

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, NOVEMBER 04, 2025**

MINUTE ORDER NO. 15

SUBJECT: PROTECTING RESIDENTIAL RENTAL APPLICANTS AND TENANTS FROM PRICE GOUGING AND FEE EXPLOITATION (DISTRICTS: ALL)

OVERVIEW

The County of San Diego (County) has increasingly become one of the most expensive places to live for renters in the United States. Indeed, the City of San Diego ranked number 12 among the 100 biggest cities in the nation for its overall median rent, ahead of Los Angeles, Seattle, Miami, and Chicago. Moreover, the average monthly rent in San Diego County rose 52% between 2018 and April 2025. Specifically, the average rent in San Diego County during this time rose from \$2,071.67 to \$3,161.94. Just in 2023, 141,544 low-income renter households in San Diego County did not have access to an affordable home.

Various fees imposed by landlords increase these costs, including rental application fees, tenant screening fees, and “junk fees” such as pet rent, late fees, and trash valet. These fees create significant barriers to housing that compound unaffordable rents, deepen housing discrimination, and make the housing search difficult for many people, especially low-income renters and renters of color. Additionally, fees add to the already heavy burden that exorbitant rents place on renters, with over 40% of renter households in the United States being “cost burdened,” i.e., paying over 30% of their income on housing costs. For 27% of renters in California, or roughly 1.6 million households, rent is over half of their income. In San Diego County, 82% of extremely low-income households pay more than half of their income on housing costs compared to 1% of moderate-income households.

Accordingly, this is a request for the Board of Supervisors (Board) to direct County Counsel to draft an ordinance (1) prohibiting the charging of fees in addition to rent that is in excess of a percentage of the cost of monthly rent and (2) requiring landlords to disclose the total cost of their residential rental units. The draft ordinance should include the following:

- **Transparency:** A landlord must disclose the total cost of monthly rent and any fees in addition to rent in advertising, on their website, and in any document that lists rental costs.
- **Public Education:** A landlord must include in the lease educational materials explaining AB 2493, including when a landlord is prohibited from charging an applicant a tenant screening fee.
- **Reusable Tenant Screening Reports:** Where an applicant for a residential rental unit provides their own tenant screening or consumer credit report, the landlord is required to accept the report and may not charge the applicant an application fee.
- **Holding Deposit:** A holding deposit is a sum of money paid to a landlord to reserve a rental property while the lease signing process is still underway. Landlords may charge an applicant a holding deposit up to 5% of the monthly rent for the unit being held. Holding deposits must be refunded to applicants when the lease agreement is finalized or if the lease does not move forward at no fault of the tenant.
- **Junk Fees:**
 - o Any fees required by local, state, or federal law must be excluded from the costs owed by the tenant.

- o Any and all fees required to be paid by the tenant must not exceed 5% of the monthly cost of rent. Fees to be defined as all fees other than rent, late fees, and processing fees.
- o Landlords may charge late fees for the late payment of rent up to 2% of monthly rent. This may not be charged unless rent is overdue by seven days or greater. Landlords must apply payments by the tenant to monthly rent before any existing late fees.
- o Landlords may charge a processing fee, including a convenience fee or a check cashing fee, for the payment of rent or any other fees or deposits that is up to the cost the landlord pays for the processing of the payment of rent or any other fees or deposits.
- o Landlords may not charge to the tenant any fees for services solicited by a landlord to maintain the habitability of the rental unit, including, but not limited to, pest control, trash, and trash valet fees. This does not include utility fees for a residential rental unit, which a landlord may charge to the tenant.
- o A landlord may not charge a tenant any fee for a tenant to own a household pet. This does not prohibit a landlord from charging a pet security deposit that is refundable at the end of the tenancy.
- o A landlord may not charge a tenant any fee that is not specified in the rental agreement. For any fee added after the rental agreement, a landlord must provide notice, in writing, 30 days before the fee goes into effect, and the new agreement must be signed by all parties.

Moreover, this action directs County Counsel to include in the draft ordinance remedies against landlords who fail to comply with the above.

RECOMMENDATION(S)

VICE-CHAIR MONICA MONTGOMERY STEPPE AND CHAIR PRO TEM PALOMA AGUIRRE

1. Direct the Chief Administrative Officer (CAO) to work with County Counsel and staff to draft an ordinance for the unincorporated areas of the County of San Diego with the following to the extent allowed by law:
 - a. **Transparency:** A landlord must disclose the total cost of monthly rent and any fees in addition to rent in advertising, on their website, and in any document that lists rental costs.
 - b. **Public Education:** A landlord must include in the rental application educational materials explaining AB 2493, including when a landlord is prohibited from charging an applicant an application screening fee.
 - c. **Reusable Tenant Screening Reports:** Where an applicant for a residential rental unit provides their own tenant screening or consumer credit report, the landlord is required to accept the report and may not charge the applicant an application fee
 - d. **Holding Deposit:** A holding deposit is a sum of money paid to a landlord to reserve a rental property while the lease signing process is still underway. Landlords may charge an applicant a holding deposit up to 5% of the monthly rent for the unit being held. Holding deposits must be refunded to applicants when the lease agreement is finalized or if the lease does not move forward at no fault of the tenant.
 - e. **Junk Fees:**
 - i. Any fees required by local, state, or federal law must be excluded from the costs owed by the tenant.
 - ii. Any and all fees required to be paid by the tenant must not exceed 5% of the monthly cost of rent. Fees to be defined as all fees other than rent, late fees, and processing fees.

- iii. Landlords may charge late fees for the late payment of rent up to 2% of monthly rent. This may not be charged unless rent is overdue by seven days or greater. Landlords must apply payments by the tenant to monthly rent before any existing late fees.
- iv. Landlords may charge a processing fee, including a convenience fee or a check cashing fee, for the payment of rent or any other fees or deposits that is up to the cost the landlord pays for the processing of the payment of rent or any other fees or deposits.
- v. Landlords may not charge to the tenant any fees for services solicited by a landlord to maintain the habitability of the rental unit, including, but not limited to, pest control, trash, and trash valet fees. This does not include utility fees for a residential rental unit, which a landlord may charge to the tenant.
- vi. A landlord may not charge a tenant any fee for a tenant to own a household pet. This does not prohibit a landlord from charging a pet security deposit that is refundable at the end of the tenancy.
- vii. A landlord may not charge a tenant any fee that is not specified in the rental agreement. For any fee added after the rental agreement, a landlord must provide notice, in writing, 30 days before the fee goes into effect, and the new agreement must be signed by all parties.

f. Remedies:

- i. A rental applicant or tenant claiming a violation of any of the above may file an action against a landlord in a court of competent jurisdiction.
 - ii. A rental applicant or tenant may seek injunctive relief, equitable relief, and money damages, including punitive damages, in a civil action against a landlord for a violation of the above.
 - iii. A tenant may raise, as an affirmative defense, any violation or noncompliance with the provisions above in any action by a landlord to recover possession of a residential rental property.
 - iv. In the court's discretion, a landlord who materially violates the above shall be liable to the tenant in a civil action for reasonable attorney's fees and costs.
 - v. The remedies above are cumulative and may be used in addition to any other remedies available at law, statute, or ordinance.
 - vi. The County of San Diego may enforce this ordinance, including administrative, civil, and/or criminal remedies.
 - vii. In addition to other remedies applicable to a landlord's failure to comply with the above, a landlord's failure to comply with any provision of this ordinance shall render void any notice of termination required by local or state law.
2. Direct the Chief Administrative Officer (CAO) to estimate the cost, staffing, and contract needs to enforce violations of any of the above proposed ordinances.
 3. Direct County Counsel to report back to the Board of Supervisors (Board) with an initial draft of the ordinance reflecting the changes outlined in Recommendation 1 within 90 days.
 4. Direct the CAO to report back to the Board on Recommendation 2 within 120 days.

EQUITY IMPACT STATEMENT

Strengthening and enforcing the rights of tenants, increasing housing opportunities for underserved communities, and preserving and expanding the County's supply of safe and affordable housing demonstrates a commitment to promoting equity, justice, and inclusivity.

SUSTAINABILITY IMPACT STATEMENT

Creating policies that reduce poverty by strengthening the rights of tenants and increasing affordable housing opportunities for underserved communities promotes economic stability for all.

FISCAL IMPACT

Funds for the actions requested in these recommendations to explore and report back to the Board are included in the Fiscal Year 2025-26 Operational Plan based on existing staff time in the Office of County Counsel funded by existing General Purpose Revenue. There may be fiscal impacts associated with future related recommendations which staff would return to the Board for consideration and approval. There is no fiscal impact associated with this recommendation. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Aguirre, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took action as recommended.

AYES: Aguirre, Lawson-Remer, Montgomery Steppe

NOES: Anderson, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed

