# Community Stabilization and Fair Rent Act

### CHAPTER 9 NEW AND ADDITIONAL OCCUPANTS

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### A. Authority

Community Stabilization and Fair Rent Act (CSFRA) Sections 1708(b), 1709(d)(2), and 1709(e) authorize the Rental Housing Committee (RHC) to establish rules and regulations for administration and enforcement of the CSFRA, including clarification of ambiguities in the CSFRA related to the adherence to the just cause for eviction protections, relocation assistance, and first right of return included in Section 1705 and the stabilization of rents included in Section 1706.

#### B. Definitions

The following definitions apply for purposes of interpreting this Chapter 9, in addition to the definitions included in CSFRA Section 1702.

- 1. <u>Additional Occupant</u>. An Additional Occupant is any person whose primary residence is a Covered Rental Unit, but who was not one of the original occupant(s) who took possession of the Covered Rental Unit when the tenancy began for the Covered Rental Unit, unless the person occupied the Covered Rental Unit on or before December 23, 2016.
- 2. <u>Eligible Family Member</u>. An Eligible Family Member is defined in CSFRA Section 1705(a)(2)(B), and is copied below for reference only:

"[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 . . . the spouse or domestic partner of a Tenant."

3. <u>Housing Provider</u>. For purposes of this Chapter 9, a Housing Provider is an owner, lessor, sublessor, or any other person entitled to receive Rent for the use and occupancy of three or more Covered Rental Units on a single Property, or an agent, representative, predecessor, or successor of any of the foregoing. Any person who is a Tenant of a Covered Rental Unit and who also accepts Rent from another Tenant or an Additional Occupant for the use and occupancy of the same Covered Rental Unit is not a Housing Provider for purposes of this Chapter 9.

#### C. General Rules Applicable to Each Additional Occupant

1. <u>Rights of Housing Provider and Additional Occupant</u>. A Housing Provider may ask each Additional Occupant, and each Additional Occupant must disclose in writing, the total amount and form of Rent paid by the Additional Occupant to any other Tenant of the Covered Rental Unit. Each Additional Occupant who resides in a Covered Rental Unit as their Primary Residence may ask the Housing Provider, and the Housing Provider must disclose in writing to the Additional Occupant, the lawful monthly Rent for that Covered Rental Unit.

- 2. <u>Immigration Status Protected</u>. In accordance with California Civil Code Section 1940.3, in no circumstances may a Landlord or a Housing Provider request or require documentation that would disclose, or take any negative action based on, the immigration or citizenship status of an Additional Occupant or proposed Additional Occupant.
- 3. <u>Rent Limited</u>. It is unlawful for any Tenant whose Primary Residence is a Covered Rental Unit to demand, accept, receive, or retain any payment or payments, or the benefits thereof, in excess of the lawful Rent due and payable to the Housing Provider for the use and occupancy of that Covered Rental Unit or for the shared use and occupancy of that Covered Rental Unit from one or more Additional Occupants or Tenants.
- 4. <u>Decontrol of Unit Rent</u>.
  - a. <u>Valid Decontrol</u>. When a Covered Rental Unit is used and occupied as the Primary Residence of only Additional Occupants, a Housing Provider may renegotiate the Rent with one or more of the Additional Occupants of the Covered Rental Unit. If the renegotiation results in an increase in Rent for the Covered Rental Unit, the Housing Provider must provide notice to the household in accordance with Civil Code Section 827.
  - b. <u>Additional Occupant Does Not Cause Decontrol</u>. Except as set forth in subsection C.4.a above, the use and occupancy of the Covered Rental Unit by one or more Additional Occupants in accordance with this Chapter 9 does not of itself, authorize any Rent increase. Each Rent increase must be authorized pursuant to CSFRA Section 1707 (Annual General Adjustment) or CSFRA Section 1710(a) (Petition for Upward Adjustment Fair Rate of Return).
- 5. <u>Mandatory Mediation</u>. Disputes arising under the rights and responsibilities identified in this Chapter 9 shall be referred to mandatory, nonbinding mediation sponsored by the City of Mountain View. Mandatory mediation shall be independent of: (a) any rights under State or Federal law; and (b) any obligation to provide or right to receive notice of any violation and opportunity to cure such violation.

#### D. Verification of Eligible Family Member as Additional Occupant

- 1. <u>Tenant Must Provide Notice to Housing Provider and RHC</u>. In order to exercise the right to house an Eligible Family Member under CSFRA Section 1705(a)(2)(B), a Tenant must provide written notice of the intent to house an Eligible Family Member to the Housing Provider (and Landlord, if applicable). The written notice to the Housing Provider must include: (a) the date of the notice; (b) the full legal name of the Eligible Family Member; (c) the qualifying relationship between a Tenant and the Eligible Family Member; and (d) the date when the Covered Rental Unit will become the Eligible Family Member's Primary Residence. A copy of the written notice, or electronic equivalent, must be submitted to the RHC within ten (10) days of delivery to the Housing Provider.
- 2. <u>Housing Provider May Verify Eligible Family Member Status of Additional</u> <u>Occupant</u>. A Housing Provider (and a Landlord, if applicable) may, but is not required to, request reasonable documentation verifying the Eligible Family Member-status of any Additional Occupant. Reasonable documentation may include, but is not limited to: government- or educational institution-issued identification, a birth or marriage certificate, or domestic partnership registration. The Tenant and/or Additional Occupant must provide reasonable documentation verifying the Eligible Family Member-status of the Additional Occupant. Any dispute regarding the validity of verifying documentation under Section D.2 of this Chapter 9 shall be resolved based on the reasonableness of the document for purposes of verifying Eligible Family Member Status to a Housing Provider.

#### E. Additional Occupant as a Replacement Roommate

1. <u>Tenant Must Provide Notice to Housing Provider and RHC</u>. In order to exercise the right to house an Additional Occupant as an individual who is replacing one or more departed Tenants under CSFRA Section 1705(a)(2)(A), a Tenant must provide written notice of the intent to house an Additional Occupant as a replacement roommate to the Housing Provider. The written notice to the Housing Provider must include: (a) the date of the notice; (b) the full legal name of the Additional Occupant; (c) whether the Additional Roommate will pay some or all of the Rent to the Housing Provider, and the amount, if any; (d) whether the Additional Roommate will pay Rent or any other compensation to a continuing or departing Tenant of the Covered Rental Unit, and the amount, if any; and (e) the proposed date when the Covered Rental Unit will become the Additional Occupant's Primary Residence, subject to subsection E.2 of this Chapter 9. A copy of the written

notice, or electronic equivalent, must be submitted to the RHC within ten (10) days of delivery to the Housing Provider.

- 2. <u>Housing Provider May Perform Typical Tenant-Screening for Additional</u> <u>Occupant</u>. A Housing Provider may request submission of documents or information or the consent to release information, by or from the proposed Additional Occupant in order to perform typical tenant screening, which may include, but is not limited to, and does not require: a background check regulated by the Investigative Consumer Reporting Agencies Act or the Consumer Credit Reporting Agencies Act. A Housing Provider may charge a screening fee under subsection E.2 of this Chapter 9 in accordance with California Civil Code Section 1950.6.
  - a. If the Additional Occupant will pay some or all of the Rent to the Housing Provider, then the Housing Provider may reasonably refuse to accept the Additional Occupant based on the Additional Occupant's lack of creditworthiness. A Housing Provider cannot impose a greater creditworthiness standard when screening a proposed Additional Occupant as compared to other Tenants in the same building.
  - b. If the Additional Occupant will not pay any Rent to the Housing Provider, then the Housing Provider may not unreasonably refuse to accept the Additional Occupant based on the Additional Occupant's creditworthiness or the purported lack thereof.

#### F. Other Additional Occupants

If a proposed Additional Occupant is neither an Eligible Family Member (under Section D of this Chapter 9) nor a roommate who will replace a departing or former roommate in a Covered Rental Unit (under Section E of this Chapter 9), then the CSFRA shall not affirmatively require a Housing Provider to accept or permit the use and occupancy of the Covered Rental Unit by the Additional Occupant, regardless of whether the Housing Provider's refusal is reasonable or not.

## G. Partial Invalidity

If any provision of this Chapter, or the application thereof to any person or circumstance, is held invalid, this invalidity shall not affect other provisions or applications of this Chapter or these Regulations that can be given effect without the invalid provision or application, and to this end the provisions of this Regulation are declared to be severable. The Regulation shall be liberally construed to achieve the purposes of the Act.