

CITY OF MOUNTAIN VIEW  
RENTAL HOUSING COMMITTEE  
RESOLUTION NO. ...  
SERIES 2026

A RESOLUTION OF THE RENTAL HOUSING COMMITTEE OF THE CITY OF MOUNTAIN VIEW TO  
ADOPT AMENDMENTS TO THE COMMUNITY STABILIZATION AND FAIR RENT ACT (CSFRA)  
REGULATIONS CHAPTER 13 – UTILITY CHARGES

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WHEREAS Section 1709 of the CSFRA authorizes the Rental Housing Committee to establish rules and regulations for the administration and enforcement of the CSFRA; and

WHEREAS the Rental Housing Committee held a publicly noticed meeting on January 22, 2026, and discussed and considered amendments to the CSFRA Regulations Chapter 13 – Utility Charges;

now, therefore, be it

RESOLVED that the Rental Housing Committee of the City of Mountain View hereby adopts amendments to the CSFRA Regulations Chapter 13 – Utility Charges as set forth in Exhibit A of this resolution.

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Exhibit A: Community Stabilization and Fair Rent Act Regulations Chapter 13 – Utility Charges

Community Stabilization and Fair Rent Act  
Regulations

**CHAPTER 13**  
**UTILITY CHARGES**

**A. Utility Charges Paid Directly or Indirectly to Landlord Considered Rent**

1. Utility Charges Paid Directly or Indirectly to Landlord. All Utility Charges, including any charges for gas, electricity, water, garbage, sewer, telephone, cable, internet, or other service relating to the use and occupancy of a Covered Rental Unit, which are paid directly or indirectly (such as through a third-party billing service) to the Landlord are considered Rent for the purposes of the Community Stabilization and Fair Rent Act (CSFRA). All periodic payments and nonmonetary consideration under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and attendant Housing Services, exclusive of Utility Charges, which are paid directly or indirectly (such as through a third-party billing service) to the Landlord, shall be referred to as “Current Rent” for the purposes of this Chapter.
  - a) Limitations on Increases to Utility Charges. As with all other forms of Rent, a Landlord shall not increase the Utility Charges for a Covered Rental Unit by more than the Annual General Adjustment (pursuant to Section 1707 of the CSFRA) or by more than an amount authorized by a Hearing Officer pursuant to a Petition for Upward Adjustment of Rent—Fair Rate of Return (pursuant to Section 1710(a) of the CSFRA). In addition, a Landlord shall not increase Rent, including the Utility Charges for a Covered Rental Unit more than once in any twelve (12) month period (pursuant to Section 1707(b) of the CSFRA).
  - b) Applicability. This Section A.1 does not apply to any individually submetered Utilities or Utilities for which the Tenant of a Covered Rental Unit is billed directly by the utility service provider (such as Pacific Gas & Electric). Submetered water shall be subject to the requirements of Civil Code Sections 1954.204, *et seq.* Notwithstanding the foregoing, a Landlord who is exempt from this Section A.1 shall file a One-Time Utility Adjustment Petition as required in Section B of this Chapter 13 explaining the basis of their exemption from the One-Time Utility Adjustment (e.g., that the Covered Rental Unit is separately metered, that they already include Utilities Charges in the Rent for the Covered Rental Unit), and providing documentation as specified in Section B.4.e. below to verify the exemption.

- c) Ineligibility. The One-Time Utility Adjustment Petition process does not apply to tenancies where all of the following conditions are met:
- i. The initial rental rate for the Covered Rental Unit was inclusive of Utility Charges that were paid by the Landlord;
  - ii. On or after December 23, 2016, the Landlord ceased paying for one or more of these Utility Charges without a corresponding decrease in the Tenant's Rent;
  - iii. At the same time or subsequently thereafter, the Landlord began using a Ratio Utility Billing System (RUBS) (or any similar system or methodology that is not based on a Tenant's actual usage) to allocate the Utility Charges to the Tenant; and
  - iv. The Landlord demanded, and the Tenant actually paid, the Utility Charges allocated to the Tenant based on RUBS (or any similar system or methodology that is not based on a Tenant's actual Utility usage).

The foregoing scenario constitutes an unlawful rent increase pursuant to CSFRA Section 1706(a). In such cases, the Landlord is required to: (1) roll back the Tenant's Rent for the Covered Rental Unit to the Rent that was in effect immediately prior to the implementation of RUBS (or any similar system or methodology that is not based on a Tenant's actual Utility usage); and (2) refund the Tenant all overpayments in Rent. As authorized by Subparagraph (18) of Paragraph (d) of this Section A and CSFRA Section 1710(d), a Tenant whose tenancy satisfies all of the criteria in (i) through (iv) above may file a Petition for Downward Adjustment based on Unlawful Rent with the Division at any time.

**EXAMPLE 1:** Tenant A's tenancy commenced on March 1, 2014. The Tenant's initial rental rate was \$1,500 per month, and the Tenant's lease specifically provided that the Landlord was responsible for paying water, sewer, and trash. At the time that the CSFRA went into effect on December 23, 2016, Tenant's monthly Rent was still \$1,500. On February 1, 2017, the Landlord notified Tenant A that the Landlord intended to pass along the cost of water, sewer, and trash to the Tenants in the building using RUBS. On April 1, 2017, Tenant A paid \$1,500 in Rent and \$125 for water, sewer, and trash allocated via RUBS and billed by Conservice. To date, Tenant A receives a separate bill from Conservice each month for water, sewer, and trash. Tenant A's tenancy IS NOT eligible for a One-Time Utility Adjustment Petition, and the Landlord must roll back the rent and refund the overcharges.

**EXAMPLE 2:** Tenant B's tenancy also commenced on March 1, 2014. Tenant B's initial rental rate was \$1,650 per month, and Tenant B's lease specifically provided

that the Landlord was responsible for paying water, sewer, and trash. On January 1, 2015, the Landlord notified Tenant B that the Landlord intended to pass along the cost of water, sewer, and trash to the Tenants in the building using RUBS. On March 1, 2015, Tenant B received a bill from Conservice in the amount of \$150 for water, sewer, and trash. On March 5, 2015, Tenant B paid \$1,650 in Rent and \$150 for water, sewer, and trash allocated via RUBS and billed by Multifamily Utility Company. At the time that the CSFRA went into effect on December 23, 2016, Tenant B's monthly rent was still \$1,650, and Tenant B continued to be charged separately by Multifamily Utility Company each month for water, sewer, and trash. Tenant B's tenancy IS eligible for a One-Time Utility Adjustment Petition.

**EXAMPLE 3:** Tenant C's tenancy commenced on February 1, 2017. Tenant C's initial rental rate was \$1,700 per month, and Tenant C's lease specifically provided that the Landlord was responsible for paying water, sewer, and trash. On January 1, 2019, the Landlord notified Tenant C that the Landlord intended to pass along the cost of water, sewer, and trash to the Tenants in the building via RUBS. On March 1, 2019, the Tenant C paid \$1,700 in Rent and \$100 for water, sewer, and trash allocated via RUBS and billed by Conservice. To date, Tenant A receives a separate bill from Conservice each month for water, sewer, and trash. Tenant A's tenancy IS NOT eligible for a One-Time Utility Adjustment Petition, and the Landlord must roll back the rent and refund the overcharges.

2. Ratio Utility Billing System (RUBS) Prohibited. Upon adoption of these Regulations by the Committee, and in accordance with the schedule below, Landlords of Covered Rental Units are prohibited from using a Ratio Utility Billing System (RUBS) (or any similar system or methodology that is not based on a Tenant's actual usage) to allocate Utility Charges to their Tenants. No Landlord shall impose a separate fee or charge for any Utility service that is billed to the Landlord by the Utility provider unless such Utility service is submetered such that the Tenant's actual usage of such Utility is measured.
  - a) Tenancies Commencing Prior to March 1, 2024. For any Tenancy commencing prior to March 1, 2024, where the Landlord uses RUBS (or any similar system or methodology that is not based on a Tenant's actual usage) to allocate Utility Charges to Tenants, a Landlord may continue to use RUBS or similar system to allocate Utility Charges to their Tenants until such date that a Utility Adjustment is implemented in accordance with the requirements and timelines set forth in Subsection 3 below and approved by Rent Stabilization Division staff ("Staff"). Proportionate shares of utility charges for vacant or newly rented units may not be allocated to existing tenancies through RUBS or any similar system.
  - b) Tenancies Commencing On or After March 1, 2024. For any Tenancy of a Covered Rental Unit commencing on or after March 1, 2024, the Landlord shall include the cost of Utilities, other than those Utilities charged directly to the Tenant by the

Utility service provider or those Utilities that are submetered, in the total Rent for the Covered Rental Unit. At the commencement of such Tenancy, the Landlord, in the Rental Housing Agreement, shall indicate the fixed dollar amount of the initial Rent and specify which Utility Charges and any Housing Services that have a discernible fee associated with them are included in the initial Rent (such as water, garbage, sewer, parking, or pet rent).

## **B. One-Time Utility Adjustment Petition Process**

### **1. Purpose and Applicability.**

- a) Purpose. The purpose of the One-Time Utility Adjustment Petition process is to bring all CSFRA-covered rental properties that are currently using RUBS (or any similar system or method that is not based on a Tenant's actual Utility usage) to allocate Utility Charges to Tenants into compliance with the CSFRA.
- b) Applicability. The One-Time Utility Adjustment Petition process applies only to Utility Charges, not to any other discernable fees associated with other Housing Services that are included in the Rent for a Covered Rental Unit.

### **2. One-Time Utility Adjustment Amount.** The One-Time Utility Adjustment amount for each Rental Unit shall be the lesser of: (i) the Covered Rental Unit's share of the total Utility Charges for the Property paid to the Landlord or on behalf of the Landlord, calculated based on the total number of rooms in the Covered Rental Unit as a proportion of all of the rooms in the building or on the Property; or (ii) the sum of all applicable Santa Clara County Housing Authority Utility Allowances published in 2023.

- a) Determining Proportionate Share. Each Rental Unit's proportionate share of the total Utility Charges for the Property shall be calculated in accordance with Steps 1 through 7 in Table 1 below.

**Table 1: Steps for Determining One-Time Utility Adjustment Amount**

|                |  |
|----------------|--|
| <b>STEP 1:</b> | Determine the amount of Utility Charges for the entire rental property for the period between July 1, 2023 and June 30, 2024, or the 12-month period that encompasses utility billing cycles that commence as close to July 1, 2023 as possible. |
| <b>STEP 2:</b> | Determine the Common Area Deduction (CAD) percentage (as determined by Subparagraph (b) below) and deduct that amount from the total 12-month property utility charges determined in Step 1.   |
| <b>STEP 3:</b> | Determine the average monthly utility charges excluding CAD for the property by dividing the total 12-month utility bill, minus the CAD (as done in Step 2), by 12 months.   |

|                |  |
|----------------|--|
| <b>STEP 4:</b> | <p>Determine the total number of rooms in the entire property (in accordance with Subparagraph (d) below).</p> <p>Divide the average monthly utility charges as calculated in Step 3 by the total amount of rooms on the property to get the monthly utility charge per room.</p>  |
| <b>STEP 5:</b> | <p>Calculate the allowable monthly utility charge per rental unit by determining the number of rooms in each rental unit (in accordance with Subparagraph (d) below) and multiply that by the Monthly Utility Charge per Room as calculated in Step 4.</p>   |
| <b>STEP 6:</b> | <p>Determine the sum of applicable utility allowances per rental unit as published by the Santa Clara County Housing Authority in 2023.</p>  |
| <b>STEP 7:</b> | <p>Compare the amount in Step 5 (monthly utility charges per rental unit) with the sum of Step 6 (the sum of applicable Utility Allowance per rental unit) and determine the lesser amount for the unadjusted One Time Utility Adjustment.</p>   |
| <b>STEP 8:</b> | <p>Multiply the amount for the One-Time Utility Adjustment determined in Step 7 by the percentage change in the Consumer Price Index—All Items (CPI-U San Francisco Area), as applicable:</p> <ul style="list-style-type: none"> <li>• From June 2023 to June 2024 as published in July 2024, which is 3.2%</li> <li>• From June 2023 to June 2025 as published in July 2025, which is 4.7%.</li> </ul> <p>Then add that to the One-Time Utility Adjustment determined in Step 7. This amount is the maximum amount allowed for the One-Time Utility Adjustment.</p> |

- b) Common Area Utility Charge Deductions. The common area deduction for all properties shall be presumed to be twenty percent (20%). However, a Landlord may rebut the presumption of a twenty percent (20%) common area deduction by demonstrating that the common area deduction should be reduced for good cause (e.g., there are no pool or laundry facilities on the property) or special circumstances.
- c) The Landlord shall claim any reduction to the common area deduction on their Utility Adjustment Petition form and provide documentation to support the reduction with their Petition packet. Staff shall determine whether the Landlord is entitled to a reduction of the common area deduction. However, in no case may Staff approve a total reduction greater than fifteen percent (15%), and in no case may Staff award a reduction greater in any category that exceeds the following percentages:
- Pool facilities: 5%
  - Landscaping: 5%
  - Laundry facilities: 5%

d) Calculation of Rooms. The number of rooms on the Property and in each Covered Rental Unit shall be calculated as follows:

- Single rooms (SRO without kitchens) are one-room units.
- Studios (with kitchen and living/bedroom) are two-room units.
- One-bedroom units (with kitchen, living room, and one bedroom) are three-room units.
- Two-bedroom units (with kitchen, living room, and two bedrooms) are four-room units.
- Three-bedroom units (with kitchen, living room, and three bedrooms) are five-room units; and so on.

Bathrooms and separate dining areas are not counted as rooms for the purposes of the room count.

e) A Landlord may choose to impose less than the maximum allowed amount for the One-Time Utility Adjustment (as determined by Step 8 in Table 1 above). However, a Landlord who imposes less than the maximum allowed amount for the One-Time Utility Adjustment shall not apply the remainder of the One-Time Utility Adjustment amount at a later time.

3. Deadlines for Submitting Utility Adjustment Petition. A Landlord may only submit a Utility Adjustment Petition within the time provided in Table 2 below. If a Landlord fails to or chooses not to submit a Utility Adjustment Petition by the deadline provided in Table 2 below, staff will send a Notice of Non-Compliance (as defined in Chapter 12, Section C of these Regulations) to both the Landlord and any affected Tenants and any affected Tenant may file a Petition for Downward Adjustment of Rent related to Utility Charges after the applicable deadline has expired. Any Landlord who does not submit the One-Time Utility Adjustment Petition by the applicable deadline in Table 2 forfeits the ability to petition for a One-Time Utility Adjustment.

**Table 2: Submittal Periods for One-Time Utility Adjustment Petitions**

| Number of Units on Property | Submittal Periods  |
|-----------------------------|--|
| >20 units                   | Petition must be submitted to the Rent Stabilization Division within eight (8) months of Division release date of petition form(s) (between September 1, 2024 and April 30, 2025). |

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|-------------------|--|
| <b>6-20 units</b> | Petition must be submitted to the Rent Stabilization Division within thirteen (13) months of Division release date of petition form(s) (between September 1, 2024 and September 30, 2025). |
| <b>1-5 units</b>  | Petition must be submitted to the Rent Stabilization Division within sixteen (16) months of Division release date of petition form(s) (between September 1, 2024 and December 31, 2025).   |

4. Requirements for Utility Adjustment Petition. A Landlord shall submit the Utility Adjustment Petition on a form provided by Staff and shall provide all supporting documentation required by the Utility Adjustment Petition form or these Regulations before the deadline. At minimum, the Landlord shall include the following supporting documentation with the Utility Adjustment Petition:
- a) A list of all Rental Units on the property with the following information about each Covered Rental Unit:
    - Whether the Covered Rental Unit is occupied or vacant at the time of the filing of the Petition;
    - If occupied, the date on which the tenancy of the Covered Rental Unit commenced; and
    - The number of rooms, as calculated pursuant to Paragraph 2.d. above, in the Covered Rental Unit.
  - b) Copies of all master billing statements for all Utility Charges paid by the Landlord for the entire Property for the period between July 1, 2023 and June 30, 2024, or the 12-month period that encompasses utility billing cycles that commence as close to July 1, 2023 as possible (i.e., the billing statements from the Utility Provider, billing statements sent to Conservice or Multi-Family Utility Company for allocation to Tenants);
  - c) Documentary or other type evidence (such as pictures of amenities or floor plans) supporting the common area Utility Charge deduction;
  - d) Documentary or other type evidence (such as photos of each unit or floor plans) supporting the total room count for the Property and for each Covered Rental Unit; and



- e) Documentary or other type evidence (such as photos of individual meters, invoices from contractors demonstrating installation of individual meters or submeters, billing statements from Utility providers showing the utility is submetered, copies of a Hearing Officer's decision demonstrating that the Base Rent was recalculated to include Utility Charges, or copies of rental housing agreements including Utility Charges) supporting a claim that one or more Covered Rental Unit(s) are exempt from the One-Time Utility Adjustment:
- For any tenancy commencing on or after March 1, 2024, the Landlord shall provide an example of the rental housing agreements demonstrating compliance with the requirements in Section A.2.b. of this Chapter 13.
5. Determination of Completeness of Petition Packet. Staff shall make a determination regarding the completeness of the Utility Adjustment Petition Packet, which includes all relevant petition forms and supporting documentation. The Utility Adjustment Petition Packet is incomplete if any required fields on the form are omitted, or if the supporting documentation is incomplete, missing, or improperly marked.
6. Incomplete Utility Adjustment Petition. If Staff determines that the Utility Adjustment Petition Packet is incomplete, notice by mail and/or electronic mail (if provided) shall be provided to the Landlord that the Utility Adjustment Petition is incomplete together with a list of the deficiencies in the Utility Adjustment Petition and/or the supporting documentation. The Landlord may add to, amend, or revise and resubmit the Utility Adjustment Petition within 15 business days after the mailing date.
7. Notice of Submission Review. If the Landlord fails to add to, amend, and/or revise and resubmit the Utility Adjustment Petition within 15 business days, the Landlord forfeits the ability to petition for a One-Time Utility Adjustment; Staff will send a Notice of Non-Compliance (as defined in Chapter 12, Section C of these Regulations) to both the Landlord and any affected Tenants, and any affected Tenant may file a Petition for Downward Adjustment of Rent related to Utility Charges.
8. Complete Utility Adjustment Petition and Service on Tenant(s). Once it has been determined that the Utility Adjustment Petition Packet appears complete, Staff will notify the Landlord with a Notice of Submission Review that the Petition is ready to be served on the Tenant(s) of the affected unit(s), including any units subject to a claim of exemption. The Landlord must provide a copy of the Petition (without supporting documentation) described in Section B.4 and an informational notice form (as prescribed by the Rent Stabilization Division) to each unit to which the Petition applies at the address of each affected Unit within fifteen (15) business days of receiving the Notice of Submission Review that the Petition is ready to be served from the Division (electronic service is allowed if regularly used as a method of communication between landlord and tenant(s)).

9. Formal Filing with Division. After the Petition is served on the Tenant(s), the Landlord must file a copy of the unredacted petition packet (petition form, workbook, and supporting documentation), including proof of service to the tenants, with the Rent Stabilization Division.
10. Notice of Formal Filing of Utility Adjustment Petition Packet. The Rent Stabilization Division will notify the Petitioner and all affected Tenants a Utility Adjustment Petition was filed with Staff. The notice that a Utility Adjustment Petition Packet was filed with Staff shall identify the due date for the submission of a Tenant Response to the Petition.
11. Tenant Response to Utility Adjustment Petition. The Tenant shall have thirty (30) calendar days from the date of the mailing of Staff's notice to file a Tenant Response on a form provided by Staff. If a Tenant Response to the Utility Adjustment Petition is filed, Staff shall mail a notice to the Landlord that a Tenant Response was received with a copy of the Tenant Response. The Tenant Response shall state the grounds on which the Tenant is challenging the amount of the Utility Adjustment in the Petition and shall include all documentary evidence that the Tenant wishes to provide to support their challenge of the adjustment. Any Tenant who fails to timely challenge the Utility Adjustment by filing a Tenant Response is foreclosed from challenging the Utility Adjustment via a Downward Adjustment of Rent Petition (as authorized in Section 1710 of the CSFRA).
12. Review of Petition and Responses, Additional Documents. After the Utility Adjustment Petition has been filed and the period for a Tenant Response has expired, Staff shall do the following:
  - a) For properties of five (5) or fewer units, examine the Utility Adjustment calculations for all Covered Rental Units to ensure the adjustments were properly calculated.
  - b) For properties of six (6) or more units for which no Tenant Responses are received, examine at least a twenty percent (20%) randomized sample of the Utility Adjustment calculations for Covered Rental Units in each Property to ensure that the Utility Adjustment was properly calculated.
  - c) For properties of six (6) or more units for which one (1) or more Tenant Responses are received, examine a fifteen percent (15%) randomized sample of the Utility Adjustment calculations for Covered Rental Units in each Property plus the Utility Adjustment calculations applicable to each Tenant who filed a timely Tenant Response to the Utility Adjustment Petition and all documentation provided by the Tenant in support of their Tenant Response to ensure that the adjustments were properly calculated.

- d) Staff may, in Staff's sole discretion, request additional documentation from either or both the Landlord and Tenant as required to make a determination about whether the Utility Adjustment was properly calculated.
13. Notice of Final Administrative Determination by Staff. After review of the Utility Adjustment Petition and any Tenant Response(s), Staff shall make a final determination of whether the Utility Adjustment(s) for the Property were properly calculated. If Staff confirms that the Utility Adjustment(s) were properly calculated, then the notice shall be sent to both the Landlord and the affected Tenant(s) confirming the amounts in the Utility Adjustment Petition. If Staff determines that the Utility Adjustment(s) were improperly calculated, any erroneous calculations shall be corrected by Staff, and the notice with the corrected adjustment(s) shall be sent to both the Landlord and the affected Tenant(s).
14. No Appeal to Rental Housing Committee. Staff's administrative determination on a Utility Adjustment Petition is final and not appealable to the Committee.
15. Imposition of Utility Adjustment.
- a) Landlord Responsibility. The Notice of Final Administrative Determination by Staff will not indicate whether the One-Time Utility Adjustment constitutes an upward or downward adjustment. It shall be the responsibility of the Landlord to determine whether the One-Time Utility Adjustment constitutes an upward or downward adjustment.
  - b) Definitions. For the purposes of this Chapter, these terms below shall have the following meaning:
    - i. Actual Utility Charges. Landlord shall determine the average monthly Utility Charges paid by the Tenant between July 1, 2023 and June 30, 2024 or the 12-month period that encompasses utility billing cycles that commence as close to July 1, 2023 as possible by totaling the actual Utility Charges paid during that period, dividing by the actual months of occupancy, and adjusting that amount by the percentage change in the Consumer Price Index—All Items (CPI-U San Francisco Area) from June 2023 to June 2024 as published in July 2024, which is 3.2%.
      - *Example:* Tenant moved into the Rental Unit on November 1, 2023. From November 1, 2023 through June 30, 2024, the Tenant paid a total of \$848 in Utility Charges billed through RUBS. On average, the Tenant paid \$106 per month (\$848 divided by eight (8) months of occupancy). The CPI increase from June 2023 to 2024 was 3.2%. Therefore, the "Actual Utility Charges" are \$109.39 (\$106 times 1.032) per month as a reference point from which to determine

whether the One-Time Utility Adjustment constitutes an upward or downward adjustment of Rent.

- ii. Upward Adjustment. If the amount of Actual Utility Charges (as defined in Paragraph (iii) below) is less than the One-Time Utility Adjustment amount, then the addition of the One-Time Utility Adjustment amount to the Current Rent and the discontinuation of the use of RUBS (or any similar Utility Charge allocation system or methodology that is not based on a Tenant's actual usage) constitutes an upward adjustment under the CSFRA.
- iii. Downward Adjustment. If the amount of Actual Utility Charges (as defined in Paragraph (iii) below) is more than the One-Time Utility Adjustment amount, then the addition of the One-Time Utility Adjustment amount to the Current Rent and the discontinuation of the use of RUBS (or any similar Utility Charge allocation system or methodology that is not based on a Tenant's actual usage) constitutes a downward adjustment under the CSFRA.

c) Upward Adjustment Procedure.

- i. Timing. If the Utility Adjustment Petition results in an upward adjustment, the Landlord shall impose the adjustment either: (i) on a date no earlier than twelve (12) months after the most recent Rent increase for the Covered Rental Unit; (ii) on a date no earlier than twelve (12) months after the commencement of the tenancy; or (iii) upon the expiration of a longer than twelve (12) month term of the Tenant's current Rental Housing Agreement, whichever is latest.
- ii. Current Year AGA. The Landlord shall impose a One-Time Utility Adjustment resulting in an upward adjustment at the time required by Paragraph (i) above regardless of whether the Landlord imposes the effective Annual General Adjustment (AGA). The Landlord may impose the AGA simultaneously with the One-Time Utility Adjustment. If the Landlord does not simultaneously impose the AGA, the Landlord shall bank the AGA for at least another twelve (12) months in accordance with CSFRA Section 1707(d) and may impose the AGA in future year(s).
- iii. Banked AGA(s). Regardless of when imposed, the Landlord shall not apply any AGA banked increase percentages to the One-Time Utility Adjustment amount. For example, if the Current Rent is \$2,000 and the One-Time Utility Adjustment amount is \$100, a Landlord may only impose any applicable prior banked AGA increase to the \$2,000, not the total Rent of \$2,100. Future banked increases not accumulated prior to the One-Time

Utility Adjustment may be applied to the total Rent after the initial imposition of the One-Time Utility Adjustment.

- iv. Substantial Compliance Requirement Waived. A Landlord's imposition of a One-Time Utility Adjustment resulting in an upward adjustment shall not be subject to the requirements in CSFRA Section 1707(f). However, nothing in this Paragraph (iv) is intended to waive the requirements in CSFRA Section 1707(f) as they relate to the Landlord's imposition of the AGA. (Example: If a Landlord has an outstanding order from code enforcement, they may impose the One-Time Utility Adjustment but may not impose the AGA.)
  - v. Notice. The Landlord shall provide a written notice of rent increase pursuant to California Civil Code Section 827.
- d) Downward Adjustment Procedure. If the **One-Time** Utility Adjustment Petition results in a one-time downward adjustment, the Landlord shall serve **any affected Tenant(s) with the notice required by Civil Code Section 827** ~~impose the adjustment within~~ **no later than** thirty (30) days ~~of the~~ **after the Landlord's receipt** of the Notice of Final Administrative Determination by Staff. **Thereafter, the downward adjustment shall become effective no more than thirty (30) days after the Landlord serves the affected Tenant(s) with the notice required by Civil Code Section 827.** ~~after providing notice in accordance with Civil Code Section 827.~~
- i. A downward adjustment resulting from a One-Time Utility Adjustment Petition is not a rent adjustment that nullifies on or more Annual General Adjustment(s) that have already been implemented by a Landlord as described in CSFRA Section 1707(a). After a Landlord imposes the one-time downward adjustment, the Landlord must still wait at least twelve (12) months from the last Rent increase (pursuant to either Annual General Adjustment(s) or an Upward Adjustment of Rent Petition) to impose the next Rent increase.
- e) Form of Notice. A Landlord shall notify each affected Tenant whether the One-Time Utility Adjustment constitutes an upward or downward adjustment on a form prescribed and provided by the Division. In addition to informing the affected Tenant of the amount of the One-Time Utility Adjustment and indicating whether the One-Time Utility Adjustment constitutes an upward or downward adjustment, the form shall notify the affected Tenant that they may contest the Landlord's determination about whether the One-Time Utility Adjustment constitutes an upward or downward adjustment by requesting a Compliance Hearing (pursuant to Section J of Chapter 5 of these Regulations). For the Landlord's convenience, Staff shall include a blank copy of the form with the

Notice of Final Administrative Determination by Staff; the form shall also be made available on the Division website.

- f) Tenant Right to Contest; Staff Review. Any affected Tenant shall have thirty (30) calendar days from the receipt of the notice defined in Paragraph (e) above to contest the Landlord's determination of whether the One-Time Utility Adjustment constitutes an upward or downward adjustment by requesting a review by Staff. The Tenant's request shall be made on a form prescribed by the Division, and shall be accompanied by copies of all relevant invoices or billing statements demonstrating actual Utility Charges paid from July 1, 2023 through June 30, 2024. Staff shall review the Landlord's determination administratively and provide a notice to both the Landlord and the Tenant either confirming or correcting the Landlord's determination within fifteen (15) business days of receipt of the Tenant's request.
  - g) RUBS Prohibited. Immediately upon the imposition of the One-Time Utility Adjustment, the Landlord shall cease the use of a Ratio Utility Billing System (RUBS) (or any similar system or methodology that is not based on a Tenant's actual usage) to allocate Utility Charges to all affected Tenant(s). This paragraph applies regardless of whether the One-Time Utility Adjustment constitutes an upward or downward adjustment of Rent.
16. No Tenant Hardship Petitions. A Tenant of a Covered Rental Unit that is the subject of a Utility Adjustment Petition shall not be permitted to file a Tenant Hardship Petition, as provided for in Chapter 6, Section H of these Regulations, in response to the Utility Adjustment Petition.
17. Landlord Liability. So long as a Landlord submits a Utility Adjustment Petition by the applicable deadline in Table 2 above and otherwise complies with the applicable requirements in Paragraphs 1 through 15 above, the Landlord shall not, under these Regulations, be held liable for any prior overpayment by a Tenant of Rent related to Utility Charges billed through RUBS in accordance with these Regulations (or any similar system or methodology that is not based on a Tenant's actual usage).
- a) Nothing in this subsection is intended to preclude a Tenant from filing a civil action to recover prior overpayment by the Tenant of Rent related to Utility Charges billed through RUBS (or any similar system or methodology that is not based on a Tenant's actual usage).
18. Tenant Petitions.
- a) Prior Decisions on Petitions Including Utility Charges. Nothing in this Chapter is intended to nullify, void, or overturn a final decision, issued by a Hearing Officer or the Committee, on a Downward Adjustment of Rent Petition filed on or before

December 18, 2023, wherein the Base Rent was adjusted to include Utility Charges.

- b) Future Petitions. If the Landlord fails to submit a Utility Adjustment Petition by the applicable deadline in Table 2 above or otherwise fails to comply with the applicable requirements in Paragraphs 1 through 15 above, a Tenant may file a Downward Adjustment of Rent Petition (pursuant to Section 1710 of the CSFRA) based on prior overpayment by the Tenant of Rent related to Utility Charges billed through RUBS. Beginning with initial adoption of these Regulations (December 18, 2023) by the Committee through the applicable deadline for submitting a Utility Adjustment Petition, Staff will limit acceptance of any Tenant petitions related to Utility Charges filed under Section 1710 of the CSFRA in accordance with Table 3 below.
- c) Petitions in Progress. Notwithstanding the foregoing, Paragraph (b) does not apply to any Downward Adjustment of Rent Petition based on prior overpayment by the Tenant of Rent related to Utility Charges billed through RUBS that was filed on or before December 18, 2023 and heard before March 1, 2024.
- d) Petitions Regarding Unlawful Rent Charges for Utilities. Notwithstanding the foregoing, Paragraph (b) does not apply to either of the following:
  - i. Any Petition for Downward Adjustment based on overpayment of Utility Charges where the tenancy meets all of the criteria in Subparagraphs (i) through (iv) of Paragraph (c) of Subsection (1) of Section A of this Chapter; or
  - ii. Any Petition for Downward Adjustment based on overpayment of Utility Charges where the tenancy commenced on or after March 1, 2024, and the Landlord has unlawfully demanded or retained payment of Utility Charges that were allocated to the Tenant using a Ratio Utility Billing System (RUBS) (or any similar system or methodology that is not based on a Tenant's actual Utility usage).

Petitions based on either of the foregoing bases may be filed with the Division at any time and will be heard and decided in accordance with the relevant timelines set forth in Chapter 5.

**Table 3: Acceptance of Tenant Petitions**

| Types of Tenant Petitions   | Filing and Acceptance   |
|---|---|
| Downward Adjustment of Rent Petition based on one or more issues including compliance with Section A.2.b of this Chapter 13 (Tenancies commencing on or after March 1, 2024). | May be filed by Tenants and accepted by staff at any time.  |
| Downward Adjustment of Rent Petition where the tenancy satisfies all of the criteria in Section A.1.c.i-iv. of this Chapter 13.   | May be filed by Tenants and accepted by staff at any time.  |
| Downward Adjustment of Rent Petition based on multiple issues, including overpayment by the Tenant of Rent related to Utility Charges.  | <p><b>Filed on or before December 18, 2023:</b> Will be heard before March 1, 2024.</p> <p><b>Filed after December 18, 2023:</b> Will be bifurcated. All issues not related to Utility Charges will be heard and decided within the regular time frames outlined in these Regulations. Any issues related to Utility Charges will be paused until the applicable deadline for submitting the Utility Adjustment Petition has expired (and will only be accepted if Landlord did not submit a Utility Adjustment Petition by the applicable deadline in Table 2 above or otherwise did not comply with the applicable requirements in Paragraphs 1 through 15 above ).</p> |
| Downward Adjustment of Rent Petition based solely on overpayment by the Tenant of Rent related to Utility Charges.  | <p><b>Filed on or before December 18, 2023:</b> Will be heard before March 1, 2024.</p> <p><b>Filed after December 18, 2023:</b> May not be filed until the applicable deadline for submitting the Utility Adjustment Petition has expired (and will only be accepted if Landlord did not submit a Utility Adjustment Petition by the applicable deadline in Table 2 above or otherwise did not comply with the applicable requirements in Paragraphs 1 through 15 above).</p>  |

19. Extension of Statute of Limitations. If a Landlord fails to timely submit a Utility Adjustment Petition by the applicable deadline in Table 2 above or otherwise fails to



comply with the applicable requirements in Paragraphs 1 through 15 above and a Tenant thereafter files a Petition for Downward Adjustment of Rent related to Utility Charges based on the Landlord's failure, the Hearing Officer assigned to the Petition for Downward Adjustment of Rent may, in their discretion, extend the period for which the Tenant may recover any unlawful Rents beyond the four (4) year statute of limitations.

**C. Staff Authority to Amend One-Time Utility Adjustment Process**

The Committee delegates to Staff the authority to make minor amendments and clarifications to the administrative process for the One-Time Utility Adjustment Petition without Committee action, approval, or ratification.

1. Where applicable, Staff shall have the authority to revise a One-Time Utility Adjustment Petition to factor in additional increases in the Consumer Price Index (as further detailed in Step 8 in Table 1 above) that are not reflected in the submitted Utility Adjustment Petition Packet. In all cases where Staff exercises the authority granted under this subsection, Staff shall provide written notification of the changes to both the Landlord and the Tenant(s) of all affected unit(s) within fifteen (15) business days.