

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION AMENDING RENT PROGRAM FEES ESTABLISHED BY
RESOLUTION NO. 23169 (N.C.S.) AND INTEGRATED INTO THE CITY'S
SCHEDULE OF FEES AND CHARGES FOR CITY SERVICES BY RESOLUTION NO.
23239 (N.C.S.)**

WHEREAS, on April 4, 2023, the City Council adopted Ordinance No. 2663 establishing a Residential Rental Registration Program, which Ordinance is codified at Article I of Chapter 17 of the Salinas Municipal Code; and

WHEREAS, on September 24, 2024, the City Council adopted Ordinance No. 2681 establishing the Rent Stabilization Program to protect tenants from rapidly increasing rental costs, which Ordinance is codified at Article IIA of Chapter 17 of the Salinas Municipal Code; and

WHEREAS, on November 19, 2024, the City Council approved Resolution No. 23170 (N.C.S.) amending Rental Registry Fees established under Resolution No. 22622 (N.C.S) to \$45.00 per Rental Unit in the City of Salinas subject to Ordinance No. 2663; and

WHEREAS, also on November 19, 2024, the City Council approved Resolution No. 23169 (N.C.S.) establishing the Rent Program Fee pursuant to Salinas Municipal Code section 17-02.13 in the amount of \$170.00 on every Controlled Rental Unit owned and offered for rent in the city of Salinas subject to Ordinance No. 2681; and

WHEREAS, also on November 19, 2024, the City Council approved Resolution No. 23171 (N.C.S.) establishing the 2025 Residential Rental Registration and Rent Stabilization Program Revenue and Expense Budget of \$655,250 under Fund 2530; and

WHEREAS, the Community Development Department began implementation of the Rental Registration and Rent Stabilization Program (Program) on January 1, 2025; and

WHEREAS, on May 6, 2025, Program fees established under Resolution Nos. 23169 and 23170 (N.C.S.) were incorporated into the City's Schedule of Fees and Charges by Resolution No. 23239 (N.C.S.); and

WHEREAS, in 2025 Program Fee revenue exceeded Program expenses due to higher-than-expected participation and lower-than-projected operational costs; and

WHEREAS, 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 Program Fees. The Fee Study is attached hereto and incorporated herein by this reference; and

WHEREAS, the 2026 Program budget estimates total Program expenses to be \$1,128,851 for the 2026 calendar year, including salaries and benefits, software, supportive services, administrative

indirect and overhead costs, and a 25% reserve; and

WHEREAS, 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. The Updated Fee Study is attached hereto and incorporated herein by this reference; and

WHEREAS, Table 4-13 of the Updated Fee Study, provided as Exhibit A, reduces both Rental Registry and Rent Program Fees by approximately thirty-five (35%) percent; and

WHEREAS, the recommended Rental Registry fee per unit is \$29.00 and \$112.00 per unit for Rent Program Fees; and

WHEREAS, the City Council desires to amend the Rent Program Fee to ensure that fees collected do not exceed the reasonable cost of providing services necessary to administer the Rent Stabilization Ordinance, pursuant to Article XI, §7 of the California Constitution; and

WHEREAS, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS AS FOLLOWS:

1. The Rent Program Fee (as referenced in Salinas Municipal Code section 17-02.13) established by Resolution No. 23169 (N.C.S.) and integrated into the City's Schedule of Fees and Charges for City Services by Resolution No. 23239 is hereby amended as set forth in this Resolution.
2. Effective January 1, 2026, the Rent Program Fee shall be set at \$112.00 per Controlled Rental Unit subject to Ordinance No. 2681 and is hereby integrated into the City's Schedule of Fees and Charges for City Services by this Resolution, as required by Chapter 11B of the Salinas Municipal Code.
3. The Rent Program Fee shall be billed annually by the City.
4. Revenues collected from the Rent Stabilization Program shall be appropriated to Fund 2530.
5. This Resolution shall take effect immediately upon its approval.

PASSED AND APPROVED this 9th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dennis Donohue, Mayor

ATTEST:

Patricia M. Barajas, City Clerk