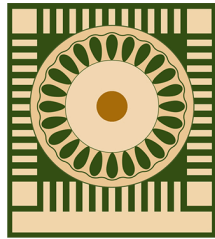


# **CITY OF HAYWARD**

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Thursday, April 18, 2019**

**6:00 PM**

**Conference Room 2A**

## **Homelessness-Housing Task Force**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENTS**

The Public Comment section provides an opportunity to address the Task Force on items not listed on the agenda as well as items on the agenda. The Task Force welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Task Force is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Task Force discussion and may be referred to staff.

**APPROVAL OF MINUTES**

1. [MIN 19-050](#) Minutes of the Homelessness-Housing Task Force Meeting on March 21, 2019

**Attachments:** [Draft Minutes of 3/21/19 HHTF Meeting](#)

**REPORTS/ACTION ITEMS**

2.     [ACT 19-119](#)     Provide Direction on Recommended Amendments to the Residential Rent Stabilization Ordinance, including Review of Community Input from April 6th Community Open House

**Attachments:**     [Attachment I Staff Report](#)  
                          [Attachment II Open House Materials](#)  
                          [Attachment III Public Comments](#)  
                          [Attachment IV Mediation Program Overview](#)  
                          [Attachment V Relocation Program Overview](#)

**FUTURE AGENDA ITEMS**

**TASK FORCE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**



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**File #:** MIN 19-050

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**DATE:** April 18, 2019

**TO:** Homelessness-Housing Task Force

**FROM:** Deputy City Manager

**SUBJECT**

Minutes of the Homelessness-Housing Task Force Meeting on March 21, 2019

**RECOMMENDATION**

That the Task Force approves the minutes of the meeting on March 21, 2019.

**ATTACHMENTS**

Attachment I Draft Minutes of 3/21/19



**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING**  
**Thursday, March 21, 2019, 5:00 p.m.**  
**Conference Room 2A**  
**777 B Street, Hayward, CA 94541**

**CALL TO ORDER:** Council Member Lamnin called the meeting to order at 5:00 p.m.

**ROLL CALL:**

Present: Council Member Salinas  
Council Member Wahab  
Council Member Lamnin  
Absent: None

**OTHERS IN ATTENDANCE:**

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Christina Morales, Housing Division Manager; Doris Tang, Management Analyst; Yolanda Cruz, Administrative Clerk

**PUBLIC COMMENTS:**

Stephen Barton, former Housing Director of the City of Berkeley and former Deputy Director of the Berkeley Rent Stabilization Board

Linda Cardoff, Hayward resident

David Stark, Public Affairs Director of Bay East Association of Realtors

Caryl Mahar, Executive Director of the Rental Housing Association

Rochelle Brown, renter and property manager

Angie Watson Hajjem, Fair Housing Coordinator of ECHO Housing

Lisa Brunner, Hayward landlord

Lacei Amodei, Hayward Collective member

Jerry Reynolds, Hayward landlord

Alicia Lawrence, Hayward Collective member

Nick Bruce

**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING**  
**Thursday, March 21, 2019, 5:00 p.m.**  
**Conference Room 2A**  
**777 B Street, Hayward, CA 94541**

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Latanya Campbell, Hayward renter

Charles Lassey, landlord and owner of property management company

Araceli Orozco, Hayward resident

Kimberlee Burks, homeless advocate for Hayward

Jeff Jurow, Hayward property owner and Downtown Improvement Association president

**REPORTS/ACTION ITEMS**

**1. Follow up Discussion Regarding Amendments to the Residential Rent Stabilization Ordinance and Review of Council Referral Regarding a Moratorium on Rent Increases**

Deputy City Manager Ott announced the report and introduced Housing Division Manager Morales who provided a PowerPoint presentation regarding: 1) the City Council comments from the February 19, 2019 work session related to the amendments to the Residential Rent Stabilization Ordinance; 2) the referral made to the Homelessness-Housing Task Force regarding a moratorium on rent increases; and 3) the process for soliciting community input and timeline for returning to Council with proposed legislation.

Council Member Wahab agreed with Council Member Salinas and Council Member Lamnin to remove the referral regarding a moratorium on rent increases on the condition of a development of a database for the residential rent stabilization.

**FUTURE AGENDA ITEMS**

Council Member Wahab requested the following items for future agenda: Student/Workforce housing; High density housing; and First Time Homebuyer Assistance program with focus on Hayward residents.

Council Member Lamnin requested the following items for future agenda: Tiny homes; Landtrust Coop (City Housing Authority), what that financial model might look like that enables people to own or rent at a starter home market price; Workforce development pathways which is an important piece in developing homelessness; and Average Median Income (AMI) to set affordable housing.

**MINUTES OF THE HOMELESSNESS-HOUSING TASK FORCE MEETING**  
**Thursday, March 21, 2019, 5:00 p.m.**  
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**TASK FORCE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

Council Member Lamnin will work with City staff and look at alternative meeting schedule.

Council Member Wahab requested for more detail on the staff reports.

**ADJOURNMENT**

Council Member Lamnin adjourned the meeting at 8:09 p.m.



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**File #:** ACT 19-119

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**DATE:** April 18, 2019

**TO:** Homelessness-Housing Task Force

**FROM:** Deputy City Manager

**SUBJECT**

Provide Direction on Recommended Amendments to the Residential Rent Stabilization Ordinance, including Review of Community Input from April 6<sup>th</sup> Community Open House

**RECOMMENDATION**

That the Homelessness-Housing Task Force (HHTF) provides further direction on recommended amendments to the Residential Rent Stabilization Ordinance (RRSO).

**SUMMARY**

The purpose of this report is to solicit feedback from the HHTF regarding recommended amendments to the RRSO that have been developed based on the direction provided by the City Council at the February 19, 2019 meeting, and input provided at the Community Open House and related online surveys, including:

1. Creation of a mandatory mediation with binding arbitration program;
2. Addition of provisions to prevent income discrimination that will prevent discrimination based on receipt of housing subsidies, such as Section 8 vouchers;
3. Addition of provisions to require filing with the City rent increase notices and notices terminating tenancy; and
4. Addition of tenant retaliation protection provisions.

Elimination of the vacancy decontrol provisions in the current RRSO is still under consideration, depending on the conclusion of the report by Management Partners, which will come back to the HHTF for review and direction at a May meeting.

Based on substantial landlord opposition, concerns, and questions regarding the tenant relocation program, staff is not recommending this program at this time and would like to receive additional direction from the HHTF before finalizing a recommendation. However, staff did propose in this report for discussion purposes a description of a potential tenant relocation assistance program.

The community open housing and related online surveys resulted in feedback regarding the proposed measures. Additionally, there was one major theme that was supported by all stakeholders across all topics. Collectively, both landlords and tenants expressed the need for more information on tenant and



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**File #:** ACT 19-119

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landlord rights and responsibilities and further education on policies.

Staff will continue to work with stakeholders and the Task Force to develop proposed legislation during a May meeting and anticipate returning to City Council with proposed legislation on May 21, 2019.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Community Open House Presentation Materials
Attachment III	Comments from Community Members and Industry Professionals
Attachment IV	Mandatory Mediation Program with Binding Arbitration
Attachment V	Tenant Relocation Assistance Program Description



DATE: April 18, 2019

TO: Homelessness-Housing Task Force

FROM: Deputy City Manager

SUBJECT: Provide Direction on Recommended Amendments to the Residential Rent Stabilization Ordinance, including Review of Community Input from April 6<sup>th</sup> Community Open House.

## RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF) provide direction on recommended amendments to the Residential Rent Stabilization Ordinance (RRSO).

## SUMMARY

The purpose of this report is to solicit feedback from the HHTF regarding recommended amendments to the RRSO that have been developed based on the direction provided by the City Council at the February 19, 2019 meeting, and input provided at the Community Open House and related online surveys, including:

1. Creation of a mandatory mediation with binding arbitration program;
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The community open housing and related online surveys resulted in feedback regarding the proposed measures. Additionally, there was one major theme that was supported by all stakeholders across all topics. Collectively, both landlords and tenants expressed the need for more information on tenant and landlord rights and responsibilities and further education on policies.

Staff will continue to work with stakeholders and the Task Force to develop proposed legislation during a May meeting and anticipate returning to City Council with proposed legislation on May 21, 2019.

## BACKGROUND

Hayward, like other cities in the Bay Area, is experiencing rising housing prices, severe housing instability for its most vulnerable populations, displacement of existing residents of all incomes, and increasing homelessness. The increase in Hayward's and the Bay Area's population, absent a corresponding increase in housing units, has caused rents and prices to rise as supply has failed to meet demand. As a result, approximately 55% of Hayward renters experience a cost burden as they spend over 30% of their household income on rent. Between 2013 and 2017, rents increased in the City by 46% while the median income of renters only increased 25%. While low income renters are the most impacted by rising rents and lack of available rental housing, all Hayward renters are experiencing the impacts of a tight rental market. Additionally, renter-occupied units are disproportionately comprised of African-American and Hispanic households compared to all occupied units, which raises concerns that the risk of potential displacement is greater for certain racial and ethnic populations within the City.

On January 31, 2017<sup>1</sup>, the City Council convened a work session to review housing affordability strategies and resources in Hayward and Alameda County. Subsequently, stakeholder meetings were hosted in early 2018, follow-up City Council work sessions were held on February 6, 2018<sup>2</sup>, March 27, 2018<sup>3</sup>, and legislation was enacted to on May 29, 2018<sup>4</sup> to place a moratorium on vacancy decontrol provisions of the RRSO to allow staff time to evaluate the ordinance without losing additional units to decontrol. On February 19, 2019<sup>5</sup>,

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<sup>1</sup> January 31, 2017 Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=2947412&GUID=7B833FA7-2B44-404D-86D2-031C37926B34&Options=&Search=>

<sup>2</sup> February 6, 2018 Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3335549&GUID=DDD8866E-BAEB-44BF-8EBB-2F716A750170&Options=&Search=>

<sup>3</sup> March 27, 2018 Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3458584&GUID=A516B525-DC67-41CD-A8FF-C4779E6B8FE9&Options=&Search=>

<sup>4</sup> May 29, 2018 Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3512726&GUID=CC5F9A5F-1885-4AD7-81B1-BFA7C9A88C41&Options=&Search=>

<sup>5</sup> February 19, 2019 Staff Report and Attachments:

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

the City Council convened a work session that defined the parameters for an approach to amend the City of Hayward RRSO. Based on preliminary Council direction, staff has identified the following key actions:

- Develop a 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 family homes and condominiums consistent with State law;
- Consider elimination of the vacancy decontrol provisions (Section 8) of the RRSO, considering recommendations from a pending report from the City's consultant, Management Partners.
- Create provisions to protect Section 8 voucher holders from discrimination;
- Require that landlords file rent increase notices and eviction notices with the City to obtain accurate data about rental housing activity;
- Explore with the HHTF retaliation provisions and a tenant relocation assistance program; and
- Extend eviction for cause protections to all residential rental properties, including single family homes and condominiums, which was enacted by Council action on March 5, 2019.

On April 6, 2019, staff hosted a Community Open House at Glad Tidings International Church on W. Tennyson Road and disseminated a related online survey for people who could not attend. The purpose of this event was to: 1) solicit public feedback on the specific proposed policy changes; and 2) provide an opportunity for the public to have an open dialogue with staff to ask questions or get more information on the proposed policies. Attachment II includes the presentation materials used at the Community Open House. Community members and industry professionals provided their feedback at the event by completing comment cards or communicating comments to staff who documented their point of view. Additionally, staff collected responses via email, by phone, and through an online survey. Attachment III provides comments received from community members and industry professionals.

## DISCUSSION

The purpose of this report is to solicit feedback from the HHTF relating to detailed recommendations regarding amendments to the RRSO that have been developed based on the direction provided by the City Council at the February 19, 2019 meeting and on input provided at the Community Open House and related online surveys. Staff recommends a comprehensive amendment to the RRSO that would include:

1. Creation of a mandatory mediation with binding arbitration program;
2. Additional provisions to prevent income discrimination that will prevent discrimination based on receipt of housing subsidies, such as Section 8 vouchers;
3. Additional provisions to require filing with the City rent increase notices and notices terminating tenancy; and

#### 4. Additional tenant retaliation protection provisions.

Additionally, this report discusses the tenant relocation program and community feedback, the next steps for the moratorium on vacancy decontrol, analysis of other recommendations from stakeholders, and a discussion of the major themes communicated by community members.

#### Mandatory Mediation with Binding Arbitration

City Council provided direction to create a mandatory mediation program with binding arbitration to improve communication between tenants and landlords. There was consensus amongst Council for a mediation program with binding arbitration that would be available to tenants upon rent increases greater than five percent (including all charges) and applicable to all pre-1979 units except single family homes and condominiums consistent with State law. The change will make it easier to identify units covered under the ordinance and will provide protection to approximately 9,500 units from large rent increases that could cause displacement. A threshold of 5% was recommended by staff because it represented a compromise between tenant and landlord groups. Staff also recommends improving the existing mediation/arbitration process to: 1) update the mediation/arbitration process based on current mediation standards and to improve effectiveness; and 2) clarify under what circumstances a landlord can issue a rent increase above 5%. Attachment IV provides a more detailed description of proposed changes.

Summary of Comments. Comments from the Community Open House and online survey both supported and opposed the proposal for mandatory mediation with binding arbitration. Some community members that supported the proposed measure thought the 5% rent increase was fair while others thought the 5% threshold was arbitrary and wanted further information on how the City determined this amount. There were five major themes in opposition to the proposal that included concern that the measure would be detrimental to future real estate development, that it infringed on a property owner's rights, that it punished landlords who kept their rents below market prices, that landlords would not be able to increase rents to offset rising costs, and that tenants do not understand a landlord's responsibilities and the reason for rent increases. Some of these concerns highlighted by community members are addressed by the proposed program and staff will keep these comments in mind while drafting the corresponding legislation.

Recommendation. Staff has recommended this mediation/arbitration program as a compromise between strict rent control and the escalating rents that have been making housing unaffordable to Hayward residents. Staff recommends these measures to help minimize the potential impacts of significant rent increases on renters in Hayward.

#### Income Discrimination Protection for recipients of rental assistance such as Section 8 Housing Choice Voucher Holders

On February 19, 2019, the City Council expressed support for prohibiting discrimination against Section 8 Housing Choice Voucher Holders. Voucher holders receive a subsidy from

the U.S. Department of Housing and Urban Development (HUD) that covers the difference between a tenant's required rental payment and the fair market rents. Federal law does not prohibit landlords from rejecting applicants that receive rental subsidies. To prevent this from occurring, local governments have enacted laws that prohibit discrimination based on the sources of income used to qualify for a housing unit. This prohibition would not impact landlords' ability to charge market rent for their units or prevent a landlord from rejecting an applicant based on other factors such as rental or credit history. It would, however, prevent a landlord from rejecting an applicant merely because of the housing choice voucher or from stating in advertisements that a tenant who receives assistance is not welcome to apply for the housing unit. Landlords who participate in the housing choice voucher program are required to sign a contract with the local housing authority and the property would be subject to annual housing quality inspection.

Recommendation. Staff recommends inclusion of provisions in the RRSO to prevent this type of income discrimination. These provisions would:

1. Define sources of income to include lawful source of income and rental assistance, homeless assistance, security deposit assistance, or housing subsidy programs including but not limited to Housing Choice Voucher Program;
2. Require that financial and income standards include all sources of income to qualify an individual for rental housing; and
3. Prevent discriminatory practices based on sources of income such as immediate dismissal of application.

#### Filing Rent Increase Notices and Notices of Termination of Tenancy.

On February 19, 2019, the City Council expressed support for requiring landlords to file rent increase notices and notices terminating tenancy. Requiring landlords to file notices with the City will allow the City to collect data related to rent increases and reasons for potential evictions. More data will help the City identify and address rental housing issues more effectively, as well as propose potential solutions to address these issues. Data derived from the notices may result in the City adopting new or updated policies and/or investing funds in programs to help address rental housing issues in the City that become more evident as the result of data collection and analysis.

Summary of Comments. Comments from the Community Open House and related online survey both supported and opposed the measure. Comments in support did not specify any reasoning for their support. Comments in opposition identified concerns that the policy violated private property rights, the implementation would be expensive and cause rents to increase, and it would discourage future development.

Recommendation. Staff recommends amending the RRSO and the Just Cause for Tenant Eviction Ordinance to require landlords to file notices with the City. Staff will work with the City Attorney's Office to ensure that private property rights are not violated and identify cost effective and efficient ways to file rent increase notices.

#### Tenant Retaliation Protections

A tenant retaliation protection policy provides tenants with legal rights if they are harassed or retaliated against by landlords and provides civil remedies to tenants, if the policy is violated. While California Law protects a tenant from retaliation by a landlord if the tenant has lawfully exercised their rights and also makes it unlawful for landlords to attempt to influence a tenant to move, local tenant retaliation protections provide more specificity regarding the types of bad business practices that are considered harassment. Additionally, tenant retaliation protection policies can set a minimum civil penalty amount and/or establish increased penalties for vulnerable populations, such as seniors or disabled persons. Penalties for other jurisdictions start at \$1,000. A tenant retaliation protection policy would specifically define harassment and provide tenants protection from bad business practices that:

- Reduce, interrupt, or withhold any services or amenities required by contract or law, or threaten to do so;
- Fail to perform repairs and maintenance required by contract or law, or threaten to do so;
- Fail to exercise due diligence in completing repairs and maintenance once undertaken; or fail to follow appropriate industry health and safety protocols;
- Disrupt, reduce, or withhold services to rental units;
- Use lies, threats, or violence to make a tenant vacate a rental unit, including threats regarding immigration status;
- Fail to accept or acknowledge receipt of a tenant's lawful rent; or refuse to cash a rent check for over 30 days unless a written receipt for payment has been provided to the tenant;
- Interfere with a tenant's right to privacy; and
- Interfere with a tenant's right to quiet use and enjoyment of a rental housing unit as that right is defined by California law.

Summary of Comments. Comments from the Community Open House and related online survey both supported and opposed the measure. Community members that expressed support of the measure also expressed concern that the identified bad business practices did not address their specific concern. Community members in opposition indicated that state law is sufficient to protect tenants from the bad business practices identified. One suggestion that requires further exploration is to include penalties for false accusations.

Recommendations. Staff recommends inclusion of provisions to address tenant retaliation and harassment to provide clarity to landlords regarding unacceptable business practices and establish defined penalties for landlords that violate the provisions. While not part of the proposed legislation, staff recommends promotion of the California Apartment Association Code of Ethics and Code for Equal Housing Opportunity to foster good relationships between tenants and landlords. The code of ethics and equal housing opportunity would be promoted on the City's website and through workshops hosted by the City.

### Tenant Relocation Assistance

Under a tenant relocation assistance program, tenants would be eligible for and entitled to relocation assistance for permanent relocation due to evictions that are due to no fault of the tenant, such as removing a unit from the rental housing market, owner move-in or displacement caused by code enforcement order that determine a unit to be substandard, and temporary relocations due to unit improvements. There would be a separate criterion for permanent and temporary relocation assistance and different relocation payment standards. The assistance would be paid by the landlord to the tenant. Attachment V provides a more detailed description of proposed program; however, staff is not recommending the program at this time.

Summary of Comments. Comments from the Community Open House and related online survey both supported and opposed the measure. Tenants indicated support of the program. However, tenants raised concern that there was no enforcement mechanism to make sure that landlords followed through with the reason that justified the eviction. Some expressed concern that the proposed assistance amount was not enough due to the high cost of replacement housing and others indicated that additional time may be more beneficial than money. There was substantial opposition to this proposal from landlords. There was concern expressed that landlords should not have to be responsible for relocation assistance even for no-fault evictions, that it would penalize landlords who maintained their rents below market prices, and that the policy was one-sided. There were also suggestions to add exemptions related to natural disasters, sale of the rental unit, single family residences, landlord hardship, and units that charge less than the fair market rents.

Recommendation. Based on substantial opposition, concerns, and questions regarding the tenant relocation assistance program, staff is not recommending this program at this time and would like to receive additional feedback from the HHTF before finalizing any recommendation. For discussion purposes, a description of a potential tenant relocation assistance program is included as Attachment V. .

#### Moratorium on Vacancy Decontrol (Section 8 of the RRSO)

On May 29, 2018, the City Council adopted a moratorium on vacancy decontrols to provide staff time to evaluate the vacancy decontrol process while protecting units protected by the rent increase limitations of the RRSO. Under the vacancy decontrol provisions of the RRSO, a unit will no longer be subject to the rent increase limitations once a tenant voluntarily vacates the unit and the landlord makes an investment in the unit in an amount greater than the City's established improvement value (between \$1,500 and \$3,100 depending on the number of bedrooms in the unit).

Summary of Comments. Comments from the Community Open House and related online survey both supported and opposed the elimination of vacancy decontrol. Comments in opposition were concerned that property owners would be disincentivized from investing in their properties, and that elimination of these provisions was unjust to landlords that have maintained rent-controlled units all these years. There was also a proposal to maintain the vacancy decontrol provisions, but increase the decontrol threshold. Comments also indicated that the proposed elimination of Hayward's vacancy decontrol was not completely



understood. Some comments seem to indicate that community members thought the City was proposing to eliminate a property owner's right to raise the rents to market rate upon vacancy.

Return with Recommendations. On February 19, 2019, the City Council expressed support for eliminating vacancy decontrol (Section 8) from the RRSO; however, there was also support for waiting for the findings from the consultant hired to evaluate the vacancy decontrol process, which is anticipated in May 2019. Staff will make a recommendation to the HHTF on this topic after receipt of the full report from Management Partners in early May.

### Analysis of Prior Stakeholder Recommendations

The landlord community has proposed solutions to mitigate concerns with housing instability and improving the quality of housing. These include:

1. Requiring extended noticing periods;
2. Suspending rent increases where there are open maintenance issues as identified by code enforcement; and
3. Requiring mandatory leases

Longer Noticing Periods. Staff has reviewed these suggestions and it has been determined that the City cannot require longer noticing periods because noticing periods are set by State law and the City does not have the authority to create a different local requirement.

Suspending Rent Increases/Code Enforcement. Staff has incorporated into the mediation/arbitration program the suggestion to suspend a rent increase, if a property has open maintenance issues as identified by code enforcement. The City does not have the authority to suspend rent increases on units not subject to the provisions of the mediation/arbitration program.

Mandatory Leases. Staff continues to research mandatory leases at application and renewal. Palo Alto requires landlords to offer one-year leases upon application and renewal. However, a written rental agreement for an extended fixed term—the “lease”—has advantages and disadvantages for both landlords and tenants. If clearly written, a lease defines the roles and responsibilities of both the tenant and the landlord. A lease provides predictable revenue for the landlord for a fixed term. It provides tenants the security of knowing what their rent will be for the term of the lease; however, rents can be increased at the end of the term which limits the security benefit. A lease provides tenants protection against unexpected termination of tenancy, particularly where there is no just cause protection; however, there may be penalties if either party needs to terminate the lease early.

Requiring a landlord to offer a one-year lease upon application and renewal may provide short term housing stability to tenants that live in units not subject to the mediation/arbitration program. Having a lease is generally a good idea especially because it identifies the roles and responsibilities of each party, which helps to resolve disputes. Staff recommends exploring provisions requiring mandatory leases to determine enforceability of such a policy and possible inclusion in the RRSO.

## Additional Major Themes from the Community Open House

Across all topics, there was one major theme that was supported by various stakeholders. Collectively, both landlords and tenants expressed the need for more information on tenant and landlord rights and responsibilities and further education on the proposed policies. Specific suggestions include:

1. Provide more information on the City's website;
2. Provide educational trainings and workshops; and
3. Provide information in various language to reach a wider range of tenants and landlords.

Once amendments to the RRSO have been adopted by City Council, staff will work to create plain language information for both tenants and landlords that can be available in the office and online. These materials can be provided in multiple languages. Additionally, staff can incorporate an education program into efforts to implement rent stabilization policies.

## Residential Rent Stabilization Database.

The first phase of a database to administer the RRSO is under development. The current efforts to develop a database will analyze public records to identify units that are covered by the ordinance, identify units with decontrol applications on file, and manage petition workflow. On the website, the public will have access to information about the units covered by the ordinance, summary information such as number of petitions and complaints filed, access to decontrol applications received, and access to public information. Property owners will be able to notify the City regarding changes of ownership to maintain accurate information regarding responsible parties and units covered by the ordinance. Staff anticipates that this first round of information will be available to the public later this year. Subsequently, staff will undergo a second phase and continue to refine, improve, and expand the database with information, not readily available in public records, that is obtained from and provided by property owners. Staff will provide a report regarding the database to the HHTF at the May meeting and request feedback on how else to improve and expand development of a second phase of the database.

## **FISCAL IMPACT**

City staff is conducting a fiscal impact analysis on the budget impacts of administering and enforcing all the proposed amendments to the RRSO that resulted from the February 19, 2019 work session, including the expansion of the just cause provisions to all rental units in the City. However, costs associated with the RRSO are recovered through the Rent Review Administration Fee. Consequently, the amount of the fee will also be updated to cover these expenses and will need to increase from its current amount due to these proposed changes. The fee is paid by the landlord and half of the fee can be passed through to the tenant. Staff will provide an estimated budget for the program along with any proposed legislation.

## **STRATEGIC INITIATIVES**

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. This item supports the following goal and objectives:

Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources.

Objective 1: Centralize and expand housing services.

Objective 3: Conserve and improve the existing housing stock.

## PUBLIC CONTACT

In January 2018, staff hosted meetings with tenants, landlords, representatives of community-based organizations, and advocates to listen to these stakeholders' perspectives on housing issues. Additionally, staff conducted an online survey to provide an alternate mechanism for participation in the housing discussion. Analysis of the results of the survey were included in the February 6, 2018 staff report. On February 26, 2018, staff hosted a subsequent listening session to hear the stakeholders' feedback on Council supported rental housing affordability strategies. In October 2018, staff conducted four tenant focus groups. From December 2018 through February 2019, staff met with community stakeholders affiliated with landlords, realtors, and tenants to develop potential amendments to the RRSO to address issues of rent stabilization more comprehensively in the City.

On April 6, 2019, staff hosted a community open house to provide information about proposed changes to the RRSO and to solicit community feedback. At least 57 people/households attended based on the sign in information. Of these, 20 identified themselves as tenants, 10 identified themselves as landlords, 7 as industry professionals, 3 as other, and the balance did not disclose the information.

## NEXT STEPS

Over the next month, staff will draft legislation based on the HHTF's feedback. At the May HHTF meeting, staff will provide a description of the rent stabilization database and report on the findings from Management Partners related to vacancy decontrol. Staff will then return to the City Council with proposed legislation at the May 21, 2019 Council Meeting.

Table 1. Rent Stabilization Ordinance Amendment Timeline

Meeting	Topic	Date
Homelessness-Housing Task Force	Rent Stabilization Database Moratorium on Vacancy Decontrol Recommendations	May 2019 (TBD) (6:00 pm)
City Council	Proposed Rent Stabilization Legislation to Amend RRSO	May 21, 2019 (7:00 pm)

Prepared by: Christina Morales, Housing Division Manager

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



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Kelly McAdoo, City Manager

# Timeline of Events

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## I. BACKGROUND

- Jan 31, 2017:** City Council Work Session to review housing affordability strategies and resources.
- Jan 10, 2018:** Tenant stakeholder meeting.
- Jan 17, 2018:** Landlord stakeholder meeting.
- Feb 6, 2018:** City Council Work Session to review policy options identified through stakeholder feedback.
- Feb 26, 2018:** Stakeholder meeting to seek additional feedback regarding policy options.
- Mar 27, 2018:** City Council Work Session to review affordable housing strategies and community proposed tenant protection measures.
- May 29, 2018:** City Council adoption of an emergency ordinance enacting a moratorium on decontrolling rental units and an amendment to the Residential Rent Stabilization Ordinance (RRSO) to clarify that eviction for cause provisions apply to units that are currently and were previously rent controlled.
- Oct 5-6, 2018:** Tenant focus group.
- Oct 12-13, 2018:** Tenant focus group (Spanish).
- Feb 19, 2019:** City Council Work Session to provide direction regarding potential amendments to the RRSO.
- Mar 5, 2019:** City Council adoption of emergency Just Cause Eviction ordinance for all rental units.
- Mar 21, 2019:** First Homelessness-Housing Task Force (HHTF) meeting to summarize City Council direction from February 19<sup>th</sup> regarding potential amendments to the RRSO and to describe timeline and process for moving the items forward.

## II. TODAY

- Apr 6, 2019:** Community Open House to encourage public comment and feedback on potential amendments to the RRSO.

## III. UPCOMING EVENTS

- Apr 18, 2019:** Second HHTF meeting to discuss proposed changes to the RRSO and public feedback received at the April 6, 2019 Community Open House.
- May 21, 2019:** City Council meeting to consider approval of proposed amendments to the RRSO.

# MEDIATION & BINDING ARBITRATION PROGRAM

## ISSUE

- Large rent increases causing instability, stress, and displacement of Hayward residents.

## PROPOSED POLICY

- Policy would encourage communication between tenants and landlords for rent increases exceeding 5%.
- If tenants and landlords cannot resolve dispute, mediation would be available to both parties.
- If dispute cannot be resolved in mediation, arbitration would be made available.
- Arbitrator reviews documents and statements and evaluates the need for rent increases above 5%.
- The decision reached in arbitration is binding.

## APPLIES TO

- Pre-1979 units except single family homes and condominiums.

## INTENDED OUTCOMES

- Creates housing stability through predictable rent increases.

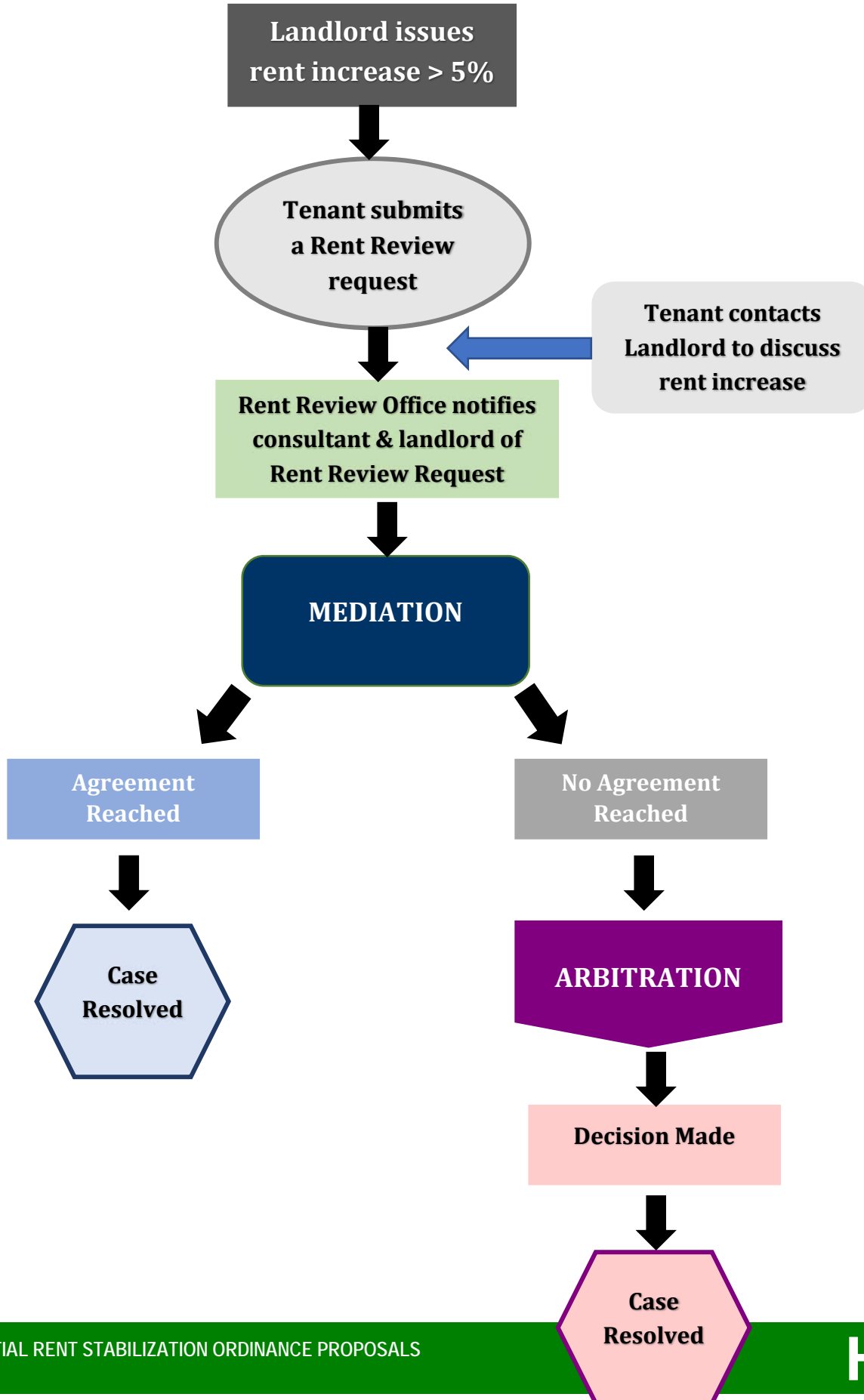
## LET US KNOW WHAT YOU THINK

- What are your thoughts on the proposed policy?
- Are we missing anything?
- Please provide any additional comments on the proposed policy or any other rent issues in the City.

## QUICK FACTS BOX

- 22,237 estimated rental units in City
- 48% of all housing units are rental units
- 14,941 estimated units covered by current policy
- 1979 – the year the current policy was adopted
- 7,931 decontrol applications received by the City
- 1,000 – 1,600 units estimated to be currently protected from large rent increases.

# PROPOSED MEDIATION & BINDING ARBITRATION PROCESS



# Elimination of Process for Decontrolling Rent-Controlled Units

## ISSUE

- There are only 1,000-1,600 units in the City of Hayward protected from large rent increases.
- The current rent stabilization policy exempts landlords from rent control, if the landlord makes repairs costing more than \$1,500 - \$3,100 when the unit becomes vacant.

## PROPOSED POLICY

- Eliminate process for decontrolling rent-controlled units.

## APPLIES TO

- Approximately 1,000 to 1,600 remaining rent-controlled units.

## INTENDED OUTCOMES

- Preserve remaining estimated 1,000 to 1,600 rent-controlled units within the City.

## LET US KNOW WHAT YOU THINK

- What are your thoughts on the proposed policy?
- Are we missing anything?
- Please provide any additional comments on the proposed policy or any other rent issues in the City.

## QUICK FACTS BOX

- 22,237 estimated rental units in City
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# FILING RENT INCREASE & EVICTION NOTICES

## ISSUE

- There is a lack of data about rent increases and termination of tenancy in the City, which makes it difficult to address concerns about housing affordability and stability effectively.

## PROPOSED POLICY

- Require housing providers to file rent increase and termination of tenancy (eviction) notices with the City.

## APPLIES TO

- All rental units.

## INTENDED OUTCOMES

- The City will track information about rent increases and termination of tenancy including the reason for terminating tenancy.
- Enable the City to identify housing trends, address rental housing issues, and propose potential solutions based on data.

## LET US KNOW WHAT YOU THINK

- What are your thoughts on the proposed policy?
- Are we missing anything?
- Please provide any additional comments on the proposed policy or any other rent issues in the City.

## QUICK FACTS BOX

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# Relocation Assistance Program for Evictions Where Tenant Not at Fault

## ISSUE

- Some evictions are due to no fault of the tenant and the unexpected loss of housing makes it difficult for tenants to find new housing because they are unprepared to pay for a new deposit, first months and last months, and moving costs.

## PROPOSED POLICY

- A relocation assistance program would require a landlord to pay a tenant for their relocation costs if the tenant is required to move due to a no-fault eviction (owner move-in, withdrawal of a unit from the rental market, or in compliance with a government requirements).
- The payment would be required for both permanent or temporary displacement.
- Landlords would need to pay three times the fair market rents for permanent relocation, or a daily rate based on hotel costs for temporary relocation.

## APPLIES TO

- All rental units.

## INTENDED OUTCOMES

- Reduce the risk that a tenant will experience extreme housing instability and/or become homeless due to the costs associated with the unexpected loss of housing.

## LET US KNOW WHAT YOU THINK

- What are your thoughts on the proposed policy?
- Are we missing anything?
- Please provide any additional comments on the proposed policy or any other rent issues in the City.

## QUICK FACTS BOX

- 22,237 estimated rental units in City
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## Supplemental Handout: FY 2019 HUD Fair Market Rent Rates

HUD Final FY 2019 Fair Market Rents by Unit Bedrooms				
Oakland-Fremont, CA Metro Area				
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$1,409	\$1,706	\$2,126	\$2,925	\$3,587

- [https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019\\_code/2019summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019_code/2019summary.odn)

# TENANT RETALIATION PROTECTIONS

## ISSUE

- Some tenants avoid communicating with landlords and/or raising concerns about their housing situation due to fear of retaliation from landlords.
- While State law protects a tenant from retaliation by a landlord, it does not provide detailed examples of retaliation nor does it establish specific monetary penalties for engaging in retaliatory behavior.

## PROPOSED POLICY

- A local tenant protection policy provides tenants with legal rights if they are harassed or retaliated against by a landlord and establishes penalties paid to tenants, if the policy is violated.
- A local policy can provide detail about unacceptable landlord conduct that State law speaks to more generally (examples provided separately).

## APPLIES TO

- All rental units.

## INTENDED OUTCOMES

- Identify unacceptable landlord conduct that would be considered harassment.
- Establish minimum monetary penalties.
- Provide greater security to tenants, which could encourage better communicate with landlords and/or raise concerns about unacceptable conduct.

## LET US KNOW WHAT YOU THINK

- What are your thoughts on the proposed policy?
- Are we missing anything?
- Please provide any additional comments on the proposed policy or any other rent issues in the City.

## QUICK FACTS BOX

- 22,237 estimated rental units in City
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# TENANT RETALIATION PROTECTIONS - PROPOSED POLICY

A tenant retaliation protection policy would specifically define harassment and provide tenants protection from bad faith business practices such as:

1. Disrupt, reduce, or withhold services to rental units.
2. Failure to perform repairs and maintenance required by contract or law.
3. Failure to perform and complete repairs in a timely and professional manner consistent with State law.
4. Abuse right of access to rental unit as limited by State law.
5. Use lies, threats, or violence to make a tenant vacate a rental unit, including threats regarding immigration status.
6. Failure to accept or acknowledge receipt of a tenant's rent.
7. Interfere with a tenant's right to privacy, including inquiries about immigration status.
8. Interfere with tenant's right to quiet use and enjoyment of rental unit as defined by State law.

# MEDIACIÓN Y ARBITRAJE VINCULANTE

## PROBLEMA

- Grandes aumentos de renta causan inestabilidad, estrés, y desalojamiento de residentes de la Ciudad de Hayward.

## POLÍTICA PROPUESTA

- Esta política fomentaría comunicación entre arrendadores e inquilinos sobre aumentos de renta que exceden 5%.
- Si un inquilino y un arrendador no pueden resolver un conflicto sobre un aumento de renta, mediación estaría disponible para ambas partes.
- Si no se puede resolver el conflicto por medio de mediación, arbitraje se haría disponible.
- El árbitro repasaría documentos y evaluaría si un aumento de renta más de 5% sería justificado.
- La decisión lograda durante arbitraje será vinculante.

## SE APLICA A

- Unidades de alquiler construidas antes de 1979 con excepción de residencias unifamiliares y condominios.

## RESULTADOS PREVISTOS

- Crea estabilidad de vivienda a través de aumentos de renta predecibles.

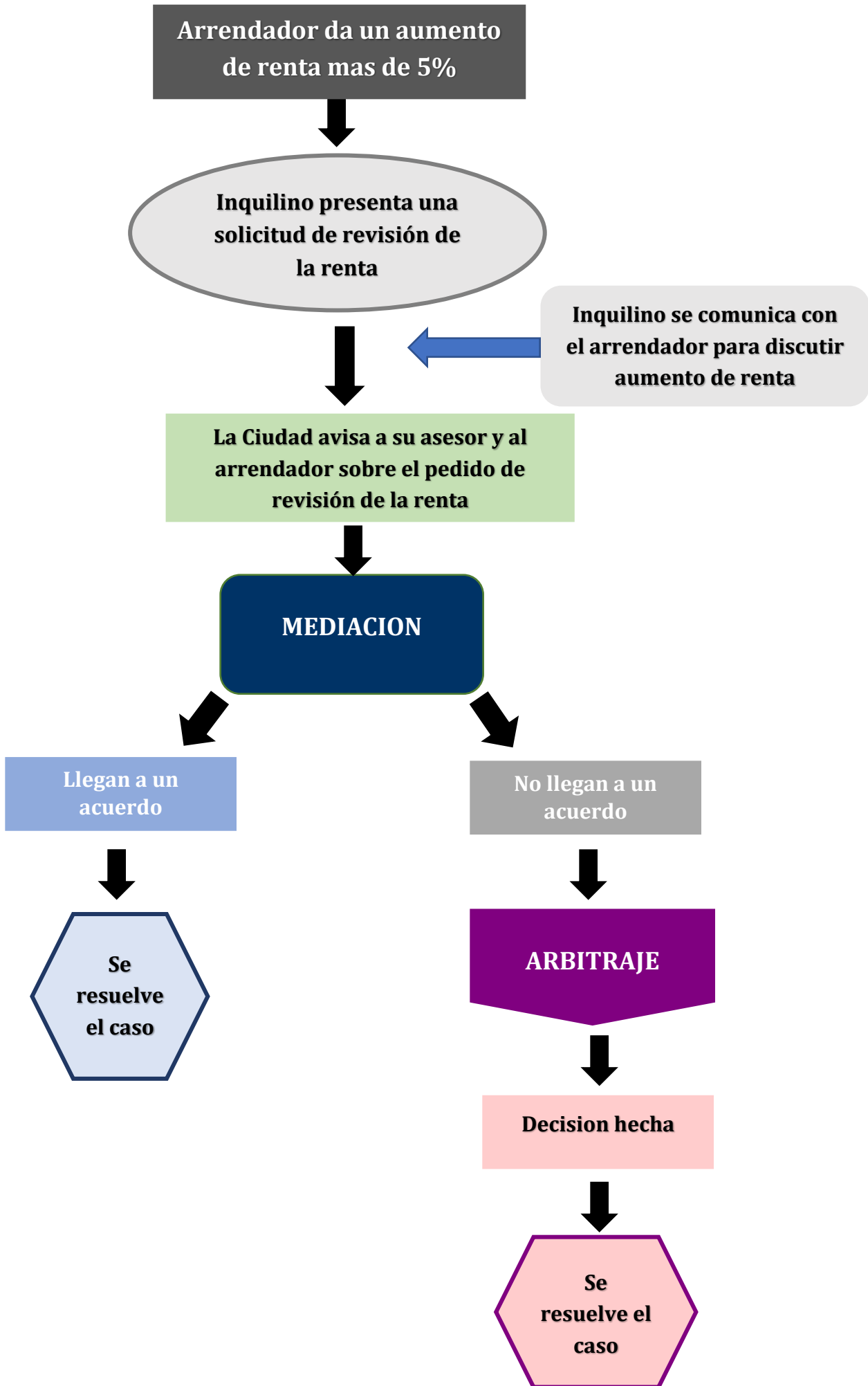
## HÁGANOS SABER LO QUE PIENSA

- ¿Qué opinas sobre la política propuesta?
- ¿Nos faltó algún detalle?
- Proporcione cualquier comentario adicional sobre la política propuesta o cualquier otro problema de alquiler en la Ciudad.

## CUADRO DE DATOS RÁPIDOS

- 22,237 unidades de alquiler estimadas en la ciudad
- El 48% de todas las unidades de vivienda son unidades de alquiler
- 14,941 unidades estimadas cubiertas por la política actual
- 1979 – el año en que se adoptó la política actual
- 7,931 las solicitudes de descontrol recibidas por la ciudad
- 1,000 – 1,600 unidades estimadas que son protegidas actualmente de grandes aumentos de renta

# PROCESO PROPUESTO DE MEDIACION Y ARBITRAJE VINCULAR



# ELIMINACIÓN DEL PROCESO DE DESCONTROL DE UNIDADES DE ALQUILER CONTROLADO

## PROBLEMA

- Hay solo 1,000-1,600 unidades en la Ciudad de Hayward protegidas de aumentos de renta grandes.
- La política actual de estabilización de alquileres exime a los propietarios del control de alquileres, si el propietario realiza reparaciones que cuestan más de \$ 1,500 a \$ 3,100 cuando la unidad queda vacante.

## POLÍTICA PROPUESTA

- Eliminación del proceso de descontrolamiento de unidades de renta controlada.

## SE APLICA A

- Aproximadamente 1,000 a 1,600 unidades de renta controladas restantes.

## LOS RESULTADOS ESPERADOS

- Preservar el estimado de 1,000 a 1,600 unidades de renta controlada dentro de la Ciudad.

## HÁGANOS SABER LO QUE PIENSAS

- ¿Qué opinas sobre la política propuesta?
- ¿Nos faltó algún detalle?
- Proporcione cualquier comentario adicional sobre la política propuesta o cualquier otro problema de alquiler en la Ciudad.

## CUADRO DE DATOS RÁPIDOS

- 22,237 unidades estimadas de alquiler en la ciudad
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- 1,000 - 1,600 unidades estimadas actualmente protegidas de grandes aumentos de alquileres.



# ARCHIVAR AUMENTOS DE RENTA Y AVISOS DE EVICCIÓN

## PROBLEMA

- Hay información limitada sobre aumentos de renta y terminaciones de tenencia con la ciudad lo cual es difícil responder sobre alojamiento de accesibilidad financiera y estabilidad.

## POLITICA PROPUESTA

- Requerir propietarios archivar avisos con la ciudad sobre aumentos de renta y terminaciones de tenencia (desalojo).

## ESTO APLICA A

- Todas las unidades de alquiler.

## RESULTADOS ESPERADOS

- La ciudad coleccionará información sobre aumentos de renta y terminaciones de tenencia. Incluso la razón de terminar la tenencia.
- La ciudad podrá identificar tendencias de vivienda, resolver problemas de viviendas de renta, y propondrá soluciones potenciales basadas en los datos.

## HÁGANOS SABER LO QUE PIENSA

- ¿Qué opinas sobre la política propuesta?
- ¿Nos faltó algún detalle?
- Favor de proveer cualquier otro comentario sobre este tema y propuesta, o cualquier otro problema referente a las viviendas de alquiler en la ciudad.

## CUADRO DE DATOS RÁPIDOS

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# PROGRAMA DE ASISTENCIA DE REUBICACIÓN PARA DESALOJOS DONDE EL INQUILINO NO TIENE LA CULPA

## PROBLEMA

- Algunos desalojos en los cuales no hay culpa del inquilino y la pérdida inesperada de la vivienda hace que sea difícil para los inquilinos para encontrar nuevas viviendas porque no están preparados para pagar un nuevo depósito, los primeros meses y últimos meses, y los costos de mudanza.

## POLÍTICA PROPUESTA

- Un programa de asistencia de reubicación requeriría que un arrendador pague a un inquilino por sus costos de reubicación si se requiere que el inquilino se mueva debido a un desalojo sin culpa (la mudanza del propietario, la retirada de una unidad del mercado de alquiler o el cumplimiento de los requisitos del gobierno).
- El pago sería necesario para el desplazamiento permanente o temporal.
- Los arrendadores tendrían que pagar tres veces los alquileres de mercado justos para la reubicación permanente, o una tarifa diaria basada en los costos del Hotel para la reubicación temporal.

## SE APLICA A

- Todas las unidades de alquiler.

## RESULTADOS PREVISTOS

- Reducir el riesgo de que un inquilino experimente una inestabilidad extrema en la vivienda y/o se convierta en un vagabundo debido a los costos asociados con la pérdida inesperada de vivienda.

## HÁGANOS SABER LO QUE PIENSA

- ¿Qué opinas sobre la política propuesta?
- ¿Nos faltó algún detalle?
- Proporcione cualquier comentario adicional sobre la política propuesta o cualquier otro problema de alquiler en la Ciudad.

## CUADRO DE DATOS RÁPIDOS

- 22,237 unidades de alquiler estimadas en la ciudad
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# PROTECCIONES CONTRA REPRESALIAS DE INQUILINOS

## PROBLEMA

- Algunos de los inquilinos evitar comunicarse con los propietarios y/o plantear inquietudes acerca de su situación de alojamiento debido al temor de represalias de los propietarios.
- Si bien la ley estatal protege a un inquilino de represalias por parte de un arrendador, no proporciona ejemplos detallados de represalias ni establece sanciones monetarias específicas por participar en conductas de represalia.

## POLÍTICA PROPUESTA

- Una política de protección de inquilino local proporciona A los inquilinos derechos legales si son acosados o contraen represalias por un arrendador y establece multas pagadas a los inquilinos, si se viola la póliza.
- Una política local puede proporcionar detalles sobre conducta inaceptable que la ley estatal habla más en general (ejemplos proporcionados por separado).

## SE APLICA A

- Todas las unidades de alquiler.

## RESULTADOS PREVISTOS

- Identifique la conducta inaceptable del arrendador que se consideraría acoso.
- Establecer sanciones monetarias mínimas.
- Proporcionar una mayor seguridad a los inquilinos, lo que podría alentar a comunicarse con los propietarios y/o plantear inquietudes acerca de conducta inaceptable.

## HÁGANOS SABER LO QUE PIENSA

- ¿Qué piensa o cuál es su opinión sobre los requisitos y el proceso de la política propuesta?
- ¿Nos faltó algún detalle?
- Proporcione cualquier comentario adicional sobre la política propuesta o cualquier otro problema de alquiler en la Ciudad.

## QUICK FACTS BOX

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- 1.000 – 1.600 unidades estimadas para ser protegidas actualmente de grandes aumentos de renta.

# PROTECCIONES CONTRA REPRESALIAS DE INQUILINOS - POLÍTICA PROPUESTA

Una política de protección contra represalias del inquilino definiría específicamente el acoso y brindaría protección a los inquilinos de las prácticas comerciales de mala fe, tales como:

1. Interrumpir, reducir, o retener servicios a unidades de alquiler.
2. No realizar reparaciones y mantenimientos requeridos por contrato o ley.
3. No realizar y completar las reparaciones de manera oportuna y profesional de acuerdo con las leyes estatales.
4. Abuso del derecho de acceso a la unidad de alquiler según lo limitado por la ley estatal.
5. Use mentiras, amenazas o violencia para hacer que un inquilino desocupe una unidad de alquiler, incluidas las amenazas relacionadas con el estatus migratorio.
6. No aceptar o acusar recibo del alquiler de un inquilino.
7. Interfiere con el derecho a la privacidad del inquilino, incluidas las consultas sobre el estado de inmigración.
8. Interfiere con el derecho del inquilino al uso silencioso y al disfrute de la unidad de alquiler según lo define la ley estatal.

### Mediation & Binding Arbitration Program

- 5% seems reasonable because already receiving notices for 10%
- Are landlords responsible for fees to enter arbitration or mediation?
- Is there appeal process for arbitration determination?
- Do landlords hire lawyer or is representation provided?
- Is “banked money” justification to raise rents? Above 5%?
- Should place a time limit on landlords’ ability to recoup “banked money” and should be spelled out in ordinance.
- How is 5% established? Is this tied to property tax increases? Would like to see economic analysis
- There should be process for either party to identify? in mediator and arbitrator
- Who hires/selects arbitration company?
- Believes rent increase should go to City first instead of tenant because landlord could intimidate tenant into compliance and not initiating mediation/arbitration process out of fear
- Evaluation and communication about policy is essential to have people understand rights
- Good solution
- What qualifies as reasonable justification for 5% increase? New paint? How do you keep track of paying off improvements – needs a plan
- 5% increases year after year add up and is unsustainable for the tenant
- Is there a timeline involved in process?
- Who covers rent increase? Is decision retroactive? What rent in effect at ties of mediation/arbitration process?
- Supports this policy – getting rent increases in \$ not % and believes increases exceed 5%
- Supports this policy and needs retaliation and education of tenants
- Tenants are afraid to speak up
- Language barrier – need policies and programs to be available in various languages
- Would like to ensure and include landlord protection if tenant damages unit
- Is rental inspection program applicable to Section 8 properties?
- If rent increases above 5%, the landlord should submit request for City to review
- Tie into reporting program so when rent increase occurs, City would have in reports. Would require City to know rents for all units in the city.
- Concerned about power imbalance in mediation and arbitration process
- Is arbitration applicable – disadvantages tenants
- Consider having a rent board to review disputes
- How does a family make it through this process?
- What are landlord charges for utilities – would like to see an itemized breakdown of the cost for each utility type.
- Can landlord increase rent if complex is not completely occupied a lot of vacancy?
- Is there a limit to investor profit?

- Is there a timeline for initiating rent review?
- Landlords sometimes rely on ignorance of law to raise rents. Didn't even know laws changed- how do we let people know about their rights?
- Impedes free market
- Expenses for landlord is not predictable
- In economic downturn, landlords need to defer maintenance due to loss of margin. This causes property depreciation and determination for tenants
- What is an unjustified increase?
- Government should reduce regulations
- Impedes on free market
- Discourages people in investing in rental real estate in Hayward
- This policy would make it fair for both tenants and landlords, so long as landlord is not singled out or penalized
- SF has good example – this policy lead to too much of unintended consequences and will scare off people from being landlords.
- In favor of this proposed policy
- Consider using HACA standards?
- City should not be involved in landlord and tenant issues
- Proper education about landlord responsibilities needed
- Rent increase is necessary as property taxes – insurance city fees and maintenance cost will go up and the tenants unfortunately need to pay for it
- Landlords should be responsible to submit proposed increase to City and City should verify that increase is acceptable and complies with ordinance.
- This policy would be disadvantage to tenants throughout the entire process and includes several barriers including cost, administrative, and information burdens
- This policy should be changed to rent control cap with rent review for increases above cap. The burden should fall on landlord to request increases beyond cap threshold.
- The policy that creates database of all evictions and rent increases shouldn't be tied explicitly into a rent control and rent review program.
- Rent should be increased according to CPI not on landlord's likability or whim
- Rent prices should be universally averaged nationwide
- In favor of policy because it is a good way of keeping tenants and having fair amount of living for landlords and tenants
- Arbitration team – 5 landlords, 5 tenants to hear issues and help with process
- Rising utility costs to landlords and rising labor does not compensate the owner for increased costs of 5% increase limit
- There are no remedies for landlords whose tenants are in constant violation of their lease
- City should consider enacting a rent review and mediation process only for at least 12 months, collect data and determine if there is a need for binding arbitration element.
- Mediation works



- 5% barely accounts for inflation. If you want owners to make improvements and keep up their properties, owners have to be able to offset rising costs for public utilities and increased taxes.
- Recommends 5% plus CPI with a cap of 10%
- Who will facilitate mediation process?
- Recommends giving tenant sufficient notice of rent increase – 90 days – which would allow them to search other rents.
- Mediation would allow tenants and landlords a voice.
- Recommends Home Association with yearly fee so people can up keep their yards
- Operating expenses are high
- Landlords should be able to increase higher than 5% every year for improving property
- Believes that this policy would cause further deterioration to pre 1979 housing stock in Hayward
- This policy destroys what little good faith Hayward had with rental housing community and makes Hayward poor place to invest in
- Would like the City to use another jurisdiction's ordinance as a model so it would be easy to measure the effectiveness of policy
- Rents shouldn't be based on percentages of existing rent because it is not fair to landlords who have been keeping rent extremely low for the tenants
- There should be a base rent for 1,2, or 3-bedrooms. Only rents that are greater than the base rent should be addressed
- Instead of 5%, rents should be able to increase at least 7% yearly
- This policy is fair.
- I think your limiting the increases on rents is terrible, as an owner it limits us on improvements for our buildings, apts, and units houses or whatever, and you forget the existing tenants make most of the problems and don't care about our properties and how much they destroy them.
- Everything, as an owner you are forcing us to get out of the business, and giving control of our own investments to the city and county. We are taxed, we as owners have to clean up the messes the tenants make, they are not the owners and they don't care what it costs us.
- Leave us owners to manage and improve our own properties without your input and restraints on what we can do.
- There is already those things in place through the court and county. For older units we have a lot of maint. If it's not cost effective for the properties to cover that and taxes, mortgage, employee salaries, insurance, court costs and tenant issues we would not be able to do upgrades and would have defer a lot of maint. It will also cause owners to sell their properties to developers who buyout of affordable housing and put up condos.
- I think City Counsel should go to eviction court and see what the reality is.
- Seems reasonable instead hard-line limits.

- Limits on rent increase should not apply to vacant properties when tenant leave on their own or due to just cause eviction. I NEVER raise rent on good tenants so I need to adjust rent to market value when they finally leave.
- It needs to be more specific as to what property types. If it's more than 4 units, then this is considered commercial.
- Why is this 1979 age range relevant?
- I think the process looks good but in the meantime while the tenant and landlord goes through this lengthy process. Does the tenant remain living in the apartment or house and keep paying the same rent? If the tenant loses the arbitration, the increase is established so would the tenant have to pay retroactive pay or just the new increase amount?
- How is it justifiable that the tenant has to contribute to paying for the upkeep of the apartment or house twice. What I mean is the portion of the monthly payment should have went to the upkeep. Therefore, the tenant is paying for this lack of foresight by the landlord twice. This doesn't seem fair.
- There should be laws, regulations, and loans for landlords to keep their properties update, clean, and can pass safety standards/codes.
- Should be 10% increase.
- Is there control on tax increase, insurance increase, utility building materials cost too? Which is not accounted for?
- Control is ok, if increase on everything else is also controlled from increases.
- Excellent
- What Alameda has and it works.
- My rents are at least \$400 below market. We have purposely kept our rents low while continuing to make improvements to our property. This action will put a halt to any non-essential repairs to our property.
- If you want property owners like myself to continue to make upgrades to our property you should NOT impose this restriction on landlords who have purposely kept rents at an affordable level. I might suggest putting a 5% cap on those rents that are at it above the average rents in the city. Punish those who abuse. Not those of us who have always been mindful of our tenants.
- I have not raised rents every year, but with rent control I feel I would have to keep up with going rate!
- I don't like group punishment because of landlords that abuse tenants.
- We purposely keep our rents low to keep our tenants. If this policy is put in place we will be forced to raise rents every year to the max allowed. Currently our 2 single family homes are 30% below market.
- You don't need rent control in Hayward.
- I support the policy as it excludes single family homes and condominiums. We have tried to keep the rent reasonable on our SFR for the interest of our tenant. We do our best to work with the tenant.
- Five percent is high, most jobs do not provide a salary increase of 5% each year.
- Yes, after you live in an apartment for 5 plus years there should be automatic upgrade.



- If you are not investing in the upgrade of the units why should there be an increase?
- I think it is fair.
- Large corporations that own hundreds of apartment complexes are the ones that increase rents without consideration for their tenants. Landlords with 2 or 3 units, who manage their own units, and deal with their tenants on a personal basis are more caring and fair.
- As Owner's expenses increase and tenants don't take care of the property, they will not be able to charge enough rents to keep the properties in good condition.
- Free Market Rents have always worked better than government controls.
- Why would Rent Control only affect Pre-1979 property?? Why punish some Owners and not others who have spent their money to provide homes for others?
- Owners should have the right to set their property rental increases at whatever they choose. Why should the city of Hayward be involved in a personal business decision? The city certainly wasn't there to mediate a lower price on the purchase of my property!
- Will this also affect how much the rent can be raised between tenants?
- I don't understand why Hayward is suddenly being targeted as if their rents are so outrageously excessive. Rental rates in just about all neighboring communities (Castro Valley, Fremont, Dublin, Pleasanton, San Ramon, etc...) are much higher and there doesn't seem to be any concern about excessive rent increases in those cities?
- The city makes a rent control plan that encourages property owners to invest in Hayward properties by doing improvements that raise the value of the community and the quality of the rental unit then you are going to turn around and change the rent law that brought in responsible property owners losing the trust and the future investment.
- Don't kill the Goose who lays the golden egg or the renovated unit!
- Work with owners and stay true to your word.
- Have to see what market rents are. If tenant is paying say 20 or 30% lower than market then maybe a larger increase such as 10% should be allowed to catch back up a bit to market rates.
- Seems reasonable to not have price increases that are too dramatic.
- The property values would go down and market would crash. No owners are int'd in Gov't control. That is why you see a mass exodus of all those who are makers leaving their California investments and purchasing in other states.
- Not letting the free market exist, people live where they can afford it. If not Hayward, then move a bit farther out, that is what most people do.
- Maybe more time on Homelessness, cleaning up the cities, getting those in to drug rehab and in job training. Not putting the burden on those who work hard to own property, but help people become self-reliant.
- Policy appears to be ripe for legal opposition. Especially since all parties have not consented to either mediation or binding arbitration. Who is the mediator and arbitrator to be? Are these uninterested third parties?

- Consent from all parties (tenants and landlords). Binding arbitration is a reach and potentially unenforceable. Current policies and laws are in place and are actively enforced by the City and the Courts.
- Why not offer mediation in an effort to assist both tenants and landlords communicate in a constructive manner? This proposed policy will continue to remove units from the rental market as landlords will continue to leave the rental industry (at least in the City of Hayward) and potential new landlords will shy away from the City of Hayward as the environment will become too difficult/onerous to operate.
- I think the policy should be increased to rent increases exceeding 10%.
- Why does this only apply to “Pre-1979” units???
- This will negatively effect units/landlords that are renting for under the HUD Fair Housing Rents as my units are. This has to be more specific or you will push fair landlords out of the rental business. That’s how I’m feeling about my 10 units now.
- This is all focused on owners/landlords and no one else.
- Not only does rent control have an effect on the housing that would be developed, but the housing that currently exists is either reduced in quality or eliminated entirely. Because some owners no longer profit from their property, they are no longer able or willing to make necessary repairs.
- If the government imposes a price ceiling on the apartment the quantity and quality of available housing declines. Low prices increases the demand for housing, meaning that there are less housing options for those with limited incomes. Additionally, maintaining low prices in one section of housing typically means increased prices for housing in the surrounding or other areas. By lowering rents on some units or forcing landlords to maintain renting units a small or no profit, landlords will recoup profits on newly vacated units, charging more to new tenants.
- I hope the City realizes that onerous or overly restrictive rules will decrease the number of rental units making the rental market tighter. Such policies are counter productive.
- I think rental increases should be based on the market in the area and not be controlled by a rent board.
- Interferes in the free market pricing.
- Promote ownership instead.
- People will stop investing in Hayward.

### Eliminating Vacancy Decontrol

- Rent stabilization is regional issue and applies differently in different places
- Rents change when property management change
- Concern that landlord has to sell property for less than market value because of existing tenant.
- Disconnect between landlord and tenant – tenants expect improvements done in timely manner and tenants think landlord make a lot of \$\$
- In favor of eliminating decontrol
- This policy is an incentive for landlords to make improvements
- Market-rate rents are decreasing so landlords need incentive to make physical improvements.
- Fear that what happened in Oakland will happen in Hayward
- Request to research if stricter policies discourage people from investing in rental properties.
- Need balance between tenants' and landlords' needs
- Seems fair as long as rents can be increased between tenants.
- New property owners should be required to have owned a property for x-amount of years before raising rents.
- Request for information as it relates to tenant rights – rent increases
- Eliminate decontrol
- ADUs – Get rid of owner-occupied rule. It is an issue of supply and demand. These units are valuable for elderly, teachers, etc.
- When landlord sells complex, new landlord might not be able to keep rents of existing tenants low. New landlord should be able to increase rents at new ownership.
- These policies create burden on tenant such as requiring the tenant to initiative the process. This should be changed.
- Decontrol shouldn't be allowed just for doing simple improvements.
- Reversing decontrol is unfair to future tenants and is a loss of affordable housing stock
- Do not completely remove elimination – raise the bar of value of improvements to qualify for decontrol.
- Discouraged people to invest and develop rental properties in Hayward.
- Let free market determine rent prices.
- Leave decontrol units alone
- Freeze the remaining 1,000-1,600 units and increase the dollar amount for improvements
- Do not consider re-control of previously decontrolled units
- Excessive rent increases such as 10% should be sent to mediation
- If Hayward is seeking a disincentive for financially motivated evictions, Alameda Ordinance 3148 is a good example of compromised between landlords and tenants
- This is unfairly working against owners of 1,000-1,600 units that are still under rent control

- If rental price controls are to be put back on previously de-controlled units, City should refund the costs plus interest to the impacted property owners
- Rent control will attract more people to Hayward
- Preserve remaining 1,000-1,600 rent controlled units.
- I don't understand it.
- Is the city prepared to refund the monies to owners who bought out of rent control with interest?
- Seems reasonable.
- Again, I would strongly object to any restrictions on rent when unit is vacant because I NEVER raise rent on existing tenants. If the law prevents me from renting a unit at market value when it goes vacant, that would be patently unfair for landlords like me who never raise rent, sometimes for years! Don't punish landlords like me who never raise rent until unit goes vacant!
- There still should be a process that landlords can't increase the rent above 5%. The fact that the corrects for a unit is above 1500 or 3000 has nothing to do solely by the tenant. It is because of our society, laws, and increase cost on everything which impacts both tenants and landlords. But, once the unit is rented out the landlord will start recouping his/her loss unlike the tenants.
- The increased cost should not totally fall on the tenants.
- Rent should remain at increasing no higher than 5% which is a lot for most tenants.
- Rent control should be 5-10% on all units.
- Consider maintenance cost too.
- Should be more than 5%.
- Good
- This is total BS. I have two rent controlled units. Those rents are almost \$900 below current market. If either of those tenants move (they have been their 40+ years) why should I be punished and FORCED to keep those rents where they are. They are great tenants and I have no intention of making them leave but if they move on their own accord I SHOULD NOT be punished.
- Not needed.
- It has its good points and its bad points.
- It always starts small and a couple years in, it is like Berkeley or SF.
- Do not know enough about rent controlled units.
- Do any of the people making these Rent Control provisions actually own Investment Property?
- [The City is missing] common sense.
- Will it make any difference to make comments as it appears you've already made up your minds? This is just a formality.
- The issue mentions "large rent increases" ...need more specific information on what is considered a "large rent increase".
- If you want to make more lower rent units find more housing assistance such as sec. 8 and let all of us contribute to making housing more affordable not just the property owners!

- Landlords will go somewhere else, another city, values drop, tax revenue drop. I would never own property in a rent control district, you are punishing the makers.
- Devaluing the property, landlords leaving, prices dropping. Owners selling and moving tax revenue out.
- Should be left in place to provide better housing stock for future tenants.
- The state of CA will bring new overlaying rent controls into being in the coming months that will alleviate the potential for large rent increases.
- City should wait to see what the state of CA will put in place to see if these new laws will have an impact on the City of Hayward and assist in capping large rental increases. Currently the State has a 10% overlay over the entire state (per the CA State Attorney General Office) which is being enforced statewide.
- This is not a good policy. Owners will not invest in property improvement if they cannot be assured a return on their investment.
- This is awful! With all the rental units in the City of Hayward you are going to eliminate the decontrolling process even though it ONLY effects 1,000 to 1,600 units??? That is outrageous that the City would try to push this through to adversely effect the owners of these few units.
- Big time [the City is missing something]! If you are going to implement your different types of rent control, it should include every rental in Hayward including these rent controlled units and all POST 1979 apartments or it should effect NONE OF THEM!!!!!!!!!!
- I, as a small apartment owner, am feeling victimized as this moment with the misguided attempts to solve this housing problem on the backs of apartment owners like me. I am truly considering selling them all.
- If the owner is willing to invest their money into improving their property, they should have the ability to increase the rates to regain their investment on the property.
- This policy is an ideal way to create “slumlords” which the COH does not need.
- Sounds reasonable and fair to landlords and tenants.
- Not sure. I don’t know enough to comment.
- That is outrageous as the turn over cost to an apartment home excluding the marketing and time spent is under \$1,000 in most cases.
- Build more BMR or low income housing in your city.
- Interferes in the free market pricing.
- Let investors invest, the market determines pricing.

### Filing Rent Increase/Eviction Notice

- In favor of policy / Could potentially help develop more in city and protect landlord and tenant
- In favor of policy but not strong enough
- Landlord should submit to City first and not make burden on tenant to prove unfair
- Rent should not be increased and have a threshold
- People shouldn't be charged for rent
- Current rents are very high
- Rent prices should be controlled when new management buys units and increases rent prices
- Rents are above minimum wage
- Rent stabilization needed
- Stop landlord from retaliation and tenants being harassed
- How much of a rent increase would trigger this policy?
- Additional administrative work will increase operational costs for rental unit.
- City of Fremont has rent control and rental inspection program, but Section 8 units are exempt from City ordinance. Hayward should consider exempting Section 8 units from City ordinance
- Ability for either the tenant or landlord to file with City
- Biggest problem is no trust between landlord and tenant
- Can rent increase due to tenant improvements for disabled tenant?
- Disagreement with policy because too much regulation for private property. Violation of property rights.
- Disagreement with policy because it could create additional administrative work for property managers which then leads to increasing operating costs for property management.
- Request for information related to tenant evictions and rent increases on City's website. Trends and causes.
- Request for information related to fair trade love income and rent control.
- Request for information on evictions and rent increases.
- Rent increase necessary for operating expenses and costs.
- Rent control hurts landlords who need to increase rent to maintain property and provide safe, comfortable, and affordable housing.
- Look at Berkeley to see how dysfunctional this is.
- Rent increases out of control
- Landlords have expenses as well
- Information can be gathered from other sources
- Who pays for program?
- This would cause an increase in property management expenses for the property which would eventually lead to increasing the tenants rent to supplement the property management expenses in the property budget.
- Doesn't like Government to get involved

- Punishes good landlords
- Discourages investment/development in Hayward
- Both landlords and tenants should provide information such as tax returns or pay stubs to prove hardship.
- The current 6 month mask on UD's by the County, enables tenants to go out and find housing after a UD without prejudice for 6 months. You will be taking this away from the people you are trying to protect.
- Policy should only apply to property owners with 5+ units.
- Concerns about how City will pay for additional administrative tasks
- Concerns about property values dropping in Hayward
- Will this policy cost additional \$ for landlords?
- In disagreement with proposed policy – supply and demand should control the price of rent
- How will this policy be monitored and enforced?
- If mechanisms are expensive, consider using city funds to offer rent subsidies to those most in need
- Need tracking for big corporations
- I don't like it. It makes an eviction process even more complicated with an additional step to complete. Same with lease renewals. If the city needs data, ask the local real estate offices.
- I think it will cost the landlords more money. Who pays for this?
- You can see what rents are via numerous websites. This will add more work to owners/managers and as you don't want rents to go up how will that work?
- As long as it is for collecting statistics, no problem.
- Yes, let's enact this policy immediately!
- How can I help this policy establish!
- No! Let landlord and tenant deal with it.
- Why should city get involved creating bottleneck in the legal process.
- Let things stand as it is, with approved rent increase within the city.
- Unwieldy and landlords will pay.
- I dislike rent control.
- This is just more government imposed paperwork put on landlords. If I'm going to raise rents I give the tenants 60 days notice. If I have to notify the city, so be it BUT I DO NOT want this process to extend my ability to raise rents past the already imposed 60 day requirement.
- The city should all those college students that worked on rent control to work on system that creates housing that can be built fast without fees that large amounts of time.
- Who is going to pay for the added city office? Are tenants?
- You are trying to screw the very people who provide rental units in the city.
- I am against this policy. City government does not need to get bigger via data collection.
- [I think the proposed policy] sucks.



- Yes [the City is missing something], you will destroy the desire to own rental property in Hayward.
- Don't implement any of them.
- Too much control on the part of the City.
- City would be taking over decisions regarding rent.
- [This is] Invasion of privacy rights for the Owners of Real Property.
- [The City is missing] again, common sense.
- Is this going to cost more money (i.e...head count, man hours, etc...) for the city to set up this program and monitor it? What are the consequences of not filing this paperwork?
- Rental trends are very fluid. By the time the city identifies some trends they could be obsolete.
- If it becomes too difficult to own and manage rental property in Hayward then owners will simply sell their properties and go elsewhere to purchase rental units and that will further affect the rental housing availabilities in the city.
- If this is required, it should be free to landlords. It should also be available online to upload.
- How will this data ultimately be used. Need limits to prevent mishandling and abuse.
- These policies are ANTI owners and will have unintended consequences. NO owner after working so hard all their life to own property for some govt entity to control how much to rent for...
- There is already record numbers of sellers/owners taking out their equity and leaving the area/state. More control will not work...housing affordability is a PERSONAL issue, not a CITY issue? If you cannot live in an area then you either share rent w/someone, GET A BETTER job or get a 2<sup>nd</sup> job or MOVE to an AREA that you CAN AFFORD...that is called PERSONABLE RESPONSIBILITY.
- Very expensive way to collect data. This information can be provided through alternative means rather than building new agencies specifically for data collection...monies that could and should be spent on tenant housing assistance.
- Why not have the agencies (e.g. HACA, Eden Housing) already in place that make up a large percentage of rents in the City of Hayward provide the information.
- Too expensive. Find alternative method for data collection.
- I do not like this policy. It will create a logistical challenge for both the city employees and the owners of the properties.
- Disgusting. More senseless paperwork required by the City of Hayward who can't handle the paperwork and requirements they have placed on Apartment Owners through the years with no progress to ever show for it. Just more burdens.
- Yes [the City is missing] the big picture of all these "ideas".
- I am strongly opposed to this proposed policy. I feel that it is a violation of privacy for both the tenant and the landlord.
- We would need the tenants consent prior to releasing copies of any letters or notices that have been issued to them.



- A bit mixed on this. I see the value in having the data this would generate. It might well show that the vast majority of landlords are very judicious about raising rents. But I don't really like sharing my business decisions.
- 99.9% of landlords are already following extremely strict guidelines when terminating a tenancy and some are even afraid to terminate tenancies due to the repercussions which causes neighboring tenants to move out and the landlords to lose money.
- Pay IREM, CAA, or REIS for their current market trends.
- Too much paperwork and regulation.
- Don't do it.

## Relocation Assistance Program

- Great disincentive for people to purchase investment property
- 60-90-day notice should suffice
- First time homebuyers cannot move into their own home.
- X3 FMR is too high
- Request for information related to tenant and landlord laws should be on City's website
- In favor of this policy
- Eliminate the ability for landlord to recoup "banked" money.
- Burden must be landlord to bring this to city, not tenant
- Disagreement with policy. Landlord shouldn't have to pay anything for tenant relocation to move into their own home.
- Fear of "professional tenant" who tries to take advantage of this policy.
- Concerns about subleases become permanent lease.
- Recommendation to lighten regulations
- What if landlord is charging rent that is below FMR?
- Provide landlord workshops and tenant workshops on a regular basis to keep everyone on the same page.
- This causes financial burden to owners of single-family units whose property is an investment for retirement.
- In favor of policy and would be very helpful
- X3 FMR is too much for relocation costs
- In disagreement with landlords paying relocation costs
- This policy discourages people to invest and development in Hayward
- If a property is damaged due to natural disaster such as an earthquake would this policy apply and require landlord to pay relocation costs for tenant to find temporary or permanent housing?
- Consider exemptions such as SFH
- X3 FMR is too high. What is I am renting my property for below FMR and now the policy is asking that I pay x3 the FMR to move into my own property?
- When does the landlord have to pay relocation cost/fee?
- X3 FMR is not enough to relocate
- This is unfair financial burden to owners of SFH who make purchases as investments for retirement
- Is tenant relocation assistance tax deductible for landlord?
- There is no protection for landlords. Should provide protection for both landlords and tenants.
- Believes landlord shouldn't have any right to evict tenant at no fault.
- Recommends no loop holes for landlords
- How will you implement enforcement of this program/policy? How will you verify that the landlord is doing what they say they were going to do?

- Consider either or option such as providing advance notice to move-out 3-6 months/ 6 months?
- Propose time instead of financial assistance
- 30- or 60-day notice of eviction is ok, but not financial assistance
- Request for landlords and property managers workshop in Hayward
- Does this apply to month-to-month properties?
- City's website should include tenant and landlord rights
- What is you're selling your rental property? Does this policy apply? Exemption?
- Relocation costs shouldn't cost more than the current monthly rent
- If you can't evict someone for no cause (just cause eviction), then why would you need this policy?
- This is counter productive to the emergency ordinance (just cause eviction) that just passed
- Tenant should prove hardship before collecting relocation payments
- What if tenant exceeds their deposit in damages ... who pays for that?
- Recommends that if a natural disaster occurs or fire caused by resident, landlord should not be required to pay relocation costs
- Recommends that relocation costs be subject to income tax and tenants should receive a 1099 for amount of payment
- Not all landlords have "deep pockets"
- The owner should not be penalized for having to notify tenants that they must move due to certain circumstances. Providing tenants with 2-3 months to find another home should be adequate rather than requiring owners to pay three times the FMR
- This policy allows lawyers to abuse the system
- I think if this were to go thru, it should not be based on the fair market rate if the tenant is paying lower than fair market rate, it should be based on the current rent tenant is paying. Not many landlords charge first, last and deposits, my thought first and deposit are sufficient. I'm also not understanding the compliance with Government regulations, that needs to be made clear. For example eminent domain?
- What if a landlord falls on hard times, is old or ill and needs to move into one of their units and doesn't have the money to pay the tenant? Hardship clause?
- Can we do this across the board? If gas prices go up can they pay me? If I lose my job can they pay me?
- Totally against such a draconian law, especially if the owner simply wishes to go out of the rental business. Instead require a long notice (say 180 days) to give the tenant time.
- Great policy! Let's make it happen.
- Thanks and let's make this happen!!! How can I help.
- No relocation if tenant violates lease.
- Why 3 times?
- Tenant should relocate to cheaper location if unable to pay current rent.
- It is the trend.

- He'll. Those "fair market rents are ABOVE what my actual rents are. You mean to tell me I would have to pay a tenant three times fair market even if their current rent is hundreds of dollars a month below what they are currently paying? Just a note I have NEVER asked a tenant to move for a "not Fault" reason.
- Against this policy. This is too one sided for tenants. If tenants leave a rental in good shape, they would have saved a month's rent (as last month's rent was prepaid) and receive their deposit back. Policy should not be 3x FMV rent.
- Policy needs to consider cases where rent is below FMV is determining the relocation amount. Tenant has benefited from below market rent so should have some savings if having to secure a new place to live.
- [I think the proposed policy] sucks.
- Don't implement the rules.
- Just stay with what you now have.
- Terrible policy. If owner cannot move back into his unit, you are taking away personal property rights. It has always been the right of the owner to move back into his/her unit if owner needs to do so.
- Yes [the City is missing something]. You are giving all the rights to the tenants and the owner of the property will have none.
- If an owner needs to move back into his property, he should be able to do so by giving the tenant enough time to look for another place. But to force the owner to pay the tenant because he/she needs to move back is to take the property rights of the owner away. A law like this does not have a place in the U.S. And you can be sure that nobody will want to rent out his/her home on a temporary basis. Selling the property will be much better option, and there will be less rental properties. It has always been the right of an owner to move back into his/her house, if owner needs to do so. It is different if the owner wants to remove the tenant to rent the property for more money. But to move back in should be a right for the owner.
- California Law is clear on giving property Notices to Vacate in the event of what you call "Not at Fault" Evictions.
- Evictions by percentage are generally the fault of the Tenants and can be traced through the Court System as they are public information.
- You're not taking into consideration the financial stability of the Owners who are being punished.
- Ridiculous! A tenant can leave with 30 days notice, putting the property owner at the inconvenience of suddenly having to incur unexpected costs due to a vacancy (repairs, painting, cleaning, temporary utility charges, key/lock changes, property management fees, etc...) yet a property owner cannot give the same advance notice to the tenant? Screams loudly of bias and discrimination against rental property owners to me.
- Rental properties simply cannot be judged solely by the number of bedrooms. This chart for "2019 fair market rents" doesn't take in effect a myriad of factors since as: size of bedrooms, number of bathrooms, location, square footage of units, quality of appliances, amenities, presence/absence of a garage, etc...

- Not all rental properties are created equal! Nor can they be placed in a box and all listed at the fair market rate. If the mortgage, property taxes, HOA fees, management fees, repairs/maintenance costs exceed the “fair market rent” as found in the above charts then landlords will sell and that will cause a decrease in available rental units at any price!
- Rent control raises rents, look at S.F. for example!
- Yes, [the City is missing] the law of supply and demand.
- Are those the only 3 no fault eviction criteria? What if the landlord is facing financial difficulties of his own and cannot afford it, so then would the landlord be forced to be homeless himself, and not provide upkeep for his tenants? If there are extra government requirements that the landlord cannot afford and would rather have the tenant move and keep the place empty or sell, how would that work?
- This doesn't help or incentivize anybody to become a landlord.
- ANGRY, its not a govt issue. MOVE where you can AFFORD AS ALL NORMAL people do.
- Not a govt issue. It's a personal responsibility issue. PEOPLE LIVE WHERE THAN CAN AFFORD TO LIVE. WHY IS IT THE OWNERS RESPONSIBILITY TO PAY THEM TO LEAVE? HOMELESSNESS IS THEIR CHOICE NOT THE LANDLORDS CHOICE? THE LANDLORD/OWNER HAS WORKED HARD TO INVEST AND WORK ON PROPERTY FOR THE GOV'T TO CONTROL IT? THERE WILL BE BACKLASH. OWNERS WILL LEAVE/SELL AND THERE WILL BE VACANCIES AND MASS DISREPAIR.
- Will increase housing costs exponentially.
- The day this policy comes into effect landlords will be forced to increase deposit amounts to the absolute maximum amount available under the law as well as max out rent rates (which will increase) due to the absolute increase of risk associated with the rental business in the City of Hayward.
- Penalizing a landlord for providing a lower rent rate (usually over the course of years) and then using an arbitrary market rent guide to determine the penalty is egregious and wrong.
- I do not like it. This will reduce the ability of the property owner to improve their properties.
- So, my rents are \$1,000 for my one bedroom apartments but you would require me to reimburse my tenants at your HUD rate of \$1,706??? Really????
- YES [the City is missing something]. YOU ARE ALL MICRO MANAGING. SICKENING.
- It is not our practice to issue eviction notices without “Just Cause”, owner occupied units, or other items mentioned. To lump everyone together and expect them to pay for relocation is unfair and unjust to the landlord.
- Very bad idea. I can see requiring 60 days notice if the unit is month-to-month. That should give a tenant time to relocate. If there is a lease, 60 days notice that the lease will not be renewed should suffice.
- It's the landlord's property, not the tenant's. If the landlord chooses to take it off the rental market, that's his prerogative.

- This is absurd, 99% of tenants milk this system and it is unfair to the landlords. I would propose a 60-day notice of termination to provide adequate time for the tenant to save money and move.
- Set aside funds from the city to cover moving costs. This should not be put on the landlords.
- Why do it?
- Most people are responsible for themselves.
- Don't do it.

### Tenant Retaliation Program

- In favor of the proposed policy and believes City needs tenant protection ordinance.
- Proposed policy missing a clause concerning repeated attempts as a form of harassment. Other jurisdictions have recognized that one tactic that comes up often is the repeated pressure from Landlords to relocate tenants with buy out funds. This form of harassment needs to be called out explicitly. Oaklands TPO does this well by limiting landlords to offering buyout no more than once per 6 months.
- Suggest that among the proposed consequences for landlords in violation include – injunctive relief by private right of action, treble damages for deterrence, and attorneys fees for tenants if win and landlords should only get attorney fees if they can show tenant acted in bad faith
- Overall, policy is reasonable. Some small landlords like single family home or condo are not professionally known and I think applies to all rental is too strict if they do not have a chance to know. City must put more effort to educate them for both landlords and tenants. Should represent both parties to not penalize either parties.
- Because there are a lot of tenants who play the system and do not respect private property rights.
- Need landlord retaliation protection program
- In favor of proposed policy
- What about tenants harassing landlord?
- In disagreement of the proposed policy
- This is already provided via State law
- Some parts of the proposed policy is reasonable whereas others is not
- Concerns about enforcement and what steps will be take if tenants violate/abuse policy? Recommends that the tenant pay a \$100 fee to start the process and they lose that fee is claims are not substantiated
- Would like to see what other jurisdictions have done
- This policy creates loopholes for tenants
- In support of protection of tenant and landlord should be protected from false accusation
- This seems to be a fair policy.
- Yes, let's make this w
- Educate tenants to respect and take care of unit
- Tenants always rely on landlord to clean their mess and dirty living habits
- Landlords provide roof over lot of people but are always looked differently
- Who or what will be the judge?
- Yes [you are missing something].
- Tenants already have protections granted by federal, state, and city governments. This is redundant policy in my opinion and NOT NECESSARY!
- No comment as I have no experience of the type listed.
- Tenants are the reason for the problems. Owners react to what the tenants do.

- Yes [the City is missing something], penalties for the tenants who disrespect the property and the owner.
- One one, not tenants or owners deserve all this proposed protection from their evil deeds.
- I do not harass my tenants, and do not know any other landlord who would harass his/her tenants in the ways that you list.
- Yes [the City is missing something], you are identifying landlords as devils, capable of anything unfair and mean.
- There are already measure in the law to prevent harassment of tenants.
- California Law is clear on Retaliatory Evictions. There is no norms because each property, Owner and Tenants are different with different circumstances.
- This is like double jeopardy. Once with the State and then with the City.
- Yes, bad landlords should be held accountable for unprofessional and unlawful business practices.
- Let's just make sure that tenants are held to the same standards.
- It's a good idea, as long as it goes both ways.
- Also need to think about landlord rights. The fact of carrying a \$500K to \$1M+ loan is not easy. The loss for a landlord can be unexpected and almost unlimited for items such as repairs or being sued, or what if tenant doesn't pay rent for months.
- GOVT SHOULD NOT BE IN THE RENTAL BUSINESS
- HELP THE HOMELESS BY GETTING THEM OFF THE STREET AND TAKING CARE OF THEMSELVES, NOT PUNISHING THE OWNERS.
- Who is the arbiter that would make these determinations?
- These are issues that should and can only be presided over by a judge.
- Leave it to the Courts. City of Hayward is not a judicial branch and should not attempt to enter this arena. Huge potential legal liability taken on by the City of Hayward, their constituents and citizens.
- I do not like it, I think the state protections are adequate.
- No protections for landlords who have tenants who do not care about taking care of our units.
- [The City is missing] everything.
- We take great pride in the maintaining our property. We do not conduct business in any of the manners described in items 1 through 8. Again, lumping all property management companies under one umbrella is unfair and unjust.
- I'm fine with it. Treating tenants properly is good business practice. Landlords that don't give the rest of us a bad name.
- Educate your landlords and advise them on the laws.
- One sided favoring tenants.
- Not a fair policy.
- Let the existing Federal & State laws handle it.



## Mandatory Mediation Program with Binding Arbitration

The proposed mediation/arbitration process will be very similar to the current process stipulated under the current RRSO. One of the objectives is to improve communication so that tenants will have a better understanding why rent may need to be increased above 5%. This will be accomplished through either direct communication, mediation or arbitration. Staff recommends modifications that will update outdated language and simplify the process. In general, tenant and landlords will be encouraged to communicate regarding the rent increases. If direct communication is unsuccessful, mediation would be available to both parties. If mediation is unsuccessful, the case would be referred to a neutral third-party arbitrator who would render a binding decision based on review of evidence and testimony provided by each party. All decisions will be subject to appeal. This process will both protect tenants from large rent increase and protect landlords from escalating costs that will prevent a fair return on their investment. Page 3 illustrates the proposed arbitration/mediation process.

### Process Improvements

The proposed changes to the mediation/arbitration process include:

1. Moving the requirement that the tenant must make a good faith effort to discuss the rent increase or reduction in housing service with the landlord until after the tenant has filed a petition;
2. Elimination of requirement that 25% of the affected tenants must sign a petition if the property consists of 10 units or more;
3. Revising the role of the mediator to be consistent with current practices;
4. Addressing procedural issues such as feasibility of scheduling time frames and required response times.

### Justifications for Rent Increases above 5% (Standards of Review)

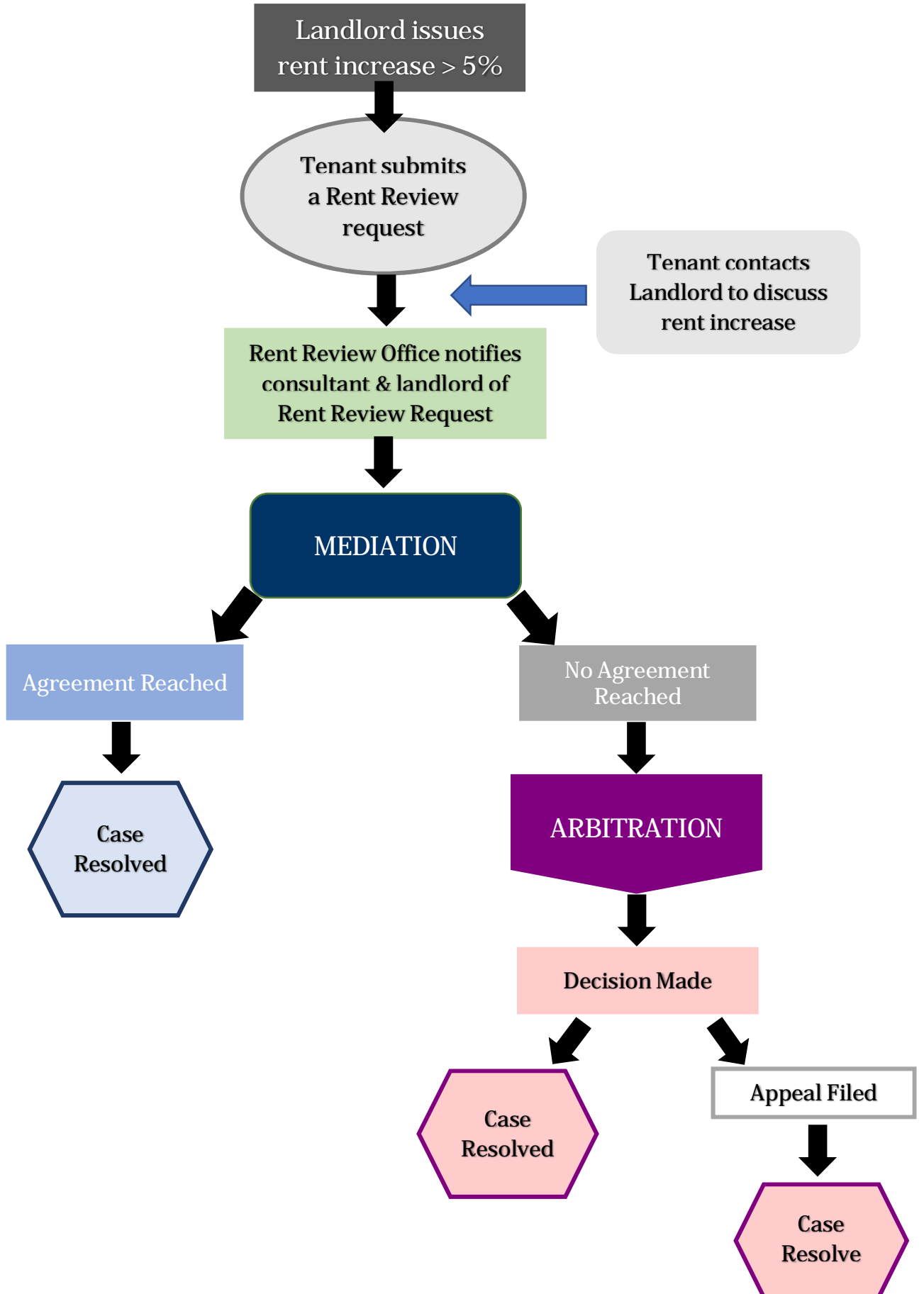
While five percent is the proposed rent increase threshold for determining who would be eligible to utilize the mediation/arbitration program, rent increases above five percent would be allowed if justified based on established criteria. The Standards of Review in Section 9 of the RRSO establish the criteria for evaluating rent increases above five percent. These criteria include rental history, unavoidable increases due to maintenance or operating expenses, cost of substantial rehabilitation or capital improvements, or increased cost of debt service. The standards of review both protect the landlord's right to a fair return and ensure that a tenant is not overburdened by financial decisions made by the landlord. Staff recommends modifying standards to clarify and explicitly state justifications for increasing rent above 5%. These justifications would include:

1. Capital improvement costs, including cost of seismic retrofit and cost financing of capital improvement costs;
2. Unavoidable increases in maintenance and operating expenses;
3. Rent increases from previous years that were not applied, subject to limitations (banking);

4. Rent increases necessary to meet constitutional fair return requirements.

Staff recommends eliminating debt services as a justification for increasing rent. Debt service related to capital improvements will be incorporated into capital improvement costs, however, tenants should not be required to pay increases in debt service unrelated to investment in the property. Loans obtained to acquire a building should be based on existing rent and therefore would not require increased debt service. As suggested by housing service providers, staff will clarify language regarding condition of the property to explicitly state that rent increases will be suspended until open code enforcement violations have been address.

**Proposed Mediation and Binding Arbitration Process**



## Tenant Relocation Assistance Program

Under a tenant relocation assistance program, tenants would be eligible for and entitled to relocation assistance for both permanent and temporary relocations related to evictions that are due to no fault of the tenant. There would be a separate criterion for each type of relocation assistance and different relocation payment standards. The assistance would be paid by the landlord to the tenant.

### Permanent Relocation

Landlords would be required to provide permanent relocation benefits for landlord caused termination of tenancy/eviction. A landlord's failure to comply with any requirements under the program can be used as an affirmative defense in an action brought by the landlord to recover possession of the residential property. Relocation assistance would not be available to tenants who were evicted due to tenant caused evictions including but not limited to:

- Failure to pay the rent;
- Violations of any provision of the lease or rental agreement;
- Material damages to the rental property; and
- Substantial interference with other tenants.

**Applicability.** Landlord caused displacements would include owner move-in, withdrawal of a unit from the rental market, permanent displacement caused by a government determination of substandard housing, displacement caused by the conversion of a market rate housing to 100% affordable housing or large rent increases.

**Amount of Required Assistance.** If this program is pursued and based on other tenant relocation assistance programs in surrounding jurisdictions, staff would recommend a relocation benefit in a minimum amount of three times the fair market rents (FMR) as established by the U.S Department of Housing and Urban Development (HUD). Table 1 reflects the relocation payment required based on the 2019 FMRs. The relocation payment is intended to offset the cost of an unexpected eviction to assist tenants in finding replacement housing that is why it is not based on the tenant's current rents. The proposed payment would approximate the cost of paying deposit, first and last month's rent and moving costs. Relocation assistance payment varies amongst local jurisdictions. Alameda requires a relocation payment equivalent to 4 times the actual rent plus a relocation benefit. San Leandro, Oakland and Richmond require a defined payment based on unit size ranging from \$3,646 to \$7,345 for a one-bedroom or \$7,000 to \$15,279 for a three bedroom. Berkeley has a single relocation payment amount of \$15,585 regardless of unit size. Staff's proposed relocation is based on fair market rents as determined by HUD which will change annually based on changes in the housing market.

Table 1. Potential Relocation Payment

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
2019 FMR	\$1,409	\$1,706	\$2,126	\$2,925	\$3,587

Relocation Payment	\$4,227	\$5,118	\$6,378	\$8,775	\$10,761
Relocation Payment for At-risk Populations	\$5,636	\$6,824	\$8,504	\$11,700	\$14,348

Additional assistance of at-risk populations. Certain populations will have more difficulty finding housing and therefore at a greater risk of experiencing homelessness as a result of an unexpected termination of tenancy/eviction. These populations include seniors 62 years or older, person with disabilities, lower-income households, terminally ill individuals and households with minors under 18 years old. Due to the difficulty these populations would have in securing new housing, staff would recommend increasing relocation payment amount to four times the FMRs as referenced in Table 1.

Owner move-in. Owner move-ins are treated differently amongst the jurisdictions with rent control. Both the City of Oakland and the City of Richmond reduce relocation benefits for owner move-in. Oakland reduces the benefit for shorter-term tenancies and requires the full relocation payment after two years of tenancy while the City of Richmond establishes a lower payment amount for owner move-ins. Richmond's reduce payment starts at \$ 3,646 for a studio and is capped at \$7,666 for two plus bedrooms. Berkeley on the other hand prohibits owner move-in during the school year. However, Hayward's proposed relocation payment is lower than both jurisdiction that reduce relocation payments for owner move-ins. Staff would recommend maintaining the proposed relocation benefit if a process for determining hardships could be established. Otherwise, reducing the benefit may be an option to mitigate landlords' concerns.

Substandard housing. Tenants that are living in substandard housing are faced with a difficult decision. If they report the landlord's failure to address the habitability concerns, they are likely to face a loss of their home. Any tenant who is subject to displacement from a residential rental unit as a result of an order requiring the vacation of a residential unit by the City, as a result of a violation so extensive and of such a nature that the immediate health and safety of the residents is endangered, would be entitled to receive relocation benefits from landlord under the proposed provisions. Code Enforcement would determine the eligibility of tenant for benefits. As required by state law and in response to some of the community members concerns, the landlord shall not be liable for relocation benefits if: 1) the tenant or their guest caused or substantially contributed to the condition giving rise to the order to vacate; or 2) Code Enforcement determines that the unit or structure became unsafe or hazardous as the result of a fire, flood, earthquake, or other event beyond the control of the owner or the designated agent and the owner or designated agent did not cause or contribute to the condition. However, under state law, in order for the City to order relocation payments, the City must establish an appeals process.

In the event, that the landlord fails to pay the tenant the required relocation payment, the City can elect to advance the relocation payment to the tenant and record a lien against the

property. Code Enforcement estimates that there may be as many as 20 orders to vacate each year requiring an estimated \$200,000 in advance relocation payments. Identifying resources to assist with relocation will help tenants if the landlord is unable to pay the relocation benefit or if the landlord refuses to pay the relocation. Including provisions to have the City advance relocation benefits to the tenants, would mitigate the impacts of the order to vacate on the tenant.

**Time vs. Money.** The City explored requiring extending noticing periods instead of financial assistance. It was determined that state law clearly sets noticing periods, which are procedural matters and therefore the City is preempted from extending the eviction noticing timeframes. However, certain situations may arise where a tenant would need additional time to find housing. The City of Alameda has provisions that allows tenants to exchange one month of relocation benefit for an additional month of housing. These provisions may assist households where timing of the termination of tenancy/eviction is more of an obstacle than the cost. Based on public comment, staff recommend including provisions to allow tenants and landlords to negotiate between extended time to vacate the property in exchange for monetary relocation assistance.

#### Temporary Relocation

The temporary relocation assistance would require a landlord to pay the tenant the cost of temporary relocation when required to perform repairs that could not otherwise be completed with the tenant in the units. These repairs could be related to scheduled capital improvements or voluntary compliance with code enforcement. The relocation payment would help tenants with the cost of paying for alternate accommodations. Oakland requires payment of actual costs plus moving expenses while both Richmond and Berkeley establish a per diem costs. These per diem costs can include hotel/motel costs, means, laundry, pets. If the temporary relocation extends beyond a specified number of days (30 days or 120 days), the cities require payment of the difference between rent and current housing costs. Staff recommends establishing a per diem cost for extended stay hotel/motel which includes kitchenettes and the cost to board pets if applicable. Staff estimates that the per diem cost will be between \$150 and \$175 for hotel/motel and \$30-\$50 to board pets.