

DATE: February 26, 2026

TO: Rental Housing Committee

FROM: Anky van Deursen, Rent Stabilization Manager

SUBJECT: **Community Stabilization and Fair Rent Act and Mobile Home Rent Stabilization Ordinance Financial Expenditures for July-December 2025.**

RECOMMENDATION

Receive an overview of Financial Expenditures for the first six months (July-December) of Fiscal Year 2025-26, for the Community Stabilization and Fair Rent Act (Attachment 1) and the Mobile Home Rent Stabilization Ordinance (Attachment 2).

BACKGROUND

As part of the administration of the Rent Stabilization Division, including the Community Stabilization and Fair Rent Act (CSFRA) and the Mobile Home Rent Stabilization Ordinance (MHRSO), the Rental Housing Committee (RHC) has requested periodic updates on program expenditures. This information was previously provided every quarter, but the RHC decided that semi-annual updates would suffice. This report is provided at this time to reset the cadence so that semi-annual updates cover a full six months each time (July-December and January-June of each fiscal year).

The Fiscal Year 2025-26 Budget was adopted by the RHC on May 22, 2025, totaling \$2,590,356 for the CSFRA and \$299,743 for the MHRSO. After adjustments for updated salary and benefit calculations, the adjusted budget is \$2,672,108.88 for the CSFRA and \$355,983.50 for the MHRSO.

ANALYSIS

This report is for the six-month period between July 1, 2025, and December 31, 2025. Therefore, actual expenditures are benchmarked against 50% of the budget.

Overall, both the CSFRA and MHRSO actual expenditures were lower than budgeted, driven by salary savings and lower-than-expected legal and professional service costs. The salary savings delayed work on implementing the landlord MNOI petition process in the online registration and

database portal. The lower-than-expected legal and professional service costs stemmed from a lower-than-expected petition rate. The interfund expenditures were charged at 100% in December, midway through the Fiscal Year. CSFRA expenditures totaled about 40% of its budget, and MHRSO expenditures accounted for approximately 39%. Below are the CSFRA and MHRSO expenditure summaries, benchmarked against the budget.

CSFRA Summary of Expenditures

Table 1 below gives an overview of CSFRA expenditures per category for Fiscal Year 2024-25. Overall, actual expenditures are lower than budgeted.

Table 1: CSFRA Summary of Expenditures July - December 2025

Budget Category	Amount/ Percentage of Annual Budget	Six-Month Budget Percentage Level	Expenditure Amount/ Percentage of Category	Notes
Operating Expenditures				
<i>Personnel Services</i> (i.e., expenditures related to City staff, including full-time and hourly positions)	\$1,612,069 60%	50%	\$658,194 40.8%	Below budget, due to unanticipated staff vacancies.
<i>Nonpersonnel Services</i> (i.e., expenditures related to general operations, Professional Services, and Legal Services)	\$735,669 28%	50%	\$153,267 20.8%	Below budget, due to the lower-than-anticipated rate of petitions.
<i>Capital Outlay</i> (i.e., expenditures related to the development of the online portal as defined in the RFQ)	\$46,650 2%	50%	\$0 0%	Below budget, due to unanticipated staff vacancies resulting in a lack of capacity to undertake online portal development.
<i>Interfund Expenditures and Transfers</i> (i.e., City Administration, Self-Insurance, Compensated Absences Reserve, and Equipment Replacement Reserves)	\$259,720 10%	50%	\$259,720 100%	Customarily, the City charges 100% of these overhead costs in December of each fiscal year.
TOTAL	\$2,672,108.88 100%	50%	\$1,071,181 40%	

MHRSO Summary of Expenditures

Table 2 below gives an overview of MHRSO expenditures per category for the first six months of Fiscal Year 2025-26. Overall, actual expenditures are lower than budgeted.

Table 2: MHRSO Summary of Expenditures for July - December 2025

Budget Category	Amount/ Percentage of Annual Budget	Six-Month Budget Percentage Level	Expenditure Amount/ Percentage of Category	Notes
Operating Expenditures				
<i>Personnel Services</i> (i.e., City staff, including full-time and hourly positions)	\$200,013 56%	50%	\$88,096 44%	Below budget, due to unanticipated staff vacancies.
<i>Nonpersonnel Services</i> (i.e., general operations, Professional Services, and Legal Services)	\$118,240 33%	50%	\$12,613 11%	Below budget, due to the lower-than-anticipated rate of petitions.
<i>Interfund Expenditures and Transfers</i> (i.e., City Administration, Self-Insurance and Equipment Replacement Reserves)	\$37,730 11%	50%	\$37,730 100%	Customarily, the City charges 100% of these overhead costs in December of each fiscal year.
TOTAL	\$355,983.50 100%	50%	\$138,440 39%	

FISCAL IMPACT—None.

PUBLIC NOTICING—Agenda posting, posting on the City’s website, and email to RHC distribution list.

Attachments:

1. CSFRA Financial Expenditures for July-December 2025
2. MHRSO Financial Expenditures for July-December 2025