



# City of Chula Vista

## Master

File Number: 15-0081

<b>File ID:</b> 15-0081	<b>Item Type:</b> Public Hearing	<b>Status:</b> Passed
<b>Version:</b> 1	<b>LARQ:</b>	<b>Body:</b> City Council
		<b>File Created:</b> 02/26/2015
<b>Item Topic:</b>		<b>Final Action:</b> 05/05/2015

**Agenda Title:** CONSIDERATION OF AMENDING CHAPTER 18 (MOBILEHOMES) OF THE CITY'S MASTER FEE SCHEDULE

RESOLUTION NO. 2015-097 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA SETTING THE ADMINISTRATIVE FEE FOR RENT CONTROL SERVICES AT \$40 FOR FISCAL-YEAR 2016 IN CHAPTER 18 (MOBILEHOMES) OF THE CITY'S MASTER FEE SCHEDULE

**Sponsors:**

**Enactment Date:**

**Attachments:** Item 7 - Attachment 1, Item 7 - Resolution, Item 7 - Resolution Exhibit 1

**New or Upd Fee? (\*):** Yes

**Conflicts Verif By:**

**Hard Deadline:**

**Drafter:** SKurz@ci.chula-vista.ca.us

**Conflicts Verif On:**

### History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	05/05/2015	adopt				Pass

### Text of Legislative File 15-0081

CONSIDERATION OF AMENDING CHAPTER 18 (MOBILEHOMES) OF THE CITY'S MASTER FEE SCHEDULE

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### RECOMMENDED ACTION

Council conduct the public hearing and adopt the resolution.

**SUMMARY**

Effective August 18, 2011, the City, under Chula Vista Municipal Code (CVMC) Section 9.50.030, established an Administrative Fee to be assessed upon all eligible mobilehome residents receiving benefits and services under CVMC 9.50 (“Chapter 9.50”) - Mobilehome Park Space Rent Review. At this time, staff is bringing forward Chapter 18 of the Master Fee Schedule, to set the annual administrative fee at \$40 for Fiscal-Year 2016 (“FY 16”).

**ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed activity, amendments to the Master Fee Schedule pertaining to fees associated with City administrative costs for administering programs associated with City’s Mobilehome Program, for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378(b)(4) of the State CEQA Guidelines (creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project), because the proposal consists of amendments to the City’s Master Fee Schedule and does not pertain to a site specific project and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no further environmental review is necessary at this time.

**BOARD/COMMISSION RECOMMENDATION**

An information presentation on the Administrative Fee was provided to the Mobilehome Rent Review Commission at their April 22, 2015 meeting, providing an opportunity for public and Commission input on the fee collection process.

**DISCUSSION**

On July 19, 2011, City Council approved an amendment to Chapter 9.50 which established an Administrative Fee to provide funding for implementation of the ordinance (which offers unique benefits and services solely to eligible mobilehome residents). As part of the annual Administrative Fee update process, staff is reporting out on prior year revenues and expenditures to establish the amount necessary to recover the costs of administering Chapter 9.50. This report provides an update on revenues and expenditures for July 1, 2014 - June 30, 2015 and recommends the fee for FY 16.

Fiscal Year 2015 (“FY 15”) Revenues and Expenditures

Anticipated revenues for FY 15 were expected to be \$80,000 based on 2,000 residents paying the fee at \$40. Actual payments were received from 2,104 eligible spaces for total revenues of \$84,180. A fiscal analysis of revenues and expenditures is provided in Table 1 with a description of the activities following.

**Table 1**  
**FY 2015 BUDGET SUMMARY**

Anticipated                      Actual

<b>Revenues:</b>		
Collected Revenue	\$80,000	\$84,180
Fund Balance from Prior Year 7/1/14		\$81,104
<b>TOTAL REVENUES</b>	<b>\$165,284</b>	
<b>Expenditures:</b>		
Staff Charges	\$92,000	\$65,000
Experts	\$25,000	\$25,000
Postage	\$1,000	\$900
Office Supplies	\$500	\$500
Printing & Binding	\$1,500	\$1,200
<b>TOTAL EXPENDITURES</b>	<b>\$92,600</b>	
<b>Surplus/Deficit</b>		<b>\$72,684</b>

**Staff Charges**

Administration of Chapter 9.50 resulted in staff charges of \$65,000 for FY 15. Staff provided the following services during FY 15:

- *Ombudsman Activities (Office Visits & Mobilehome Information Line)* - Staff responded bilingually to all inquiries related to Chapter 9.50.
- *Resident Invoicing* - A June 1st billing and/or ineligible notice was sent to all mobilehome/trailer residents and an August 1st reminder notice was sent to all residents with a balance due.
- *Fee Collection* - Collection and processing of fee payments received.
- *Database Maintenance* - Maintained the database with current resident information.
- *Mobilehome Rent Review Commission (“MHRRC”) Educational Meetings* - Provided general ombudsman related activities to residents and held informational meetings with the MHRRC.
- *Annual Permissive Rent Calculations* - Twice a year, the Consumer Price Index (CPI) is released and notification was sent to all park owners and managers of the annual permissive rate as calculated under Section 9.50.050.
- *Rent Review Inquiries/Hearing Administration* - Staff coordinated inquiries regarding rental increases between residents and park management as needed and in late March 2015 received a Request for Hearing in relation to rental increase notices above the annual permissive rate for residents at Rancho Bonita Mobilehome Park. It is anticipated that the Rent Review Hearing for the park will be heard in June 2015.

**Experts**

It is anticipated that costs associated with hiring of experts and staff time for the Rancho Bonita Mobile Home Park will be realized during FY 15.

**Administrative Costs (Postage, Office Supplies and Printing)**

During FY 15, expenses included envelopes, postage, printing of bills and CPI notices, and publication of this hearing notice.

Fiscal Year 2016 (FY 16) Budget and Administrative Fee

Staff recommends the fee be maintained at \$40 dollars for FY 16 due to the current fund balance. Table 2 provides a summary of the FY 16 budget which includes a contingency of \$25,000 for expert time related to one additional case if needed and \$11,684 for other miscellaneous contingencies.

**Table 2**  
**FY 2015 BUDGET SUMMARY**

	Budget
<b>Revenues:</b>	
Available Fund Balance as of 7/1/15	\$72,684
Anticipated Revenues (2,100 @ \$40)	\$84,000
<b>Expenditures:</b>	
Staff Charges	\$92,000
Experts	\$25,000
Postage	\$1,000
Office Supplies	\$500
Printing & Binding	\$1,500
TOTAL ANTICIPATED EXPENDITURES	\$120,000
Anticipated Fund Balance as of 6/30/16	\$36,684
Contingency for Experts	\$25,000
Anticipated Surplus/Deficit	\$11,684

As discussed above, staff will be hearing the first case under rent review since the institution of the Administrative Fee and funds to hire a fair rate of return expert were available. Accounting of related expenses will be assessed for future budgeting of rent review cases.

**DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council and has found no property holdings within 500 feet of the boundaries of the property which is the subject of this action. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

**LINK TO STRATEGIC GOALS**

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community.

The updates to the Master Fee schedule adhere to the general city policy to ensure private interest activities are not being subsidized by the public at large. The nature of these activities is consistent with the Goals, Strategies and Initiatives in Operational Excellence.

- Strategy 1.1: Uphold a commitment to Fiscal Health.
- Initiative 1.1.1: Implement Fiscal Recovery and Progress Plan.

**CURRENT YEAR FISCAL IMPACT**

The administrative fee established a Mobilehome Park Space Rent Review Administrative Fee fund to reimburse the City staff time and other costs associated with administering Chapter 9.50. It is projected that this fund will have an available fund balance of \$72,684 that will be restricted for administration of the ordinance and rent review case related expenses.

**ONGOING FISCAL IMPACT**

The proposed FY 16 budget reflects the revenues and expenditures for this program.

**ATTACHMENTS**

1. Proposed Amendment to Chapter 18 of the Master Fee Schedule

*Staff Contact: Stacey Kurz, Senior Project Coordinator  
Housing Division, Development Services Department*