



**City of Mountain View
Rental Housing Committee
Meeting February 22, 2024, Agenda Item Questions**

Item 5.1 Appeal of Hearing Officer Decision Regarding Petition No. C23240026

Q: According to CSFRA, Section 1708 (c): “The Landlord may not increase Rent based on banking, cost increases, capital improvements, or other circumstances that arose before the new tenancy began.” It’s not clear to me from reading documents provided in which year(s) the landlord did NOT raise the rents, yielding the opportunity for a banked increase later. I see that there were two years, one at which the landlord was entitled to an AGA of 2% (but the rent increase is being questioned because of the improper noticing to the tenant) and another where the landlord for entitled to a 5% AGA (and to which the landlord attempted to add a 5% banked increase). Please indicate which were the years when the full AGA was not applied to this tenant’s rent, how much the rent was raised in those years, and how much the AGA was.

A: The Landlord sought to increase the Tenant’s rent by 10 percent beginning October 1, 2023. This 10 percent increase included the 5 percent banked AGA increase for 2022 and the currently effective 5 percent AGA for 2023.

The Landlord alleges that they imposed the 2 percent AGA for 2021 sometime in December 2022 via an agreement with the Tenant. However, the Hearing Officer’s Decision determined that this increase was improperly imposed, and therefore invalid, because of the Landlord’s failure to notice the increase.

Q: From May 1, 2021, through Sept 2023, is 29 months with no rent increase. This seems like a long time. Is "no rent increase unless "in compliance" is part of this?

A: That is correct. Landlords forgo rent increases for failure to comply with the CSFRA regardless of how long the noncompliance period lasted.

Q: Is lack of noticing the main reason for the 29 months stretch before a rent increase is allowed?

A: There are two reasons for the 29-month stretch with no rent increase:
(1) a prior petition decision for this rental unit in 2022 related to concessions, which corrected the Tenant’s Base Rent, and
(2) the Landlord’s failure to improperly notice the rent increase imposed in December 2022.

Q: Can this petition only be remanded based on banking and hardship issues? Could we ask the hearing officer to clarify base rent issues in this petition?



**City of Mountain View
Rental Housing Committee
Meeting February 22, 2024, Agenda Item Questions**

A: This petition decision can be remanded to address any of the issues raised on appeal, which includes the Hearing Officer's determination of the correct Base Rent.

Item 6.1 Update on Compliance with CSFRA and MHRSO Annual Registration and Fee Requirements

Q: What is the reason that these payments are coming in late (after January 31)?

A: Staff are unsure of the reasons late payments occur. The following outreach has been performed to inform the landlords of the required annual fee payment and registration:

- Beginning in early December through January 31st City staff has sent 5 outreach emails/postcards informing landlords that fee payments and registration are due January 31st.
- Additionally, invoices are sent out in the first week of January and include an information sheet that clearly states due dates and compliance requirements.

Staff continues to receive fee payments by landlords after January 31st without additional staff intervention. To-date, 87% of properties have paid their Rental Housing Fee.

Q: Are the late fees now in effect? Are the landlords who were late also paying the late fees when they submit their application?

A: Late fees will be due starting March 1, 2024.

Q: Has staff already started sending the non-compliance letter to landlords and tenants? If so, have any tenants acted on them?

A: Compliance letters will be sent out beginning March 1, 2024. Last year, compliance letters did result in tenants reaching out for more information regarding non-compliance and potential unlawful rent increases. Landlords also contacted staff to learn how to come into compliance with the CSFRA and proactively correct any potential issues that may affect their property because of non-compliance.

Q: If the compliance does not get to 100% on the CSFRA items, what additional remedies may the RHC impose?

A: Among additional remedies, the RHC could consider increasing the late fees, or adopting an administrative citation system. The RHC could also consider filing lawsuits against non-compliant landlords to compel them to comply with the requirements, but the RHC would need to get consent of the City Council to file any lawsuits.



**City of Mountain View
Rental Housing Committee
Meeting February 22, 2024, Agenda Item Questions**

Q: The form provided in the Compliance 6.1 agenda item includes this:
 “Property Out of Compliance with the Community Stabilization and Fair Rent Act (CSFRA)” Under, it says "This notice is to inform you that the above property may be substantially out of compliance with the Community Stabilization and Fair Rent Act (“CSFRA”)." The form includes this section (see next page).
 What is the difference between out of compliance and substantial out of compliance? Is out of compliance a unit by unit or a whole property situation? (e.g. if a wrong rent was collected for one unit, does this trigger out of compliance for the property? or for the unit only? If one unit has wrong rent, then can the landlord not raise rents only on that unit? Or the landlord cannot raise rents on any unit?

Unlawful Rent Increase (CSFRA §§ 1706; 1707; CSFRA Regulations Chapter 2, Section b):

<input type="checkbox"/> Annual Rent Increase: Annual General Adjustment of Rent (AGA) may be unlawfully imposed.	<input type="checkbox"/> Multiple Increases: More than one rent increase may have been imposed within a 12-month period.
<input type="checkbox"/> Banked Rent Increase: Banked rent increase may be unlawfully imposed.	<input type="checkbox"/> Concessions: Base Rent may be miscalculated.
<input type="checkbox"/> Rent increase may have been given while out of compliance with the CSFRA.	

Rent Stabilization Division, City of Mountain View Rev. 2024.1.2
Page

Corrective Action
 If an unlawful rent increase was given, you must revoke the incorrect increase and roll back the rent to the amount prior to the unlawful increase, notify the tenant of the overpayment (if applicable), and provide a rent credit or refund (if applicable). Once violation is cleared and overpayment refunded, rent increases may be lawfully applied with proper notice as required under State law.
 Contact the Rent Stabilization Program for assistance.

A: The CSFRA provides that a landlord cannot raise the Rent for any unit if they have not “substantially complied with all of the provisions of” the CSFRA and all of the rules and regulations promulgated by RHC. The CSFRA does not provide a definition of what it means for a landlord to “substantially comply” with the CSFRA and the Regulations.

As a result, the RHC adopted “substantial compliance” requirements, which can be found in Section B of Chapter 12 of the CSFRA Regulations. Among the requirements is the following:

- “Landlord has increased the rent in accordance with requirements of the CSFRA. If the Landlord has ever charged more than the Rent allowed under the CSFRA, the Landlord has refunded the unlawful Rent to the affected Tenants.”



**City of Mountain View
Rental Housing Committee
Meeting February 22, 2024, Agenda Item Questions**

As currently written, the language of the CSFRA and Regulations taken together would prevent a landlord from raising the rent for ANY unit if they are charging unlawful Rent for a different unit. The RHC has the discretion/authority to clarify this interpretation of the CSFRA if it does not align with their desires.

- Q: In the corrective action section, I follow through all but the last sentence. To clarify "Once violation is cleared and overpayment refunded, rent increases may be lawfully applied with proper notice as required under State law." Rent increases can now be applied on a go-forward basis only? After a wrong rent is corrected, can rent increases be applied to prior periods? or only on a go forward basis?
- A: A rent increase is only effective AFTER it has been properly noticed. Therefore, it would only be applicable moving forward; it would not be applicable retroactively.

Item 6.2 CSFRA and MHRSO Financial Expenditures for FY 2023-24 through December 31, 2023

- Q: In Table 1, I don't understand the phrase "Lower than budgeted due to personnel hours charged for non-CSFRA services." Can you give more details and an example of the process here?
- A: Staff provides some services for other programs or divisions. One example is the work staff provides for the Tenant Relocation Assistance Program, which is not part of the CSFRA but the Housing Department. Hours worked for this program are not charged to the CSFRA, but instead to the responsible program.
- Q: In Table 2, I don't understand the phrase "Higher than budgeted due to personnel performing work, otherwise done by contractors." Under what circumstances do personnel perform work otherwise done by contractors? Is this done when the contractors are not available? In what budget category would the work of the contractors normally appear?
- A: The contractor work is categorized under non-Personnel Services, and this includes Project Sentinel/Hearing Officers, AR/WS, and Goldfarb. Staff sometimes perform work otherwise provided by consultants, resulting in lower costs in this budget category. Examples of work performed by staff include drafting memos/letters, case management, educational consultations, etc. The reason staff performs this work could be that staff is already present when questions/services are requested, turn-around time for work is very tight, or needs to be provided in a different language.



**City of Mountain View
Rental Housing Committee
Meeting February 22, 2024, Agenda Item Questions**

Q: In Tables 1 & 2, we have “Lower than budgeted due to less advertising, materials, and supply costs as well as contractor service costs.” Why would there be “less advertising, materials, and supply costs”? Are the lower contractor service costs due to fewer petitions being processed, or something else?

A: The annual budget for advertising, materials and supply costs is not spent evenly month after month. In the first six months the costs were under budget, but in January big outreach campaigns have started regarding annual fee payment/registration and the RUBS regulations, that most likely will consume the rest of this budget category.

Item 6.3 Rent Stabilization Division FY 2023-24 Report through December 31, 2023

Q: I've been keeping copies of similar old reports to which I can compare with the current report. It would be good to use consistent naming on the reports so I know which next most recent report should be compared with this meeting's report. In which RHC meeting was the previous corresponding report presented?

A: The report name was changed to reflect that the data is being reported cumulatively over the Fiscal Year. The current report reflects the first two quarters of this Fiscal Year (July-December 2023). A previous activity report was presented to the Rental Housing Committee on November 13th, (Quarterly Status Report FY 2023-24 Q1) reflecting data from the first quarter of this Fiscal Year (July-September 2023).