

DATE: October 24, 2024

TO: Rental Housing Committee

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SUBJECT: Notification of Minor Clarification in CSFRA Regulations Chapter 13: Utilities

RECOMMENDATION

Review notification of minor clarification to Community Stabilization and Fair Rent Act (CSFRA) Regulations Chapters 13: Utilities.

BACKGROUND

In September 2024, the Rental Housing Committee (RHC) adopted amendments to CSFRA Regulations Chapter 13: Utilities delegating to Staff the authority to make minor changes to the One-Time Utility Adjustment process as Staff determines necessary without the need to bring these changes back to the Committee for approval.

DISCUSSION

While reviewing One-Time Utility Adjustment petition submittals, staff noticed petitioners were unable to successfully complete the utility billing portion of the petition workbook as required by the regulations because the strict dates defined in the regulations do not align with utility billing cycles.

Minor Clarification to CSFRA Regulation Chapter 13 Section B.2.a Table – Step 1, Section B.4.b and Section B.15.b.i

Table 1: Steps for Determining One-Time Utility Adjustment Amount	
STEP 1:	Determine the amount of Utility Charges for the entire rental property for the period between July 1, 2023, and June 30, 2024, <u>or the 12-month period that encompasses utility billing cycles that commence as close to July 1, 2023 as possible.</u>

Section B.4.b

- 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);

Section B.15.b.i

- 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%;

Reason for Recommendation: Utility billing cycles do not necessarily correlate with the beginning of the month; therefore, properties may not have utility bills that start on July 1, 2023 and end on June 30, 2024. The modifications to CSFRA Regulations Chapter 13 Sections B.2, B.4 and B.15 allow flexibility in the dates associated with the utility billing cycles necessary for the completion of the petition process while retaining the intent of the regulations that 12 months of utility bills will be used to determine the average Utility Charges.

FISCAL IMPACT

Receiving this notification does not impact the budget of the RHC.

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

Attachments:

1. Clarification to Chapter 13: Utilities