



City of Chula Vista

Staff Report

File#: 16-0104, **Item#:** 12.

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

RESOLUTION NO. 2016-077 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING CHAPTER 18 (MOBILEHOMES) OF THE CITY'S MASTER FEE SCHEDULE, INCLUDING SETTING THE ADMINISTRATIVE FEE FOR RENT CONTROL SERVICES AT \$30 FOR FISCAL YEAR 2016/2017

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 an update to Chapter 18 of the Master Fee Schedule, to set the annual administrative fee at \$30 for Fiscal-Year 2016-17 ("FY 17"), down from \$40 in Fiscal-Year 2015-16 ("FY 16").

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

The Mobilehome Rent Review Commission recommended amending the fee to \$30 for FY 17 by a vote of 5-0 at their April 21, 2016 meeting.

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, 2015 - June 30, 2016 and recommends the fee for

FY 17.

Fiscal Year 2015-16 ("FY 16") Revenues and Expenditures

Anticipated revenues for FY 16 were expected to be \$84,000 based on 2,100 mobilehome residents paying the fee at \$40. Actual payments were received from 2,128 eligible spaces for total revenues of \$85,790. A fiscal analysis of revenues and expenditures is provided in Table 1 with a description of the activities following.

Table 1
FY 2016 BUDGET SUMMARY

	Anticipated	Actual
Revenues:		
Collected Revenue	\$84,000	\$85,790
Fund Balance from Prior Year 7/1/14		\$113,894
TOTAL REVENUES		\$199,684
Expenditures:		
Staff Charges	\$92,000	\$40,000
Experts	\$25,000	\$0
Postage	\$1,000	\$900
Office Supplies	\$500	\$500
Printing & Binding	\$1,500	\$1,200
TOTAL EXPENDITURES		\$42,600
Surplus/Deficit		\$157,084

Staff Charges

Administration of Chapter 9.50 resulted in staff charges of \$40,000 for FY 16. Staff provided the following services during FY 16:

- *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. No request for the MHRRC to review a proposed rent increase above the annual permissive was received during FY 16.
- *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.

Experts

During FY 16 no rent review hearings or hiring of experts was necessary. These funds would be available to appropriate in FY 17 for hiring of experts if a second rent review case was required. Staff costs related to administering hearings were also not fully realized due to the lack of hearings.

Administrative Costs (Postage, Office Supplies and Printing)

During FY 16, expenses included envelopes, postage, printing of bills and CPI notices, and publication of this hearing notice.

Fiscal Year 2017 (FY 17) Budget and Administrative Fee

Staff recommends the fee be reduced to \$30 dollars for FY 17 due to the current fund balance. Table 2 provides a summary of the FY 17 budget which includes staff charges that anticipates a MHRRC hearing, a contingency of \$25,000 for expert time related to one additional case if needed and \$75,084 in fund balance.

**Table 2
FY 2017 BUDGET SUMMARY**

	Budget
Revenues:	
Available Fund Balance as of 7/1/16	\$157,084
Anticipated Revenues (2,100 @ \$30)	\$63,000
Expenditures:	
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 6/30/17	\$100,084
Contingency for Experts	\$25,000
Anticipated Surplus/Deficit	\$75,084

With the reduction of the fee to \$30, annual revenues alone will not cover costs if heavy administrative costs are expended in a given year, therefore fund balance will begin to be used to maintain administrative services. Given current workload and few anticipated cases, staff has projected being able to maintain the fee for several years at this rate.

DECISION-MAKER CONFLICT

Staff has determined that the action contemplated by this item is ministerial, secretarial, manual, or clerical in nature and, as such, does not require the City Council members to make or participate in making a governmental decision, pursuant to California Code of Regulations Title 2, section 18704(d) (1). Consequently, this item does not present a conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

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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.

CURRENT YEAR FISCAL IMPACT

All staff time and costs to prepare this report were included in the adopted fiscal year 2016-2017 budget. No additional appropriation is required.

ONGOING FISCAL IMPACT

None.

ATTACHMENTS

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

Staff Contact: Stacey Kurz, Senior Project Coordinator