



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: DECEMBER 2, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ORLANDO REYES, ASSISTANT DIRECTOR

BY: VINCENT MONTGOMERY, PLANNING MANAGER
AQUONTIS GARLINGTON, ADMINISTRATIVE AIDE
LAURA GAMA, ADMINISTRATIVE ANALYST

TITLE: REPORT ON RESIDENTIAL RENTAL REGISTRATION AND
RENT STABILIZATION PROGRAM

RECOMMENDED MOTION:

No action required. Receive an administrative report on the Residential Rental Registration and Rent Stabilization Program.

EXECUTIVE SUMMARY:

This report provides an update on the Residential Rental Registration and Rent Stabilization Program (Program) for calendar year 2025 including a summary of current and projected revenues and expenditures and fund balance. A methodology for refunding the Program remaining balance is outlined, and ongoing stakeholder engagement activities are described.

DISCUSSION:

Program Revenue

Program fees collected were based on the following approved fee schedule:

- A \$170 per unit Rent Stabilization Program Fee (Salinas Municipal Code section 17-02.13)
- A \$45 per unit Residential Rental Registration Fee (Salinas Municipal Code 17-01.04)

Program fee amounts were established to fully recover the City's costs for administering the Program over a 12-month period. Between January 1 and September 30, 2025, the City collected \$1.7 million in Program fees for 12,759 registered units. The number of registered units represents an estimated 45% Program participation rate compared to the total estimated rental units citywide (Data Source: Tolemi). Additionally, there are 228 registrations that have been started, but still require payment to be considered fully registered. The projected Program revenue for October 1, through December 31, 2025, is \$6,450. Total estimated Program revenue is \$1,715,347. See Table 1 for a breakdown of actual and projected Program revenue.

Table 1 – Program Revenue January 1 to December 31, 2025					
Actual Revenue: January 1 to September 30, 2025					
Program	Fee Amount	Units Registered	Fees Paid	Late Fees*	Total
Rental Registration	\$45	3,945	\$177,525	\$6,284	\$183,809
Rent Stabilization	\$170	8,814	\$1,498,380	\$28,776	\$1,527,156
Adjustments & Refunds					(\$2,068)
Total Actual Revenue		12,759	\$1,675,905	\$35,060	\$1,708,897
Projected Revenue: October to December 31, 2025					
Rental Registration	\$45	20	\$900	\$450	\$1,350
Rent Stabilization	\$170	20	\$3,400	\$1,700	\$5,100
Total Projected Revenue		40	\$4,300	\$2,150	\$6,450
Total 2025 Program Revenue		12,799	\$1,680,205	\$37,210	\$1,715,347

**Late fees in accordance with Ordinance #2663, Resolution #23169, and Resolution #23170.*

Program Expenditures & Revenue Summary

The 2025 Program expenditures & Revenue Summary, including actual and projected, are shown in Table 2. Actual expenditures from January 1 to September 30, 2025, totaled \$466,158 and include \$122,321 of salaries and benefits offset by grant funds. Projected expenditures through year end, including the repayment of the General Fund loan in the amount of \$205,203, total \$459,795. Total estimated 2025 Program expenditures are \$803,632. The 2025 Program remaining balance is derived by subtracting total Program expenditures from total Program revenues. The estimated remaining balance for the 2025 Program year is \$911,715.

Table 2 – Program Expenditures & Revenue Summary January 1, 2025 – December 31, 2025			
	Actuals January 1 to September 30, 2025	Projected October 1 to December 31, 2025	Total
Estimated Program Expenditures	\$466,158	\$254,592	\$720,750
Loan Repayment to General Fund	\$0	\$205,203	\$205,203
Grant Funding	(\$122,321)	\$0	(\$122,321)
Estimated Program Expenditures	\$343,837	\$459,795	\$803,632
Estimated Program Revenue			\$1,715,347
Estimated Remaining Balance			\$911,715

The final remaining balance will be calculated in early 2026 based on actual 2025 Program revenues and expenditures and will be proportionally returned to all paid registrants. Staff will return to City Council in early 2026 with a final 2025 Program remaining balance and methodology and timing for refunding the excess revenue.

Program Status and Ongoing Implementation Efforts

Despite public confusion stemming from repeal and referendum efforts, the Program remains active and will continue pending the outcome of the November 2026 General Election. During this period, staff has worked closely with Tolemi, the City Attorney's Office, and community partners to resolve implementation challenges particularly around ordinance interpretation and navigation of the registration platform. Staff is also redesigning the City's Program webpage to improve the accessibility of targeted content for both landlords and tenants. A draft of proposed changes has been shared with stakeholders to evaluate content clarity and ease of use.

Community Engagement and Outreach

Staff continue to collaborate with key community partners, including Eden Council for Hope and Opportunity (ECHO), Building Healthy Communities (BHC), Center for Community Advocacy (CCA), California Rural Legal Assistance, Inc. (CRLA), and the Monterey County Association of Realtors (MCAR), to advance public education and outreach efforts. Concurrently, staff is working with Tolemi to improve the digital application experience for both tenants and landlords, while also developing infrastructure to support Program outcome tracking and inquiry response time.

On October 2, 2025, staff facilitated a tenant and landlord rights-and-responsibilities workshop in partnership with Councilmember Sandoval (District 5), focusing on Assembly Bill (AB) 1482 and the City's four rental-related ordinances. Staff also conducted a workshop for District 4, co-hosted with Councilmember De La Rosa, on October 30, 2025. Staff continues to collaborate with community organizations to plan more workshops to clarify ordinance interpretation and provide practical guidance on common scenarios, such as rental registration and petition submission. In parallel, staff is reaching out property owners and managers to evaluate their resource needs including landlord-focused workshops on the Tolemi platform, landlord rights, and education on the petition processes.

CEQA CONSIDERATION:

Not a Project. This administrative report does not constitute a project under the California Environmental Quality Act (CEQA), per CEQA Guidelines Section 15378.

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 Residential Rental Registration and Rent Stabilization 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. The 2025 Program Fees collected exceeded Program expenses and were sufficient to repay the General Fund loan of \$205,203. The final remaining balance will be calculated in early 2026 based on actual 2025 Program revenues and expenditures and will be proportionally returned to all paid registrants. Staff will return to City Council in early 2026 with a final 2025 Program remaining balance and methodology for refunding the excess revenue. The 2026 Program fees will need to be adjusted to align with Program expenditures. A proposed 2026 Program Revenue and Expenditure Budget as well as a recommended adjustment to the fees will be presented for City Council consideration and action on December 9, 2025.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

PowerPoint Presentation