

## Community Stabilization and Fair Rent Act

### CHAPTER 12 COMPLIANCE AND GENERAL REMEDIES

#### A. Purpose and Authority

The Community Stabilization and Fair Rent Act (Act or CSFRA) and the implementing Regulations impose several requirements on Landlords of Covered Units. The CSFRA, Sections 1709(d)(2), (12), and (13) empower the Rental Housing Committee (Committee) to establish rules and regulations for the enforcement of the Act, to publicize provisions of the Act, including the rights and responsibilities of Landlords and Tenants under the Act, and to establish a schedule of penalties for noncompliance with the Act or with the rules and regulations. The purpose of this Chapter is to establish mechanisms by which the Committee may enforce and secure compliance with a number of the requirements that the Act imposes on Landlords without resorting to litigation.

#### B. Substantial Compliance

Some of the requirements imposed by the CSFRA and the Regulations are considered substantial. Failure to comply with one or more of these requirements, as enumerated in **Table 1** below, means a Landlord has not substantially complied with the CSFRA and, therefore, cannot raise rents and/or file a petition for upward adjustment of rent.

**Table 1: Substantial Compliance Requirements**

| REQUIREMENT                                                                                                                                                                                                                        | CSFRA                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1. Landlord must roll back rent to either the rent charged on October 19, 2015, or the amount charged on the move-in date, if the tenancy commenced after October 19, 2015.                                                        | CSFRA Section 1702(b)(2)                |
| 2. Landlord has increased the rent in accordance with requirements of the CSFRA. If the Landlord has ever charged more than the Rent allowed under the CSFRA, the Landlord has refunded the unlawful Rent to the affected Tenants. | CSFRA Sections 1706; 1707               |
| 3. Landlord has paid all applicable annual rental housing fees.                                                                                                                                                                    | CSFRA Regulations, Chapter 4, Section L |

| REQUIREMENT                                                                                                                                                                                                                                | CSFRA                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 4. Landlord has registered the property with the Rent Stabilization Program.                                                                                                                                                               | CSFRA Regulations, Chapter 11               |
| 5. Landlord has maintained the property in substantial compliance with all State and local health and safety laws and with any RHC orders or regulations, and there are no outstanding citations or notices of violation for the property. | CSFRA Sections 1707(f);<br>1710(b); 1714(a) |

### C. Noncompliance Letters

1. Applicability. This Section C of Chapter 12 of the Regulations shall be applicable where a Landlord has failed to comply with any of the substantial requirements enumerated in Table 1 of Section B of this Chapter.
2. Initial Notice of Noncompliance. Upon learning of a potential violation of a substantial requirement, the Committee or its designee shall send the Landlord an Initial Notice of Noncompliance. The Initial Notice of Noncompliance shall provide the Landlord with thirty (30) days to cure the violation.
  - a. Annual Rental Housing Fees. Invoices for annual rental housing fees are sent to Landlords on or around January 1 of each year and must be paid within thirty (30) days. If a Landlord fails to pay their annual registration fees within thirty (30) days of the due date, the Committee or its designee shall send the Landlord an Initial Notice of Noncompliance.
  - b. Annual Registration of Units. Annual registration of Rental Units begins in December of the prior year and must be completed by February 1 of each year. If a Landlord fails to complete their annual registration by February 1, the Committee or its designee shall send the Landlord an Initial Notice of Noncompliance on or after February 2.
3. Second Notice of Noncompliance. If thirty (30) days have elapsed from the date of the Initial Notice of Noncompliance and the Landlord remains in violation of the same substantial requirement, the Committee or its designee shall send the Landlord a Second Notice of Noncompliance and shall send a copy of the Second Notice of Noncompliance to any affected Tenants.
4. CSFRA Information Sheet. Any copy of a Second Notice of Noncompliance that is sent to an affected Tenant shall be accompanied by a copy of the CSFRA Information Sheet, as prepared and published by the Committee or its designee on the Rent Stabilization Program website.

#### **D. Compliance Database**

1. Applicability. This Section D of Chapter 12 of the Regulations shall be applicable where a Landlord has failed to comply with timely payment of all applicable annual rental housing fees and/or has not timely registered the property with the Rent Stabilization Program.
2. Public Database. The Committee or its designee shall add a publicly accessible portion of the rent stabilization database for the purposes of tracking Landlords' compliance with the substantial requirements and providing the public with information about the CSFRA-covered property. The database shall show the following information:
  - a. Property address;
  - b. Assessor's Parcel Number (APN);
  - c. The year the property was built;
  - d. The number of units on the property;
  - e. If the property is fully or partially covered by the CSFRA;
  - f. Annual rental housing fee payment status, as indicated by one of the following:
    - (1) Payment Period Open;
    - (2) Fees Not Paid; or
    - (3) Fees Paid; and
  - g. Registration status, as indicated by one of the following:
    - (1) Registration Open;
    - (2) Registration Submitted;
    - (3) Registration Not Submitted; or
    - (4) Registration Accepted.
3. Website Listing. The following statuses on the compliance database indicate that the Landlord is out of compliance with Requirement Nos. 3 and 4 outlined in Table 1 in Section B of this Chapter:
  - a. Their annual rental housing fee status is "Fees Not Paid."
  - b. Their registration status is "Registration Open" after February 1 or the status is "Registration Not Submitted."

## **E. Late Fees**

1. Applicability. This Section E of Chapter 12 of the Regulations shall be applicable where a Landlord has failed to comply with timely payment of all applicable annual rental housing fees and/or has not timely registered the property with the Rent Stabilization Program.
2. Late Fees for Failure to Pay Annual Rental Housing Fees. If a Landlord fails to pay their annual rental housing fee by January 31 of each year, a late charge will be assessed in an amount equal to four percent (4%) of the unpaid balance for each property, excluding the unpaid balance for annual rental housing fees and penalties from prior years, for each month after the due date up to a maximum of ten (10) months of late charges. The final late charge shall accrue no later than November 1 of each year. Any prior unpaid fines will roll over to the new total balance associated with the property at the start of the new cycle as a separate line item and not continue to accrue.
3. Late Fees for Failure to Register Covered Units. If a Landlord fails to register their covered units by January 31 of each year, a late fee of Twenty-Five Dollars (\$25) per unit will be assessed on February 1 and every month thereafter that the Landlord remains out of compliance with the annual registration requirement, up to a maximum of ten (10) months of late charges. No late fee for failure to complete annual registration shall accrue after November 1 of each year. Any prior unpaid fines will roll over to the new total balance associated with the property at the start of the new cycle as a separate line item and not continue to accrue.
4. Subsequent Owner(s). Upon sale or transfer of a property, the subsequent owner shall assume and become responsible for payment of any unpaid balances, including any late fees for failure to pay annual rental housing fees or for failure to register covered units, assessed to property.

## **F. Effective Date**

The provisions of this Chapter 12 of the CSFRA Regulations shall be effective beginning December 1, 2022.

## **G. Remedies Cumulative**

The adoption of this Chapter 12 is not intended to, in any way, limit the rights of the Committee or the City of Mountain View to enforce the provisions of the Act or the Regulations through other means available to the Committee or the City of Mountain View by law, statute, ordinance, or otherwise.

## **H. Partial Invalidity**

If any provision of this Chapter 12, or the application thereof to any person or circumstance is held invalid, this invalidity shall not affect other provisions or applications of this Chapter 12 or these Regulations that can be given effect without the invalid provision of application, and to this end, the provision of this Regulation are declared to be severable. The Regulation shall be liberally construed to achieve the purposes of the CSFRA.