



MEMORANDUM

CSFRA, Community Development Department

DATE: December 14, 2020

TO: Rental Housing Committee

FROM: Anky van Deursen, Program Manager
Karen Tiedemann, Special Counsel to the RHC

SUBJECT: **Extension of Regulations for Voluntary Agreements to Temporarily Reduce Rent**

RECOMMENDATION

Review and adopt a Resolution to Adopt an Extension to Regulations for Voluntary Temporary Rent Reduction in Chapter 7, to be read in title only, further reading waived (Attachment 1 to this memorandum).

INTRODUCTION AND BACKGROUND

On May 4, 2020, the Rental Housing Committee (RHC) adopted Regulations in Chapter 7 to regulate Voluntary Agreements to Temporarily Reduce Rent.

In rent-stabilized properties, rent increases are limited to the annual general adjustment (AGA) increase and may not be increased beyond this amount. Additionally, the CSFRA limits rent increases to no more than one increase per 12-month period and no more than 10 percent in any 12-month period. However, some landlords are actively working with tenants to reduce rents to provide relief during the COVID-19 pandemic. A temporary rent reduction regulation will allow landlords to temporarily reduce rents and afterwards return rents to the amounts charged under their underlying rental contract without running afoul of the CSFRA. Landlords and tenants can enter into a voluntary short-term agreement, without changing other terms of the rental contract, to temporarily reduce the rent during the COVID-19 pandemic, or for such other terms as agreed upon by the parties. Upon termination of such agreement, the rent can be returned to the rent prior to the voluntary reduction. There may be cases where returning the rent to the prior rate will exceed the AGA increase or result in a rent that is more than 10 percent higher than the reduced rent. This will be allowable during the term of the emergency declaration in order to encourage landlords to work with their tenants during these unprecedented times.

The purpose of this adopted regulation is to encourage landlords to reduce rents to keep residents housed during the most difficult months of the COVID-19 crisis and related State of Emergency. This regulation assists in protecting the health, safety, and welfare of Mountain View residents whilst maintaining the base rent for landlords to the amount in effect as of April 30, 2020.

ANALYSIS

The Rental Housing Committee set the end effective date of the regulations on December 31, 2020, anticipating an end to the COVID-19 crisis and related Emergency Order. However, the COVID-19 pandemic has surged to unprecedented highs in the past month and is expected to worsen over the coming winter months. Therefore, staff would like the RHC to consider extending the regulations to a later date in 2021, or be effective for the duration of the declared California State of Emergency.

FISCAL IMPACT

The adoption of an extension of Regulations for Voluntary Agreements to Temporarily Reduce Rent are not anticipated to affect the budget of the RHC.

PUBLIC NOTICING – Agenda posting.

AvD-KT/TG/1/CDD/RHC
812-12-14-20M-4

- Attachment: 1. Draft Resolution to Adopt an Extension to Regulations for Voluntary Temporary Rent Reduction in Chapter 7
Exhibit A: Draft Regulations to Extend the Effective Date of Voluntary Agreements to Temporary Rent Reduction