



CITY OF MOUNTAIN VIEW

MEMORANDUM

CSFRA, Community Development Department

DATE: July 10, 2017

TO: Rental Housing Committee

FROM: Jannie L. Quinn, City Attorney
Anky van Deursen, Associate Planner

SUBJECT: Reimbursement of Funding Advanced by the City to Implement the CSFRA

RECOMMENDATION

Acknowledge report and forthcoming request from the City Council for reimbursement of advanced funding.

BACKGROUND

In accordance with Section 1709 (j)(2) of the Community Stabilization and Fair Rent Act (CSFRA), the City of Mountain View has advanced funding and used City resources to implement the CSFRA. Section 1709 (j)(2) provides:

“During the initial implementation of this Article, the City shall advance all necessary funds to ensure the effective implementation of this Article, until the Committee has collected Rental Housing Fees sufficient to support the implementation of this Article. The City may seek a reimbursement of any advanced funds from the Committee after the Rental Housing Fee has been collected.”

As the Rental Housing Committee (RHC) commences its efforts to adopt a budget, the City would like the RHC to be aware of the funds advanced to date by the City, including staffing costs for the implementation of the CSFRA, and that the City will be seeking reimbursement of those funds through the RHC budget process.

ANALYSIS

The City appropriated \$362,000 of funding in Fiscal Year 2016-17 to fund 2.0 full-time positions dedicated to the implementation of the CSFRA, along with various office and

contract service costs. Any unspent funds as of the end of the 2016-17 fiscal year have been requested to be carried forward into the current (2017-18) fiscal year. In addition, funding for 3.0 full-time positions and additional implementation costs of approximately \$499,000 has been appropriated for the first six months of the current fiscal year, from July 1, 2017 to December 31, 2017. This does not include indirect cost for staff in City Departments (such as City Attorney's Office, Finance and Administrative Services Department, City Manager's Office, etc.). The direct costs were included in the City's budget for Fiscal Year 2017-18, in anticipation of the RHC's adoption of a budget and Rental Housing Fee, and the collection of the Fee beginning in January 2018.

When the RHC was appointed and began meeting, it became clear that additional staff resources and legal services specializing in rent stabilization were needed to sustain the workload involved in staffing the RHC, preparing the agenda packets, drafting the regulations required to implement and administer the CSFRA, setting up intake procedures, obtaining hearing officer and other contract services, holding public input meetings, and performing other tasks as needed for CSFRA implementation. On June 20, the City Council included an additional appropriation to augment staff resources by 1.0 FTE during the implementation of the CSFRA until the Rental Housing Fee is collected in January 2018.

The following table summarizes the items that the City Council has approved to date:

Table 1: Items Approved by City Council to date for Fiscal Year (FY) 2016-17 and FY 2017-18

FY 2016-17 Budget Appropriations: \$362,000		
<i>Services</i>	<i>Costs</i>	<i>Description</i>
1.0 FTE Associate Planner	\$61,000	This is an ongoing position. The appropriated amount covers the remainder of FY 2016-17, approximately 4.5 months.
1.0 FTE Office Assistant II	\$41,000	This is an ongoing position. The appropriated amount covers the remainder of FY 2016-17, approximately 4.5 months.
Outside Professional Services	\$155,000	Includes services to assist in CSFRA implementation, serve as "first point of contact," facilitate public outreach and workshops, and implement Tenant Relocation Assistance Ordinance.
Computer Equipment and Software	\$75,000	Identification, development, and implementation of registry/database, as directed by the RHC.

FY 2016-17 Budget Appropriations: \$362,000, Continued		
<i>Services</i>	<i>Costs</i>	<i>Description</i>
General Office, Materials, and Notices	\$30,000	Education, outreach, and communications; RHC meeting packets, noticing for meetings, development and printing of collateral, outreach, and stakeholder meetings.
FY 2017-18 Appropriations: \$499,400 (in addition to prior fiscal year rebudgets) (These amounts are intended to cover the costs necessary to implement the CSFRA for the first 6 months of FY 2017-18 until the RHC collects a Rental Housing Fee)		
<i>Services</i>	<i>Costs</i>	<i>Description</i>
Computer Equipment and Software	\$50,000 net new (\$125,000 total)	\$50,000 + \$75,000 rebudget from FY 2016-17 midyear appropriations = \$50,000 net new.
1.0 FTE Associate Planner	\$81,500	This is an ongoing position. The appropriated amount covers the first 6 months of FY 2017-18.
1.0 FTE Office Assistant II	\$54,500	This is an ongoing position. The appropriated amount covers the first 6 months of FY 2017-18.
1.0 FTE Administrative Analyst I/II	\$78,400	This is an ongoing position. The appropriated amount covers the first 6 months of FY 2017-18.
Third-party legal services	\$75,000	The appropriated amount covers the first 6 months of FY 2017-18.
General Office and Noticing	\$40,000 net new (\$60,000 total)	\$40,000 + \$20,000 rebudget from FY 2016-17 midyear appropriations = \$40,000 net new.
"First Point of Contact" Services	\$60,000	
Hearing Officer	\$30,000	
Hearing Officer Training	\$20,000	
Tenant TRAO Eligibility Assessment and Landlord Compliance	\$10,000	
Total Appropriated to Date	\$861,400	

To date, the City has advanced to the CSFRA Fund \$861,400 for the implementation of the CSFRA. In addition to these direct costs, there are indirect costs for other City staff that are supporting the CSFRA implementation. As authorized by the charter amendment, the City will present a formal request for reimbursement to the RHC of these costs as well as other expenses incurred, if any, by the City to implement the CSFRA as part of the RHC's budget process. In advance of this formal request, the City Council requested staff to communicate to the RHC the amount of these appropriations, the City's expectation of receiving reimbursement, and the City's interest in being reimbursed as expeditiously as possible.

FISCAL IMPACT

The City has advanced and appropriated \$861,400 to the CSFRA Fund for direct staff and other costs for the implementation of the CSFRA. There are other indirect costs that will be in addition to the direct cost. In accordance with the charter amendment, the City will request reimbursement for these costs by the RHC.

PUBLIC NOTICING – Agenda posting.

~~JLQ-AvD/AK/3/CDD/RHC~~
~~895-07-10-17M-E~~

cc: City Council, City Manager