

DATE: June 12, 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 2, Definitions**

RECOMMENDATION

Review and approve amendments to the Community Stabilization and Fair Rent Act Regulations Chapter 2, Definitions, to add the terms “Rent Refund” and Rent Rollback.”

BACKGROUND**RHC Authority**

The Community Stabilization and Fair Rent Act (CSFRA) empowers the Rental Housing Committee to: “Establish rules and regulations for administration and enforcement of this Article.” (CSFRA § 1709(d)(2))

ANALYSIS

The terms “Rent Refund” and “Rent Rollback” are defined in Chapter 2, Definitions, of the Regulations of the Mobile Home Rent Stabilization Ordinance (MHRSO). The terms are also referenced throughout the CSFRA regulations; however, they are not defined in Chapter 2, Definitions, of the CSFRA Regulations. Landlords, tenants, and Hearing Officers have requested the term be defined in the CSFRA Regulations to be able to explicitly refer to these definitions in order to further improve adherence to and compliance with the CSFRA.

Staff recommends that the Rental Housing Committee (“Committee” or “RHC”) adopt amendments to CSFRA Regulations Chapter 2, Definitions, defining “Rent Refund” and “Rent Rollback” as set forth below.

CSFRA Chapter 2, Sections q. and r.

- p. **Rent.** All periodic payments and all nonmonetary consideration, including, but not limited to, the fair-market value of goods, labor performed, or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, Utility Charges, pets, furniture, and/or subletting.

For the purposes of the CSFRA and these Regulations, a fee charged by a Landlord to recover any costs associated with reporting a Tenant's positive rental payment information to a consumer reporting agency pursuant to California Civil Code Section 1954.07 does not constitute "Rent," provided such fee is compliant with the limitations in California Civil Code Section 1954.07. In accordance with state law, failure to pay this fee by the Tenant shall not be cause for termination of the tenancy (whether pursuant to California Code of Civil Procedure Section 1161 or otherwise) and a Landlord may not deduct the unpaid fee from a Tenant's security deposit.

- q. **Rent Refund.** The term "Rent Refund" refers to a payment or credit provided to a Tenant by a Landlord where the Landlord charged Rent for the fully covered rental unit above what was permitted by the CSFRA.
- r. **Rent Rollback.** The term "Rent Rollback" refers to the act of lowering the effective Rent for a fully covered rental unit to the lawful Rent. A Rent Rollback does not include any temporary decrease in the effective Rent for a fully covered rental unit ordered by a Hearing Officer or the Rental Housing Committee pursuant to CSFRA Sections 1710(b) (Petition for Downward Adjustment—Failure to Maintain Habitable Premises) and (c) (Petition for Downward Adjustment—Decrease in Housing Services or Maintenance).
- qs. **Rental Housing Agreement.** An agreement, oral, written, or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing Services.

Reason for Recommendation: The purpose of providing the additional definitions is to clarify what constitutes a rent refund and a rent rollback under the CSFRA. Defining these terms will make it easier for landlords and tenants to understand how to come into compliance if any of these terms are being used. Additionally, adding these terms into Chapter 2 of the CSFRA Regulations eliminates the discrepancy between Chapter 2 of the CSFRA and MHRSO Regulations.

FISCAL IMPACT—None.

PUBLIC NOTICING—Agenda posting, posting on the City’s website, and email to distribution list.

PB-AVD/KG/6/HSN/RHC

847-06-12-25M-2

Attachment: 1. Resolution to Amend CSFRA Regulations Chapter 2, Definitions