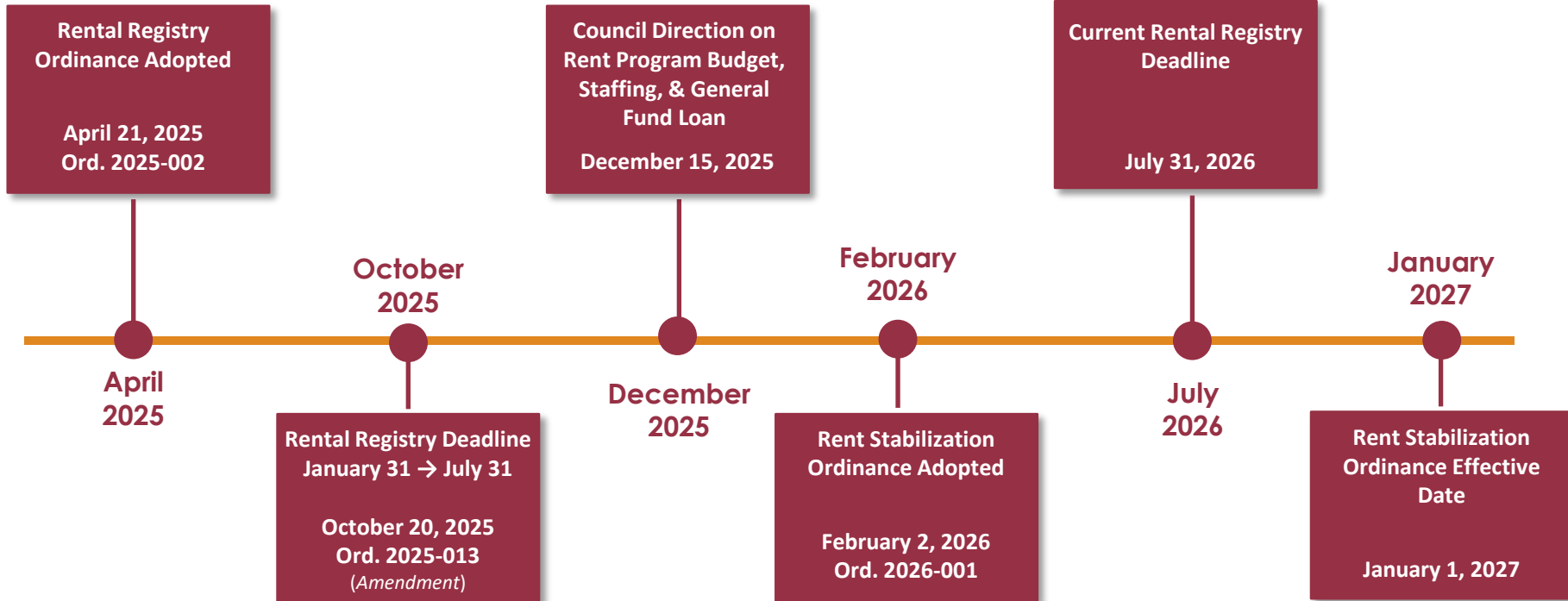




Rent Program

**Fee Adoption, Budget Appropriation, Staffing Authorization &
Rental Registry Deadline Alignment**

Rental Registry & Rent Stabilization Timeline





Rent Program Service Level & Estimated Budget from Dec 15 Council Meeting

Program Option	Staffing	Rent Registry	Rent Stabilization	Eligible Units	Proposed Implementation Timeline	One-Time Startup Funding Need (approximate)
Rent Registry + Rent Stabilization (Enhanced Enforcement)	6 FTE	All Rental Units	Rent Stabilization + Enhanced Outreach & Enforcement	9,000-10,000	January 1, 2027	\$1.3 - \$2.2M

Additional Program Options

Rent Stabilization (Passive Enforcement)	0-2 FTE	Repeal Rent Registry	Rent Stabilization + Passive Enforcement	6,500-7,500	July 1, 2026	\$500 - \$750K
Focused Rent Registry + Rent Stabilization (Basic Enforcement)	4 FTE	Amend Rent Registry Rent-Stabilized Units Only / Additional Units	Rent Stabilization + Basic Outreach & Enforcement	6,500-7,500	January 1, 2027	\$1-\$1.5M



Assumptions for Full Cost-Recovery Program from Dec 15 Council Meeting

- **Initial General Fund Loan to Newly Established Special Revenue Fund:**
 - ~\$1.3 - \$2.2M loan repaid with interest in approx. 3-6 years
- **Eligible Units (per County parcel data):**
 - Partially Regulated: 2,500 – 3,500
 - Fully Regulated: 6,500 – 7,600
- **Tiered Annual Fee Structure Estimate (fee study pending):**
 - Partially Regulated Units: \$125 - \$175 / unit
 - Fully Regulated Units: \$250- \$300 / unit
- **Enforcement:**
 - Late Penalty: 60-100%
 - Annual Special Assessments imposed for fully regulated unit fees not collected
- **Staffing and Program Cost Considerations:**
 - Salaries, benefits, and indirect service costs
 - Services and supplies (outreach, legal, tenant/landlord services)
 - Lease and furnishing of new office space

Implementing Steps

Adopt a Resolution:

- ✓ Establish FY27 Rent Program fees & late penalties & amend Master Fee Schedule
 - ✓ Approve NBS Rent Program Fee Study (new)
- ✓ Establish Rent Program Special Revenue Fund
- ✓ Appropriate \$2,230,433 for FY2026-27
- ✓ Authorize Six (6) Rent Program FTEs
- ✓ Approve a \$2,230,500 General Fund loan with a maximum term of six years
 - ✓ 3.76% interest (new)

Adopt an Ordinance:

- ✓ Aligning program launch date in January 2027 (new)

Rent Program Fees

Per §4-46-175(C): Up to 50% of the Stabilization Fee may be passed through to tenants in two equal installments six months apart — not included in Maximum Allowable Rent.

Proposed FY2026-FY2027 Rent Program Fees

Annual Fee	Fee Per Unit ¹	Estimated Units	Estimated Annual Revenue
Base Rent Program Fee – Rental Registry (All Units) per SLMC Chapter 4-45	\$148	9,500	\$1,406,000
Additional Rent Stabilization Program Fee – Rent Stabilized Units Only per SLMC Chapter 4-46	\$108	6,500	\$702,000
Combined Fee – Rent Stabilized Units	\$256	6,500	--
Fair Return Rent Increase Petition – per SLMC 4-46-130	\$472	20	\$9,440
Petition for Rent Decrease – per SLMC 4-46-135	\$236	24	\$5,664
TOTAL			\$2,123,104

Proposed Tiered Late Penalties

0-30 Days	31-89 Days	90+ Days
25% of Annual Per Unit Fee	50% of Annual Per Unit Fee	100% of Annual Per Unit Fee

First Cycle Waiver: Program Administrator may waive or reduce penalties upon showing of good cause

Rent Program Budget

Proposed FY2026-FY2027 Appropriation to the Rent Program Special Revenue Fund

Account	Description	FY27 Budget
4100	Salaries	\$668,569
4200	Benefits	\$387,556
5110	Legal	\$147,500
5120-5121	Consulting & Translation	\$175,000
5311	Software Maintenance	\$100,850
5510-6330	Operations	\$76,000
7410	Furniture & Fixtures	\$125,000
8120	Debt Service – Loan Interest (3.76% × \$2,230,500)	\$83,867
8316-8330	Internal Service Fund (IT, Facilities, Insurance)	\$225,406
8350	Indirect Service Cost	\$240,685
TOTAL		\$2,230,433¹

\$2,230,433
FY27 Budget

\$2,230,500
3.76%²
3-6 Years
General Fund Loan

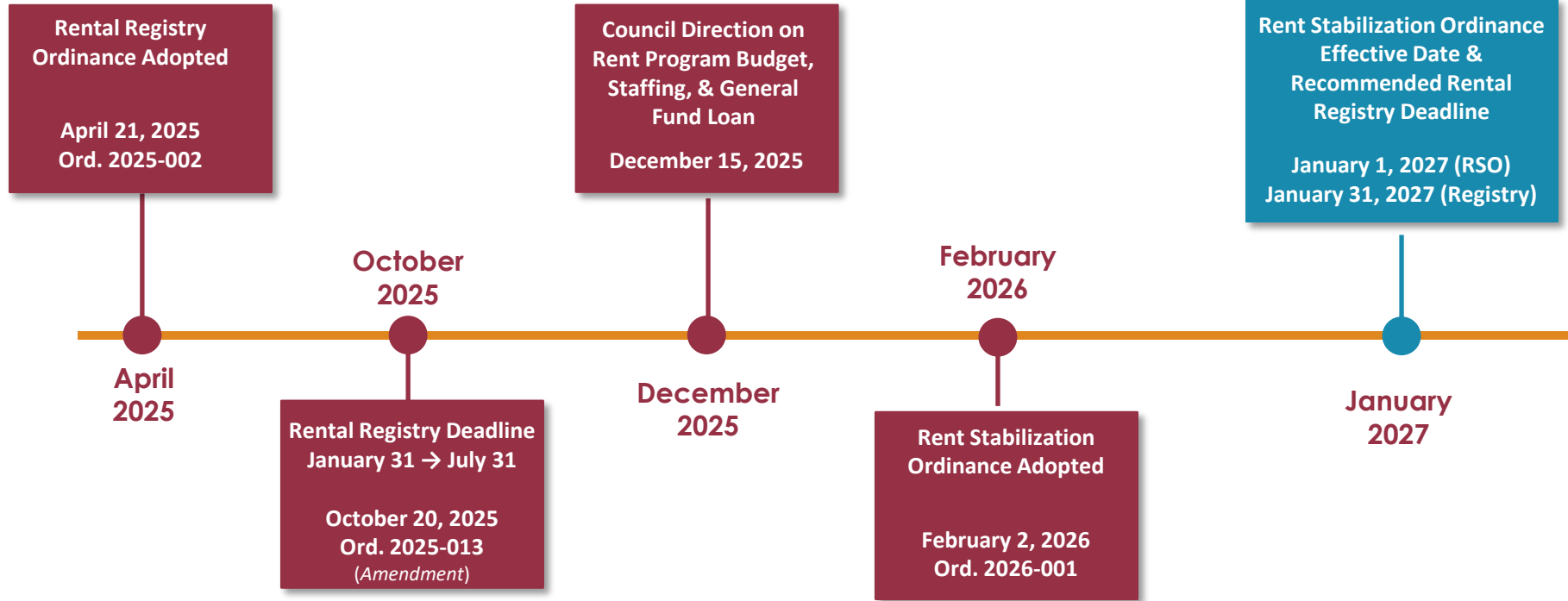
¹ 25% of the budget (\$549,958) reimburses the General Fund and applicable service funds via Indirect Service Cost, Internal Service Fund charges, & loan interest.

² Interest rate of 3.76% is equal to the City's investment portfolio return as of December 2025

Rent Program Staffing Plan

Position Title	FTE	Annual Salary & Benefits	Start Date	FY Active
Housing Program Manager	1.0	\$297,886	July 1, 2026	FY27
Management Analyst II <i>(Filled)</i>	1.0	\$222,344	March 16, 2026	FY26
Housing Program Specialist II <i>(Recruitment Underway)</i>	1.0	\$221,991	May 1, 2026	FY26
Housing Program Specialist II	1.0	\$221,991	July 1, 2026	FY27
Administrative Assistant II	1.0	\$183,824	January 1, 2027	FY27 (0.5)
Housing Program Specialist I	1.0	\$202,322	July 1, 2027	FY28
TOTAL	6.0	\$1,350,358		

Proposed Rent Program Launch Alignment



Rent Program Launch Alignment

Staff recommends amending the filing deadline from July 31, 2026 to **January 31, 2027**, aligning both programs & ensuring the most useful annual data is collected

INITIAL DEADLINE

Jan 31, 2026



AMENDED DEADLINE

Jul 31, 2026



RECOMMENDED DEADLINE

Jan 31, 2027

RSO Data Relevance	Business License Alignment	Program Readiness
<ul style="list-style-type: none"> July 2026 data predates RSO effective date by six months January 2027 aligns with rent stabilization effective date Creates annual January registration timeline 	<ul style="list-style-type: none"> Matches existing January Business License renewal cycle (Jan–Dec) Consolidates payment touchpoints Reduces confusion for property owners 	<ul style="list-style-type: none"> Allows additional time to finalize software Enables robust outreach & training Ensures higher compliance at launch

Annual Registration Deadline: January 31 vs. July 31

JANUARY 31 DEADLINE

FEE COLLECTION & ADMINISTRATION

- ✓ Aligns with annual January Business License renewal cycle. Consolidates payment touchpoints & reduces administrative burden.

RSO COMPLIANCE REQUIREMENT

- ✓ Registration required five months before July rent increase cycle starts, before property owners have opportunity to increase rents.

DATA COVERAGE

- ✓ January data covers back half of current July–June cycle of rent increases.

JULY 31 DEADLINE

FEE COLLECTION & ADMINISTRATION

- ✗ Does not align with annual Business License renewal cycle. Creates an additional administrative touchpoint.

RSO COMPLIANCE REQUIREMENT

- ⚠ Annual registration is several weeks into July rent increase cycle, after property owners have had opportunity to increase rents.

DATA COVERAGE

- ⚠ Data collected for prior July–June increase cycle, only a few weeks into current cycle of rent increases.

✓ **JANUARY PREFERRED** for data collection, alignment with Business License cycle, & administrative efficiency.

1. ADOPT A RESOLUTION TO IMPLEMENT RENT PROGRAM

- ✓ Establish FY27 Rent Program fees & late penalties & amend Master Fee Schedule
 - ✓ Approve NBS Rent Program Fee Study (new)
- ✓ Establish Rent Program Special Revenue Fund
- ✓ Appropriate \$2,230,433 for FY2026-27
- ✓ Authorize Six (6) Rent Program FTEs
- ✓ Approve a \$2,230,500 General Fund loan with a maximum term of six years
 - ✓ 3.76% interest (new)

2. INTRODUCE AN ORDINANCE ALIGNING RENT PROGRAM LAUNCH

- ✓ Amend SLMC §4-45-120(a) to revise the Rental Registry annual filing deadline from July 31, 2026 to January 31, 2027 (new)