



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: DECEMBER 9, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT
CITY ATTORNEY
FINANCE

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TITLE: ESTABLISHMENT OF 2026 RESIDENTAL RENTAL
REGISTRATION AND RENT STABILIZATION PROGRAM
FEES, REVENUE AND EXPENDITURES

RECOMMENDED MOTION:

A motion to approve Resolutions:

1. Amending Rental Registry Fees established by Resolution No. 23170 (N.C.S.) to be \$29.00 effective January 1, 2026, and integrating the new fee amount into the City's Schedule of Fees and Charges for City Services;
2. Amending Rent Program Fees established by Resolution No. 23169 (N.C.S.) to be \$112.00 effective January 1, 2026, and integrating the new fee amount into the City's Schedule of Fees and Charges; and
3. Establishing the appropriation for 2026 Rental Registration and Rent Stabilization Program revenue and expenditures in the amount of one million one hundred twenty-eight thousand eight hundred fifty-one dollars (\$1,128,851).

EXECUTIVE SUMMARY:

The Community Development Department began implementation of the Residential Rental Registration and Rent Stabilization Program (Program) on January 1, 2025. To continue Program implementation in 2026, City Council action is needed to establish updated Program registration fees to align with Program budget expenditures. This report outlines 2026 Program staffing, budget and Rental Registry and Rent Program Fee adjustments.

DISCUSSION:

2026 Program Staffing and Budget

The Program will continue to be staffed with a Planning Manager (partial), one Community Development Analyst, one limited term Administrative Analyst, and one limited term Administrative Aide to support the administration, enforcement, and public-facing components of the ordinances. Program staff are responsible for assisting landlords and tenants with registration, responding to inquiries, monitoring compliance, processing petitions and fair rate of return requests and conducting outreach and education efforts as discussed in more detail below.

0.20 FTE Planning Manager

0.75 FTE Community Development Analyst (Limited Term)

1.00 FTE Admin Analyst (Limited Term)

1.00 FTE Admin Aide (Limited Term)

2.95 FTE

The proposed 2026 calendar year Program expenses of \$1,128,851 is provided in **Table 1** below. Program expenses include staffing costs, software platform renewal, a hearing officer, and education and tenant supportive services. In accordance with policy published in the FY 2025-26 Operating Budget, indirect/overhead costs are fifteen percent (15%). Following best practices, twenty-five percent (25%) of program cost has also been incorporated as a reserve to cover Program expenses should participation be lower than projected. The reserve allocation is based on the standard percentage the City applies to all enterprise funds.

Table 1 – 2026 Program Calendar Year Budget	
Salaries & Benefits	\$351,252
Software	\$131,000
Supportive Services	\$300,515
Indirect Costs / Overhead	\$117,415
Subtotal	\$900,182
25% Reserve	\$228,669
Total Program Budget	\$1,128,851

Program Fees

As discussed in the 2025 Program Update ([ID #25-318](#)), the amount of Rental Registry and Rent Program Fees resulted in higher revenue than needed to operate the Program. As the Program is to be cost neutral, and to avoid future shortage or over collection of fees, staff worked with Economic & Planning Systems (EPS) to revisit and update **Table 4-13** of their Fee Study, which was the basis for the establishment of 2025 Fees. EPS updated **Table 4-13** of the Fee Study with the proposed 2026 budget of \$1,128,851 and adjusted formulas to assume a forty-five percent (45%) compliance (participation) rate. **Table 4-13** of the Updated Fee Study, provided as an attachment to this staff report, reduces both Rental Registry and Rent Program Fees by approximately thirty-five (35%) percent. The recommended Rental Registry Fee per unit is \$29.00 and \$112.00 per unit for Rent Program Fees.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

The Residential Rental Registration and Rent Stabilization Program does not directly align with objectives under the City Council's 2025-2028 Strategic Plan Goal of Housing. Examination of a Rent Stabilization Program was an identified objective under the 2022-2025 Goal of promoting Housing/Affordable Housing.

DEPARTMENTAL COORDINATION:

The Program is administered by the City's Community Development Department in coordination with the City Attorney and Finance Department. These three departments worked collaboratively to prepare this report.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct impact to the General Fund as Program cost is intended to be neutral. **Table 4-13** of the Updated Fee Study illustrates that a Rental Registry Fee per unit of \$29.00 and Rent

Program Fees of \$112.00 will cover Program expenses at a 45% compliance rate, including a 25% reserve of \$228,669. Should 2026 Program participation be higher than projected, excess revenues collected over Program expenses would be returned to paid registrants following the same methodology as used for Program Year 2025. Appropriation of the proposed 2026 Program revenues and expenses totaling \$1,128,851 including salaries and benefit, software, support services, administrative indirect and overhead costs, and reserves is shown below.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Amount Requested
2530	30.3220-56.3530 (revenue)	Charges for Rental Registry Fees	\$114,985
2530	30.3220-56.3540 (revenue)	Charges for Rent Program Fees	\$989,408
2530	TBD	Estimated Late Fees	\$24,458
2530	30.3220-various	Various	\$1,083,036
2530	30.3240-various	Education and Outreach	\$45,815

ATTACHMENTS:

Resolution establishing 2026 Rental Registry Fees

Resolution establishing Rent Program Fees

Resolution appropriating 2026 Program revenue and expenditures

Updated Fee Study Table 4-13

Updated Fee Study