread the economic impacts will be on the rental housing market. Presenting a pared-down CSFRA budget with resulting lower fees for landlords is another critical opportunity to ease the financial burden while at the same time ensuring critical services are being maintained under the CSFRA. The CSFRA program might not be able to maintain the level of this year's proposed budget in following years, but it is deemed a lower budget appropriate for the upcoming year to aid in the recovery of our community.

### **Fiscal Year 2020-21 Budget**

The Fiscal Year 2020-21 budget totals \$1,911,126 and consists of the following key expenditures (see Exhibit A to the Resolution):

- Staffing: \$735,951
- General operating costs (including training and outreach): \$186,500
- Third-party professional services: \$555,000
- Information Technology: \$185,400 (\$146,400 rebudget)
- City resources/administrative support: \$248,275

### **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 Rental Housing Fee is calculated by dividing the total amount of the Fiscal Year 2020-21 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 2020-21 are reduced by the estimated ending balance remaining from Fiscal Year 2019-20. Incorporating the balance with the proposed budget, the fee is proposed to be \$85 per unit per year. The Rental Housing Fees will be billed in January 2021.

### **FISCAL IMPACT**

Adoption of the Fiscal Year 2020-21 proposed budget for the RHC in the amount of \$1,911,126 will provide appropriations for the operation of the CSFRA program for Fiscal Year 2020-21. 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/TG/6/CDD/RHC  
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- Attachments: 1. Resolution Adopting the Fiscal Year 2020-21 Budget and Establishing a Rental Housing Fee  
Exhibit A: Fiscal Year 2020-21 CSFRA Proposed Budget  
Exhibit B: Fiscal Year 2020-21 CSFRA Statement of Revenues, Expenditures and Balances  
Exhibit C: Fiscal Year 2020-21 CSFRA Proposed Annual Rental Housing Fee
2. RHC Memo of May 4, 2020 – Fiscal Year 2020-21 Proposed Budget