

ORDINANCE NO. 2026-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LEANDRO ADDING CHAPTER 4-46 TO THE SAN LEANDRO MUNICIPAL CODE TO ESTABLISH RESIDENTIAL RENT STABILIZATION

WHEREAS, the City Council of the City of San Leandro finds that access to safe, decent, and affordable rental housing is vital to neighborhood stability, the local economy, and the well-being of residents; and

WHEREAS, rising rents, insurance costs, property taxes, and capital improvement expenses are making it increasingly difficult for San Leandro residents to find and keep housing in the City; and

WHEREAS, rapid rent increases and housing instability contribute to displacement of long-term residents, loss of economic diversity, and disruption of neighborhoods, and further projected that substantial compliance and full cost recovery could take three to five years; and

WHEREAS, over the last two years, the City has conducted extensive public outreach, including in-person and virtual meetings with interpretation in Spanish and Cantonese and a sixty-day public comment period on draft ordinance text; and

WHEREAS, during this process, tenants, landlords, and community organizations shared their views. Tenants raised concerns about rent increases and the risk of displacement for lower-income residents, seniors, and people with disabilities; and

WHEREAS, data presented to the City Council also indicated that median rents in San Leandro have increased at a rate exceeding both wage growth and inflation in recent years, with many renter households spending more than thirty percent (30%) of income on housing costs, underscoring the need to moderate rent escalation to preserve affordability; and

WHEREAS, numerous other municipalities, as well as the California Legislature, have established limits on landlords ability to raise the rent on residential units; and

WHEREAS, the City Council finds that a limitation on annual rent increases is necessary to promote stability, mitigate displacement pressures, and align rent growth with local income trends, while maintaining consistency with state laws; and

WHEREAS, the City Council acknowledges that any local rent regulation must comply with the Costa-Hawkins Rental Housing Act (California Civil Code § 1954.50 et seq.) and the California Tenant Protection Act of 2019 (Assembly Bill 1482). These state laws exempt certain housing types, including single-family homes, condominiums, and newly constructed dwellings, from local rent caps. The City's program is therefore designed to balance tenant stability with ensuring a fair and reasonable return for property owners; and

WHEREAS, in recognition of this balance, the proposed ordinance includes a Fair Return Petition Process permitting landlords to seek adjustments when necessary to obtain a fair and reasonable rate of return on their property, thereby ensuring continued reinvestment in the local housing stock and compliance with constitutional requirements for property ownership and due process; and

WHEREAS, staff analysis presented to the City Council on October 13, 2025 identified approximately 7,693 rental units in San Leandro as eligible for a rent stabilization program; and

WHEREAS, based on these findings, staff analysis, community input, and public policy goals, the City Council determines that adoption of a rent stabilization program is necessary to protect residents from excessive rent increases, prevent displacement, promote long-term housing stability, and further the public health, safety, and welfare of the City of San Leandro.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN LEANDRO DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals.

The City Council of the City of San Leandro finds that all of the above Recitals are true and correct and incorporated herein by reference.

SECTION 2. Amendment of Municipal Code

Chapter 4-46, Residential Rent Stabilization, is hereby added to the San Leandro Municipal Code to read as set forth in Exhibit A, attached hereto and incorporated herein.

SECTION 3. CEQA.

Approval of the Ordinance is exempt from environmental review under the general rule in the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The ordinance establishes regulations on allowable rent increases for residential property, and does not authorize any development project or change any

rules for development. Accordingly, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

SECTION 4 Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 5. Publication and effective date.

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in a newspaper of general circulation printed and published in Alameda County and circulated in the City of San Leandro, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

Introduced by Councilmember _____ and passed to print on the 12th day of January 2026 by the following called vote:

Members of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

JUAN GONZÁLEZ III
Mayor

ATTESTED:

APPROVED AS TO FORM:

SARAH K. BUNTING
Acting City Clerk

RICHARD D. PIO RODA
City Attorney

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