



DATE: June 13, 2024

TO: Rental Housing Committee

FROM: Patricia Black, Senior Management Analyst
Anky van Deursen, Division Manager
Wayne Chen, Housing Director

SUBJECT: **Fiscal Year 2024-25 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 2024-25 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 2024-25, 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” in this memorandum). 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 May 23, 2024, the RHC reviewed the Recommended Budgets for the CSFRA and MHRSO for Fiscal Year 2024-25 and requested no changes (Attachment 2).

ANALYSIS

Community Stabilization and Fair Rent Act Fiscal Year 2024-25 Budget

The CSFRA Fiscal Year 2024-25 Budget totals \$2.35 million and consists of the following key expenditures (see Attachment 1—Exhibit A):

Operating Expenses—\$2.13 Million

1. Staffing for the administration of the CSFRA: \$1,500,000.
2. General operating costs, including education, outreach, and communications as well as costs associated with RHC meetings and office expenses: \$117,000.
3. Third-party professional services: \$424,000.
4. Information Technology to facilitate monitoring, compliance, and implementation of CSFRA requirements: \$46,000.
5. Capital Outlay for the development of the online portal: \$49,000 (rebudget).

City Administration and Interfund Transfer Expense—\$219,000

1. City Administration (General Fund Administration) overhead cost to pay for services and infrastructure that the City provides to operate the Rent Stabilization Program: \$165,000.
2. Self-Insurance, Compensated Absences Reserve, and Equipment Replacement Reserve Funding: \$54,000.

Fiscal Year 2024-25 CSFRA Rental Housing Fee

The CSFRA is a 100% cost-recovery program fully paid for by the Rental Housing Fee. The fee would be \$120 per unit for Fiscal Year 2024-25 (Attachment 1—Exhibit C) and would be invoiced in January 2025 as discussed in the May 2024 meeting (Attachment 2).

Mobile Home Rent Stabilization Ordinance Fiscal Year 2024-25 Budget

The MHRSO Fiscal Year 2024-25 Budget totals \$320,000 and consists of the following key expenditures (see Attachment 1 – Exhibit B):

Operating Expenses—\$284,000

1. Staffing for the implementation and administration of the MHRSO: \$178,000.
2. General operating costs, including education, outreach, and communications as well as costs associated with RHC meetings and office expenses: \$18,000.
3. Third-party professional services: \$83,000.
4. Information Technology to facilitate monitoring, compliance, and implementation of MHRSO requirements: \$5,000.

City Administration and Interfund Transfer Expenses—\$36,000

1. City Administration (General Fund Administration) overhead cost to pay for services and infrastructure that the City provides to operate the rent stabilization program: \$27,000.
2. Self-Insurance and Equipment Replacement Reserve Funding: \$9,000.

Fiscal Year 2024-25 MHRSO Space Rental Fee

The MHRSO is a 100% cost-recovery program fully paid for by the Space Rental Fee.

The fee would be \$285 per space for Fiscal Year 2024-25 and would be invoiced in January 2025 (Attachment 1, Exhibit C).

FISCAL IMPACT

Adoption of the Fiscal Year 2024-25 budgets for the CSFRA and the MHRSO will provide appropriations for the operation of the CSFRA and MHRSO programs for Fiscal Year 2024-25. The adoption of the budgets also authorizes the billing and collection of fees provide for the financial resources to recover the costs of the programs. Both rent stabilization programs are 100% cost-recovery programs and are fully funded by the fees. The final budget will be modified to include any labor contract changes adopted at the June 25, 2024 City of Mountain View public hearing.

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

PB-AvD-WC/KG/1/HSN/RHC

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- Attachments:
1. Resolution Adopting the CSFRA and MHRSO Budgets and Establishing a Rental Housing Fee and Space Rental Fee for Fiscal Year 2024-25
 - Exhibit A: CSFRA Fiscal Year 2024-25 Statement of Revenues, Expenditures, and Balances
 - Exhibit B: MHRSO Fiscal Year 2024-25 Statement of Revenues, Expenditures, and Balances
 - Exhibit C: Fiscal Year 2024-25 CSFRA Rental Housing Fee and MHRSO Space Rental Fee
 2. May 23, 2024 RHC Memo—Fiscal Year 2024-25 CSFRA and MHRSO Recommended Budgets