

#### **MEMORANDUM**

Housing Department Rent Stabilization Division

**DATE:** August 28, 2025

**TO:** Rental Housing Committee

**FROM:** Patricia Black, Senior Management Analyst

Anky van Deursen, Rent Stabilization Manager

Karen M. Tiedemann, Special Counsel to the Rental Housing Committee Nazanin Salehi, Special Counsel to the Rental Housing Committee

SUBJECT: Amendments to CSFRA Regulations Chapter 1 - Purpose, Chapter 2 -

Definitions, and Chapter 3 – Code of Conduct

#### **RECOMMENDATION**

Adopt amendments to the Community Stabilization and Fair Rent Act (CSFRA) Regulations Chapter 1 (Purpose), Chapter 2 (Definitions) and Chapter 3 (Code of Conduct).

#### **BACKGROUND**

On November 8, 2016, the residents of the City of Mountain View voted to adopt Measure V, also known as the Community Stabilization and Fair Rent Act ("CSFRA"). The CSFRA went into effect on December 23, 2016. The CSFRA empowers the Rental Housing Committee ("Committee" or "RHC") to: "Establish rules and regulations for administration and enforcement of this Article." (CSFRA § 1709(d)(2).) To-date, the RHC has adopted thirteen (13) chapters of regulations ("CSFRA Regulations") to implement and administer the provisions of the CSFRA.

While various provisions of the CSFRA Regulations have been amended from time to time, the regulations have not been subject to a general review and clean up. Staff recommends initiating an administrative review of the CSFRA regulations that will be conducted over the course of the fiscal year, beginning with this item. Staff will review each chapter of the CSFRA Regulations and return to the RHC with proposed amendments. The proposed amendments are intended to clean up, clarify, and update the CSFRA Regulations and ultimately, improve the CSFRA Regulations as a tool for the implementation, administration and enforcement of the CSFRA. In part, staff's revisions are based on questions and feedback received from landlords, tenants, hearing officers, and other stakeholders.

This item begins with staff recommendations for updates to CSFRA Regulations Chapter 1, Chapter 2, and Chapter 3, with other chapters to follow as noted.

#### **ANALYSIS**

Staff recommend that the Committee adopt amendments to CSFRA Regulations Chapter 1: Purpose, Chapter 2: Definitions, and Chapter 3: Code of Conduct. Substantive amendments are highlighted in red and explained in further detail below. A complete overview of the amendments, and other minor clean-up edits (e.g., correcting references, ensuring uniform formatting) is reflected in Attachment 1 to this staff report.

## CSFRA Regulations, Chapter 1, Section B.

**B.** <u>Staff Authority to Amend CSFRA Regulations</u>. The Committee delegates to Staff the authority to make minor amendments and clarifications to the CSFRA Regulations without Committee action, approval, or ratification. Staff will provide the RHC with notice of proposed amendments by placing said amendments on the consent calendar of the agenda for the next regular RHC meeting.

Reason for Recommendation: This section will permit staff to make minor changes to the CSFRA Regulations as deemed necessary without the need to bring these changes back to the Committee for deliberation and approval. Providing this authorization will allow staff to more efficiently address internal inconsistencies in the CSFRA Regulations, clarifications or administrative issues that do not arise to the level of a substantive policy decision. This parallels the authority that the RHC provided to staff regarding the One-Time Utility Adjustment petition process to administratively make minor, non-substantive amendments to the regulations, which makes it possible to streamline clarifications and make it easier for landlords and tenants to understand the requirements.

# CSFRA Regulations, Chapter 2, Section d.

- <u>Covered Rental Units</u>. All Rental Units not specifically exempted by this article the CSFRA.
  - (1) <u>Fully Covered Rental Units</u>. Fully Covered Rental Units are rental units that are not Fully Exempt Rental Units or Partially Covered Rental Units. The CSFRA provides rent stabilization and eviction protections for Fully Covered Rental Units.
  - (2) <u>Partially Covered Rental Units</u>. Partially Covered Rental Units are All Rental Units that are not Fully Covered Units or Exempt Rental Units with a certificate of occupancy dated after February 1, 1995, and before December 23, 2016, other than rental units governed by the City's Affordable Housing Program, as outlined in Mountain View City Code

Chapter 36, Article XIV. The CSFRA provides eviction protections for Partially Covered Rental Units, but these units are not covered under the CSFRA rent stabilization protections. The terms "Partially Covered Rental Unit" and "Partially Exempt Rental Units" may be used interchangeably.

(3) <u>Fully Exempt Rental Units</u>. Fully Exempt Rental Units are rental units to which the CSFRA's rent stabilization and eviction protections do not apply.

Fully Exempt Rental Units are the following:

- (i) Units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of fewer than thirty (30) days as defined in Mountain View City Code section 33.1(d);
- (ii) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;
- (iii) Rental Units owned or operated or managed by a not-for-profit organization pursuant to a tax credit program;
- (iv) Rental Units which a government unit, agency or authority owns, operates, or manages, or in which governmentally subsidized Tenants reside, if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control;
  - a. Rental Units that are subject a Housing Assistance Payment (HAP) contract pursuant to the project-based voucher (PBV) program (authorized by Section 8(o)(13) of the U.S. Housing Act of 1937) are not Fully Exempt from the CSFRA because the federal regulations do not exempt these units from local rent control (24 C.F.R. § 983.305).
  - b. A Rental Unit in which a tenant assisted under the Section 8 Housing Choice Voucher (HCV) program (42 U.S.C. § 1437f) resides is not Fully Exempt from the CSFRA because the federal regulations do not exempt these units from local rent control (24 C.F.R. § 982.509).
- (v) Rental Units with first certificate of occupancy after December 23, 2016; and

# (vi) Units Exempt Pursuant to Section 1705 of the CSFRA, which include:

- a. Single-Family Homes which consist of a detached building containing a single residential dwelling unit separately alienable from any other dwelling unit, including condominiums as specified in California Civil Code § 1954.52(a)(3)(A).
- b. Companion Units defined as a Rental Unit that is permitted and in compliance with Mountain View City Code Chapter 36, Article IV, Division 10 (Accessory Dwelling Units).
- c. Duplexes. Rental Units in a single structure with fewer than three dwelling units being used as residential housing, as defined in Mountain View City Code Section 36.60.11.
- d. Examples Applying CSFRA Section 1705.
- Example 1: A rented single-family home that is the sole structure on a property is Fully Exempt.
- Example 2: A rented detached single-family home that has a certificate of occupancy prior to February 1, 1995, and that is on a parcel with another detached residential unit or units is not Fully Exempt and is covered by the CSFRA's rent stabilization and eviction protections.
- <u>Example 3</u>: A secondary unit or accessory dwelling unit that is not a Companion Unit (i.e., is not permitted and/or in compliance with Mountain View City Code Chapter 36, Article IV, Division 10) is Fully Covered and subject to the CSFRA's rent stabilization and eviction protections.
- Example 4: A duplex that is on a parcel with a detached single-family home, another duplex, or a multi-family (three or more units) structure is Fully Exempt.

Reason for Recommendation: The terms "Fully Covered Rental Units," "Partially Covered Rental Units/Partially Exempt Rental Units" and "Fully Exempt Rental Units" are used throughout the CSFRA Regulations but are not defined in the Regulations or Ordinance. Adding definitions will clarify which rental units are subject or partially subject to the CSFRA and which units are not covered under the CSFRA and make it easier for landlords and tenants to determine their rights and obligations (if any) under the CSFRA. Additionally, the added language clarifies some

common questions that are raised by landlords and tenants, such as whether rental units in which a tenant with a Section 8 voucher resides are covered by the CSFRA.

# CSFRA Regulations, Chapter 2, Section I.

- **I.** <u>Petition</u>. A petition for <u>Individual Rent Adjustment</u> pursuant to <u>this Article</u> the CSFRA and these Regulations.
  - (1) Rent Increase Petition. A Rent Increase Petition refers to a petition for Individual Rent Adjustment filed by a Landlord as authorized by subsection (a) of Section 1710 of the CSFRA. "Rent Increase Petition" and "Maintenance of Net Operating Income (MNOI) Petition" are used interchangeably throughout these CSFRA Regulations.
  - (2) <u>Rent Decrease Petition.</u> A Rent Decrease Petition refers to a petition for Individual Rent Adjustment filed by a Tenant as authorized by subsections (b), (c) and/or (d) of Section 1710 of the CSFRA.
  - (3) <u>Specified Capital Improvement Petition.</u> A Specified Capital Improvement Petition refers to a petition for Individual Rent Adjustment filed by a Landlord pursuant to the expedited review process authorized by Section F of Chapter 6 of these Regulations.
  - (4) <u>Joint Petition.</u> A Joint Petition refers to a petition filed by a Tenant together with their Landlord, in accordance with Section G of Chapter 6 of these Regulations, for the purpose of requesting an increase in Rent or a one-time payment to recover cost associated with new or additional Housing Services, improvements or modifications to the Covered Rental Unit as requested by the Tenant, or the addition of an Additional Occupant.
  - (5) <u>Exemption Status Petition</u>. A petition filed in accordance with Chapter 11 of the Regulations.
  - (6) <u>One-time Utility Adjustment Petition</u>. A petition filed in accordance with Chapter 13 of the Regulations.

## CSFRA Regulations, Chapter 2, Section x.

**x.** Substantial Compliance and/or Substantially Compliant. Meets the requirements as defined in Table 1 of Chapter 12 of the Regulations.

Reason for Recommendation: The terms "Rent Increase Petition," "Rent Decrease Petition," "Specified Capital Improvement Petition," "Joint Petition," "One-Time Utility Adjustment Petition," "Exemption Petition" and "Substantial Compliance and/or Substantially Compliant" are used throughout the CSFRA Regulations but are not defined in this Chapter. Incorporating these terms in the Definitions Chapter will make it easier for landlords, tenants and hearing officers who are reviewing sections of the CSFRA Regulations to quickly reference these terms and will ensure consistency of the language throughout the CSFRA Regulations. See Attachment 2 for the definition of "Substantial Compliance and/or Substantially Compliant" (Table 1 of Chapter 12).

## CSFRA Regulations, Chapter 3, Sections B.

# **B.** Meetings

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(2) <u>Regular Meetings</u>. The Committee shall establish a Regular Meeting schedule annually. Meetings shall be held in the at 7 PM in the Plaza Conference Room Council Chambers located at 500 Castro Street, Mountain View, CA 94040 unless otherwise noted.

...

(4) Adjournment—Adjourned Meetings. A majority of the members present at a The Committee may adjourn any Regular, Adjourned Regular, Special, or Adjourned Special Meeting, even though less than a quorum, may adjourn the meeting to a time and place specified in the order of adjournment; a majority of members present, even though less than a quorum, may so adjourn. If all members are absent from a Regular or Adjourned Regular Meeting, the Committee may declare the meeting adjourned to a stated time and place and shall cause a written notice of the adjournment to be given in the manner provided in Section 202 as required by the Brown Act for Special Meetings, unless the notice is waived as provided for Special Meetings. A copy of the order or notice of adjournment shall be posted conspicuously on or near the door of the place where the Regular,

Adjourned Regular, Special, or Adjourned Special Meeting was held within twenty-four (24) hours after the time of adjournment.

When an order of adjournment of any meeting fails to state the hour at which the Adjourned Meeting is to be held, it shall be held at the hour specified for Regular Meetings in Section 201 of these rules and regulations.

<u>Continuance</u>. A convened meeting, or any meeting ordered or noticed to be held, may, by order or notice of continuance, be continued or recontinued to any subsequent meeting of the Committee in the same manner and to the same extent set forth in <u>Section 503</u> subsection 4 above for the adjournment of meetings. provided, if a hearing is continued to a time less than twenty-four (24) hours after the time specified in the notice or order of hearing, a copy of the order notice of continuance shall be posted immediately following the meeting which orders or declares the continuance.

Reason for Recommendation: The recommended changes to Section B of Chapter 3 are intended to reflect updates in the logistics and conduct of the Committee's meetings that have taken place in the years since Chapter 3 was adopted. They also simplify the language to reduce confusion and to ensure compliance with the Brown Act and other CSFRA regulations. These changes will provide Committee members with clearer guidance on their duties and obligations in meetings and will ensure that any members of the public who are reviewing the Regulations for information about Committee meetings are provided with the most up to date information.

#### **FISCAL IMPACT** - None

<u>PUBLIC NOTICING</u> - Agenda posting, posting on the City's website, and email to RHC distribution list.

## **Attachments:**

- 1. Resolution to Amend CSFRA Regulations Chapter 1: Purpose, Chapter 2: Definitions, and Chapter 3: Rules of Conduct
  - **Exhibit A:** Amended CSFRA Regulations Chapter 1: Purpose
  - Exhibit B: Amended CSFRA Regulations Chapter 2: Definitions
  - Exhibit C: Amended CSFRA Regulations Chapter 3: Rules of Conduct
- 2. CSFRA Regulations Chapter 12 Compliance and General Remedies