

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2019

A RESOLUTION CALLING FOR THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY, MARCH 3, 2020 AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CLARA TO CONSOLIDATE THE SPECIAL MUNICIPAL ELECTION WITH THE STATEWIDE PRIMARY ELECTION TO BE HELD ON THAT DATE PURSUANT TO §10403 OF THE ELECTIONS CODE FOR THE PURPOSE OF SUBMITTING TO THE VOTERS A PROPOSED INITIATIVE CHARTER AMENDMENT, AND RELATED ACTIONS

WHEREAS, an initiative measure, The Mountain View Homeowner, Renter and Taxpayer Protection Initiative was circulated among the registered voters of the City of Mountain View (the “Initiative”); and

WHEREAS, the Initiative would amend the Community Stabilization and Fair Rent Act of the City of Mountain View Charter to limit protections under the Community Stabilization and Fair Rent Act (CSFRA) only to households earning 100 percent of median income or less; limit CSFRA annual fee to \$100; prohibit paying RHC members; and suspend the CSFRA when vacancy rates equal or exceed 3 percent and enact a replacement program during suspension including a rental registry and non-binding mediation program for rent increases over 7 percent and other disputes; and

WHEREAS, on October 8, 2018, the Proponents delivered to the City Clerk the petition and the City Clerk conducted a prima facie count of 7,123 signatures; and

WHEREAS, on November 15, 2018, the County Registrar of Voters provided the results of the signature verification indicating that 5,723 signatures were found to be valid, satisfying the requirement that 15 percent of registered voters (5,156) must sign the petition in order for it to qualify for the ballot; and

WHEREAS, on November 27, 2018, the City Council adopted Resolution No. 18273 to accept the certification of sufficiency of the petition; and

WHEREAS, it is necessary to establish the schedule and procedures for filing the arguments and rebuttals with regard to the Initiative;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View as follows:

Section 1. Proposed Measure. The Council of the City of Mountain View hereby calls a special municipal election to be consolidated with the Statewide Primary Election to be held on Tuesday, March 3, 2020 for the purpose of submitting to the qualified electors of the City of Mountain View the following proposed amendment to the City of Mountain View Charter:

Shall the City Charter be amended to limit protections under the Community Stabilization and Fair Rent Act (CSFRA) only to households earning 100 percent of median income or less; limit CSFRA annual fee to \$100; prohibit paying RHC members; and suspend the CSFRA when vacancy rates equal or exceed 3 percent and enact a replacement program during suspension including a rental registry and non-binding mediation program for rent increases over 7 percent and other disputes	YES
	No

Section 2. Submission of Text. The City Council does hereby submit the text of the Charter amendment attached hereto as Exhibit A.

Section 3. Vote Requirement. The vote requirement for the measure to pass is a majority (50 percent + 1) of the votes cast.

Section 4. Form of Ballot. The ballots to be used at the election shall be in the form and content as required by law.

Section 5. Polls Open. The polls shall be open at 7:00 a.m. of the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls shall be closed, pursuant to Election Code §10242, except as provided in §14401 of the Elections Code of the State of California.

Section 6. Publication. The City Clerk of the City of Mountain View is hereby ordered and directed to cause the notice of said election to be published in accordance with the provisions of the California Elections Code. The notice of the Special Municipal Election provided for herein shall be published in a newspaper of general circulation within the City of Mountain View.

Section 7. Consolidation with Statewide Primary Election. Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Santa Clara is hereby requested to order the Special Election to be held on Tuesday, March 3, 2020, and to consolidate the election with the Statewide Primary

Election. The consolidated election will be held and conducted in the manner prescribed by Elections Code Section 10418.

The Board of Supervisors of the County of Santa Clara is further requested to order the County Registrar of Voters to: (1) prepare the City's election materials and take all other necessary actions for the holding of the consolidated election; and (2) provide vote-by-mail ballot to voters for said election for use of the qualified electors of the City of Mountain View who are entitled thereto, in the manner provided by law.

Section 8. Canvassing. The Board of Supervisors of the County of Santa Clara is hereby further authorized and requested to canvass or cause to be canvassed, as provided by law, returns of said Special Municipal Election and to certify such canvass of the votes cast for the Charter Amendment initiative measure.

Section 9. Agreement with the County. The City Clerk is hereby authorized to enter into an agreement with the County of Santa Clara to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct said Special Municipal Election to be held on Tuesday, March 3, 2020, and for the reimbursement of the County in full for the services performed.

Section 10. Text of Proposed Measure. The full text of the initiative measure shall <or shall not> be printed in Voter Information Pamphlet.

Section 11. Reimbursement. The City of Mountain View recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for such costs.

Section 12. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

Section 13. The City Clerk is hereby directed to file a certified copy of this resolution with the County of Santa Clara Board of Supervisors and the County of Santa Clara Registrar of Voters.

Section 14. Schedule. Upon the advice of the City Clerk and in accordance with Elections Code Section 9286, the City Council sets the following schedule for the ballot measure argument deadlines:

Argument Deadline:	November 25, 2019
Rebuttal Argument Deadline:	December 5, 2019
City Attorney's Impartial Analysis:	December 5, 2019

Section 15. Certification. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

TW/5/RESO
842-11-12-19r-1

Exhibits: A. Full Text of Measure

TEXT OF THE PROPOSED CHARTER AMENDMENT

The proposed charter amendments read as follows:

SECTION 1. Title.

This Initiative shall be known and may be cited as the “The Mountain View Homeowner, Renter, and Taxpayer Protection Initiative” (referred to hereinafter as the “Initiative”).

SECTION 2. Findings & Conclusions.

The People of the City of Mountain View (the “City”) declare their findings and purposes in enacting this Initiative to be as follows:

(a) The Community Stabilization and Fair Rent Act, adopted by the voters of the City of Mountain View in 2016 as an amendment to the City’s Charter (hereafter “Act”), has proven to have a number of unintended, negative consequences for the City that warrant modifications.

(b) The Act has proven to be more costly than anticipated, and has given the unelected Rental Housing Commission the ability to place demands on the General Fund, which provides funding for critical city services such as public safety, road and infrastructure maintenance, parks, libraries and elder care services, without approval of the elected City Council or the voters.

(c) Stringent rent control measures like the Act create an incentive to remove units from the rental market or to convert the units to condominiums. For example, it has been estimated that there are anywhere between 10,000 and 30,000 purposely vacant residential rental units in San Francisco, representing between 5% and 15% of the residential units in that City. In the past year alone, Mountain View has seen dozens of units already taken off the market to be converted to condos. Such a reduction in rental housing stock runs counter to the very purposes of the Act, and the Act should be modified to ensure that property owners in Mountain View have an incentive to keep their units on the rental housing market.

(d) The “good cause for eviction” provisions of the Act, designed to protect tenants from arbitrary eviction by landlords who wish to raise rents, should not preclude landlords from evicting tenants who engage in criminal behavior, disruptive behavior to fellow renters, or tenants who cause willful property damage or dangers.

(e) Rent stabilization is intended to protect low- and middle-class Mountain View families. It should not be implemented in a manner that requires landlords to subsidize wealthy tenants who are capable of paying rent.

(f) This law places common sense limits on the unelected Rental Housing Commission including a prohibition from paying themselves a salary. It prohibits the Commission from making funding demands on the General Fund of the City of Mountain View without City Council approval. The measure requires the Commission to be transparent and accountable to the citizens of Mountain View.

SECTION 3. Purposes.

The purposes of this Initiative are to enact reforms to the Act to:

- Place common sense limits on the unelected Rental Housing Commission, including a prohibition on paying themselves a salary;

- Prohibit the Commission from making funding demands on the General Fund of the City of Mountain View, which provides funding for critical city services such as public safety, road and infrastructure maintenance, parks, libraries and elder care services, without City Council approval;
- Require the Commission to be transparent and accountable to the citizens of Mountain View;
- Encourage property-owners to keep rental properties on the market and available for renters, rather than to mothball units or convert those units to condominiums;
- Encourage property-owners to maintain and improve residential rental properties;
- Increase public safety by allowing timely eviction of tenants who commit criminal acts;
- Allow landlords to quickly evict tenants who engage in disruptive behavior to fellow renters or other tenants who cause willful property damage or dangers; and
- Ensure that middle and lower income Mountain View residents have access to safe, clean, stable, and affordable housing, without subsidizing wealthy residents;
- All while continuing to protect low-income and elderly renters from unfair rent increases and evictions and confirming that the Act is not intended to reach single-family homes.

SECTION 4. Section 1705 of the City Charter is amended as follows:

Section 1705. - Just cause for eviction protections.

- (a) No Landlord shall take action to terminate any tenancy, including but not limited to making a demand for possession of a Rental Unit, threatening to terminate a tenancy orally or in writing, serving any notice to quit or other eviction notice, or bringing any action to recover possession, or be granted recovery of possession of a Rental Unit unless at least one of the following conditions exists:
- (1) *Failure to Pay Rent.* The Tenant has failed, after three days' written notice as provided by law, to pay the amount stated in the notice, so long as the amount stated does not exceed the Rent to which the Landlord is legally entitled under the Rental Housing Agreement, this Article, state, and any other local law.
 - (2) *Breach of Lease.* The Tenant has continued, after the Landlord has served the Tenant with Written Notice to Cease, to substantially violate any of the material terms of the Rental Housing Agreement, except the obligation to surrender possession on proper notice as required by law, and provided that such terms are reasonable and legal and have been accepted in writing by the Tenant; and provided further that, where such terms have been accepted by the Tenant or made part of the Rental Housing Agreement subsequent to the initial creation of the tenancy, the Landlord shall have first notified the Tenant in writing that he or she need not accept such terms.
- (A) Notwithstanding any contrary provision in this Section, a Landlord shall not take any action to terminate a tenancy based on a Tenant's sublease of the Rental Unit if the following requirements are met:

- (i) The Tenant continues to reside in the Rental Unit as his, her, or their Primary Residence;
 - (ii) The sublessee replaces one or more departed Tenants under the Rental Housing Agreement on a one-for-one basis; and
 - (iii) The Landlord has unreasonably withheld the right to sublease following written request by the Tenant. If the Landlord fails to respond to the Tenant in writing within fourteen (14) days of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Landlord. A Landlord's reasonable refusal of the Tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the Rent to the Landlord. A Landlord's reasonable refusal of the Tenant's written request may be based on, but is not limited to, the ground that the total number of occupants in a Rental Unit exceeds the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by Health & Safety Code Section 17922.
- (B) *Protections for Families.* Notwithstanding any contrary provision in this Section, a Landlord shall not take any action to terminate a tenancy as a result of the addition to the Rental Unit of a Tenant's child, parent, grandchild, grandparent, brother, or sister, or the spouse or domestic partner (as defined in California Family Code Section 297) of such relatives, or as a result of the addition of the spouse or domestic partner of a Tenant, so long as the number of occupants does not exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code 17922. The Committee may promulgate regulations that will further protect families and promote stability for school-aged children.
- (3) *Nuisance.* The Tenant has continued, after the Landlord has served the Tenant with a Written Notice to Cease, to commit or expressly permit a nuisance in the Rental Unit.
 - (4) *Criminal Activity.* The Tenant has ~~continued, after the Landlord has served the Tenant with a Written Notice to Cease, to be~~ been so disorderly as to destroy the peace, quiet, comfort, or safety of the Landlord or other tenants at the Property. Such disorderly conduct includes violations of state and federal criminal law that destroy the peace, quiet, comfort, or safety of the Landlord or other tenants at the Property.
 - (5) *Failure to Give Access.* The Tenant has continued to refuse, after the Landlord has served the Tenant with a Written Notice to Cease and without good cause, to grant the Landlord reasonable access to the Rental Unit as required by state or local law.
 - (6) *Necessary and Substantial Repairs Requiring Temporary Vacancy.* The Landlord, after having obtained all necessary permits from the City, and having provided written notice to the Tenant pursuant to state law, seeks in good faith to undertake substantial repairs that are necessary to bring the Rental Unit into compliance with applicable codes and laws affecting the health and safety of tenants of the building, provided that:
 - (A) The repairs necessitate that the Tenant vacate the Rental Unit because the work will render the rental unit uninhabitable for a period of not less than thirty (30) days;

- (B) The Landlord gives advance notice to the Tenant of the Tenant's right to elect between:
 - (i) The right of first refusal to any comparable vacant Rental Unit owned by the Landlord at the same Rent, if such comparable vacant unit exists; or
 - (ii) The first right of return to reoccupy the unit upon completion of the repairs at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit.
 - (iii) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Subsection 1705(b) herein.
- (C) In the event the Landlord files a Petition for Individual Rent Adjustment within six (6) months following the completion of the work, the Tenant shall be party to such proceeding as if he or she were still in possession, unless the Landlord shall submit with such application a written waiver by the Tenant of his or her right to reoccupy the premises pursuant to this Subsection.
- (7) *Owner Move-In.* The Landlord seeks, after providing written notice to the Tenant pursuant to state law, to recover possession of the Rental Unit in good faith for use and occupancy as a Primary Residence by the Landlord, or the Landlord's spouse, domestic partner, children, parents or grandparents.
 - (A) As used in this Subsection "Landlord," shall only include a Landlord that is a natural person and has at least a fifty percent (50%) recorded ownership interest in the Property.
 - (B) No eviction may take place under this Subsection if the same Landlord or enumerated relative already occupies a unit on the Property, or if a vacancy already exists on the Property. At all times a Landlord may request a reasonable accommodation if the Landlord or enumerated relative is Disabled and another unit in Mountain View is necessary to accommodate the person's disability.
 - (C) Any notice terminating tenancy pursuant to this Subsection shall contain the name, address and relationship to the Landlord of the person intended to occupy the Rental Unit.
 - (D) The Landlord or enumerated relative must intend in good faith to move into the Rental Unit within sixty (60) days after the Tenant vacates and to occupy the Rental Unit as a Primary Residence for at least thirty-six (36) consecutive months. The Committee may adopt regulations governing the determination of good faith.
 - (E) If the Landlord or relative specified on the notice terminating tenancy fails to occupy the Rental Unit within sixty (60) days after the Tenant vacates, the Landlord shall:
 - (i) Offer the Rental Unit to the Tenant who vacated it at the same Rent in effect when the Tenant vacated; and
 - (ii) Pay to said Tenant all reasonable expenses incurred in moving to and from the Rental Unit.

- (F) A Landlord may not evict a Tenant pursuant to this Subsection if the Tenant (1) has resided in the Rental Unit for at least five (5) years and is either at least sixty-two (62) years old or Disabled; or (2) is certified as being terminally ill by the Tenant's treating physician. Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption herein if the Landlord or enumerated relative who will occupy the Rental Unit also meets the criteria for this exemption and no other units are available.
- (8) *Withdrawal of the Unit Permanently from Rental Market.* The Landlord seeks in good faith to recover possession to withdraw all Rental Units of an entire Property from the rental market. The Landlord first must have filed the requisite documents with the Committee initiating the procedure for withdrawing Rental Units from rent or lease under Government Code Section 7060 et. seq. and all regulations passed by the Committee, with the intention of completing the withdrawal process and going out of the rental business. Tenants shall be entitled to a minimum of 120-day notice or one (1) year in the case Tenants are defined as senior or Disabled under Government Code Section 12955.3. Notice times may be increased by regulations if state law allows for additional time.
- (9) *Demolition.* The Landlord, having obtained all necessary permits from the City, and having provided written notice to the Tenant pursuant to state law, seeks in good faith to recover possession of the Rental Unit to remove the Rental Unit permanently from rental housing use through demolition.
- (b) *Relocation Assistance.*
- (1) A landlord seeking to recover possession under Subsections (a)(6)-(9) herein shall provide Relocation Assistance to affected Tenant households. The Relocation Assistance required herein shall be a minimum amount. The City Council may increase the dollar amounts of Relocation Assistance pursuant to its powers under law. The Landlord shall notify the affected Tenants of their rights under this Subsection, if any, at the time of service of the notice to quit.
- (2) The Committee shall issue rules and regulations to effectuate this Subsection including but not limited to rules and regulations setting forth the procedures for establishing the amount of Relocation Assistance applicable to any given Tenant household, and for the reasonably timely payment of any applicable Relocation Assistance.
- (3) For purposes of this Article, Relocation Assistance shall be available to all Tenant households eligible under this Article whose household income does not exceed one-hundred-and-twenty percent (120%) of the median household income for Santa Clara County as adjusted for household size according to the United States Department of Housing and Urban Development.
- (c) *First Right of Return.* All Tenants whose tenancy is terminated based upon a basis enumerated in Subsections (a)(6)-(9) herein shall have the first right of return to the Rental Unit if that Rental Unit is returned to the market by the Landlord or successor Landlord. Rent for the Rental Unit shall be the Rent lawfully paid by the Tenant at the time the Landlord gave notice of termination based upon Subsections (a)(6)-(9) herein.
- (d) *Retaliation is Barred.* Notwithstanding the above provisions, no Landlord shall take action to terminate any tenancy or otherwise recover possession of a Rental Unit in retaliation for

the Tenant reporting violations of this Article, for exercising rights granted under this Article, or for forming or participating in a Recognized Tenant Organization.

- (e) *Notice to Specify Basis for Termination.* Any notice purporting to terminate tenancy on any of the bases specified in this Section must state with specificity the basis on which the Landlord seeks to terminate the tenancy.
- (f) *Landlord Compliance with this Article.* In any action brought to recover possession of a Rental Unit, the Landlord shall allege compliance with this Article.
- (g) *Filing Termination Notices with Committee.* The Landlord shall file with the Committee a copy of any notice terminating tenancy within three (3) days after serving the notice on the Tenant.
- (h) *Failure to comply.* A Landlord's failure to comply with any requirement of this Article, including without limitation the failure to serve any of the required notices on the Committee pursuant to Subsection (g) herein, is a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

SECTION 5. Section 1706 of the City Charter is amended as follows:

Section 1706. - Stabilization of rents.

- (a) *Rents Stabilized.* Upon the effective date of this Article, no Landlord shall charge Rent in an amount that exceeds the sum of the Base Rent plus any lawful Rent increases actually implemented pursuant to this Article.
- (b) *Rent Increases Regulated.* No Landlord shall increase Rent for a Covered Rental Unit except as authorized by this Article. Rent increases shall be limited to those imposed pursuant to Section 1707 (Annual General Adjustment) and Section 1710(a) (Petition for Upward Adjustment—Fair Rate of Return). A Landlord may set the initial Rent for a new tenancy pursuant to Section 1708 (Initial Rents for New Tenancies).
- (c) *Security Deposit at Commencement of Tenancy Only.* No Landlord shall increase a security or other deposit originally required from a Tenant as a condition of occupancy of a Rental Unit.
- (d) *Applicability.* The restrictions contained in subsections (a) and (b) hereof shall only apply to establish a Base Rent and shall only limit Rent Increases, in circumstances where one of the following two conditions are met:
 - (1) *Limitation to low- and middle-income households.* The Tenant has filed a timely application with the Rental Housing Committee establishing that the Tenant's household income does not exceed one-hundred-percent (100%) of the median household income for Santa Clara County as adjusted for household size according to the United States Department of Housing and Urban Development, as follows:
 - (A) *Contents of application.* The Rental Housing Committee shall, by regulation, prescribe the form of the application to be submitted. At a minimum, however, the application must be signed by the Tenant under penalty of perjury.

(B) *Timing.* The Tenant must file an application annually. If the Rent Increase is sought to be imposed in the calendar year in which the tenancy initially commences, the application prescribed herein is timely if it is filed within sixty days of the commencement of the tenancy. For subsequent calendar years, the application prescribed herein is timely if it is filed between January 1 and March 1 of that calendar year.

(C) *Burden.* In a proceeding under section 1710, 1714, or 1715, the Tenant shall bear the burden of establishing that the requirements of this subsection (d)(1) are met for the year in which the Rent Increase is proposed.

(D) *Transition.* If a Tenant who was not eligible for the application of subsections (a) and (b) in a given year becomes eligible in a subsequent year, because the Tenant meets the income requirements of this subsection (d)(1), the Base Rent for purposes of the application of those subsections shall be the Rent in effect when the Tenant files the application prescribed herein.

(2) *Landlord's failure to provide notice.*

(A) The restrictions of subsections (a) and (b) shall apply to a tenancy, regardless of the Tenant's household income, if the Rental Housing Agreement establishing the tenancy fails to contain a notice in substantially the following form:

Rent Stabilization. Article XVII of the City of Mountain View's City Charter regulates the amount that rent for residential rental units can be increased in future years, in certain circumstances. To obtain the protections of the limitations contained in the Charter, you, the Tenant, must submit an application to the City's Rental Housing Committee. The initial application must be filed within 60 days of commencement of the tenancy. More information regarding the provisions of Article XVII and the application that you will need to file to avail yourself of the Charter's limitations on rent increases is available on the Rental Housing Committee's website at [website].

(B) *Burden.* In a proceeding under section 1710, 1714, or 1715, the Landlord shall bear the burden of establishing that the requirements of this subsection (d)(2) are met.

(C) *Existing Agreements.* For any Rental Housing Agreement in effect on the effective date of this subsection, which does not include the notice specified in subsection (d)(2)(A), the Landlord may comply with that requirement by serving a copy of the notice specified therein on the Tenant within 60 days of the effective date of this subsection.

SECTION 6. Section 1709 of the City Charter is amended as follows:

Section 1709. - Rental housing committee.

(a) *Composition.* There shall be in the City of Mountain View an appointed Rental Housing Committee comprised of Mountain View residents as set forth in this Section. The Committee shall consist of five (5) Committee members appointed by the City Council, and an alternate Committee member. The alternate Committee member shall be permitted to attend all Committee meetings and to speak, but not be authorized to vote unless a regular member of

the Committee is absent at that meeting or is recused from voting on an agenda item. There shall be no more than two (2) members of the Committee that own or manage any rental property, or that are realtors or developers. Anyone nominated to this Committee must be in compliance with this Article and all other local, state and federal laws regulating the provision of housing. Annually, the Committee shall elect one of its members to serve as chairperson.

- (b) *Eligibility and Appointment.* Committee members shall be appointed by the City Council at a public meeting. Applicants for membership on the Committee shall submit an application to the City Council. The application shall include a statement under penalty of perjury of the applicant's interests and dealings in real property, including but not limited to, ownership, trusteeship, sale, or management, and investment in and association with partnerships, corporations, joint ventures, and syndicates engaged in ownership, sale, or management of real property during the three years immediately prior to the applicant's application. This documentation shall be made available to the public.
- (c) *Term of Office.* Committee Members shall serve terms of four (4) years and may be reappointed for a total of two (2) full terms. Committee member terms shall be staggered. Therefore, initial appointments shall consist of two (2) members with two-year terms, an alternate with a two-year term, and three (3) members with four-year terms.
- (d) *Powers and Duties.* The Committee shall have the following powers and duties:
 - (1) Set Rents at fair and equitable levels to achieve the purposes of this Article. Notwithstanding any other provision of this Article, the Committee shall have the authority to adopt regulations authorizing Rent increases and/or adjustments required by state or federal law.
 - (2) Establish rules and regulations for administration and enforcement of this Article.
 - (3) Determine and publicize the Annual General Adjustment pursuant to this Article.
 - (4) Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Article.
 - (5) Adjudicate Petitions pursuant to Sections 1710 and 1711 herein and issue decisions with orders for appropriate relief pursuant to this Article.
 - (6) Administer oaths and affirmations and subpoena witnesses and relevant documents.
 - (7) Establish a budget for the reasonable and necessary implementation of the provisions of this Article, including without limitation the hiring of necessary staff, and charge fees as set forth herein in an amount sufficient to support that budget.
 - (8) Administer the withdrawal process for the removal of Rental Units from the rental housing market pursuant to Subsection 1705(a)(8) herein.
 - (9) Hold public hearings.
 - (10) Conduct studies, surveys, investigations, and hearings, and obtain information to further the purposes of this Article.
 - (11) Report periodically to the City Council on the status of Covered Rental Units. Reports shall include (a) a summary of the numbers of termination of tenancy notices served pursuant to Section 1705 of this Article, including the bases upon which they were served,

- (b) a summary of any and all Petitions submitted to and/or decided by a Hearing Officer and/or the Committee pursuant to Sections 1710 and 1711, including the bases on which the Petitions were submitted and the determinations on the Petitions.
- (12) Publicize through reasonable and appropriate means the provisions of this Article, including without limitation the rights and responsibilities of Landlords and Tenants.
- (13) Establish a schedule of penalties that may be imposed for noncompliance with this Article or with rules and regulations promulgated under this Article.
- (14) Pursue civil remedies as provided by this Article in courts of appropriate jurisdiction, subject to City Council approval.
- (15) Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a Landlord or Tenant with respect to Covered Rental Units, subject to City Council approval.
- (16) Any other duties necessary to administer and enforce this Article.
- (e) *Rules and Regulations.* The Committee shall issue and follow such rules and regulations as will further the purposes of the Article.
- (f) *Meetings.* The Committee shall hold regularly scheduled meetings as necessary to ensure the performance of its duties under this Article. All regular and special meetings shall be called and conducted in accordance with state law.
- (g) *Quorum.* Three (3) members shall constitute a quorum for the Committee.
- (h) *Voting.* The affirmative vote of three (3) members of the Committee is required for a decision, including on all motions, regulations, and orders of the Committee.
- (i) *Vacancies.* If a vacancy occurs on the Committee, a person qualified to fill such vacancy shall be appointed by the City Council in accordance with this Article.
- (j) *Financing.* The Committee shall finance its reasonable and necessary expenses, including without limitation engaging any staff as necessary to ensure implementation of this Article, by charging Landlords an annual Rental Housing Fee as set forth herein, in amounts deemed reasonable by the Committee in accordance with applicable law. ~~The Committee is also empowered to request and receive funding when and if necessary from any available source including the City for its reasonable and necessary expenses. The Committee shall not be authorized to receive funds from the City's General Fund or any other funds within the control of the City Council unless the City Council approves the appropriation, with at least four members voting in favor. Committee members shall not receive any compensation or pension benefits for serving on the Committee.~~
- (1) *Rental Housing Fee.* All Landlords shall pay a Rental Housing Fee on an annual basis. The first Committee convened after the effective date of this Article shall determine the amount of the Rental Housing Fee. The amount of the Rental Housing Fee may differ between Rental Units subject to the entirety of this Article and those that are Partially Exempt. The Committee may adjust the amount of the Rental Housing Fee at its discretion to ensure full funding of its reasonable and necessary expenses, in accordance with all applicable law. Provided, however, that the fee shall not exceed \$100 per unit in 2019. In subsequent years the Committee may adjust the amount of the fee, in an amount

that does not exceed the most recent Consumer Price Index, All Urban Consumers for the San Francisco-Oakland Area. The most recent CPI is the bimonthly figure most recently available from the Bureau of Labor Statistics.

- (2) *City to Advance Initial Funds.* During the initial implementation of this Article, the City shall advance all necessary funds to ensure the effective implementation of this Article, until the Committee has collected Rental Housing Fees sufficient to support the implementation of this Article. The City may seek a reimbursement of any advanced funds from the Committee after the Rental Housing Fee has been collected.
- (k) *Integrity and Autonomy of Committee.* The Committee shall be an integral part of the government of the City, but shall exercise its powers and duties under this Article independent from the City Council, City Manager, and City Attorney, except by request of the Committee. The Committee may request the services of the City Attorney, who shall provide them pursuant to the lawful duties of the office in Article 711 of the City Charter. In the period between the effective date of this Article and the appointment of the initial members of the Committee, the City shall take whatever steps necessary to perform the duties of the Committee and implement the purposes of this Article.
- (l) *Conforming Regulations.* If any portion of this Article is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Committee and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Article to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to the matters addressed in this Article.
- (m) *Designation of Replacement Committee.* In the event the establishment of the Committee under this Section is adjudged to be invalid for any reason by a court of competent jurisdiction, the City Council shall designate one or more City departments, agencies, committees, or commissions to perform the duties of the Committee prescribed by this Article.
- (n) *Conflict of interest.* Committee members shall not necessarily be disqualified from exercising any of their powers and duties on the grounds of a conflict of interest solely on the basis of their status as a Landlord, realtor, developer, or Tenant. However, a Committee member shall be disqualified from ruling on a Petition if the Committee member is either the Landlord of the Property or a Tenant residing in the Property that is involved in the Petition. The provisions of the Political Reform Act, Government Code Sections 87100 et seq. shall apply.

SECTION 7. Section 1710 of the City Charter is amended as follows:

Section 1710. - Petitions for individual rent adjustment—bases.

A Landlord or a Tenant may file a Petition with the Committee seeking adjustment, either upward or downward, of the Rent for any given tenancy in accordance with the standards set forth in this Section, and using the procedures set forth in Section 1711 herein and implementing regulations. A Petition shall be on a form provided by the Committee and, if made by the Landlord, shall include a declaration by the Landlord that the Rental Unit complies with all requirements of this Article.

- (a) *Petition for Upward Adjustment—Fair Rate of Return:* To effectuate the purposes of this Article and the requirements of law, a Landlord may file a Petition for an upward adjustment of the Rent to ensure a fair and reasonable rate of return. It is the intent of this Article that individual upward adjustments in Rent be granted only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a fair rate of return. The Committee shall promulgate regulations to further govern Petitions filed pursuant to this Subsection in accordance with law and the purposes of this Article.
- (1) *Prerequisites.* No upward adjustment of Rent shall be authorized by a Hearing Officer or the Committee under this Subsection if the Landlord:
- (A) Has continued to fail to comply, after order of the Committee or other authority, with any provisions of this Article or orders or regulations issued thereunder; or
 - (B) Has failed to maintain the Rental Unit in compliance with Civil Code Sections 1941.1 et seq. and Health and Safety Code Sections 17920.3 and 17920.10.
- (2) *Fair Rate of Return - Factors.* In making any upward adjustment to the Rent based upon a Landlord's Petition to ensure a fair rate of return, the Hearing Officer or Committee shall consider relevant factors, including but not limited to, the following:
- (A) Increases or decreases in property taxes;
 - (B) Unavoidable increases or any decreases in maintenance and operating expenses;
 - (C) The cost of planned or completed capital improvements to the Rental Unit (as distinguished from ordinary repair, replacement, and maintenance), but only ~~where such capital improvements are necessary to bring the Property into compliance or maintain compliance with applicable local codes affecting health and safety, and~~ where such capital improvement costs are properly amortized over the life of the improvements;
 - (D) Increases or decreases in the number of tenants occupying the Rental Unit, living space, furniture, furnishings, equipment, or other Housing Services provided, or occupancy rules;
 - (E) Substantial deterioration of the Rental Unit other than as a result of normal wear and tear;
 - (F) Failure on the part of the Landlord to provide adequate Housing Services, or to comply substantially with applicable state rental housing laws, local housing codes, health and safety codes, or the Rental Housing Agreement; and
 - (G) The pattern of recent Rent increases or decreases in the Rental Unit during the occupancy of the current Tenant.
- (3) *Fair Rate of Return - Factors Excluded.* In making any upward adjustment to the Rent based upon a Landlord's Petition to ensure a fair rate of return, the Hearing Officer or Committee shall not consider the following factors as justifying an upward adjustment:

- (A) Costs of debt servicing (including but not limited to principal, interest, and fees) for any debt obtained after October 19, 2015, other than debt incurred to finance the cost of improvements as described in Subsection 1710(a)(2)(C);
 - (B) Any penalties, fees, or interest assessed or awarded for violation of this or any other law with respect to the Rental Unit;
 - (C) The costs of capital improvements that are not necessary to bring the property into compliance or maintain compliance with applicable local codes affecting health and safety;
 - (D) Cost increases, capital improvements, banked Annual General Adjustments, or other circumstances that arose before the current tenancy began; and
 - (E) Income taxes.
- (4) *Effective Date of Individual Rent Adjustment.* Rent increases authorized pursuant to this Subsection shall become effective only after the Landlord provides the Tenant written notice of such Rent increase pursuant to state law.
- (b) *Petition for Downward Adjustment — Failure to Maintain Habitable Premises:*
- (1) Failure to maintain a Rental Unit in compliance with governing health and safety and building codes, including but not limited to Civil Code Sections 1941.1 et seq. and Health and Safety Code Sections 17920.3 and 17920.10, constitutes an increase in Rent. A Tenant may file a Petition with the Committee to adjust the Rent downward based on a loss in rental value attributable to the Landlord's failure to maintain the Rental Unit in habitable condition.
 - (2) A Tenant Petition filed pursuant to this Subsection must specify the conditions alleged to constitute the failure to maintain the Rental Unit in habitable condition and demonstrate that the Landlord was provided with reasonable notice and opportunity to correct the conditions that form the basis for the Petition.
- (c) *Petition for Downward Adjustment — Decrease in Housing Services or Maintenance.* A decrease in Housing Services or maintenance, or deterioration of the Rental Unit beyond ordinary wear and tear, without a corresponding reduction in Rent, is considered an increase in Rent. A Tenant may file a Petition to adjust the Rent downward based on a loss in rental value attributable to a decrease in Housing Services or maintenance or deterioration of the Rental Unit. The Petition must specify the circumstances alleged to constitute a decrease in Housing Services or maintenance, and demonstrate that the Landlord was provided with reasonable notice and an opportunity to correct in like manner to Petitions filed pursuant to Subsection 1710(b)(2) herein.
- (d) *Petition for Downward Adjustment — Unlawful Rent:* If a Landlord demands or retains Rent in excess of the lawful Rent pursuant to this Article, a Tenant may file a Petition to adjust the Rent to its lawful level.

SECTION 8. Section 1718 of the City Charter is amended as follows:

Section 1718. - Decontrol.

If the average annual vacancy rate in ~~Controlled~~ Rental Units equals or exceeds five three percent (35%), the Committee shall ~~is empowered, at its discretion and in order to achieve the~~

~~objectives of this Article, to suspend the provisions of sections 1705 to 1717 of this Article at its next regularly scheduled meeting. In determining the vacancy rate for ~~Controlled~~ Rental Units, the Committee shall consider such data as are customarily used in the rental housing industry ~~and available data and shall conduct its own survey.~~ If the Committee finds that the average annual vacancy rate has thereafter fallen below ~~five~~ three percent (35%) for six consecutive months, the provisions of this Article shall be reimposed. The Committee shall assess the vacancy rate in Rental Units at least quarterly.~~

SECTION 9. Section 1721 is added to the City Charter to read as follows:

Section 1721. – Rental Housing Dispute Resolution Program.

The provisions of this section shall apply during any period in which the provisions of sections 1705 to 1717 of this Article are suspended pursuant to section 1718.

(a) Definitions. The following words or phrases shall have the following meanings for purposes of this section, and shall prevail over the definitions contained in section 1702 of this Article with respect to the application of this section:

- (1) Administrator. “Administrator” means the person or entity responsible for implementing this ordinance and other administrative duties of the Rental Housing Dispute Resolution Program established by this section or regulations adopted pursuant to this section.
- (2) Arbitration. “Arbitration” means a hearing conducted according to generally accepted rules for arbitrating disputes in Santa Clara County, unless otherwise specified in regulations adopted pursuant to this section.
- (3) Arbitrator. “Arbitrator” means a person who possesses experience in serving as an Arbitrator or hearing officer pursuant to one of the mandatory dispute resolution ordinances related to rental housing in the region and who has completed an orientation and training session for this charter provision.
- (4) Base Rent. “Base Rent” means the amount of Rent required to be paid by the Tenant to the Landlord in the month immediately preceding the effective date of the Rent Increase.
- (5) Conciliation. “Conciliation” means a confidential telephone call or other contacts by the Administrator or a Mediator with a Landlord and Tenant for the purpose of resolving a Rental Housing Dispute.
- (6) Day. “Day” means a calendar day.
- (7) Dwelling unit. “Dwelling unit” means a room or group of internally connected rooms that have sleeping, cooking, eating and sanitation facilities, but not more than one (1) kitchen, which constitutes an independent housekeeping unit, occupied by or intended for one (1) household on a long-term basis. Types of dwellings include single-family dwellings, duplexes, multiple-family dwellings, mobile homes, townhouses and rowhouses, all of which are separately defined.
- (8) Landlord. “Landlord” means a person or entity exercising effective control over the terms and conditions of the tenancy of a Rental Unit, including a person with such control delegated through a durable power of attorney or an owner, lessor or sublessor, or the agent, representative or successor of any of the foregoing persons who receives, or is

entitled to receive, Rent for the use and occupancy of any Rental Unit or portion thereof and is authorized to resolve any Rental Housing Disputes, including an owner, lessor or sublessor, or property manager.

- (9) Lease. “Lease” means an agreement, written or oral, implied in fact, or implied in law, in which a Landlord, for compensation, conveys the right to occupy a Rental Unit to the exclusion of others for a period of time or from period to period.
 - (10) Mediation. “Mediation” means a meeting in which Landlord and Tenant have the opportunity to communicate with a Mediator to resolve a Rental Housing Dispute with confidential and neutral communications, within the meaning of the applicable provisions of the California Evidence Code.
 - (11) Mediator. “Mediator” means a person who possesses experience in mediating Landlord-Tenant cases in general and who has mediation experience with at least one of the mandatory dispute resolution programs in the region, and who has completed an orientation and training session on this charter provision.
 - (12) Party; parties. “Party” and “Parties” mean Landlord and Tenant collectively and individually.
 - (13) Rent. “Rent” means the consideration, including any bonus, benefit or gratuity demanded or received by a Landlord for or in connection with the use or occupancy of a Rental Unit.
 - (14) Rent Increase. “Rent Increase” means any additional Rent demanded of or paid by a Tenant for a Rental Unit including any Service Reduction without a corresponding reduction in Rent.
 - (15) Rental Housing Dispute. “Rental Housing Dispute” means a fact-based grievance raised by any Tenant or Landlord regarding the occupancy or use of a Rental Unit limited to Rent Increases over the Threshold set forth in subsection (d) hereof, security deposits, thirty (30) day and sixty (60) day notices to vacate, maintenance and repairs, and Service Reductions, or Tenant’s termination of a Lease prior to the end of the Lease term.
 - (16) Rental Unit. “Rental Unit” means a Dwelling Unit existing in a single structure with three or more dwelling units being used as residential rental housing.
 - (17) Service Reduction. “Service Reduction” means a reduction in the level of benefits, privileges or facilities related to the Rental Unit that have been reduced without a corresponding reduction in Rent and includes but is not limited to repairs, maintenance, painting, light, heat, water, elevator service, laundry facilities and privileges, refuse removal, furnishings, parking and other rights afforded to Tenant as set forth in a Lease for the Rental Unit.
 - (18) Tenant. “Tenant” means a person or persons entitled by a Lease to occupy a Rental Unit to the exclusion of others.
 - (19) Tenancy. “Tenancy” includes the lawful occupation of a Rental Unit and includes a Lease or Sublease.
- (b) Rental Housing Dispute Resolution Program.

- (1) Applicability. Each Tenant and each Landlord shall have the opportunity to utilize the Rental Housing Dispute Resolution Program. The Rental Housing Dispute Resolution Program includes three Dispute Resolution phases: Conciliation, Mediation and nonbinding Arbitration. All Rental Housing Disputes are subject to Conciliation and mandatory participation in Mediation. Rental Housing Disputes involving Rent Increases and Service Reductions may also be subject to mandatory participation in nonbinding Arbitration.
- (2) With the exception of disputes regarding security deposits, a Tenant may not participate in the Rental Housing Dispute Resolution Program unless he or she is a current Tenant of the Rental Unit.
- (3) Any Tenant or Landlord may initiate the Rental Housing Dispute Resolution Program by filing a written request for resolution of a Rental Housing Dispute within twenty-one (21) days of learning the facts giving rise to the dispute. The request must be filed with the Administrator, and must provide enough factual information to outline the basic issue or issues being raised within the definition of a Rental Housing Dispute.
- (4) Within seven (7) business days of receiving a written request for dispute resolution from a party, the Administrator will notify both Tenant and Landlord in writing that a case has been opened and will provide a copy of the request to the other party. The Administrator will initiate Conciliation and complete the Conciliation process within seven (7) days from the date the Administrator notifies the Parties a case has been opened.
- (5) If Conciliation does not resolve the dispute within the Conciliation time limit, and one of the Parties requests Mediation in writing within the Conciliation time period described above, the Administrator will send a notice to both Parties setting a Mediation date within fourteen (14) days of the notice. The Administrator shall have the authority to combine different disputes or different parties in the interest of efficiently addressing the disputes, provided that any Party may, for reasons of confidentiality or otherwise, opt out of a combined Mediation involving more than one Tenant or Landlord by notifying the Administrator.
- (6) No Party shall be obligated to reach any specific agreement, or to reach any agreement at all, as a result of participating in Conciliation or Mediation. If an agreement is reached during Mediation, the Mediator or the Parties will prepare a written agreement. Any such agreement shall be confidential and will not be enforceable or used for any other purpose outside the Rental Housing Dispute Resolution Program, unless the Parties agree the document can be disclosed or otherwise used in other proceedings.
- (7) If Mediation does not resolve the dispute, either Party may request nonbinding Arbitration in writing within seven (7) business days after the Mediation is completed. Arbitration shall be held within twenty-one (21) days after receipt of the request for Arbitration by the Administrator.
- (8) After the Rental Housing Dispute Resolution Program is initiated, any subsequent timeline may be extended by mutual consent of the Parties and the Administrator, or the Arbitrator may continue the Arbitration upon good cause shown in a written request from either Party.

(9) Failure of a Landlord to appear and participate in good faith in any of the dispute resolution alternatives in the Rental Housing Dispute Resolution Program for a dispute involving Rent Increase in excess of the Threshold shall void the notice of Rent Increase for all purposes. Failure of the Tenant to appear and participate in any step of the Rental Housing Dispute Resolution Program shall terminate the process for the affected Tenant and if the dispute involves a Rent Increase, the Rent Increase is no longer subject to the Rental Housing Dispute Resolution Program and shall be effective the date stated in the Notice of Rent Increase.

(10) The Parties shall exchange copies of all evidence they intend to introduce at arbitration no later than seven (7) days prior to the date of the Arbitration. Any objection to evidence proposed to be introduced by a Party will be considered by the Arbitrator at the Arbitration hearing.

(11) The determination of the Arbitrator shall be mailed to the Parties together with written findings of fact supporting the determination within seven (7) days of the hearing. The Arbitrator's decision shall be advisory to the Parties and shall not be binding.

(c) Landlord's obligation to provide notice to tenants.

(1) In addition to any other notice required to be given by law, Landlord shall provide all Tenants with a notice stating the Rental Unit is subject to the city's Rental Housing Dispute Resolution Program as provided in this article and that they can receive copies of this law by contacting the city. Landlord shall provide these notices to prospective and/ or affected Tenants upon Leasing a Rental Unit, renewing the Lease of a Rental Unit and with any Notice of a Rent Increase. Prior to any Rent Increase, every Landlord shall provide their Tenants a notice of Rent Increase as prescribed in this subsection. This same language shall be included in a clearly visible location on any lease or other rental agreement.

(2) Every Landlord of a Rental Unit shall provide a Rent Increase notice as prescribed in this subsection before demanding or accepting any Rent Increase. All Rent Increase notices shall be in writing, shall show the name, address and phone number of all responsible parties including the person or entity with authority to respond to a Rental Housing Dispute, and shall be personally delivered to the Tenant(s) or posted and mailed to the Tenant(s) at the address of the Tenant's (s') Rental Unit by first-class mail, postage prepaid. Service by mail shall be presumed complete within five (5) days of mailing. This presumption may be rebutted by the Tenant(s).

(3) In addition to all other information provided in a Rent Increase notice, each notice of Rent Increase shall substantially state in bold type:

NOTICE: Section 1721 of the Mountain View City Charter establishes a Rental Housing Dispute Resolution Program and it provides a procedure for conciliation and mediation of rental housing disputes involving rent increases greater than 7%, security deposits, 30-day and 60- day notices to vacate, maintenance and repairs, and service reductions, and disputes regarding a Tenant's termination of the lease prior to the end of the lease term. Disputes regarding rent increases greater than 7% and Service Reductions may also be subject to nonbinding arbitration. To use the program and secure additional

information about the city ordinance, you must contact Administrator [insert name and phone number] within 21 calendar days following receipt of a notice of rent increase or learning the facts giving rise to a dispute regarding a rent increase, a security deposit, 30-day and 60-day notices to vacate, maintenance and repairs, or service reductions or disputes regarding a tenant's termination of the lease prior to the end of the lease term. Further information regarding this ordinance is available on the City of Mountain View's website.

- (4) No Rent Increase shall be valid for any purpose whatsoever without substantial compliance with this subsection and any Rent Increase accomplished in violation of this subsection shall be void. However, a Landlord may cure a violation by serving the Tenant with a notice that complies with this subsection. No Landlord may take any action to enforce such an invalid Rent Increase.
- (5) Any Rent increase in violation of this subsection shall operate as a complete defense to an unlawful detainer action based on failure to pay any invalid Rent Increase. Any Tenant required to pay an invalid Rent Increase may recover all invalid Rent Increase amounts, actually paid by the Tenant, in a civil action.
- (6) It is the intent of this article that all Landlords are encouraged to provide at least ninety (90) calendar days' notice of any Rent Increase in order to allow for orderly operation of the Rental Housing Dispute Resolution Program. At a minimum, all Rent Increases shall meet the notice requirements of state law.

(d) Rent Increases.

- (1) Rent Increases for Rental Units shall be limited to one (1) increase in any consecutive twelve (12) month period unless otherwise agreed by the Parties in writing.
- (2) Rent Increases in any twelve (12) month period exceeding 7.0 percent over the Base Rent are subject to the Rental Housing Dispute Resolution Program ("Threshold").
- (3) Landlord bears the burden of proving a Rent increase in excess of Threshold is reasonable.

(e) Payment of Rent Increase during Rental Housing Dispute Resolution Program.

- (1) Every Tenant shall pay the existing Base Rent as it becomes due.
- (2) In the event the dispute remains in the Rental Housing Dispute Resolution Program past the notice period specified in the valid notice of Rent Increase, each affected Tenant shall pay the Landlord the Base Rent and the Rent Increase up to the Threshold in order to continue in the program. Landlord shall provide Tenant with a receipt acknowledging delivery of the Rent.

(f) Factors determining reasonableness of Rent Increases. The purpose of this article is to permit Landlords a fair and reasonable return on the value of their property, while at the same time protecting Tenants from arbitrary, capricious or unreasonable Rent Increases. If a Rent Increase dispute proceeds to Arbitration, the reasonableness of any portion of the Rent Increase in excess of 7.0 percent will be determined by an Arbitrator. The determination of reasonableness shall be made with reference to the following standards, unless Arbitrator determines the overall standard of reasonableness requires other standards to be applied in a given case to ensure the above stated purpose is being met:

- (1) Past history of Rent Increases for the same Rental Unit, including timing and amounts;
- (2) Market rental rates for similar Rental Units in Mountain View;
- (3) History of capital improvements, maintenance and repairs, operation and maintenance costs for the Rental Unit, including verified expenses;
- (4) Any unanticipated increases in other categories of Landlord costs for the Rental Unit within the twelve (12) months prior to the notice of Rent Increase or verified expenses to be incurred in the twelve (12) months following the date of the Rent Increase notice;
- (5) Increases in Landlord costs due to necessary upgrades or verified significant renovations incurred within twelve (12) months prior to the date of the Rent Increase notice for the Rental Unit or projected increases within the twelve (12) months following the date of the Rent Increase notice;
- (6) Vacancies in the Rental Unit and whether a vacancy was a Voluntary Vacancy;
- (7) Service Reductions for the Rental Unit during the Tenant's occupancy of the Rental Unit; and
- (8) Any serious health, safety, fire or building code violations as defined by Health and Safety Code § 17920.3.

The Arbitrator shall determine the amount of the allowable Rent Increase in excess of the threshold allowed pursuant to subsection (d) hereof, if any, in accordance with the standards enumerated in this subsection.

(g) *Burden of proof at arbitration.*

- (1) Landlord bears the burden of presenting evidence to the Arbitrator that the Rent Increase in excess of the Threshold is reasonable.
- (2) Tenant bears the burden of proving a Service Reduction. Tenant must prove the decrease in service was substantial and the Landlord had notice of the condition but failed to restore the service within a reasonable time after receiving notice of it. Violations of the Mountain View City Code or of this section regarding a Rental Unit must be considered. Upon finding a Service Reduction, an Arbitrator may reduce a Rent Increase, order a credit against Rent paid and/ or a reduction in future Rent based on the nature of the Service Reduction, the habitability and usability of the Rental Unit and the duration of the Service Reduction.

(h) *Subpoenas.* An Arbitrator may, on his/her own initiative, or at the request of a Party, issue subpoenas, or require the production of documents by a Party, provided the Party requesting the subpoena makes a showing of good cause supporting such a request. For the purposes of this section, the city council's authority to issue subpoenas is delegated to the Arbitrator, reserving to the Council full authority to issue subpoenas for the same or other purposes.

(i) *Property registration and fees.*

- (1) A Landlord shall register each residential Rental Unit within the City of Mountain View. The registration shall be on forms provided by the city and shall include the name and mailing address of the owner or owners of the property, the person authorized to effectively resolve Rental Housing Disputes arising under this article as well as the name,

address and telephone number of the Landlord, and the number of Rental Units at the address.

- (2) For the sole purpose of reimbursing the City of Mountain View for the reasonable costs of maintaining property registration records and related administrative systems, and the Rental Housing Dispute Resolution Program, the Landlord of each Rental Unit shall pay a fee in an amount to be set by the City of Mountain View for each Rental Unit. Should sections 1705 to 1717 of this Article be suspended pursuant to section 1718, any funds collected pursuant to section 1709(j) shall be applied to fund operations of this section 1721 prior to the imposition of any additional fees pursuant to this subsection.
- (j) Retaliation. No Landlord shall increase Rent, cause a Service Reduction, cause a Tenant to involuntarily quit the Rental Unit, bring an action to receive possession, or threaten to do any of such acts or take any other adverse action against a Tenant because of the Tenant's exercise of the Tenant's rights pursuant to this section.
- (k) Enforcement. The following shall be applicable during any time in which provisions of sections 1705 to 1717 of this Article are suspended pursuant to section 1718 and this section is in effect:
- (1) Violation of provisions of this section shall not constitute a crime.
- (2) At any time, Tenant may bring action in the courts of the state alleging a violation by the Landlord of the provisions of this section or may seek a court order directing compliance with the provisions of this section.
- (3) At any time, a Landlord may bring an action in the courts of the state alleging a violation by the Tenant of the provisions of this article or may seek a court order directing compliance with the provisions of this article;
- (4) Any Rent increase in violation of this section shall operate as a complete defense to an unlawful detainer action based on failure to pay any invalid Rent Increase. Any Tenant required to pay an invalid Rent Increase may recover all invalid Rent Increase amounts, actually paid by the Tenant, in a civil action.
- (l) Nonwaiver. Any waiver or purported waiver by a tenant of rights under this section prior to the time when such rights may be exercised shall be void as contrary to public policy.

SECTION 10. Interpretation.

This Act must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. It is the intent of the voters that the provisions of this Act be interpreted or implemented in a manner that facilitates the purposes set forth in this Act. The title of this Initiative and the captions preceding the sections of this Initiative are for convenience of reference only. Such title and captions shall not define or limit the scope or purpose of any provision of this Initiative. The use of the terms "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. The use of the term "or" shall be construed to mean and/or.

SECTION 11. Severability.

If any provision of this Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable. The voters declare that this Act, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Act is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Act that can be given effect without the invalid application.

SECTION 12. Conflicting Ballot Measures.

In the event that this Act and another measure or measures relating to rent control and/or good cause for eviction provisions shall appear on the same City-wide election ballot, the provisions of such other measures shall be deemed to be in conflict with this Act. In the event that this Act shall receive a greater number of affirmative votes, the provisions of this Act shall prevail in their entirety and each and every provision of the other measure or measures shall be null and void in their entirety. In the event that the other measure or measures shall receive a greater number of affirmative votes, the provisions of this Act shall take effect to the extent permitted by law. If this Initiative is approved by the voters but superseded by law in whole or in part by any other Conflicting Initiative approved by the voters at the same election, and such Conflicting Initiative is later held invalid, this Initiative shall be self-executing and given full force of law.

SECTION 13. Effective Date.

In accordance with the provisions of California Elections Code § 9217, if a majority of the voters vote in favor of the Initiative, the Initiative shall go into effect ten days after the official vote count is declared by the City Council.

SECTION 14. Amendment.

Pursuant to Article XI, section 3, of the California Constitution and California Elections Code § 9217 the provisions of this Initiative may only be amended by the voters of the City of Mountain View.