



Rent Stabilization & Housing Governance Overview

COUNCIL LEGISLATION/ENVIRONMENTAL COMMITTEE

APRIL 20, 2026

Stockton Apartment Rent Trends (January 2026)

Overall Market

- ▶ Median rent: \$1,677 (January)
 - ▶ Annual median rent cost: \$20,124
- ▶ ↓ 4% year-over-year (from \$1,739)

Regional Comparison

- ▶ California Median Rent: \$2,695
 - ▶ Stockton is 38% lower overall
- ▶ National Median Rent: \$1,878
 - ▶ Stockton is 10% lower overall

Key Takeaways

- ▶ Modest increases in smaller units suggest more demand at lower rent levels

*Stockton Record 2/14/2026.

Stockton Demographics

- ▶ Population: 325,705
- ▶ Unemployment rate: 7.36% (National unemployment rate: 4.3%)
- ▶ Median household income: \$81,590
- ▶ Number of dwellings: 107,105
 - ▶ Owner-occupied: 50,888
 - ▶ Renter-occupied: 51,259

What is Rent Stabilization?

- ▶ Unlike strict "rent control," rent stabilization allows for moderate rent increases and helps prevent sudden, high surges in rent.
- ▶ Rent stabilization ordinances increase tenant protections by including:
 - ▶ Rent increase caps set by local ordinances, boards or state law, often limiting them to a percentage of inflation.
 - ▶ Provisions that allow renters to have the right to renew their leases, offering long-term stability and protection against no-cause evictions.

CA's Tenant Protection Act of 2019 (AB 1482)

- ▶ Rent Cap: Annual rent increases are limited to 5% + local Consumer Price Index, or 10% total, whichever is lower.
- ▶ "Just Cause" Eviction Protections: After a tenant has occupied a unit for 12 months, landlords must have a valid, "just cause" reason to evict, such as nonpayment of rent, breach of lease, or owner move-in.
- ▶ "No-Fault" Just Cause: If a landlord evicts while the tenant is not at fault, they must provide relocation assistance, typically equal to one month's rent.

Costa-Hawkins Rental Housing Act (1995)

- ▶ Landlords can increase rent to market rates when a tenant moves out, preventing cities from enforcing "vacancy control" (maintaining low rent caps between tenants).
- ▶ New Construction Exemption: Local governments cannot impose rent control on housing built after Feb. 1, 1995, or any other date specified in local ordinances, protecting developers.

Stronger vs. Weaker Local Ordinances

Stronger Rent Stabilization Ordinances

- ▶ Lower Rent Increase Caps: These often set annual rent increases lower than state limits, frequently linking them directly to the Consumer Price Index, often below 5%.
- ▶ Tighter "Just Cause" Evictions: They offer stricter protections for tenants. Tenants cannot be evicted without cause.
- ▶ Higher tenant protections: Creates increased housing stability

Weaker Rent Stabilization Ordinances (AB 1482 Baseline)

- ▶ Higher Rent Caps: Generally follow AB 1482's limits of 5% + CPI, up to 10%.
- ▶ Less Tenant Protection: Allows landlords more flexibility to evict tenants or increase rent.

Stronger vs. Weaker Ordinances Cont.

▶ Examples: Stronger Cities

- ▶ San Francisco – Caps are among the lowest, often tied to a small percentage of CPI (e.g., 1.4% in early 2026).
- ▶ Santa Monica – Known for strict, long-standing, and comprehensive rent-stabilization regulations.
- ▶ Berkeley – Features a dedicated Rent Stabilization Board with strict "just cause" eviction protections.

▶ Examples: Weaker Cities

- ▶ Sacramento – Allows for annual rent increase up to 5% plus the CPI, no rent board, and no relocation benefits.
- ▶ Antioch – Does not cover single-family homes or condos, as well as units built after 1995, and has no local "just cause" eviction protection.
- ▶ Beverly Hills – Allows annual rent increase of 8%.

Pasadena Measure H (2022)

- ▶ Rent Control: Limits annual rent increases to 75% of the percentage increase in the Consumer Price Index.
- ▶ Just Cause Eviction: Landlords must have a valid, "just cause" reason to evict tenants.
- ▶ Rental Housing Board: Established a new, independent board to implement, oversee, and enforce these regulations, including a rental registry.
- ▶ Relocation Assistance: Landlords must pay relocation assistance to tenants for "no-fault" evictions, such as owner move-ins or taking units off the rental market.
- ▶ Rental Registry: Housing providers must register all non-exempt units, with annual updates required.

State vs Local Framework

- ▶ Precedence: Local rent control laws take precedence if they offer more protection than state law.
- ▶ Rental Caps: Local ordinances can restrict annual increases below the state's 5% + CPI formula, sometimes linking it strictly to the local CPI.
- ▶ "Just Cause" Evictions: Both typically mandate "just cause" for evictions, but local ordinances can require higher relocation assistance fees and stricter compliance for "no-fault" evictions.
- ▶ Administration: Local ordinances can be enforced by local rent boards that handle complaints and, in some cases, regulate rents for new tenants.

Governance Structures



Key components of rent stabilization governance structures include:

- ▶ **Rent Boards/Commissions:** Independent bodies that administer regulations, adjudicate disputes between landlords and tenants, and sometimes set allowable annual increase percentages.
- ▶ **Regulatory Frameworks:** Rules often allow landlords to set market rates between tenants, or "vacancy control," which restricts rent increases even after a tenant leaves.
- ▶ **Enforcement Mechanisms:** Renters often use local rent boards to petition against excessive rent increases.

Key Takeaways

- ▶ Significant variation across cities
- ▶ Governance structure is critical
- ▶ AB 1482 is baseline, not ceiling