CITY OF MOUNTAIN VIEW

MEMORANDUM

CSFRA, Community Development Department

DATE: October 9, 2017

TO: Rental Housing Committee

FROM: Anky van Deursen, Associate Planner
Roger Jensen, CIO/Information Technology Director
Wayne Chen, Assistant Director of Community Development (Acting)

SUBJECT: CSFRA Information Technology System

RECOMMENDATION

That the Rental Housing Committee (RHC) approve the development of the proposed "Medium" information technology system to implement the Community Stabilization and Fair Rent Act (CSFRA) effectively and efficiently.

BACKGROUND

On November 8, 2016, Measure V, otherwise known as the Community Stabilization and Fair Rent Act ("CSFRA" or "Act"), was passed by the voters. The stated purposes of the CSFRA are "to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Mountain View by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair and reasonable return on their investment and guaranteeing fair protections for renters, homeowners, and businesses" (Section 1700).

Due to the scope and breadth of the CSFRA, implementing the CSFRA in an effective and efficient manner will require a reliable, well-functioning information technology ("IT") system that is able to receive, store, and retrieve a potentially significant volume of data. Ideally, the system should be able to run key reports, look up pertinent information related to CSFRA units, and facilitate compliance with the CSFRA. Additionally, a system that can communicate with other City programs and systems, such as the multi-family inspection program or the fee billing process, can greatly streamline key parts of CSFRA administration. All cities in California with a rent stabilization program use an IT system to help administer their programs.

In addition to the scope of the CSFRA, over 15,000 units are fully covered by the program, and additional units are covered solely under the CSFRA's just-cause provisions.

On September 11, 2017 staff presented a summary of key areas of consideration for a CSFRA IT system, integrating collection of rental property data of covered units with the ability to reliably track CSFRA compliance. Staff also presented research on IT systems used in other rent-stabilization cities, as well as potential vendors and the identification of the needs of an IT system for the requirements of the CSFRA. An IT system will require upfront capital and ongoing operating costs. To the extent that a system is not implemented or is not sufficiently robust, it is likely that greater staffing resources will be needed to handle the various tasks related to administering the CSFRA. If there is a high volume of tenant and/or landlord activity, the lack of an appropriate IT system may require even higher levels of staffing, especially if the activity includes more resource-intensive tasks such as researching records, ensuring compliance of units, or administering the petition process. To the extent that a greater volume of activity translates into greater volumes of data and history that must be stored, the presence of an effective IT system would provide essential administrative capabilities.

On September 11, 2017, the RHC directed staff to bring back three options for a CSFRA IT system: 1) a lean IT system; 2) a medium IT system; and 3) a robust IT system.

ANALYSIS

Per direction from the RHC, please find below three categories of IT systems, their costs, and implementation time:

1. **Lean IT System**

    The "Lean IT System" would require the least in terms of software and system development resources, but would be the most labor-intensive option. This system would leverage the City's existing website, off-the-shelf online data entry software, and the City's existing workflow software system.

    Landlords would use an online data form tool to submit property information to the City to enable to collect data-covered rental properties. Information provided by the landlords would be e-mailed into the City's current workflow management tool, which would then allow staff to review and edit information and create reports on rental property information.

This system would provide the following capabilities:

- Collect and process property and ownership data.

- Collect and track petition form data and progress/system communication with HOs and parties.

- Collect and process termination notice data; document upload capabilities.

- Create custom reports to review implementation of and compliance with CSFRA.

- Collect and track tenant relocation assistance data and progress/system communication with agency/parties.

- Custom reports for internal use.

This system requires the least investment in software and system development and could be implemented the quickest. However, there are several limitations with this approach:

- Because the Landlords do not log in to create an individual profile, they cannot review or edit the information they have provided. They will receive an e-mail notification with the data they provided. To do an edit, they would submit another form and indicate the changes with a reference to the previous property data so staff could manually apply the edits on the City's internal system.

- The online form system is not connected to the City's internal databases, so there would be no validation to ensure accurate address and APN information is captured. Inaccurate information would require manual intervention by staff to correct and link this data with the correct records.

- Because there is no custom logic or algorithms built into the software, specific rules and policies required by the program would have to be handled manually by staff.

- It is not tied to the City's land management databases, so this program's information is not linked to other property information, such as inspection reports, business licenses, and building permit information.

Because this system leverages existing systems, the online landlord registration with workflow integration can be implemented by November 1, 2017. The cost is approximately $10,000 to $20,000 annually for software licensing, but considerable staffing time will be spent on an annual basis to manually review, edit, and merge submissions from landlords and/or tenants.

The City's website would be used for uploading petitions, which would then need to be downloaded and reviewed manually.

2. **Medium IT System**

The "Medium IT System" would provide additional capabilities and efficiencies for staff and the community by leveraging a traditional IT land management system such as Accela or TRAKiT. These are systems that are designed for cities to manage all processes related to a property, such as inspection reports, building permits, business licenses, and planning applications.

In addition to the capabilities provided by the "Lean IT System", this option would provide the additional capabilities:

- Log-in and permanent profile information for the landlord. Because each landlord would have their own username and log-in, they could access the system online to review the information they have provided and make necessary edits.

- Custom data entry screens could be developed to support additional functionality, such as detailed unit information and exemption status.

- The system would be linked to the City's current land management database so addresses and APN information could be validated in real time to ensure information is collected correctly at the point of data entry.

- If needed, the system would support custom tenant username and profile.

- Data entry screens would be able to access the land management database to validate address and unit information.

- The system could be configured to make some part of the property information available to tenants when they log into the system, if needed.

- Because it would be part of the City's land management system, staff would have access to inspection reports, building permits, and other information pertaining to the property.

- This system is more scalable than the Lean IT System, requiring fewer additional staff when new features are added and the volume of data increases.

Although land management systems are available, customization by a professional services organization would be required before it could support this function. In addition, purchases of this size by the City would have to go through the standard purchasing procedures, including developing a Request for Proposal (RFP), evaluating proposals and interviewing vendors, and completing the purchase. The purchasing process would take five to six months, with an additional six months to implement the system.

The costs for a Medium IT System would amount to about $65,000 to $75,000 annual licensing costs for the land management system and about $125,000 to $175,000 start-up development costs.

3. **Robust IT System**

   The "Robust IT System" would utilize a proprietary, custom software product to implement all desired features to support the program with minimal manual processes by staff and the most efficient process for landlords and tenants to enter and access information.

   In addition to the capabilities provided by the Lean and Medium IT systems, the Robust IT System could provide the following capabilities:

   - Fully customized as needed to support the City's program, such as custom data entry forms and reports, which are available to both staff and community members that participate in the program.

   - In addition to providing online access to all users, the system can be customized to support Mountain View-specific rules, such as fair-rate-of-return calculations, scheduled notifications to end users, and online payments.

   - Can be adapted over time if the rules and policies of the rent-control program change.

Like the Medium IT System, this purchase would have to go through the standard purchasing procedures, including developing an RFP, evaluating proposals and interviewing vendors, and completing the purchase. Because this is a custom-developed solution that supports all aspects of the process, the design and implementation phase of the project would be longer and require more resources by the City to document the requirements and do acceptance testing of the application. The purchasing process would take approximately 12 months, with an additional 12 to 24 months to implement the system.

Based on similar custom systems deployed by other cities, the cost for a Robust IT System is estimated to be over $1,000,000, with ongoing software customization and maintenance costs of at least $100,000 to $150,000 annually.

CONSIDERATIONS

Implementing the "Medium IT System," which utilizes an off-the-shelf land management system with some additional system development for rent stabilization specific requirements, seems to be the optimal choice. This system provides sufficient core functionalities for efficient and timely collection and prompt processing and analyzing of rental property data. At the same time, it delivers a user-friendly web portal to allow landlords and tenant, through a secure end-user log-in, access to the system. This system provides efficient, accurate, and reliable functioning of the CSFRA program. There is a robust network of consultants available that can be hired to configure the system for the City, as well as provide additional customization as our needs change. The "Lean IT System" will not provide the level of service needed to implement the program effectively and efficiently. Considerable staffing time will be spent on an annual basis to manually review, edit, and merge property information from landlords, and petitions need to be downloaded and reviewed manually. Also, this system does not provide a secure "log-in" system, preventing landlords to manage and update their property or status information. Although the "Robust IT System" will take the most time to develop and is the costliest of all options, the capabilities provided by this system are the most customizable and adaptable. This system provides public access to relevant data, is fully customizable to support Mountain View-specific rules, and is adaptable over time in case rules and policies of the rent stabilization program change.

FISCAL IMPACT

Each of the above described IT system options has a different level of estimated implementation costs. The expenses for the IT system that the RHC decides to implement will be incorporated into the budget proposal.

PUBLIC NOTICING—Agenda posting.

Table 1: Features of CSFRA IT System

Lean IT System	Medium IT System	Robust IT System
1. Collect and process property and ownership data.	Nos. 1 through 5 of the Lean IT System, plus:	Nos. 1 through 11 of both Lean and Medium IT Systems, plus:
2. Collect and track petition form data and progress/system communication with HOs and parties.	6. Log-in and permanent profile information for the landlord.	12. Fully customizable to support all desired features for implementation of program.
3. Collect and process termination notice data; document upload capabilities.	7. Linked to City's current land management database—APN and property information real-time validated.	13. Customizable to include Mountain View-specific rules.
4. Collect and track tenant relocation assistance data and progress/system communication with agency/parties.	8. Custom data entry screens to support additional functionality, such as detailed unit information and exemption status.	14. Adaptable over time if the rules and policies of the rent-control program change.
5. Create custom reports for internal use.	9. Staff access to other departments inspection reports, building permits, etc. pertaining to the property.	
	10. More scalable, requiring fewer additional staff when new features are added and the volume of data increases.	
	11. Supports custom tenant username and profile.	