RENTAL HOUSING COMMITTEE RESOLUTION NO. RHC -SERIES 2021

A RESOLUTION OF THE RENTAL HOUSING COMMITTEE OF MOUNTAIN VIEW ADOPTING AMENDMENTS TO REGULATION CHAPTER 7 VOLUNTARY AGREEMENTS TO TEMPORARILY REDUCE RENT

WHEREAS, CSFRA sections 1708(b), 1709(d)(2), and 1709(e) authorize the Rental Housing Committee to establish rules and regulations for administration and enforcement of the CSFRA; and

WHEREAS, the Rental Housing Committee has held a publicly noticed meeting and solicited input regarding the regulation of voluntary agreements to temporarily reduce rent in which landlords and tenants can enter into a voluntary short-term agreement, without changing other terms of the rental contract, to temporarily reduce the rent as agreed upon by the parties; and

NOW, THEREFORE, BE IT RESOLVED by the Rental Housing Committee that Chapter 7 – Procedures for Annual General Adjustments, amended as set forth in <u>Exhibit A</u> is hereby adopted.

Community Stabilization and Fair Rent Act Regulations

Amendment to Chapter 7

Chapter 7 – Procedures for Annual General Adjustments

Chapter 7 of the CSFRA Regulations is hereby amended to add a new Section E to read as follows:

- 1. <u>Definitions</u>. For the purposes of this section, the following definitions shall apply; all other capitalized terms are defined by the Act or these Regulations:
 - a. <u>Major Construction.</u> Major construction refers to construction activities, including, but not limited to, those necessary for ground clearing, grading, excavation, foundation building, structure erection, and finishing, that are likely to last at least thirty (30) days.
 - b. <u>Capital Improvements.</u> Capital Improvements shall have the same definition as paragraph (3) of section (C) of Chapter 6 of the CSFRA Regulations.
 - c. <u>Notice of Return to Prior Rent.</u> A notice served by Landlord on Tenant to inform Tenant that their Rent will be reinstated to the Rent for the Covered Unit in effect immediately preceding the execution of the Voluntary Agreement. Any Notice of Return to Prior Rent shall:
 - i. Inform the Tenant of the date on which the Major Construction or Capital Improvement concluded or will conclude;
 - ii. Inform the Tenant of the specific date on which the Tenant's prior Rent will be reinstated;
 - iii. Inform the Tenant about their right to petition for downward adjustment should the Major Construction or Capital Improvement continue to impact their use and enjoyment of the Covered Unit or associated Housing Services after reinstatement of their pre-Voluntary Agreement Rent.
 - d. <u>Voluntary Agreement.</u> Voluntary Agreement refers to any written agreement entered by and between Landlord and Tenant for the temporary reduction of Rent for a Covered Unit.
- 2. <u>Applicability.</u> This section is applicable only where the Covered Unit and the site of the Major Construction or Capital Improvement are under the common ownership or control of the Landlord.

- 3. Voluntary Agreement; Return To Prior Rent Permitted. In response to Major Construction or Capital Improvements that are anticipated to substantially interfere with a Tenant's use or enjoyment of a Covered Unit or associated Housing Services, Landlords and Tenants may voluntarily enter into a Voluntary Agreement to temporarily reduce the Tenant's rent on a Covered Unit, provided such Voluntary Agreement does not change any of the other terms of the tenancy. If a Landlord and a Tenant enter into a Voluntary Agreement to reduce rent, the Tenant's rent may be returned to its rent prior to the voluntary rent reduction in accordance with the terms of any such Voluntary Agreement, and the return to the prior rent shall not be considered a rent increase pursuant to Section 1707 of the CSFRA, which limits rent increases to no more than the AGA each year (Section 1707(a)), rent increases to no more than one (1) increase per twelve (12) month period (Section 1707(b)), and annual rent increase to no more than ten percent (10%) per year (Section 1707(e)). In the event of any such voluntary rent reduction, the AGA adopted by the Committee and effective after the execution of the Voluntary Agreement shall be calculated based on the Rent for the Covered Unit immediately preceding the date of execution of the Voluntary Agreement.
 - a. Notice of Return to Prior Rent. Notwithstanding the foregoing, where a Landlord and Tenant have entered into a Voluntary Agreement, Landlord shall issue a Notice of Return to Prior Rent at least thirty (30) days before the tenant's rent for a Covered Unit is reinstated to its pre-Voluntary Agreement amount. The Committee shall create and provide a sample Notice of Return to Prior Rent form that Landlords may use to notify Tenant's about the reinstatement of their pre-Voluntary Agreement Rent.
 - b. <u>Filing Required</u>. In the event that Landlord and Tenant enter into a Voluntary Agreement for the temporary reduction of Tenant's Rent for a Covered Unit, Landlord shall file a copy of the Voluntary Agreement with the Committee within seven (7) days of the execution of the Voluntary Agreement. Landlord shall also file a copy of the Notice of Return to Prior Rent with the Committee within seven (7) days of service upon the Tenant.
 - c. <u>Mediation Services</u>. A Landlord and a Tenant who need assistance to negotiate a Voluntary Agreement should contact the Mountain View Mediation Program.
- 4. <u>Individual Rent Adjustment Petitions Permitted</u>. Nothing in this section is intended to prohibit a tenant from filing a petition for downward adjustment of rent, as provided for in Section 1708 of the CSFRA and Sections E and F of Chapter 4 of the CSFRA Regulations, during the effective period of the Voluntary Agreement.