

DATE: April 23, 2026

TO: Rental Housing Committee

FROM: Anky van Deursen, Rent Stabilization Manager
Andrea Kennedy, Senior Management Analyst

SUBJECT: **Fiscal Year 2026-27 Recommended Budgets for Community Stabilization and Fair Rent Act and Mobile Home Rent Stabilization Ordinance**

RECOMMENDATION

Review and provide feedback on the Fiscal Year 2026-27 Recommended Budgets for the administration of the Community Stabilization and Fair Rent Act and the Mobile Home Rent Stabilization Ordinance.

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”). 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 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 MHRSO Section 46.9(b))

This memorandum details the draft budgets for Fiscal Year 2026-27 for both programs as well as recommendations for setting the annual CSFRA Rental Housing Fee (a per-unit fee) and MHRSO Space Rental Fee (a per-space fee). Both rent stabilization programs are intended to be 100% cost-recovery programs, fully funded by fees.

INTRODUCTION

Fiscal Year 2026-27 will be the tenth fiscal year of Rent Stabilization Program operations. The draft Fiscal Year 2026-27 Budget recommendations will continue to support the following key program areas:

- Develop policies and regulations for review and approval by the RHC to manage the CSFRA and MHRSO.
- Manage and oversee the petition process, which allows landlords and tenants to request rent adjustments outside of the annual general rent increase. In addition to this standard petition process, the Division continues to implement a one-time utility adjustment process to assist CSFRA multi-family property owners in incorporating utility costs into the overall rent. This one-time utility adjustment process is expected to be finalized in this fiscal year.
- Implement programs in the City's State-certified 2023-2031 Housing Element related to the Rent Stabilization Division.
- Organize Housing Help Center clinics for tenants and landlords to prevent or reduce potential displacements and support community stability by offering information and services.
- Conduct outreach and education to raise awareness and understanding among landlords and tenants about their legal rights and responsibilities.
- Administer and monitor the compliance and enforcement program to maximize annual fee payment and registration compliance of covered properties.

In developing prior and recommended Fiscal Year Budgets, staff continuously evaluate and recommend effective and efficient methods to administer the rent stabilization program while meeting the goals of the CSFRA and MHRSO.

ANALYSIS

This section summarizes the recommended budgets for both the CSFRA and the MHRSO.

Analysis of the CSFRA Program Budget

The key expenditures of CSFRA include:

1. Staffing for the administration of CSFRA.

2. General operating expenses, including education, outreach, communications, RHC meetings, and office costs.
3. Third-party professional services.
4. Information Technology to support monitoring, compliance, and implementation of CSFRA requirements.
5. Capital expenditure for developing the online portal.
6. City Administration (General Fund Administration) overhead costs cover services and infrastructure the City provides to support the rent stabilization program.
7. Funding for Self-Insurance, Compensated Absences Reserve, and Equipment Replacement Reserve.

The RHC adopts a budget each year, and the Fiscal Year 2026-27 Recommended Budget is the staff's best estimate of program costs, based on the results of previous years' expenditures and future estimates for operational costs, staffing, and third-party professional providers. Most costs are ongoing program expenses.

Table 1 below provides a comparison of the Fiscal Year 2025-26 Adopted Budget, the Fiscal Year 2025-26 Estimated Actuals, and the draft Fiscal Year 2026-27 Recommended Budget:

**Table 1: Comparison of CSFRA Fiscal Year 2025-26 Adopted Budget,
Fiscal Year 2025-26 Estimated Actuals, and Fiscal Year 2026-27 Recommended Budget**

	Adopted Budget FY 2025-26	Estimated Actuals FY 2025-26	Draft Budget FY 2026-27
Investment Earnings	\$ 30,000	35,000	39,000
Rental Housing Fee	1,839,656	1,803,841	2,023,622
Other Revenue	0	1,471	0
Total Revenue	1,869,656	1,840,312	2,062,622
Operating Expenses	2,331,619	1,849,394	2,318,087
City Administration	172,300	172,300	200,480
Self-Insurance	73,220	73,220	59,080
Comp Absence Reserve	12,000	12,000	12,000
Equipment Replacement Reserve	2,200	2,200	2,800
Total Expenses	2,591,339	2,109,114	2,592,447
Excess (Def.) of Revenue	(721,683)	(268,802)	(529,825)
Beginning Balance	1,322,711	1,322,711	1,053,909
Reserves	(518,268)	(518,268)	(518,489)
Ending Balance	\$ 82,760	535,641	5,594

CSFRA Fiscal Year 2025-26 Estimated Actuals

The table above aligns with the City's budget format. For Fiscal Year 2025-26, full-year revenues are estimated at \$1,840,312, about \$30,000 below the Adopted Budget. Operating expenditures are estimated at \$2,109,114, or about \$482,225 less than the Adopted Budget. Lower expenditures reflect salary savings and vacancies, as well as reduced Professional Services costs due to fewer petitions being submitted. As a result, the estimated ending balance for this fiscal year is higher than originally anticipated (approximately \$535,641 instead of \$82,760). However, over the years, the Ending Balance has been trending downward, indicating that the cash available to absorb expenses is decreasing. Estimated Actuals are subject to change.

CSFRA Fiscal Year 2026-27 Recommended Budget

The recommended Fiscal Year 2026-27 Budget is based on the same staffing levels (both permanent and temporary staff) as Fiscal Year 2025-26. The recommended Fiscal Year 2026-27 Budget proposes a slight increase in Other Costs, such as training and miscellaneous (\$4,600), and a reduction in Professional Services costs (\$53,500), primarily related to the petition process. Increased efficiency in administering the rent stabilization program (such as through the online portal, which reduces time and costs through extensive data-tracking capabilities) helps control operating costs.

Note that this year's salary savings and lower professional services costs have helped actual expenditures come in below the adopted amounts. However, these savings are not expected to continue in FY 2026-27. On another note, the ending balance is trending downward. The ending balance from a previous year helps fund the beginning balance, which in turn offsets costs and reduces fees in the next fiscal year. For example, the beginning balance for FY 2025-26 was \$1,322,711, whereas the beginning balance for FY 2026-27 is estimated to be \$1,053,909. This represents a \$300,000 reduction in funds, which reduces the ability to offset costs and lower annual fees. For FY 2026-27, the ending balance is forecast at \$5,594, resulting in an even lower beginning balance for FY 2027-28. Over time, the opportunity to absorb certain expenses will be further reduced, and therefore, the ability to reduce annual fee levels will be limited.

The components of the expenditures in the Fiscal Year 2026-27 Recommended Budget are as follows:

Operating Expenses—\$2,592,447

- *Staffing—\$1,642,437*

The Fiscal Year 2026-27 Recommended Budget includes 7.0 full-time equivalent staff positions as follows:

- 1.0 Division Manager.
- 2.0 Senior Management Analysts
- 2.0 Analyst I/II.
- 1.0 Senior Administrative Assistant.
- 1.0 Outreach Specialist.

- Temporary/hourly personnel to assist with the processing of One-Time Utility Adjustment Petitions.

- Funding for interpretation/translation staff from the City's Multicultural Engagement Program.

The estimated staffing cost represents a \$30,368 increase over the Fiscal Year 2025-26 Budget.

- *General Operating—\$121,600*

General Operating expenses include program expenditures for office operations, materials, communications, outreach, and education efforts, as well as preparation for and staffing of RHC meetings. Examples include the development, printing, mailing, and postage of outreach materials such as newsletters, postcards, flyers, and resource guides; RHC agenda packets and materials; office equipment and supplies; meeting notices; education and workshops; and training costs.

The recommended General Operating expenses represent an increase of \$4,600 compared with the Fiscal Year 2025-26 Budget, due to increased training and operation costs.

- *Third-Party Professional Services—\$455,500*

The recommended Third-Party Professional Services expenses for Fiscal Year 2026-27 represent a \$53,500 reduction compared to the Fiscal Year 2025-26 Budget. This reduction is

mainly due to a lower budget for hearing officers and settlement services, driven by fewer petitions filed.

It includes the following:

- Legal Services (\$200,000). The RHC retains outside legal counsel to provide legal services, including: drafting and reviewing agendas and staff memos for RHC meetings; drafting and updating rules and regulations to implement CSFRA; delivering regular presentations to the RHC on agenda items; reviewing CSFRA-related materials, including forms and petitions; providing legal advice; advising on compliance and enforcement; providing Hearing Officer training; drafting RHC decisions on appeal petitions; researching and analyzing Best Practices in other California rent-stabilized cities; and using the findings to inform the development and implementation of effective programs. The recommended amount is the same as the Fiscal Year 2025-26 Budget.
- Litigation (\$50,000). The Recommended Budget includes \$50,000 for litigation expenses, including legal costs for lawsuits. The RHC currently has two active lawsuits, both stemming from petitions challenging an appeal decision. The recommended amount matches the funding level in the Fiscal Year 2025-26 Budget.
- Project Sentinel (\$10,000). Project Sentinel manages the administration of Hearing Officers and facilitators. The recommended amount maintains the same level of funding as the amount in the Fiscal Year 2025-26 Budget.
- Prehearing Settlement Conference/Facilitator Services (\$5,000). Facilitators continue to provide petition settlement conference services, which may reduce the need for formal hearings. Based on estimated actuals for Fiscal Year 2025-26, the recommended budget is \$5,000 lower than the Fiscal Year 2025-26 Budget.
- Hearing Officer Services (\$110,000). Hearing Officers continue to provide petition hearing services in accordance with adopted rules and regulations. Based on estimated actuals for Fiscal Year 2025-26, which are projected to come in lower than expected in the adopted budget, and although hard to predict, this trend is expected to continue, the recommended budget is \$50,000 lower than the Fiscal Year 2025-26 Budget.
- Community Services Agency Coordination (\$35,000). This line item funds Community Services Agency (CSA) case management services for landlords and tenants to stabilize the community by preventing evictions (CSFRA Section 1701(q)). CSA staff provide access to all CSA services to prevent homelessness, including financial relief and other needed resources. The recommended amount matches the Fiscal Year 2025-26 Budget.
- Community Legal Services East Palo Alto (CLSEPA) (\$32,000). These services provide legal assistance to Mountain View tenants and include attorneys attending Housing Help

Center hours, administrative preparation before and follow-up after clinics, and ongoing legal intake. The total cost of the service is \$60,000, of which \$28,000 will be recommended to the City Council on April 28, 2026, to be funded out of the City's federal Community Development Block Grant public service funding program. Staff recommend that the Fiscal Year 2026-27 CSFRA budget provide the remaining \$32,000 in funding. This recommended CSFRA budget amount matches the funding provided in Fiscal Year 2025-26.

- Tenant Relocation Services (\$6,000). This service provides a relocation consultant to offer tenants counseling and process support, and to determine income eligibility for tenant relocation assistance under the City's Tenant Relocation Assistance Ordinance (TRAO) and State tenant relocation requirements under the CA Housing Crisis Act. Based on Fiscal Year 2025-26 estimated actuals and added services for temporary displacement tenant assistance, the recommended amount is \$1,000 higher than the Fiscal Year 2025-26 Budget.
- MVCT (previously KMVT) (\$5,000). MVCT broadcasts RHC meetings, which can be accessed online on the City's website through Legistar and YouTube. Due to increased costs for these services, the recommended amount is \$500 above the Fiscal Year 2025-26 Budget.
- Translation Services (\$2,500). When the City's Multicultural Engagement Program (MEP) personnel cannot provide translation services, they must be obtained from a third-party translation provider to ensure adequate assistance for community members. This includes translations for petition appeal meetings, petition decisions, outreach materials, webpages, educational videos, stakeholder meetings, and workshops. The recommended amount is the same as in the Fiscal Year 2025-26 Budget.
- *Information Technology—\$55,000*

The recommended Information Technology budget covers annual software licenses for the online portal and other software, including the CoStar Database and Adobe Acrobat. The recommended amount is \$5,000 higher than the Fiscal Year 2025-26 Budget to accommodate annual increases in software licensing fees.

- *Capital Outlay—\$43,550*

The recommended budget for Capital Outlay consists of rebudgeting the estimated remaining funds from the Fiscal Year 2025-26 Budget for the online portal. The most important phases of the online portal have been completed. However, subsequent development of additional features will not be completed before the end of the current fiscal year. Therefore, the remaining funds are recommended to be rebudgeted for Fiscal Year 2026-27.

City Administration (General Fund Administration) and Interfund Transfers Expenses—\$274,360

• *City Administration (General Fund Administration)—\$200,480*

City Administration represents the overhead cost to pay for services and infrastructure that the City provides to operate the rent stabilization programs and is based on a 15% of the average expenditures over the past five years. This cost covers various services by different City departments/offices, including:

- Finance and Administrative Services Department: Supports invoice processing, payroll, document processing, and purchasing and contract processing.
- City Attorney’s Office: Supports contract review and related legal matters.
- Human Resources Department: Administers benefits and manages personnel recruitment.
- Information Technology Department: Manages the cost and maintenance of the telephone system, computers, website, and other technology.
- Facilities: Provides office space, maintenance and repairs, copier services, and other facility costs.

This amount increased by \$28,180 compared to the Fiscal Year 2025-26 Budget.

• *Self-Insurance, Compensated Absences Reserve, and Equipment Replacement Reserve—\$73,880*

Other City costs include self-insurance (general liability), compensated absences reserves, and equipment replacement reserves. This amount decreased by \$13,540 compared to the Fiscal Year 2025-26 Budget.

Reserves—\$518,489

Beginning in Fiscal Year 2018-19, the RHC established a reserve equal to approximately 20% of operating expenditures. The reserve is intended to cover unanticipated costs that may arise during a fiscal year. If additional costs are incurred or unanticipated expenditures are required midyear, the reserve would provide funding for these expenditures until the budget and fee can be established in the following fiscal year. To date, the CSFRA program has not used any reserves. The recommended reserve amount approximates the 20% requirement.

Annual Rental Housing Fee

As noted, the CSFRA is a 100% cost-recovery program, fully funded by the Rental Housing Fee. The fee is calculated by dividing the total budget amount, less the beginning balance and reserves, by the total number of rental units covered by the CSFRA, including both fully and partially covered units. The number of covered rental units for Fiscal Year 2026-27 remains at

14,440. This year’s salary savings and lower professional services costs have helped actual expenditures come in below the adopted amounts, increasing the ending balance. However, these savings are not expected to continue in FY 2026-27. The ending balance has been trending downward over the years. The ending balance from a previous year helps fund the beginning balance, which in turn offsets costs and reduces fees in the next fiscal year. As noted earlier in the memo, the beginning balance for this year is \$300,000 less than last year. This is why the recommended fees for this year are higher than last year, even though the recommended budget for FY 2026-27 does not increase significantly. For FY 2026-27, the ending balance is forecast to be even lower at \$5,594, resulting in a lower beginning balance for FY 2027-28. Over time, the ability to absorb certain expenses will be further reduced, and therefore, the ability to reduce annual fee levels will be further limited.

Based on the calculation above, the fee would be \$143 per unit for Fiscal Year 2026-27 (or \$11.92 per unit per month) and would be invoiced in January 2027. Table 2 below summarizes the fees since the CSFRA started.

Table 2: CSFRA Annual Rental Housing Fee by Fiscal Year

Rental Housing Fee	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Proposed FY 2026-27
Annual	\$155	\$124	\$101	\$85	\$102	\$96	\$108	\$120	\$130	\$143
Monthly	\$12.92	\$10.33	\$8.42	\$7.08	\$8.50	\$8.00	\$9.00	\$10.00	\$10.83	\$11.92

Analysis of the MHRSO Program Budget

Fiscal Year 2026-27 will be the fifth full fiscal year of MHRSO operations, and the RHC and staff continue to evaluate and assess the most efficient methods for administering the MHRSO in an effective manner.

The key expenditures of the MHRSO include:

1. Staffing for the implementation and administration of the MHRSO.
2. General operating costs, including education, outreach, and communications, as well as costs associated with RHC meetings and office expenses.
3. Third-party professional services.
4. Information Technology to support monitoring, compliance, and implementation of MHRSO requirements.
5. City Administration (General Fund Administration) overhead costs to cover services and infrastructure the City provides to operate the rent stabilization program.
6. Self-Insurance and Equipment Replacement Reserve Funding.

As with CSFRA, the RHC adopts an MHRSO budget annually, and the Fiscal Year 2026-27 Recommended Budget is the staff's best estimate of program costs, taking into account actual expenditures from prior years as well as forward-looking estimates for operational costs, staffing, and third-party professional providers. Most costs are ongoing program expenses.

Table 3 below compares the current Fiscal Year 2025-26 Adopted Budget, the current fiscal year estimated actuals, and the upcoming Fiscal Year 2026-27 Recommended Budget.

Table 3: Comparison of MHRSO Fiscal Year 2025-26 Adopted Budget, Fiscal Year 2025-26 Estimated Actuals, and Fiscal Year 2026-27 Recommended Budget

	Adopted Budget FY 2025-26	Estimated Actuals FY 2025-26	Recommended Budget FY 2026-27
Interest Earnings	\$ 16,000	16,000	18,000
Rental Space Fees	157,300	160,460	157,300
Transfer General Fund	50,000	50,000	50,000
Total Revenue	223,300	226,460	225,300
Operating Expenses	262,013	236,719	244,466
City Administration	26,970	27,460	27,520
Self-Insurance	10,460	10,460	8,440
Equipment Replacement Reserve	300	300	400
Total Expenses	299,743	274,449	280,826
Excess (Def.) of Revenue	(76,443)	(47,989)	(46,726)
Beginning Balance	545,751	545,751	497,762
Reserve	(59,949)	(59,949)	(56,165)
Ending Balance	\$ 409,359	437,813	386,071

Fiscal Year 2025-26 Estimated Actuals

For Fiscal Year 2025-26, revenues are estimated at \$226,460, about \$3,160 higher than the Fiscal Year 2025-26 Adopted Budget of \$223,300. Total operating expenditures are estimated at approximately \$274,449, about \$25,254 lower than the budgeted amount. Estimated Actuals are subject to change.

Fiscal Year 2026-27 Recommended Budget

Like the CSFRA, the MHRSO is intended to be a 100% cost-recovery program. On March 25, 2025, the City Council adopted amendments to MHRSO Sections 46.5(b) and 46.6(c), changing the allowed AGA from the current combination of an adjustment limited to 100% of the CPI-U with a 2% floor and 5% ceiling to an adjustment limited to 60% of the CPI-U with no floor and a 3% ceiling. The Council also supported a 50% reduction in the Space Rental Fee compared to the

previous year, so the cost for the park owners would be half of the total fee. To facilitate the lower fee level, a combination of City funds and this year's end balance is again recommended for use in FY 2026-27. Going forward, these contribution levels may fluctuate.

Note that the estimated ending balance remains robust and will help fund the beginning balance for FY 2026-27.

In total, recommended revenues are budgeted at \$157,300, and recommended expenditures are budgeted at \$280,826, approximately \$18,917 less than the Fiscal Year 2025-26 budget.

The components of the expenditures in the Fiscal Year 2026-27 Recommended Budget are as follows:

Operating Expenses—\$280,826

- *Staffing—\$183,966*

Staffing includes one permanent full-time Analyst I/II position to administer the MHRSO. The recommended staffing expenses are \$17,047 lower than the Fiscal Year 2025-26 Budget.

- *General Operating—\$6,500*

General Operating expenses include program expenditures for office operations, materials, communications, outreach and education efforts, and preparation for and staffing of RHC meetings. Examples include the development, printing, mailing, and postage of outreach materials such as newsletters, postcards, flyers, and resource guides; RHC agenda packets and materials; office equipment and supplies; meeting notices; and education and workshops. The recommended General Operating expenses are \$1,500 less than the amount in this fiscal year's budget.

- *Third-Party Professional Services—\$49,000*

Staff recommend continuing to contract with third-party consultants for services such as legal support and Hearing Officer services. Staff may use existing CSFRA consultants in certain circumstances but must separately budget and invoice for services provided to the MHRSO program. The recommended Third-Party Professional Services expenses are the same as those in the Fiscal Year 2025-26 Budget. The following third-party professional services and cost projections are included in these recommendations:

- Legal Services and Litigation (\$35,000). As with CSFRA, the RHC retains outside legal counsel to provide Legal Services, including drafting and reviewing agendas and staff memos for RHC meetings; drafting and updating rules and regulations to

implement the MHRSO; making regular presentations to the RHC regarding agenda items; reviewing MHRSO-related materials, including forms and petitions; providing legal advice; advising on compliance and enforcement; providing Hearing Officer training; drafting RHC decisions on appeal petitions; researching and analyzing Best Practices in other California rent-stabilized cities; and using the findings to inform the development and implementation of an effective MHRSO. As with CSFRA, a yearly amount is recommended to be incorporated for potential MHRSO litigation. There are no current lawsuits pending regarding Mobile Home Parks. The Fiscal Year 2026-27 Recommended Budget combines the Litigation and legal services line items into one and would be used to pay all legal expenses. The recommended amount is the same as the Fiscal Year 2025-26 Budget.

- Project Sentinel (\$1,000). Project Sentinel manages the administration of Hearing Officers and facilitators, similar to CSFRA. The recommended amount maintains the same level of funding as the Fiscal Year 2025-26 Budget.
- Prehearing Settlement Conference/Facilitator Services (\$2,000). Facilitators continue to provide petition settlement conference services, which may reduce the need for formal hearings. The recommended amount matches the amount in the Fiscal Year 2025-26 Budget.
- Hearing Officer Services (\$10,000). Hearing Officers continue to provide petition hearing services in accordance with adopted rules and regulations. To date, no petitions have been filed for Mobile Homes in Fiscal Year 2025-26. The recommended amount is the same as the Fiscal Year 2025-26 Budget.
- Translation services (1,000). Translations may be needed in other languages to provide adequate assistance to community members with translation needs. The recommended amount is the same as the Fiscal Year 2025-26 Budget.

- *Information Technology—\$5,000*

The recommended budget for Information Technology covers the annual software license for the online portal. The recommended amount matches the level of funding in the Fiscal Year 2025-26 Budget.

City Administration (General Fund Administration) and Interfund Transfers Expenses—\$36,360

- *City Administration (General Fund Administration)—\$27,520*

As with CSFRA, City Administration represents the overhead costs for services and infrastructure that the City provides to operate the rent stabilization programs. It is based on

15% of the average expenditure over the past four years, since this program only has a four-year spending history. This cost covers services provided by various City departments and offices, including the Finance and Administrative Services Department, City Attorney's Office, Human Resources Department, Information Technology Department, and Facilities Division. This amount increased by \$500 compared to the Fiscal Year 2025-26 Budget.

- *Self-Insurance and Equipment Replacement Reserves—\$8,840*

Other City costs include self-insurance (General Liability) and equipment replacement reserves. This amount decreased by \$1,920 compared with the Fiscal Year 2025-26 Budget.

Reserves—\$56,165

Staff recommend that the RHC establish a reserve of approximately 20% of operating expenditures. This would be consistent with the levels of other City fund reserves, which are generally between 20% and 25%, and with the 20% reserve balance established by the RHC for the CSFRA. To date, the MHRSO program has not used any reserves. The recommended reserve amount approximates the 20% reserve.

Fiscal Year 2026-27 Annual Space Rental Fees

As mentioned above, the Council in 2025 supported a 50% reduction in the Space Rental Fee compared to the previous year, so the cost for the park owners would be half of the total fee. To facilitate this, \$50,000 from the City's General Fund was contributed to the MHRSO budget's revenue. Going forward, these contribution levels may fluctuate. The fee is calculated by dividing the total Fiscal Year Budget, less the beginning balance, reserves, and the City contribution, by the total number of mobile home spaces covered by the MHRSO (1,130).

Based on the calculation above, the fee would remain \$142 per space for Fiscal Year 2026-27 (or \$11.83 per space per month) and would be invoiced in January 2027. Table 4 below summarizes the fees from the beginning of the MHRSO.

Table 4: MHRSO Annual Space Rental Fee per Fiscal Year

Space Rental Fee	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Proposed FY 2026-27
Annual	\$258	\$307	\$300	\$285	\$142*	\$142*
Monthly	\$21.50	\$25.58	\$25.00	\$21.50	\$11.83*	\$11.83*

* Reflecting a fee-level reduction, by offsetting the total space fee by 50% using General Fund support on an annual basis.

FISCAL IMPACT

There is no fiscal impact from reviewing and discussing the budget. The recommended Fiscal Year 2026-27 budgets for both programs, including CSFRA and MHRSO annual fees, are scheduled for adoption at the RHC’s next meeting on May 28, 2026. The CSFRA program is a 100% cost-recovery program fully funded by fees. The MHRSO program is also a cost-recovery initiative funded by fees; however, its Fiscal Year 2026-27 budget is supplemented by the City’s General Fund with \$50,000.

NEXT STEPS

The Fiscal Year 2026-27 budgets for the CSFRA and MHRSO, including their fees, are scheduled for adoption at the RHC’s upcoming meeting on May 28, 2026, and forwarded to the Finance and Administrative Services Department for incorporation in the Citywide budget.

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

- Attachments:
1. CSFRA Fiscal Year 2026-27 Statement of Revenues, Expenditures, and Balances
 2. MHRSO Fiscal Year 2026-27 Statement of Revenues, Expenditures, and Balances