



DATE: June 18, 2019

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Introduction of an Ordinance adding Chapter [X] of the Hayward Municipal Code to Adopt a New Residential Rent Stabilization and Tenant Protection Ordinance to Mitigate Displacement of Hayward Residents, including an Associated Budget Allocation and Updated Rent Review Fee to Administer the Program, and to Repeal the Existing Residential Rent Stabilization Ordinance No. 83-023 and the Emergency Ordinance Requiring Just Cause for Eviction Ordinance No. 19-04

RECOMMENDATION

That the City Council:

1. Adopts a new Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) to establish a comprehensive set of rental housing policies to mitigate displacement of Hayward residents and to repeal the existing Residential Rent Stabilization Ordinance No. 83-023 and the Emergency Ordinance Requiring Just Cause for Eviction No. 19-04 (Attachment II); and
2. Adopts a Resolution Authorizing the Amendment to Resolution 19-103, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2020, Relating to the Transfer of the Rent Review Budget Allocation in the Amount of Two Hundred and Seventy-Four Thousand Six Hundred Sixty-Eight Dollars (\$274,668) from the General Fund to the Rental Housing Program Fund; and Appropriating Three Hundred and Fifty-Nine Thousand Dollars (\$359,000) to the Rental Housing Program Fund to Cover the Cost of Administering the Residential Rent Stabilization and Tenant Protection Ordinance and the Mobilehome Space Rent Stabilization Ordinance (Attachment III); and
3. Adopts a Resolution Authorizing the Amendment to Resolution 19-059, the Resolution for the City of Hayward Fiscal Year 2020 Master Fee Schedule Associated with the Administration of the New Residential Rent Stabilization and Tenant Protection Ordinance and the Mobilehome Space Rent Stabilization Ordinance. (Attachment IV)

SUMMARY

Based on the comprehensive and community inclusive process conducted by the City of Hayward, including specific direction provided by the City Council on February 19, 2019, a community workshop on April 6, 2019, and numerous subsequent Housing-Homelessness Task Force (HHTF) meetings, the proposed new Residential Rent Stabilization and Tenant Protection ordinance (RRSO) will repeal and replace the existing ordinance and consist of a new comprehensive set of housing policies aimed at stabilizing rents, protecting tenants, and preventing displacement and homelessness for the City's tenant population. The key components of the RRSO include:

- Mandatory mediation program with binding arbitration that would be available to tenants upon rent increases greater than five percent and applicable to all pre-1979 units except single family homes and condominiums consistent with State law;
- Provisions to protect Section 8 voucher holders from discrimination;
- Requirements that landlords file rent increase notices and eviction notices with the City to obtain accurate data about rental housing activity;
- Tenant retaliation protection provisions; and
- Reincorporation of the Just Cause for Tenant Evictions into the ordinance.

The two provisions previously under consideration that were excluded from the proposed RRSO based on recommendations from the HHTF include:

- Permanent (improvement) vacancy decontrol provisions; and
- Tenant relocation assistance provisions.

Staff has created a marketing plan and will begin immediate implementation that will include the development of plain language information for both tenants and landlords that can be available in print and electronically and that will be accessible in multiple languages. Additionally, staff is in the development phase of an education program to provide tenants and landlords with information regarding the new legislation and basic information regarding tenant and landlord rights. Lastly, staff will work cooperatively to foster compliance with the City's updated RRSO.

If the proposed legislation is approved, it will replace the current RRSO and the Just Cause for Eviction Ordinance; and will terminate the moratorium on permanent vacancy decontrol as the provisions will no longer apply.

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. Per the most recent point-in-time count, the number of people who experience homelessness increased by 43% from 2017 to 2019.¹ Additionally, renter-occupied units are disproportionately comprised of African-American and Latino 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, 2017², 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, 2018³ and March 27, 2018⁴; and legislation was enacted on May 29, 2018⁵ to place a moratorium on vacancy decontrol provisions of the existing RRSO to allow staff time to evaluate the ordinance without losing additional units to decontrol. On February 19, 2019⁶, the City Council convened a work session that defined the parameters for an approach to updating the City's RRSO, which included 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;

¹2019 EveryOne Counts! Homeless Point-in-Time Count

<http://everyonehome.org/wp-content/uploads/2019/05/FAQ-2019-EveryOne-Counts-County-Numbers-Release.pdf>

² January 31, 2017 Staff Report and Attachments:

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

³ February 6, 2018 Staff Report and Attachments:

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

⁴ March 27, 2018 Staff Report and Attachments:

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

⁵ May 29, 2018 Staff Report and Attachments:

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

⁶ February 19, 2019 Staff Report and Attachments:

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

- Consider elimination of the vacancy decontrol provisions (Section 8) of the existing RRSO, after 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 emergency 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 obtain more information on the proposed policies. Attachment V 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 VI provides comments received from community members and industry professionals related to the Community Open House.

On April 18, 2019, the HHTF provided direction on recommended amendments to the RRSO after evaluating feedback from stakeholders. There was consensus in support of the proposed mediation with binding arbitration program; however, one Council member expressed support for rent control with a lower rent increase threshold relative to increases in the consumer price index. There was also consensus in support for the proposed provisions to identify rental subsidies as a source of income to provide protection to recipients of rental assistance such as Section 8 Housing Choice Vouchers. Additionally, there was consensus in support of the proposed provisions to require landlords to file rent increase notices and notices of eviction with the City. Lastly, there was consensus in support of the addition of tenant retaliation protection measures, including higher penalties for at-risk populations, such as seniors and individuals with special needs. Lastly, there was consensus by the HHTF to postpone any action regarding a tenant relocation assistance program until a future HHTF meeting. There was substantial opposition by landlords to any tenant relocation assistance program.

On May 2, 2019, Management Partners concluded its report regarding the permanent vacancy decontrol provisions of the current RRSO, which is included as Attachment VII. Some of the key findings include:

1. Many of the housing units subject to the City's rent control ordinance are already decontrolled, leaving a very small number subject to the rent stabilization policies of the existing ordinance;

2. The City has historically viewed its role as a repository of decontrol applications as opposed to arbitrator of vacancy decontrol decisions;
3. Decontrol applications included the basic information required under the terms of the decontrol ordinance, yet applicants were not always required to provide receipts or other substantiation of improvements implemented; and
4. The current and historic improvement thresholds that allow a unit to qualify for vacancy decontrol are quite low and do not seem to reflect values that would indicate significant improvement was made to the property to justify it being rent decontrolled permanently.

While Management Partners identified areas that could improve the administration of the decontrol process, their final recommendation emphasizes the need to establish a comprehensive set of housing policies that equitably address affordability and the needs of tenants and landlords because the permanent decontrol provisions may no longer be relevant.

On May 9, 2019, the HHTF reviewed the Management Partners study regarding the permanent vacancy decontrol provision within the existing RRSO and unanimously supported elimination of the provisions of the RRSO that permanently decontrol units in favor of a more comprehensive rent stabilization policy. For clarification, the elimination of permanent decontrol would not interfere with a landlord's right to increase rents to market rate once a tenant voluntarily vacates a unit as required by state law.

DISCUSSION

Based on direction from the City Council, the HHTF, stakeholder feedback, and the Management Partners study, staff has developed a comprehensive set of housing policies to stabilize rent increases, mitigate displacement of Hayward residents and prevent homelessness. Purposes of the proposed ordinance include providing relief to residential tenants in the City by stabilizing rent increases for tenants in covered units (approximately 9,500 units) via a mediation and arbitration program; increasing tenant protections to alleviate the hardship and displacement caused by a serious housing shortage; encouraging investment in new residential rental property in the City; and assuring landlords both a fair return on their property and rental income sufficient to cover the increasing cost of repairs, maintenance, insurance, employee services, additional amenities, and other costs of operation.

The proposed measures are aligned with other Bay Area plans to address housing affordability and prevent homelessness. These plans propose multi-faceted approaches that include not only the development of housing, but also development of legislation that stabilizes rental housing. The CASA Compact 15-Year Emergency Policy Package to Confront the Housing Crisis in the San Francisco Bay Area⁷ proposes just cause for eviction policies as provisions to protect tenants from arbitrary evictions, as studies regarding eviction show

⁷ CASA Compact:
https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf

that evictions have a multitude of impacts such as health issues, emotional trauma, school disruption for children, longer and costly commutes, and reduced wage earnings for adults. The CASA Compact also recommends policies that cap rent increases to prevent extreme increases in rent on a year-to-year basis, thereby decreasing the number of households who are at risk of displacement and homelessness, decreasing the number of households who are rent burdened, and promoting tenant and community stability. The Everyone Home Plan to End Homelessness⁸ also promotes similar policy measures as provisions to prevent homelessness. The proposed new RRSO furthers the City's efforts to contribute to local and regional affordable housing solutions.

Overview of Proposed Legislation

The proposed new RRSO will repeal and replace the existing ordinance and will consist of a new comprehensive set of housing policies aimed at stabilizing rents, protecting tenants, and preventing displacement and homelessness for the City of Hayward's tenant population. The key components of the new RRSO include:

- Mandatory mediation program with binding arbitration that would be available to tenants upon rent increases greater than five percent and applicable to all pre-1979 units except single family homes and condominiums consistent with State law;
- Provisions to protect Section 8 voucher holders from discrimination;
- Requirements that landlords file rent increase notices and eviction notices with the City to obtain accurate data about rental housing activity;
- Tenant retaliation protection provisions; and
- Reincorporation of the Just Cause for Tenant Evictions into the ordinance.

The two provisions previously under consideration that were excluded from the proposed RRSO based on recommendations from the HHTF include:

- Permanent (improvement) vacancy decontrol provisions included in current RRSO; and
- Tenant relocation assistance provisions.

If the proposed legislation is approved, it will replace the current RRSO and the Just Cause for Eviction Ordinance; and will terminate the moratorium on permanent vacancy decontrol as the provisions will no longer apply. Staff will create plain language information for both tenants and landlords that will be available in multiple languages in print and electronically. Additionally, staff will develop an education program to provide tenants and landlords

⁸ Everyone Home Plan to End Homelessness
<http://everyonehome.org/wp-content/uploads/2018/12/EveryOne-Home-Strategic-Update-Report-Final.pdf>

information regarding the new legislation and basic information regarding tenant and landlord rights. The implementation process is described further under Next Steps below.

Components of the Proposed Legislation

A. Mandatory Mediation with Binding Arbitration

Descriptions. The proposed new RRSO creates a mandatory mediation program with binding arbitration to improve communication between tenants and landlords. The mediation program with binding arbitration would be available to tenants upon rent increases greater than five percent including all charges except utilities that have been passed through to the tenant per the terms of their lease. The new RRSO will provide protection to approximately 9,500 units from large rent increases that could cause displacement or increase overcrowding in rental housing. Attachment VIII provides a more detailed summary description of the program created under the proposed legislation.

Applicability. The provision would be applicable to all pre-1979 units except single family homes and condominiums consistent with State law. An alternative would be to also exclude duplexes from these provisions of the new RRSO per comments from landlords.

B. Provisions to Protect Section 8 Voucher Holders from Discrimination

Description. The proposed new RRSO prevents discrimination based on source of income, which has been defined to include rental assistance such as Section 8 Housing Choice Vouchers. This will prevent recipients of rental housing assistance from being denied the opportunity to apply for housing and ensure that the rental assistance be included as income when a landlord determines a tenant's capacity to pay rent. These provisions 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.

Applicability. The provision would be applicable to all rental housing units.

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

Description. The proposed new RRSO requires landlords of all rental property to file rent increase notices and notices of termination of tenancy with the City. Collection of this information 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. Staff are also exploring ways to make it as easy as

possible for landlords to submit the notices and possibly even allow landlords to upload notices directly to the City's database.

Applicability. The provision would be applicable to all rental housing units in the City.

D. Tenant Retaliation Protections

Description. The proposed new RRSO includes tenant retaliation protection provisions to provide 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 makes it unlawful for landlords to attempt to influence a tenant to move, the proposed tenant retaliation protections in the new RRSO in Section 12(b) of the proposed ordinance provide more specificity regarding the types of bad business practices that are considered harassment. Additionally, the tenant retaliation protection provisions set a minimum civil penalty amount of \$1,000 and establish increased penalties of \$5,000 for vulnerable populations, including seniors and persons who are disabled.

Applicability. These provisions would be applicable to all rental housing units in the City.

E. Reincorporation of the Just Cause for Tenant Evictions

Description. The Just Cause for Tenant Evictions was extended to all residential rental property on March 5, 2019 as a separate ordinance. The proposed new RRSO reincorporates the Just Cause for Tenant Evictions that prevents no cause evictions to create a comprehensive set of rental housing policies in a single ordinance with the objective of stabilizing rent increases, providing tenant protections, and preventing displacement and homelessness.

Applicability. The provision would be applicable to all rental housing units in the City.

Rental Housing Program Fees

Staff is proposing updating the rental housing program fee to be charged to all rental units in the City. This fee will vary based on the type of unit as defined under the new RRSO due to the fact that the effort and services provided to administer the program for each unit type (Covered Rental Unit, Rental Unit) differ drastically. More specifically, the fee for a unit that will have access to mediation and binding arbitration services (Covered Rental Unit), as proposed in the new RRSO, will be higher than a unit that does not. The additional mediation and binding arbitration service results in higher administration costs, including staff time, professional services, and supplies. The remaining rental units, including single-family homes and condominium rentals, as well as all other rental units built after 1979 (Rental Unit), would have access to all services except mediation and binding arbitration, and therefore the cost for administering the RRSO for these units is significantly lower.

As provided for in the existing and new RRSO, the fee is paid by the landlord and half of the fee can be passed through to the tenant.

Table 1 below summarizes the fee per unit for FY 2020 prior to a new RRSO and provides a comparison to the proposed updated fees staff calculates will be necessary to recover expected expenses for the updated Rent Review Program and to ensure that there is no adverse fiscal impact to the General Fund.

Table 1. Rent Review Administration Fee Comparison

FEE	MOBILE HOME	RENTAL UNIT	COVERED RENTAL UNIT
Current	\$3.08	\$0.00	\$3.55
Proposed	\$5.00	\$19.00	\$40.00

For context, the following are examples of rent review fees charged in neighboring jurisdictions:

- **City of Richmond⁹:** Charges a tiered rental housing fee. The fee for FY 18-19 was \$207 for Fully Covered Rental Units, \$100 for Partially Covered Rental Units (such as single-family homes, condominiums, and new construction), and \$50 for Governmentally Subsidized Rental Units (including units in the Section 8 Housing Choice Voucher Program).
- **City of Berkeley¹⁰:** The fee for FY 18-19 was \$250 per unit and applies to all units subject to the City’s Rent Stabilization Ordinance.
- **City of Oakland¹¹:** The fee for FY18-19 was \$68 per unit and applies to all units subject to the City’s Rent Adjustment Program.
- **City of San Jose¹²:** The fee for units covered under the Apartment Rent Ordinance (ARO) is \$77.30 per unit and \$6.20 per unit for units not covered under the ARO.
- **City of Fremont¹³:** The Rent Review Program Annual Fee is \$24 per unit and applies to all non-owner occupied residential rental properties in the City of Fremont¹⁴.

The fee increases proposed are based on staff estimates and will be reassessed after the City has data on actual fee revenues and program expenditures.

⁹ City of Richmond Residential Rental Housing Fee: <https://www.ci.richmond.ca.us/3679/Fees>

¹⁰ City of Berkeley Rent Stabilization Board Registration Information: https://www.cityofberkeley.info/Rent_Stabilization_Board/Home/FY_2018-2019_Registration_Information.aspx

¹¹ City of Oakland Rent Adjustment Program Fee: <https://www.oaklandca.gov/services/rent-adjustment-program-fee>

¹² City of San Jose Rent Stabilization Program: fee information provided by San Jose City staff

¹³ City of Fremont Master Fee Resolution No. 8672 (Fees as amended through March 20, 2019): <https://www.fremont.gov/DocumentCenter/View/25240/MASTER-FEE-SCHEDULE-effective-03202019?bidId=>

¹⁴ City of Fremont Rent Review Program Annual Fee – Frequently Asked Questions: <https://fremont.gov/DocumentCenter/View/37993/Landlord-Letter---FAQ>

Lastly, the new RRSO recommended by staff proposes that the administration of the Rent Review Administration Fee should be updated to invoice in advance to recover the current fiscal year budgeted expenses. Historically, the Rent Review Administration Fee was billed and collected two years in arrears (i.e. invoices sent out in November 2018 were to recover costs from calendar year 2017). Staff anticipates that revenue generated from the proposed fee for FY 2020 will fully offset the costs to administer the program.

Program Administration

Based on the proposed changes in the administration of the Residential Rent Review program, staff is anticipating an increased workload that current staffing levels cannot support. Staff anticipates an increase in public questions and inquiries related to the Rent Review Program, as well as mediation and binding-arbitration petitions. Additionally, the implementation of the requirement that landlords file notices of all rent increases and evictions with the City and the maintenance of the City's Rental Housing Database will require significant additional effort. To administer the program, staff is proposing the following items to augment the program's FY 2020 operating budget:

- **Staffing** - Addition of one Program Specialist (+ 1.0 FTE) at a cost of **\$154,394**. This position will work solely on the Rent Review Program and ensure that the community's needs are addressed in a timely, responsive, and thorough manner.
- **Consultant services** – Increase of **\$159,000** to previously budgeted amounts to cover the costs of additional professional services for increased tenant/landlord mediation and arbitration services, educational seminars, webinars and workshops on relevant housing topics, and translation services.
- **Overhead Expenses** - Increase of **\$45,606** for expenses, such as supplies, printing and postage costs for mailers, public notices, correspondence, billing, etc.

Provisions Excluded from the New RRSO per HHTF Direction

Tenant Relocation Assistance

Based on substantial opposition, concerns, and questions regarding the tenant relocation assistance program, the HHTF decided to continue evaluating these provisions at a future time. 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.

Permanent (Improvement) Vacancy Decontrol

On February 19, 2019, the City Council demonstrated support for eliminating permanent vacancy decontrol (under Section 8) of the existing RRSO; however, there was also support for

waiting for the findings from the consultant, Management Partners, hired to evaluate the vacancy decontrol process. As described in the background section, the Management Partner's study verified that the permanent (improvement) vacancy decontrol provisions may no longer be appropriate to address the current housing concerns and recommended establishing a comprehensive set of housing policies that equitably address affordability and the needs of tenants and landlords (similar to what is being presented this evening for approval) because the permanent decontrol provisions may no longer be relevant. The HHTF unanimously supported the elimination of the permanent vacancy decontrol provisions from the existing RRSO; therefore, the proposed new RRSO does not include provisions to permanently decontrol a rental unit based on improvements made to the unit. For clarification, the elimination of permanent decontrol would not interfere with a landlord's right to increase rents to market rate once a tenant voluntarily vacates a unit as required by state law.

Recommendation

Staff recommends approval of the proposed new RRSO and related fees to create a comprehensive set of housing policies and fees with the objective of stabilizing rent increases, providing tenant protections, and preventing displacement and homelessness.

FISCAL IMPACT

In the City's FY 2020 Adopted Operating Budget, the Residential Rent Stabilization Program is budgeted for in the Housing Division of the City Manager's Office in the General Fund and includes budgeted expenses of \$274,668. Staff is recommending moving this budget allocation for the program from the General Fund to the Rental Housing Program Fund, a new special revenue fund, which will minimize potential current and future fiscal impacts to the General Fund. The resolution proposed this evening will also appropriate an additional \$359,000 to the Rental Housing Program Fund for a total program budget of \$633,668 in FY 2020. Staff anticipates that revenue generated from proposed fee changes included in this staff report along with the changes to the new RRSO will fully offset the costs of administering the program.

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 updates to the existing 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 existing 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. The materials presented, and the results of this open house are summarized in Attachments V and VI.

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.

If the proposed new RRSO is adopted by City Council, staff has created plain language information for both tenants and landlords that will be made available in multiple languages in print and electronically. Additionally, staff is developing an education program for tenants and landlords regarding the new legislation and tenant/landlord rights and responsibilities.

NEXT STEPS

If the proposed legislation is adopted, staff will be ready to implement the program by the effective date of July 25, 2019 per the implementation schedule in **Table 2**.

Table 2. Implementation Schedule

Proposal of New RRSO	June 18, 2019
Second Reading of the New RRSO	June 25, 2019
Effective date of the New RRSO	July 25, 2019
<ul style="list-style-type: none">• Develop executive summary and marketing plan• Develop collateral marketing materials• Update website• Develop education plan• Develop forms and notices to facilitate compliance with the ordinance• Identify all rental housing units and units covered by the mediation program• Update contract with consultant that provides mediation services.	June 25 – July 25, 2019
Start staff recruitment for Program Specialist	July 1, 2019
Notify landlords regarding the new RRSO	By July 15
<ul style="list-style-type: none">• Begin implementation of marketing and education plan• Implementation of the first phase of the database:<ul style="list-style-type: none">○ Identify all rental housing units and associated policies applicable to each unit.	July 25, 2019

Included in the implementation schedule is the development of collateral marketing materials, updating the City’s website to provide plan language information regarding the new legislation, and development of a marketing plan to make landlords and tenants aware of the new legislation. At a minimum, marketing will include the following:

- Direct mailer to landlords
- Landlords notify tenants as required by the new RRSO
- Disseminate information to community-based organizations
- Provide marketing materials to community centers, the library, and Hayward Unified School District family resource center
- Disseminate information at community events
- City’s website
- Send information to people who participated in the community open house and the HHTF meetings
- Social media
- Press releases

Also included in program implementation will be the development of an education plan to provide more in-depth information about the new RRSO and tenant/landlord rights and responsibilities. Workshops will likely be designed to meet the needs of the intended audience, such as landlord, tenant, or real estate professional.

Concurrent with the implementation of the new RRSO will be the development of a database to administer the RRSO under the new terms of the program. The database will be developed in phases. The first phase will identify all rental housing units and the associated policies applicable to each unit (mediation, just cause, tenant protection). The second phase will include tracking tenant petitions, outcomes and reasons for withdrawal, and create a repository for rental housing complaints including units not covered by the mediation program. The third phase will incorporate elements from the new RRSO, such as a system to file rent increase notices or notices of termination of tenancy. The fourth phase will explore suggestions from HHTF members, such as automated noticing. Staff will roll out the database and its features gradually over the next year.

Prepared by: Christina Morales, Housing Division Manager

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager