

DATE: September 25, 2025

TO: Rental Housing Committee

FROM: Patricia Black, Senior Management Analyst
Andrea Pena, Analyst II
Anky van Deursen, Rent Stabilization Manager

SUBJECT: **Annual Update on the Rent Stabilization Petition Program**

RECOMMENDATION

Receive the annual update on petitions related to the Community Stabilization and Fair Rent Act and the Mobile Home Rent Stabilization Ordinance.

BACKGROUND

The Rental Housing Committee (RHC) has requested an annual update on the petitions filed under the Community Stabilization and Fair Rent Act (CSFRA) and Mobile Home Rent Stabilization Ordinance (MHRSO). The last update was provided during the September 2024 RHC Meeting (see Attachment 1). The Rent Stabilization Division (Division) administers the CSFRA and MHRSO. Both laws offer a petition process to request higher rent increases beyond the allowed annual rent increase limit or to seek a rent reduction for claims of unlawful rent increases, habitability and maintenance issues, and tenant hardship. The CSFRA and MHRSO feature different types of petitions, with processes involving multiple steps and requirements for landlords, tenants, and the Division. For an overview of the petition and appeal process as well as types of petitions, see Attachments 2 and 3.

The Petition Program (Program) continuously evolves and has increased in volume and complexity, requiring more staff time. Although the volume of petitions is out of the staff's control because petitions are complaint-based, staff continuously evaluate the Program to refine, streamline, simplify, and improve the petition process. The Analysis section below provides a summary of the petitions filed and data requested by the RHC:

1. Petitions Data
2. Trends in Petition Filings in FY 2024-25

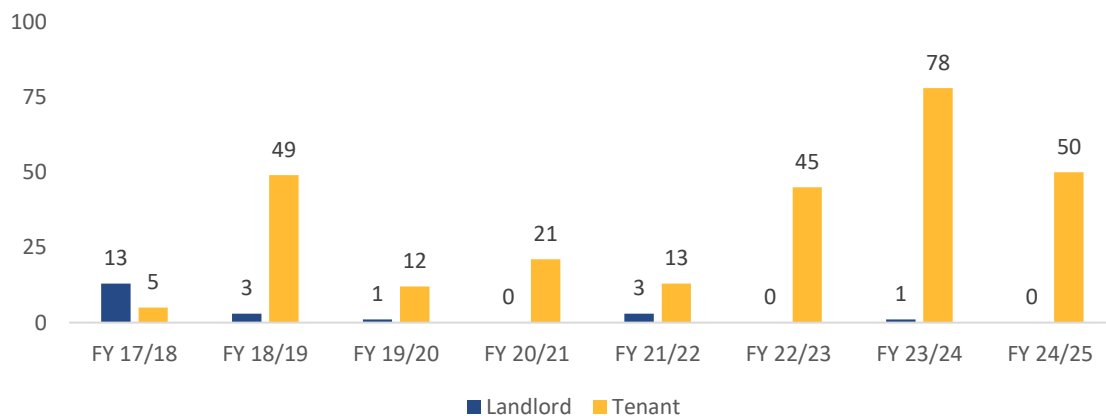
ANALYSIS

1. Overview of Petitions Data

CSFRA Petitions

- Since the start of the Program in November 2017 through the end of this past fiscal year (June 30, 2025), a total of 291 petitions were filed (see Chart 1 below). Tenants are the primary filers of petitions. 270 petitions (93%) were filed by tenants, and 21 petitions (7%) were filed by landlords. See Attachment 4 for an overview of petition received through Fiscal Year 2024-25.

**Chart 1: CSFRA Petitions Submitted
(Fiscal Year 2017-18 through Fiscal Year 2024-25)**



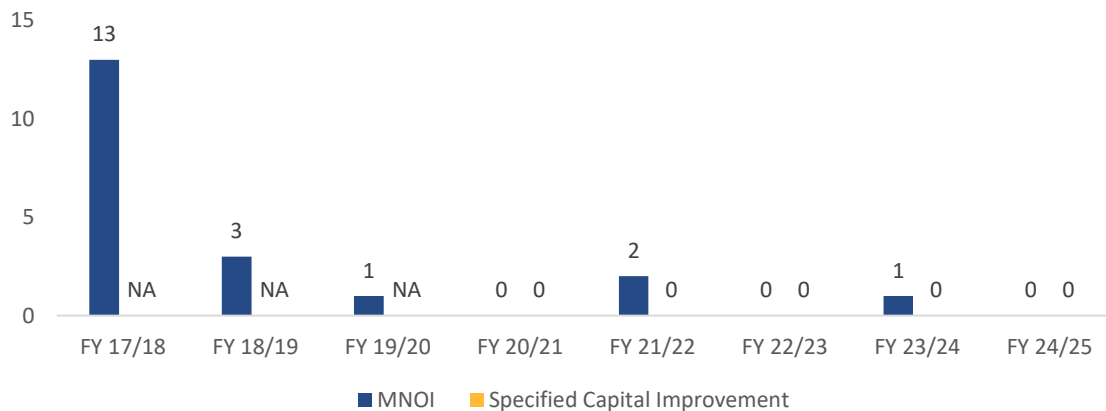
- Fiscal Year 2022-23 exceeded FY 2021-22 submissions with an 181% increase in petition filings. During FY 2023-24, petitions increased by another 76% compared to FY 2022-23. These increases may partly result from landlord and tenant outreach efforts, which boosted awareness among tenants and landlords. The number of petitions filed in Fiscal Year 2024-25 returned to FY 2022-23 levels.
- The complexity and time needed to process petitions have increased over time, particularly for those petitions involving two or more issues and translation requests.

a. Landlord-initiated Petitions

- 21 petitions of a total of 291 petitions (7%) submitted since November 2017 were landlord-initiated petitions (see Chart 3 below), 15 of which entered the formal hearing process and 6 were withdrawn or not accepted (see Chart 2 below).

- 13 petitions (87%) of the 15 landlord-initiated petitions that entered the hearing process received judgments in favor of the landlord or were settled through a mutually determined agreement via the prehearing settlement conference or conciliation.
- 3 of the 15 petitions were appealed to the RHC, the Hearing Officer's decision was affirmed and the property awarded increases above the AGA.
- Since the Program began in 2017, the number of landlord-initiated petitions has decreased significantly. This may be due to the amount of time since the enactment of the CSFRA and the rate of unit turnover. Vacancy decontrol allows landlords to set rents at market rate when a unit becomes vacant. On average, 20% of units turn over each year, reducing the necessity for fair return petitions. This pattern aligns with the experiences of similar jurisdictions.
- Outreach and workshops are regularly offered to educate landlords about Capital Improvement Petitions; however, no such petitions have been filed to date. Similar to the MNOI petitions, this may be due to vacancy decontrol. Staff plans to launch a broader outreach campaign about Capital Improvement Petitions once the OTUA petition process approaches completion.
- Staff received 29 inquiries about landlord-initiated fair-return petitions in Fiscal Year 2024-25, but none have resulted in petitions so far. Each inquiry was provided with information and one-on-one support to understand the two types of fair-return petitions available to property owners. Based on discussions during these meetings, staff expect that, after the OTUA petition process is finished, property owners will contact the Division to submit Capital Improvement petitions.

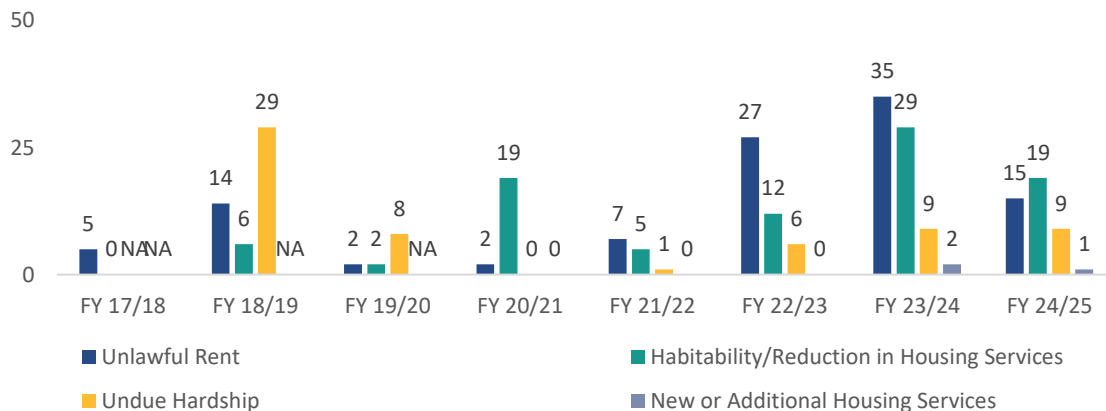
**Chart 2: Landlord-Initiated Petitions
(Fiscal Year 2017-18 through Fiscal Year 2024-25)**



b. Tenant-Initiated Petitions

- 270 petitions of a total of 291 petitions (93%) submitted since November 2017 were tenant-initiated petitions (see Chart 3 below).
- 190 petitions have completed the hearing or settlement process. Of these, 176 petitions (95%) received judgments in favor of the tenant or were settled through a mutually determined agreement via the prehearing settlement conference or conciliation. 20 tenant hardship petitions filed in response to landlord-initiated petitions are excluded from this analysis.
- Staff received 613 inquiries about tenant-initiated petitions and 6 inquiries about joint new or additional housing services petitions. Many of these inquiries concerned issues of unlawful rent, habitability, and maintenance concerns. There has been a decline in the number of filings from the peak of Fiscal Year 2023-24, which may be related to concerns regarding retaliation related to immigration status.
- Of the 44 petitions filed in FY 2024-25, 21 completed the hearing or settlement process (64%), and 20 (95%) received judgments in favor of the petitioner or were settled through a mutually agreed-upon settlement via the prehearing settlement conference or conciliation. 14 petitions were in the petition process at the end of the Fiscal Year, and 2 were withdrawn.
- 3 petitions were appealed, one was decided on Appeal by the RHC, and two were remanded to the Hearing Officer by the RHC and were still in the appeal process at the end of the Fiscal Year.

**Chart 3: Tenant-Initiated Petitions by Type
(Fiscal Year 2017-18 through Fiscal Year 2024-25)***



*Fiscal Year 2023-24 data includes one MHRSO tenant petition.

c. Other Petitions

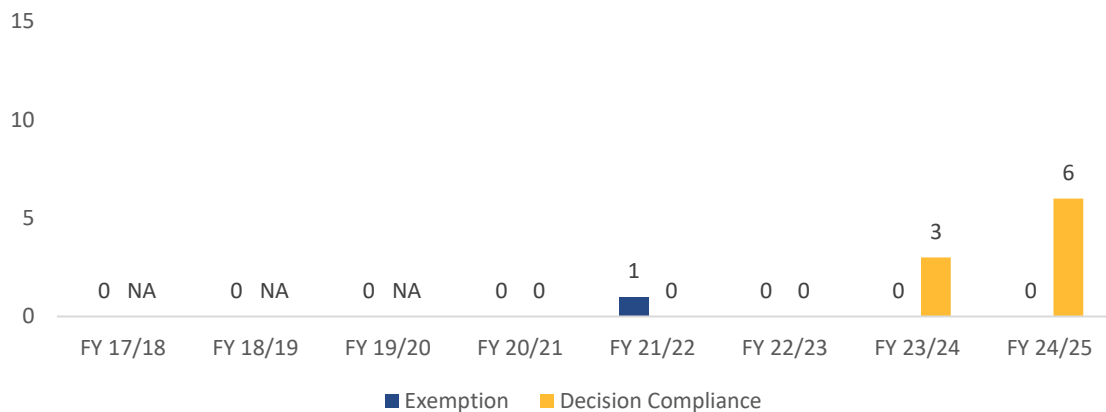
c.1 Exemption Petitions

One Exemption Petition was filed in Fiscal Year 2024-25 by a property owner. The petition was denied by the Hearing Officer (see Chart 4 below).

c.2 Decision Compliance Petitions

- As of June 30, 2025, 9 Decision Compliance Petitions were filed by Tenants against Landlords alleging non-compliance with the award guidelines as determined by the Decisions. 4 of the petitions were granted by Hearing Officers, and the Compliance Decisions issued additional remedies to the parties. One petition was denied (see Chart 4 below).
- In Fiscal Year 2024-25, 6 compliance petitions were filed. Two (2) petitions were granted by the Hearing Officer. 4 petitions were in the hearing process at the end of the Fiscal Year.

**Chart 4: Other Petitions Received by Type
(Fiscal Year 2017-18 through Fiscal Year 2024-25)**



d. One-Time Utility Adjustment Petitions

The RHC adopted a One-Time Utility Adjustment Petition (OTUAP), an administrative process to help transition utility billing practices that are not in compliance with the CSFRA. The OTUA petition process was implemented to provide as much support as possible to assist landlords in successfully applying for the utility adjustment.

- 100% of properties with more than 20 units submitted the petition and information needed within the deadline.
- 215 properties submitted an OTUAP or have confirmed that they do not use RUBS. This represents 31.6% of all properties and 76.6% of all units.
- 15 workshops were provided to educate landlords and tenants about the OTUA petition process. The recordings of these workshops received 508 views on YouTube.

MHRSO Petitions

Since the start of the MHRSO in October 2021, only one petition has been received. That petition was not accepted because it concerned a Tenant Hardship related to an annual allowable increase rather than a banked increase. Hardship Petitions can only be submitted for a banked increase or a landlord-initiated petition.

4. Trends in Petition Filings in Fiscal Year 2024-25

Multi-Issue Tenant Petition Filings

As with Fiscal Years 2022-23 and 2023-24, petition filings with multiple issues for single units and/or the filing of multiple petitions by single units continued. For example, multiple units filed both Unlawful Rent and Failure to Maintain Habitable Property Petitions. These petitions often contain interconnected issues requiring property inspections, legal assistance to support landlords and tenants through the petition and hearing process, and interpretation and translation services. As a result, this increased the complexity of the process and required more time to analyze and decide on the petition.

Of the 50 petitions filed in Fiscal Year 2024-25, 34 petitions (68%) had multiple issues.

Petition Filings Requiring Translation and Interpretation

Tenants and landlords needed translation and interpretation support this past Fiscal Year with requests made for assistance in Spanish, Chinese, Russian, and Portuguese. Of the fifty petitions filed in Fiscal Year 2024-25, 17 (34%) required non-English interpretation and translation support.

These trends are shown in Table 1 below.

**Table 1: Trends in Multi-Issue Tenant Petition Submissions
(Fiscal Year 2021-22 through Fiscal Year 2023-24)**

Fiscal Year	Total Number of Petitions	Percent of Petitions with Multiple or Complex Issues	Percent of Petitions Requiring Translation and Interpretation
2021-22	16	13% (2 of 16)	19% (3 of 16)
2022-23	45	31% (14 of 45)	33% (15 of 45)
2023-24	79	51% (40 of 79)	35% (28 of 79)
2024-25	50	68% (34 of 50)	34% (17 of 50)

SUMMARY

While the Program in FY 2024-25 saw a decline in filings from the previous Fiscal Year, the number of filings still exceeds the historical average, with most being tenant-related. The filings of Decision Compliance Petitions also increased, offering better insight into whether landlords are following through with the remedies and awards as mandated by decisions. Although the RHC handled more appeals during FY 2024-25, fewer petition decisions from filings in FY 2024-25 were appealed compared to those from FY 2023-24. Filings involving multiple issues for a single unit or multiple petitions by the same unit continued, along with the ongoing need for translation assistance. Staff expect these complexities and translation needs to persist into Fiscal Year 2025-26.

PUBLIC NOTICING - Agenda posting, posting on the City's website, and email to RHC distribution list.

- Attachments:
1. RHC Memo dated September 26, 2024
 2. Overview of Petitions and Appeal Process
 3. Overview Types of Petitions
 4. Overview of Petitions received through Fiscal Year 2024-25