



## CITY OF MOUNTAIN VIEW

### MEMORANDUM

CSFRA, Community Development Department

**DATE:** March 26, 2018

**TO:** Members of the Rental Housing Committee

**FROM:** Patty J. Kong, Finance and Administrative Services Director  
Anky van Deursen, Associate Planner  
Andrea Kennedy, Administrative Analyst I

**SUBJECT:** Fiscal Year 2017-18 CSFRA Annual Rental Housing Fees

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#### **BACKGROUND**

On November 8, 2016, Measure V, otherwise known as the Community Stabilization and Fair Rent Act ("CSFRA") 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).

The CSFRA created an entirely new program in the City of Mountain View and required dedicated resources for its development, implementation, and administration. To that regard, the Rental Housing Committee ("RHC") established a budget for the reasonable and necessary implementation of the provisions of the CSFRA, including, without limitation, the hiring of necessary staff and charge fees in an amount sufficient to support that budget (Section 1709(d)).

On September 11, 2017, the RHC deliberated on a methodology for setting a rental housing fee for Fiscal Year 2017-18 and decided that the same fee would be set for both the fully as well as the partially covered units under the CSFRA, which fee would recover the total costs of the program.

On October 23, 2017, the RHC adopted the CSFRA Fiscal Year 2017-18 budget in the amount of \$2,590,915, which includes reimbursement of all funds advanced by the City of Mountain View. In conjunction with the adoption of the budget to fund the CSFRA program, the RHC adopted a Rental Housing Fee for Fiscal Year 2017-18 of \$155 per

unit, taking into consideration that the total amount of covered rental units is estimated to be 16,788.

## **ANALYSIS**

In December of 2017, CSFRA staff worked together with the Finance and Administrative Services Department and the Multi-Family Inspection Program to charge both the CSFRA Annual Rental Housing Fee and the Multi-Family Inspection Fees in one combined invoice. This made it possible to realize efficiencies to the greatest extent possible. The invoices were mailed out the first week of January 2018.

Because no specific CSFRA database is in existence to date, staff used the Multi-Family Inspection Program database together with the Santa Clara County database to eliminate discrepancies and create the CSFRA property list for invoicing. Explanatory leaflets were developed and inserted with the invoices (see Attachment 1). Realizing that some properties might be able to claim exemptions, staff developed an online tool for property owners to record any allowable exemptions from the Rental Housing Fee. In January 2018, invoices were sent out to a total of 702 properties representing 15,088 units for a total estimated revenues of \$2,359,705.

<b>To date, per February 28, 2018:</b>		
Total units covered under the CSFRA	15,088	
Rent Increase + Just Cause		13,254
Just Cause Only (built between 2.1.1995-12.23.2016)		1,834
<i>Total units covered under the CSFRA</i>		<i>15,088</i>
Total Units NOT covered under CSFRA	4,362	
Exempt Subsidized Housing		1,197
Exempt Owner Occupied		19
Exempt Built after 12.23.2016		
100 Moffett		184
1984 West El Camino Real		155
Duplexes/Condos/SFH, etc.		2,807
<i>Total Units NOT covered under CSFRA</i>		<i>4,362</i>

As of the end of February, an amount of \$2,112,927.67 has been received covering 13,632 units. This represents a collection rate of approximately 90 percent, and there are still

1,456 units (representing 88 properties) that have not yet paid the CSFRA fees. Some payments that have been received are for partial years if the property owner believes they are not subject to the full year. A second follow-up notice has been sent out to overdue properties on March 23, 2018.

### **FISCAL IMPACT**

The RHC adopted a Rental Housing Fee of \$155 per unit with an estimated amount of revenues to be collected of \$2.6 million. The fee was established in order to fund the \$2.6 million Fiscal Year 2017-18 Adopted Budget, which included start-up costs of the CSFRA from the prior fiscal year.

Current revenues collected are approximately \$2.1 million; approximately \$500,000 less than the adopted budget. However, the expenditures are well under budget, and it is anticipated the fees collected will be sufficient to fund all expenditures for the startup and current fiscal year. Staff will be returning to the RHC in May with a Proposed Budget for Fiscal Year 2018-19 that will take into consideration any projected surplus balances in the CSFRA fund.

### **PUBLIC NOTICING** – Agenda posting.

PJK-AvD-AK/5/CDD/RHC  
546-03-26-18M-E

Attachment: 1. Example Invoice and Explanatory Leaflet for Annual CSFRA Fees