



DATE: December 18, 2025
TO: Housing Policy & Resource Committee
FROM: Deputy Director of Development Services
SUBJECT: Implementation Update on Hayward’s Rental Housing Programs

RECOMMENDATION

That the Housing Policy & Resource Committee:

1. Accepts this informational report on the implementation progress of Hayward’s Rental Housing Programs, which consists of the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO), Tenant Relocation Assistance Ordinance (TRAO), Mobilehome Space Rent Stabilization Ordinance (MRSO), and the Residential Rental Inspection Ordinance (RRIP); and
2. Approves staff’s recommendation to return to the full City Council early next calendar year to amend the RRSO to strengthen the fee collection process and to extend the arbitration decision timeline.

SUMMARY

This report provides an informational update on the RRSO following six years of implementation, MRSO data for the same time frame, TRAO following five years of implementation, and recent data points for the RRIP. This report includes data on petitions for review of rent, as well as rent increase and termination notices, and relocation assistance cases. This report also includes an analysis of evictions in Hayward, using unlawful detainer data from the Superior Court of Alameda County.

Furthermore, staff recommends that the Housing Policy and Resource Committee support amendments to the RRSO to ensure a more robust and efficient cost recovery procedure, and to provide arbitrators with adequate time to conduct a thorough review and to issue decisions for rent review resolutions, as detailed in this report.

BACKGROUND

Mobilehome Space Rent Stabilization Ordinance (MRSO)

The MRSO was adopted in February 1980. It provides limits on space rent increases and prohibits retaliation for eviction for mobile home rental spaces within the city limits of Hayward. Space rent increases are limited to once annually in an amount not to exceed the greater of 3% of the current rent or 60% of the increase in the Consumer Price Index (CPI). Additionally, space rent is vacancy-controlled, which means the space rent does not increase upon transfer of the mobile home.

Residential Rent Stabilization & Tenant Protection Ordinance

On June 18, 2019,¹ the Council approved the introduction of a new RRSO to improve housing stability for Hayward tenants. 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 then-Homelessness-Housing Task Force (HHTF) meetings, to develop the RRSO. The key components of the RRSO passed in June 2019 and made effective on July 25, 2019, include:

- Mandatory mediation program with binding arbitration that would be available to tenants upon rent increases greater than five percent and applicable to all pre-1979 units except single unit properties including condominiums consistent with State law;
- 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;
- Tenant retaliation protection provisions; and
- Just Cause for tenant evictions.

Tenant Relocation Assistance

On March 5, 2020,³ staff provided the HHTF with a progress report on the implementation of RRSO and made recommendations for revising the RRSO based on changes to State law and an analysis of implementation challenges. HHTF members supported recommendations for revisions to the RRSO presented in that report, and on July 14, 2020,⁴ Council voted to adopt amendments to the RRSO and the addition of the TRA0 (Chapter 12, Article 2 of the Hayward

¹ June 18, 2019, City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3985848&GUID=52D1B678-D6BB-401A-AB3C-8990885C0CDD&Options=&Search=>

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

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

³ March 5, 2020, Homelessness-Housing Task Force Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4344677&GUID=B0C788EE-6B8B-4B62-9006-2DA3C426E0B8&Options=&Search=>

⁴ July 14, 2020, City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4590663&GUID=ADB12ECB-15EB-4DB2-B096-5A6D9877359A&Options=&Search=>

Municipal Code). On December 3, 2024, the City Council approved an amended version of the TRAO that improves clarity and streamlines requirements and completed one of the Strategic Roadmap projects.⁵ The three types of relocation assistance mandated by the TRAO to be provided by the landlord to the tenant which include:

- Permanent Relocation Assistance, which helps tenants with moving costs when they are facing no-fault evictions
- Temporary Relocation Assistance due to substantial repairs, which provides financial help to tenants who cannot stay in their rental unit for a temporary time
- Relocation Assistance due to a governmental agency's order to vacate provides financial help for tenants who cannot stay in their rental unit because of health and safety violations

Residential Rental Inspection Program

Adopted in 1989, the Hayward RRIP was enacted to ensure healthy and safe housing conditions for all residents, in compliance with the State Housing Law. By safeguarding and preserving the city's housing stock, this program plays a crucial role in protecting tenants from substandard living conditions through both proactive and complaint based rental inspections.

DISCUSSION

Staff has provided key data metrics for the implementation of the rental housing programs in this section. Additionally, staff has outlined possible amendments to the RRSO to ensure a more robust and efficient cost recovery process for the Rent Review Program and to provide additional time to arbitrators for rendering a final decision in the rent dispute resolution process.

Implementation Updates

This section provides an overview of housing stabilization legislation and programs implementation, including the following:⁶

- Analysis of unlawful detainer filings and termination notices as well as legal resources provided for low-income tenants;
- Analysis of rent increase notices submitted as required by the RRSO;

⁵ December 3, 2024, City Council Staff Report & Materials:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=7032916&GUID=F1E063D7-0B4E-41CD-A4D3-48925A3C8610&Options=&Search=>

⁶ The staff report from the July 2020 RRSO update includes a comprehensive list of all resources and materials created to help tenants and landlords comply with the RRSO, as well as a discussion of the revisions made to the RRSO after its first year of implementation.

- Analysis of petitions submitted as part of the rent review process associated with the RRSO and MRSO; and
- Discussion of TRAO implementation.

Hayward Eviction Landscape

Superior Court of Alameda County Unlawful Detainer Data

In California, evictions follow the process outlined in Figure 1 below. Notably, the City of Hayward neither enforces evictions nor provides legal advice to landlords or tenants regarding the eviction process. The City contracted with local non-profits to provide legal services to tenants until the end of FY 2025. Hayward tenants may also access the Alameda County AC Secure program for legal resources.

Following the conclusion of the County Eviction Moratorium in April 2023, the City entered into an agreement with Centro Legal de la Raza to provide legal services for tenants facing eviction. Eviction filings following the end of the eviction moratorium were four times the amount of pre-pandemic filings. During FY 2025, Centro Legal included more prevention activities through subcontractors, including grassroots outreach to improve awareness of rights and pre-eviction legal consultations. At the beginning of FY 2026, Centro Legal exhausted all funds related to the eviction prevention services program. Throughout the duration of the contract, 97% of tenants provided with legal representation reached a favorable resolution, including remaining in their homes or securing additional time and resources to support a safe transition. As a result, Centro Legal met its goal of providing free consultations to low-income Hayward households on tenancy- and eviction-related issues. Most of these tenants identified as multi-racial and Hispanic, and 68% of these tenants were women. Furthermore, 44% of tenants identified as living with a disability, and 68% of tenants were extremely low-income. While the program met its stated goals, the demand exceeds the available resources and must cease until other resources are identified to continue the program.

Figure 1. Summary of the California Eviction Process

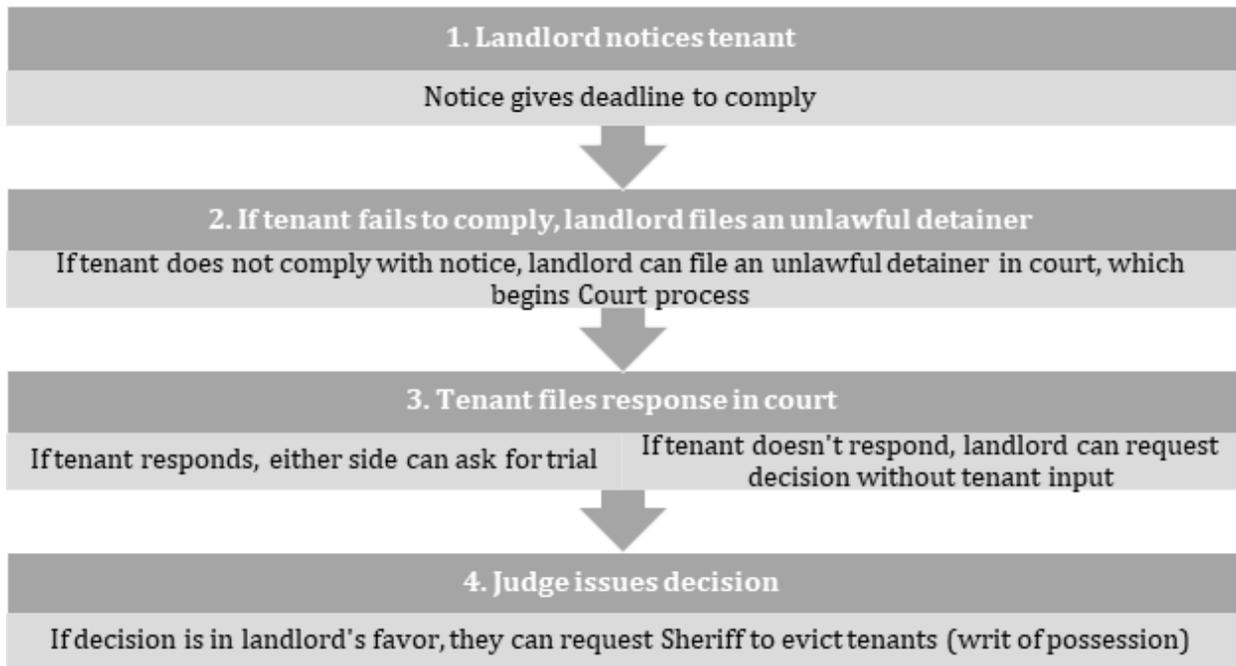
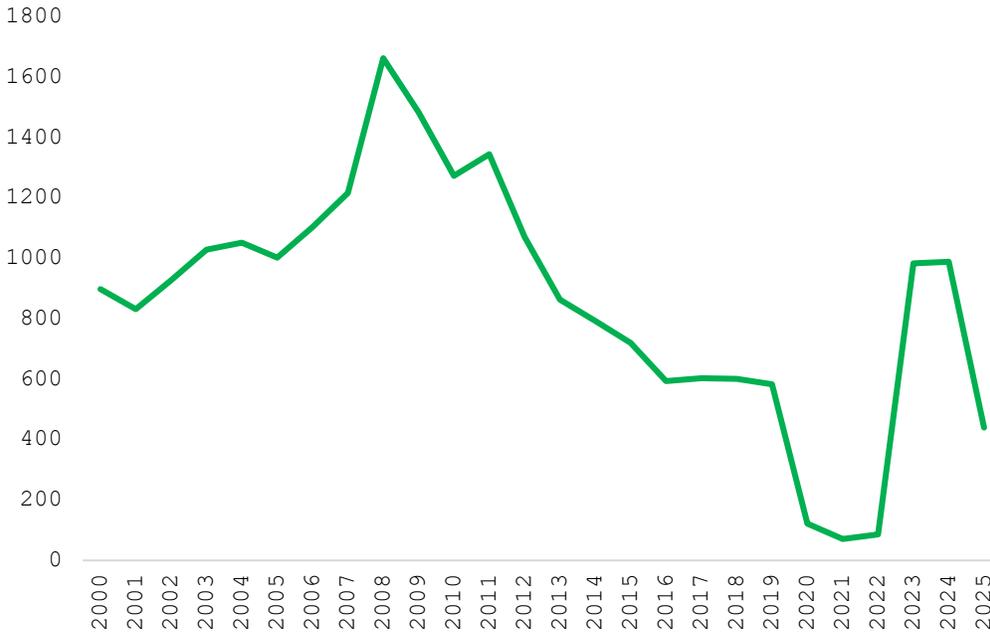


Figure 1 shows the total number of Unlawful Detainer (UD) filings per year since January 2000, excluding filings determined by the Court to be most likely commercial evictions.

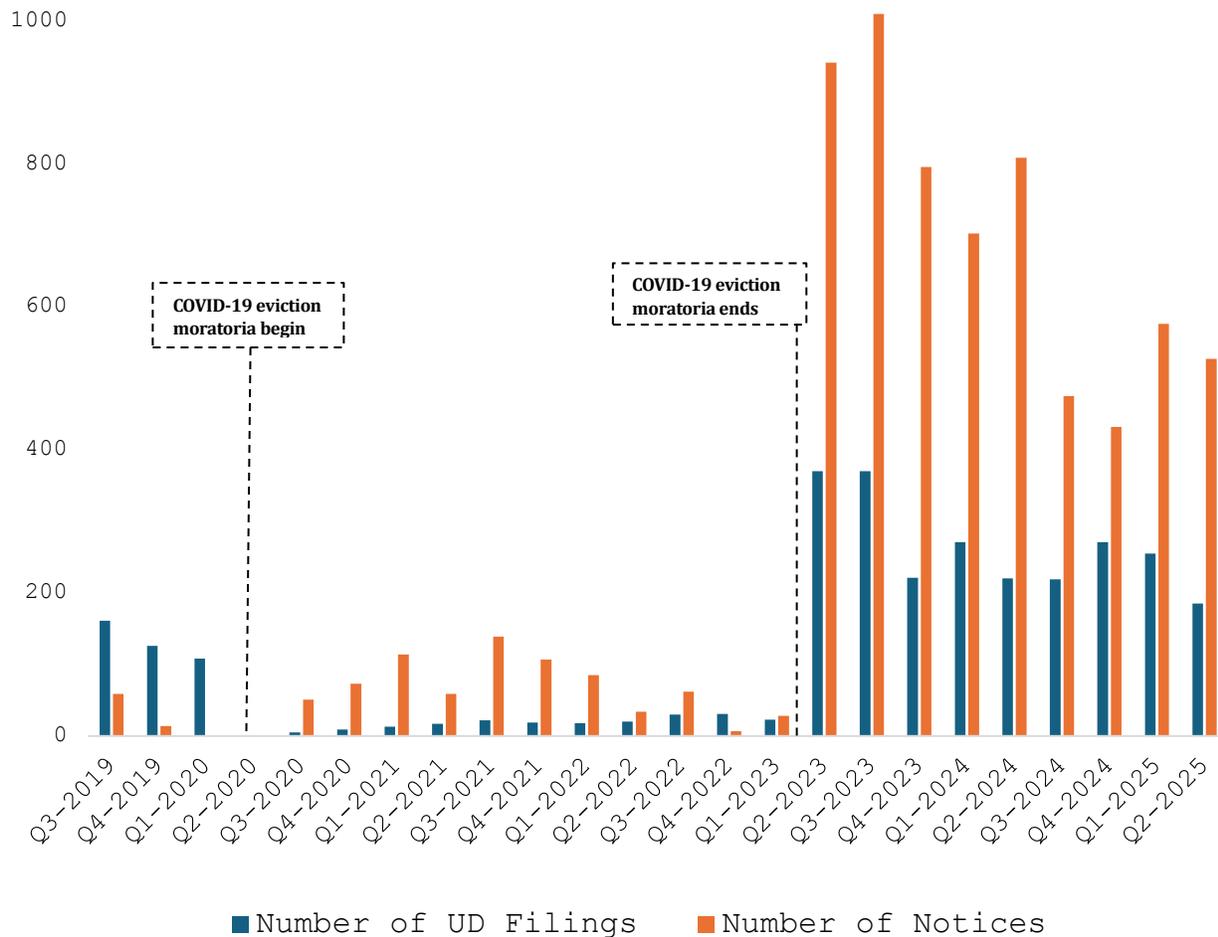
Figure 1. Annual Unlawful Detainer Filings: January 1, 2000 – June 30, 2025



Comparing Termination Notices

The RRSO requires that landlords provide the Rent Review Office with copies of all rent increase and termination notices. However, there is no enforcement mechanism that ensures landlord compliance, so existing data may under-represent eviction notices. The addition of UD filing data from the Court allows for comparisons between the volume of notices to terminate tenancy with actual UD filings. Notably, not all termination notices result in a UD filing. Often tenants pay rent late, resolve the issue with the landlord, or they may move out prior to the landlord filing a UD with the Court. From July 2019 through June 2025, the City received 7,097 termination notices. About 97% of these notices received were for a failure to pay rent or utilities.

Figure 3. Comparing Termination Notices with Unlawful Detainer Filings (July 2019 – June 2025)

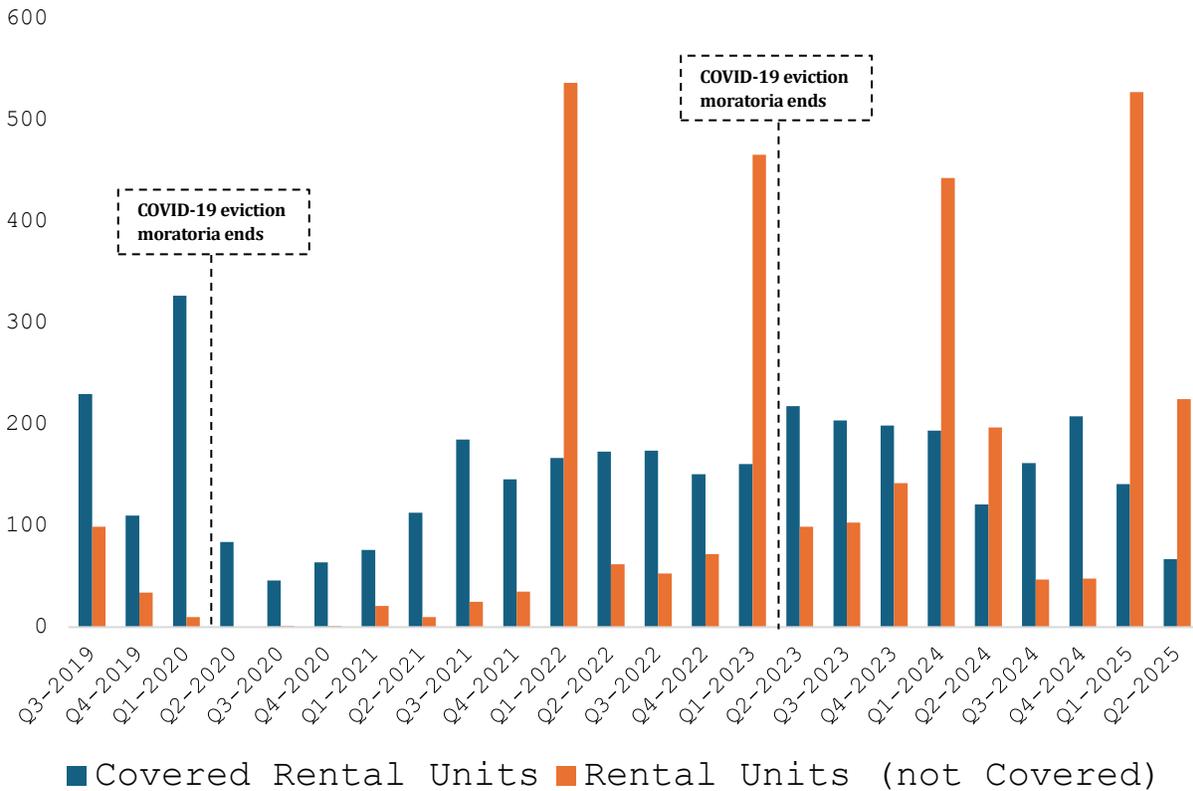


Rent Increase Notices Submitted to the Rent Review Office

Since the RRSO was passed in July 2019 through June 2025, the Rent Review Office has received 3,721 rent increase notices for covered rental units (i.e., those subject to the RRSO’s rent increase threshold) and 3,258 rent increase notices for rental units. For rent increase notices that had sufficient information, the average rent increase amount was 5.17% for Covered Rental Units and 5.18% for Rental Units. There was a substantial spike in notices in the first quarters for 2022, 2023, 2024, and 2025 as shown in Figure 4 below. During each of these quarters, a few property owners submitted large numbers of rent increase notices, which caused the significant spike in rent increase notice submissions. Landlords must self-report rent increase notices, but staff do not have any means to enforce landlord compliance. Therefore, these rent increase notices likely do not reflect the true number of rent increases issued to tenants within Hayward. Moreover, these average increases for CRUs and RUs are likely reflecting a biased sample consisting of rent increases from the most compliant

landlords. Due to this lack of a true representation combined with the excessive administrative time required to manually log each individual rent increase notice and termination notice, staff will maintain a repository of rent increase and termination notices moving forward but no longer analyze the data.

Figure 4. Rent Increase Notices Received from July 2019 – June 2025

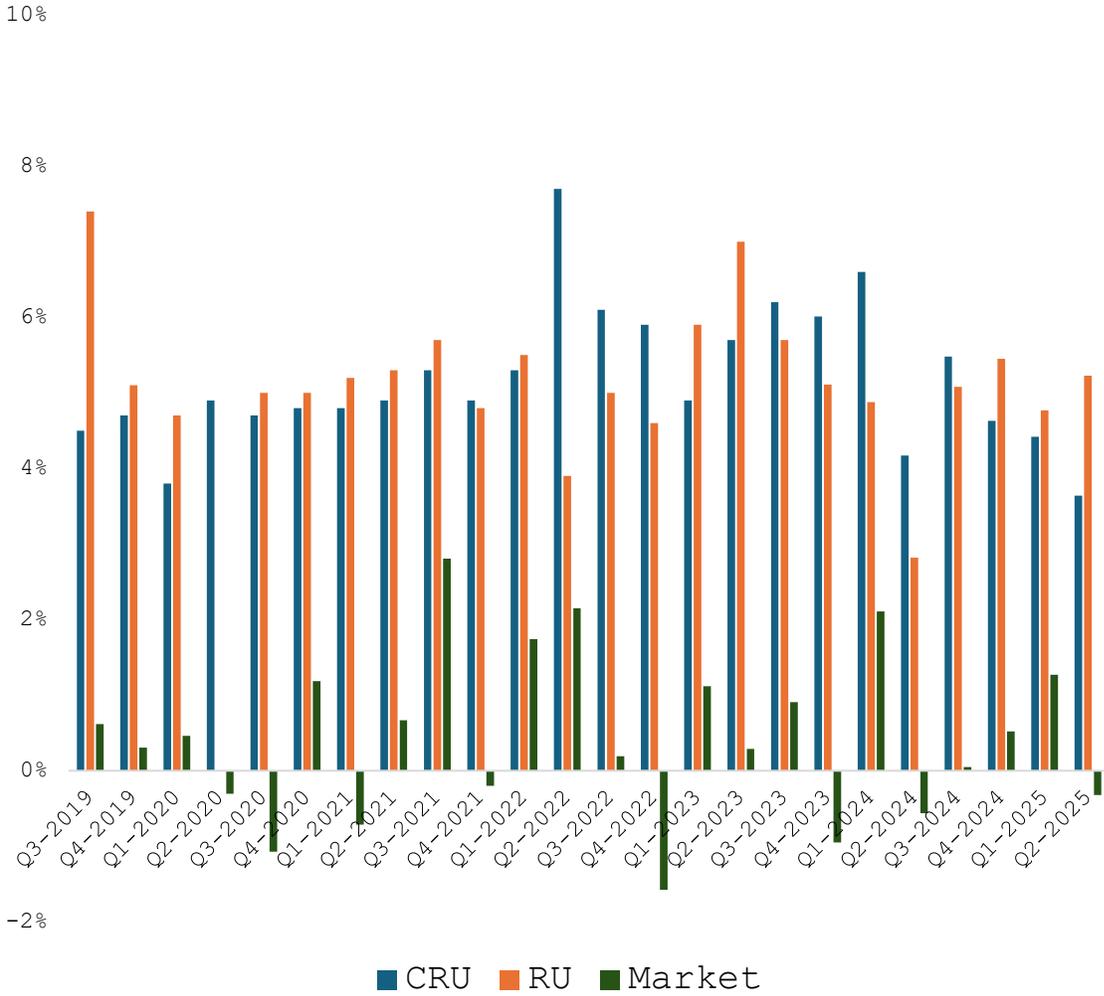


Data from the CoStar real estate database provides some insights into the Hayward rental market by surveying effective rent on new leases in multi-family rental properties.⁷ Average effective rents for Covered Rental Units and Rental Units changed at greater rates than their market unit counterparts.⁸ Importantly, available data on multi-family effective rent changes does not capture existing leases or changes to those agreements over time, which includes potential substantial rent increases for individual households. While market prices for multi-family properties show decreases, not all tenants necessarily experience the relief of market rent depreciation.

Figure 5. Comparison of Average Rent Increases Submitted to the Rent Review Office and Average Multi-Family Market Rents from July 2019 through June 2025, by Quarter

⁷ Effective rents refer to the actual rent after factoring in concessions or other discounts.

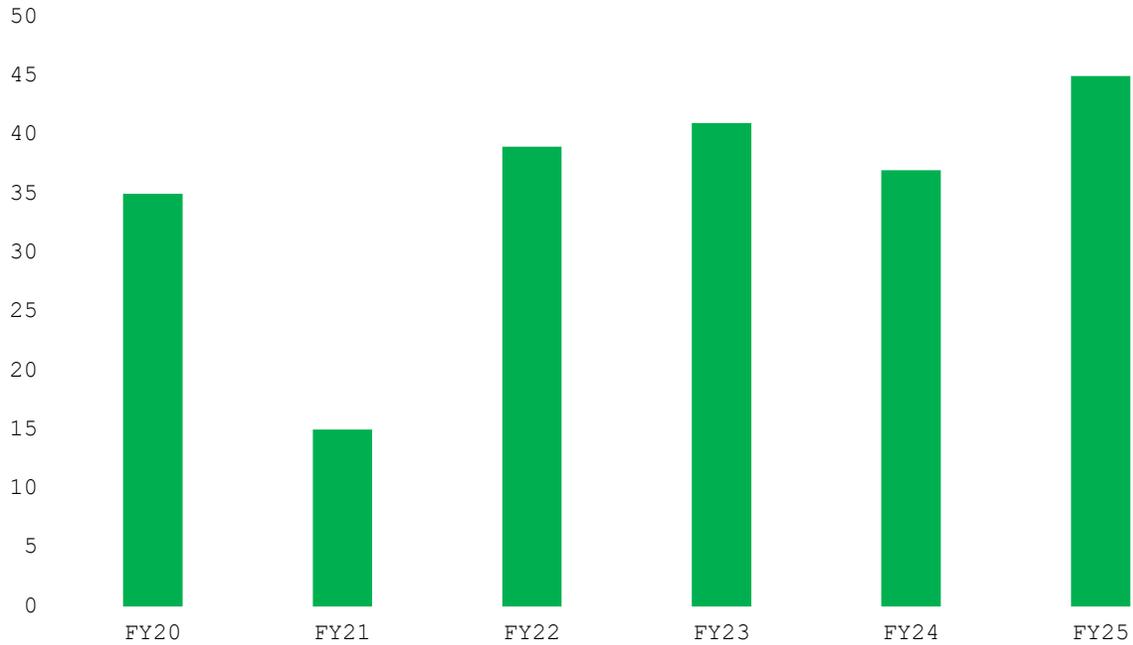
⁸ Average rents for Covered Rental Units exceeded the 5% threshold in some quarters due to banking.



Tenant and Landlord Petitions

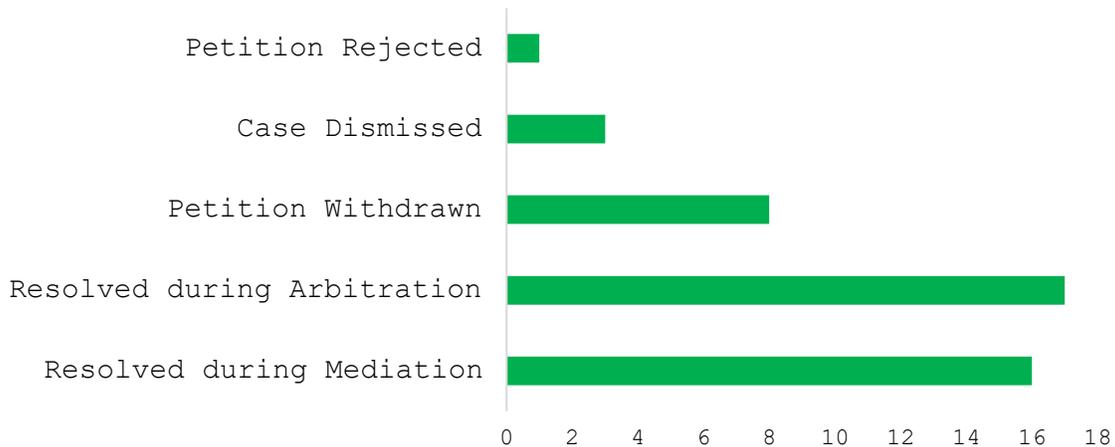
The RRSO’s rent dispute resolution process is initiated by a petition, either from a tenant or a landlord.

Figure 6. RRSO & MRSO Petitions Received from July 2019 through June 2025



As shown in Figure 6 above, during FY 2025, the Rent Review Office received a record 45 petitions (44 tenant petitions and 1 landlord petition), bringing the total received at the end of FY 2025 to 212 petitions. Figure 7 below describes the outcomes of every petition received between July 2024 and June 2025. Most petitions were resolved during mediation or arbitration. 12 petitions were dismissed, rejected, or withdrawn. Dismissed petitions consist of petitioners who become unresponsive. Rejected petitions did not include all the required information or did not meet grounds for submission of a petition, and withdrawn petitions were cancelled by the petitioner.

Figure 7. Tenant Petition Outcomes, FY 2025



Under the RRSO, tenants can submit a rent review petition for any of the following reasons:

- **Unlawful Notice:** Landlord did not properly notify tenants of rent increase, banked increase, or increase in government utility service cost per the RRSO’s noticing requirements.
- **Annual Rent Increase Over 5%:** Increase is over the allowable annual Rent Increase Threshold of 5% of the tenant’s current rent.
- **Banked Rent Increase Over 10%:** Banked rent increase is above the allowable Banked Rent Increase Threshold of 10% of the tenant’s current rent.
- **Utility Increase Over 1%:** Utility increase is above 1% of tenant’s current rent.
- **Reduction in Housing Services:** Tenant is reporting a reduction of Housing Services (e.g. lighting, heat, water, laundry facilities, elevator services, common recreational services, etc.) that have not been restored or remediated.
- **Housing Violations:** Property has uncured health, safety, fire, building violations or repairs.
- **Capital Improvement Cost:** A Capital Improvement Pass-Through cost that is unlawful or has been calculated incorrectly.

Additionally, landlords may submit petitions for the following reasons:

- **Fair Return:** An increase in rent above the threshold in an amount necessary to obtain a fair return on investment.
- **Capital Improvement:** To set the proper amount of a capital improvement pass-through.

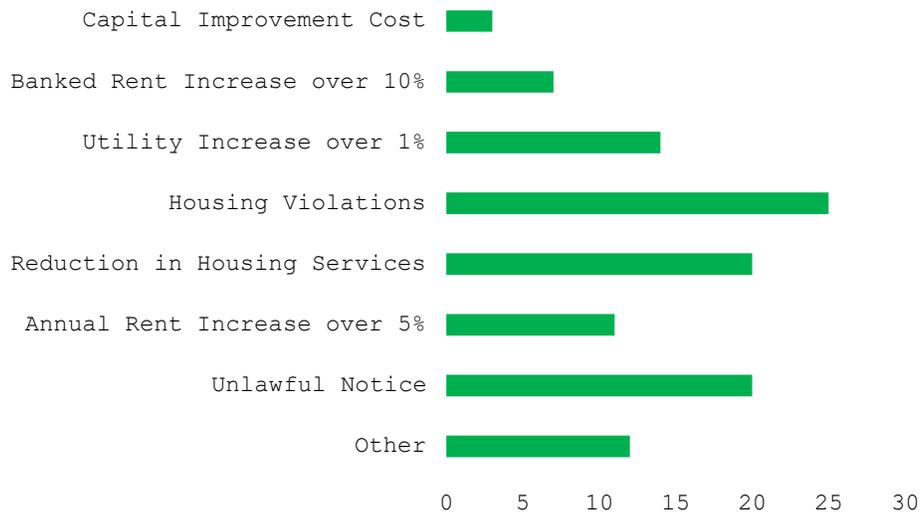
Under the MRSO, tenants can submit a rent review petition for either of the following reasons:

- **Annual Rent Increase Exceeds Limit:** Increase is over the allowable annual Rent Increase Threshold of the greater of 3% of current rent or 60% of percent increase in CPI.

- **Reduction in Housing Services:** Mobilehome homeowner is reporting a reduction of Housing Services (e.g. lighting, heat, water, laundry facilities, elevator services, common recreational services, etc.) that have not been restored or remediated.

Figure 8 below describes the types of petitions the Rent Review Office has received for FY 2025. Petitioners can select one or more petition types when submitting their rent review application. No petitions have been received from landlords requesting an increase based on not receiving a fair return.

Figure 8. Tenant Petition Types, FY 2025



TRAO

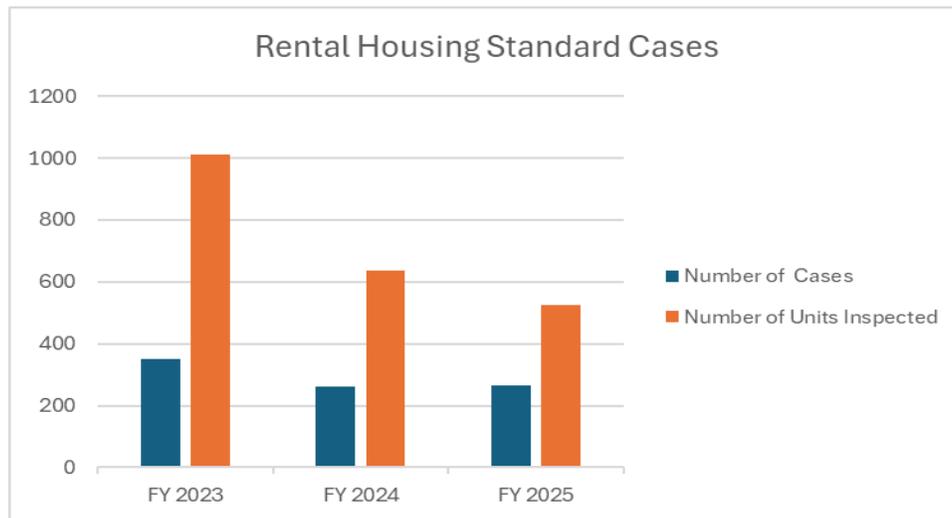
Under the TRAO and corresponding Emergency Relocation Assistance Program, the City provides relocation assistance to tenants displaced because of a Notice to Vacate issued by the City if the landlord fails to pay the required relocation assistance or in the event of a natural disaster such as a fire. Since 2022, the Housing Division assisted 37 tenant households, or about 50 tenants, and provided \$298,377 in relocation assistance to help recover from housing loss. In cases where the City pays relocation assistance related to a Notice to Vacate, landlords are required to provide reimbursement to the City for such assistance. Relocation assistance paid due to natural disasters (e.g., fires) do not require the landlord to provide the City with reimbursements for relocation assistance as they are not liable under the TRAO. Unfortunately, funds for relocation assistance have largely been exhausted. Therefore, in cases related to a governmental agency’s order to vacate, the City will issue a determination, which the tenant could use to seek recourse (e.g., relocation assistance from the landlord) through the courts. Staff continues to refer tenants who face displacement to free legal resources.

RRIP

Under the RRIP, Code Enforcement conducts rental inspections to ensure compliance with applicable codes and standards. Common violations include unpermitted construction, missing smoke detectors, faulty appliances, weather protection issues, faulty plumbing, junk and debris, mold and mildew damage, and general deferred maintenance. Site inspections can occur in three ways: tenant requests, owner or designee requests, or periodic City inspections.

Figure 9 shows the number of rental housing standard cases and number of rental units inspected over the last three fiscal years. This figure illustrates the decline in rental units inspected. This decline is due to the increase in the number of single-family homes inspected versus multifamily properties and due to the increase in the types of cases Code Enforcement has become responsible for enforcing. In 2012, Code Enforcement Division was responsible for enforcement of only two programs (Rental Housing Program and the Community Preservation Program) with six Code Enforcement Officers and currently enforce nine programs including Community Preservation, Zoning and Land Use compliance, Tobacco Retail Enforcement, Building Permit Enforcement, Grading Permit Enforcement, Vacant Property Monitoring, Cannabis Enforcement, Fireworks Enforcement and Sidewalk Vending Enforcement with only eight officers. Each rental inspection case requires 2-5 inspections and on average each case takes 138 days to complete. In FY 2025, the Code Enforcement Division inspected 524 of the estimated 23,000 active rental units.

Figure 9. Rental Housing Standard Cases FY 2023-2025



One of the most significant challenges is the sheer number of housing units to be inspected with eight Code Enforcement Officers that are responsible for enforcing nine programs in addition to the RRIP. With an estimated 23,000 rental units in the City, conducting inspections within a five-year cycle to identify and address substandard conditions is an

ongoing and demanding task. Nonetheless, the combined efforts of the Rental Inspection Program and the TRAO continue to prioritize the standards of safe and livable housing on a complaint basis, ensuring tenants have access to secure and sanitary rental properties. If additional resources become available to the Code Enforcement Division, staff recommends increasing proactive rental inspections to increase the number of rental units inspected on an annual basis demonstrating Hayward's commitment to safe and livable housing and proactively protecting tenants from substandard living conditions.

Potential RRSO Amendments

Throughout the implementation period of the RRSO, staff, along with Project Sentinel, has identified two provisions of the ordinance to be updated and streamlined — ensuring stronger fee collection methods and extending the deadline for arbitrators to complete review and issue decisions.

Fee Collection

Each year, landlords must pay \$66 per Covered Rental Unit and \$32 per non-covered Rental Units. These fees fund all personnel and operational costs for implementing the Rent Review Program. In FY25, the Housing Division collected about \$900,000 in payments for the Rent Review Program. However, staff estimate that an additional \$200,000 remains outstanding. While the current process imposes a late penalty on delinquent accounts, recovering these fees remains difficult, limiting the City's ability to ensure full cost recovery for the Rent Review Program. To strengthen compliance with fee payment, staff recommends amending the ordinance to authorize the City to place assessments on rental properties when landlords fail to pay their annual RRSO fee. Allowing assessments would provide a more reliable mechanism for collecting outstanding fees. In addition, the RRIP already authorizes the City to impose assessments for delinquent payments. Aligning the RRSO enforcement process with the RRIP would promote consistency and reduce administrative inefficiencies.

Extending Timeline for Arbitration Decisions

Tenants and landlords who file petitions to the Housing Division undergo the rent dispute resolution process, administered through Project Sentinel.⁹ Disputes may be referred to arbitration, in which the hearing officer (the arbitrator) renders a decision based on testimonies, submittal of evidence, review of applicable legislation and factual findings. Staff received feedback from arbitrators that the timeline for issuing decisions is difficult to meet. Currently, the RRSO allows the arbitrator for up to 20 days following the close of the hearing to complete their review of evidence and legislation and to render a decision. Staff recommends extending this timeline to 30 days to ensure adequate timeframes.

⁹ See [HMC SEC. 12-1.07](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH12HO_ART1RER_ESTTEPR_S12-1.07THREDIREPR) for more information about the rent dispute resolution process:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH12HO_ART1RER_ESTTEPR_S12-1.07THREDIREPR

ECONOMIC IMPACT

This report provides an update on the implementation progress of Hayward's Rental Housing Programs. This report proposes administrative amendments to the RRSO that would create marginal economic impacts.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, and Produce Housing. This item is not specifically related to a project identified in the Strategic Roadmap. Staff is bringing forth this item as part of an annual update on the RRSO's implementation.

FISCAL IMPACT

This report proposes minor amendments that would not create a fiscal impact on the City's General Fund but provide an opportunity to better recover costs for the Rent Review Program.

PUBLIC CONTACT

Since the RRSO was passed in July 2019, the City has conducted several education and outreach workshops and received many inquiries regarding the RRSO. Staff regularly attends events facilitated by community partners and agencies to inform tenants and landlords of their rights. In FY 2025, staff attended 38 workshops and community events.

Furthermore, staff assists community members via phone, email, and in-person visits to City Hall. Staff are present at the Permit Center during its Monday through Thursday, 9:00 am – 1:00pm walk-in hours and are available via appointments outside of the walk-in hours.

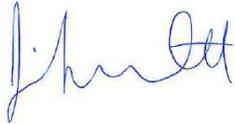
NEXT STEPS

Staff will continue monthly outreach activities and will continue to monitor implementation of the MRSO, RRSO, TRAO, and RRIP, identifying additional opportunities to improve processes, forms, and outreach strategies. If the HPRC supports staff's recommendations to make minor, administrative amendments to the RRSO, staff will return to the full City Council early next calendar year to seek authorization for those amendments. Furthermore, staff will return with another annual update to the HPRC in December 2026.

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