

RENTAL HOUSING COMMITTEE
RESOLUTION NO. RHC - ____
SERIES 2022

A RESOLUTION OF THE RENTAL HOUSING COMMITTEE OF MOUNTAIN VIEW
AMENDING REGULATIONS: CHAPTER 2: DEFINITIONS, OF THE COMMUNITY
STABILIZATION AND FAIR RENT ACT AND CHAPTER 4- PETITION PROCESS
(CSFRA)

WHEREAS, CSFRA section 1709(d) authorizes the Rental Housing Committee to establish rules and regulations for administration and enforcement of the CSFRA; and

WHEREAS, the Rental Housing Committee has held a publicly noticed meeting on June 20, 2022, and solicited input to clarify the definition of Base Rent in furtherance of the CSFRA; and

NOW, THEREFORE, BE IT RESOLVED by the Rental Housing Committee that amendments to Chapter 2 (Definitions) and Chapter 4 (Petition Process), as set forth in Exhibit A, are hereby adopted.

Community Stabilization and Fair Rent Act Regulations

Amendment to Chapter 2 – Definitions

Paragraph (b) of Chapter 2 of the CSFRA Regulations is amended as follows:

- "(b) **Base Rent.** The Base Rent is the reference point from which the lawful Rent shall be determined and adjusted in accordance with the Act.
- (1) Tenancies Commencing on or before October 19, 2015. The Base Rent for tenancies that commenced on or before October 19, 2015 shall be the Rent in effect on October 19, 2015.
- (2) Tenancies Commencing After October 19, 2015. The Base Rent for tenancies that commenced after October 19, 2015 shall be the initial rental rate charged upon initial occupancy, provided that amount is not in violation of the Act or any provision of State law. The term "initial rental rate" means only the amount of Rent actually demanded to be paid and paid by the Tenant for the initial term of the tenancy.
- (i) Rent Concession. If a temporary rent concession is provided by the Landlord during the initial term of the tenancy, the "initial rental rate" shall be the average amount of Rent actually demanded to be paid and paid by the Tenant during the initial term of the tenancy. A "rent concession" includes, but is not limited to, any of the following:
- One or more months' free Rent; or
 - A dollar or percentage amount reduction of the Rent provided over the course of the initial term of the tenancy.
- (ii) Exclusions. The following shall not be considered in the calculation of "Base Rent" for any Tenancy:
- The Tenant's withholding of or failure to pay Rent in violation of the Rental Agreement, the Act or state law; or
 - Any reduction in Rent imposed pursuant to the final decision of a Hearing Officer or the Rental Housing Committee in a petition for downward adjustment based on failure to maintain a habitable premises or a decrease in

housing services or maintenance, as outlined in Sections F and H of Chapter 6 of these Regulations, respectively.

- (iii) Initial Term of Tenancy. The "initial term of the tenancy" refers to either the initial term as agreed upon by the Landlord and Tenant in the Rental Agreement, or if the Rental Agreement is month to month or longer than twelve (12) months, the initial term shall mean twelve (12) months.
- (iv) Examples. For example, if a Tenant agrees to pay \$1000/month for 12 months for a Rental Unit and the Landlord provides a concession of two free months, then the Base Rent for the Rental Unit shall be \$833.33 $((10 \times \$1000)/12)$. On the other hand, if the Landlord provides a 25 percent discount over the course of the 12 months, then the Base Rent for the Rental Unit shall be \$750, regardless of the rental amount noted in the Rental Agreement.

Community Stabilization and Fair Rent Act Regulations

Amendment to Chapter 4 - Petition Process

Section G of Chapter 4 of the CSFRA Regulations is amended to add the following paragraph (6):

- 6. Limitations on Unlawful Rent Petitions. Where a Petition for an Individual Rent Adjustment would reduce rent based on the alleged collection of unlawful Rents related to "rent concessions," as that term is defined in Chapter 2 of these Regulations, the following limitations shall apply:
 - a. For rent concessions provided for a Tenancy that commenced before September 1, 2022, a Tenant shall be entitled to a rollback to the Base Rent and a refund of only the Rent that was overpaid within one (1) year prior the date of the filing of the Petition.
 - b. For rent concessions provided for a Tenancy that commenced on or after September 1, 2022, the Tenant shall be entitled to a rollback to the Base Rent and a refund of any Rent that was overpaid, subject to applicable statutes of limitations in state law.
 - c. A former Tenant may file a Petition for an Individual Rent Adjustment based on the alleged collection of unlawful Rent related to "rent concessions" so long as the Petition is filed within six (6) months of the date that the Tenant vacated the Rental Unit.