



DATE: October 7, 2025

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Hayward Municipal Code Chapter 2, Article 13: Review of Campaign Finance Regulations, including campaign expenditures and contributions, as the City converts from At-Large Council Elections to District Elections Starting in 2026

RECOMMENDATION

That the City Council receives this report providing information and possible options to consider updating and amending the City's campaign finance regulations with a specific emphasis on campaign expenditures and contributions as the City converts from at-large Council elections to Council district elections, starting with two districts in 2026 and subsequently four districts in 2028.

SUMMARY

In 2024, the City initiated a detailed and lengthy process to convert its at-large elections for the six members of the City Council to district elections. The office of Mayor remains at large. Conversion to City Council districts is staggered, with Districts 1 and 6 up in November 2026, and Districts 2, 3, 4 and 5 up in November 2028.

The purpose of this work session is for the City Council to consider whether the campaign finance regulations should be adjusted in light of the conversion to district-based elections. Hayward's population is 162,500, as presented during the district conversion process and based on the 2020 census. There are approximately 27,000 residents in each of the six districts.¹

BACKGROUND

In 2002, the City enacted Municipal Code sec. 2-13.00, et seq., (Ordinance 02-19²) establishing, among other things, campaign finance regulations for City elective offices which are defined as six members of the City Council and the office of Mayor. These regulations allow candidates to agree to voluntary expenditure and contribution limits, and regulations

¹ [HaywardCity Adopted All.pdf](#)

² Ordinance 02-19

<https://portal.laserfiche.com/Portal/DocView.aspx?id=128601&repo=r-b6d2994c>

for candidates who choose not to accept voluntary limits. When first enacted, the limits were set as provided in Table I below. When candidates accept voluntary limits on how much they will spend on campaign activities, the ordinance allows the candidate to accept higher amounts of contributions per person.

Per the regulations, the City Clerk is authorized to adjust the limits annually by a percentage equal to the San Francisco Bay Area All Urban Consumer Price Index (CPI). On January 24, 2025, the City Clerk published the 2025 Notice of Campaign Contribution/Expenditure Limit.³

Table I: Existing Hayward Contribution and Expenditure Limits

YEAR	Candidates that Accept Voluntary Limits		Candidates that Do Not Accept Voluntary Limits	
	EXPENDITURE LIMIT	CONTRIBUTION LIMIT	EXPENDITURE LIMIT	CONTRIBUTION LIMIT
2002	\$50,000	\$1,000	No limit	\$250
2025	\$91,096	\$1,784	No limit	\$410

For further reference, pursuant to Assembly Bill 571 (Chapter 556, AB 571 Mullin), beginning January 1, 2021, state law applies a default contribution limit to city and county candidates when the jurisdiction has not enacted a contribution limit. The 2025-2026 state contribution limit is set at \$5,900 for jurisdictions that have not enacted limits. Hayward was not affected by provisions enacted in 2021 because there is an ordinance in place. The Fair Political Practices Commission has created a repository of all cities, counties, and districts within California that have established their own contribution limit ordinances.⁴

Actual Expenditures

The City has created a public portal for campaign finance disclosures⁵ per election cycle which allows the public to access campaign statements for candidates and elected officials. In the 2022 and 2024 election cycles, candidates for Council raised and spent between \$0 and \$75,000. In the 2022 and 2024 election cycles, all candidates accepted voluntary limits. There has not been a successful candidate in Hayward who did not agree to voluntary limits

³ 2025 Notice of CPI Adjustment/Voluntary Limit Form
[Statement of Acceptance or Rejection of Voluntary expenditure limit for candidates for mayor or city council | City of Hayward - Official website](#)

⁴ Local Campaign Ordinance
<https://www.fppc.ca.gov/the-law/local-ordinances.html>

⁵ Public Portal for Campaign Finance Disclosure
<https://public.netfile.com/pub2/Default.aspx?aid=HWD>

DISCUSSION

The purpose of this work session is for the City Council to consider whether the campaign finance regulations should be adjusted in light of the conversion to district-based elections. Tables II and III highlight findings from three cities in proximity to Hayward that recently converted from at-large to district-based elections. Table II shows the contribution and voluntary expenditure limits for the districts. Table III shows the range of actual contributions and expenditures for candidates in these cities in 2022 and 2024. As with Hayward, the comparative cities have maximum individual contribution limits that are adjusted per CPI formulas.

Table II: Voluntary Limits

CITY	POPULATION 2023 Data	DISTRICTS	CONTRIBUTION LIMIT	VOLUNTARY EXPENDITURE LIMIT
Union City	65,414	4 (average of 16,103 ppl/district)	\$800	\$35,000 City Council \$75,000 Mayor
Redwood City*	80,996	7 (average of 11,570 ppl/district)	\$1,000	District population x \$2.45
San Mateo*	101,327	5 (average of 20,265 ppl/district)	\$500/individual \$1,000/organization	District population x \$2.50, rounded to nearest \$100

*San Mateo and Redwood City have a rotating mayor.

Table III: Actual Contributions and Expenditures

2024 ELECTION	REDWOOD CITY	SAN MATEO	UNION CITY
Max Contribution	\$21,848.00	\$65,115.50	\$27,941.30
Median Contribution	\$15,303.16	\$25,196.00	-
Lowest Contribution	\$4,750.00	\$20,909.00	\$19,214.65
Max Expenditure	\$33,526.25	\$79,472.90	\$26,243.40
Median Expenditure	\$17,193.51	\$40,027.49	-
Lowest Expenditure	\$3,781.58	\$20,909.00	\$16,489.08
Max Contribution Mayor	N/A	N/A	\$73,315.00
Lowest Contribution Mayor	N/A	N/A	\$45,369.87
Max Expenditure Mayor	N/A	N/A	\$70,158.02
Lowest Expenditure Mayor	N/A	N/A	\$54,188.74

2022 ELECTION	REDWOOD CITY	SAN MATEO	UNION CITY
Max Contribution	\$26,070.00	\$76,422.00	\$80,636.00
Median Contribution	\$15,982.41	\$25,375.00	\$46,947.68
Lowest Contribution	\$2,096.00	\$1,849.00	\$14,499.25
Max Expenditure	\$26,269.58	\$57,950.06	\$ 94,857.38
Median Expenditure	\$10,857.42	\$31,608.45	\$39,919.23
Lowest Expenditure	\$4,488.63	\$338.60	\$14,199.75

The primary issues for the City Council's consideration at this work session are 1) whether to reduce the expenditure and contribution limits for district elections, and 2) what should the limits be if Council moves forward.

Setting New Limits on Expenditures

If Council pursues setting new limits, staff recommends balancing the goal of creating equitable and competitive campaigns with a realistic assessment of the cost to run a modern campaign in a district of approximately 27,000 residents. One simple approach to limiting contributions might be to proportionately reduce limits by one/sixth ($1/6$) to \$15,000 for voluntary expenditures, to \$300 for voluntary contributions, and to \$70 for contributions where voluntary contributions are not accepted. However, these amounts are likely to be too low to run a robust campaign.

Considering Fixed Campaign Costs

Staff solicited comments from local campaign finance professionals who are knowledgeable about Hayward elections. From these discussions, staff's understanding is that there are common 'fixed' campaign expenses that are incurred by candidates who intend to be competitive, as follows:

- campaign consultant
- logo design
- website
- social media
- design of mail pieces
- design of walk pieces
- professional photography
- campaign paraphernalia (buttons, tee shirts)
- video commercials (optional, not necessarily typical)

The following campaign expenses are not ‘fixed’ and could be scaled down in the move to district elections versus:

- ballot statement and filing fee
- mass texts to voters
- mass email to voters
- mass robocalls to voters
- postage for mail pieces
- printing of mail pieces
- printing of yard signs
- online advertising

Other campaign expenses, for candidates who intend to be competitive, do not fall into one of the above categories, as follows:

- printing of walk pieces
- banner printing cost
- campaign treasurer
- fundraising consultant
- other fundraising costs

Evaluating Similarly Situated Jurisdictions

In these three cities viewed together, the average per resident expenditure limit is \$2.37.⁶ When applied to 27,000 residents that equates to approximately \$64,000 per district. As mentioned above, there is some economy of scale in running a campaign, so Council may want to consider setting the limit below the per resident rate of these comparison cities.

Considering the benefits of reducing campaign expenditures and contributions as set forth above while considering the unavailable campaign costs, Staff recommends \$45,000 to \$50,000 as a voluntary limit on expenditures, and \$900 to \$1,000 on voluntary contributions.

Of significance, the City’s campaign finance regulations do not, as a practical matter, affect independent expenditures for or against candidates. Since 2015, the City’s regulations⁷ have required reporting of such expenditures, including the three largest contributors in certain kinds of advertising. It is acknowledged, however, that independent expenditures have an increasing impact on elections at all levels of government.

⁶ Union City has an average of 16,103 residents per district. They have adopted a maximum contribution limit of \$800 for their four districts, and maximum limit on expenditures of \$35,000 for each district. San Mateo has adopted maximum expenditures in their 2026 cycle of \$2.50 per resident in five districts with populations ranging from 19,873 to 21,709, which results in maximum expenditures of \$49,700 to \$54,200. Redwood City has adopted maximum expenditures of \$2.45 per resident in their 2026 cycle, with four of seven districts up for election. The four districts have populations ranging from 11,638 to 12,796, which results in maximum expenditures of \$29,000 to \$31,000.

⁷ **Ordinance 15-29**

[Ordinance No. 15-29](#) | [Municipal Code](#) | [Hayward, CA](#) | [Municode Library](#)

NEXT STEPS

Based on City Council input at this work session, staff will prepare next steps. No action is required if the City Council determines that no changes are warranted. If the City Council believes adjustments are warranted, the City Council can direct staff to return with an action report within 30 days that includes adjustments to the City's campaign finance regulations for both voluntary expenditures and contributions, as well as adjustments to campaign contributions for candidates who do decline to agree to the voluntary limits.

Should the City Council direct staff to return with adjustments that lower expenditure and contribution limits, staff recommend that campaign committees and candidates who have raised or spent funds thus far in 2025 in accordance with the City Clerk's January 24, 2025, published limits not be penalized. Therefore, staff recommend that new regulations be prospective – that is, on a looking-forward basis – and not retrospective.

FISCAL IMPACT

There is no fiscal impact associated with this action.

STRATEGIC INITIATIVES

The agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

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