

DATE: January 27, 2025

TO: Rental Housing Committee

FROM: Andrea Kennedy, Senior Management Analyst
Anky van Deursen, Division Manager

SUBJECT: CSFRA and MHRSO Annual Fee Payment and Registration Requirements

RECOMMENDATION

Receive an update on the status of compliance with the annual fee payment and registration requirements for the Community Stabilization and Fair Rent Act and the Mobile Home Rent Stabilization Ordinance.

BACKGROUND

The Rental Housing Committee (RHC) has requested periodic update related to compliance with the annual fee payment and registration requirements under the Community Stabilization and Fair Rent Act (CSFRA) and the Mobile Home Rent Stabilization Ordinance (MHRSO). Each year, the RHC adopts a budget to fund the reasonable and necessary expenses needed to implement and administer the CSFRA and MHRSO. Landlords pay an annual Rental Housing Fee for CSFRA-covered properties, and mobile home park owners pay an annual Space Rental Fee for MHRSO-covered mobile home parks to fund the adopted budgets. Payment of the annual Fiscal Year (July-June) fees and registration requirements are due by the end of January each year.

To increase compliance with the fee and registration requirements and to streamline the process, the RHC has passed the following regulations over the past few years:

Table 1: Regulations Passed by RHC

Year	Regulations	Description
2020	CSFRA Ch. 11 MHRSO Ch. 4	Mandatory Annual Registration by January 31 of each year (previously registration was not mandated by regulation).
2022	CSFRA Ch. 12 MHRSO Ch. 12	Compliance and Enforcement Mechanisms: <ul style="list-style-type: none"> Schedule of late fees in case of failure to timely pay annual rental housing/space fees or complete annual registration requirements. Non-compliance letters to landlords with a copy to tenants.

		<ul style="list-style-type: none"> Publication of non-compliant properties on the City website.
2023	CSFRA Ch. 12 MHRSO Ch. 12 Amendments	Streamline fee payment process into Rent Stabilization Database, resulting in higher accuracy and timely processing of submissions.

ANALYSIS

Outreach and Education

Since the adoption of the above regulations, staff have implemented education and outreach efforts during each fee and registration cycle to support the ability of landlords and park owners to comply with the fee payment and registration requirements. The following table summarizes the outreach performed since 2023. Staff will continue its outreach efforts throughout 2025.

Table 2: Fee and Registration Requirements Outreach (2023 - 2025)

Outreach Activities	2023	2024	2025
Landlord-focused annual registration and fee requirements webinars.	12	5	3
Targeted outreach and education mailings, emails, and informational letters.	4	9	5
Direct emails to follow up with landlords with incomplete registration profiles in the database to ensure completion before due date of January 31.	166	58	57
Courtesy Reminder Letter to landlords	NA	156	Upcoming
First noncompliance letter to landlords (for a sample, see Attachment 1).	317	91	Upcoming
Second noncompliance letter to landlords + copy to tenants (for a sample, see Attachment 2).	154	57	Upcoming

Fee Payment and Registration Compliance

The adopted regulations require an annual mandatory payment of fees and registration updates by January 31 of each year. For example, the deadline for Fiscal Year 2024-25 was January 31, 2025. Payments and registration after this date are subject to late fees and penalties. Staff measure compliance at two points in time: 1. by the due date of January 31 of each year, and 2. by the end of each calendar year. The goal is to have full compliance by the deadline. As Table 3 shows, the CSFRA on-time fee payment and registration have increased year over year and compliance by the end of the cycle is very high.

Table 3: CSFRA Fee Payment & Registration Compliance¹

Year	Fee Per-Unit	Fee Payment Compliance				Registration Compliance			
		Per January 31	Percent Change	Annual	Percent Change	Per January 31	Percent Change	Annual	Percent Change
2018	\$155			98%	-				
2019	\$124			98%	0%				
2020	\$101			97%	-1%				
2021	\$85			97%	0%			38%	-
2022	\$102			94%	-3%			42%	+11%
2023	\$96	68%	-	95%	+1%	36%	-	88%	+110%
2024	\$107	73%	+7%	96%	+1%	74%	+106%	95%	+8%
2025	\$120	83%	+13%	TBD	TBD	83%	+12%	TBD	TBD

The MHRSO covered mobile home parks continue to fully comply with the fee payment and registration requirements as shown in Table 4. In 2025 the six covered mobile home parks completed the fee payment and registration requirements by the January 31 deadline.

Table 4: MHRSO Fee Payment & Registration Compliance

Year	Fee Per Space	Fee Payment Compliance				Registration Compliance			
		Per January 31	Percent Change	Annual	Percent Change	Per January 31	Percent Change	Annual	Percent Change
2022	\$258.40	N.A.	-	100%	-			100%	-
2023	\$307	83%	-	100%	0%	83%	-	100%	0%
2024	\$300	83%	0%	100%	0%	67%	-19%	100%	0%
2025	\$285	100%	+20%	TBD	TBD	100%	+49%	TBD	TBD

FISCAL IMPACT

Providing this informational update to the Rental Housing Committee has no fiscal impact.

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

- Attachments: 1. Sample Landlord Compliance Letter
 2. Sample Tenant Copy of Second Landlord Compliance Letter

¹ Invoice compliance percentages are reporting fees collected from the original billing date through January 31, 2025. Past-due invoices paid in consecutive years are reflected in the total percentages for the original billing cycle.