



To: Mr. Tom Liao, Director
Community Development Department
City of San Leandro

From: Andy Belknap, Director
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Subject: City of San Leandro Draft Residential Rent Stabilization Ordinance: Stakeholder and Community Meetings Summary

Date: September 24, 2025

Background

The City of San Leandro, California (City) has engaged Baker Tilly Advisory Group, LP (Baker Tilly) to conduct a comprehensive assessment to support the potential establishment of a residential rent stabilization and rent registry program (program). The scope of this project includes benchmarking best practices from comparable jurisdictions, evaluating the financial and staffing resources required for successful implementation, and designing a robust public outreach strategy to inform and engage stakeholders. A draft Residential Rent Stabilization Ordinance was presented on July 17 to the City Council Rules Committee to solicit initial committee and public feedback and begin a 60-day public comment period from July 17 to September 17, 2025 and public outreach that included two stakeholder and two community wide meetings.

To gather public comments about the proposed program, the City and Baker Tilly hosted the stakeholder and community meetings as shown in Table 1. The meetings were promoted through mass email notification, posting on the City's website and social media, a press release, distribution to City funded public service providers, and flyers posted at City, community and business facilities including those whose users included a large number of Chinese and Spanish speaking people. Each meeting included simultaneous interpretation in Spanish and Cantonese. For each meeting, the same presentation (Attachment A) was shown that included a brief overview of the draft ordinance.

Table 1. Stakeholder and Community Meetings for Draft Rent Stabilization Ordinance

Date	Time	Location	Targeted Stakeholders
Tuesday, August 26	1 p.m. to 2:30 p.m.	Zoom	Housing providers, housing provider associations
Thursday, August 28	6 p.m. to 7:30 p.m.	Zoom	Housing providers, renters, and interested stakeholders
Thursday, September 4	6 p.m. to 7:30 p.m.	In-person at the San Leandro Senior Community Center	Tenants and tenant organizations/advocates
Tuesday, September 9	6 p.m. to 7:30 p.m.	In-person at the San Leandro Senior Community Center	Housing providers, renters, interested stakeholders

The City also created a dedicated web page (sanleandro.org/rentprogram) to post information about the rent stabilization ordinance public process to date including presentations at each of the stakeholder and

community meetings and an email address (rentprogram@sanleandro.org) for the public to submit written comments.

Public Comments

During the public comment period, verbal feedback was received at the public meetings as well as written comments via emails to City staff. Baker Tilly reviewed the comments and identified key themes as reflected below. To ensure transparency of the process, comments received during each meeting are in as much detail as note takers were able to capture them and written communications are also provided below.

Stakeholder and Community Meetings Themes

1. **Support of draft rent stabilization ordinance.** The majority of support for the rent stabilization ordinance came from tenants and tenant advocates. While there was general support for the ordinance, speakers also had concerns about the process, pass-through, rent increase cap, potential displacement of residents who can no longer afford the rent, etc.
2. **Opposition to the draft rent stabilization ordinance.** Most opposition to the draft rent stabilization ordinance came from property owners or housing providers. Some of the reasons included the burden of additional and/or duplicative regulations, restrictions, paperwork, processes, etc. However, it should be noted that some of the participants who opposed the ordinance indicated that they owned rental units that will be exempt – single family, duplex in which they live, condos.
3. **Lowering the rent increase cap.** The majority of comments about the proposed 5% rent increase believed it to be too high. Alternatives suggested included a 3% cap, a percent of CPI, or a combination of the two. Comparisons of surrounding jurisdictions with rent stabilization were noted as examples to follow, e.g., annual increases of 70% of regional CPI and a set maximum increase of 3%.
4. **Additional research needed.** Several participants mentioned that this program was being implemented too quickly, and additional research, data collection, and input is needed such as the following:
 - a. Estimating how many rental units will be removed from the market if the ordinance is adopted
 - b. Conducting means testing to ensure benefits of the proposed ordinance
 - c. Conducting a housing rate analysis to determine if the rental market is increasing, decreasing or flat
 - d. Reviewing the need for the proposed policy as state law has protections for renters, the City has means for dispute resolution, and there is a housing crisis
5. **Major concerns raised about the draft Rent Stabilization Ordinance:**
 - a. Displacement of residents leading to more homelessness
 - b. Low-income, disabled and senior people unable to afford the rent increases and pass throughs
 - c. Capital improvement pass-throughs should all be processed through the fair return petition to ensure compliance with the ordinance's intent. Further clarification in the ordinance should specify that deferred maintenance and repairs are exempt from the capital improvement provisions.

- d. Confusion about the difference between the existing Rent Review Ordinance/Rent Review Board and this proposed rent stabilization ordinance. Participants wanted clarification on the two and how they will be intertwined.
- e. There is a need to understand why this is being brought forward for consideration as there are numerous tenant protection laws and regulations already in place.
- f. Having to pay another fee to hire City staff to run a program that is duplicative, burdensome, confusing and may not be needed.
- g. Determining exemptions for seniors, people with disabilities, special needs and those in the special dispensation categories and adding language within the ordinance
- h. Consideration of other property owner liabilities such as the cost of rising insurance premiums, property taxes, homeowners' associations fee increases, the cost of potential litigation, etc.
- i. Impacts of COVID rent protections have some rental units still far under market value

Stakeholder and Community Meetings Comments

For each of the four community meetings, an overview of the draft ordinance was presented by the City's Community Development Director. Then, the meeting was open for participants to ask questions, provide comments, or to voice their concerns. Notes were taken during the meetings to capture the feedback, which are detailed below by meeting and grouped into questions with relevant responses and comments.

August 26, 2025, Housing Provider Stakeholder Meeting (Online)

The August 26 stakeholder meeting was held via Zoom. Invitations for this meeting were sent to housing providers and housing providers associations to ensure a safe and transparent space for feedback. Thirteen people attended the virtual meeting. Table 2 reflects the questions received, and, where appropriate, the response that was provided. Table 3 shows the comments received.

Table 2. August 26 Housing Provider Stakeholder Meeting Questions and Responses

No.	Question and Response
Q1	Has there been any analysis of new residential units this ordinance will create? <i>Response: We will take your question into consideration.</i>
Q2	Can staff include an estimate on how many rental units will be removed if the ordinance is adopted? <i>Response: We will take your question into consideration.</i>
Q3	How much will the program fee be? The community deserves to know how much their rents are going up or at least an estimate.
Q4	What is the urgency to come up with the new policy?
Q5	Why was Alameda selected as a model community?
Q6	What is the status of the Thursday meeting?
Q7	Can an attorney represent you at a pass-through meeting? <i>Response: It is not required, but you can.</i>
Q8	Did you discuss anything on means testing? <i>Response: We are looking into it, but we have not seen this much in other ordinances. It was mentioned at the July 17 meeting; the Human Resources Department is launching a program on tenant assistance for very low-income renters.</i>
Q9	Why make a program that is applied to all renters without a stipulation for very low-income renters? <i>Response: Looking at New York City mayor's race.</i>

No.	Question and Response
Q10	This is something you should consider as means testing. If you can show me a San Leandro program that is offered to everyone regardless of means. Why wouldn't you consider this for private holders of housing?
Q11	The preference would be not to tie anything to the HUD rents. I think this does not make sense it just gets people into more trouble.
Q12	Do you envision means testing done on an annual basis?

Table 3. August 26 Housing Provider Stakeholder Meeting Comments

No.	August 26 Comment
C1	The community and council need to include a poison pill on single-family homes when and if the Costa Hawkins Act is overturned.
C2	There needs to be some analysis of the impact this ordinance would have on the rental housing market.
C3	The redundancy of this policy with state law should be shared with the council.
C4	Share with the council that just because it is in the workplan there may be unintended consequences.
C5	Staff should do an analysis of housing rates to see if they are increasing, decreasing, or have remained flat. Right now, the rental market is solid.
C6	Before you implement a new policy, AB 1482 has been in place for many years as well as the City's rent review program. The City should put an effort to educate housing providers and tenants about the rent review program first.
C7	Budgets are tight for every jurisdiction and any new policy or program has extra costs. This policy will create an extra charge to housing providers and tenants. I would like to see what the pressure for the City to pass this ordinance.
C8	There has not been enough work done to demonstrate this is needed in San Leandro. I do not like anything about this.
C9	The rent review program needs to be dusted off.
C10	The 5% increase supersedes state law.
C11	The rental market is soft right now so coming at the housing provider community is not necessary.
C12	In our experience, the pass-through does not work.
C13	There is no consideration for capital improvement, I do not get this.
C14	If you are looking at highly rent controlled cities, they understand the laws. It is difficult for people to figure out all the layers of laws. I think those with more time/higher education understand the benefits of holding onto units but the lowest income renters sometimes do not understand the benefits.

August 28, 2025, Community Meeting (Online)

The August 28 community meeting was held via Zoom for housing providers, tenants, and any interested stakeholders. Approximately 15 people attended the virtual meeting. The recording of the meeting was transcribed. Table 4 reflects the questions received, and, where appropriate, the response that was provided. Table 5 shows the comments received.

Table 4. August 28 Community Meeting Questions and Responses

No.	August 28 Question and Response
Q1	I think that the ordinance is fine in many respects, but, like a lot of tenants and tenant advocates, I believe the annual rent increase allowed should be tied to CPI. That way, landlords can adjust rents to account for inflation, but tenants can also ensure their income

No.	August 28 Question and Response
	<p>keeps pace with rising operating costs. They need to protect tenants from displacement by ensuring that rent increases are not driving inflation, but are, in fact, just following it. Most of our surrounding jurisdictions have tied their annual rent increases to CPI, and not just CPI, but only a percentage of CPI; I'm sure most people on this call know, from 60-70% for example. Tom mentioned that Alameda's allowed rent is 5%, and I believe that's not true. I think it's 70% of CPI, up to 5%. Hayward is the only surrounding community that allows a 5% increase. 5% is too high, so I strongly reject that 5% draft proposal.</p> <p><i>Response: We gave Council the option to look at Alameda, and they chose, at least as a starting point, 5% cap. But that's just the initial cap.</i></p>
Q2	<p>I own some properties in unincorporated Hayward. Will these ordinances go into effect with any of the unincorporated territories, or just the City of San Leandro itself?</p> <p><i>Response: This would only affect the incorporated City of San Leandro.</i></p>
Q3	<p>The base year is not defined in the ordinance, so I was hoping to get a definition because it is used throughout some of the sections for the fees related to both landlords and tenants.</p> <p><i>Response: The base year would be the year that an ordinance, if adopted, would take effect; it's the year counted as your base rent. In some ordinances, it would go backward a certain amount of time, potentially six months or a year. But we can share that with the City Attorney to verify in the draft ordinance.</i></p>
Q4	<p>I want to know about the officer who was going to be in charge. Is there going to be any type of engagement involving the Rent Review Board for some of these reviews, specifically when the tenant files for a petition?</p> <p><i>Response: As proposed right now, there is no role for the Rent Review Board here, but they're still intact. That is something that we would be interested in through this process and the upcoming Council process, what role people might see for the review board.</i></p>
Q5	<p>I forgot the name on page 28 of the presentation regarding exemptions or lower fees. What is the age of the senior cited in the ordinance? Is that a standard 55? Is that 60? Is it like social security, where it's 62 or 67?</p> <p><i>Response: To your point about exemptions for seniors, we would look at some of the existing housing protection programs we have, because we consider seniors, along with people with disabilities, to be a special need category. I believe it's 62 and older. Sometimes that's a standard of the US Department of Housing and Urban Development.</i></p>
Q6	<p>I'm a long-time housing provider in San Leandro. The past issue you mentioned was the hearing officer would allow attorneys and other representatives – why didn't we give some more thought to not allowing attorneys and other representatives, because it just slows things down and complicates matters. I would like to have some more thought put into that. The hearing officer is allowed to involve remediation when it comes to a decision. Is that decision mandatory, or can it be appealed?</p> <p><i>Response: That's something we'll keep in mind; we don't have our attorney here. At some point, there is an appeal process. We look at the appeal as a judicial action. Then again, remediation is different from arbitration. The goal of remediation is to try to get a mutual settlement. There should be an opportunity to appeal.</i></p>
Q7	<p>What's a rent ordinance? Do I have to pay you to tell me how to run my business?</p> <p><i>Response: This would be a rent stabilization ordinance or rent control ordinance.</i></p>
Q8	<p>I have two people who are paying so far under rate that it's crazy. But I guess now I can only raise their rent 5%?</p> <p><i>Response: We have a rent review program currently. What you are about to get familiar with is a board that tries to come to a mutual decision. But if no decision is made, then the rent increases stand. There is a 7% threshold to get to a hearing, but it's not a binding decision.</i></p>
Q9	<p>I've been raising rents since COVID. Nobody had their rent raised during COVID, and I abided by that. I only have four units now. I started out with eight because it got too</p>

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	<p>expensive to own eight. I'm looking at two new people who have moved in. They're in one-bedrooms with garages, and they pay \$1,700. They're so excited because they couldn't find anything else like it. Those are my new tenants. My other tenants, because of COVID, have been here for 10-11 years, and are paying less than \$1,300. For me to get up to \$1,700, it's going to be about five years. And I'm not going to raise the other people's rent. What about the little mom and pop things. You said something about the "golden" duplex. I have a "golden" triplex. I live in the triplex. I'm so confused.</p> <p><i>Response: Right now, we're in exploration mode. This is not a done deal. This is a public process and today is just a dialogue. We want participants here and people from the public to react to the draft ordinance. My job is to summarize that today.</i></p>
Q10	<p>I have been managing a building of 39 units for 14 years and was here during the eviction moratorium. I'm not sure what department it was, but we had to send out three-day notices for people who couldn't pay the rent, then take the notice and email it to someone in San Leandro. Nothing ever happened. It was just more work for me. This is kind of something similar that seems to be happening. On page 18 of the slides, it said that 25 units or more wouldn't be part of capital improvements, but then on page 20, you stated that it's fair market value. So I was unsure. Would we be able to do capital improvements or not? The owner I work with – we invested a lot of money into the building over the years. We only do 4% and sometimes zero rent increases, and that's something she likes to do. We don't do high rent increases because we want to keep our tenants here. I know we have a rent review board, and we send out the form with our rent increases. We also do the recycling form you guys require for renewals and move-outs. Could this rent increase be added to the rent review form, and if it does get a higher rent, could they notify you? Do we know if these 7,600 buildings or duplexes or triplexes that equates to? It just sounds like a lot of work you guys are requiring for 60% of the residents of San Leandro owners, not renters. It seems like a lot of work to do all that. If this is something that could be passed on to the rent review rather than charging another fee and more paperwork. Who are the people who are charging or not following the rules that we have to put all this in place for?</p> <p><i>Response: Because you're managing a 39-unit complex, for capital improvement costs, you would follow what's in the fair return process. Because it's a bigger building and more involved complex, you would use that process instead. That's what we're proposing for now. Under the state law mentioned, Costa Hawkins Act from 1995, condos and town homes that are rented out, single-family homes and any rental unit built after February 1995, are exempted from any kind of rent stabilization ordinance.</i></p>

Table 5. August 28 Community Meeting Comments

No.	August 28 Comment
C1	<p>We have been a mom-and-pop landlords for many years in San Leandro. I wasn't aware that there was a new registration ordinance. We have very good tenants; we have stable tenants. We do not raise rents exorbitantly. I found out today that there's another ordinance that's going to require us to register our rental units, and I'm a little confused about that and how that dovetails in. We already pay for business licenses within the City of San Leandro. Now we're going to have to pay for this other ordinance to pay a registration fee to be part of that process. Now we're going to have to pay fees to hire staff with the City to manage this. We are not a big conglomerate; we don't own huge apartment buildings. We used to have a couple of single-family homes and a duplex, but we sold those. We now just own a duplex. We are very fair to our tenants. But you guys are really squeezing the mom-and-pop landlords who are not taking advantage of their tenants and are not exorbitantly raising rents. You guys are really tying our hands, and now we're going to have to absorb more fees and the cost of doing business and owning property in the City of San Leandro. I do not</p>

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	understand why we have to make these ordinances so strict. I understand there are corporate landlords who take advantage of tenants. I get that. I'm all for protecting the tenants. But I also need to have my investment towards my retirement be profitable. Or it doesn't pay me to do it. If I have to sell it, then the tenants would possibly not want a new landlord and would be displaced. I think we need to really look at the fees and what it's going to cost to staff this ordinance; for lack of a better word, police it, to be the investigator, the judge, or whoever is handling the hearings. I think we need to revisit what the cost of this is going to be implemented and to manage.
C2	I'm a renter. I want to thank you for all the work you're putting into this. I just did some numbers. Minimum wage in San Leandro is \$16.50/hour, so if you work 40 hours, your monthly income is about \$2,640. Then I looked at the percentages. California, I believe, has a 10% limit right now on rent increases, so for \$2,000, I believe, over five years, your rent would pretty much double. It goes up a lot. I had \$5,414. 5% is \$3,221, 3% is \$2,662. So these increases are really very high. In five years, it will be very high in rent. I think with minimum wage, people are really having a hard time affording the rent. I really believe in this rent ordinance. We should keep it low, either CPI or 3%. But again, as a renter, I feel that a lot of people cannot afford the rent anymore. I hear that rent evictions are up because people can't pay their rent. It's not good for San Leandro. San Leandro has been a very nice place to live. People are feeling really squeezed, and they are leaving; they just can't afford to live here anymore.
C3	We have a six-figure electricity project that we're doing to comply with insurance, so we're spending the money here, but we don't necessarily want to pass it through to our tenants. But if we have to start paying more fees and city fees, that's something that we may have to start considering.
C4	I just want to say that owners do not want to see residents displaced. They are committed to maintaining stable, well-cared-for communities that everyone can be proud of. So I want to encourage the City to carefully consider all available options before expanding regulations that may have unintended consequences. It's important to recognize that when cities enact their first ordinance, history shows that additional revisions often follow. More likely, more restrictive ordinances. We're starting to see that happen in mobile home ordinances. They're looking to revisit that. That means that what's being introduced tonight is unlikely to be the final step, and the owner should be mindful of those changes that could follow. I've heard that some people think ordinances are tied to CPI. While that sounds simple, it overlooks the reality of property management - Insurance premiums, plumbing repairs, etc. I just heard someone talk about having to get their electrical system upgraded because of an insurance requirement, and other core maintenance costs have risen far faster than CPI. In order to maintain safe, modern and attractive communities, owners must be able to keep up with real-world expenses. I also want to highlight that the City already has a rent review board in place, which provides oversight at no cost to the City. The proposed ordinance, however, imposes additional taxes on both owners and tenants, without justification or documentation that such an expansion is necessary. I respectfully urge the City to explore alternatives that balance stability for residents with the ability for owners to responsibly invest back into their property so that these communities can be well-maintained well into the future.
C5	You've done a lot of work trying to incorporate a lot of disparate views into a proposed ordinance, and you've done it with skill and discretion. Thank you. I own one rental unit. For the past 50 years, I've been a tenant advocate and advocated for strong rent stabilization and just cause ordinances. At the same time, I'm a small, small landlord. My unit is actually protected from all of this because it's Costa Hawkins. But I find that it works for me financially to not raise the rents because I appreciate them, their stability, their kindness, their respect for me. And I don't raise rents because, in fact, the way economics works, the economics of

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	<p>real estate the economics of real property, especially in the San Francisco Bay area and in California, I get rent increases every single day, even when I'm sleeping.</p> <p>What do I mean by that? The equity in my property goes up every single day. It goes up by 4-10% a year. 10% is a lot. We've seen that. That's not the average, but I get rent increases in the increase in the equity value of my property every single day and every single year, as an owner. Unfortunately, the tenants don't get that same kind of increase in their salaries. We don't raise the minimum wage as much as we want. And rent being the single biggest item of any family's budget, people are strained. We know that housing in Northern California and East Bay is very, very expensive. And the strain that is put on families, including down to the children, how the children can feel the stress that is put on the parents who are working two jobs, and are not even there for them because of the stress of paying the rent, that is put on the entire family. And the public health crisis is placed on the entire community.</p> <p>The entire community feels the burden of the public health crisis, the housing prices, the housing shortage and the unaffordable housing and rent burden that families feel. That crisis is something that affects all of us. We don't have the extra money to go to the local coffee shop. We get alienated if we are forced to move from our health care, and the children's schooling is disrupted. So I'm in favor of keeping rents stable, predictable and affordable, so tenants can plan for the future, can plan to be where they are, to invest in their communities, to know that they can develop relationships with their neighbors, with their communities, and so they are not stressed to put a burden on the health care facilities of the entire community. I believe it is good public policy to have stable and affordable rents, and for the community at large, and for the town that doesn't have enough affordable housing.</p> <p>Stable rents, over time, create a stock of affordable housing that doesn't cost the town a dime or a penny to create. It creates a stock of predictable, affordable housing. I believe it's in the entire community's interest, in my part of the community, in which I am a housing provider and an educator and a lawyer and everyone else's part of the community. Whether you're a provider or a consumer of the housing stock. It's in everyone's interest to have stable and affordable rents, and that's why I'm in favor of a good, strong rent stabilization ordinance for the City of San Leandro.</p>
C6	<p>I am a board member of BAHN (Business and Housing Network). We have many conversations with the City of San Leandro, and many members participate in council meetings when the City is discussing policies about housing. All of our members are mom-and-pop housing providers, and many of them mentioned they had hardships, especially during COVID. I had one tenant who hadn't paid for several years, and we had a very negative profit for the property. We do have many policies already. We talk about the law, this policy and that policy for mom-and-pop housing providers. Sometimes it's very hard for them to follow so many housing policies and laws.</p> <p>We really don't want San Leandro to be like San Francisco, even if they have very strict rental control. The rent is high. Why? It is our understanding that stricter rental control, higher rent and less housing. But no matter what, we are immigrants from another country. We believe the U.S. is a good economy because of the market methodology. If we control the market and we are pushing the control, the market will be destroyed. We believe in the people. I mean, mom-and-pop housing providers of Japanese small business owners. We need to give them some kind of freedom to do their business.</p> <p>For sure, we want people to keep the rent affordable for our tenants. We work with them and help them to survive, even during COVID some tenants as well and even waive some rents. However, that's our opportunity, our kindness, and our wish to work with them. But different housing providers, different owners, it's a different situation. Why do we give them one rule to control rent increases? Sometimes, it will create a disaster. And yes, some housing providers don't need to increase rent because they purchased the house many years ago for a lot of reasons. Everybody knows that they pay very low property tax, but how about the new</p>

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	owners who purchased the house very recently? If they keep the rent too low, they will lose money every month. So how can we encourage the housing providers and business owners to do business? Again, I have to ask the City of San Leandro to think about the situation and have very reasonable housing policies.
C7	I also want to express my concern about the rent ordinance in San Leandro. Like most of the people, the landlords in the City, I'm a small landlord and I own two condo units. Somebody mentioned that they don't need to increase the rent for many years. I think every individual is different. For the condo unit I own, the association fee is increased every year, sometimes 20%. And we have a big assessment coming in, \$32,000 per unit, because there is some water damage to the building. So that is a big burden to a small business owner like myself. I increase the rent very infrequently for my tenant at a minimum, like 2 to 3%, every three to five years. I have a very good tenant, who stays for a long time. The reason I bought the unit is for my retirement to supplement my retirement. We are not like the corporate landlord that builds up its own multiple units. This is a small business owner. So, I want the city official to reconsider the exercise of government power, considering restricting the people who have expressed their concerns. San Francisco and Oakland have very strict rental control, and yet their rent is much higher than San Leandro's. Why? That means their policy is not working. Why would the City of San Leandro want to follow that policy that is not working?
C8	I support rent stabilization policies and traditional rent control. An issue that is not talked about often is that in the U.S., there are 16 million vacant homes, and at any given moment, that turns into 28 empty homes for every unhoused person. Some research I've been doing leads me back to ownership by Wall Street firms that are buying huge tracts of homes, especially after 2008, and oftentimes, they sit on those properties. So they purposely don't put them in the rental market, which ends up manipulating the market, and that affects both home buyers and renters. This is something I don't often see discussed or covered in the media, but I do think it's a big issue. I encourage cities and municipalities to look into it. For example, in any given jurisdiction/municipality, how many homes are sitting vacant? How many homes are owned by Wall Street firms, LLCs, and, often, anonymous LLCs? They are buying huge tracts of homes. And there is the issue of corporate owners who buy properties and then nobody can get ahold of them. You can't reach them by phone, and there's nobody to return a call.
C9	I am the president of BAHN (Business and Housing Network). Some of my colleagues have been voicing their concerns. We represent a lot of the mom-and-pop owners, mainly in the Bay Area and throughout California. We are immigrants and have a lot of seniors who depend on their small properties to subsidize their mortgage. I am an immigrant, and we came here, and we were very appreciative to be able to rent a place without any credit or bank account at the time because of the small landlord. At the time, there was no rent control. With rent control, we hear a lot about members leaving the rental market. They don't want to rent out anymore because they are afraid that these ordinances are basically creating traps, especially more people who have language problems or barriers. They don't understand that if they misstep sometimes, they will get into a problem with the law. You guys are proposing some kind of fine and jail time for these very hard-working people. They put in their biggest investment and all of their life savings to provide housing. And then they are getting into a problem with the law. This is unreasonable. These are all traps to remove people from having the opportunity to climb up into the middle class. Eventually, like San Francisco, I see that if I look into the census data, I look at the difference between the number of units available, the total number of units in San Francisco and the total number of units occupied. There are 60,000 that are unused. They are increasing every time, every year. Because more and more people are realizing they cannot get into a

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	<p>problem with the law and litigation. These are very easy traps, like the rent scammers who take advantage of. And that's what's going on.</p> <p>It used to be that people could voluntarily move out, but now they are gouging the owners before moving out. They intentionally make problems because the law is on their side. It is very unfair. So, if breaking up and dividing our communities that used to be, like now, San Leandro is very nice neighbors between owner and tenant, they are just neighbors. Owners are basically just renting from the bank. We have to pay the mortgage and that's our little property. Double insurance - the law is very risky for insurance companies, even the insurance companies cannot sustain the litigation risk, they are leaving California, or doubling the premium. On top of all these other requirements, such as changing the electrical system, plumbing systems.</p> <p>These are hundreds of thousands of dollars if you look at it. Very few people can make a positive cash flow nowadays. You think people who have owned it for a long time would have it easy. It's not because when they got the place, they were making \$2 an hour. That's what we did. But now we retire. You cannot expect us to keep up with the cost. We're just scraping by to keep the place. Don't think that one party is richer than the other. A lot of times, it's a financial decision to own or not own. We are still owing the bank. It's not fair to create these laws that divide us, so we do not need it. The state laws already are very stringent, and people are leaving the rental market. Please do not implement these. We have enough regulation already.</p>
C10	<p>[Translated from Cantonese] We wanted a better life for retirement, but there are more and more regulations. However, when she first started renting out properties, even though her income was very low, she somehow saved money to buy a small house or to keep the tenants to hold onto them. Unfortunately, during the pandemic, the tenants stopped paying rent. They owed her rent for four years. Then the eviction regulation was delayed for a year, and the issue was left unaddressed the entire time. Now, she had been able to collect a new rental. And what's worse, the lawyer appointed to help fight the government has already written off the back rents owed. And she was forced to sign those unreasonable documents. There is a lot of regulation, and she can see that the rent stabilization ordinance is really strict, and San Francisco is a case in point. Landlords have grown afraid of tenants, especially those who don't speak English. Communication with them is extremely difficult. It has become all too easy to receive, so now a lot of landlords are afraid to rent out their properties. Take San Francisco again, has this strict measure really succeeded? They are already too stringent so why does the government keep adding more? Landlords cannot even collect rent anymore, and it is essentially oppressive to small property owners. Tenants who do not pay rent, and they take advantage of landlords who don't speak English.</p>
C11	<p>I do not support the rent control ordinance, especially since I also own property in Hayward, and property insurance has been nearly tripling. We also have the relocation assistance ordinance. A lot of us acquired properties in 2021, and our loans are maturing, and we are going to be underwater. I just want what's fair for us property owners, and I believe some of these ordinances will create a domino effect, and this will not be the last ordinance. In what situation would it be fair for us not to be able to increase the rents? We have built our lives for retirement. This is how we feed ourselves, how we feed our families. 5% + CPI is more than fair enough.</p>
C12	<p>I usually rent a room to a student. Before AB1482 I rented more than two rooms out. So now with AB1482, I can't do that. That scared me off. So, for me, I think, just let the people know this is the situation dealing with the business. A lot of people don't know how the business controls you, and then you make a policy, these people abuse it, so who wants to do that? That's why I'm afraid to rent it out. Because we don't want to tear down our house. We don't want to live our lives short. That's the point. We see the good tenants, we always want to</p>

No.	August 28 Comment
	keep them. We don't want to raise the price unreasonably. Just a rent increase for inflation, but we try to keep those people. We should have our property rights. Let us manage our own property.
C13	I am against the rent control expansion, the restrictive rent control. The rent basically right now is protected by AB1482. I think that is sufficient. I think the rent should be controlled by the market. If we want to increase the rent for some ridiculous amount, that's not doable. If we have a good tenant, we don't want to increase the rent randomly to let them go. The market is the best way to do that. Everything is about inflation; everything is going up so much, like insurance costs. My own insurance cost is 40% more this year. I don't favor the restrictive rent control.
C14	My first thought was, there really needs to be something more. I'm not a corporation. I've just got a few little units. I have the best long-term tenants, and I'm not going to raise their rent. I don't know how you decide what that is. Is it two units? Is it four units? Something that is reasonable, so we feel that we're not put under the ABC Corporation that has homes in San Francisco, Oakland, San Leandro and Poughkeepsie. I think we need something more fixed for us.

September 4, 2025, Tenant Stakeholder Meeting

The September 4 stakeholder meeting was held at the San Leandro Senior Community Center from 6 p.m. to 7:30 p.m. for tenants and tenant organizations/advocates. 15 people attended the in-person meeting. Table 6 reflects the questions received and Table 7 reflects the comments made about the draft rent stabilization ordinance. The notes taken during the meeting did not include the responses to the questions. Baker Tilly was unable to attend this meeting, but City Community Development Director and Housing staff facilitated the meeting.

Table 6. September 4 Tenant Stakeholder Meeting Questions

No.	September 4 Questions
Q1	Are bank loans accounted for in fair return petitions?
Q2	Are landlords required to pay business licenses and intersection with the rent registry program?
Q3	What is the definition of fair return and the level of improvement expected with a fair return?
Q4	Does the capital improvement pass-through petition include accounting of improvements that go into the property?
Q5	There was a question about clarifying the proposed rent cap in the draft ordinance due to concern that the allowable rent increases could be greater than inflation.
Q6	What is the differentiation between routine maintenance and capital improvements?
Q7	How does the rent registry fee relate to the rent stabilization ordinance program fee?

Table 7. September 4 Tenant Stakeholder Meeting Comments

No.	September 4 Comments
C1	There is concern that a lack of participation from tenants in the community outreach process due to fear of retaliation from landlords.
C2	Concerned with the fact that many tenants in the Marina neighborhood conduct their own improvements while paying market rents.
C3	Concerned with unaffordable market rents and landlord profits from market rent while providing minimal level of improvements. Concerned about the draft RSO's proposed City fee and the financial impact on minimum wage workers and people with fixed incomes.
C4	The rate of landlord expenses that can be passed through should not exceed that of a homeowner's expenses.

No.	September 4 Comments
C5	Support for a rent cap that is either 3% or tied to CPI.
C6	Concerned with the ability of residents on fixed incomes to afford rising rents and the increasing presence of private equity landlords in San Leandro.
C7	Concerned with pass-through of these fees and the affordability impact for many residents.
C8	Concern with landlords not performing repairs and basic maintenance despite charging high market rents.
C9	Concerned with the draft RSO's proposed capital improvement pass-through and financial impact on tenants, particularly the allocation methodology for smaller buildings.
C10	Concern about the capital improvement pass through, particularly its impact on seniors and people on fixed incomes. Concerned that a rent cap of 5% would be too high and add to many renters' existing cost burdens.
C11	Concern with 5% rent cap in the draft ordinance.
C13	Equity a landlord accrues with property value rise and tax benefits should be factored in the fair return petition process of the ordinance.
C14	The ordinance should have a fee waiver provision for vulnerable populations (both landlords and tenants), and the entire ordinance should include accommodations and waivers to accommodate the most vulnerable.
C15	Support for the rent cap should be a percent of CPI and no higher than 3%.
C16	Concerned about homelessness, displacement, and housing shortages.
C17	Concerned about rent stabilization exclusions for tenants in mixed use and commercial buildings and the impact of rising commercial and industrial rents on small businesses.
C18	[Translated from Cantonese] Tenants should have opportunities to build equity.
C19	Concern with fair return process in draft ordinance and accounting for equity and appreciation of property values. The City should conduct an analysis of property purchase dates, and the amount of equity held in the properties.
C20	Support of other comments about lowering the proposed rent cap in the ordinance.
C21	Support of tenant opportunity to purchase policies and vacancy control. Concerned about senior housing security.
C22	Concern about fair return process in the draft ordinance and veracity of landlord financial records.
C23	Concern about lack of attendance of City Council members and consultants at the meeting.

September 9, 2025, Community Meeting

The September 9 community meeting was held at the San Leandro Senior Community Center from 6 p.m. to 7:30 p.m. for housing providers, renters, and interested stakeholders. 49 people attended the in-person meeting. Table 8 reflects the questions received and Table 9 reflects the comments made about the draft rent stabilization ordinance. The notes taken during the meeting did not include the responses to the questions.

Table 8. September 9 Community Meeting Questions

No.	September 9 Questions
Q1	What community conditions prompted the proposal of the rent stabilization ordinance?
Q2	Will the emails and questions to the rent program inbox receive a reply?
Q3	Questions about the proposed program fee, and the rent stabilization timeline and process.
Q4	Question about vacancy decontrol provisions and the rent stabilization ordinance adoption process.
Q5	[Translated from Cantonese] What is the noticing requirements landlords have to follow for rent increases if the ordinance is adopted?

Table 9. September 9 Community Meeting Comments

No.	September 9 Comments
C1	Concerned with property values and neglected maintenance.
C2	Concerned with escalating mobile home space rents and Mobile Home Rent Stabilization Ordinance (MHRSO) exemptions for long-term leases and park owners' lack of park maintenance and improvements.
C3	Support of a 5% plus CPI rent cap.
C4	Concerned with escalating insurance and tax increases for property owner and landlords as well as the proposed program fee.
C6	Concerned with homelessness and lack of participation by tenants due to fear of retaliation.
C7	Fair return methodology in draft ordinance should account for property appreciation.
C8	Concerned with time involved with proposed fair return petition process, negative cash flow for many property owners, and impact on mom-and-pop landlords.
C9	Concerned with homelessness and senior displacement.
C10	Support for lobbying the Housing Authority of Alameda County to make Section 8 vouchers available for mobile home space rent. Concerned with escalating mobile home space rents as well as the displacement of seniors and disabled people.
C11	Concerned with escalating rents for people on fixed incomes.
C12	Support for aligning the MHRSO Mobile Home Rent Stabilization Ordinance with the proposed rent stabilization ordinance.
C13	Concerned with costs associated with a ballot measure.
C14	Opposed to Rent Review Board acting as the rent stabilization hearing officer.
C15	Concerned with homelessness.
C16	Opposed to complaints made by other speakers.
C17	Concerned with negative cash flow and financial impacts for property owners.
C18	Concerned about escalating mobile home space rents.
C19	Supports a 3% rent cap instead of a 5% rent cap.
C20	Concerned with homelessness and escalating rents, especially for retired people on fixed incomes.
C21	Supports lowering rent cap from 5%.
C22	Opposed to capital improvement pass throughs.
C23	Concerned with the lack of affordable housing and environmental impacts of long commutes.
C24	Concerned with homelessness and escalating housing costs.
C25	Housing website should have frequently asked questions that addresses the methodology for the capital improvement pass through rate as well as the potential economic, displacement, City budget, and housing stock impacts of the draft ordinance.
C26	Concerned with the draft ordinance listing jail time as a potential penalty for non-compliance.
C27	Mobile home spaces should not be exempted from the ordinance. Space rents are escalating at Trailer Haven.

Written Comments

The below nineteen unabridged written comments about the rent stabilization program were received between August 12 and September 17, 2025.

1. **Received August 12, 2025:** The term “punitive damages” in the remedies section always raises red flags in context of legal challenges. It is vital that the term be changed to “treble damages” which has withstood judicial scrutiny. Another basic concept that needs incorporated is that “capital improvements” pass throughs are not rent and must not remain as rent increases after the improvements are paid for. It must drop off as a monthly fee after the amortization period ends and the “capital improvement” is paid for.

2. **Received August 23, 2025:** I am writing regarding the proposed rent stabilization policy currently under consideration in San Leandro. Please close loopholes and abuses that prevent housing from reaching those who need it most.

In New York, Assemblymember Zohran Mamdani—who earns in the 90th income percentile—has come under intense scrutiny for occupying a rent-stabilized apartment meant to protect working-class tenants. Former Governor Andrew Cuomo recently proposed “Zohran’s Law” to close these loopholes, ensuring that rent-stabilized units go to households who actually need them.

The lesson for San Leandro is clear: if we are going to move forward with rent stabilization, we must design it to prioritize struggling families, not allow well-paid professionals to take units that could house homeless mothers and children.

A strong local policy should include:

- Income Eligibility Screening – Rent-stabilized units should go first to low- and moderate-income households, not high earners.
- Transparency and Verification – Require clear tenant income disclosures, with periodic re-certification.
- Targeted Support – Ensure that families at risk of displacement or homelessness are prioritized for stabilized housing.
- Accountability Measures – Prevent abuse and misrepresentation

San Leandro is facing its own affordability challenges. If we create a policy without these protections, we risk repeating New York’s mistakes—where rent stabilization benefits the well-connected rather than the vulnerable.

I urge you to consider incorporating safeguards modeled on “Zohran’s Law” into San Leandro’s local rent stabilization framework. Let’s ensure that these policies fulfill their true purpose: keeping housing within reach for the families who need it most. Thank you for your leadership and attention to this critical matter.

3. **Received August 24:** I oppose rent control in San Leandro. The draft rent ordinance is unnecessary policy. San Leandro already falls under state rent limits (AB 1482) and has a mediation program to address rental disputes. Existing state law already limits rent increases, and the city has tools in place to resolve disputes. This ordinance is unnecessary, burdensome, and harmful to rental housing providers. Increasing City rent control would be disastrous for the city’s housing crisis. Adding another layer of regulation will only make providing rental housing more difficult and discourage investment in our community.

Rent control has never and never will increase needed housing stock. Already the available city housing stock is drying up. This can be ascertained by the available properties listed in Zillow, MLS, through local property management companies and listings by owners online. Prior to city rent control there were considerable more available properties for rent. Rent control has curtailed available properties for several reasons. Family and owner occupancy, property sales to incoming owner occupants, properties simply going off market due to owner fears of life-long tenancies and horrible relocation fees that burden small property and senior owners with limited savings.

The city proposal to limit rent, squeeze owner revenue to maintain their properties or even freeze the rent on rent-stabilized housing, would severely decimate the local and east bay area housing stock that is already under the stress due to area wide rent control policies.

So if the city is attempting to achieve affordability, what it is actually going to achieve is owner insolvency, decreasing rental inventory and lowering tax revenue to the city. The same people local rent control seeks to help will actually burden them with fewer choices.

Bay area rent control is an antiquated solution to the housing problem in the first place which was perpetuated by local governments trying to put a band-aid on their near sidedness of not approving large scale multi-housing development in the 1970's going forward. The right approach would have been and continues today to be the approach of increasing housing construction rather than it being stifled. Providing property owner and developer incentives to increase housing development is where the conversation should begin.

Government controls most of the costs that goes into housing, the largest of which is property taxes, develop fees, and when it comes to rent-stabilized housing, the government caps the revenues on this housing. So if we were to solve this affordability crisis, we have to begin by decreasing the cost to operating housing. First step is property tax. Next will be insurance, then we can talk labor, fuel, water, utilities, development fees. There's a host of costs that the government has impact on, and we have to have these conversations as opposed to just capping rents.

It's painfully obvious owners of all sizes, from small family properties to large, many of which have operated for decades, and organized locally and statewide apartment owner associations and advocated for fair owner treatments that help both owners and tenants. We can agree the current situation is the "worst crisis" since the 1970s. Our metropolitan population growth since the 1970's has outpaced housing construction. This trend will continue unless cities decide to actually take a direct approach, rather than a roundabout approach, and deal with urban economics.

So when you have a city council who advocates coming in and whose number one policy position is to limit and freeze the rent, the very revenue that makes this housing run while all other expenses continue to increase at extremely high levels, even higher than inflation, and we are headed for a cliff that we may not be able to get back off of, and when you talk about San Leandro City's housing problem as a whole, not just around stabilized housing, but it has public housing and all other housing involved, I mean, this is a catastrophe waiting to happen. The "irony" of the city council's proposal is that low-income and working-class voters, who council members have championed on a campaign issue, will actually be hurt by your housing policies. Further infuriating renters.

Unfortunately this crisis is felt acutely in some of the lower-income neighborhoods, particularly communities of color and while they would absolutely benefit from a potential relief on increase in bills, we can talk about that relief through targeted programs from the government.

But when you blanket it, you actually subject these individuals and these families to subpar housing and potentially the collapse of their building. So this is one of those short-term band-aids that end up into a really, really long-term wound.

The city council needs to understand housing is one of the top issues facing not just our metropolitan area and city, but the answer isn't "simply giving out slogans" but rather "addressing affordability and addressing costs head on" which sometimes involves "really tough conversations.

San Leandro's funding comes from a good share of both property taxes and business taxes and the city administration will have a difficult time achieving future "big ticket proposals" with a housing plan that will "decimate and destroy" the very housing that supports that funding.

It's not too late, but prior to jumping on increasing the ordinance of "rent control", the city council should appoint a representative commission made up of housing developers, small-medium-large residential owners, real estate professionals, public/tenant housing professionals, construction lenders to discuss long-term solutions beneficial to tenants, property owners and the city.

4. **Received August 29, 2025:** I am writing to you in support of LOWER percentage rent increases in the rent stabilization ordinance. The rental market privileges only those who can afford to pay. All arguments that rent is a small business are false. I want to clarify for you that rent is not capitalism, it is feudalism. Rent is not a production system, instead it is a private tax. Increasingly, governments have legalized a rent-based economy as a result of private utilities. Worst of all it stops tenants from accumulating wealth. This situation keeps tenants eternally poor, and never able to retire or own a house. Hence, the whole community is poorer.

The federal government has made cuts to Medicaid, Medicare, food stamps, increased energy utility costs, and caused a trade war using tariffs. The consequence of these policies is inflation that is overburdening family budgets. This brutal barbarism will lead to more unhoused people living on the streets of our community. Lowering housing costs will help to keep people housed and survive this crisis. In addition, there is no significant protection from the State of California for tenants because state politicians have chosen to do absolutely nothing about these issues. In my experience, I was a tenant in California during college and was completely unprotected from my predatory landlord.

My parents are landlords in the City of Oakland who comply with rent stabilization and the rental registry. Please make these services user friendly for landlords. Good-faith, elderly landlords can easily encounter technology problems, and require support and flexibility from the City of San Leandro, especially from a telephone line or in-person service.

5. **Received August 30:** I wanted to request that you reject further new rent control measures. There are already existing protections for renters under AB1482 and in mediation programs. Please utilize these existing measures rather than creating more complications and more bureaucratic hurdles for small family housing providers. Housing providers that do wrong should be held accountable but making things harder for everyone is unfair and unnecessary. I appreciate you being careful and measured in your choices to protect both renters and providers.
6. **Received August 30, 2025:** I wanted to request that you reject further rent control measures. There are already protections for renters under AB1482 and in your mediation programs. Please utilize existing measures rather than creating more complications and more bureaucratic hurdles for small family housing providers.
7. **Received August 30, 2025:** Relaying our experience with rent control and fair return calculations and capital improvement pass through. Unless you have a novel approach, this ALWAYS works to the housing provider's detriment. Over and over again, we have been denied either of these options during the evaluation process for one or more of the following reasons: 1) The evaluator is sympathetic to the resident; 2) Professional tenant's advocates often intervene and sway the decision; 3) The evaluator is not conversant on the details of the law or what a capital improvement actually is; 4) IN many jurisdictions, the housing provider must pay a fee for the evaluation, while rebuttal by tenants is free and furthermore, they can bring their own separate actions at no costs to them; and 5) The result, in nearly 100% of these actions, the result has been unfavorable to the housing provider. Again, unless your proposed ordinance differs from Oakland, Berkeley or Alameda, then it is useless for housing providers to even attempt to recoup their losses.
8. **Received September 2, 2025:** Members of the Housing Platform of The Big Tent San Leandro (BTSL) provided comments and redline edits of the rent stabilization ordinance, which is included as Attachment B.
9. **Received September 4, 2025:** I have been a renter in San Leandro for 45 years. I urge you to approve the rent control ordinance because it is good public policy. We need to have housing that provides people with the ability to build neighborhoods that are safe and vibrant. Rent control creates stable neighborhoods and communities. Cities who have rent control are more desirable

destinations. Rent control helps the local economy by bringing in and maintaining long term businesses, which in turn give a city a more stable tax base to provide for the city's needs. The people in government who do this will be reelected again and again because they provide good governance for the citizens who voted them into office.

10. **Received September 15, 2025:** My concerns for more housing regulations/rent control policy in SL are following:

- a. The rent level is very soft for last couple of years, not only in SL but also for entire Alameda county, Southbay is the only bright spot, SF bounces back from the low, but overall rental market is very soft, and we maintain rent flat line for last couple of years and need to give incentives to retain tenants, while the expenses all gone up like crazy due to labor and material inflation, the costs for utility shot up, insurance charge have spiked up 50-100% in last few years since Covid, there is NO urgent need to call for additional housing policy which might put doubts or concerns to developer's minds which lead to delay/prevent them building more supply in Alameda/San Leandro.
- b. Right now the budget is tight for all jurisdictions, no exceptions for San Leandro. So let us dedicate our limited resources to those areas which have the most urgent needs. Before enacting any new policy, the city should analyze real data to justify such policy, what is behind the driving force for additional rental policy at this point in time?
- c. Existing rent review/mediation program at SL have been proven effective prior to Covid, and recent data showing that it has been largely ignored with very little requests for mediation, that is another indication that right now rent is not spiraling out of control and tenants are mostly content and not facing huge hike in rent. Why not put in more effort in educating housing providers and tenants about the availability of such channels in case they are not happy with rent increases? City doesn't need to come out with extra budget/manpower to enforce this existing program.
- d. Lastly, on the same token, State law AB1482 already passed in 2019 provided plenty of tenant protection and rent hike Cap, adding more regulations will NOT lead to ONE single unit of more housing unit being added, but have high chance of reducing existing housing stock, with mom and pop LLs exit rental markets as in Oakland, Berkeley and SF. A couple of owner friends in San Leandro told us similar things, one of them took back the lease to rent to own relative, another plans to exit soon. Such negative unforeseen consequences can hurt the people (tenants) that SL City Council is trying to protect, so a thorough study and analysis of ALL potential consequences is needed/strongly recommended before putting up more rental restriction policy. Thank you for listening

11. **Received September 16, 2025:** I am writing to express my opinion as a 27 year resident of San Leandro.

Firstly, I am disappointed in your using the phrase "the City conducted an extensive community outreach process to hear from residents, renters, and landlords" None of my friends and associates here in San Leandro have heard of this initiative. None. I only found out about it via happenstance through a friend my wife made at her yoga sessions who happened to be an activist for rent controls. However much you (we) paid the consultant agency for that outreach was way too much. One day, in my dreams, I would like to see myself approaching the City for some sort of audit of money spent on consulting agencies vs actual value of that consultant work. The meeting I went to was quite obviously a "check the box" meeting.

Secondly, I would like to express my opinion that a flat 5% cap on annual rent increases is apparently close to inconsequential to landlords, based on the input I was present for at the last public meeting. Every landlord there swore they have never raised their rent. Granted, I don't believe that for a minute. But taking their words for it, a 5% cap would seemingly be irrelevant.

The only argument with any merit at all, which no landlord actually made, is in regards to a carryover. I am surprised they haven't demanded that. By not raising rent at all over the course of 10 years (example only) perhaps it could be argued that after 10 years they should be allowed to

raise rent by more than that 5% (or whatever cap is established). However, that argument is mooted by the provisions in the proposed ordinance that allows landlords to present their case as to why they should be allowed a larger increase to account for "market value increases" or "necessary maintenance", etc.

A proposed cap of 65% to 70% of CPI with a maximum of 3% is more reasonable. The landlords have already built in a generous margin for themselves so simply capping future rent increases at the rate of the increase in living expenses seems quite reasonable. It would allow landlords to maintain their existing margins, at worst. I don't believe any of the landlord arguments that if their annual increase was capped via rent control they would be forced to stop maintaining their properties in order to remain solvent. The landlords who would not maintain their properties after rent control are the same ones who were not maintaining it prior to rent control ("slum lords"?).

12. **Received September 16, 2025:** The written response is included as Attachment C.
13. **Received September 17, 2025:** Thank you for the opportunity to share our perspective on the proposed Rent Stabilization Ordinance.

On behalf of the Bay East Association of REALTORS®, I am writing to express our strong opposition to the proposed ordinance. While we share the City's goal of maintaining housing stability for San Leandro residents, the evidence from academic research and recent policy experience demonstrates that ordinances of this type have unintended consequences that will ultimately harm San Leandro tenants and the City of San Leandro.

Research on San Francisco's 1994 rent control expansion found that affected buildings were 8% more likely to convert to condos or other ownership housing, leading to a 15% decline in renters in those buildings and a 25% reduction in the supply of rental units. Over time, this contributed to higher citywide rents and reduced housing options for tenants (Diamond, McQuade & Qian, American Economic Review, 2019). These findings confirm that rent stabilization ordinances can accelerate tenant displacement rather than prevent it.

San Leandro's draft ordinance allows limited pass-through of capital improvement costs. Evidence shows that small property owners operate on thin margins and face tighter financing constraints, making them especially sensitive to restrictions on recovering major maintenance costs (Turner Center, 2024 National Survey of Small Multifamily Owners). When constrained, owners often defer maintenance or exit the rental market entirely, reducing the rental housing supply.

San Leandro is already required under its Housing Element to plan for 3,855 new units under the current RHNA cycle (2023–2031). Strict rent caps discourage the financing and construction of new rental housing. After the City of St. Paul, MN adopted a 3% rent cap in 2021, the city saw an approximately 80% decline in multifamily construction permits until the policy was revised to exempt new housing (CBRE analysis, HUD permit data, 2022–2024). This chilling effect threatens San Leandro's ability to meet its RHNA obligations, exposes the City of San Leandro to potential litigation by housing production advocates and meet the needs of current and future tenants.

Construction of new rental housing generates local employment in the building trades. By discouraging new projects, rent stabilization risks reducing these job opportunities. In addition, building permit revenues are tied to construction activity; a slowdown in new development and major rehabilitation projects could further reduce the City's general fund resources.

Implementing and enforcing the ordinance will require staff and financial resources. San Leandro has already budgeted \$650,000 annually just to operate a rental registry program (FY 2025–2027 Budget, File #25-092). Expanding to rent stabilization—with petitions for fair return, capital improvements, hearings, and enforcement—will add substantial administrative burden. This comes at a time when the City has reduced staffing levels by approximately 15% since 2008 and

faces ongoing challenges maintaining adequate police staffing, with SLPD operating at times with fewer than 60% deployable staff and officer vacancies. Every new staff obligation diverts resources from essential services, including police and fire.

Conclusion

The Bay East Association of REALTORS® urges the City of San Leandro to reject the proposed ordinance. The evidence is clear: rent stabilization reduces the supply of rental housing, discourages new construction, accelerates tenant displacement through property sales and conversions, undermines housing quality, reduces local jobs and revenues, and imposes costly administrative burdens at a time when the City is already struggling to fund public safety services.

We encourage the City to instead pursue policies that expand the housing supply, streamline approvals, and support both tenants and property owners without creating harmful unintended consequences.

Please feel free to reach out if you have any questions regarding our position on this issue.

14. **Received September 17, 2025:** Thank you for the opportunity to contribute to the discussion on tenant housing concerns. I will forgo a formal letter, as this is an issue to which I have dedicated the past five to six years of my life advocating for.

Here are the items of concern and or edits:

- a. 4-46-105, Definitions
 - i. Page 2 – Add BASE YEAR to the definitions
 - ii. Page 3 – “Hearing Officer,” typo ‘mean mean,’ remove one
- b. 4-46-110, Exemptions
 - i. Page 5 – Item L: Can this be clarified a little better with a possible example
- c. 4-46-115, Limit on Rent increases
 - i. Page 5 – Item A: No Flat 5%, 60 to 60 Percent of CPI Not to Exceed 3% in a 12-month period
- d. 4-46-125, Rent Adjustment Petition Process
 - i. Page 7 – Item A: In surrounding municipalities a decrease in service petition would be handled within or heard by a Review Body. If this process is conducted through the RRSO, how are the mediations and reviews regarding conditions as well as rent issues be handled? And what fee would this be by comparison to other associated program fees?
 - ii. Page 7 – Item F: The hearing officer shall have power to issue subpoenas? The entire paragraph refers to having “no” authority and non-binding-why the power to subpoena, but for what? Please provide more clarity.
- e. 4-46-130, Capital Improvements
 - i. Page 9 – Item C.4: Calculating Pass Through – this amount should match the 12-month period increase of 60 to 65% of CPI NTE 3% from chapter section 4-46-115, Limit on Rent Increases
- f. 4-46-170, Penalties & Remedies for Violations
 - i. Page 14 – Item B: Removal of the jail penalty, while maintaining the fines portion with an additional of relative late fees.
- g. 4-46-180, Program Fee
 - i. Page 15 – Item C: Removal of fee to tenants altogether. There are no fees to tenants by other comparable residential rent stabilization ordinances; City of Hayward example. If this is an ask, justify why this would be acceptable. Substituting one expense with another to tenants feels a little like bait and switch.

Again, thank you for the opportunity to provide feedback to help the City of San Leandro’s rental community; both tenants and landlords alike.

15. **Received September 17, 2025:** I have been a tenant in the same rental in San Leandro for 20 years now. I am not exceptional in this. By and large, San Leandro tenants tend to stay longer.

And, traditionally, landlords have viewed long term tenancy positively because vacancy and re-tenanting actually cut into their bottom line much like maintenance and repairs do. Longtime tenancies make for a stable community, as well as stable landlord incomes. I submit that stable communities are better for both sides, and are safer, more secure and more resilient – these are qualities which the City as a whole has to be interested in.

The allowed annual rent increase should be capped at 65% of CPI (which includes housing costs, correct?) It must be held at 3% or lower to prevent planned displacement. Given a \$2000 base rent a 10% rent increase can double the annual rent paid in just 7 years. A 5% rent increase can double the annual rent in about 10 years. But a 3% annual rent increase can take up to 17 years to double the annual rent. Even someone with a good skilled job with increasing responsibility and commensurate pay cannot expect that they will double their income over a 10 year career with the same company.

Below are my comments after reading the draft Residential Rent Stabilization ordinance:

- a. All the tenants I talk want to see a rent increase cap UNDER 5%. Many have recently gotten 7% increases and know that this new, higher rent is what will be used as the base rent for future increase calculations. A percentage of a bigger number is a bigger number. Almost every tenant in town got a 15% increase in 2016 just before the current Rent Review Ordinance went into effect and we fear this will happen again.
- b. Please better define the Hearing Officer's financial interest. Even if they don't own property in San Leandro, they shouldn't derive their income from rental housing elsewhere, or from a position within a property management firm that derives its income from rental housing. Also, I believe that to be impartial, the Hearing Officer should NOT have had a financially beneficial relationship with a real estate lobbying group even in the past. Past and present alliances, as well as financial gain of any kind, should have minimal influence in this position's decisions.
- c. ADU's are exempted from this ordinance. The definition of ADU that I understand makes them the most likely to be REAL 'mom and pop' landlords. A landlord who is retired and whose only income is their rental is the class of landlord who should be protected. But too many landlords who claim mom and pop status own multiple properties in different jurisdictions and make substantial income from them – what makes them different from a business, especially since so many are in unincorporated Alameda County? 'Mom and pop' status should need to be proved before it is protected.
- d. San Leandro has many duplex complexes with multiple buildings divided into two units. If the landlord occupies one of ten duplexes on the parcel, only the building that they are in should be exempted as a Golden Duplex? I'd like it to be clear that the other half of A SINGLE duplex building MUST be the primary residence of the PERSON who gets financial benefit of the rent for the other half in order to qualify for this exemption. The exemption should not apply if the occupant of the 'landlord's half' is somebody that 'represents' the landlord.
- e. All the tenants I have talked to have concerns that 100% of the cost of capital improvements can be passed on to tenants in buildings with 4 or fewer units. Amortization and the 5% of the monthly rent cap makes the financial unfairness of this calculation slightly less devastating, but doesn't take it away. Yes, every tenant wants a roof that doesn't leak and roofs are expensive, but the landlord has gotten a profit, an ROI, which the tenant has paid for during the life of that pre-existing roof, and not taking that into consideration feels wrong.

For example, making 4 tenants bear the (say) \$40,000 cost of a new 9000 sq ft, asphalt shingle roof by paying \$1000 more a year, or roughly \$83 more a month, for 10 years if their rent is already \$2000 just squeaks under the 5% cap on the pass through. It doesn't make it affordable for the tenants and ignores that it is they who have lived with the old leaks for X number of years when the landlord has NOT had their profit or their living conditions impacted during that time.

Tenants know that until they move into a place, they don't know what the actual state of the plumbing, roof and windows are. When we pay the application fee to just SEE the rental, should landlords be required to show a recent building inspection proving that we are renting a secure building with working plumbing and a roof with X number of years of life left in it? Even asking for such proof would likely cause the landlord to NOT rent the unit to them.

And, personally, I want to know if the duplex I live in, in a complex of 11 rentals, owned by a landlord who owns 6 other similar complexes outside of San Leandro for a total of 60 rentals around \$2000 per month, would be allowed to get this sort of financial help from me.

- f. All the tenants I have talked to have concerns with the plan to pass through the cost of the Program Fee. How is this fee related to the Rent Registry fee – separate or the same? How much is this fee? How is this fee set? Requiring a tenant to pay 50% even in 2 installments could create financial hardship if that 50% is \$200. It doesn't matter if this fee is not included as 'Rent' it will still feel like a rent increase. Every tenant reminds me that landlords make a profit and tenants do not, property owners have equity, tenants do not. The playing field is NOT level. This fee will reduce the landlord's profit but increase the tenants' cost. Some tenants say that they are willing to pay something for protection but that amount has to be closer to 1% of their rent than to 10% of it.
- g. With regard to the passing on to tenants of operating fees. As a tenant I am concerned that services included in the rent at the time we moved in will be made my financial responsibility when and if it suits the landlord. When I moved into my rental, every ad for a rental at that time indicated "Landlord pays for water, sewer and garbage". In my years here, I have met only a handful of San Leandro tenants who do NOT pay for their own utilities and phone even in large multi-family buildings – the exception to this seems to mostly be in subsidized 'affordable' complexes but their ownership and management changes over time. I do not think it is unreasonable to think that almost all tenants, even of single family homes, rented their home with the landlord paying water, sewer and garbage with the landlord's costs for those utilities being paid for by the landlord as part of their maintenance costs. When those costs are transferred on to the tenant, it MUST constitute a reduction in services and require a reduction in rent. Once again, landlords used to include such basic costs when setting the rent and making a profit. Yes, costs have gone up but they have been able to, and HAVE, raised rent to cover them. Every effort to make the calculations for shared garbage, water and sewer costs fair – tenants should not be subsidizing the landlord.

I remember seeing the huge number of small garbage bins blocking the streets in Alameda when Alameda allowed landlords to push the garbage costs on to tenants – not only was it a big expense for tenants, it was harder for collection companies and created a BIG mess on the street for everybody on pick up day.

Unless there is separate metering there needs to be MORE attention put to how these water costs are divided up between the rental units in order for it to be fair to tenants. Single property water meters are the norm for duplexes as well as multi-family rentals because they were cheaper and were put in before water became expensive.

Sewer charges for single family homes are usually based on number of bathrooms on the property NOT the number of occupants but we all know that actual water and sewer usage ARE really tied to the number of occupants. Whoever decides what dishwashing and laundry facilities are made available should be required to concern themselves with low usage machines rather than push costs for old, inefficient water-guzzling appliances on to tenants. Whoever decides what landscaping is present should pay for watering the landscape.

Landlords and property companies should not be allowed to cut costs for infrastructure and push the costs of feeding that infrastructure on to tenants. If rental housing is their business, providing their income, then they need to be expected to do their job and manage their business.

Thank you for considering these comment which I had to recycle for an eComment to the July Rules Committee because I have come down with covid and am not capable of more right now.

16. **Received September 17, 2025:** I am a San Leandro resident in support of the proposed rental housing ordinance. Rental protections via lower rent increases, a neutral rent review board hearing officer, and just cause eviction protections will create greater stability for the San Leandro community. Without these provisions, we risk displacement of residents from San Leandro. Affordable housing is a priority that San Leandro needs to take seriously. Thank you for working on this.

17. **Received September 17, 2025:** The draft Rent Stabilization Ordinance being considered obviously has taken the claims of suffering “mom and pop” landlords seriously by exempting “Golden Duplexes” and ADUs from the rent increase limits being considered. There is no definition of “mom and pop” landlords except from the inference of those 2 kinds of rentals and there definitely should be in this ordinance.

First of all, I believe that the argument of mom and pop landlords is a myth that has been used by landlords to gain the support of homeowners; the landlord lobbyists want every homeowner to believe that they have more in common with the landlords than they do with the renters who are the other half of the populace. Too many landlords have used this ‘mom and pop’ disguise without qualification because it garners them sympathy. If the ONLY rental the landlord has is the other half of their duplex OR their ADU – not just in San Leandro but ANYWHERE - this needs to be stated in the definition as a requirement for the exclusion.

I was given a list of about 100, older multifamily rental buildings put together by someone walking and driving around San Leandro. These buildings were mostly in District 5 and 1, with a few in District 3. I endeavored to find out who the owners of these building were using the County Assessor's database, a laborious process. I made every effort to find all the other properties that the owners of these big buildings own in San Leandro (and elsewhere) because I wanted to know who the corporate landlords were and if they were San Leandro businesses. After many months I started focusing on tracking ONLY the owner entity, registered City of owner entity and type of rental housing and have FINALLY been able to do some initial data crunching.

This is what I have found:

- a. I found 89 multifamily buildings ranging from 5 units (the County Assessor cut off) to those with 50 or more. Only 20 of these are managed from within San Leandro by only 14 different landlords. All of the other 69 big multifamily buildings are managed by companies outside of San Leandro.
- b. Owners of those large buildings also own 39 three to four plexes with only 21 of these managed from within San Leandro by 10 different landlords. Some own many more of these small buildings in nearby cities.
- c. The owners of the big buildings also own 18 duplexes and 64 single family homes in San Leandro.
- d. The biggest surprise for me was how many of the big older buildings had been condo-ized, Of that initial list of older buildings 17 have been turned into condos - complexes of MANY addresses separately owned.
- e. I did find out who some of the BIG landlords are in town.
 - i. Robert Jones is the biggest San Leandro based business owning four 4 plexes, 4 duplexes and 9 single family homes.

- ii. Jones' biggest local landlord competitor used to be CWP but CWP was acquired by PTLA Private Equity Real Estate in 2018 and PTLA East Bay - offices on Callan - now manages 1500 properties throughout the Bay for 7 different owners.
 - iii. John Sullivan only owns 1 multifamily on Castro now but 36 other properties ranging from single family homes to 500 unit mega complexes in Alameda County.
 - iv. A business identified as "JJSR San Leandro" out of Danville owns one BIG multifamily, one duplex and 25 single family homes in San Leandro as well as 53 other multimillion dollar properties throughout Alameda County.
- f. I only found 6 San Leandro based landlords who own only one property in San Leandro, and those are all big multifamily buildings of multiple units so many rentals. And a landlord who owns only one property in the Bay Area is definitely the exception to the rule.

I call your attention to the data I have uncovered because I am deep concerns about the definition of Hearing Officer, probably the second most powerful role in this Ordinance. "The Hearing Officer shall not be a Tenant in the City, and shall have no financial interest in any Rental Unit in the City."

Saying that the Hearing Officer will have no financial interest in any rental unit in San Leandro IGNORES the fact that having a financial interest in rental units outside of San Leandro also speaks to the bias in favor of landlords and against tenants. From what I have uncovered, people whose primary business it is to own rental property own more than one property even if they hide the ownership under a different LLC name and it is a relatively tight knit business community. I ask that you amend the definition of Hearing Officer to state that they must have "no financial interest in ANY rental unit anywhere" and FURTHER does NOT work for or with any rental property owner. This is hard, I know but must be taken into account to be fair to tenants.

I am not ready to share the spreadsheet I have put together yet because I am still working on it. Please consider my words. Thank you.

18. **Received September 17, 2025:** I write to encourage all involved in the consideration of the proposed San Leandro Rent Stabilization Ordinance to pass the strongest and most protective ordinance you can. We are well aware of the competing interests vying for your votes on this issue. Some come from powerful state lobbies, some from well-organized local property owners. All of their lobbying carry with it the unspoken understandings they can mobilize their influence against those who do not support their interests as they see them. These are the realities we live with in a political system where money often overwhelms majority voices. By this letter I hope to introduce some of the broader public interests and sound policy reasoning that undergirds the wave of popular support for these kinds of ordinances around this state. At the same time, I know you have heard these rationales before and understand the issues.

A little history: shortly after the election of November 2022 the new mayor and council convened a community congress to hear from the people their priorities to assist council setting its agenda moving forward. I was present. We all heard speaker after speaker discussing the economic burdens they face under the existing allowable rent increase formulas from both the state as well as local ordinance. The stories were dramatic, poignant, and in some cases, tragic. The situations described could not help but move listeners to mobilize to do something for our community; families having to choose between medical care, food, or shelter. The family and neighborhood fractures, the health consequences, the learning delays for our children caused by forced, involuntary displacement were well described and are all over the literature. Council took action, albeit at a glacial pace moving forward. We do understand the realities of staffing and time limitations and that that is how things (sometimes) work.

But directed by council, Tom and staff moved forward and now we find ourselves on the brink of action. What action will be taken is the question. We advocate for the only sensible course of action: enactment of strong, broadly protective, effective rent stabilization.

On the specifics we demand (I hesitate to use the word “demand” so please excuse me) rent increases directly tied to cost of living. We support annual rent increases, limited to 65% of CPI, capped no more than 3% of monthly rent increase. According to MSNBC of August 13, 2025, in the last five years costs of renting have increased 52%. Per the Alameda County Superior Court, evictions are occurring at greater numbers than before the pandemic. The majority are economic. PLEASE, do something.

With respect to the numerous other very important provisions of the proposed ordinance, Capital Improvement is one. The so-called “Fair Return” process is another.

A few words on these: As a general principle, people in the business of providing residential housing have a lot of advantages in how that business is regulated.

To name a few: California Proposition 13 from 1978 limited increases on property taxes on real property, including buildings used as rental property. So annual taxes don't go up (much, maybe 2%). The Costa/Hawkins Rental Housing Act, exempting single family homes and condominiums, vacancy decontrol, prohibitions on locales enacting rent stabilization ordinances. Mortgagers typically are at fixed rates. They do not move, except down when rates decline and owners refinance, downward. Costs of running the business of operating rental property are tax deductible. Not dollar for dollar, but by significant portions. This includes legal fees for counsel hired to evict tenants, capital improvements, routine maintenance, upgrades of all kinds.

Then there is equity in the property. In our place on the planet, the S.F. Bay Area, due to overall factors including tech centers, educational institutions, climate, natural resources, culture, the property owner is truly blessed. S/he, they, or it have hit the jack pot. Increase in the equity of the property is virtually guaranteed. If you look at decline in property values during the darkest times of the pandemic, property in the Bay area, generally speaking, held its value. We have recovered by increase on value by approximately 10% since the pandemic.

With respect to owners having to pay ongoing maintenance which we fear might be abused in capital improvement process, the point is straight forward: Regardless of any rent stabilization, owners have a legal obligation to maintain their properties. This obligation preexisted modern rent stabilization ordinances. It is the law. It exists independent of any ordinance regulating rent levels. But the point is more straight forward than that: ongoing maintenance is what rent pays for. The inevitable foreseeable cost of repair is what owners investigate when they decide to purchase a property. Conditions of a property are negotiated in the pricing. If a family has owned a property for a long time, setting the rent on vacate units, as allowed by Costa/Hawkins, considering expenses is one of the main factors. As one of the basic responsibilities of ownership these costs are factored in, or with sound management practices, should be, when setting prices.

There should be no double dipping allowed: if the owner takes any advantage of costs of improvements, on taxes, on Costa/Hawkins rent increases, on increase in equity, or in any other manner, the tenant should not be also charged for the same cost.

With all the above said, we advocate for elimination of capital improvement petition process. If the housing provider is not making a fair return given all it invests in the property these can be addressed through a fair return petition. We understand some of these principles are mentioned in the draft proposal. We request they be strengthened.

Fair return petitions must take into account increase in equity which translates directly to the increase in return for the owner. This includes for example, if a Home Equity Line of Credit has

been taken out based on the equity in the property. All debt servicing should not be considered in fair return petition.

Over the years we hear arguments in opposition to rent stabilization articulated and re-articulated.

One argument: If you limit rental income owners will not make repairs. Response: Owners have the legal obligation to maintain properties without regard to rent stabilization. It is actually very bad practice to not make repairs. Maintenance is one of the essential functions of the property owner.

Another off' stated opposition: Owners will keep their properties off the market. Response: If owners do not need the income, that is their choice. It seems to me highly irresponsible to their community, but that is a privilege of ownership.

"Mom and Pops" will sell to larger often out of our community property investment firms.

Response: While it seems preferable to have local ownership, we must be very very careful when evaluating the pleas of the so-called "mom and pop" owners. They are well organized by real estate lobby and do show up and have your ears. That is a good thing, to hear from the community. But what is their community? Are they really the so-called "small landlords"? You have heard me say before you at public comment there is a huge difference between the owner who has inherited a property without debt and rents it out than the school teacher who has saved for years for a down payment, buys a small property, and supplements a pension with rental proceeds in retirement. Owners are free to sell to whom ever they want whenever they want. And they do when it suits them economically.

We must face reality that we live in a highly regulated society. If an individual owns one small shop, one fast food franchise, one convenience store with gas station, they must comply with myriad regulations. And they do. Tenants in the smaller properties must not be treated differently, have fewer rights, and suffer fewer protections.

In closing I invite your attention to the attachment [See Attachment D] I include with this communique. It is a draft proposed ordinance which follows the City's draft, but makes important changes for the purpose of accomplishing goals of the ordinance: regulating rents to affordable levels, creating over time a stock of affordable housing covered by the ordinance, with a strong enforceable broadly protective ordinance that is legally enforceable. I realize this email is long and dense. My attachment is likewise detailed and legally complex. As with much of the business before this council the issues we face in consideration of enacting a San Leandro Rent Stabilization Ordinance are hugely difficult, most especially when we add the strong competing economic interests at play.

But now is the time and we know you are up to the task. Thank you for your work and consideration

19. **Received September 17, 2025:** *The same message and attachment in bullet point number 18 was also sent to the Rent Program email with the following additional message:* To all at San Leandro Rent Program, attached please find my comments on the proposed San Leandro Rent Stabilization Ordinance. In case it is not clear: I favor enactment of a strong rent stabilization program. I believe this is best for all of our City. It is our hope we can move this from proposal to fully implemented, strong, broad, enforceable, and effective law for San Leandro. Thank you for your consideration.

Attachment A – Stakeholder Meeting Presentation

Residential Rent Stabilization Ordinance: Draft Ordinance Review

COMMUNITY MEETING

City of San Leandro
Community Development Department
Housing Services Division
September 9, 2025

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Agenda

- 1) Introductions
- 2) Purpose
- 3) Background
- 4) Draft Ordinance Review
- 5) Work Plan Timeline
- 6) Next Steps

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Meet Your Presenters



Andy Belknap
Director
Baker Tilly



Tom Liao
Community
Development
Director
City of San Leandro



Kerri Heusler
Housing Manager
City of San Leandro

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Meeting Purpose

1. Provide background and context
2. Present the draft Residential Rent Stabilization Ordinance
3. Collect public feedback and comments

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Constructive Participation Agreements

Please

- Exercise patience
- Share from your own perspective
- Respect others' opinions (even if you disagree!)
- Focus on constructive suggestions
- Make space for everyone's voice to be heard
- Ask questions



Thank you for helping make this a respectful and productive space!

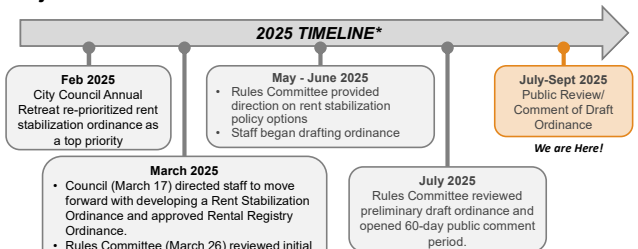
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Background

Major Rent Stabilization Activities To Date



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*City Council set and began assessing housing protections since FY23-24

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Background

Rent Stabilization Basics – What Units Will Be Affected?

Eligible Units

- There are an estimated **7,693 units** that may fall under a City Rent Stabilization Ordinance
- Mobile home spaces are excluded as they fall under existing City Mobile Home Space Rent Stabilization Ordinance

Unit Type	Eligible for Rent Stabilization	Total Units
Single-Unit		19,108
Duplex	1,288	1,298
Triplex	393	417
Fourplex	532	532
5-8 Units	815	815
9-19 Units	792	808
20+ Units	3,873	3,873
Multi-Family Restricted		2,094
Mobile Home Spaces		855
Condos/Townhomes		3,040
Total	7,693	32,840

Source: City Parcel Data

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Background – State Laws

Rent Stabilization Basics – What Laws Govern Rent Stabilization?

- **Tenant Protection Act of 2019 (AB 1482)**: limits annual rent increases to no more than 5% plus the local Consumer Price Index, or 10%, whichever is lower. *This law currently has a sunset date of January 1, 2030.*
- **SB 567 (2023)**: enhances civil penalties and provides enforcement mechanisms against landlords who violate the Tenant Protection Act.
- **Costa Hawkins Rental Housing Act of 1995**:
 - Prohibits rent stabilization on single-family homes, condominiums and buildings constructed after February 1, 1995
 - Allows landlords to reset rents to market rate after a tenant leaves their unit

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Background

Rent Stabilization Basics

- Rent stabilization policies **restrict annual rent increases**, reduce the risk of tenants being priced out of their homes due to excessive, market-driven rent increases and promote long-term housing stability.
- **Fair and reasonable return**: Property owners are entitled to a rent increase if necessary to achieve a "fair return". Presumed that an owner is receiving a fair return if their net operating income, adjusted for inflation, is same amount (or greater) than what they received in the year rent stabilization was enacted.
- **Anti-Displacement Tool**: Rent stabilization decreases the likelihood of displacement by lowering the rent burden for existing tenants and protecting them from sudden, excessive increases.

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Draft Ordinance Review

Draft Ordinance Sections

4-46-100 Title	4-46-150 Buyout Agreements
4-46-105 Definitions	4-46-155 Retaliation Prohibited
4-46-110 Exemptions	4-45-160 No Waiver
4-46-115 Limit on Rent Increases	4-45-165 Landlord's Failure to Comply
4-46-120 Limitations on Revising What is in Rent	4-45-170 Penalties & Remedies for Violations
4-46-125 Rent Adjustment Petition Process	4-45-175 Compliance with State law
4-46-130 Capital Improvements	4-46-180 Program Fee
4-46-135 Fair Return	4-46-185 Annual Review
4-45-140 Decrease in Housing Services	4-47-190 Implementing Regulations
4-46-145 Disclosures	

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4-46-105 Definitions

- **Rent**: Amount of fixed periodic compensation paid by a tenant to a landlord, as defined by the rental lease. Rent shall only include additional services defined in lease (pet deposits, storage, additional parking, utilities, etc.).
- **Base Rent**: Rent in effect for a unit on date determined, or the rent in effect following a change pursuant to Ordinance. Base Rent serves as the reference point for any upward or downward adjustments to the maximum allowable rent.
 - *Effective date determined after public outreach and City Council direction*
- **Capital Improvement**: An improvement or repair to a unit or property that adds value, excluding maintenance and repairs.
- **Hearing Officer**: A qualified neutral individual appointed by the City Manager to conduct an administrative hearing pursuant to the Ordinance. The Hearing Officer shall not be a tenant or landlord of any property located within the San Leandro city limits.
- **Program Administrator**: An individual appointed by the City Manager to carry out the duties and responsibilities of the Program.

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4-46-110 Exemptions

- Costa Hawkins Act
 - Rental units built after February 1, 1995
 - Single family homes
 - Condos / townhomes
- Mobile homes / lots regulated under existing Mobilehome Rent Stabilization Ordinance
- Accessory Dwelling Units
- Golden Duplexes (owner occupied)
- Short-term rentals (Airbnb, VRBO, etc.)
- Deed restricted affordable rental housing (Marea Alta, La Vereda, etc.)
- Emergency/transitional housing (Lewelling Interim Housing, etc.)
- Shared housing (room in a house with shared kitchen/bath)

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Draft Ordinance Review**4-46-115 Limit on Rent Increases**

- Annual rent increase capped at 5%
- Only one increase allowed per year (12 months)
- A landlord may seek a capital improvement rent increase
- No "banking" unused increases
- Vacancy decontrol: landlords can set new rent when a unit becomes vacant
- Rent increases only allowed if unit is registered and fees are paid

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Draft Ordinance Review**4-46-120 Limitations on Revising What is in Rent**

- Landlords cannot unbundle or increase fees (e.g., utilities, parking) mid-tenancy
- New charges must be included in rent cap calculations
- Charges for new services requested by tenants are excluded from rent cap

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Draft Ordinance Review**Three Types of Petitions Available****1. Capital Improvements****2. Fair Return****3. Decrease in Housing Services**

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Draft Ordinance Review**4-46-130 Capital Improvements (1/3)****Limitations**

- Landlords can request to pass costs to tenants for major upgrades and must be filed within six (6) months within completion of work
- Minimum cost thresholds apply (\$10,000)
- Pass-throughs capped based on building size
- Pass-throughs are not allowed for buildings with 25+ units
- All Pass Throughs authorized will terminate for any Rental Unit that becomes vacant.
- Costs must be amortized and documented

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Draft Ordinance Review**4-46-130 Capital Improvements (2/3)****Approval of Pass Through**

- Hearing Officer reviews the petition and tenant input.
- Petition is approved if:
 - Landlord proves the need for the improvement.
 - Costs are reasonable and supported by documentation.
- If submitted before work is completed:
 - Final approved amount cannot be increased later.
 - Landlord must show actual costs match or exceed estimates.
- Costs due to delays or failure to maintain property are excluded.

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Draft Ordinance Review**4-46-130 Capital Improvements (3/3)****Calculating Pass Through**

- Costs must be amortized over the improvement's useful life or 10 years (whichever is longer).
- Reimbursements (e.g., insurance) must be deducted before cost allocation.
- For mixed-use or partially exempt properties:
 - Only residential portion is used in calculations.
- Pass Through capped at 5% of tenant's current rent.
- Allocation based on number of affected units:
 - **4 or fewer units:** 100% of cost passed through.
 - **5–15 units:** 75% of cost passed through.
 - **16–24 units:** 50% of cost passed through.
 - **25+ units:** Fair return process

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Draft Ordinance Review

4-46-135 Fair Return Petition

- Landlords can request rent increases if not earning a fair return
- Based on net operating income (NOI) compared to a base year
- Must provide financial documentation
- Hearing Officer reviews and decides

4-46-140 Decrease in Housing Services

- Tenants can request rent reductions if services decline
 - examples: deteriorated laundry facilities and common areas
- Rent may be lowered to reflect the value of lost services

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Draft Ordinance Review

4-46-125 Rent Adjustment Petition Process (1/4)

- Landlord or Tenant may file a petition with the Program Administrator to request a rent adjustment (increase or decrease).
- Petition must be submitted on the official form and include all required documentation.
- A fee must be paid with the petition, as set by City Council.

Process Steps

1. Advance Notice Requirements:

- Landlord must notify tenants in writing at least 30 days before filing and hold an accessible meeting to explain the petition. Tenant must notify landlord in writing at least 30 days before filing to allow time to correct the issue.

2. Initial Review:

- Program Administrator reviews petition for completeness and notifies petitioner of acceptance or denial (no merit judgment).

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Draft Ordinance Review

4-46-125 Rent Adjustment Petition Process (2/4)

3. Notification to Parties:

- Upon acceptance, written notice is sent to affected parties.
- Notice includes petition details, right to respond, and access to supporting documents.
- Responses from parties are shared with the petitioner.

4. Hearing Scheduling:

- Hearing scheduled within 90 days of petition acceptance (may be extended by agreement).
- If majority of tenants (or 2/3 if fewer than 10 units) consent in writing to a Capital Improvement Pass Through, no hearing is required.

5. Mediation Option:

- Program Administrator may attempt mediation and may require parties to attend at least one session.

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Draft Ordinance Review

4-46-125 Rent Adjustment Petition Process (3/4)

6. Hearing Details:

- Notice of hearing sent at least 15 days in advance.
- Hearing Officer may administer oaths, accept all relevant evidence, and issue subpoenas.
- Hearing Officer cannot rule on constitutionality of laws.
- Hearings may be continued as needed.

7. Participation & Evidence:

- Parties may present documents, testimony, and other evidence.
- Must comply with reasonable document requests.
- Hearing may proceed even if a party fails to appear or provide documents.
- Hearing Officer may consider failure to provide documents.

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Draft Ordinance Review

4-46-125 Rent Adjustment Petition Process (4/4)

8. Decision & Outcome:

- Petitioner has the burden of proof.
- Hearing Officer decides based on preponderance of evidence.
- Hearing is recorded.
- Parties may seek assistance from attorneys or tenant representatives.
- Decision issued within 30 days of hearing close, with written explanation.
- Rent adjustment takes effect immediately unless stated otherwise.

9. Appeal Process:

- Decision is final unless judicial review is filed within 60 days.
- Judicial filing must be served to Program Administrator.

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San Leandro

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Draft Ordinance Review

4-46-145 Notices

- Landlords must:
 - Inform tenants that the unit is covered by the ordinance
 - Provide informational brochures
 - Include ordinance details with rent increase notices

4-46-150 Buyout Agreements

- Tenants must receive disclosures before signing
- Tenants have 30 days to cancel
- Agreements must be filed with the City

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Draft Ordinance Review**4-46-155 Retaliation Prohibited**

- Landlords cannot retaliate against tenants for asserting rights
- Retaliation includes eviction, rent hikes, or service reductions

4-46-160 No Waiver

- Tenants cannot waive their rights under this ordinance
- Landlords cannot require such waivers in leases

4-46-165 Landlord's Failure to Comply

- Non-compliance can be used as a defense in eviction cases
- Tenants may sue for damages and legal fees

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Draft Ordinance Review**4-46-170 Penalties & Remedies**

- Violations may result in:
 - Fines up to \$1,000 or jail time
 - Civil penalties up to \$10,000 per violation
 - Additional penalties for violations against seniors, disabled persons, or families with children
- Wrongful evictions may lead to damages and legal fees

4-46-175 Compliance with State Law

- Ordinance does not override state or federal laws

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Draft Ordinance Review**4-46-180 Program Fee**

- Landlords pay an annual fee to fund the program, if payment is thirty (30) days late, they shall be charged with a late fee
- Up to 50% may be passed to tenants in two installments
- Late payments incur penalties

4-46-185 Annual Review

- City staff will report annually on program effectiveness

4-46-190 Implementing Regulations

- City may issue rules to clarify and enforce the ordinance

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Q&A

- What is missing?
- What do you like?
- What do you not like?

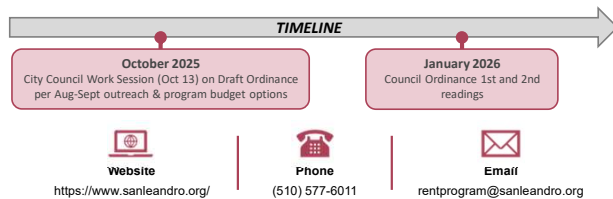
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City of  **San Leandro**

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Next Steps

- You may provide public written comment **by or before September 17** by emailing rentprogram@sanleandro.org.
- The public presentation will be posted to www.sanleandro.org/rentprogram.



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City of  **San Leandro**

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Attachment B – BTSL Redlined Rent Stabilization Ordinance

Submitted via email on September 2, 2025.

September 2, 2025

San Leandro City Councilmembers, Janelle Cameron, Tom Liao and Staff

Re: Comments on draft Residential Rent Stabilization Ordinance

Dear Councilmembers and Staff:

The undersigned represent the Housing Platform of The Big Tent San Leandro. We write to comment in some detail on the draft Residential Rent Stabilization Ordinance under consideration by the Council. Attached is a copy of the draft ordinance with our general, specific, and typo-type issues in comments, but we address at greater length the larger substantive issues we have with the proposed ordinance below:

4-46-105 Definitions

We believe “Rental Agreement” should be defined. It is used in the definitions of “Rent” and “Tenant;” it is used and capitalized in **4-46-120 Limitations on Revising What Is in Rent** and **4-46-160 No Waiver**, and the term often is a source of dispute. We believe a definition that includes oral and implied contracts or addenda is appropriate, because landlords and tenants often make oral agreements about changes to their understanding. We suggest this wording:

“An agreement, oral, written, or implied, between a Landlord and Tenant for the use or occupancy of a Rental Unit and for Housing Services.”

4-46-115 Limit on Rent Increases

We strongly reject a 5% annual rent increase. Income seldom increases at this rate, and certainly does not for the most vulnerable: retirees, disabled people, and others on fixed incomes. According to U.S. Census data, from 1990 to 2022, median **California** rent increased from \$620¹ to \$1,925 (5.3% increase per year, or 1.5% after inflation) while median household income increased from \$33,000 to \$85,000 (4.4% increase per year, or 0.5% after inflation).

Additionally, the rising income figures conceal that gains are concentrated at the high end. Many of those who do not see income gains are displaced from California entirely, and low- and middle-income Californians have typically seen no real gains at all: California tax filing data² show the second quintile of tax filers (20-40th percentiles) Had their real incomes drop 4% from 1995 to 2014, while the middle quintile (40-60th) dropped 2.1%. With incomes barely increasing for so many compared to inflation, most

¹ 1990 rent from <https://www2.census.gov/programs-surveys/decennial/tables/time-series/census-housing-tables/grossrents.pdf>. 2022 rent from American Community Survey, <https://data.census.gov/table/ACSST1Y2022.S2503>, filtered to California. Median household income from 1990 and 2022 from <https://fred.stlouisfed.org/series/MEHOINUSCAA646N>.

² <https://www.lao.ca.gov/LAOEconTax/Article/Detail/201>, comparing adjusted gross incomes. Bottom quintile not quoted because most very-low-income people are not obligated to file tax returns, but that quintile also showed a drop.

people cannot afford an annual rent increase of 5%.

Looking solely at the **Bay Area**, “from 1970 to 2021, inflation-adjusted rent payments . . . increased by 96%, while inflation-adjusted median income increased by only 25%.” <https://vitalsigns.mtc.ca.gov/indicators/rent-payments>. And “[b]etween 2010 and 2019, inflation-adjusted median rent payments . . . increased by 24%. Rents declined in 2020 due to the immense changes in the housing market and economy created by the COVID-19 pandemic. However, that decrease was short lived, and rents started increasing again in 2021.” <https://vitalsigns.mtc.ca.gov/indicators/rent-payments>. **This means that many landlords in the Bay Area have enjoyed greatly increased profit levels, profit levels that will be “baked into” San Leandro’s formula for a fair return, because the base year used to establish a fair return will incorporate those significantly higher profits.**

Oakland, Berkeley, Richmond, and Alameda all set their annual increases at a percentage of regional CPI, from 60% to 70%, and set maximum limits, from 3-5%. We ask that SL’s annual increase be set at 65% of CPI minus housing,³ with a 3% maximum. An annual increase of 65% of CPI is sufficient for property owners to obtain a fair return on their investments as is required by law, and to maintain the level of profit they had been making prior to implementation of the ordinance. It’s important to remember that because of the state’s Costa-Hawkins Rental Housing Act, whenever a tenant vacates a home, owners get to raise rents on the new tenants to full market level. They also have numerous the other significant business-related financial benefits of operating residential rental properties, including Prop 13’s limitation on their tax rates, deductions of business-related expenses, the substantial (particularly in California) increase in owner equity over time, and the security of fixed-rate mortgages. Owners therefore have various opportunities to maximize income from their participation in the rental housing business. To avoid overburdening our community’s renters we must strike a balance between affordability and providers’ ability to remain in business.

Again, we ask that **SL’s annual increase be set at 65% of CPI minus housing with a 3% maximum**, remembering that any Landlord who believes this amount does not provide a fair return on investment may petition for a greater increase.

4-46-130 Capital Improvements

The proposed ordinance does not make sense to us. The Rules Committee adopted Alameda’s scheme seemingly without investigating its rationale. Why should tenants in smaller buildings bear a greater burden for Capital Improvements than tenants in larger ones? We believe ALL

³ The US government regularly surveys prices of a wide range of goods and services and averages them into the Consumer Price Index (CPI) which is the standard reference for inflation. Regional CPI is the same but uses data from only our region. Housing is a major component of CPI (over one-third) because it represents so much of consumers’ spending, and is weighted accordingly in the calculation. Many tenant protection laws use a variant of CPI that excludes housing data, otherwise past rent increases could justify higher future rent increases creating an inflationary cycle. It still incorporates the changing costs of goods and services that both landlords and tenants purchase. We advocate that the San Leandro Rent Stabilization Ordinance annual allowable rent increase be based on a percentage of CPI minus housing.

Page 2 of 3

rental unit capital improvements, other than those compelled by unpredictable catastrophes (e.g., earthquake) should be financed from funds set aside from monthly rents by landlords for exactly such purposes. We believe all requests for Capital Improvement Pass Throughs should be adjudicated through the Ordinance's "Fair Return Petition" process. Richmond has such a statutory scheme. See, Richmond Code of Ordinances, 11.100.070 et seq., especially (g)(1)-(8).

Although we urge the Council to adopt a rent stabilization scheme that directs Capital Improvement Pass Throughs to be adjudicated under the "Fair Return Petition" process, because we cannot assume the Council will be persuaded by our argument, we also have, therefore, made various strengthening suggestions to the Capital Improvements provisions as they stand. See our annotated draft Residential Rent Stabilization Ordinance, attached.

4-46-XXX Severability

Such provisions are required in case a section is declared invalid. We suggest this language:

"This Chapter shall be liberally construed to achieve its purposes and preserve its validity. If any provision or clause of this Chapter or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Chapter that can be given effect without the invalid provision or application. To this end, the provisions of this Chapter are declared to be severable and are intended to have independent validity."

Repeal of San Leandro Rent Review Ordinance, Title 4, Chapter 32

It is our view that the enactment of this Residential Rent Stabilization Ordinance and specifically its petition procedures render the existing Rent Review Ordinance obsolete and serving no purpose, therefore it should be explicitly repealed.

Thank you for your attention to our concerns and suggestions. We are available to answer any questions you may have regarding our positions.

Sincerely (in alphabetical order by first name),

Carol Habercoss	(chabercoss@att.net)
Craig Williams	(craigwilliamsco@gmail.com)
Douglas Spalding	(dougspalding@yahoo.com)
Emily P. Rich	(e_rich@sbcglobal.net)
Ginny Madsen	(madsenginny3@gmail.com)
Marc S. Janowitz	(mjanowitz@ebclc.org)

Members of the Housing Platform of The Big Tent San Leandro

Attachment

Draft Residential Rent Stabilization Ordinance

This draft document has been prepared to solicit feedback from the community and interested parties, and is not intended as a final version. Staff anticipates making additional changes to the draft ordinance based on feedback received from the community and City Council, as well as changes based on further study and analysis by staff.

Chapter 4-46 Residential Rent Stabilization

4-46-100 Title **4-46-105** Definitions **4-46-110** Exemptions **4-46-115** Limit on Rent Increases **4-46-120** Limitations on Revising What is in Rent **4-46-125** Rent Adjustment Petition Process **4-46-130** Capital Improvements **4-46-135** Fair Return **4-45-140** Decrease in Housing Services **4-46-145** Disclosures **4-46-150** Buyout Agreements **4-46-155** Retaliation Prohibited **4-45-160** No Waiver **4-45-165** Landlord's Failure to Comply **4-46-170** Penalties & Remedies for Violations **4-45-175** Compliance with State law **4-46-180** Program Fee **4-46-185** Annual Review **4-47-190** Implementing Regulations

4-46-100 Title

This Chapter shall be known as the "Residential Rent Stabilization Ordinance."

4-46-105 Definitions

"Base Rent" means the Rent in effect for a Rental Unit on _____, 2025, or the Rent in effect following a change pursuant to Section _____ of this Ordinance. Base rent shall be the reference point from which the Maximum Allowable Rent shall be adjusted upward or downward in accordance with this Chapter.

"Buyout Agreement" means a written agreement between a Landlord and a Tenant as provided in Section _____ by which a Tenant, typically in consideration for monetary payment, voluntarily agrees to vacate a Rental Unit.

"Capital Improvement" means an improvement or repair to a Rental Unit or property, excluding ordinary maintenance and repairs, that materially adds to the value of the property, appreciably prolongs the property's useful life or adapts the property to a new use, becomes part of the real property or is permanently affixed to the real property such that its removal would result in material damage to the real property or to the improvement itself, has a useful life of more than one (1) year and that is required to be amortized and depreciated over the useful life of the improvement under the provisions of the Internal Revenue Code and related regulations.

"City" means City of San Leandro

"City Manager" means the City Manager of the City of San Leandro

Commented [A1]: We are surprised that no findings or "Whereases" are included. These are helpful because they describe the conditions the ordinance is meant to address.

Commented [A2]: 46?

Commented [A3]: 46?

Commented [A4]: 46?

Commented [A5]: 46?

Commented [A6]: 46?

Commented [A7]: 46?

Commented [A8]: We suggest 1/1/25

Commented [A9]: This should be expanded for clarity. We suggest adding a final sentence: "No part of any Capital Improvement may be for the purpose of repairing conditions caused by any deferred maintenance or failure to make timely routine repairs."

“Consumer Price Index” or CPI” means the Consumer Price Index for All Urban Consumers (“CPI-U”) for the San Francisco-Oakland-Hayward, CA Region, published by the U.S. Department of Labor, Bureau of Labor Statistics.

“Duplex” means two dwelling units in a single building or on a single parcel.

Commented [A10]: This appears to encompass ADUs, which are not customarily included in the category of duplexes and which the draft ordinance handles separately.

“Dwelling unit” means a structure or the part of a structure that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

“Fair Return Rent Increases” means the amount by which Base Rent, plus any allowable annual rent increase, may be increased in accordance with an approved fair return petition submitted pursuant to Section xx.

“Hearing Officer” means mean an individual appointed by the City Manager to conduct an administrative hearing pursuant to this chapter. The Hearing Officer shall not be a Tenant in the City, and shall have no financial interest in any Rental Unit in the City. Hearing Officers shall be qualified to conduct administrative hearings based on their experience and/or training, as determined by the City Manager.

Commented [A11]: space

“Housing Services” means those services provided and associated with the use or occupancy of a Rental Unit including, but not limited to, repairs, replacement, maintenance, effective waterproofing and weather protection, painting, providing light, heat, hot and cold water, elevator service, window shades and screens, laundry facilities and privileges, janitorial services, utilities that are paid by the Landlord, refuse removal, allowing pets, telephone, parking, storage, the right to have a specified number of Tenants or occupants, computer technologies, entertainment technologies, including cable or satellite television services, and any other benefits, privileges or facilities connected with the use or occupancy of such Rental Unit including a proportionate share of the services provided to common facilities of the building in which such Rental Unit is located and/or of the Property.

“Maximum Allowable Rent” means the maximum Rent the Landlord may charge for the use or occupancy of any Rental Unit.

“Pass Through” means a monetary amount a Landlord is authorized to pass through to, and recover from, one or more Tenants in the form of a surcharge or in addition to Base Rent, for an authorized Capital Improvement.

Commented [A12]: In the interest of clarity, we suggest adding a final sentence: “A Pass Through is not Rent under this Chapter.”

“Petition” means an application for a rent adjustment submitted pursuant to Section xx.

“Primary Residence” means a Rental Unit in which the occupant carries on basic living activities for at least nine (9) months of the year, the indicia of which include, but are not limited to: (i) the occupant has identified the residence address for purposes of the occupant's driver's license, voter registration, and/or filing tax returns, (ii) utilities in the name of the occupant are

billed to the residence address and (iii) the residence address has a homeowner's property tax exemption in the name of the Landlord (if Rental Unit is claimed Landlord's primary residence).

"Program Administrator" means the Community Development Director, or such other person designated by the City Manager to carry out the duties and responsibilities of the Program Administrator.

"Program Fee" means the fee established by the City Council, and payable by Landlords, to reimburse the cover the City's costs of administering this chapter.

"Property" means the real property on which the Rental Units are located.

"Rent" means the amount of fixed periodic compensation paid by a Tenant to a Landlord, as defined by the rental agreement between the Tenant and Landlord, for the possession and use of residential property. Rent shall not include ancillary services, including, but not limited to, pet deposits, storage, additional parking or utility pass-throughs.

"Rental Unit" means any unit in any real property, regardless of zoning status, including the land appurtenant thereto, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes), together with all housing services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the Tenant. A Rental Unit includes a single-family home.

"Tenant" means any person having the legal responsibility for the payment of rent for residential property in the City as identified under a valid lease or rental agreement with a Landlord.

"Tenancy" means the right or entitlement of a Tenant to use or occupy a Rental Unit.

4-46-110 Exemptions

The following Rental Units are exempt from the provisions of this Chapter:

- A. Rental units, regardless of ownership, for which rents are subsidized or regulated by federal law or by regulatory agreements between a Landlord and (i) the City, (ii) the County of Alameda or (iii) any agency of the State of California or the Federal Government;
- B. Rental units owned by any public agency;
- C. Rental units that are rented or leased to transient guests for thirty (30) consecutive days or less;

Commented [A13]: Rent frequently also encompasses labor performed by the tenant with the agreement of the landlord. For this reason, we suggest the following sentence be added:

"Such consideration shall include, but not be limited to, moneys and fair value of goods or services rendered to or for the benefit of the landlord under the rental agreement, or in exchange for a rental unit or housing services of any kind." Oakland Municipal Code 8.22.340 (definition of rent).

Commented [A14]: We believe "Rental Agreement" should be defined. Please see our cover letter.

Commented [A15]: We suggest "zoning or legal status," which would then include unpermitted units.

Commented [A16]: Assuming the adjective "valid" applies to both lease and rental agreement, and because you have not defined lease or rental agreement, we are concerned what mischief can be made with the term "valid" in these two contexts. We suggest you omit the word valid, and, as stated above and in our cover letter, define the term rental agreement.

- D. Rooms in hotels, motels, inns, tourist homes, short term rentals, rooming or boarding houses, provided that such rooms are not occupied by the same occupant or occupants for more than thirty (30) consecutive days;
- E. Rooms in any hospital or in a facility for assisted living, skilled nursery, convalescence or extended care;
- F. Rooms in a convent, monastery, fraternity or sorority house, or in a building owned, occupied or managed by a bona fide education institution for occupancy by students;
- G. Rooms in a building or in a Rental Unit where the primary use is providing short-term treatment, assistance or therapy for alcohol, drug or other substance abuse and the room is provided incident to the recovery program and where the occupant has been informed in writing of the temporary or transitional nature of the arrangement at the inception of the occupancy;
- H. Rooms in a building or in a Rental Unit that provide a structured living environment that has the primary purpose of helping formerly homeless persons obtain the skills necessary for independent living in permanent housing and where occupancy is limited to a specific period of time and where the occupant has been informed in writing of the temporary nature of the arrangement at the inception of the occupancy;
- I. Mobile homes or mobile home lots (which are subject to the requirements of Municipal Code Chapter 4-39);
- J. Rooms in a facility that require, as part of the person's occupancy and use of the room and the facility, some or all of the following: intake, case management, counseling, and an occupancy agreement;
- K. Rental units in which the Landlord owns the Rental Unit, occupies the Rental Unit as the Landlord's primary residence and shares kitchen or bath facilities with one or more Tenants;
- L. Any part of a Rental Unit in which a Tenant has allowed or permitted a person to use or occupy such part of the Rental Unit but that person does not meet the definition of Tenant as defined in this chapter;
- M. Accessory Dwelling Units;
Rental units for which a certificate of occupancy was issued after February 1, 1995;
- N. Rental units alienable separate from the title to any other dwelling unit or a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code;
- O. Duplexes in which the one of the dwelling units is occupied by the Landlord as the Landlord's primary residence; or
- P. A rental unit which are not the Tenant's primary residence.
- Q. Any other unit required to be exempt under state or federal law.

Commented [A17]: As noted above, these seem to be included in the ordinance's definition of duplex. We believe such units should be covered (not exempt) under the ordinance.

Commented [A18]: is

4-46-115 **Limit on Rent Increases**

- A. Starting _____, 2025, a Landlord may increase the Rent for a Rental Unit by a maximum of five percent (5%) of the Rent changed for the Rental unit during the preceding 12-month period.
- B. A Landlord may increase the Rent for a Rental Unit no more than one time per 12-month period, except as provided for in this Chapter.
- C. In addition to the Rent increase allowed by Section 4-46-120(A), a Landlord may seek a Capital Improvement rent increase pursuant to Section 4-46-xx or Fair Return rent increase pursuant to Section 4-46-xx.
- D. *Rent increase following vacancy (vacancy decontrol).* When a Tenant has voluntarily vacated, abandoned, or been legally evicted from a Rental Unit, the Landlord may set the initial rent for the next Tenant, without restriction, at the commencement of the new tenancy.
- E. *Allowable annual rent increase banking prohibited.* A Landlord who seeks to raise the Rent by the allowable annual rent increase must do so within the 12-month period between January 1 and December 31 of the current year. A Landlord who does not impose an allowable annual rent increase or any portion thereof in the applicable 12month period automatically waives that allowable annual rent increase or the remaining portion of that allowable annual rent increase for the remainder of the tenancy.
- F. Notwithstanding anything herein to the contrary, a Landlord shall be prohibited from imposing any rent increase, including a capital improvement pursuant to Section 4-46-xx or a fair return pursuant to 4-46-xx, unless the Rental Unit is registered with the city pursuant to Chapter 4-45, and the Landlord is not delinquent in any registry fees, accrued interest, fines, and/or penalties.

Commented [A19]: We strongly reject the 5% proposal. Please see our cover letter where we address the subject at greater length.

Commented [A20]: Capital Improvement Pass Throughs are not rent increases. This confuses the subject. Please amend this.

Commented [A21]: Capitalize?

4-46-120 Limitations on Revising What is in Rent.

- A. For any Rental Agreement, or any Rental Agreement that has been converted to a monthto-month Tenancy, in which charges or fees for utilities, parking, storage, pets or any other charge or fee associated with the Tenancy is included in the Rent, a Landlord shall not:
1. Unbundle any of such charges or fees during the term of the Rental Agreement, or the month-to-month Tenancy; or
 2. Increase any of such charges or fees except for increased charges paid directly to the Landlord for utilities that are separately metered or for charges for utilities that are pro-rated among the Tenants pursuant to a specified cost allocation system.
- B. For any renewed Rental Agreement, or revisions to the terms of a month-to-month Tenancy, to the extent a Landlord unbundles or increases any of such charges or fees

Commented [A22]: Sorry, but verbs are capitalized in headings according to all copyeditor guides we have consulted.

Commented [A23]: Delete period

Commented [A24]: dash

and lists them separately in a new or renewed Rental Agreement, or in the terms of a revised month-to-month Tenancy, the amount of such charges or fees shall be included in calculating the Maximum Allowable Rent.

- C. To the extent that a Tenant requests Housing Services that were not included in an existing Rental Agreement, or month-to-month Tenancy, such as a parking space or storage space, or to the extent that utilities are separately metered or the amount of such utility charges are pro-rated among the Tenants pursuant to a specified cost allocation system but the charges are paid directly to the Landlord, such fees for Housing Services or charges for utilities shall not be included in calculating the Maximum Allowable Rent.

4-46-125 Rent Adjustment Petition Process

The following process shall be used for the filing of a petition for a Capital Improvement Pass Through, Fair Return Rent Increase, or Tenant petition for rent decrease as provided in this Chapter. A Landlord or Tenant may file a maximum of one petition per 12-month period.

Commented [A25]: Petition is a defined term and probably should be capitalized throughout. It is inconsistently capitalized.

- A. Landlord or a Tenant may file a petition with the Program Administrator to request an upward or downward adjustment of the Rent as provided for in this Chapter. The Petition shall be on a form provided by the Program Administrator and shall include all documentation required by the Program Administrator. The Petition shall be accompanied by a fee, in the amount established by the City Council by resolution.
 - i. At least thirty days prior to filing a Petition, a Landlord shall notify tenants in writing of its intent to file a petition and shall hold a meeting at a time and place reasonably accessible to tenants to inform impacted Tenants of the reason for the Petition and to answer questions.
 - ii. At least thirty days prior to filing a Petition, a Tenant shall notify its Landlord in writing of the claimed decrease in Housing Services so that the Landlord has the opportunity to correct the issue.
- B. Upon the filing of a Petition, the Program Administrator shall notify the petitioner of the acceptance or denial of the petition based on the completeness of the submission, without making any determination regarding the merits of the petition.
- C. Upon acceptance of a petition, the Program Administrator shall provide written notice to the Parties affected by the petition. The written notice shall inform Parties of the petition process, the right to respond, and include a copy of the completed petition with the supportive documents available upon request. Any response submitted by the responding Party will be made available to the petitioning Party.
- D. Each accepted petition shall be scheduled for a hearing by the Hearing Officer to be held within ninety (90) calendar days from the date the Program Administrator accepts the petition. With agreement of the Parties, the Hearing Officer may hold the hearing beyond the ninety (90) days.
 - i. A hearing shall not be scheduled, and the Petition for a Capital Improvement Pass Through shall be approved by the Program Administrator, if written consent to the

Commented [A26]: Please add: "Such documents shall be declared by the party submitting them to be true copies of originals and such other documentary evidence submitted at any hearing shall be sworn under penalty of perjury to be true and correct."

Petition is submitted by Tenants of a majority of Rental Units subject to the proposed Capital Improvement Pass Through. If the number of units subject to the proposed

Capital Improvement Pass Through is less than ten, a two-thirds majority is required.

Commented [A27]: space

- E. Before the hearing, the Program Administrator may attempt to mediate a resolution of the petition, and may, in the Program Administrator's discretion, require the Parties to attend at least a mediation session.
- F. Notice of time and place of the hearing shall be sent to all parties at least 15 days before the hearing. The Hearing Officer shall have the power and authority to require and administer oaths or affirmations where appropriate, and to take and hear evidence concerning any matter pending before the Hearing Officer. The rules of evidence generally applicable in the courts shall not be binding in the hearing. Hearsay evidence and any and all other evidence which the Hearing Officer deems relevant may be admitted and considered. The Hearing Officer shall have the power to issue subpoenas. The Hearing Officer shall have no authority to consider the constitutionality of any Federal, State or local law or regulation. The hearing may be continued from time to time by the Hearing Officer as it deems necessary.
- G. Any Party may appear and offer such documents, testimony, written declarations, or other evidence as may be pertinent to the proceeding. Each Party shall comply with the Hearing Officer's request for documents and information and shall comply with the other Party's reasonable requests for documents and information. The Hearing Officer may proceed with the hearing notwithstanding that a Party has failed to appear, failed to provide the documents or information requested by the Hearing Officer or a Party has failed to provide documents or information requested by the other Party. The Hearing Officer may take into consideration, however, the failure of a Party to provide such documents or information.
- H. The Party who files the petition shall have the burden of proof. The Hearing Officer shall not grant the petition unless supported by a preponderance of the evidence. I. The hearing will be recorded.
- J. All parties to a petition may seek assistance from attorneys, recognized Tenant organization representatives, or any other person designated by said parties.
- K. Within thirty (30) days of the close of the hearing, the Hearing Officer shall make a determination, based on the preponderance of evidence, whether there should be an upward or downward adjustment of Rent, and shall make a written statement of decision upon which such determination is based. The Hearing Officer's allowance or disallowance of any upward or downward adjustment of Rent may be reasonably conditioned in any manner necessary to effectuate the purposes of this Chapter. The Hearing Officer shall provide the statement of decision to the Program Administrator who shall provide copies to the Parties.
- L. The Hearing Officer's decision shall be final unless judicial review is sought within sixty (60) days of the date of the Hearing Officer's decision. If a Party seeks judicial review of the Hearing Officer's decision, such Party shall immediately serve the Program Administrator with the judicial filing. An upward or downward adjustment of Rent shall take effect immediately upon the Hearing Officer's decision unless provided otherwise

in the decision regardless of whether a Party seeks judicial review pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6

4-46-130 **Capital Improvements**

Commented [A28]: We believe Capital Improvement Pass Throughs should be handled differently. Please see our cover letter for our suggestions.

Landlord may file with the Program Administrator a petition for a Capital Improvement Pass Through, subject to the requirements of this Section.

A. Limitations on Pass Throughs for Capital Improvements

1. A petition to impose a Capital Improvement pass-through must be initiated by the Landlord prior to, or within six (6) months of completion of, the Capital Improvement work.
2. The costs for the Capital Improvements are no less than \$10,000 for all Capital Improvements referenced in the petition and the direct cost is not less than \$1000 per Rental Unit affected. These dollar amounts shall be adjusted annually based on the percentage change in the Consumer Price Index for the twelve (12) month period ending December of each year.
3. A Landlord may not impose a Pass Through earlier than twelve (12) months after the inception of the Tenancy.
4. All Pass Throughs authorized pursuant to a Capital Improvement Plan shall immediately terminate for any Rental Unit that becomes vacant.
5. No Capital Improvement Pass Through shall be approved where the number of Rental Units at the subject Property equals or exceeds twenty-five (25).

B. Approval of Pass Through

1. The Hearing Officer shall review the petition, and any relevant information submitted by the Tenants of the subject property, and shall approve the petition if the Landlord has provided documentation to establish, by a preponderance of the evidence, the need for the Capital Improvement and the reasonableness of the cost or estimated costs.
2. If the petition is submitted prior to completion of the work, once there has been a final determination of the amount of the Pass Through, the amount of the Pass Through shall not be subject to future increases, including revisions based on actual construction costs, except that the Landlord shall provide documentation to show that the actual construction costs were equal to or greater than the estimate included in the petition.
3. The Hearing Officer shall not include in the Pass Through any portion of the cost of the Capital Improvement which is due to an unreasonable delay in the undertaking or completing of any improvement or repair, or failure to do routine maintenance.

C. Calculating Pass Through

1. Capital Improvement Costs must be amortized over the useful life of the improvement or ten (10) years, whichever is longer, unless the Hearing Officer determines that good cause exists for a longer amortization period.
2. Where a Landlord is reimbursed for Capital Improvements (e.g. insurance), this reimbursement must be deducted from such Capital Improvements before costs are amortized and allocated among the Rental Units.
3. For mixed-use development, only the percent of residential square footage will be applied in the calculations. The same principle shall apply to developments with Rental Units exempt from this chapter, including Landlord-occupied Rental Units.
4. If a petition for a Pass Through, if approved, would result in a cumulative Pass Through exceeding five (5%) percent of any Tenant's current rent as such Rent is determined at the time the petition is filed, the pass through for any such Tenant shall be permanently capped at five (5%) percent for the Tenant's current rent.
5. If the number of Rental Units subject to the Pass Through:
 - a. Is four (4) or fewer, then the Hearing Officer shall allocate to the Pass Through amount one hundred percent (100%) of the such cost;
 - b. Is five (5) or more, but less than sixteen (16), the Hearing Officer shall allocate to the Pass Through amount only seventy-five (75%) percent of such cost;
 - c. Is sixteen (16) or more, but less than twenty-five (25), the Hearing Officer shall allocate to the Pass-Through amount only fifty (50%) percent of such cost;
 - d. The Program Administrator shall reject a Petition for a Capital Improvement Pass Through where the number of Rental Units at the subject property equals or exceeds twenty-five (25).

Commented [A29]: We suggest you add, "or tax-deduction, or in any other manner" to prevent double-dipping.

- D. This Section does not preclude a Landlord from filing a petition for a Fair Return Rent Increase to the extent full recovery of the cost of Capital Improvements is necessary in order to provide the Landlord with a constitutionally required fair return on property.

4-46-135 Fair Return Petition

Landlords who believe they are not receiving a constitutionally required fair return on their property may submit a fair return rent increase petition to the city to request an increase in the Maximum Allowable Rent beyond that which is otherwise permitted by this Chapter.

Commented [A30]: Program Administrator?

A. *Standard for approving a fair return petition.*

1. The Landlord has the right to obtain a net operating income equal to the base year net operating income adjusted by the percentage change in the CPI since the base year. It shall be presumed that this standard provides a fair return. The current year CPI shall be the annual CPI for the calendar year preceding the date the fair return petition is filed. The Hearing Officer shall make a determination whether the Landlord will receive a fair return under this standard. In evaluating whether or not the Landlord is receiving a fair return on their investment, the Hearing Officer may consider other relevant factors without limitation.
2. Nothing in this section shall be interpreted to authorize any lawful rent increase in any 12-month period for a covered Rental Unit in excess of the amount authorized by State law, as may be amended.

Commented [A31]: Please add: "The base year shall be the calendar year 2024." This is assuming you define "Base Rent" as that in effect on 1/1/25, because you have not defined "Base Year."

- B. *Base year net operating income.* The base year and current year net operating income shall be determined by subtracting the actual operating expenses for the relevant year from the gross income realized during the relevant year. The Landlord shall provide evidence of gross income, operating expenses, and the determination of net operating income for the base year and current year. All figures shall be certified by the Landlord under penalty of perjury as true and correct and with respect to expenses and income used to determine gross income.

Commented [A32]: Add: and documents

- C. *Rebuttal of base year net operating income presumption.* Any party to the hearing may present evidence to rebut the presumption of fair return based upon the base year net operating income, and the Hearing Officer may adjust said net operating income accordingly if at least one of the following findings is made:

1. The Landlord's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustment may be made in calculating operating expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The Hearing Officer shall consider the following factors in making this finding:

- a. Extraordinary amounts were expended for necessary maintenance and repairs;
 - b. Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided;
 - c. Other expenses were unreasonably high or low in comparison to prudent business practices;
 - d. Costs of debt service paid during the base year, where the proceeds of the debt were used for capital improvements or rehabilitation in the property.
 2. The gross income during the base year was disproportionate. In such instances, adjustments may be made in calculating gross income consistent with the purposes of this section. The Hearing Officer shall consider the following factors in making this finding:
 - a. The gross income during the base year was lower than it might have been because some Tenants were charged reduced rent;
 - b. The gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary eviction or vacancies for a substantial remodel, construction, or repairs.
 - c. The rent charged by the Landlord in the base year was significantly below the HUD FMR rent for the most similar unit type.
- D. *Determination of current net operating income.* The net operating income as of the date of filing a fair return petition shall be determined by:
1. Calculating gross income;
 2. Determining the operating expenses during the immediately preceding calendar year;
 3. Subtracting the operating expenses determined from the annualized gross income.
- E. *Calculation of gross income.*
1. For the purposes of determining the net operating income, gross income shall be the sum of the following:
 - a. Gross rent calculated as annualizing the Rent in effect as of the date of filing at 100 percent occupancy, adjusted for uncollected rent;
 - b. Income from any laundry facilities and parking fees;
 - c. All other income or consideration received or receivable in connection with the use or occupancy of the covered Rental Unit.
 2. Gross rent shall be adjusted for uncollected rent due to vacancy and bad debts to the extent such are beyond the control of the Landlord. No such adjustment

Commented [A33]: Please add: “, except where such reduced rent is authorized by law”

Commented [A34]: Please substitute: “if any of the following circumstances exist: the reason for ongoing vacancy is not due to Landlord’s failure to exercise diligence in filling the vacancy; bad debts to the extent such are beyond the control of the Landlord and which are reasonably related to normal operation of the property.”

shall be greater than three percent of gross rent unless justification for a higher rate is demonstrated by the Landlord.

F. Calculation of operating expenses.

1. For the purposes of determining net operating income, operating expenses shall include the following:
 - a. Reasonable costs of operation and maintenance.
 - b. Utility costs to the extent they are not paid by the Tenants.
 - c. Landlord-performed labor compensated at reasonable hourly rates. No Landlord-performed labor shall be included as an operating expense unless the Landlord submits documentation showing the date, time and nature of the work performed. There shall be a maximum allowed under this provision of five percent of gross income unless the Landlord shows greater services were performed for the benefit of the Tenants.
 - d. Real property taxes and assessments.
 - e. Reasonable costs of operation and maintenance including, but not limited to, costs associated with repairs mandated by law.
 - f. Insurance costs to the extent they are not paid by the Tenants.
 - g. Capital Improvements, or portions thereof, not paid for by a Capital Improvement Pass Through.
2. Operating expenses shall not include the following:
 - a. Mortgage principal or interest payments or other debt service costs or lease payments.
 - b. Any penalties, fees or interest assessed or awarded for violation of any provision of this chapter or of any other provision of law.
 - c. Legal fees except attorneys' fees and costs incurred in connection with successful good-faith attempts to recover rent owing, successful good-faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the property to the extent such expenses are not recovered from adverse or other parties. Attorneys' fees incurred in relation to this section are not allowable as operating expenses.
 - d. Political contributions.
 - e. Any expenses for which the Landlord has been or will be reimbursed by any discount, security deposit, insurance payment or settlement, judgment for damages, settlement or any other method or device.
 - f. Avoidable and unnecessary expense increases since the base year.
 - g. Depreciation.
 - h. Expenses which are excessive in relation to the customary and reasonable costs of such items.

Commented [A35]: Please add: "past Capital Improvement Pass Through, or any one granted within five years of the granting of this Fair Return Rent Increase."

Commented [A36]: Please add: "or recoverable from adverse" etc.

Commented [A37]: Please add: "or in any way benefit" by any discount etc.

- i. The costs of capital improvements associated with the purchase and/or installation of separate meters or service unless the Landlord can demonstrate that such improvements benefit the Tenants.

G. Determination of fair return rent increase.

1. The Hearing Officer shall set the fair return rent increase in the amount required to provide the Landlord with a fair return.
2. In determining the fair return rent increase required to provide the Landlord with a fair return, the following shall be determined:
 - a. The fair return in accordance with subsection xxx
 - b. The gross income required to produce the fair return;
 - c. The rent increase needed to produce the required gross income.

Commented [A38]: Add: "After the hearing," the Hearing Officer etc.

4-45-140 Decrease in Housing Services

Commented [A39]: 46?

- A. A decrease in housing services for a Rental Unit, without a corresponding reduction in rent, is considered an increase in rent. If a Tenant believes that the Landlord has not decreased the rent to reflect a reduction in housing services, then the Tenant may submit a petition for a rent decrease to the City.
- B. In making an individual downward adjustment of Rent, the Hearing Officer may consider decreases in Housing Services, living space, or amenities; substantial deterioration of the Rental Unit other than as a result of ordinary wear and tear; the Landlord's failure to comply substantially with applicable housing, health and safety codes; or the Landlord's failure to comply with this Chapter.
- C. The Hearing Officer shall decrease the Tenant's rent by an amount equivalent to the value of the reduced Housing Services.
- D. All petitions pertaining to Tenants in the same property shall be consolidated for determination.

Commented [A40]: Housing Services (capitalized)

Commented [A41]: Rent

Commented [A42]: Rent

Commented [A43]: Housing Services, capitalize

Commented [A44]: Rent

Commented [A45]: Program Administrator?

Commented [A46]: Rent

4-46-145 Notices

- A. In addition to any other notice required to be given by law or this Chapter, a Landlord shall provide to a prospective Tenant (1) a written notice that the Rental Unit is subject to this Chapter, (2) a copy of the then current information brochure(s) that the Program Administrator provides that explains this Chapter.
 - i. A Landlord satisfies the requirements of this Section by providing to a prospective Tenant a hard copy of the materials set forth in subsection A of this Section or, if a prospective Tenant so consents in writing to receive notice by being referred to the Program Administrator's website where the materials can be found online. A Landlord shall document that the prospective Tenant has been informed of the choices and of what choice the prospective Tenant made

including, where applicable, the prospective Tenant's written acknowledgement to receive the materials online.

- B. In addition to any other notice required to be given by law or this Chapter, at the time when a Landlord provides notice of any rent increase, the Landlord shall also provide notice regarding the requirements of this Ordinance related to allowable rent increases, in a form provided by the Program Administrator.
- C. |

Commented [A47]: Capitalize

Commented [A48]: Please add a subsection C:

"C. i. In any action to recover possession of a Rental Unit covered by this Chapter, a Landlord shall allege in any notice given to the Tenant and in the complaint for unlawful detainer, forcible detainer, or forcible entry that the Landlord has complied with all provisions of this Chapter.
ii. In any action to recover possession of a Rental Unit covered by this Chapter, a Landlord shall bear the burden of proving by a preponderance of the evidence that the Landlord has complied with all provisions of this Chapter.
iii. In any action to recover possession of a Rental Unit covered by this Chapter, it shall be an affirmative defense that the Landlord has not complied with all provisions of this Chapter."

4-46-150 Buyout Agreements

- A. Before making an offer to a Tenant of a Buyout Agreement, a Landlord must give a Tenant a written disclosure document, in a form set by the Program Administrator, setting forth the Tenant's rights concerning the Buyout Agreement including the following:
1. The right not to enter into the Buyout Agreement;
 2. The right to consult an attorney and the right to revise the Buyout Agreement before signing the Buyout Agreement;
 3. The right to consult the Program Administrator regarding the Buyout Agreement; and
 4. The right to rescind the Buyout Agreement any time up to thirty (30) calendar days after the Tenant has signed the Buyout Agreement.
5. |
- B. A Buyout Agreement that does not satisfy all the requirements of this Ordinance and the regulation is not effective and the Tenant may rescind the Buyout Agreement at any time, even after thirty (30) calendar days from the date the Tenant signed the Buyout Agreement. In order to rescind a Buyout Agreement, the Tenant must hand deliver, email or place in the U.S. mail a statement to the Landlord that the Tenant has rescinded the Buyout Agreement.
- C. The Landlord shall provide the Tenant a copy of the Buyout Agreement when all the parties have signed and shall file the signed Buyout Agreement with the Program Administrator within three (3) calendar days after all parties have signed.

Commented [A49]: We strongly assert that a fifth component of this notice be: "The right not to be retaliated against for refusing to enter into a Buyout Agreement."

4-46-155 Retaliation Prohibited

It shall be unlawful for Landlord to retaliate against a Tenant for the Tenant's assertion or exercise of rights under this Chapter in any manner, including taking action to terminate a tenancy, reduce any Housing Services, or increase the Rent. Such retaliation may be a defense to an action to recover the possession of a Rental Unit and/or may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and/or injunctive relief as provided herein.

Commented [A50]: We believe the remedies listed should include "actual damages, treble damages, injunctive relief, and attorneys' fees as provided herein."

4-45-160 No Waiver

Commented [A51]: 46?

- A. Any waiver or purported waiver by a Tenant of rights granted under this Chapter shall be void as contrary to public policy.
- B. It shall be unlawful for a Landlord to require or attempt to require as a condition of tenancy in a Rental Unit that a Tenant or prospective Tenant waive in a lease or rental agreement or in any other agreement the rights granted to a Tenant by this Chapter.

4-45-165 Landlord's Failure to Comply

Commented [A52]: 46?

A Landlord's failure to comply with any requirement of this Chapter may be asserted as an affirmative defense in an action brought by the Landlord to recover possession of the Rental Unit. Additionally, any attempt to recover possession of a Rental Unit in violation of this Chapter shall render the Landlord liable to the Tenant for actual and punitive damages, including damages for emotional distress, in a civil action for wrongful eviction. The Tenant may seek injunctive relief and money damages for wrongful eviction. The prevailing party in an action for wrongful eviction shall recover costs and reasonable attorneys' fees.

Commented [A53]: We prefer "shall be" rather than "may be asserted as," for clarity.

Commented [A54]: Again, "actual damages, treble damages, and injunctive relief"

Commented [A55]: We suggest that prevailing Landlords NOT recover costs and attorneys' fees. Instead, we suggest this substitution: "A prevailing Tenant in an action for wrongful eviction shall recover costs and reasonable attorneys' fees." Otherwise, tenants will be dissuaded from enforcing this Chapter. See, *Kelly v. Yee*, 213 Cal.App. 3d 336 (1989)

4-45-170 Penalties & Remedies for Violations

Commented [A56]: 46?

- A. The City may issue an administrative citation to any Landlord for a violation of this Chapter pursuant to Chapter 1-12 of this Code.
- B. Any person violating any provision of this Chapter shall be guilty of a misdemeanor punishable by a fine not exceeding one thousand (\$1,000.00) dollars per violation, or by imprisonment in the County jail for a period not exceeding six (6) months, or by both a fine and imprisonment.
- C. Any aggrieved person, including the City and the People of the State of California may enforce, and seek to enjoin the violation of, this Chapter by means of a civil action. The burden of proof in such cases shall be preponderance of the evidence. As part of any civil action brought by the People of the State of California or City to enforce this Chapter, a court shall assess a civil penalty in an amount up to the greater of two thousand five hundred (\$2,500.00) dollars per violation per day or ten thousand (\$10,000.00) dollars per violation, fifty (50%) percent payable to the City and fifty (50%) percent to the person or persons whose rights were violated, against any person who commits, continues to commit, operates, allows or maintains any violation of this Chapter. Any violator shall be liable for an additional civil penalty of up to five thousand (\$5,000.00) dollars for each offense committed against a person who is a senior adult, has a disability, or is in a household with one (1) or more minor children.
- D. Landlord who has terminated a tenancy on grounds not permitted under this applicable law shall not impose Rent for the new tenancy that exceeds the Maximum Allowable Rent at the time the prior tenancy was terminated.

- E. Any Rental Unit or Property conducted or maintained contrary to this Chapter shall constitute a public nuisance.
- F. The remedies provided in this Chapter are not exclusive, and nothing in this Chapter shall preclude any person from seeking any other remedies, penalties or procedures provided by law.

4-45-175 Compliance with State law

Commented [A57]: 46?

Nothing in this Chapter is intended to excuse Landlord or Tenant's compliance with applicable provisions of State or Federal Law, including but not limited to notices regarding rent increases.

4-46-180 Program Fee

- A. All or any portion of the City's reasonable costs to administer this chapter may be collected by the imposition of a program fee. The amount of the program fee shall be determined by resolution of the City Council adopted from time to time. The program fee shall not exceed the amount necessary to reimburse the City for the reasonable cost of administering the rent registry program established by this chapter.

Commented [A58]: Residential rent stabilization program?

- B. Landlords shall pay the program fee to the City annually at the time of submission of the registration required by Chapter 4-45. Any Landlord responsible for paying the program fee who fails to pay the program fee within thirty (30) calendar days of its due date shall, in addition to the program fee, pay additional late charges, penalties of assessments as determined by resolution of the City Council.

- C. Up to fifty percent (50%) of the Program Fee may be allocated to a Tenant, to be paid by the Tenant in two equal installments, paid six months apart. Such payments shall not be included in the calculation of the Maximum Allowable Rent.

Commented [A59]: We do not believe this transference is appropriate. This fee would be tax-deductible as a business expense by landlords. To receive half back also from tenants would amount to double-dipping.

4-46-185 Annual Review

The Program Administrator shall annually prepare a report to the Council assessing the effectiveness of the Programs under this Chapter and recommending changes as appropriate.

4-47-190 Implementing Regulations

Commented [A60]: 46?

The Program Administrator shall have the authority to promulgate regulations to implement the requirements and fulfill the purposes of this Chapter. Such regulations shall be binding on all Tenants and Landlords.

Commented [A61]: A severability section should be included. Please see our cover letter.

Attachment C – Draft Proposed Rent Stabilization Ordinance

Submitted via email on September 16, 2025.

Regarding the Draft Rent Stabilization:

How very cavalier of the mayor and city council, who are all homeowners, to think it's somehow fair to push so much financial burden of the draft onto tenants, most of whom are already financially overburdened by the high cost of current rents, in addition to the high costs of food and other bills. Those most at risk of being unable to afford even 5% rent hikes are those who never see that amount of hikes in their salaries or their social security checks. Council people who do not collect social security are probably not familiar with a common practice of social security, which is to announce a small hike in COLA, while concurrently raising the cost of Part B premiums, effectively wiping out any raise to benefits.

Seniors, low-wage workers (often working more than one job to make ends meet), and those living on meager social service programs such as SSI simply cannot afford even a 5% increase to their rent. It is ludicrous to further burden tenants with pass-through costs. Tenants are already paying those costs: it's called - surprise - rent! Anyone who is a landlord has the responsibility of maintaining the property they own. Duh! That's what the whole idea of rent is, isn't it? However, landlords all believe they have a god-given right to make as much profit off their property as they can. If they can't earn the amount of profits they want to make, or find the costs of landlording a burden, then they can sell the property, and certainly won't end up homeless if they do.

And if you don't think greed is a motivating factor for these landlords, I have a personal experience story to tell. I had a unit in a building years ago owned by one of the city's largest landlords - many buildings with 20, 30, 50+ units each. During my tenancy, there was work done in the units where the workers did not use dropcloths, and left a mess on the carpet, which I immediately reported to the building manager. After a year, I found a nicer, larger unit elsewhere. I spent 3 days cleaning the unit I was leaving so I could maximize the amount I would be returned on my deposit. They charged my deposit for cleaning the carpet, which they then tore up after I left (I saw it advertised on line with non-carpeted flooring). They listed all sorts of reasons to take money away from my deposit so that I was left with maybe 10% of what I put down. But wait, there's more! This landlord of so many buildings sent me a check for the measly amount they were refunding, and guess what! That check bounced! But wait, there's more! When I called to complain, I was told my bank must have made a mistake. So I had to eat the cost of the bounced check on top of losing almost my entire deposit. And yet, these are the people the city is desperately trying to ensure that they get a fair shake.

There has been no routine maintenance in my current apartment in all the years I've been here. The heating unit hasn't had any maintenance, and is so inefficient, I've had to buy space heaters. When I asked the handyman about getting it fixed, I was told it would be too expensive and that the owners wouldn't approve spending that amount of money. So I'm paying \$600 more a month in rent, and you tell me: what am I getting for it? My carpet is growing Rocky Mountain ridges down the middle of the floor where it's buckled, but no one's ever come to inspect what condition it's in. The appliances are the same ones that were here when I moved in, and they weren't new back then. So I ask again: what am I getting for all the rent I'm paying?

And if the city sets up a program administrator under the proposed ordinance, they will be pushing for tenants to pay part of the costs. Hells, no! For all the reasons mentioned above, how are we tenants supposed to afford even more expenses?

Attachment D – Draft Proposed Rent Stabilization Ordinance

Draft ordinance submitted with written comments received on September 17, 2025.

**IN THE CITY COUNCIL OF THE CITY OF SAN LEANDRO
ORDINANCE No. 2025 XX**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LEANDRO ENACTING A NEW CHAPTER AND
AMENDMENTS/REVOCATIONS OF CHAPTER XX OF SAN LEANDRO MUNICIPAL CODE**

Chapter: 4-46

4-46-100 Title and Purpose.

This Chapter shall be known as the San Leandro Rent Stabilization Ordinance, hereafter referred to as the SLRSO. The purpose of this Chapter is to promote neighborhood and community stability, well maintained, healthy housing, and affordability for renters in the City of San Leandro by controlling excessive rent increases to the greatest extent allowable under California law, minimizing the number of rent burdened households, while ensuring landlords a fair and reasonable return on their investment.

4-46-110 Findings.

The City Council of San Leandro finds and declares as follows:

WHEREAS there is a shortage of decent, safe, affordable, and sanitary housing in the City of San Leandro;

WHEREAS the prolonged affordable housing crisis in the City of San Leandro disproportionately impacts the most vulnerable members of the San Leandro community, those of low income, working class households, senior citizens, people of color, immigrants, and people with disabilities, and increases homelessness and crime, both which harm neighborhood stability and cohesion;

WHEREAS residential tenants, who make up at least 40,000 people across nearly 15,000 renter-occupied housing units in San Leandro, constituting approximately 50% of total occupied housing units, suffer great and serious hardship when forced to move from their homes;

WHEREAS as of 2023, 71.9% of Black households and 67% of Latino households in San Leandro were renters, meaning that renters' rights are a racial equity issue and strengthening tenant protections furthers fair housing;

WHEREAS approximately 25% of San Leandro householders under the age of 35 are renters;

WHEREAS Senior citizens 65 and older comprise 15.1% of San Leandro residents and because of fixed incomes, 10% live below the poverty level and 56% are housing cost burdened, according to the City of San Leandro 2023-2031 Housing Element. Twenty-four percent of senior-headed renter households have incomes below 80% AMI or are low, very low, or extremely low income;

WHEREAS state laws that eliminate limits on rent increases when a rental unit becomes vacant provide added economic incentive for landlords to evict tenants;

WHEREAS an estimated 88% of all San Leandro housing units are in structures built before 1990, as identified by the U.S. Census Bureau, 2022: American Community Survey 5-Year Estimates;

WHEREAS according to American Community Survey 5-Year Estimates from the U.S. Census Bureau, approximately 62% of renter households in San Leandro are rent-burdened, which means that they pay more than 30% of their income on rent. Without rent stabilization, tenants who moved into a unit they could afford can very quickly find themselves rent-burdened;

WHEREAS approximately 43% of San Leandro tenant households making less than \$75,000 a year were estimated to be rent-burdened, which is defined as spending more than 30% of household income on rent;¹

WHEREAS given the increased housing cost burden and poverty faced by many San Leandro residents, excessive rent increases threaten the public health, safety, and welfare of San Leandro residents, including seniors, people with disabilities, those on fixed incomes, those with very low, low, and moderate income levels, and those with other special needs. Such persons are often forced to choose between paying rent and providing food, clothing, and medical care for themselves and their families;

WHEREAS the problem of rent increases in San Leandro has reached a crisis level, with rents consistently rising at rates higher than inflation and average wage growth, forcing people out of their homes and out of our community;

WHEREAS the State of California's Tenant Protection Act of 2019 establishes an annual allowable rent increase of 5% plus inflation, not to exceed 10%, far exceeding that of all municipal rent stabilization districts in the Bay Area, and generally exceeding increases in household incomes in any given year;

WHEREAS without sufficient and long-term effective rent stabilization, with the limits imposed only by state law which are found to be excessive, many tenants "self-evict" and move

¹ See San Leandro Housing Needs Assessment, accessed on 1/30/2025, https://www.google.com/url?q=https://www.sanleandro.org/DocumentCenter/View/8259/2-Housing-Needs-Assessment?bidId%3D&sa=D&source=docs&ust=1738181878680271&usg=AOvVaw3x5AOHT_gdRw5-AaFHV6FD

out even without adequate replacement housing, rather than face the financial uncertainty that could impact their ability to find new housing;

WHEREAS evictions can lead to homelessness and unsheltered homelessness (people living on the street, in tents, or in vehicles) remains high in San Leandro, with over 400 individuals classified as homeless and over 300 individuals classified as unsheltered;²

WHEREAS the problem of rent increases in San Leandro has reached a crisis level, with examples of rents rising at rates more than ten (10) times that of inflation or average wage growth;

WHEREAS without sufficient and long-term eviction protections, many tenants “self-evict” and move out even without adequate replacement housing, rather than face future legal eviction that could impact their ability to find new housing;

WHEREAS The City of San Leandro does not restrict rental increases or grounds for eviction. State protections have been insufficiently protective of tenants. Many tenants are not covered by existing tenant protections, are left unprotected due to existing loopholes in the law that leave them vulnerable to evictions or rent increases that outpace inflation, and current state wide laws lack sufficient enforcement mechanisms. Residents have been unfairly evicted so that landlords can take advantage of the current Bay Area housing shortage and raise rents. Tenants are provided little information regarding their rights in the case of eviction and how to get help if they believe their rights have been violated;

WHEREAS stabilizing rents, encouraging property maintenance, and regulating evictions will protect existing rental housing stock, enabling local residents to live where they work, thereby shortening commutes, improving traffic and air quality, and lowering local carbon emissions;

WHEREAS construction and repairs on rental units or adjacent to such units can create hardships for tenants, especially those who are senior citizens, persons on fixed incomes, and members of low and moderate-income households. However, both preventative maintenance as well as code enforcement-related maintenance sometimes involve the replacement or substantial modification of major building systems or the abatement of hazardous materials and, by their very nature, generally make rental units temporarily untenable, as defined by California Civil Code section 1941.1. Additionally, the State of California has passed several laws which have streamlined Landlords’ ability to build on lots next to residential units. These provisions have recently been extended to include not only units built on owner-occupied lots but also investment properties owned by developers who do not live in the community where they own property; and

WHEREAS this SLRSO is in accordance with California Civil Code sections 1947.12(m)(2) and 1946.2(i), in that it is a policy regulating rent that is otherwise consistent with Chapter 2.7

² See Point in Time Count, 2024, last accessed 1/31/25 <https://homelessness.acgov.org/homelessness-assets/docs/infographic/San%20Leandro%20PIT%202024%20Infographic.pdf>

(commencing with Section 1954.50), and that the Council finds that this SLRSO is more protective than the provisions of California Civil Code section 1946.2 and 1947.12 for the following reasons:

1. The just cause for termination of a residential tenancy under this Chapter is consistent with California Civil Code section 1946.2; and
2. This Chapter further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance amounts, and provides additional tenant protections that are not prohibited by any other provision of law;
3. This Chapter is within the authority of the City to establish local policies regulating rents consistent with Chapter 2.7 (commencing with Section 1954.50).

NOW THEREFORE, the City Council of the City of San Leandro does ORDAIN as follow:

4-46-130 Recitals. The Recitals above are true and correct and adopted as the City Council's findings and when applicable, incorporated herein by reference.

4-46-140 Definitions.

The following words or phrases as used in this Chapter shall have the following meanings:

- A. "Annual Allowable Rent Increase" means the percent by which a Landlord may increase the Rent for any Controlled Rental Unit in any given year without an order from a hearing officer.
- B. "Capital Improvement." An improvement or repair to a Rental Unit or the Property that materially adds to the value of the Property, appreciably prolongs the Property's useful life or adapts the Property to a new use, and becomes a part of the real property or is permanently affixed to the real property such that its removal would result in material damage to the real property or to the improvement itself, has a useful life of more than one year, and is required to be amortized and depreciated over the useful life of the improvement under the provisions of the Internal Revenue Code and related regulations. A Capital Improvement may also include work necessary to comply with applicable local, state, or federal building, health, and safety codes, provided that no part of any Capital Improvement is for the purpose of repairing conditions caused by any deferred maintenance or failure to make timely routine repairs.
- C. "Capital Improvement Plan." A detailed proposal, including all supporting documents, submitted to the City Attorney or designee by a Landlord, in order to proceed with one or more Capital Improvements, and/or receive a Pass Through.
- D. "City" means the City of San Leandro.
- E. "Council" means the San Leandro City Council.

- F. "Disabled" or "Disability" shall have the meaning as given in California Government Code section 12955.3.
- G. "Housing Services" means all amenities provided by the Landlord in connection with a tenancy. Housing Services include, but are not limited to, repairs, maintenance, pest control, painting, light, lighting, hot and cold water, energy used to heat water, electricity service, electrical infrastructure, heating service, heaters, gas service, sewer service, elevator service, window shades and screens, window bars, storage, kitchen, bathroom amenities, appliances, laundry facilities, plumbing, privileges, janitorial services, access to exterior doors, access to outdoor areas, use of outdoor areas, maintenance of outdoor areas, maintenance of outdoor facilities, fencing, prevention of moisture intrusion, roofs, entry systems, gates, security systems, refuse removal, furnishings, telephone, telephone systems, parking, mail delivery systems, door bells, alarms, swimming pools, gyms, the right to have a specified number of occupants, guests, or Tenants, the right to have pets, utility infrastructure, internet connections, cable television services, services of on-site manager, and any other benefit, privilege or facility connected with the use or occupancy of any Rental Unit.
- H. "Landlord" means an owner, lessor, sublessor, any master tenant, or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, or successor of any of the foregoing.
- I. "Maximum Allowable Rent" means the maximum Rent which a Landlord may legally charge for any of the Controlled Rental Units covered by this Chapter.
- J. "Pass Through." Any monetary amount a Landlord is authorized to pass through to, and recover from, one or more Tenants in the form of a surcharge or in addition to Rent, as authorized by an approved Capital Improvement Plan or any other lawful authorization for the duration of time necessary to pay for the cost of the Capital Improvement. A "Pass Through" is not "Rent" under the SLRSO.
- K. "Property" means all Rental Units on a parcel or lot, including any associated common areas.
- L. "Rent" means all periodic payments, all nonmonetary consideration, and other consideration, a Tenant pays or is obligated to pay in exchange for the use or occupancy of a Rental Unit and common areas, including all payment and consideration for any Housing Services. Nonmonetary compensation qualifies as Rent and includes the fair market value, or agreed upon value, of goods, labor performed, or services rendered to or for the benefit of the Landlord under a Rental Agreement, subject to applicable laws, including, but not limited to the California Labor Code.

- M. "Rental Agreement" means an agreement, oral, written or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing Services.
- N. "Rental Housing Fee" means the fee described in Subsection *** 4-46-150(D).
- O. "Rental Unit" means any unit in any real property, not exempt from this SLRSO, used for residential purposes, or rented or offered for rent for residential purposes, regardless of zoning or permitting status, together with all Housing Services connected with use or occupancy of the real property. A room or rooms rented separately from other rooms at the same real property shall constitute a single Rental Unit, even if the occupants share other common spaces or amenities. See *Owens v. City of Oakland* 49 Cal. App. 5th 739 (2020)
- P. "Tenant" means a tenant, subtenant, lessee, sublessee, tenant at sufferance, tenant at will, or any other person entitled under the terms of a Rental Agreement to use or occupy a Rental Unit.
- Q. "Utility" means the provision of gas, heat, electricity, water, hot water, sewer, telephone, cable, internet, or any costs associated with the foregoing.

4-46-150. Applications and Exemptions.

This SLRSO shall be interpreted and administered in a manner consistent with the Costa-Hawkins Rental Housing Act codified in California Civil Code section 1954.50 et seq. ("Costa Hawkins"), as well as relevant California statutory and case law authority. If any conflict exists between the provisions of Costa Hawkins and this article, Costa Hawkins shall prevail. The SLRSO shall be considered and construed as remedial legislation and be interpreted liberally to achieve its purposes. As remedial legislation, exemptions from coverage shall be construed narrowly.

(a) *Applicability of this Article.* The provisions of this SLRSO apply to all Landlords, Tenants, Rental Units, and Properties as defined in this SLRSO in the City, except as otherwise exempted in this section.

(b) *Exemptions from this Article.* The following Rental Units are exempt from Rent Stabilization:

(1) Rental Units exempt from rent stabilization pursuant to the Costa Hawkins Rental Housing Act (California Civil Code section 1954.50 et seq.)

(2) Rental Units which a government unit, agency, or authority owns, operates, manages, or in which governmentally subsidized Tenants reside only if applicable federal or state law or administrative regulation specifically exempts such units from municipal rent stabilization.

(3) Rental Units which are deed restricted as affordable housing by a regulatory agreement or similar recorded document.

(4) Rental Units in any hospital, covenant, monastery, extended medical care facility, non-profit home for the aged, or dormitory as defined in California Building Code section that is solely owned and operated by an accredited institution of higher education.

(5) A unit in a hotel, motel, inn, or room and boarding house which is rented primarily to transient guests for a period of twenty-eight consecutive calendar days or less, counting portions of calendar days as full days and other transient occupancies as defined in California Civil Code section 1940(b), with the limitations provided in California Civil Code section 1940.1.

(6) A unit in an institutional facility, including a hospital, medical care facility, residential care facility, asylum, group home for seniors or the disabled, or transitional housing program that assists homeless persons as defined in California Civil Code section 1954.12.

(7) Rental Units in any building which is included on the National Register of Historic Places, the State Historic Landmark Register, the California Register of Historic Resources, or which has been voluntarily nominated as an historic resource by the property owner and which designation has been considered by the San Leandro San Leandro Historic Resources Board and approved by the San Leandro City Council.

Sec. 4-46-160. Limit on rental rate increases.

- (a) Increases in Rent on Rental Units in the City may not exceed the lesser of 2.75% of total base rent or 65% of the most-recent 12-month increase in the Consumer Price Index for All Urban Consumers (CPI-U), for the San Francisco-Oakland-San Jose metropolitan area, less its shelter component. Only one rent increase of any kind in any 12-month period is permitted. A reduction in Housing Services shall constitute an increase in Rent.
- (b) Subsection (a) of this section shall apply to all Rent increases occurring on or after December 31, 2024. A Landlord has no duty to refund otherwise lawful rent received prior to the effective date of this Rent Stabilization Ordinance in excess of the amount authorized by this section.
- (c) The 12-month period referenced in subsection (a) of this section shall begin on the date of the last Rent increase regardless of whether the last Rent increase occurred prior to the effective date of this SLRSO.

Sec. 4-46-170. Fair and reasonable rate of return.

This SLRSO allows for an adjustment of residential real property Rent based on a fair and reasonable rate of return as specified in subsection (a) of section 4-46-190 of this article. Such an increase is found and determined to provide a just and reasonable return on a Landlord's Property, and has been adopted to encourage good management with appropriate portions of

monthly rental income allocated to repairs and maintenance, to reward efficiency, and to discourage the flight of capital, as well as to be commensurate with returns on investments in comparable real property, but not so high as to defeat the purpose of curtailing excessive Rent and rental increases or placing continued occupancy of the most vulnerable at risk.

Notwithstanding the foregoing, any Landlord who contends that the limit on Rent increases set forth in Section 4-46-160 will prevent the Landlord from receiving a fair and reasonable return on the Property may petition for relief from the limits set forth in section 4-46-160 pursuant to the procedures set forth in section 4-46-190. In making annual adjustments of the Annual Allowable Rental Increase, Hearing Officers shall consider the purposes of this Chapter and the requirements of law.

Sec. 4-46-180. Tenant petition for rent reduction.

- (a) Unlawful Rent. A Tenant of a Rental Unit may petition for a reduction of Rent by filing a document called a "Rent Reduction Petition" if the Tenant believes that the Landlord has demanded, accepted, or retained from the Tenant any Rent in excess of the Rent permitted by the SLRSO, or if a reduction in Rent is warranted due to reduction in Housing Services. The Landlord shall be informed of the Tenant's Rent Reduction Petition and shall have the opportunity to respond to the Tenant's claims.
- (b) Reduction in Housing Services or Failure to Maintain Habitable Premises. A Tenant may file a Rent Reduction Petition to request a refund of, or decrease in, Rent proportional to the Landlord's reduction in Housing Services, or failure to maintain the Rental Unit in a habitable and/or safe condition as required by applicable state rental housing laws, state and local health and safety laws, or the Rental Agreement.
- (c) Such Rent Reduction Petition shall be on forms prescribed by the City Attorney or designee, shall include supporting materials, shall be submitted to the City Attorney or designee, and shall be decided by a neutral Hearing Officer designated by the City Attorney, after a hearing, duly noticed, shall have been conducted and concluded.
- (d) The Tenant shall serve a copy of the Rent Reduction Petition, supporting materials, and proof of service to the applicable Landlord and the City Attorney or designee. Within 21 days of the date of service of the Tenant's Rent Reduction Petition the Landlord shall serve the tenant and the City Attorney or designee the Landlord's reply with supporting materials in response to the Rent Reduction Petition.
- (e) The Tenant shall have the burden of proof to establish by a preponderance of the evidence that a Rent reduction is necessary to comply with the SLRSO. The Tenant shall do so by providing information including the type of dwelling, dates of tenancy, dates of Rent increases, amount of Rent increases, description of conditions alleged to constitute the Rent increase and/or reduction in Housing Services, dates of charges, and amounts of charges, and all other relevant information.
- (f) The factors the Hearing Officer may consider in deciding a Rent Reduction Petition shall be, but are not limited to, matters related to the Landlord's failure to comply with the SLRSO, reductions in Housing Services, habitability violations, code violations, the Landlord's deferred maintenance, the Landlord's failure to make necessary repairs, decreases in living

space, decrease in number of occupants, decrease in furnishings, equipment, or services, substantial deterioration of the Rental Unit other than as a result of ordinary wear and tear, or Landlord's failure to provide adequate Housing Services or to comply with applicable housing, health, and safety codes., or the Rental Agreement.

- (g) A Rent Reduction Petition shall be decided by the Hearing Officer within 45 days of the date the hearing has been deemed complete by the Hearing Officer. The decision shall be in writing, shall state the findings and conclusions of the hearing Officer, the basis of those findings and conclusions, including reference to supporting documentation, and shall be sent by mail and email with proof of service to the applicable Tenant, the designated representative of the Tenant, the subject Landlord, and the Landlord's designated representative for the Rent Reduction Petition, if any. Any person aggrieved by the decision of the Hearing Officer may appeal to the City Council. On appeal, the City Council shall base its decision on the record of the hearing on the Rent Reduction Petition, and shall affirm, reverse, or modify, the decision of the Hearing Officer, or send the case back to the Hearing Officer for further proceedings, as described by the City Council. The decision of the Hearing Officer shall be the final decision of the City in the event of no appeal to the City Council.
- (h) Decisions decreasing Rent shall remain in effect until the Hearing Officer or the City Attorney's designee finds in a written order that the Landlord has corrected all the conditions warranting the decrease. The City Attorney shall establish procedures for making prompt compliance determinations. Upon a determination of compliance, the Landlord shall be entitled to reinstatement of the prior lawful Rent level, retroactive to the date that the Hearing Officer or designee finds the Landlord corrected all the defects which warranted the decrease. This shall be in compliance with California Code of Civil Procedure section 1942.4. If the Landlord is found to be in violation of California Code of Civil Procedure section 1942.4, then no Rent shall be charged for the period during which the Landlord was in violation.

Sec. 4-46-190. Landlord petition for rent increase based on fair and reasonable rate of return.

- (a) A Landlord may petition for a Rent increase for a Rental Unit in excess of that provided in Section 4-46-160 in order to obtain a fair and reasonable return on the Landlord's Property ("Fair Return Petition"). It is the intent of this Article that individual upward adjustments in the Maximum Allowable Rent on Rental Units be made only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a fair and reasonable return on the Property.
 - (1) Nothing in this section shall be interpreted to authorize a Rent increase for a Rental Unit in excess of the amount authorized pursuant to California Civil Code section 1947.12.
 - (2) Such Fair Return Petition shall be on an application form prescribed by the City Attorney and shall include a declaration by the Landlord that the Rental Unit meets all requirements of this SFRSO. Fair Return Petitions shall be decided by a neutral Hearing Officer designated by the City Attorney.

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- (3) The Landlord shall provide a copy of any Fair Return Petition and all supporting documentation submitted to the City to the applicable Tenant(s) and shall provide the City with proof of completing such service to the applicable Tenant(s). The Tenant(s) shall have thirty days from the date of receiving the Fair Return Petition to reply or provide additional materials to the City Attorney in response to the Fair Return Petition.
 - (4) The Landlord shall be responsible for all costs associated with the City's review of the Fair Return Petition.
 - (5) Upon receipt of a Fair Return Petition, the Hearing Officer shall determine the anticipated costs of review and if the employment of expert(s) will be necessary or appropriate for a proper analysis of the Landlord's request. If the Hearing Officer so determines, the Hearing Officer shall also determine the anticipated costs of employing such expert(s). The resulting estimated cost shall be communicated to the Landlord and the Fair Return Petition shall not be processed until the Landlord has paid to the City the estimated cost of the completed analysis. The City will provide the Landlord with an invoice of all costs incurred after the review of the Fair Return Petition. Any unused portion of the advance payment for analysis shall be refunded to the Landlord. If additional funds are required, payment will be required before the Landlord receives the determination on the Fair Return Petition from the City.
- (b) The Landlord shall have the burden of proof to establish by a preponderance of the evidence that a Rent increase is necessary to provide the Landlord with a fair and reasonable return on the Property. The factors the Hearing Officer may consider in deciding a Fair Return Petition include, but are not limited to, the following:
- (1) Changes in the Consumer Price Index for All Urban Consumers (CPI-U), for the San Francisco-Oakland-San Jose metropolitan area, less its shelter component, as reported by the U.S. Bureau of Labor Statistics, arising after commencement of the tenancy.
 - (2) The pattern of recent Rent increases or decreases, and why the Landlord is receiving the amount of Rent received for each Rental Unit in the Property. (For example, is the Landlord receiving below market Rent because a family member is the Tenant.)
 - (3) Changes in property tax or other taxes related to the Controlled Rental Unit arising after commencement of the tenancy.
 - (4) Unavoidable and unforeseeable changes in operating and maintenance expenses arising after commencement of the tenancy.
 - (5) Substantial deterioration of the Rental Unit other than as a result of ordinary wear and tear.
 - (6) Increases or decrease in the number of Tenants occupying the Controlled Rental Unit, living space, furniture, furnishings, equipment, or other Housing Service provided, or occupancy rules.

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- (7) Failure on the part of the Landlord to provide adequate Housing Services, and/or to comply with applicable state rental housing laws, local housing health and safety codes, and/or the Rental Agreement.
 - (8) Items of deferred maintenance, failure to maintain the affected Rental Unit(s), failure to make routine maintenance on the affected Rental Units.
 - (9) The amount of equity the Landlord has earned on the Property since inception of Landlord's ownership.
 - (10) The kind and purpose of Landlord's debt secured by the Property.
 - (11) The dates of commencement of each Rental Agreement of each affected Tenant in the Property.
 - (12) The sum equal to the amount of Rent the Landlord received in December 2024, minus all expenses incurred for the operation of the Property that month. If the Landlord did not own the Property in December 2024, the applicable date for this subsection shall be the end of the sixth month after the Landlord became owner of record of the Property.
 - (13) Relevant evidence demonstrating that a Landlord, as of the effective date of this SLRSO, does not receive a fair and reasonable return under the provisions of this SLRSO, the Rental Agreement, state law, including the California state constitution, and all applicable case authority.
- (c) The Landlord may not charge for utilities unless the utility is separately or individually metered.
 - (d) A Fair Return Petition shall be decided by the Hearing Officer within ninety calendar days of the date that the Fair Return Petition has been deemed complete by the Hearing Officer, including submission of proof of service of the Fair Return Petition on the applicable Tenant(s), unless the Landlord has failed to pay all applicable costs associated with the City Attorney, or designees', review of the Fair Return Petition, or an extension of this time has been agreed upon by the Landlord and the Tenant(s) in writing. The decision shall be sent by mail and shall be emailed with proof of mailing to the Landlord, the Landlord's designated representative for the Fair Return Petition, the applicable Tenant(s), and the designated representative of the Tenant(s), if any. Any person aggrieved by the decision of the Hearing Officer may appeal to the City Council. On appeal, the City Council shall base its decision on the record of the hearing on the Fair Return Petition, and shall affirm, reverse, or modify, the decision of the Hearing Officer, or send the case back to the Hearing Officer for further proceedings, as described by the City Council. The decision of the Hearing Officer shall be the final decision of the City in the event of no appeal to the City Council.

Sec. 4-46-200. Petition for pass through for specified capital improvements.

- (a) *Landlord Petition.* In addition to the petition process set forth above in sections 4-46-160 and 4-46-190, a Landlord may file on an application form prescribed by the City Attorney a

Capital Improvement Plan, with or without a request for a Pass Through of certain Capital Improvement costs to Tenants of Rental Units, subject to the provisions and limitations set forth in this section, but shall include the actual cost of completed Capital Improvements to the Rental Unit (as distinguished from ordinary repair, replacement, and maintenance or costs attributable to bringing a Rental Unit into compliance with applicable health and safety laws and codes) where such Capital Improvement costs are properly amortized over the life of the improvement. A Landlord may not file a petition pursuant to this subsection until the work on such Capital Improvements has been completed. The City Council may adopt reasonable regulations to govern Capital Improvement standards and applications under this section.

- (b) *Tenant Financial Hardship.* Any Tenant affected by a petition for pass through for specified Capital Improvements may file a hardship application at any time on grounds of that the actual costs of Capital Improvements permitted pursuant to subsection (a) of this section will be a financial hardship to the Tenant. Payment by the Tenant of actual costs resulting from the Capital Improvement set forth in the hardship application shall be stayed from the date of filing of the hardship application until a decision is made on the Tenant's application. The City Council shall adopt reasonable regulations to set the standards for establishing financial hardship and applications under this section. As a general rule, a finding of a monthly payment for Rent and Capital Improvement Pass Through in excess of 35% of the Tenant's gross monthly income from all sources shall establish a finding of hardship sufficient to grant the Tenant's application and deny the Pass Through to the hardship Tenant applicant. If the finding is in favor of the Landlord, the Tenant shall pay the Rent increase back to the date of expiration of the notice of Rent Increase.

Sec. 4-46-210. Court Review. A party may seek judicial review of a final decision of the City Council pursuant to California Civil Code Section 1094.5 within the time frames set forth therein.

Sec. 4-46-220. Rent increase of no legal effect; no waiver.

- (a) A Rent increase shall be of no legal effect if the Landlord:
- (1) Fails to comply with all provisions of this SLRSO, as may be amended from time-to-time, and with all applicable regulations as may be promulgated concerning Rent and this SLRSO; or,
 - (2) Fails to comply with the City's Rent Registration Ordinance, including the registration and payment of all necessary fees for all Rental Units within the City owned by the Landlord; or,
 - (3) Fails to pay all business licensing fees of the City; or,
 - (4) Fails to maintain the residential real property in compliance with California Civil Code section 1941.1 and California Health and Safety Code sections 17920.3 and 17920.10; or,
 - (5) Fails to make repairs ordered by the City or any court of competent jurisdiction.

(b) A Landlord's failure to comply with any provision of this SLRSO shall be a complete defense any eviction action brought for recovery of possession of a Rental Unit.

(c) Any waiver or purported waiver by a Tenant of rights granted under this SLRSO at any time, whether oral or written, in or pertaining to a Rental Housing Agreement or this SLRSO, shall be void as contrary to public policy and unenforceable.

(c) If a Tenant reasonably believes a Landlord has increased the Tenant's Rent in violation of this SLRSO, the Tenant may follow the procedures stated in this SLRSO to object to such increase.

Sec. 4-46-230. Notice requirements.

(a) At the commencement of every tenancy of a Rental Unit in the City, and thereafter at the same time as any Landlord serves any notice to increase Rent, or any notice served pursuant to the California Civil Code or Code of Civil Procedure, the Landlord must deliver to the Tenant, on a form prescribed by the City attorney, written notice stating the following:

(1) The tenancy is subject to the terms of this SLRSO; and,

(2) The Tenant has a right to submit a complaint to the City pursuant to section 4-46.XX or a Rent Reduction Petition pursuant to section 4-46-180 for Rent demanded, accepted, or retained in violation of this SLRSO, or for a reduction in Housing Services, or for failure to maintain habitable premises;

(3) The Landlord has a right to respond to any Rent Reduction Petition filed by the Tenant with the City pursuant to section 4-46-180; and,

(4) The Tenant has a right to respond to any Fair Return Petition filed by the Landlord with the City pursuant to section 4-46.190; and,

(5) No rent increase is effective unless and until the requirements of this SLRSO have been met.

(b) When a Landlord and Tenant have entered into a written Rental Agreement, the Landlord must give all subsequent notices to the Tenant in the language primarily used in negotiating the Rental Agreement. When a Landlord and Tenant have not entered into a written Rental Agreement, the Landlord must give notices to the Tenant in the language that a Landlord and Tenant used primarily when negotiating the terms of the Tenancy.

Sec. 4-46.240 Violations and remedies.

(a) It shall be unlawful for any person to demand, accept, or retain Rent in excess of the Maximum Allowable Rent in violation of this SLRSO.

(b) Any person or business entity who violates or aids, assists, encourages, or incites another person to violate the provisions of this SLRSO shall be liable in a civil action for each and

every such offense for actual damages suffered by an aggrieved party (including damages for mental or emotional distress, as stated in (c) below);

- (c) Any Tenant or the City attorney may institute a civil proceeding for injunctive relief, money damages of not less than three times actual damages (including damages for mental or emotional distress), and whatever other relief the court deems appropriate for violation of the SLRSO. In the case of an award of damages for mental or emotional distress, said award shall only be trebled if the trier of fact finds that the Landlord or other person acted in knowing violation, or in reckless disregard, of the provisions of this SLRSP. The prevailing Tenant shall be entitled to reasonable attorney's fees and costs pursuant to order of the court. No administrative remedy need be exhausted prior to filing suit pursuant to this subsection.
- (d) Any violation of this SLRSO shall be an affirmative defense in an unlawful detainer, forceable entry, or forcible detainer action. In such action the defendant shall bear the burden of proving the violation.
- (e) Any person who commits an act, proposes to commit an act, or engages in any pattern and practice that violates this SLRSO may be enjoined therefrom by any court of competent jurisdiction. An action for injunction under this subsection may be brought by any aggrieved person, by the City Attorney, or by any person or entity who will fairly and adequately represent the interest of the protected class.

Sec. 4-46.250. Rental housing program fee.

For the sole purpose of reimbursing the City for the costs of administering this SLRSO, there is hereby imposed on each Rental Unit subject to the provisions of this SLRO a regulatory fee ("Rental Housing Fee") to cover the costs to provide and administer the programs created by this SLRSO in such amount as the City Council may establish by resolution from time-to-time. Landlords subject to this SLRSO shall register all Rental Units subject to this SLRSO consistent with the City's Residential Rental Registration Program (Article 4-45-010, et seq. of the San Leandro Municipal Code) with the City and pay the Rent Program Fee at such time and in such manner as established by City Council resolution. A Landlord may not recover any portion of the Rental Housing Fee, or any associated late penalties, from Tenants. The failure to register a residential rental unit with the San Leandro Rent Registry shall be an affirmative defense to recovery of possession of any residential rental unit in the City.

Sec. 4-46-260. Implementation.

The City Manager and the City Attorney shall take or cause to be taken such actions necessary to implement this SLRSO and effectuate the intent of the City Council in adopting this Rent Stabilization Ordinance, including the preparation of informational materials and forms and promulgation of administrative regulations. The City Manager shall designate a City department to provide information and receive Tenant complaints pertaining to violation of this SLRSO. The City Manager and the City Attorney shall publicize this Article so that all Landlords and residents of the City will have the opportunity to become informed about their legal rights and duties under this Article. The City Attorney shall prepare informational

materials which fully describe the legal rights and duties of Landlords and Tenants under this SLRSO. The informational materials will be available to the public and each Tenant of a Rental Unit shall receive a copy of the informational materials from their Landlord. Landlords shall provide the informational materials at the commencement of the tenancy and with each written notice of Rent increase. The informational materials will be made available on the City of Salinas website.

Sec. 4-46-270. Rent Stabilization and Rent Review Board.

San Leandro Municipal Code Title 4, Chapt. 32, et seq., (Rent Review Ordinance) is hereby repealed.

Sec. 4-46-280. City Attorney Shall Promulgate Regulations for the Implementation of this Ordinance

Such rules not inconsistent with the purposes of this Ordinance

Sec . 4-46-290. Severability

This SLRSO shall be liberally construed to achieve its purposes and preserve its validity. If any provision or clause of this SLRSO or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this SLRSO which can be given effect without the invalid provision or application; and to this end the provisions of this Chapter are declared to be severable and are intended to have independent validity.

Sec. 4-46-300. Operative date.

The operative date of the ordinance codified in this Article shall be July 1, 2025.

Bullard v. S.F. Rent Residential Rent Stabilization Bd. (2003) 106 Cal. App.4th 492

Kelly v. Yee (1989) 213 Cal.App.3d 336

Birkenfeld v. City of Berkeley (1976) 17 Cal. 3d 129

Fisher v. City of Berkeley (1984) 37 Cal. 3d 644

Larson v. City and County of S.F. (2011) 192 Cal. App.4th 1263

Green v. Superior Court (1974) 10 Cal.3d 616

Owens v. City of Oakland (2020) 49 Cal. App.5th 739

Civil Code § 1632

Costa Hawkins § 1954.50, et seq.

Civil Code § 1946.2

Civil Code § 1947.12

Code Civil Procedure § 1162