



California Apartment Association

3349 Michelson Drive, Suite 200

Irvine, CA 92612

March 17, 2026

SENT VIA EMAIL TO: cityclerk@costamesaca.gov

Mayor John Stephens & Costa Mesa City Council
Costa Mesa City Council
77 Fair Drive
Costa Mesa, CA 92626

Re: OPPOSE New Business Item 1 - Costa Mesa Proposes Rent Registry and Fee Program

Mayor Stephens:

The California Apartment Association (CAA) respectfully opposes the establishment of a rent registry program in Costa Mesa. The staff report identifies potential benefits but does not fully address the practical challenges, costs, and limitations observed in other jurisdictions. Before moving forward, CAA urges the City Council to conduct a thorough and independent evaluation of rent registry programs, including their effectiveness, administrative burden, and long-term fiscal impacts.

Rent Registries Duplicate Commercial and Government Data Efforts

The staff report outlines several intended benefits of a rent registry but does not evaluate readily available commercial and government data sources that already provide similar information. These sources include data on rental market trends, eviction filings, vacancy rates, and general housing conditions.

CAA met with City staff on January 15, 2025, to share information on how to access these existing datasets. Leveraging established data sources would allow the City to obtain relevant insights without creating a new administrative program.

Additionally, rent registries do not inherently provide inspection or enforcement functions related to housing conditions. In most jurisdictions, these responsibilities are already fulfilled through existing systems such as business licensing, code enforcement, and fire safety inspections.

Limited Policy Justification in the Absence of Rent Control

Rent registries are most commonly implemented in conjunction with rent control programs to support regulatory compliance and enforcement. Costa Mesa does not have a local rent control ordinance and the city's voters have expressed a clear opposition to one. Statewide ballot measures related to expanding local authority to enact rent control (Propositions 10, 21, and 33) were opposed by a majority of the city's voters by margins of up to 20%. Voters clearly oppose rent control and

the components that comprise them. With consecutive rejections to expand local authority to enact rent control, it is abundantly clear that voters want more effective solutions to housing affordability.

Fiscal Considerations and Program Sustainability

Experience from other jurisdictions indicates that rent registry programs face challenges in achieving financial sustainability and accurate revenue projections. These programs often require ongoing administrative funding and revenues have not fully offset operational costs.

For example, public budget documents from the City of Santa Ana indicate that its rent stabilization program has required adjustments to expenditures and funding sources after initial projections did not align with actual revenues. Rent registry revenue was originally forecasted at \$3.2 million for FY23-24 and assumed a budget surplus.¹ The budget actuals revealed a \$1.9 million deficit, and funds were taken from the affordable housing fund. In FY24-25, the rent stabilization program cut its budget by \$1.7 million. Santa Ana's city staff only announced grace period after a poor rollout of their rent control program. The program remains unsustainable as the city faces a fiscal cliff of \$30 million by 2029.

Similarly, the City of Concord has adjusted its rent registry fee structure following implementation to address program costs. Fees were originally between \$29 and \$47 per qualified unit. The dramatic increase in rent registry fees was not publicly discussed at the initial rollout of the rent registry program. The subsequent fee increases were unexpected. Concord's miscalculation resulted in fees increasing by up to 72% on July 1, 2025.

These examples highlight the importance of carefully evaluating long-term fiscal impacts, including the potential for fee increases or reliance on additional funding sources if revenues fall short of expectations.

Program Effectiveness and Measurable Outcomes

A key consideration for any new program is whether it delivers measurable public benefits. In several jurisdictions, rent registry programs have primarily focused on administrative functions such as registration and compliance tracking.

Santa Ana's rent registry fees appear to be collected for the sole purpose of administration; not rental assistance or building new housing. The program's only performance metric is the enrollment of landlords in the rent registry program.² Absent from the program are any metrics focused on housing of Santa Ana residents. Of the \$2.9 million in growing annual expenditures, 92% of funds are spent on administration³. Nearly half of the expenditures are spent on firms located outside the city with none of those funds being recirculated to Santa Ana's local economy.

¹ City of Santa Ana, *Adopted Budget 2024–25* (July 18, 2024), “**Fund Summary by Category Report,**” p. 66, https://storage.googleapis.com/proudcity/santaanaca/2024/08/07-30-Budget-Book-Draft_V6_Hyperlinked_Compressed.pdf.

² City of Santa Ana, *Adopted Budget 2024–25*, 690.

³ City of Santa Ana, *FY 2024-25 Operating Budget – Expenditures (\$842.9M), Summary of Fund 185: Rent Stabilization Fund*, OpenBook Budget Portal, accessed March 13, 2026, <https://santaana.openbook.questica.com/#/visualization/ab773e94-01e2-4b59-998f-638497d06676>

To date, there is limited evidence demonstrating that such programs directly improve housing affordability, increase housing supply, or produce measurable improvements in housing outcomes. If Costa Mesa chooses to explore a registry, it would be important to establish clear performance metrics tied to specific policy goals.

CONCLUSION

Given the availability of existing data sources, the absence of a supporting rent control framework, and the fiscal and administrative challenges observed in other cities, CAA urges the City Council to proceed with caution.

At a minimum, the City should undertake a comprehensive, independent analysis of rent registry programs, including:

- Cost and revenue projections under multiple scenarios
- Administrative and staffing requirements
- Measurable policy outcomes and performance metrics
- Alternatives that achieve similar objectives with lower cost and complexity

CAA appreciates the opportunity to provide input and remains available as a resource as the City evaluates this issue.

Respectfully,

A handwritten signature in black ink, appearing to read "Victor Cao". The signature is fluid and cursive, with a large, sweeping initial "V".

Victor Cao
Senior Vice President, Local Public Affairs