

DATE: June 20, 2022

TO: Rental Housing Committee

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

SUBJECT: **CSFRA Fiscal Year 2022-23 Budget and Annual Rental Housing Fee**

RECOMMENDATION

Adopt a Resolution of the Rental Housing Committee of Mountain View Adopting the Community Stabilization and Fair Rent Act Fiscal Year 2022-23 Budget and Establishing a Rental Housing Fee Sufficient to Support the Fiscal Year 2022-23 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 23, 2022, the RHC reviewed a recommended budget for Fiscal Year 2022-23. 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 did not recommend any changes to the Proposed Budget.

ANALYSIS

Fiscal Year 2022-23 is the sixth full fiscal year of operations, and the RHC and staff continues to evaluate and gather information to assess the appropriate level and most effective and efficient methods to implement the CSFRA. It is anticipated that the ending of the Statewide eviction moratorium will result in unknown economic and judicial impacts on residents and the rental housing market. Staff's continued endeavors to mitigate the impacts experienced by tenants and landlords will continue in Fiscal Year 2022-23 through outreach and education events, including a Housing and Eviction Help Center, a collaboration with the Housing Department and community agencies to address all questions and issues housing related. Taking the above into account, staff deems the Recommended Budget for Fiscal Year 2022-23 appropriate in order to ensure critical services to aid in the stability of our community.

Fiscal Year 2022-23 Budget

The Fiscal Year 2021-22 budget as presented totals \$2,078,007 and consists of the following key expenditures (see Exhibit A to the Resolution):

- Staffing: \$1,058,647.
- General operating costs (including training and outreach): \$173,500.
- Third-party professional services: \$416,500.
- Information Technology: \$133,000 (\$94,000 rebudget).
- City resources/administrative support: \$296,360.

CSFRA Annual 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 2022-23 budget as approved by the RHC, less the prior fiscal year ending balance and the limited-period funding for the database system, by the total amount of rental units covered by the CSFRA. Incorporating the balance with the Recommended Budget, the recommended Annual Housing Fee for Fiscal Year 2022-23 is \$96 per unit. The Rental Housing Fees will be billed in January 2023.

FISCAL IMPACT

Adoption of the Fiscal Year 2022-23 Recommended Budget for the RHC in the amount of \$2,078,007 will provide appropriations for the operation of the CSFRA program for Fiscal Year 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.

JT-AvD/JS/8/CDD/RHC

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- Attachments:
1. Resolution Adopting the CSFRA Budget and Establishing a Rental Housing Fee for Fiscal Year 2022-23
 - Exhibit A: Fiscal Year 2022-23 CSFRA Recommended Budget
 - Exhibit B: Fiscal Year 2022-23 CSFRA Statement of Revenues, Expenditures and Balances
 - Exhibit C: Fiscal Year 2022-23 CSFRA Recommended Rental Housing Fee
 2. May 23, 2022 RHC Staff Report—Fiscal Year 2022-23 Recommended Budget