



**MEMORANDUM**

Rent Stabilization Program  
Community Development Department

**DATE:** December 13, 2021

**TO:** Rental Housing Committee

**FROM:** Karen M. Tiedemann, Special Counsel to the Rental Housing Committee  
Nazanin Salehi, Special Counsel to the Rental Housing Committee  
Anky van Deursen, Program Manager

**SUBJECT:** Draft Amendments to Chapters 5 and 11 of CSFRA Regulations

**RECOMMENDATION**

1. To review and adopt amendments to CSFRA Regulations Chapter 5: Hearing Procedures to specify the precise process for consideration of untimely appeals.
2. To review and adopt amendments to CSFRA Regulations Chapter 11: Registration to specify precise process for exemption determinations and appeals of exemption determinations.

**BACKGROUND AND ANALYSIS**

The Community Stabilization and Fair Rent Act (CSFRA), Section 1709, authorizes the Rental Housing Committee (RHC) to establish rules and regulations for the administration and enforcement of the CSFRA, including clarifications of ambiguities in the CSFRA related to the procedures for individual rent adjustment petitions in Section 1711 and exemption of rental units from the CSFRA in Sections 1703 and 1704.

**A. CHAPTER 5 AMENDMENT: UNTIMELY APPEALS**

Chapter 5 of the CSFRA Regulations outlines the RHC’s hearing and appeal processes for Individual Rent Adjustment Petitions, as authorized by Sections 1710 and 1711 of the CSFRA.

After a hearing has been held on an Individual Rent Adjustment Petition and the Hearing Officer has issued a decision on the petition, the CSFRA Regulations provide that any party to the petition may appeal the Hearing Officer’s Decision by

submitting a Request to Appeal to the RHC (Chapter 5, Section H.1). If neither party requests an appeal within 10 days after service of the decision, the decision will be considered final. *Id.* However, the RHC has the authority to accept late appeals under certain circumstances (Chapter 5, Section H.1.c). Specifically, prior to accepting a late appeal, the RHC must make a finding that the “untimely appeal request is supported by good cause and postponement serves the interests of justice.” *Id.*

The proposed amended regulation, which would add Paragraph (d) to Subsection (1) of Section H of Chapter 5, would add that the RHC will determine whether to accept an untimely appeal at a regularly occurring meeting after the late appeal is filed and that the affected parties will have five minutes to make an oral argument and present any evidence supporting their position on the acceptance of the untimely appeal. Moreover, the proposed amendment specifies that the RHC or designee will issue a Notice of Acceptance or Denial of Appeal to the affected parties within five calendar days of the hearing in the RHC meeting.

The proposed amendment does not change either the 10-day deadline for filing an appeal or the finding that the RHC must make to accept a late appeal. The proposed amendment also does not change but, rather, codifies the process that the RHC has used in the one instance where an untimely appeal was filed.

## **B. CHAPTER 11 AMENDMENT: EXEMPTION DETERMINATIONS**

Sections 1703 and 1704 of the CSFRA either partially or fully exempt certain types of Rental Units from the CSFRA. On June 29, 2020, the RHC adopted Chapter 11 of the CSFRA Regulations, thereby creating mandatory registration requirements for landlords. Among several other requirements, Section B.2 of Chapter 11 requires that landlords provide information with their annual registration on the basis for any Rental Units being exempt from the CSFRA. Currently, RHC staff reviews the exemption information and any supporting documentation provided by the landlord and determines whether the Rental Unit is exempt.

The proposed amended regulation, which would add a new Section E to Chapter 11 of the Regulations, would specify what happens in the event that either a landlord or tenant disagrees with staff’s determination on the exemption. Section E provides that a landlord or a tenant shall have 14 days from the date of the mailing of the determination to file an objection and request a hearing before a hearing officer. The hearing shall be scheduled within 45 days of receipt of the landlord’s or tenant’s objection and shall be conducted in accordance with Chapter 5 of the CSFRA Regulations. During the pendency of the objection, payment of the annual rental

housing fees is suspended. After the hearing on the objection and the issuance of the Hearing Officer's Decision on the exemption, any affected party may appeal the Hearing Officer's Decision to the RHC.

**FISCAL IMPACT**

The adoption of the proposed amended regulations is not anticipated to affect the budget of the RHC.

**PUBLIC NOTICING** – Agenda posting.

KMT-NS-AvD/JS/1/CDD/RHC

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- Attachments:
1. Draft Resolution to Adopt Amendment to Chapter 5 of CSFRA Regulations  
Exhibit A: Draft Amendment to Chapter 5
  2. Draft Resolution to Adopt Amendment to Chapter 11 of CSFRA Regulations  
Exhibit A: Draft Amendment to Chapter 11