

**DATE:** June 27, 2024

**TO:** Rental Housing Committee

**FROM:** Anky van Deursen, Division Manager  
Karen M. Tiedemann, Special Counsel to the Rental Housing Committee  
Nazanin Salehi, Special Counsel to the Rental Housing Committee

**SUBJECT:** **Amendment to CSFRA Regulations Chapter 5 and MHRSO Regulations Chapter 6, Hearing Procedure, Appeal Hearing Scheduling**

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**RECOMMENDATION**

Amend the Community Stabilization and Fair Rent Act Regulations Chapter 5, Hearing Procedure, and Mobile Home Rent Stabilization Ordinance, Regulations Chapter 6, Hearing Procedure, to clarify that appeal hearings can take place in both Regular and Special Meetings of the Rental Housing Committee.

**BACKGROUND**

The Community Stabilization and Fair Rent Act (CSFRA) requires the City to provide landlords and tenants of rent-stabilized units a way to request upward or downward adjustments of rent through a petition process. Landlords and tenants requesting an adjustment in rent do so by filing petitions with the City and entering into a formal process. The process also allows parties to the petition to file appeals with the Rental Housing Committee (RHC) should they dispute the outcome of the decision. In 2017, staff presented, and the RHC adopted, regulations to administer the petition process and hearing process under the CSFRA (CSFRA Regulations Chapter 4, Petition Process, and Chapter 5, Hearing Procedure).

When the existing regulations were adopted, the process for petition appeals was based on best practices from peer jurisdictions. These included regulations stating that appeals can only be held in Regular Meetings of the RHC.

“Upon receipt of a complete appeal form that states one (1) or more claims, an appeal hearing shall be scheduled. To the extent practicable, the appeal hearing shall be scheduled no more than thirty (30) days after the determination that an appeal form is complete. Appeal hearings shall be scheduled at regularly occurring meetings of the Rental Housing Committee (CSFRA Regulations Ch. 6 Section H 3(a).”

A “Regular” Meeting refers to a meeting that is planned and held on a recurring basis according to a predetermined schedule (i.e., the annual meeting schedule that the RHC adopts for each calendar year). This means that appeal hearings cannot be scheduled for a “Special” Meeting. A Special Meeting refers to a meeting that is called outside of the regular schedule of meetings to address specific matters that cannot wait until the next regularly scheduled meeting.

### **ANALYSIS**

The amendments to Chapter 5 of the CSFRA Regulations and Chapter 6 of the MHRSO Regulations are proposed in accordance with staff’s long-standing practice of recommending changes to the RHC to address issues that have been raised in its day-to-day operations.

The Rent Stabilization Division began receiving petitions in November 2017. Since this time, 23 appeals have been filed with the City. Due to the increased volume of petitions and complexity of petitions, the requests for appeal hearings have also increased. Because current regulations state that appeal hearings must be scheduled during regular RHC meetings, appeal hearings are occasionally delayed and/or two appeal hearings are held during one RHC meeting, along with other agenda items. Postponing appeal hearings to fit the regular meeting schedule lengthens the time parties involved in petition are left without final decisions, impacting due process and the interest of justice. Additionally, scheduling multiple hearings in one RHC meeting results in longer meetings, which may make it more challenging for the public to attend and for the RHC to deliberate on agenda items.

Due to the increased volume and complexity of appeals in recent years, staff recommends that the Regulations be amended to allow appeal hearings to be scheduled in both Regular as well as Special Meetings of the RHC. This amendment allows for appeals to be heard in a timely manner, fosters more manageable RHC meetings, improves public participation, and provides adequate time for staff to prepare for each meeting.

### **FISCAL IMPACT**

The adoption of amendments to Chapter 5 of the CSFRA Regulations to be able to schedule appeal hearings in Special Meetings has no fiscal impact and is already factored in the adopted budget.

The adoption of amendments to Chapter 6 of the MHRSO Regulations to be able to schedule appeal hearings in Special Meetings has no fiscal impact and is already factored in the adopted budget.

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

AVD-KMT-NS/KG/6/HSN/RHC  
847-06-27-24M

- Attachments:
1. Resolution to Adopt Amendments to Chapter 5 of CSFRA Regulations
  2. Resolution to Adopt Amendments to Chapter 6 of MHRSO Regulations