



DATE: September 2, 2025

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT: Work Session regarding the Feasibility of a Rental Registration System

RECOMMENDATION

That, due to current fiscal and staffing constraints, the City Council wait a year to reevaluate the feasibility of implementing a Rental Registration System (RRS). An RRS would proactively enforce the Residential Rent Stabilization & Tenant Protection Ordinance and facilitate the collection of rental housing market data.

SUMMARY

This report provides an analysis of a Rental Registration System (RRS), which could improve enforcement of the City's Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) by creating a database to proactively track the rental market, landlords, tenants, rent changes, unit information, and terminations. The City's FY 2025 Strategic Plan included a special project to evaluate the option of creating an RRS. Staff presented an analysis to the Housing Policy & Resource Committee (HPRC) in March of 2025. The HPRC recommended that the full City Council deliberate whether the City should pursue an RRS.

Staff's analysis concludes that an RRS would increase the fairness and compliance of the RRSO and support policymakers and staff with data-driven insights into rental market trends and housing stability. At the same time, staff has determined that it is essential to design a program with sufficient resources, especially since the Housing Division is at workload capacity. Based on a survey of other jurisdictions, under-resourcing an RRS increases the burden on landlords and provides ineffective results.

To effectively implement and administer an RRS, staff recommends 1) adding an additional 2.5 additional full-time employees (FTEs) to the Rent Review Program, funded by Rent Program Fees, and 2) restructuring the Housing Division to bring back the Housing Manager, which was removed in FY25 as a cost savings measure. Half of the Housing Manager is included in the 2.5 above and would be covered through fees. The other half would be covered by the General Fund. Considering the City's significant general fund fiscal constraints this year, staff recommend that the City Council reevaluate an RRS in a year. During that time, staff will continue to monitor funding options and evaluate the capacity of the Housing Division.

BACKGROUND

The City of Hayward's Housing Division oversees the two main programs below, among other tasks. This report focuses on the first program listed below.

1. The Rent Review Program, which implements the Residential Rent Stabilization Ordinance (RRSO) and Tenant Relocation Assistance Ordinance. This program is staffed by 3.50 employees and is paid for by rental housing program fees.
2. The Affordable Housing Program, which supports the development and long-term monitoring of affordable units through the City's Affordable Housing Ordinance. This program is staffed by 2.50 employees and is primarily paid for by development fees and loan revenue. Payment of fees is both impacted by market conditions and the developers' elections to pay fees over the option to provide on-site affordable units. Loan payments are dependent on project cashflow. Both sources of funds are unpredictable. Moreover, there is no corresponding decrease in workload. Election to provide on-site inclusionary units increases workload without a corresponding source of funds. Consequently, the General Fund is required to supplement the Division's budget to ensure implementation of the Affordable Housing Ordinance.

Residential Rent Stabilization & Tenant Protection Ordinance (RRSO) Adoption

On July 25, 2019, the City Council adopted a new RRSO to improve housing stability for Hayward tenants.¹ Staff and community partners conducted a comprehensive and community inclusive process, including specific direction provided by the Council on February 19, 2019,² a community workshop on April 6, 2019, and numerous subsequent Homelessness-Housing Task Force (HHTF) meetings, to develop the RRSO. The key components of the RRSO adopted on July 25, 2019, include:

Applicable to all pre-1979 units ("Covered Rental Units") except single-unit properties consistent with State law, which is approximately 11,000 units:

- Mediation and arbitration to resolve rent increase disputes and ensure compliance with the rent increase limits, capital improvement pass-through and landlord's right to a fair return as established in the RRSO.

Applicable to all rental units:

- Provisions to protect Section 8 voucher holders from discrimination;
- Requirements that landlords file rent increase notices and eviction notices with the City to obtain data about rental housing activity;

¹ Residential Rent Stabilization & Tenant Protection Ordinance:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH12HO_ART1RERESTTEPR

² February 19, 2019, City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3863371&GUID=E3FF2A1F-D770-463F-ACC2-8EBEFC711CF3>

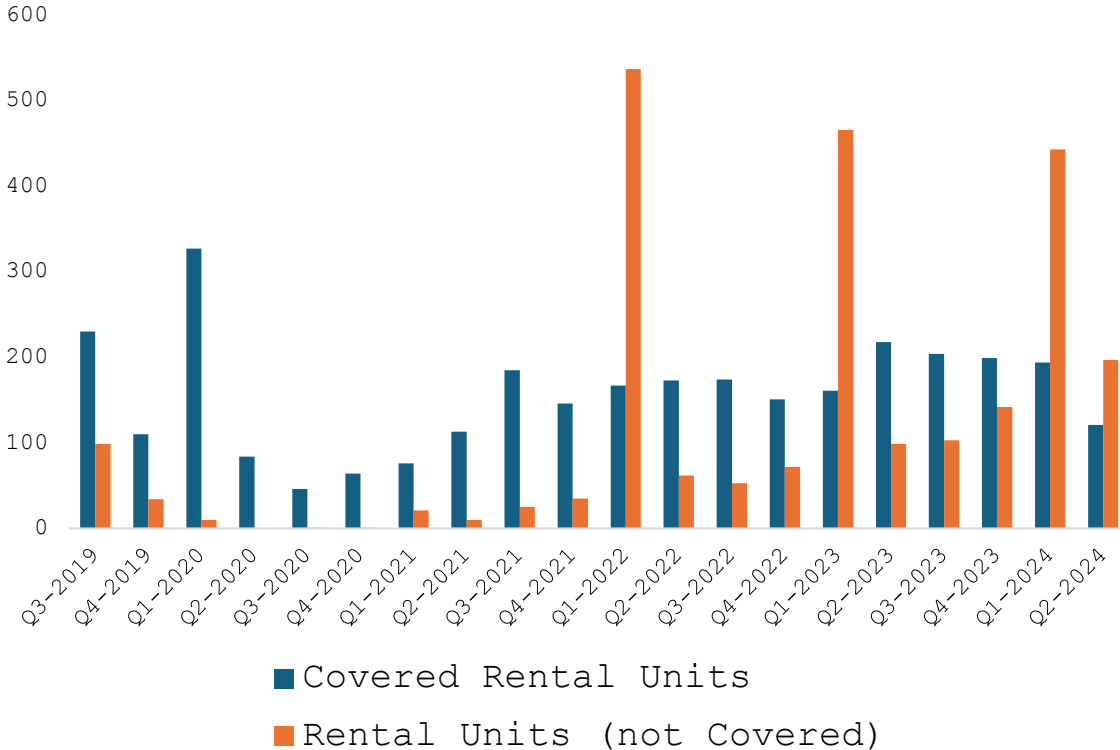
- Tenant retaliation protection provisions; and
- Just Cause for tenant evictions

RRSO Data Collection and Data Quality

When the City Council adopted the RRSO update in 2019, Councilmembers requested adding language to obtain data about rent increases and terminations that were unavailable through market research or census data. Historically, rental housing policy discussions have relied on census data to assess affordability concerns, market data for a select type of property, and anecdotal information from tenants and landlords.

In response to Council’s direction, the updated RRSO requires landlords to file a paper copy of their rent increase notices and termination notices. However, while landlords are required to file notices with the City, there is no enforcement mechanism. Based on data staff collected since 2019, it is likely that the notices that have been filed are only a sampling of the rent increase and termination notices that have taken place. From Q3 2019 through Q2 2024, the Rent Review Office received 5,553 rent increase notices and 5,087 termination notices — an average of approximately 1,110 rent increase notices and 1,017 termination notices per fiscal year. In comparison, the total number of units that were required to file notices under the RRSO amount to roughly 23,000 as of September 2024. Figure 1 below illustrates the number of rent increases received from July 2019 through June 2024.

Figure 1. Rent Increase Notices Received from July 2019 – June 2024



Staff believes that the relatively small number of rent increases filed with the City compared to the total number of units rented may not reflect the true number of rent

increase notices issued. Due to potential under reporting of rent increases from landlords, data obtained is less reliable.

In addition to suspected underreporting, the current system of one-off noticing forms makes it difficult to collect standard, consistent data. Because landlords are only filing notices periodically, if at all, the information provided is not uniform and poses an additional limitation to the data's accuracy.

Evaluation of a Rental Registration System (RRS)

One way of addressing a lack of consistent data and suspected underreporting is by implementing an RRS, which requires landlords to submit annual information into a database.

At the request of the Housing and Homelessness Taskforce (HHTF), staff presented a high-level overview of an RRS to the Taskforce in December 2023, with a focus on how an RRS would assist with actively enforcing the RRSO.³ At that time, the HHTF broadly supported pursuing the benefits accompanying an RRS and recommended that the City Council include an evaluation of creating a rental registration system as part of the FY 2025 strategic roadmap. On June 4, 2024, the City Council adopted the FY 2025 Strategic Plan, which includes a proposed special project to evaluate the option of creating an RRS.⁴

Staff returned to the Housing Policy & Resource Committee (HPRC, formerly the HHTF) on March 20, 2025 to present staff's evaluation of an RRS.⁵ The HPRC was divided in its support for an RRS and recommended that the full City Council discuss the feasibility of an RRS, which is the purpose of this staff report.

DISCUSSION

RRS Overview

An RRS serves as a database of rental information within a jurisdiction that includes information regarding the property owner or manager, tenant, the rental unit, and rent.⁶ Rental property owners are prompted annually to submit this information into the system, regardless of whether they have rental increases or terminations to report.

³ December 7, 2023 Homelessness-Housing Task Force Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=6441050&GUID=784D448D-B0B2-4C53-8C60-AEEAA1179607&Options=&Search=>

⁴ June 4, 2024 City Council Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=6712541&GUID=FC1C8272-3788-4EEE-B855-19B21D44EFAE&Options=&Search=>

⁵ March 20, 2025 Housing Policy & Resource Committee Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7261689&GUID=0874D000-DC7A-483A-8795-F9450BC7B020&Options=&Search=>

⁶ For more information regarding the components of an RRS:
<https://www.policylink.org/resources-tools/tools/all-in-cities/housing-anti-displacement/rental-registries>

This system enables staff to monitor whether rent increases for Covered Rental Units are compliant with the RRSO's provisions, track rent increases, and maintain contact information of landlords and their respective tenants.⁷ Table 1 below highlights a sample of the information that staff could collect through an RRS.

Table 1. Sample RRS Data Collection Components

LANDLORD PROPERTY OWNER PROPERTY MANAGER	<ul style="list-style-type: none"> • First & Last Name • Contact Info (mailing address, telephone, & email) • Preferred Language • Property Management Company (if applicable)
TENANT	<ul style="list-style-type: none"> • First & Last Name • Contact Info (mailing address, telephone, & email) • Start/End date of Tenancy • Number of Occupants • Preferred Language
RENT	Covered Rental Units: <ul style="list-style-type: none"> • Amount of Current Rent • Amount & Date of Proposed Rent Increase • Percentage Rent Increase • Date of Last Rent Increase • Reason for Rent Increase above 5% <ul style="list-style-type: none"> ○ Banked Increase ○ Capital Improvement Increase ○ Fair Return Increase
	Rental Units (not subject to rent increase limits): <ul style="list-style-type: none"> • Amount of current rent • Amount & Date of proposed rent increase • Percentage Rent increase • Date of last rent increase
UNIT INFORMATION	<ul style="list-style-type: none"> • Number of bedrooms • Number of bathrooms • Unit category (CRU or RU) • Utilities (payee, RUBS Calculation, initial utility rate, current utility rate + % of current rent)
FILING NOTICES (IF APPLICABLE)	<ul style="list-style-type: none"> • Documentation of termination notice along with reasoning <ul style="list-style-type: none"> ○ Noncompliance with lease terms & rules ○ Health, Safety, & Legal Violations ○ Landlord's Right to Reclaim Property ○ Employee-Related Housing • Notice of Entitlement of Relocation Assistance • Rent Increases

⁷ Under current RRSO provisions, landlords for Covered Rental Units can increase rent by 5% once every 12 months or bank increases for up to 10%.

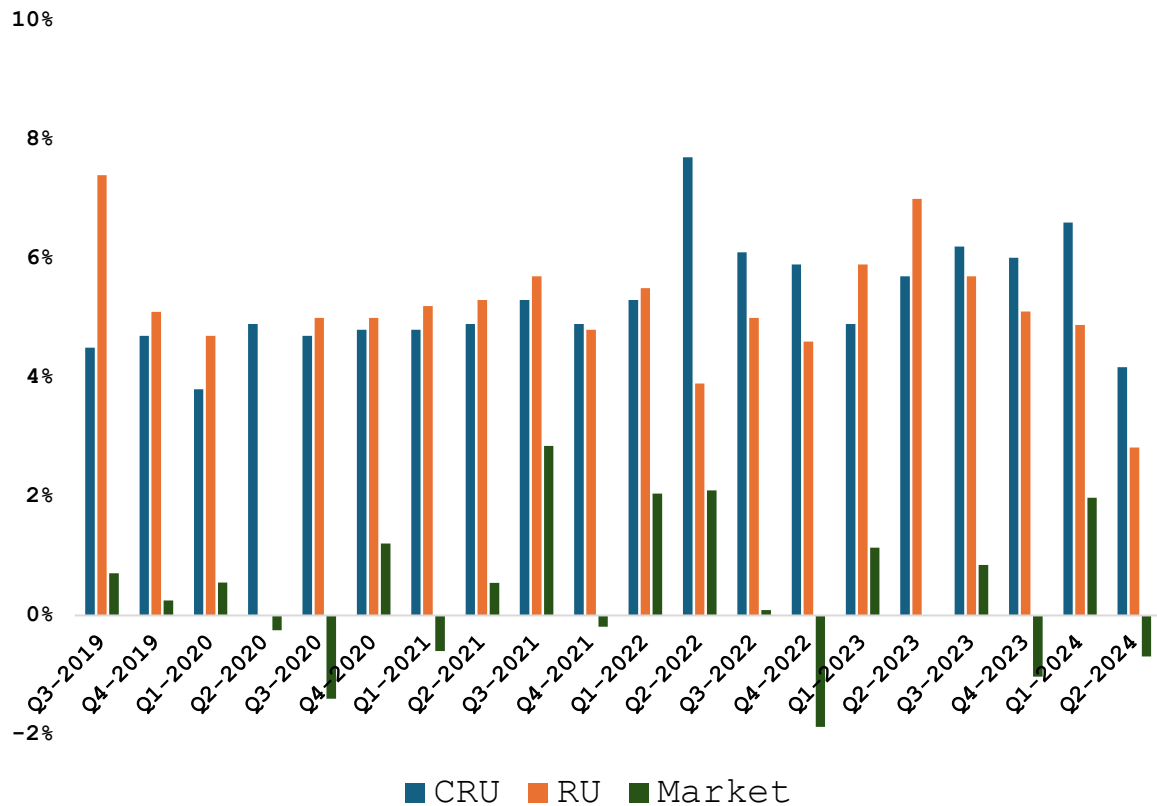
Benefits & Challenges

An RRS would 1) help policy makers by providing data-driven evidence for future policies related to housing and community development, and 2) create a system to proactively enforce the requirements of the RRSO. Additionally, information about the City's rental market would allow staff to have an enriched understanding of housing costs experienced by the community. However, an RRS will require significant investment from the City for successful implementation and long-term fiscal sustainability. Landlords would largely shoulder the RRS costs, with a portion that may be passed through to tenants. Outlined below is a list of benefits and challenges for the City Council to consider when determining whether to move forward with implementing an RRS.

Benefits

- **Proactive and fair enforcement of the rent increase limits for Covered Rental Units:** The current system relies on tenants and landlords understanding the RRSO requirements and self-advocating through the petition process. Because landlords self-report, staff cannot determine the compliance rate. Of those that report, Covered Rental Units experienced greater rent increases than Market Units for most quarters. An RRS would allow the City to more proactively enforce rent increase limits and provide more reliable, comprehensive data on rent trends. Figure 2 compares average reported rent increases for Covered Rental Units, Rental Units, and Market Units from July 2019 through June 2024.

Figure 2. Quarterly Rent Increases Submitted to the Rent Review Office and Average Multi-Family Market Rents from July 2019 - June 2024



- Micro-level Rental Inventory Data:** Beyond enforcement, an RRS would generate detailed, unit-level rental data that would help staff track compliance, assess risk of displacement, and inform equitable housing policy. This granular insight would support vulnerable populations by enabling earlier intervention in rent increases or termination patterns. Data from participants of Centro Legal de la Raza’s eviction prevention program shows that 100% of low-income and 91% of minority tenants are disproportionately impacted by displacement. Attachment III illustrates additional data related to recipients of eviction prevention services gathered by Centro Legal including which demographics have required service, outcomes of services received, and anecdotal information related to the tenant’s experience.
- Improved Data Accuracy and Accessibility:** An RRS would resolve longstanding data quality concerns by requiring consistent, structured reporting from landlords. This requirement would reduce reliance on manually tabulated, non-uniform notice forms and provide the City with more reliable information on rent increases and terminations. If tenant verification were included, tenants could confirm the accuracy of landlord-reported data, further enhancing transparency and data integrity.
- Increased Compliance with Rent Program Fees:** The RRS would support stronger compliance with Rent Program Fees by enabling the City to place assessments on rental properties with unpaid balances. This authority would help ensure broader

participation in the program and bolster the Rent Review Program's long-term fiscal sustainability.

- **Support for Strategic Enforcement and Inspections:** A centralized rental database would allow staff to apply unit-level scoring criteria (e.g., history of code violations or complaints) to prioritize proactive inspections. This would help the City address currently undocumented health and safety issues in substandard rental housing.

Challenges

- **Ongoing Implementation and Operational Costs:** The increase in Rent Program Fees to fund staffing (2.50 additional FTEs), software, administration, and ongoing support would increase costs to landlords and potentially tenants who may pay pass-through costs. This is outlined further in the next section. Based on a survey of other jurisdictions, under-resourcing an RRS increases the burden on landlords and provides ineffective results.
- **Compliance requirements for Rental Property Owners:** An RRS would require rental property owners or managers to spend additional time complying with RRS requirements, including uploading and updating rental property information. This compliance requirement may increase in complexity for property owners with multiple rental properties and units.
- **Increased Administrative Complexity:** While an RRS may streamline the collection of rent increase and termination data, the RRS would not eliminate manual data entry from staff's workload. Because compliance would be enforced, the number of interactions would likely increase substantially, and additional staff would be required to address the increased workload. This is especially likely if a large volume of check payments continues, as expected, due to added transaction fees for electronic payments.
- **Privacy Concerns:** Collecting detailed tenant information, even with strong data protections, could raise privacy issues among landlords and tenants.
- **Infeasible Regional Collaboration:** While cross-jurisdictional partnerships could reduce costs, practical limitations — including the need for uniform ordinances and the risk of jurisdictional withdrawal — make this approach infeasible. The City would bear the full operational and administrative burden regardless.

Program Costs

Implementing an RRS would require an investment in City resources, particularly in staffing and system administration. Staff has outlined the anticipated personnel needs below, and an accompanying fee analysis to ensure cost recovery. These program costs are necessary to support a sustainable system that ensures compliance with the rent registry requirements.

One major challenge is that the Housing Division is already at capacity in terms of workload. Because of this, staff cannot absorb additional work without additional resources. Realistically, staff cannot feasibly implement an RRS without reinstating the Housing Manager position. The Housing Manager position would not be fully cost-recoverable through fees and therefore would have a General Fund impact.

Personnel

Currently, the Housing Division consists of the Development Review team and the Rent Review team with direct oversight by the Deputy Director of Development Services. The Development Review team, which manages the City's Below Market Rent homeownership and rental programs, consists of a Management Analyst and Housing Development Specialist. Meanwhile, the Rent Review team consists of a Management Analyst, Community Programs Specialist, and Senior Secretary. Attachment II outlines a non-exhaustive workflow maintained by the Housing Division.

To implement the RRS, the Rent Review team would require additional staffing. The Rent Review team would structure the RRS to allow landlords to self-report. Nonetheless, based on conversations with neighboring jurisdictions, the City would still need dedicated personnel to process paper-submitted forms, provide technical assistance, monitor for compliance, and enforce penalties for non-compliance. In-person assistance may also be necessary to help landlords navigate the new software system.

The scale of inquiries already handled by the Housing Division further illustrates the need for increased staffing. In FY 2024 alone, the Division received 2,097 inquiries — nearly 20% of which were related to Rent Program Fees. The introduction of a new registration system is expected to significantly increase the volume and complexity of inquiries. Therefore, to adequately support RRS implementation and administration, the Rent Review program would require 2.50 additional FTE, as described in Table 2 below, increasing the total number of FTEs for the Rent Review program to 5.75.⁸

⁸ Deputy Director of Development Services (0.25 FTE); Housing Division Manager (0.5 FTE); Management Analyst (1.0 FTE); Community Programs Specialist (2.0 FTE); Senior Secretary (2.0 FTE)

Table 2. Proposed Additional 2.50 Full-Time Employees for Rent Review Team

CLASS SPECIFICATION	MAJOR RESPONSIBILITIES
Housing Division Manager (0.5 FTE)	<ul style="list-style-type: none"> • Provides leadership and strategic direction for the Rent Review Program and RRS • Supervises Rent Review staff, ensuring efficient administration and compliance with policies • Oversees implementation of RRS policy and ongoing management of RRS policies, regulations, and program enhancements • Resolves sensitive matters like landlord grievances that escalate to management, public concerns about the RRS • Works with Management Analyst to develop policy recommendations and reports to City Council and HPRC • Coordinates with CAO to ensure compliance with local, state, and federal rental housing regulations
Community Programs Specialist (1.0 FTE)	<ul style="list-style-type: none"> • Develops and implements outreach strategies to educate landlords and tenants about RRS requirements and updates • Conducts public workshops, training sessions, and informational meetings to support compliance and ease of system use • Assists landlord and tenants with RRS registration, exemption forms, and general inquiries • Monitors compliance and investigates violations in conjunction with Management Analyst • Responds to community concerns and provides recommendations for system improvements to Management Analyst
Senior Secretary (1.0 FTE)	<ul style="list-style-type: none"> • Addresses landlord, tenant, and public inquiries regarding RRS processes, deadlines, and documentation requirements • Conduct data entry for paper submissions, ensuring accurate input and database management • Maintains comprehensive records of registrations, exemptions, compliance actions, and fee payments • Processes check payments and reconciles fee transactions • Provides administrative support for reports and presentations conducted by the Community Programs Specialist and Management Analyst • Supports other administrative functions as needed to enhance program operations

The proposed allocation of 5.75 FTEs for Hayward's Rent Review Team reflects a measured staffing level in comparison to neighboring jurisdictions, as summarized below in Table 3.

Table 3. FTEs supporting Rent Stabilization programs for Neighboring Jurisdictions

CITY	NUMBER OF RENTAL UNITS	FTEs
City of Hayward	23,000	3.50 → 5.75
City of Alameda	16,600	6.00
City of Berkeley	29,000	26.00
City of Mountain View	14,400	7.00
City of Oakland	95,000	40.92

Importantly, the Housing Division Manager would manage the Development Review team of the Housing Division in addition to the Rent Review team. The remaining personnel cost is estimated to be around \$160,000 per fiscal year and may increase over-time due to labor

negotiations. Therefore, if City Council directs staff to implement the RRS, they must also allocate funds from the General Fund to cover the remaining expenses associated with the Housing Division Manager. There are no available special revenue funds to cover the cost of the Housing Division Manager.

Furthermore, the reinstatement of the Housing Division Manager position would accompany a 0.25 FTE shift of the personnel cost for the Deputy Director of Development Services from the Rent Program fund to the General Fund. This shift would have an estimated impact of over \$90,000 per fiscal year, subject to increase over time.

Staff Outsourcing

An HPRC member suggested that staff should consider outsourcing the required personnel for implementing an RRS. However, technology companies that produce rent registries discussed that personnel assistance would be limited to technological support only. Outsourced staff would not address inquiries related to the RRSO or other regulations due to liability concerns. In other words, the bulk of the implementation, administration, and compliance monitoring — clerical responsibilities such as data entry and processing payments and outreach efforts like workshops and trainings — would remain under the direct purview of the City, as these responsibilities require interpretation of the ordinance. Therefore, outsourcing staff to manage the implementation, administration, and compliance is not feasible. Furthermore, the City would still need to maintain responsibility for processing check payments, which consist of about 51 percent of the nearly 4,700 payments received for FY 2025. With new 4% convenience fees effective January 1, 2025 for transactions over \$300, and increased compliance from an RRS, the number of transactions via check would likely increase.

Fee Analysis

Currently, Rent Program Fees fund all personnel and operational costs for implementing the Rent Review Program. Adding an RRS will require additional staff to administer the RRS and ensure compliance. Table 4 below compares the current rates for the Rent Review with a proposed rate that funds RRS costs.

Table 4. Proposed Rent Program Fees Per unit Per Year

RENT REVIEW FEES	CURRENT RATE	PROPOSED RATE
Covered Rental Units	\$66	\$140
Rental Units	\$32	\$90

Staff proposes levying a \$140 annual fee for Covered Rental Units (e.g., those subject to the rent increase threshold of the RRSO)⁹ and a \$90 annual fee for Rental Units (e.g., those exempt from the rent increase threshold of the RRSO). Covered Rental Units would be subject to a higher fee to offset the costs of providing free mediation and arbitration

⁹ See [HMC SEC 12-1.05](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH12HO_ART1RERESTTEPR_S12-1.05REREINTH) for more information about the rent increase threshold:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH12HO_ART1RERESTTEPR_S12-1.05REREINTH

services to tenants and landlords for resolving rent increase disputes. Tenants and landlords of Rental Units are ineligible for using these services.

Staff's proposed Rent Program Fees are within the range of fees charged by neighboring cities, except for the City of Berkeley. Berkeley's fees significantly exceed those of neighboring jurisdictions. Table 5 below shows the fees for rent-controlled and unregulated units in neighboring jurisdictions in comparison to Hayward's existing and proposed Rent Program Fee.

Table 5. Rent Program Fees of Neighboring Jurisdictions

CITY	RENT PROGRAM FEES (PER UNIT PER YEAR)	
	<i>Rent-Controlled Units</i>	<i>Unregulated Units</i>
City of Hayward	\$66 → \$140	\$32 → \$90
City of Alameda	\$168	\$113
City of Berkeley	\$344	\$212
City of Mountain View	\$120	
City of Oakland	\$101	

The proposed fees would be imposed for cost recovery for the administration of the RRSO, RRS, and TRAO and replace the current Rent Program Fees. The proposed fees are expected to generate an estimated \$2.3 million in revenue, an increase of \$800,000, which covers the anticipated increase in operating expenses. Staff examined whether any grants could offset setup costs for an RRS. Most housing and planning-related grants focus on the development of housing. While funding opportunities through grants may arise in the future, securing them is not guaranteed. Furthermore, even if awarded, the one-time funding would cover only a small portion of the long-term costs associated with implementing and maintaining the RRS.

Impact of Fee Increases on Tenants

Importantly, the RRSO allows for landlords of Covered Rental Units to pass through up to 50% of the fee to their tenants.¹⁰ Rental Units do not have rent increase limitations. Therefore, while landlords of Rental Units may be subject to state legislation regarding rent caps, the RRSO does not prohibit landlords from including the fee or a portion of the fee in tenants' rent. The Cities of Alameda and Oakland allow landlords to pass through up to 50% of their fees to tenants, while the City of Berkeley allows for landlords to pass through a portion of their fees to tenants for tenancies that began before January 1, 1999. Meanwhile, the City of Mountain View prohibits landlords from passing through their fees.

¹⁰ See HMC SEC 12-1.17 for more information about fee pass-throughs:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH12HO_ART1RERESTTEPR_S12-1.17FE

Implementation

If the City Council authorizes the creation of an RRS, staff anticipate that it would take 24 months to develop and implement the program based on feedback from other jurisdictions. Development and implementation of an RRS would require the following steps:

1. **Develop Legislation:** Based on direction from the City Council once full funding for the division is identified, staff would work with the City Attorney's Office to develop the legislation for the RRS and update the RRSO as appropriate. Such legislation would define requirements and enforcement. Additionally, the Rent Review Office would establish a compliance deadline to provide sufficient time for completing the remaining implementation steps.
2. **City Council Approval:** Staff will seek City Council approval of the proposed legislation and increase the Rent Program Fee and accompanying program budget. Because implementation of the RRS will require additional staff to administer the program, budget approval will be required before full implementation and compliance enforcement can begin.
3. **Conduct RFP:** Staff would issue a request for proposal (RFP) as the cost of the technology required to implement an RRS amounts to about \$100,000 per year. The RFP requires City Council approval if costs exceed \$100,000.
4. **Develop RRS Platform and Materials to Administer Program:** Staff anticipate that many property owners will comply by submitting required information online. However, based on feedback from other jurisdictions and our experience working with landlords, materials will need to be developed to provide alternative methods of compliance such as paper forms.
5. **Hire Staff:** While the platform is under development, staff would begin the recruitment process to be fully staffed prior to implementing the program, if applicable.
6. **Outreach to Stakeholders:** Prior to implementing the RRS, staff would conduct outreach through direct mailers and social media to make sure landlords are informed about any new requirements. Additionally, based on feedback from other jurisdictions, staff would host multiple workshops and provide online training materials to train property owners on how to use the system.
7. **Compliance Enforcement:** Compliance enforcement would only begin after completion of stakeholder outreach and education.

Conclusion

An RRS would proactively enforce the rent increase limits for Covered Rental Units and collect micro-level rental inventory data that could shape future housing policy proposals. However, given the lack of staff capacity in the Housing Division and the General Fund budget deficit, staff recommends reevaluating the feasibility of implementing an RRS in a year. Due to efforts to maintain vacancies and prioritize core services, staff does not have

capacity to continue working on the RRS, including draft legislation, until vacancies have been filled and funding has been identified.

ECONOMIC IMPACT

There is no immediate economic impact associated with the consideration of this report. However, if the City Council authorizes the creation of an RRS, implementation will require an increase in Rent Program Fees, which could negatively impact landlords. The RRSO permits landlords to pass through 50% of the per-unit fee to tenants, which may offset some of the cost for landlords but could increase the financial burden on tenants.

At the same time, an RRS could strengthen the City's residential rent stabilization efforts by promoting greater transparency and reducing noncompliant rent increases. Over time, this may help decrease renter housing burdens and allow tenants to retain more disposable income, potentially benefiting the local economy.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing. Specifically, this item relates to the implementation of the following project(s):

Project HP10:	Evaluate the option of creating a rent registry to obtain better data on rent increases, evictions, and occupancy
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FISCAL IMPACT

There is no fiscal impact of receiving this work session report.

Should the City Council move forward with the RSS as outlined in this report, there would be additional staffing and software implementation and maintenance costs for management and enforcement as outlined in this report. While most of these costs would be funded through the Rent Program Fees, there would be an impact of roughly \$250,000 on the General Fund for funding the salary and benefits of the Housing Division Manager and Deputy Director of Development Services, subject to increase over time.

Until the structural budget deficit is addressed, staff cannot recommend any program that would increase the General Fund deficit.

PUBLIC CONTACT

In addition to software developers that create rental registration systems, staff engaged with the East Bay Rental Housing Association (EBRHA) to discuss potential challenges, best practices, and insights from landlords and property managers regarding the implementation and administration of an RRS. EBRHA recommended that the City pursue an intermediary process in which the City streamlines fees for rental properties through the business license tax process.¹¹ Streamlining the fee requirements for landlords through the business license tax process would provide landlords with administrative efficiency. However, streamlining through the business license tax process would neither gather

¹¹ Landlords owe fees for the Residential Rental Inspection Program and the RRSO each year.

granular data for unit-by-unit rents nor provide a proactive enforcement of the RRSO. Additionally, not all rental units are currently subject to business license tax.

Tenants have largely supported the creation of an RRS. During meetings with the then-HHTF and HPRC, tenants have stated their support for creation of an RRS to prevent unlawful rent increases and deter displacement. Furthermore, the 2025 Hayward Community Survey indicated that 74% of residents believe that the cost of housing is an extremely or very serious problem.¹²

NEXT STEPS

If the City Council supports staff's recommendation to reevaluate the development of the RRS next year, staff will continue to monitor funding options and evaluate the capacity of the Housing Division and present an updated analysis in a year.

Prepared by:

Ayush Patel, Management Analyst I

Recommended by:

Sara Buizer, AICP, Director of Development Services
Christina Morales, Deputy Director of Development Services

Approved by:



Jayanti Addleman, Interim City Manager

¹² April 22, 2025 City Council Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7349062&GUID=38E88327-D77A-43EA-8FC4-A8BB67CE22B7&Options=&Search=>