



Rent Stabilization Board  
Office of the Executive Director

DATE: May 14, 2012

TO: Honorable Members of the Rent Stabilization Board

FROM: Honorable Members of the Budget and Personnel Committee  
Jay Kelekian, Executive Director

BY: Matt Brown, Staff Attorney

SUBJECT: Proposed Registration Requirements for Fraternities

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**Recommendation:** That the Board adopt the proposed resolution to modify the registration fee and procedures for fraternities for the pending 2012-13 registration year. Under the proposed resolution, qualifying fraternities shall be eligible to participate in a revised registration process which shall include a prorated registration fee for summer rentals provided that the following conditions are met: 1) A contact person/liaison must be provided for all future Board-related matters; 2) Any participating fraternity must be in good standing with the registration requirements of the ordinance; 3) All qualifying fraternities must meet the requirements for fraternity status as determined by the Rent Board; and 4) Participating fraternities must comply with registration procedures as will be developed by the Agency. This Resolution also instructs legal staff to investigate whether UC Berkeley sororities rent to non-members during the summer and report back to the Board this year.

**Background:**

The attached Resolution contains a comprehensive review of the history of the UC Berkeley Greek community's registration issues with the Rent Board. This Resolution, along with the other reports you have received on this topic are meant to serve as the legislative history for the reduced registration fee for fraternities that rent to non-members during the summer. This item came before the Board at its April 2, 2012 meeting. Attached is a copy of the report that accompanied the item.

At the last meeting there were several questions raised regarding the fraternities that would qualify for the modified registration fee. Following the Budget and Personnel's Committee's

direction, staff explained that part of the condition for offering fraternities the reduced registration fee was contingent on the fraternities having achieved compliance with the Rent Ordinance registration requirements. The Resolution makes clear that while the fraternities that participated in the Amnesty Program or otherwise resolved any registration issues through settlements are the only chapters that will be eligible for the reduced fee for the summer rental period during the 2012 – 2013 fiscal year, the Board will continue to review the issue of eligibility and may modify the eligibility criteria for subsequent years. For this year, however, only chapters that participated in the Amnesty Program or resolved their registration status via settlements qualify for the reduced registration fee, since these were the only chapters that are currently in compliance with the registration requirements of the Ordinance. Also, since Board staff has received information that sororities do not rent to non-members during the summer months but has not yet thoroughly investigated their chapters, the Resolution offers a clear mandate to resolve this issue and report back to the Board.

If the Board chooses not to adopt the modified registration fee before the registration bills go out, the fraternities will be charged \$194 for all summer rentals during the 2012 – 2013 fiscal year. The Board may also choose to continue to discuss the issue of a modified registration fee during subsequent years.

**Proposal for future registration for fraternity rental units:**

As was discussed at length at the Board Meeting on April 2, 2012, during the course of the Amnesty Program, Board staff and the Budget and Personnel Committee had numerous discussions with various representatives of the Greek community regarding our agency's registration process and the unique needs and concerns of fraternities. As a result of these meetings, staff proposed, and the Budget and Personnel Committee approved, a revised registration process for fraternities that rent rooms during the summer. Specifically, the proposal requires:

- A. Contact Person/Liaison: *Each chapter must provide a reliable contact person and address for all Board-related matters in order to qualify for the revised summer registration requirements. The contact person must be reachable for all Board matters going forward.*
  
- B. Pro-rated Registration Fee: *A pro-rated registration fee of \$50 per room/unit shall be available for rooms rented during the "Summer Rental Period" to non-fraternity members. Rooms rented for one hundred days (100) days or fewer (between May 8 – August 16, 2012) would qualify for the reduced registration fee. Rooms rented to non-members outside of the Summer Rental Period would be subject to the full annual fee.*
  
- C. Forms and Posting of Forms: *Prior to July 1<sup>st</sup> (when registration fees are due), each chapter shall notify the agency of the proposed status for each of their rooms. One new category for these rooms would be "summer rental." For those rooms, a Board-*

*approved form would be posted in each room for the duration of the summer period with the maximum monthly rent listed for that room. Staff may inspect the units at any time. Failure to post or accurately report all units may result in disqualification from the summer rental reduced registration fee and subject the fraternity to a full fee and penalties for the rental units at the property.*

Staff proposes that there be an alternative to the filing of separate Vacancy Registration Forms for each summer rental and tenancy. Currently, a landlord must file a Vacancy Registration Form for each new tenancy. Given the short-term duration of these summer rentals, staff proposes a more simple and modified procedure be implemented.

**Conclusion:**

The Resolution makes clear that the modified registration fee for the 2012 – 2013 fiscal year shall be a pilot program and that the Board may choose to discontinue, renew, and/or amend it in future years. Staff believes the proposed Resolution is the most fair and equitable way for the Board to address the matter of registering fraternity summer rentals. For the majority of the Rent Board's registration year, fraternities operate rental units that have been conditionally exempted from rent and eviction controls. While the non-member students who occupy these rental units are fully protected by rent and eviction controls during the summer, they uniformly vacate at the end of the summer break. Fraternities consistently rent these units at below market rents, and imposing a full fee and registration reporting requirements for such a short tenancy represents a substantial burden for an organization that exists for the sole purpose of maintaining the chapter/house. This process not only covers our costs to administer the program but also increases the likelihood that tenants renting these units will be timely informed of their rights.

The proposal has been reviewed and approved by the Budget and Personnel Committee. The attached Resolution incorporates the Budget and Personnel Committee and Board's instructions regarding fraternity summer rentals.

## RESOLUTION 12-07

### ESTABLISHING THE REGISTRATION FEE FOR FRATERNITIES FOR THE SUMMER RENTAL PERIOD DURING THE 2012 – 2013 FISCAL YEAR

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, pursuant to Rent Ordinance Section 13.76.050, fraternities are not exempted from the provisions of the rent control ordinance; and

WHEREAS, as early as 1982, the City Attorney crafted legal opinions for the Rent Board and City Council that confirmed the applicability of the ordinance to fraternities and sororities due to their similarity to rooming houses; and,

WHEREAS, in 1985 the Board reached settlement with sororities, and in 1989 the Board extended a conditional exemption to fraternities (modeled after the sorority settlement) if various conditions were met, including:

1. Rooms/units must be occupied by active members;
2. The fees charged must be approved by a vote of the fraternity members;
3. The house must be owned by the fraternity or an affiliated nonprofit legal entity whose governing body includes at least one active member of the fraternity;
4. No profit could be made from the fees charged to the members – they must be used for maintenance, operation, and capital improvements;
5. Active members of the fraternity are not subject to eviction provided they remain members in good standing of the fraternity; and

WHEREAS, from 1989 until the passage of California Civil Code Section 1954.50 et seq, (Costa Hawkins), fraternities were obligated to inform the Rent Board whether their house qualified for the exemption as stated in the 1989 policy; and,

WHEREAS, while Costa Hawkins prohibits the regulation of certain single family

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homes, it does not prohibit the regulation of rental units being operated as rooming houses;  
and,

WHEREAS, in response to Costa Hawkins the Board passed Board Regulation 403(C)(3) in 1998 defining a rooming house as units with at least five separate rooms rented individually to at least five tenants under separate agreements (in other words, units that are being operated as if they were multi-family housing are treated as such, and landlords must register individual rooms as separate rental units); and,

WHEREAS, the Board adopted Regulation 403.5 in November of 2011 affirming the rules set forth in Regulation 403(C)(3) and clarifying in the legislative history that fraternities and sororities that rented rooms to non-members would be required to register them just as they would any other rooming house units; and,

WHEREAS, sometime in 2010 the Board was made aware of fraternities frequently renting out rooms to non-members during the summer months when the university was not in session; and,

WHEREAS, Board legal staff investigated this matter and discovered the practice to be widespread; and,

WHEREAS, the Rent Ordinance makes clear that all units that are rented on July 1<sup>st</sup> of each year are subject to a full registration fee; and,

WHEREAS, Board staff determined that fraternities had not registered or paid any registration fees for these summer rentals; and,

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WHEREAS, the Board initiated an Amnesty Program for any fraternity chapter that had been renting out rooms during the summer to non-members, which program included the following components:

1. Payment of full registration fees from 2008-2010 for any room rented and not registered with the Rent Board;
2. Filing of VR forms for rooms rented during the 2010 registration year;
3. Accurate and verifiable information provided to the Rent Board;
4. Contact person for future Rent Board communications;
5. No penalties would be charged for chapters that made good faith efforts to comply with the above components (fraternities would only be responsible for paying all registration fees they would have otherwise been charged had they properly registered their units); and,

WHEREAS, at the conclusion of the Amnesty Period, Board legal staff initiated several lawsuits against chapters/fraternities that had not yet fully complied or taken advantage of the Amnesty Program; and,

WHEREAS, these court cases were satisfactorily resolved and dismissed by the Board by early 2012; and,

WHEREAS, as part of the Board's investigation into this matter, Board staff and the Budget and Personnel Committee members had various discussions and meetings with numerous stakeholders including but not limited to, students, chapter officers, alumni representatives, UC Berkeley staff, and management company officials that had been and

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### ESTABLISHING THE REGISTRATION FEE FOR FRATERNITIES FOR THE SUMMER RENTAL PERIOD DURING THE 2012 – 2013 FISCAL YEAR (Page 4)

currently are, representing various chapters; and,

WHEREAS, these discussions and meetings informed the Budget and Personnel Committee's recommendations regarding how to register and administer rooms rented to non-members on a summer basis; and,

WHEREAS, the Board reiterated its commitment to enforcing and applying the terms and conditions of the Ordinance to all units that fall within its jurisdiction including rooms rented by fraternities during the summer months; and,

WHEREAS, legal staff has confirmed that fraternities often rent rooms to non-members during the summer months at less than market rents, and therefore provide a very important housing resource for students seeking low-cost rentals; and,

WHEREAS, the vast majority of these summer rentals to non-members terminate at the end of the summer, and the non-members vacate the fraternity houses (the duration of non-members' stay in fraternity houses rarely exceeds 90 days); and,

WHEREAS, the majority of fraternity houses are owned solely for the benefit and operation of the chapter itself (in most cases by an Alumni Association or non-profit), and the property is not owned or operated on a for-profit basis; and,

WHEREAS, during the course of the Board's investigation of fraternities renting to non-members since the initiation of the Amnesty Program, legal staff did not find evidence of widespread renting to non-members during the school year (and many fraternities that did rent to non-members during the school year have already been properly registering these units each year); and,

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WHEREAS, the Board has received information that sororities do not rent to non-members during the summer months; and,

WHEREAS, the Board does not wish to discourage fraternities from renting to non-members during the summer months; and,

WHEREAS, fraternities have raised fairness and equity concerns with being charged a full registration fee for a situation that is as unique as theirs in that it is for a recurring, easily definable, and easily administered period of time; and,

WHEREAS, because of the fraternities' unique nature the Board is able to easily implement a revised registration process at a reduced cost while increasing registration awareness; and,

WHEREAS, a modified fee would cover the Board's cost to administer oversight of the summer rentals and increase the likelihood that tenants renting these units will be timely informed of their rights;

NOW, THEREFORE, BE IT RESOLVED that the Board is initiating a pilot program during the 2012 – 2013 fiscal year to charge all qualifying fraternities \$50 per unit for summer rentals to non-members in order to meet the anticipated costs for implementing services related to this discreet group of summer fraternity rentals; and,

BE IT FURTHER RESOLVED that for purposes of this Resolution, the "Summer Rental Period" shall be May 8, 2012 through August 16, 2012; and,

BE IT FURTHER RESOLVED that if a non-fraternity member remains a tenant during any time outside of the Summer Rental Period, the fraternity shall be required to pay



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a full registration fee as defined by Resolution 12 - 05 for the rental unit; and,

BE IT FURTHER RESOLVED that fraternities shall be required to submit Fraternity Summer Registration Forms for each rental to a non-member living at the chapter during the Summer Rental Period; and,

BE IT FURTHER RESOLVED that fraternities shall post a copy of this Fraternity Summer Registration Form in a clearly visible space in the room/unit occupied by the non-member tenant throughout the entirety of the Summer Rental Period; and,

BE IT FURTHER RESOLVED that all fraternities shall provide a permanent contact person to whom Board staff can send a bill (this person should not be a student, as the Board intends to maintain contact with this representative for all matters related to current and future registration and billing); and,

BE IT FURTHER RESOLVED that, for purposes of the pilot program outlined in this Resolution, the following fraternities shall qualify to participate during the 2012 – 2013 fiscal year (these are the chapters that were contacted for the Amnesty Program):

1. Alpha Tau Omega (2327 Warring Street)
2. Sigma Pi (2434 Warring Street)
3. Sigma Phi (2307 Piedmont Avenue)
4. Phi Gamma Delta (2395 Piedmont Avenue)
5. Pi Kappa Alpha (2324 Piedmont Avenue)
6. Kappa Alpha Order (2425 Piedmont Avenue)
7. Pi Lambda Phi (2727 Channing Way)

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8. Delta Upsilon (2425 Warring Street)
9. Delta Kappa Epsilon (2302 Piedmont Avenue)
10. Zeta Psi (2728 Bancroft Way)
11. Phi Delta Theta (2726 Channing Way)
12. Phi Sigma Kappa (2312 Warring Street)
13. Kappa Sigma (2400 Warring Street)
14. Beta Theta Pi (2728 Channing Way)
15. Sigma Alpha Epsilon (2722 Bancroft Way)
16. Alpha Gamma Omega (2713 Haste Street)
17. Sigma Alpha Mu (2714 Durant Avenue)
18. Alpha Sigma Phi (2498 Piedmont Avenue)
19. Pi Kappa Tau (2335 Piedmont Avenue)
20. Pi Alpha Phi (2534 Warring Street)
21. Alpha Delta Phi (2422 Prospect Street)
22. Sigma Chi (2345 College Avenue)
23. Delta Tau Delta (2710 Durant Avenue)
24. Theta Chi (2499 Piedmont Avenue)
25. Tau Kappa Epsilon (2725 Channing Way)
26. Delta Chi (2721 Channing Way)
27. Sigma Nu (2710 Bancroft Way)
28. Kappa Delta Rho (2739 Channing Way)

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29. Pi Kappa Phi (2908 Channing Way)
30. Theta Delta Chi (2647 Durant Avenue)
31. Alpha Epsilon Pi (2430 Piedmont Avenue)
32. Acacia (2340 Piedmont Avenue)
33. Lambda Chi Alpha (2421 Prospect Street)
34. Chi Psi (2311 Piedmont Avenue)
35. Chi Phi (2722 Durant Avenue)

BE IT FURTHER RESOLVED that the Budget and Personnel Committee shall continue to discuss the issue of what defines an eligible fraternity throughout the course of the 2012 – 2013 fiscal year and shall suggest a more comprehensive definition of a qualifying fraternity for the full Board to adopt at some point in the future; and,

BE IT FURTHER RESOLVED that the Board shall revisit the issue of which fraternities qualify for a reduced Summer Rental Period registration fee should the Board wish to adopt a similar fee in future years; and,

BE IT FURTHER RESOLVED that if another fraternity not identified by this Resolution submits a claim that it should qualify for the reduced Summer Rental Period registration fee, the fraternity shall submit its claim to the Board, and staff shall review any such claim and determine its eligibility; such determination may be appealed to the Board as other claims of exemption are reviewed; and,

BE IT FURTHER RESOLVED that in no case shall a fraternity or sorority be permitted to participate in this pilot program to pay a reduced registration fee for the

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Summer Rental Period for the 2012 – 2013 fiscal year unless that fraternity/sorority has fully resolved any past due Board registration fees and is otherwise in compliance with the Rent Ordinance registration requirements; and,

BE IT FURTHER RESOLVED that the Board instructs legal staff to thoroughly investigate whether University sororities rent to non-members during the Summer Rental Period and report back to the Board during the 2012 – 2013 fiscal year; and,

BE IT FURTHER RESOLVED that Board staff shall be empowered to investigate and inspect fraternities during the Summer Rental Period to ensure they are complying with the terms of this Resolution; and,

BE IT FURTHER RESOLVED that Board staff is authorized to develop rules and procedures to implement the counseling, registration, and services associated with this pilot program; and,

BE IT FURTHER RESOLVED that violations of terms set forth in this Resolution shall require Board staff to charge fraternities a full registration fee for all units where violations are found and require that Board staff charge penalties allowed by Berkeley Municipal Code Section 13.76.080.

Dated: May 14, 2012

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

Yes:

No:

Abstain:

Absent:

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**RESOLUTION NO. 12-07**

ESTABLISHING THE REGISTRATION FEE FOR FRATERNITIES FOR THE  
SUMMER RENTAL PERIOD DURING THE 2012 – 2013 FISCAL YEAR **(Page 10)**

Lisa Stephens, Chairperson  
Rent Stabilization Board

Attest: \_\_\_\_\_  
Jay Kelekian, Executive Director



Rent Stabilization Board  
Office of the Executive Director

DATE: April 2, 2012  
TO: Honorable Members of the Rent Stabilization Board  
FROM: *JK* Jay Kelekian, Executive Director  
BY: Matthew Siegel/Matt Brown, Staff Attorneys  
SUBJECT: Proposed Registration Requirements for Fraternities

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**Recommendation:** That the Board provide guidance at its April 2, 2012 meeting on a proposed resolution to modify the registration fee and procedures for fraternities for the pending 2012-13 registration year. The final resolution will be adopted when the Board approves the registration fee at a special meeting in May. Under the proposed resolution, qualifying fraternities shall be eligible to participate in a revised registration process which shall include a prorated registration fee for summer rentals provided that the following conditions are met: 1) A contact person/liaison must be provided for all future Board-related matters; 2) Any participating fraternity must be in good standing with the registration requirements of the ordinance; 3) All qualifying fraternities must meet the requirements for fraternity status as determined by the Rent Board; and 4) Participating fraternities must comply with registration procedures as will be developed by the Agency. Such procedures may include but not be limited to the filing and posting of Summer Registration Forms.

**Background:**

I. History

Section 13.76.050 of the Rent Stabilization and Eviction for Good Cause Ordinance ("Ordinance") specifically exempts, in full or partially, twelve categories of properties. These include properties owned by government agencies; rental units rented primarily to transient guests for fourteen or fewer days (hotels, motels, etc...); rental units in non-profit cooperatives owned and controlled by a majority of the residents; rentals units leased under the Section 8 Program; units in hospitals or skilled nursing facilities; owner-occupied exempt duplexes; units where an owner of record of at least 50% shares kitchen or bath facilities with their tenants;

newly constructed units; rental units rented by a nonprofit accredited institution of higher learning; rental units in properties owned by a non-profit whose units are rented pursuant to a regulatory agreement with a governmental agency; and rental units owned by a 501(c)(3) non-profit whose units are used for treatment, recovery and/or medical rehabilitation. (B.M.C. 13.76.050 A-L).

Fraternalities are not expressly exempted under the ordinance. Dating back to as early as 1982, the Rent Board and City Council received legal opinions that upheld the applicability of the ordinance to fraternalities and sororities because they are a type of rooming house. In 1985 the Board reached settlement with sororities that conditionally exempted them from the Ordinance. In May 1989, after lengthy discussion with fraternity representatives, the Board's Executive Director notified Berkeley fraternalities that the same criteria used to determine whether sororities are exempt would apply equally to fraternalities.

The following conditions had to be met in order to be considered exempt:

- 1) Occupancy of the house must be restricted to active members of the fraternity;
- 2) Fees charged to the members would be approved by vote of the members;
- 3) The house must be owned by a fraternity or an affiliated nonprofit legal entity whose governing body includes at least one active member and whose sole purpose is the maintenance and operation of the house;
- 4) Monies charged the members for house use is restricted to the maintenance and operation of the house and no profit is made by providing housing; and
- 5) Active members are not subject to eviction provided they remain members in good standing of the fraternity.

The underlying rationale for these criteria was an understanding that fraternalities and sororities are, in fact, rooming houses, but when occupied solely by their own members, the need for regulatory oversight by our agency is minimal. The Board has always understood the unique relationship between the chapter and its occupants/members. Nevertheless, when chapters rent rooms to non-members, be it for the summer or year-round, a more traditional landlord-tenant relationship takes shape which requires regulation under the ordinance.

From 1989 until the passage of Costa-Hawkins (California Civil Code Sec. 1954.50 et seq.) in 1995, fraternalities were obligated to inform the Board whether their house qualified for exempt status under the above criteria. Chapters that did not meet the criteria registered their house with the Board. Over the years, several houses have made such payments (theoretically since they did not come into full compliance with the five criteria stated above) while many houses claimed the exemption and paid no fee. While it was rarely reported, chapters that rented to non-members were required to register any room/unit rented for longer than 14 days.

Costa Hawkins prohibited rent controls on single family homes rented after January 1, 1996. The Board, however, continued to regulate rooming houses—properties with a large number of rooms that were not being rented by a household or group living arrangement conceived and brought together by the occupants. The legislative history of Costa Hawkins indicates that the exemption in the legislation was not meant to apply to rooming houses. As a result, the Board passed Regulation 403(C)(3) defining rooming houses as units with at least five separate rooms rented individually to at least five tenants under separate rental agreements.

Thus, Costa Hawkins does not change the Board's interpretation that fraternities are required to register rooms/units rented to non-members.

## II. Current law regarding units rented less than a full year/Amnesty Program

Section 13.76.050B exempts rental units rented primarily to transient guests for fourteen or fewer days. This rule is restated by Board Regulation 504(B). Rental units rented for more than fourteen days need to be registered and tenants in such units are afforded the full protections of the ordinance. Such protections apply even for units where the tenant is renting on a seasonal or less than year-round basis.

When sororities and fraternities were granted their conditional exemptions the Rent Board was informed that the issue of short-term or summer rentals was not relevant since we had heard from sororities that they shut down their houses in the summer. Similar representations were made by fraternities in 1989 when seeking the identical exemption conditions as those for sororities.

In late 2009/early 2010 our agency was made increasingly aware that many fraternities were and had been renting some of their rooms during the summer to non-members. We soon discovered that this practice was, in fact, widespread. Since units that are not expressly exempted under the ordinance must be registered we were compelled to investigate the matter. Our investigation confirmed that fraternity houses had routinely been renting to non-members, particularly during the summer months.

Because the Board believed that most fraternities were unaware of their obligation to register these seasonal/summer units, the Board authorized an Amnesty Program in November 2010 for chapters that had been renting out rooms to non-members on a seasonal or summer basis. Board staff contacted approximately 42 chapters and resolved all outstanding registration issues through the Amnesty Program and several pre-litigation settlements. Legal staff has submitted a separate report regarding litigation of these matters to be reviewed by the Board in closed session.

## III. Fraternities distinguishable from other rental housing providers

As previously discussed, the Board has long exempted fraternities from regulation, because there is little need for regulatory oversight of organizations that already incorporate tenant protections into their own internal operational bylaws. Fraternity members who live at their respective houses are protected from eviction as long as they remain members in good standing. Also, the fraternities operate as quasi non-profits; collecting money for rent/dues only for the purpose of



maintaining the house and relative amenities included therewith. Since the Executive Director authorized the 1989 conditional exemption discussed above, the Board has not attempted to regulate fraternity rental housing occupied by active fraternity members in good standing, and staff does not recommend that it change this policy.

Nevertheless, fraternities are a rather unique rental housing provider. The overwhelming majority of units in fraternity houses are occupied by active members during the school year.<sup>1</sup> During the summer months, however, many of these members temporarily vacate their respective houses. Many of the fraternities rent individual rooms to non-fraternity members at a reduced rate in order to cover yearly operating and maintenance expenses. When renting these rooms to non-members, fraternities often charge rents that are well below market rate for similar housing. These units represent an important resource for Berkeley's numerous students who do not have other housing accommodations during the summer months. They are able to stay in Berkeley at a reduced rental rate that may not otherwise be available to them in Berkeley's other rental housing stock.

While they have rent control and eviction protections similar to other Berkeley tenants, the non-member students who live in fraternity houses uniformly vacate at the end of the summer. Their tenancy is thus limited to the months when most students are not attending the university.<sup>2</sup> If these students did not live in the fraternity houses during the summer, the rental units/rooms may otherwise sit vacant, and an important housing source would be wasted.

**Proposal for future registration for fraternity rental units:**

During the course of the Amnesty Program, Board staff and the Budget and Personnel Committee had numerous discussions with various representatives of the Greek community regarding our agency's registration process and the unique needs and concerns of fraternities. As a result of these meetings, staff proposed and the Budget and Personnel Committee approved, a revised registration process for fraternities that rent rooms during the summer. Specifically, the proposal requires:

- A. Contact Person/Liaison: *Each chapter must provide a reliable contact person and address for all Board-related matters in order to qualify for the revised summer registration requirements. The contact person must be reachable for all Board matters going forward.*
  
- B. Pro-rated Registration Fee: *A pro-rated registration fee shall be available for rooms rented during the summer to non-fraternity members. These rooms would be rented for one hundred days (100) days or fewer. The fee would be set by the Board each*

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<sup>1</sup> Rooms that are rented to non-members during the school year are controlled units subject to the registration requirements of Section 8 of the Ordinance. The Board collects a full registration fee for these units since they qualify as rooming house units under the definition of Rent Board Regulation 403.5.

<sup>2</sup> If the non-member continues to live at the house during the school year, the fraternity will be charged a full fee for the tenant's rental unit.

*year via resolution and would be approximately one quarter (1/4<sup>th</sup>) of the full registration fee. Rooms rented for a period of time longer than one hundred (100) days would be subject to the full annual fee.*

Staff has heard that summer rentals most often commence in mid-May and last through late July to mid-August. These dates coincide with the end and subsequent start of the UC Berkeley school year.

During the 2012-13 UC Berkeley academic calendar year, spring classes end (last day of finals) on May 12, 2012. The fall semester begins on August 16, 2012. This amounts to ninety-six (96) days. Assuming the Board votes to renew this fraternity registration fee program, the Board would set the fee as well as the appropriate dates for summer rentals each year when the Board sets the annual registration fee.

C. Forms and Posting of Forms: *Prior to July 1<sup>st</sup> (when registration fees are due), each chapter shall notify the agency of the proposed status for each of their rooms. One new category for these rooms would be "summer rental." For those rooms, a Board-approved form would be posted in each room for the duration of the summer period with the maximum monthly rent listed for that room. Staff may inspect the units at any time. Failure to post or accurately report all units may result in disqualification from the summer rental reduced registration fee and subject the fraternity to a full fee and penalties for the rental units at the property.*

Staff proposes that there be an alternative to the filing of separate Vacancy Registration Forms for each summer rental and tenancy. Currently, a landlord must file a Vacancy Registration Form for each new tenancy. Given the short-term duration of these summer rentals, staff proposes a more simple and modified procedure be implemented.

An initial draft form for a Fraternity Summer Registration Form is attached.

**Conclusion:**

Staff believes the above-articulated proposal is the most fair and equitable way for the Board to address the matter of registering fraternity summer rentals. For the majority of the Rent Board's registration year, fraternities operate rental units that have been conditionally exempted from rent and eviction controls. While the non-member students who occupy these rental units are fully protected by rent and eviction controls during the summer, they uniformly vacate at the end of the summer break. Fraternities consistently rent these units at below market rents, and imposing a full fee for such a short tenancy represents a substantial burden for an organization that exists for the sole purpose of maintaining the chapter/house.

The proposal has already been reviewed and approved by the Budget and Personnel Committee. After the Board discusses the proposal and provides feedback, staff will work with the Budget and Personnel Committee to craft a resolution for adoption of a fee for fraternity summer rentals to be adopted at the Board's special meeting to set the registration fee.