



RENTAL HOUSING COMMITTEE REPORT

DATE: February 22, 2024

CATEGORY: New Business

DEPT.: Housing Department,
Rent Stabilization Division

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TITLE: **Update on Compliance with CSFRA and
MHRSO Annual Registration and Fee
Requirements**

RECOMMENDATION

Receive an update on the status of compliance with the annual registration and fee requirements for the Community Stabilization and Fair Rent Act and the Mobile Home Rent Stabilization Ordinance.

BACKGROUND

This report is based on the Rental Housing Committee's (RHC) request to receive a periodic update related to annual registration and fee requirements. Each year, the RHC adopts a budget to fund the reasonable and necessary expenses needed to implement and administer the Community Stabilization and Fair Rent Act (CSFRA) and the Mobile Home Rent Stabilization Ordinance (MHRSO). Landlords pay an annual Rental Housing Fee for CSFRA-covered properties, and mobile home park owners pay an annual Space Rental Fee for MHRSO-covered mobile home parks to fund the adopted budgets. In January of each year, invoices are sent to property owners, which are due by January 31. Although fees are charged to fund the fiscal year budget (which runs from July through June of each year), the fees are billed in January, six months into the fiscal year.

Due to noncompliance with voluntary registration of CSFRA rental properties, the RHC passed regulations on June 29, 2020 to mandate annual registration requirements for all CSFRA-covered units. As of 2021, landlords must register and/or update the information on their rental properties by January 31 of each year. An online portal and database were developed to make it easier for landlords to annually register and update their property information. The database also provides the Rent Stabilization Division with a low-cost method to efficiently communicate with registered landlords, offers online tools and resources for landlords to comply with program noticing and submission requirements, and gives staff accurate and timely collection and prompt

processing and analysis of rental property data. Both the annual registration and fee payment cycle run from January through December of each year.

To increase compliance with the registration and fee requirements, the RHC adopted regulations on September 19, 2022 to set up compliance and enforcement mechanisms, including:

- A schedule of late fees in case of failure to timely pay annual rental housing/space fees or failure to timely complete annual registration requirements.
- Issuance of noncompliance letters to landlords with a copy to tenants.
- Publication of noncompliant properties on the City website.

ANALYSIS

2023 Registration and Fee Payment Cycle (January 1, 2023 through December 31, 2023)

Since the above-mentioned adoption of [CSFRA Regulations Chapter 12, Compliance and General Remedies](#), and [MHRSO Regulations Chapter 12, Compliance and General Remedies](#), staff conducted a targeted outreach campaign for the 2023 billing and registration cycle to educate landlords about registration and the newly adopted compliance requirements. Outreach included:

- 12 Landlord-focused annual registration and fee requirements webinars.
- 4 Targeted outreach and education mailings, emails, and informational letters.
- 166 Emails to follow up with landlords with incomplete registration profiles in the database.
- 317 First noncompliance letter to landlords (for a sample, see Attachment 2).
- 154 Second noncompliance letter to landlords with copy to tenants (for a sample, see Attachment 3).

2023 Compliance with Annual Billing and Registration Cycle for CSFRA-Covered Units

Annual fee payment compliance remains at historically high rates, while registration compliance has increased significantly by 110%. The above-mentioned adoption of compliance regulations and the outreach and education campaign contributed to this significant increase in registration compliance. The continued outreach of staff throughout the year with noncompliant properties is estimated to result in a year-over-year increase of compliance.

Tables 1 and 2 provide an overview of CSFRA-covered unit registration and fee compliance from 2018 through 2023.

Table 1: CSFRA Fee Compliance (2018 through 2023 Cycles)¹

CSFRA Billing Cycle	Per-Unit Fee	Fee Payment Compliance	Percent Change
2018	\$155	98%	N/A
2019	\$124	98%	0%
2020	\$101	97%	-1%
2021	\$85	97%	0%
2022	\$102	94%	-3%
2023	\$96	95%	+1%

Table 2: CSFRA Property Registration Compliance (2021 through 2023 Cycles)

CSFRA Registration Cycle	Registration Compliance	Percent Change
2021	38%	N/A
2022	42%	+11%
2023	88%	+110%

With the registration database more fully populated, the likelihood of fee invoices and outreach efforts reaching the responsible landlord increases year over year.

2023 Compliance with Annual Billing and Registration Cycle for MHRSO-Covered Units

MHRSO-covered mobile home parks have maintained 100% compliance with both the annual registration and the fee payment requirements. Having a limited number of mobile home parks (six) in Mountain View enables staff to effectively communicate, educate, and support each park owner individually using email, phone, and in-person meetings as well as through postcards and personalized letters.

¹ Invoice compliance percentages are reporting fees collected from the original billing date through January 31, 2024. Past-due invoices paid in consecutive years are reflected in the total percentages for the original billing cycle.

Tables 3 and 4 provide an overview of MHRSO-covered unit registration and fee compliance from 2022 through 2023.

Table 3: MHRSO Fee Compliance (2022 through 2023 Cycles)

MHRSO Billing Cycle	Per-Space Fee	Fee Payment Compliance	Percent Change
2022	\$258.40	100%	N/A
2023	\$307	100%	0%

Table 4: MHRSO Property Registration Compliance (2022 through 2023 Cycles)

MHRSO Registration Cycle	Registration Compliance	Percent Change
2022	100%	N/A
2023	100%	0%

Integration of Late Fees in the 2023 Billing Cycle

The 2023 cycle highlighted challenges with the system’s ability to charge and collect late fees. The fee collection system required staff to manually calculate and apply late fees to noncompliant properties. This proved more time-intensive than initially estimated and resulted in further evaluation of best protocols. To administer the late fee/fines portion of the compliance measures more effectively, staff started up discussions with the registration database vendor, 3Di, to process invoices, payments, and late fees through the Rent Stabilization database system. Amendments to the CSFRA and MHRSO Regulations Chapter 12, Compliance and General Remedies, were passed in the September 25, 2023 RHC meeting to streamline the fee payment integration with the 3Di system (Attachment 1).

Staff worked with both the Mountain View Finance and Administrative Services Department (FASD) and 3Di to identify best practices to implement the fees and fine structure. Based on these discussions, staff started the process of integrating fee payment and late charges into the 3Di system. Starting in July 2023, staff worked closely with 3Di, the FASD, and the Information Technology Department to build the capability to accept payments through the online portal of the database. The new system was built, tested, and released to the public in December 2023, just in time for the 2024 billing and property registration cycle.

2024 Registration and Fee Payment Cycle through January 31, 2024

Staff continued the robust and multi-pronged approach with outreach and education to prepare landlords for the new fee payment process. Fee invoices, including reminders for the annual registration requirements, were mailed out in the first week of January 2024.

To date, the following outreach and materials have been provided and distributed for the 2024 cycle:

- 4 Landlord-focused property registration and fee payment webinars.
- 6 Targeted outreach and education mailings, emails, informational letters, and *Mountain View Voice* advertisements.
- 2 Updated fee payment and registration video tutorials.
 Updated step-by-step online user guide.
 Created a specific landlord registration and fee page on the website.

2024 Compliance with Annual Billing and Registration Cycle for CSFRA-Covered Units through January 31, 2024

January 31 of each year is the last day to submit timely annual registration updates and fee payments. Table 5 and Table 6 provide a comparison of the compliance rates as of January 31 for the 2023 and 2024 fee payment and registration cycles. The implementation of compliance and enforcement mechanisms paired with the outreach and education campaign ensured increased compliance in 2023 and has resulted in higher compliance rate for the current fee and billing cycle than were reached at this time last year.

Table 5: CSFRA Fee Compliance as of January 31 (2023 and 2024 Cycles)

CSFRA Billing Cycle	Per-Unit Fee	Fee Payment Compliance as of January 31	Percent Change
2023	\$96	68%	-
2024	\$107	73%	+7%

Table 6: CSFRA Property Registration Compliance as of January 31 (2023 and 2024 Cycles)

CSFRA Registration Cycle	Registration Compliance as of January 31	Percent Change
2023	36%	-
2024	74%	+106%

2024 Compliance with Annual Billing and Registration Cycle for MHRSO-Covered Units through January 31, 2024

Table 7 and Table 8 provide a comparison of the compliance rates as of January 31 for the 2023 and 2024 MHRSO fee payment and registration cycles. Registration compliance remains the same with five of the six parks completing this requirement by the end of January. Fee payment compliance went down, with one fewer mobile home park having paid by the deadline

of January 31, 2024. However, by the end of each fiscal year to date, 100% compliance was reached.

Table 7: MHRSO Property Registration Compliance as of January 31 (2023 and 2024 Cycles)

MHRSO Billing Cycle	Per Space Fee	Fee Payment Compliance as of January 31	Percent Change
2023	\$258.40	83%	-
2024	\$307	83%	0%

Table 8: MHRSO Fee Compliance as of January 31, 2024 (2023 and 2024 Cycles)

MHRSO Registration Cycle	Registration Compliance as of January 31	Percent Change
2023	83%	-
2024	67%	-19%

NEXT STEPS

Throughout the rest of the 2024 billing cycle, staff will continue targeted outreach related to the compliance of annual registration and fee requirements. This outreach is designed to increase registration and fee payment compliance for this cycle as well as for the previous cycle and provide continued education for landlords on the processes to be successful and timely in future years.

Planned outreach will include:

- Additional fee payment and property registration workshops.
- Targeted letters to landlords who have completed partial requirements (either the fee payment or the registration requirement but not both) designed to educate on the process and encourage completion of the outstanding tasks.
- A first noncompliance letters to all noncompliant properties and a second noncompliance letter with a copy to tenants (at least 30 days after the first noncompliance letter is mailed).

FISCAL IMPACT— There is no fiscal impact related to the RHC receiving this update.

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

AVD/KG/6/HSN/RHC

847-02-22-24SR-1

- Attachments:
1. [Rental Housing Committee Memo, September 25, 2023](#)
 2. Sample Landlord Compliance Letter
 3. Sample Tenant Copy of Second Landlord Compliance Letter