

Rent Stabilization Division
Housing Department

DATE: May 22, 2025

TO: Rental Housing Committee

FROM: Anky van Deursen, Rent Stabilization Manager

SUBJECT: Fiscal Year 2025-26 Budgets and Annual Fees for the Community Stabilization and Fair Rent Act and Mobile Home Rent Stabilization Ordinance

RECOMMENDATION

Adopt a Resolution of the Rental Housing Committee of Mountain View Approving the Fiscal Year 2025-26 Budgets for the Community Stabilization and Fair Rent Act and the Mobile Home Rent Stabilization Ordinance and Establishing the Rental Housing Fee and Space Rental Fee for Fiscal Year 2025-26, to be read in title only, further reading waived (Attachment 1 to this memorandum).

BACKGROUND

The Rental Housing Committee (RHC) implements the Community Stabilization and Fair Rent Act (CSFRA) and the Mobile Home Rent Stabilization Ordinance (MHRSO) (collectively termed “rent stabilization programs”). Key powers and duties of the RHC related to the budget include the following:

- “Establish a budget for the reasonable and necessary implementation of the provisions of the CSFRA/MHRSO, including, without limitation, the hiring of necessary staff, and charge fees as set forth herein in an amount sufficient to support that budget.” (CSFRA Section 1709(d) and the MHRSO Section 46.9(a))
- “...finance the Committee’s reasonable and necessary expenses, including, without limitation, engaging any staff as necessary to ensure implementation of the MHRSO, by charging Park Owners an annual space rental fee, in amounts deemed reasonable by the Committee in accordance with applicable law. The Committee is also empowered to request and receive funding, when and if necessary, from any available source, including the City, for the Committee’s reasonable and necessary expenses.” (CSFRA Section 1709(j) and the MHRSO Section 46.9(b))

On April 24, 2025, the RHC reviewed and accepted the Recommended Budgets for the CSFRA and MHRSO for Fiscal Year 2025-26 with no changes (Attachment 2).

Note: Staff develop the CSFRA/MHRSO budgets in coordination with the City's Finance and Administrative Services Department (FASD). The CSFRA operating expenses have increased by \$4,600, and the MHRSO operating expenses have increased by \$800 compared to the Recommended Budget discussed in April. The City budgeting process has made some changes. Professional Development funds used to be allocated entirely in HR's budget. Beginning next fiscal year, this funding will be allocated to each department based on eligible head count. As a result, additional professional development costs have been added to the general operating costs in the CSFRA and MHRSO budgets. This also caused a small adjustment in the 20% reserve items. The changes are italicized below. Staff will forward the final CSFRA and MHRSO Fiscal Year 2025-26 budgets to FASD upon RHC adoption.

ANALYSIS

Community Stabilization and Fair Rent Act Fiscal Year 2025-26 Budget

The CSFRA Fiscal Year 2025-26 Budget totals *\$2,590,356 (instead of \$2,585,756)* and consists of the following key expenditures (see Attachment 1 Exhibit A):

Operating Expenses—\$2,330,636 (instead of \$2,326,036)

1. Staffing for the administration of the CSFRA: \$1.61 million
2. General operating costs, including education, outreach, communications, costs associated with RHC meetings and office expenses as well as added professional development costs of \$4,600, which brings the total to *\$121,000 instead of \$117,000*.
3. Third-party professional services: \$509,000.
4. Information Technology to facilitate monitoring, compliance, and implementation of CSFRA requirements: \$50,000.
5. Capital Outlay for the development of the online portal: \$43,550 (rebudget).

City Administration and Interfund Transfer Expense—\$259,720.

1. City Administration (General Fund Administration) overhead cost to pay for services and infrastructure that the City provides to operate the Rent Stabilization Program: \$172,300.

2. Self-Insurance, Compensated Absences Reserve, and Equipment Replacement Reserve Funding: \$87,420.

Reserves — \$ 518,071 (instead of \$517,151)

This reserve amount is slightly higher than the April 2025 amount. The Reserve is based on 20% of the overall budget, which now includes Professional Development costs. Therefore, the slight increase in the Professional Development cost results in a slight increase in the reserve amount.

Fiscal Year 2025-26 CSFRA Rental Housing Fee

The CSFRA is a 100% cost-recovery program fully paid for by the Rental Housing Fee. As discussed at the April 2025 RHC meeting, the fee will be \$130 per unit for Fiscal Year 202526 or \$10.83 per unit per month (Attachment 1 Exhibit C) and will be invoiced in January 2026.

Mobile Home Rent Stabilization Ordinance Fiscal Year 2025-26 Budget

The MHRSO Fiscal Year 2025-26 Budget totals \$299,743 (*instead of \$298,943*) and consists of the following key expenditures (see Attachment 1 Exhibit B):

Operating Expenses—\$262,013 (instead of \$261,213)

1. Staffing for the implementation and administration of the MHRSO: \$199,213.
2. General operating costs, including education, outreach, communications, costs associated with RHC meetings and office expenses as well as added professional development costs of \$800: \$8,800 (*instead of \$8,000*).
3. Third-party professional services: \$49,000.
4. Information Technology to facilitate monitoring, compliance, and implementation of MHRSO requirements: \$5,000.

City Administration and Interfund Transfer Expenses—\$37,730.

1. City Administration (General Fund Administration) overhead cost to pay for services and infrastructure that the City provides to operate the rent stabilization program: \$26,970.
2. Self-Insurance and Equipment Replacement Reserve Funding: \$10,760.

Reserves — \$59,949 (instead of \$59,789).

Like the CSFRA budget, this reserve amount for the MHRSO is slightly higher than the April 2025 amount. The Reserve is based on 20% of the budget, which now includes Professional Development costs. Therefore, the slight increase in the Professional Development cost results in a slight increase in the reserve amount.

Fiscal Year 2025-26 MHRSO Space Rental Fee

The MHRSO has historically operated as a 100% cost-recovery program. In March 2025, Council lowered the allowable rent adjustment for the MHRSO per the City's 2023-31 Housing Element and supported a 50% fee reduction. To support this reduced fee level, a \$50,000 transfer from the City's General Fund has been included in the MHRSO Budget for Fiscal Year 2025-26.

As discussed in April 2025, the MHRSO fee will be \$142 per space for Fiscal Year 2025-26 or \$11.83 per space per month and will be invoiced in January 2026 (Attachment 1 Exhibit C).

FISCAL IMPACT

Adoption of the Fiscal Year 2025-26 budgets for the CSFRA and the MHRSO will provide appropriations for the operation of the CSFRA and MHRSO programs for Fiscal Year 2025-26. The adoption of the budgets also authorizes the billing and collection of fees to provide financial resources to recover the costs of the programs. The CSFRA program is a 100% cost recovery program and is fully funded by the fees. The MHRSO program is also a cost recovery program and funded by the fees, however, the program budget for Fiscal Year 2025-26 is supplemented by the City's General Fund in an amount of \$50,000.

PUBLIC NOTICING - Agenda posting, posting on the City's website, and email to distribution list.

Attachments:

1. Resolution Adopting the CSFRA and MHRSO Budgets and Establishing a Rental Housing Fee and Space Rental Fee for Fiscal Year 2025-26
 - Exhibit A: CSFRA Fiscal Year 2025-26 Statement of Revenues, Expenditures, and Balances
 - Exhibit B: MHRSO Fiscal Year 2025-26 Statement of Revenues, Expenditures, and Balances
 - Exhibit C: Fiscal Year 2025-26 CSFRA Rental Housing Fee and MHRSO Space Rental Fee
2. April 24, 2025, RHC Memo Fiscal Year 2025-26 CSFRA and MHRSO Recommended Budgets