



MEMORANDUM

Finance and Administrative Services and
Community Development Departments

DATE: June 3, 2019

TO: Rental Housing Committee

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

SUBJECT: CSFRA Fiscal Year 2019-20 Budget and Rental Housing Fee

RECOMMENDATION

To adopt a Resolution of the Rental Housing Committee of Mountain View adopting the Fiscal Year 2019-20 Budget and Establishing a Rental Housing Fee Sufficient to Support the Fiscal Year 2019-20 Budget, to be read in title only, further reading waived (Attachment 1).

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 13, 2019, the RHC reviewed a proposed budget for Fiscal Year 2019-20. 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, the rebudget of a specific item and the second-year contribution of \$189,000 to the reserve. The RHC did not make any changes to the Proposed Budget as presented on May 13, 2019 (Attachment 2).

ANALYSIS

Fiscal Year 2019-20 Budget

The Fiscal Year 2019-20 budget totals \$2,036,691 and consists of the following key expenditures (see Exhibit A to the Resolution):

- Staffing: \$684,200
- General operating costs: \$204,000
- Third-party professional services: \$704,000
- Information Technology system and maintenance: \$185,400 (\$146,400 rebudget)
- City resources/administrative support: \$259,100

CSFRA Rental Housing Fee

An estimated total of 15,300 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 2019-20 budget as approved by the RHC by the total amount of rental units covered by the CSFRA (15,300). The revenues required for Fiscal Year 2019-20 are reduced by the estimated ending balance remaining from Fiscal Year 2018-19. Incorporating the balance with the Proposed Budget, the fee is proposed to be \$101 per unit per year. The Rental Housing Fees will be billed in January 2020.

FISCAL IMPACT

Adoption of the Fiscal Year 2019-20 Proposed Budget for the RHC in the amount of \$2,036,691 will provide appropriations for the operation of the CSFRA program for Fiscal Year 2019-20. 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/AK/6/CDD
896-06-03-19M

- Attachments: 1. Resolution Adopting the Fiscal Year 2019-20 Budget and
Establishing a Rental Housing Fee
Exhibit A: Fiscal Year 2019-20 CSFRA Proposed Budget
Exhibit B: Fiscal Year 2019-20 CSFRA Statement of Revenues,
Expenditures and Balances
Exhibit C: Fiscal Year 2019-20 CSFRA Proposed Annual
Rental Housing Fee
2. RHC Memo – Fiscal Year 2019-20 Proposed Budget of May 13, 2019