

RESOLUTION NO. 2026-XXX

RESOLUTION ESTABLISHING RENT PROGRAM FEES FOR THE RENTAL REGISTRY AND RENT STABILIZATION PROGRAMS (RENT PROGRAM) AND AMENDING THE MASTER FEE SCHEDULE; ESTABLISHING A RENT PROGRAM SPECIAL REVENUE FUND; AUTHORIZING SIX (6) FULL-TIME EQUIVALENT POSITIONS FOR THE RENT PROGRAM; APPROPRIATING \$2,230,433 FOR THE FISCAL YEAR 2027 RENT PROGRAM BUDGET; AND APPROVING A GENERAL FUND LOAN OF \$2,230,500 AT 3.76% INTEREST WITH A MAXIMUM TERM OF SIX YEARS

WHEREAS, the City Council adopted Ordinance No. 2025-002 on April 21, 2025, establishing Chapter 4-45 of the San Leandro Municipal Code, requiring all residential landlords to annually register rental units with the City and authorizing the City Council to establish a program fee by Resolution to recover the City's costs of administering the Rental Registry, with an initial annual filing deadline of January 31; and

WHEREAS, the City Council adopted Ordinance No. 2025-013 on October 20, 2025, amending Section 4-45-120(a) to revise the filing deadline from January 31 to July 31, 2026, to allow additional time for software development; and

WHEREAS, the City Council adopted Ordinance No. 2026-001 on February 2, 2026, establishing Chapter 4-46 of the San Leandro Municipal Code, creating the Residential Rent Stabilization program effective January 1, 2027, and authorizing the City Council to establish a program fee by Resolution to recover the City's costs of administering the Rent Stabilization program; and

WHEREAS, the City Council is concurrently adopting an ordinance amendment to Section 4-45-120(a) to revise the Rental Registry filing deadline from July 31, 2026 to January 31, 2027, to align the Rental Registry launch with the Rent Stabilization Ordinance effective date, improve data relevance and consistency, and consolidate administrative touchpoints with the existing January Business License annual renewal cycle; and

WHEREAS, the City retained NBS Government Finance Group ("NBS") to prepare a Fee Analysis for the Rental Registry and Rent Stabilization Programs, dated March 30, 2026 (the "Fee Study") a true and correct copy of which is on file with the City Clerk and presented to the City Council at this meeting; and

WHEREAS, the Fee Study calculates eligible program costs and determines that the maximum permissible fees at 100% full cost recovery are: (i) \$148 per unit, per year for the Rental Registry (Base Rent Program Fee), applicable to all rentable units subject to Chapter 4-45; (ii) \$108 per unit, per year for the Rent Stabilization program (Additional Rent Stabilization Program Fee), applicable to units subject to Chapter 4-46; (iii) \$472 per request for a Fair Return Rent Increase Petition (Municipal Code Section 4-46-130); and (iv) \$236 per request for a Petition for Rent Decrease (Municipal Code Section 4-46-135). The Fee Study reflects pro-rated costs based on the Rent Stabilization Ordinance's January 1, 2027 effective date; and

WHEREAS, the City Council finds that the fees established by this Resolution, including the Fiscal Year 2026-2027 (FY 2027) fees set forth herein, do not exceed the reasonable cost of providing the regulatory services for which the fees are imposed, as required by California Constitution Article XIII C, Section 1(e); and

WHEREAS, implementation of the Rent Program requires creation of a new administrative unit within the Community Development Department, staffed by up to six (6) full-time equivalent positions as set forth in Exhibit A to this Resolution; and

WHEREAS, the Rent Program is a new program with no existing fee revenue base, and startup funding is required to cover program expenditures in advance of the collection of program fee revenues in the first registration cycle; and

WHEREAS, the City Council finds it appropriate for the General Fund to loan \$2,230,500 to the Rent Program Special Revenue Fund at an annual interest rate of 3.76%, equivalent to the City's investment portfolio return as of December 31, 2025, to ensure the General Fund is compensated for the cost of capital; and

WHEREAS, to ensure proper accounting, transparency, and compliance with the annual reporting requirements of Chapters 4-45 and 4-46, the City Council finds it appropriate to establish a dedicated Rent Program Special Revenue Fund to receive program fee revenues and account for all program expenditures separately from the General Fund; and

WHEREAS, Chapters 4-45 and 4-46 authorize the City to impose penalties on landlords who fail to timely submit annual registration statements and fee payments; the City Council finds it appropriate to establish a tiered late registration penalty schedule that escalates based on the duration of non-compliance, designed to incentivize timely compliance while providing meaningful enforcement consequences for persistent non-compliance.

NOW, THEREFORE, the City Council of the City of San Leandro does **RESOLVE** as follows:

1. **Recitals.** The above recitals are true, correct, and incorporated into this Resolution.
2. **Fee Study Approved.** After considering the Fee Study, the testimony received at the public hearing, the staff Fee Study and related documents, and all correspondence received (collectively, the "Record"), the City Council approves and adopts the Fee Study and incorporates such Fee Study by reference herein.
3. **Findings.** The City Council finds that the Fee Study and the Record establish:
 - a. The purpose of the Rent Program fees established by this Resolution is to reimburse the City for the reasonable costs of administering the Rental Registry (Chapter 4-45) and the Residential Rent Stabilization program (Chapter 4-46).
 - b. The full cost recovery fee amounts of \$148 and \$108 per unit per year do not exceed the estimated reasonable cost of providing the corresponding regulatory services, as documented in the Fee Study.

- c. The fees confirmed do not exceed the estimated reasonable cost of providing the corresponding regulatory services based on the actual FY 2027 program budget.
- d. There is a reasonable relationship between the fees imposed and the regulatory activities performed for, or required as a result of the actions of, the persons upon whom the fees are imposed.
- e. The fees established herein are not imposed as an incident of property ownership and are not “property-related fees” subject to Article XIII D of the California Constitution, as they are imposed on landlords by virtue of their operation of a rental housing business, not merely by virtue of property ownership.

4. **Rent Program Fees Established.** The following Rent Program fees are hereby established:

FY27 Fees — First Registration Cycle (Due January 31, 2027). The FY 2027 per-unit fees are established at the amounts confirmed in the Fee Study:

Fee Name	Unit / Type	FY27 Fee Per Unit
Base Rent Program Fee – Rental Registry (All Units) per SLMC Chapter 4-45	Per unit; per year	\$148
Additional Rent Stabilization Program Fee – Rent Stabilized Units Only per SLMC Chapter 4-46	Per unit; per year	\$108
Combined Fee – Rent Stabilized Units	Per unit; per year	\$256
Fair Return Rent Increase Petition (4-46-130)	Per request	\$472
Petition for Rent Decrease (4-46-135)	Per request	\$236

5. **Annual Fee Adjustments.** Commencing July 1, 2028 and annually thereafter, the City Manager or designee shall adjust the Rent Program fees based on the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward, CA Region, published by the U.S. Bureau of Labor Statistics, for the twelve-month period ending in April of each year. No adjustment shall result in a fee exceeding the then-applicable full cost recovery amount as documented in the most recently adopted Fee Study.
6. **Late Registration Penalties.** The following tiered late registration penalty schedule is hereby established, applicable to any landlord who fails to timely submit the annual Rent Program registration statement and fee payment required by Section 4-45-120 of the San Leandro Municipal Code:
- a. Tier 1 (1–30 days late): A penalty equal to 25% of the applicable annual per-unit fee shall be assessed on each unit for which registration is delinquent.
 - b. Tier 2 (31–89 days late): A cumulative penalty equal to 50% of the applicable annual per-unit fee shall be assessed on each delinquent unit.

- c. Tier 3 (90 or more days late): A cumulative penalty equal to 100% of the applicable annual per-unit fee shall be assessed on each delinquent unit.
 - d. Penalties shall be assessed per unit for each registration cycle in which a landlord is delinquent. Penalties are in addition to, and not in lieu of, the applicable annual program fee.
 - e. First Cycle Waiver Authority: For the first registration cycle, the Program Administrator is authorized to waive or reduce penalties upon a showing of good cause, such as demonstrated lack of notice.
7. **Master Fee Schedule Amended.** The City's Master Fee Schedule is hereby amended to include the Rent Program fees established in Section 4 of this Resolution and the late registration penalties established by Section 6. The City Manager is authorized to incorporate the FY 2027 fees into the Master Fee Schedule.
8. **Positions Authorized.** Six full-time equivalent positions are hereby authorized for the Rent Program as set forth in Exhibit A attached hereto and incorporated herein:
- a. The City Manager is authorized to take all necessary personnel actions to establish these positions, including classification, bargaining unit assignment, and recruitment, in accordance with applicable City personnel rules and Memoranda of Understanding.
 - b. Final compensation shall be determined in accordance with the applicable MOU and City pay schedule.
9. **Fiscal Year 2026-27 Budget Appropriated.** The sum of \$2,230,433 is hereby appropriated to the Rent Program Special Revenue Fund for FY 2027, as set forth in Exhibit B attached hereto and incorporated herein.
10. **Rent Program Special Revenue Fund Established.** A Rent Program Special Revenue Fund (the "Rent Program Fund") is hereby established as a separate fund within the City's accounting structure. The Rent Program Fund shall:
- a. Receive the General Fund loan proceeds described in Section 11 of this Resolution as the initial capitalization of the fund for Fiscal Year 2026-27;
 - b. Receive all Rent Program fee revenues collected pursuant to Chapters 4-45 and 4-46 and this Resolution;
 - c. Account for all Rent Program operating expenditures appropriated pursuant to Section 9 of this Resolution; and
 - d. Process repayment transfers to the General Fund in accordance with Section 11, whether as a lump sum of outstanding principal and accrued interest or in installments.

11. **General Fund Loan Approved.** The City Council hereby approves a General Fund loan to the Rent Program Special Revenue Fund in the amount of \$2,230,500, on the following terms:

- a. Loan Amount: \$2,230,500, approximately equal to the FY 2027 Rent Program budget of \$2,230,433, appropriated in Section 8 of this Resolution.
- b. Interest Rate: 3.76% per annum, equivalent to the City's investment portfolio return as of December 31, 2025.
- c. Repayment: The loan shall be repaid from Rent Program fee revenues. The City may repay the loan as a lump sum of all outstanding principal and accrued interest at any time without penalty, or in installments at such times and in such amounts as determined by the Finance Director based on program revenue performance. The Finance Director shall prepare a repayment projection and present it to the City Council for informational purposes within 90 days of loan disbursement. The repayment period shall not exceed six (6) years from the date of initial loan disbursement.
- d. Disbursement: The Finance Director is authorized to transfer loan proceeds from the General Fund to the Rent Program Special Revenue Fund at the commencement of FY 2027 or at such earlier time as needed to fund program startup costs authorized in this Resolution.
- e. Annual Reporting: The Finance Director shall include the outstanding General Fund loan balance, accrued interest, and repayment progress in the City's annual financial report.

12. **Effective Date.** This Resolution shall take effect immediately upon adoption. The FY 2027 Rent Program fees shall apply to the first registration cycle, with the first fee payment due January 31, 2027, consistent with the Ordinance amendment adopted concurrently herewith.

Introduced by Councilmember _____ and passed and adopted this 20th day of April 2026 by the following vote:

AYES: _____ ()

NOES: _____ ()

ABSENT: _____ ()

ATTEST:

Sarah K. Bunting
City Clerk