

DATE: April 23, 2026

TO: Rental Housing Committee

FROM: Anky van Deursen, Rent Stabilization Manager

SUBJECT: Adoption of Annual General Adjustment of CSFRA and MHRSO rent for 2026-27

RECOMMENDATION

Review and adopt a resolution of the Rental Housing Committee establishing an Annual General Adjustment of rent under the Community Stabilization and Fair Rent Act for the period of September 1, 2026 through August 31, 2027 of 2.5% and an Annual General Adjustment of rent under the Mobile Home Rent Stabilization Ordinance for the period of September 1, 2026 through August 31, 2027 of 1.5%, to be read in title only, further reading waived (Attachment 1 to this memorandum).

BACKGROUND

The Community Stabilization and Fair Rent Act (CSFRA) and the Mobile Home Rent Stabilization Ordinance (MHRSO) provide for an Annual General Adjustment (AGA), which establishes the maximum allowable rent increase for existing tenancies based on the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward area (San Francisco Area). Section 1707(a) of the CSFRA and Section 46.6 of the MHRSO require the Rental Housing Committee (RHC) to announce the AGAs no later than June 30 each year, and the AGAs take effect in September each year.

In January 2018, the United States Department of Labor's Bureau of Labor Statistics revised the geographic areas for which it produces indices. Consequently, on March 26, 2018, the RHC adopted a resolution to use the CPI-U for the San Francisco Area as a successor index (instead of the index referenced in CSFRA 1707(a)(1): the SF-Oakland-San Jose Region, which no longer exists) to determine the AGA. Additionally, the CSFRA indicates that the March indices are to be used. However, the CPI-U for the San Francisco Area is only published every two months, and the cadence used includes a February index but not a March index. Therefore, the March 2018 resolution also includes the RHC's decision to use the annual indices from February of each year to determine the AGA for both the CSFRA and the MHRSO.

CSFRA

Sections 1707(a)(1) and 1707(a)(2) of the CSFRA stipulate that the AGA shall be equal to **100% of the percentage increase in the CPI-U and that the AGA shall not be less than 2% and no more than 5%**, even if the change in CPI-U is less than 2% or more than 5%.

MHRSO

On March 25, 2025, the City Council adopted amendments to the MHRSO, Sections 46.5 (b) and 46.6 (c), to modify the allowed AGA from 100% of the CPI-U, with a 2% floor and 5% ceiling to an adjustment limited to **60% of the CPI-U with no floor and a 3% ceiling**.

ANALYSIS

Between February 2025 and February 2026, the annual CPI-U for the San Francisco Area increased by 2.5%, as shown in Table 1. Therefore, the AGA for the CSFRA for the period from September 1, 2026, to August 31, 2027, will be 2.5%.

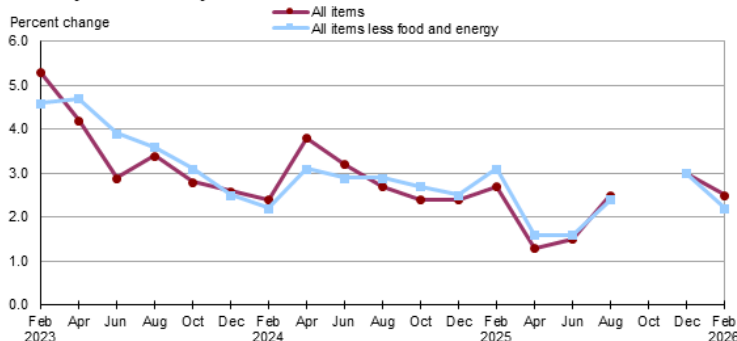
The AGA for the MHRSO will be 0.6 times 2.5%, which equals 1.5%. Rent increases resulting from this adjustment may take effect on or after September 1, 2026. Landlords are required to provide 30 days’ written notice before such rent increases.

Table 1: Annual Change in Consumer Price Index, All Items

February 2025		February 2026		Difference	
CPI Index		CPI Index		Number	Percentage (rounded to nearest tenth)
354.432		363.211		8.779	2.5%

For comparison, please see Chart 1 below for an overview of the year-over-year CPI Index changes.

Chart 1. Over-the-year percent change in CPI-U, San Francisco-Oakland-Hayward, CA, February 2023–February 2026



Note: The October 2025 data values are not available due to the 2025 lapse in appropriations.
Source: U.S. Bureau of Labor Statistics.

FISCAL IMPACT

The adoption of the AGA does not have any fiscal impact.

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

- Attachments:
1. Draft Resolution to Adopt CSFRA and MHRSO AGA 2026
 2. Consumer Price Index San Francisco Area – February 2026