

**CITY COUNCIL MEETING  
TUESDAY, JULY 14, 2020**

**PRESENTATIONS**

**ITEM 5 – WS 20-032**

**East Bay Community Energy Potential Rate Increase: Review and Comment on a Potential Rate Increase for Electricity from East Bay Community Energy**



# City Council

## Potential Rate Increase for Electricity from East Bay Community Energy

July 14, 2020

# HISTORY IN BRIEF

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# ELECTRIC SERVICE OPTIONS

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**More renewables**  
than PG&E  
**lower rates**  
than PG&E

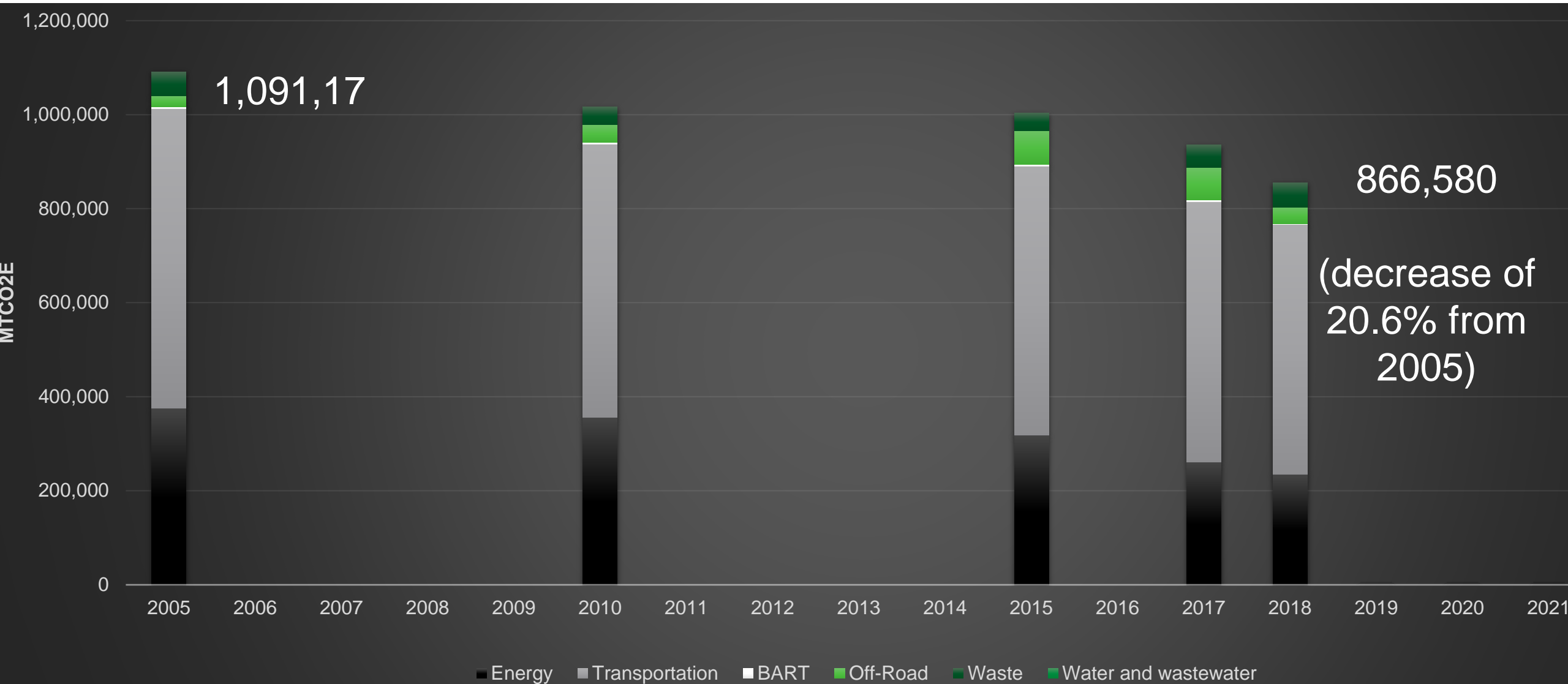


**100%**  
clean energy  
**same rate**  
as current PG&E price



**100%**  
renewable  
**\$0.01/kWh**  
more than Brilliant 100

# GHG Emission Inventory



# Financial Challenges

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- PG&E increased rates by **increasing the transmission** component of the rate while **decreasing the generation** component. PG&E's generation rate decreased by 8% on May 1, 2020.
- The Power Charge Indifference Adjustment (PCIA) increased by 30% as of May 1, 2020.
- Procurement costs for Brilliant 100 have been higher than expected.

# EBCCE Board Action

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At the Board meeting on June 17, 2020, staff recommended:

- No changes to the Brilliant 100 value proposition for the balance of 2020
- Close Brilliant 100 to new accounts and opt-ups effective July 1, 2020
- Phase out Brilliant 100 by the end of 2021
- Increase rate for Brilliant 100 to 2.5% or 3% more than PG&E. (to go into effect January 1, 2021)
- Effective September 2020, change the power mix for Brilliant 100 from 40% renewable to 33% renewable for remainder of 2020



# EBCE Board Action

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When the Board approved the budget on June 17, they voted to:



- Change discount for Bright Choice from 1.5% to 1.0% below PG&E rates effective July 1, 2020.



- Consider changes to Brilliant 100 – to be decided this fall.



- Maintain the rate for Renewable 100 at \$0.01/kWh more than PG&E rates.

# Options for Hayward

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Staff has identified the following options:

1. Change default to Bright Choice effective January 1, 2021. Most customers would pay 1% less (approximately \$1.00 per month for a typical residential customer).
2. Keep default as Brilliant 100 through the end of 2021. Would result in most customers paying 2.5 to 3% more for electricity during calendar year 2021.
3. Change default to Renewable 100 effective January 1, 2021. Staff does not recommend this option as it would result in most customers paying \$0.01/kWh more than PG&E rates.

# Economic Impact

	Bright Choice (1% less)	PG&E	Brilliant 100 (3% more)	Renewable 100 (\$0.01/kWh more)
Residential Customer (monthly usage of 359 kWh):	\$94.88	\$95.84	\$98.72	\$99.43
Small Commercial Customer (monthly usage of 1,518 kWh):	\$398.32	\$402.34	\$414.41	\$417.40
Large Commercial Customer (monthly usage of 263,181 kWh):	\$52,310.61	\$52,839.00	\$54,424.17	\$55,470.66

# Fiscal Impact

<b>Approximate Annual Costs*</b>	
Current spending on City accounts enrolled in Brilliant 100	\$585,000
If City's accounts are changed to Bright Choice	\$579,000
If City keeps its accounts enrolled in Brilliant 100	\$602,000
If City's accounts are changed to Renewable 100	\$656,000

\* Costs are prior to solar phase 2A project at WPCF, which will reduce costs.

# Strategic Roadmap

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This agenda item relates to the Strategic Priority of Combat Climate Change *and* projects:

Project 2: Work with EBCE to transition citywide electricity use to 100% carbon free

Project 3: Transition electricity use in city operations to 100% renewable energy

Project 4: Adopt and implement 2030 GHG Goal and Roadmap

# Sustainability Committee Comments

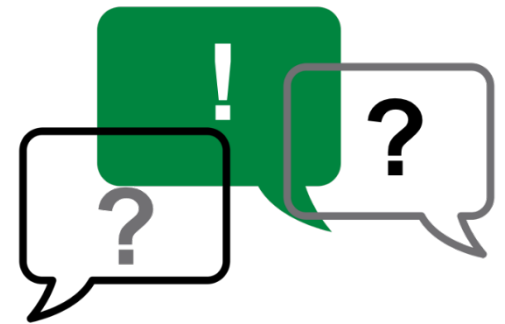
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- Raising rates for Hayward customers would be unpopular
- Prefer to avoid backsliding on City's GHG Inventory
- One option may be to ask EBCE to keep Brilliant 100 and add nuclear to supplement or replace large hydroelectric
- For Municipal accounts, switch to Renewable 100

# Next Steps

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- Provide Council Comments to EBCE Board
- EBCE Board may take action in September
- Council could take action in October



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# Extra Slides



# Electric Power Generation Mix

2018				
	EBCE			PG&E
	Bright Choice	Brilliant 100	Renewable 100	
Renewable	41%	45%	100%	39%
Large Hydro	21%	55%	0%	13%
Natural Gas	0%	0%	0%	15%
Nuclear	0%	0%	0%	34%
Unspecified	38%	0%	0%	0%

2021				
	EBCE			
	Bright Choice	Brilliant 100	Renewable 100	Brilliant 100 with Nuclear
Renewable	PG&E +5%	35.8%	100%	35.8%
Large Hydro	?	64.2%	0%	0%
Natural Gas	0%	0%	0%	0%
Nuclear	0%	0%	0%	64.2%
Unspecified	?	0%	0%	0%

# EBCE ENROLLMENT STATUS

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	Eligible	Opt Out	%	Bright Choice	%	Brilliant 100	%	Renewable 100	%
Hayward	55,906	2,371	4.24%	12,945	23.15%	40,557	72.54%	33	0.06%
All EBCE	567,055	22,480	3.96%	487,443	85.96%	51,233	9.03%	5,899	1.04%

Residents may choose any of the EBCE products or opt out and return to PG&E

As of September 2019

# Economic Impact

Residential Customer  
(monthly usage of 359 kWh):

Residential: E-1	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11752	\$0.09410	\$0.08177	\$0.08353	\$0.09353
PG&E Delivery Rate (\$/kWh)	\$0.15298	\$0.15298	\$0.15298	\$0.15298	\$0.15298
PG&E PCIA/FF (\$/kWh)	N/A	\$0.02979	\$0.03045	\$0.03045	\$0.03045
Total Electricity Cost (\$/kWh)	\$0.27050	\$0.27687	\$0.26520	\$0.26696	\$0.27696
Average Monthly Bill (\$)	<b>\$97.11</b>	<b>\$99.39</b>	<b>\$95.20</b>	<b>\$95.84</b>	<b>\$99.43</b>

Small Commercial Customer  
(monthly usage of 1,518 kWh):

Commercial/Industrial: A-1 TOU (A-1X)	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11565	\$0.07370	\$0.08135	\$0.08308	\$0.09308
PG&E Delivery Rate (\$/kWh)	\$0.14932	\$0.14932	\$0.14932	\$0.14932	\$0.14932
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04065	\$0.03257	\$0.03257	\$0.03257
Total Electricity Cost (\$/kWh)	\$0.26497	\$0.26367	\$0.26324	\$0.26497	\$0.27497
Average Monthly Bill (\$)	<b>\$402.34</b>	<b>\$400.36</b>	<b>\$399.71</b>	<b>\$402.34</b>	<b>\$417.40</b>

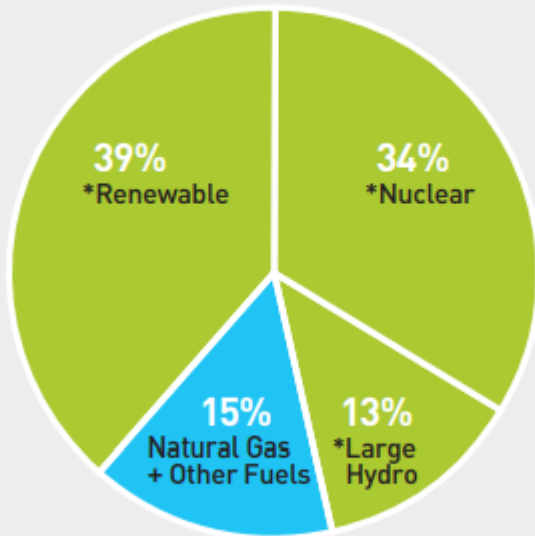
Large Commercial Customer  
(monthly usage of 263,181 kWh):

Commercial/Industrial: E-19 S	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11077	\$0.07230	\$0.07696	\$0.07862	\$0.08862
PG&E Delivery Rate (\$/kWh)	\$0.09000	\$0.09000	\$0.09000	\$0.09000	\$0.09000
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04013	\$0.03215	\$0.03215	\$0.03215
Total Electricity Cost (\$/kWh)	\$0.20077	\$0.20243	\$0.19911	\$0.20077	\$0.21077
Average Monthly Bill (\$)	<b>\$52,838.76</b>	<b>\$53,275.64</b>	<b>\$52,401.88</b>	<b>\$52,838.76</b>	<b>\$55,470.66</b>

# Power Content

## 2018 POWER MIX

PG&E-owned generation and power purchases

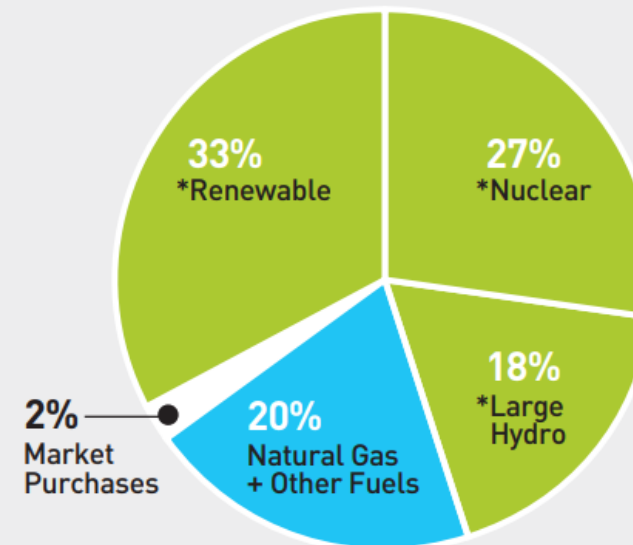


\*Greenhouse gas free and/or renewable resources

The figures above may not sum to 100 percent due to rounding.

## 2017 POWER MIX

PG&E-owned generation and power purchases



\*Greenhouse gas free and/or renewable resources

## **ITEM 6 – LB 20-035**

### **Residential Rent Stabilization and Tenant Protections:**

- (1) Introduce an Ordinance Amending Chapter 12, Article 1 of the Hayward Municipal Code Relating to Residential Rent Stabilization and Tenant Protections;**
- (2) Introduce an Ordinance Adding Chapter 12 Article 2 of the Hayward Municipal Code Related to Tenant Relocation Assistance; (3) Adopt a Resolution Authorizing Amendment to Resolution 20-060 City of Hayward Fiscal Year 2021 Master Fee Schedule to Establish an Amount of Relocation Assistance; and (4) Provide a Progress Report on Implementation of Residential Rent Stabilization and Tenant Protection Ordinance**

### **PRESENTATION**



# Residential Rent Stabilization and Tenant Protection Ordinance: Recommended Changes & Progress Update

A summary of implementation progress and recommendations for revisions to promote clarity and align with State law

July 14, 2020 | Hayward City Council  
Christina Morales, Housing Division Manager

# Agenda

## Background

- Comparing the RRSO & TPA

## Recommended RRSO Revisions

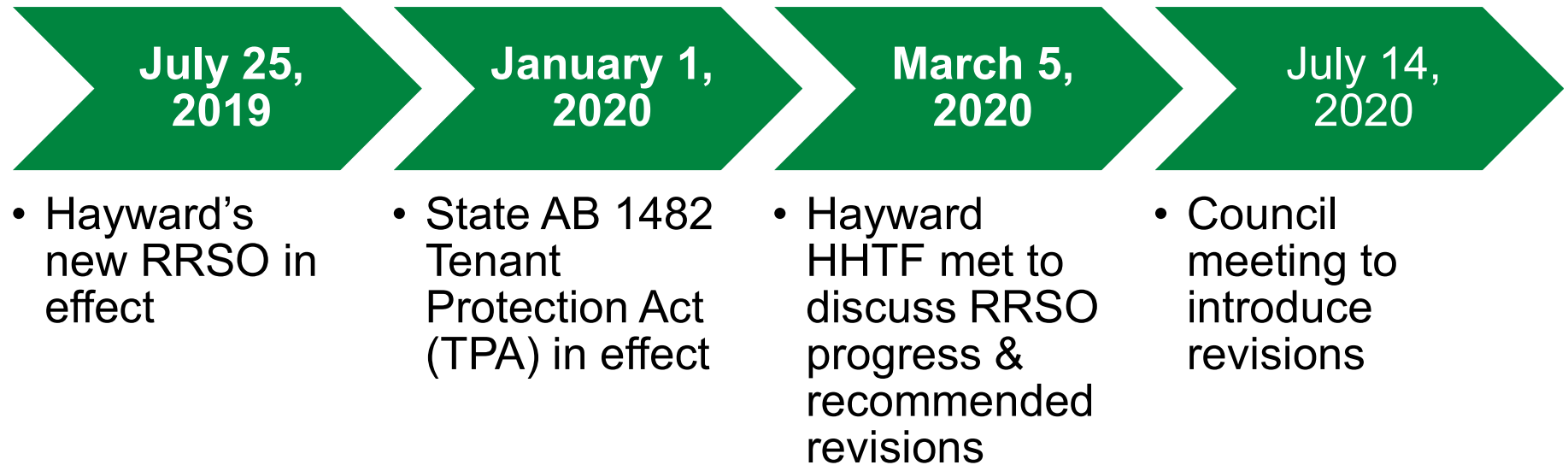
- Language Clarifications
- Alignment with State Law
- Specific Policy Issues

## Implementation Progress

- Tenant and Landlord Petitions
- Rent Increase and Termination Notices
- Rental Housing Database
- Implementation Lessons Learned



# Background





# Comparing the RRSO & the TPA

## Hayward RRSO

- Rent increase threshold
  - 5% for covered units, with provision for banked increase, fair return, or capital improvement pass-through up to 10%
  - Exempts units built after 1979, single unit residences, owner occupied properties with legal ADUs, affordable housing and types of temporary housing
- Mandatory mediation with binding arbitration for Covered Rental Units
- Just Cause for Eviction protections
- Protection against retaliation and discrimination for income source (e.g., Section 8)
- Requirements for noticing
- Requirements for providing notices to City

## AB 1482: Tenant Protection Act

- Rent Increase Cap
  - **5% plus percentage change in CPI or 10%**, whichever is lower
  - Similar exemptions to RRSO, except includes owner-occupied duplexes
  - Covers units more than 15 years old
- Just Cause for Eviction and Relocation Assistance
  - Similar “at fault” and “no fault” reasons for just cause to the RRSO
  - Provides for **relocation assistance** paid by owner to tenant for any no fault eviction

# Recommended RRSO Revisions

See Attachment V for Summary of RRSO Revisions

See Attachment VII for Tenant Relocation Assistance Ordinance Summary

# Language Clarifications

## Change Needed

## Recommendation

Clarify that motels/hotels with stays less than 30 days and hospitals and long-term care facilities are exempt from the RRSO.

Place the exemption in the definition of a “rental unit” to clarify that they are exempt from all provisions of the RRSO.

Clarify when banked rent accruals and capital improvement pass-throughs start.

Make the banking provision initial year be consistent with the fair return initial year.

Explicitly state that only capital improvement projects that were completed after the effective date of the RRSO are eligible for the capital improvement pass-through.

# Language Clarifications

<b>Change Needed</b>	<b>Recommendation</b>
Clarify Noticing Requirements for Landlords	<p>Clarify requirement in the RRSO to state that Landlords only need to provide a copy of the RRSO or summary for new tenancies</p> <p>Remove the requirement to provide the paper petition and adjust noticing requirements to specify that landlords must tell tenants, in writing, that tenants have a right to file a petition, that they have 30 days from the increase to file, and where to find a copy of the petition (i.e., the Rent Review Office website or office).</p>
Clarify that tenants can petition the Rent Review Office for any violation of the Residential Rent Increase Threshold Section	Add a statement to the Petition Process section (12-1.05 (g)) specifying that any violation of the Residential Rent Increase Threshold Section (12-1.05) can be petitioned.
Update outdated language regarding mediation and identify rent reduction as a possible resolution.	Update outdated language regarding mediation to reflect current practices and specify in 12-1.07(i) that parties may agree to a rent increase or decrease of rents as appropriate.
Correct substantive typo related to fair return rent increases	Change the CPI figure to resolve a typo that mistakenly included the annual CPI instead of the monthly CPI for December 2018

# Alignment with State Law

## Change Needed

Address ambiguity and resolve inefficiency created by the TPA rent cap and the applicability of local rent control

Ensure that Hayward residents have equal protections as other residents in the state by providing relocation assistance consistent with the TPA

## Recommendation

Reference the TPA rent cap to ensure that all rent disputes related to covered units can be resolved through the City's Rent Review process.

Mirror the State's relocation assistance policy for tenants displaced through no-fault just cause terminations in order to better align the City's RRSO with State law and provide Hayward residents the same protection as other California residents.

# Specific Policy Issues

## Change Needed

Address Task Force concerns about the exemption for Affordable Housing Conversion Projects from the Just Cause for Eviction provisions

Address Task Force concerns regarding habitability during renovations by providing Temporary Relocation Assistance

## Recommendation

Implement the HHTF directive to remove the exemption for Affordable Housing Conversion Projects from the just cause provisions

Add Temporary Relocation Assistance for tenants temporarily displaced from their units for substantial repairs or if a governmental agency orders a tenant to vacate or a tenant chooses to vacate due to health or safety concerns

# Implementation Progress Update

See Attachment VIII for Summary of Staff Marketing, Resource Development, Education, and Technical Assistance

# Implementation Summary

## **Staff created...**

- Plain language summary
- Compliance guide for landlords
- Forms and templates to support compliance
- Infographics, fact sheets, and flowcharts illustrating the new processes and summarizing key points
- Systems for collecting and storing notices

## **Staff provided...**

- One-on-one technical assistance
- Outreach and education
- Translation of materials and interpretation services at workshops, mediation, and arbitration hearings



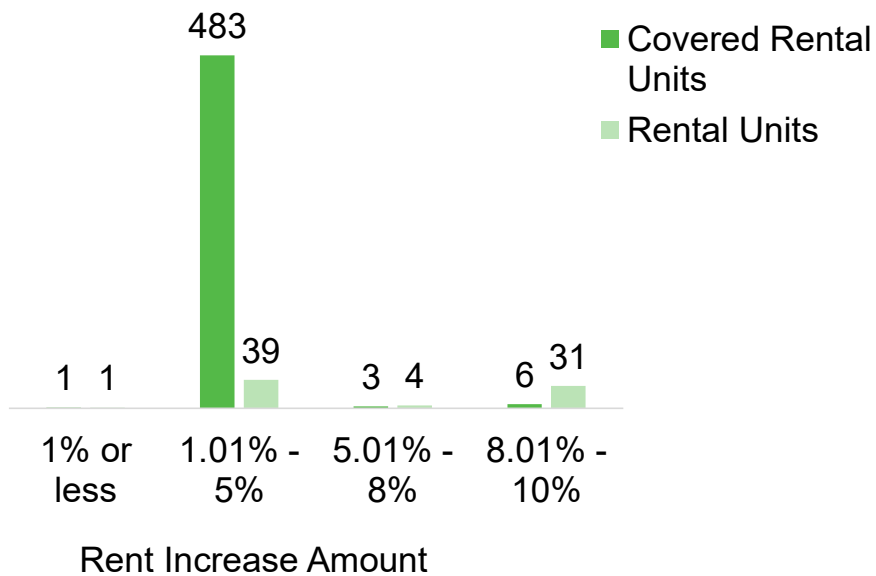
# Petitions

- There were more tenant petitions received from July 25, 2019 to December 31, 2019, than the entire year prior. Petitions have tapered to only 5 since January 2020.
- The majority have been successfully mediated or mediation/arbitration has been delayed due to COVID-19. Staff are working with Project Sentinel to set up remote services.

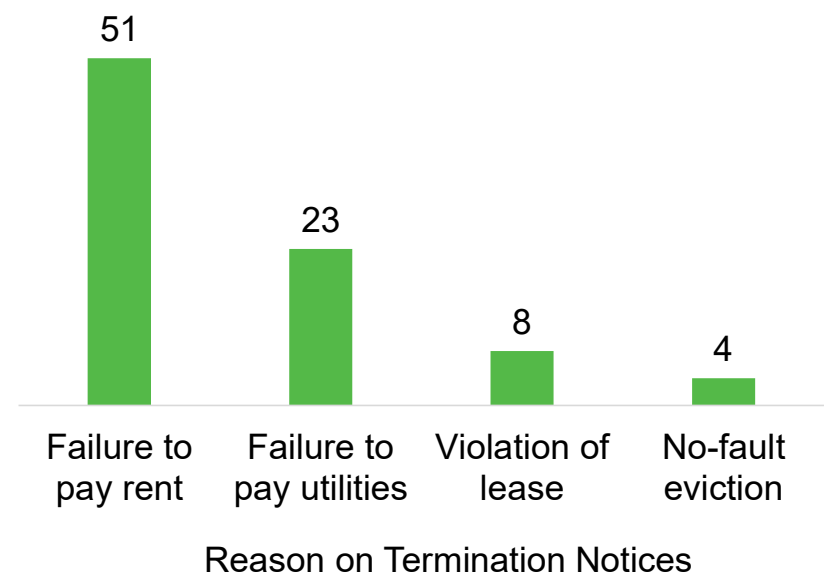


# Rent Increase and Termination Notices

## Rent Increase Amounts



## Reasons on Termination Notices



# Rental Housing Database

- Billing process led to data cleaning & QA of over 3,800 properties and addition of 676 units
- Currently finalizing back-end processes to launch modules for community members to check what provisions apply to each unit and petition process

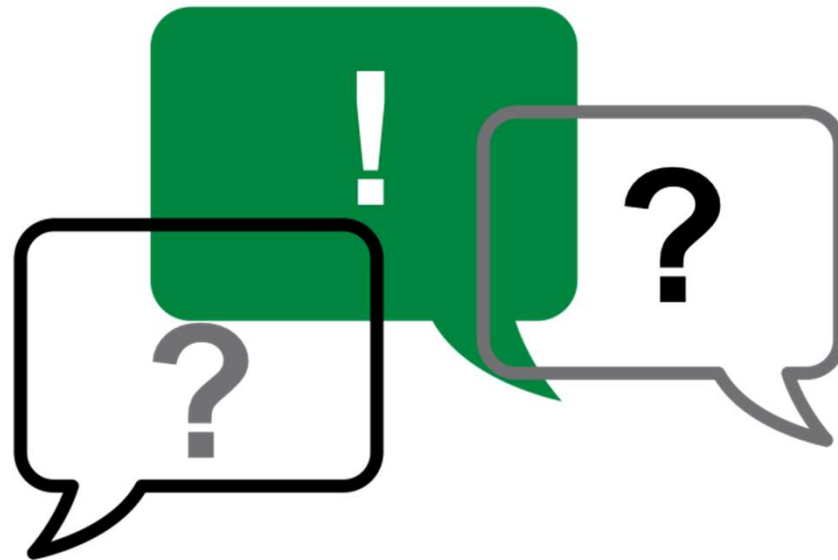


# Next Steps

- Second reading at next Council meeting, if Council chooses to move forward with revisions
- Additional outreach and education
  - Online workshops for extended Temporary Eviction Moratorium 7/15 & 7/20
  - Online workshops for RRSO revisions and new ordinance, if passed
  - Online workshops focusing on areas of confusion and concern (e.g., utility increases, the petition process)
- Rental Housing Database Launch in July
- Fiscal Year 20/21 Rent Review Fee administration in September



# *Questions and Discussion*



**ITEM 7 – LB 20-038**

**Transient Occupancy Tax: Adopt Resolutions  
Establishing November 3, 2020 as the Date for  
a Proposed Ballot Measure Asking Hayward  
Voters to Approve an Increase in the City's  
Transient Occupancy Tax**



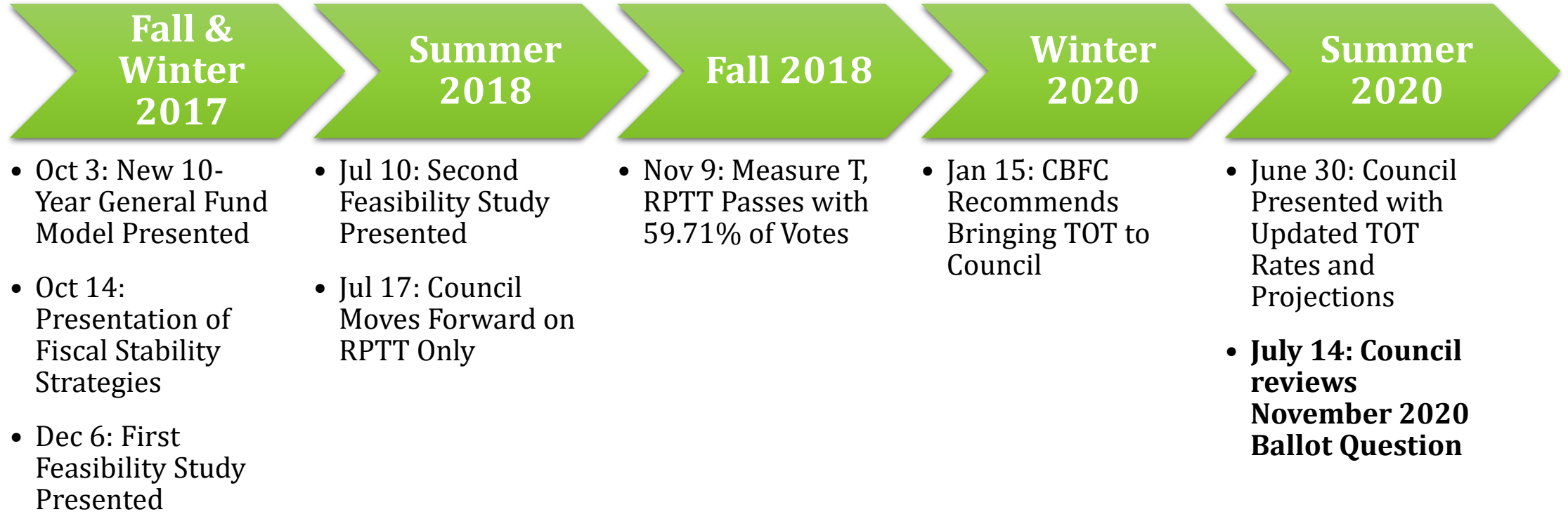
A 3D architectural rendering of a park. In the foreground, a wide, light-colored paved walkway curves through the scene. To the right, a group of three people is walking. In the middle ground, a large, rectangular, raised concrete platform serves as a seating area, featuring several tables with yellow chairs and people sitting or standing. The platform is surrounded by a low wall of green shrubs. Beyond the platform is a large, open green lawn. In the background, there are various trees, including tall pines and flowering trees with pink blossoms. A wooden pergola structure is visible on the left. In the far distance, a large, light-colored building with a classical architectural style is visible under a blue sky with scattered white clouds.

# **City of Hayward Transient Occupancy Tax 2020 Ballot Measure**

Dustin Claussen, Director of Finance

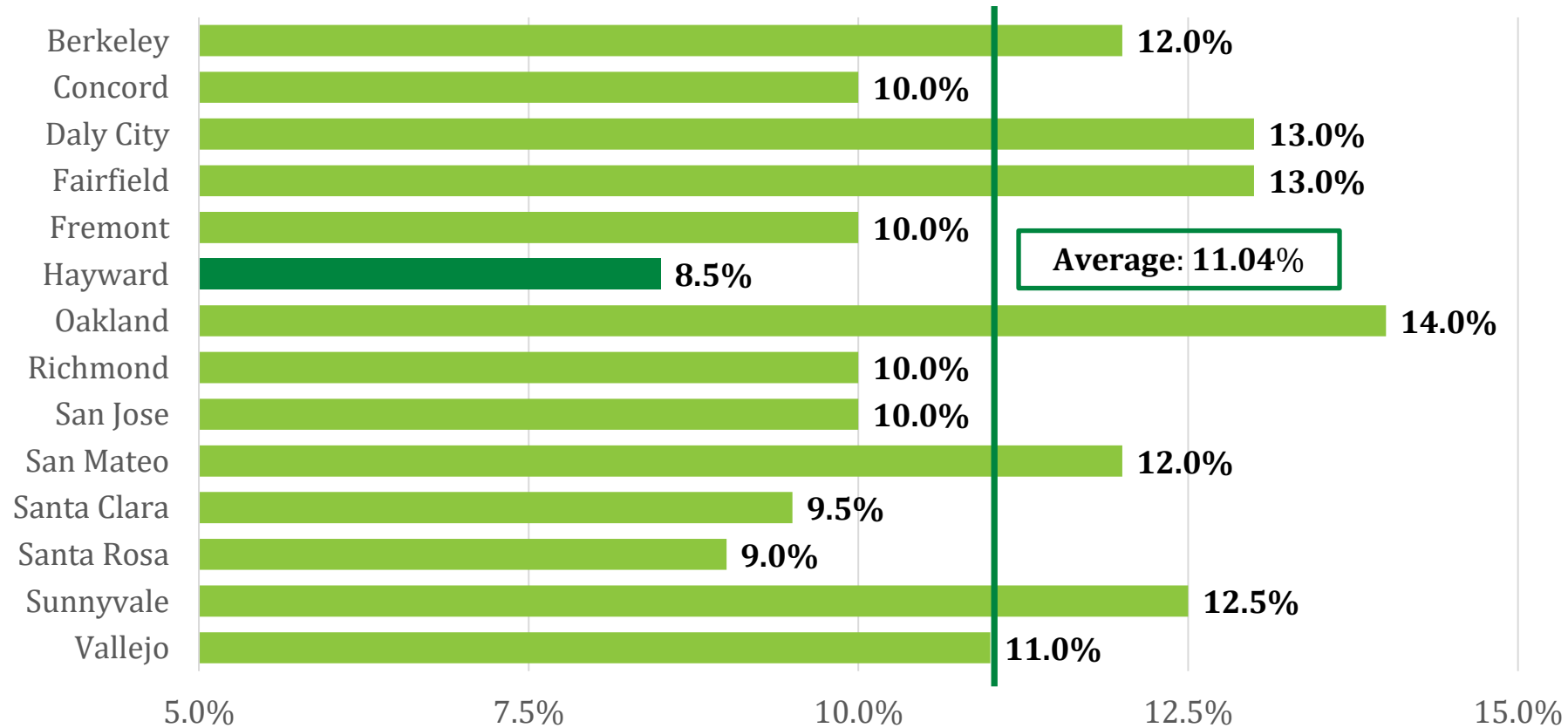


# Where We've Been





# TOT Rates for Peer Cities

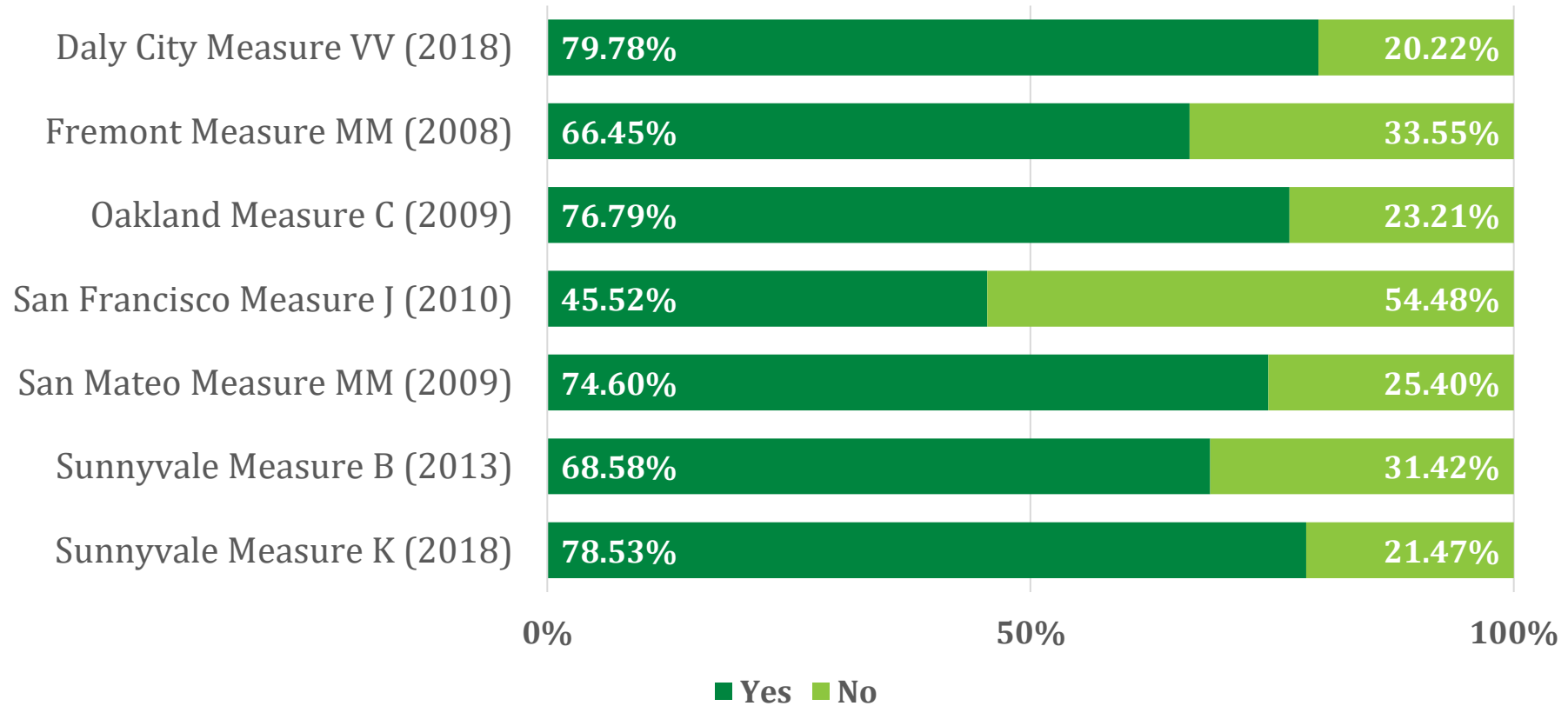


TOT Rate of neighboring Cities:

San Leandro – 14%

Union City – 12.87%

# Bay Area TOT Ballot Measure Results



# TOT Revenue Projections at rate of 14%

Fiscal Year	8.5% (Current)	14% (Ballot Amount)
FY 2015	\$ 2,033,057	\$ 3,348,564
FY 2016	\$ 2,591,468	\$ 4,268,300
FY 2017	\$ 2,559,873	\$ 4,216,261
FY 2018	\$ 2,808,158	\$ 4,625,201
FY 2019	\$ 2,822,564	\$ 4,648,929
<b>Average</b>	\$ 2,563,024	\$ 4,221,451

# Additional Information

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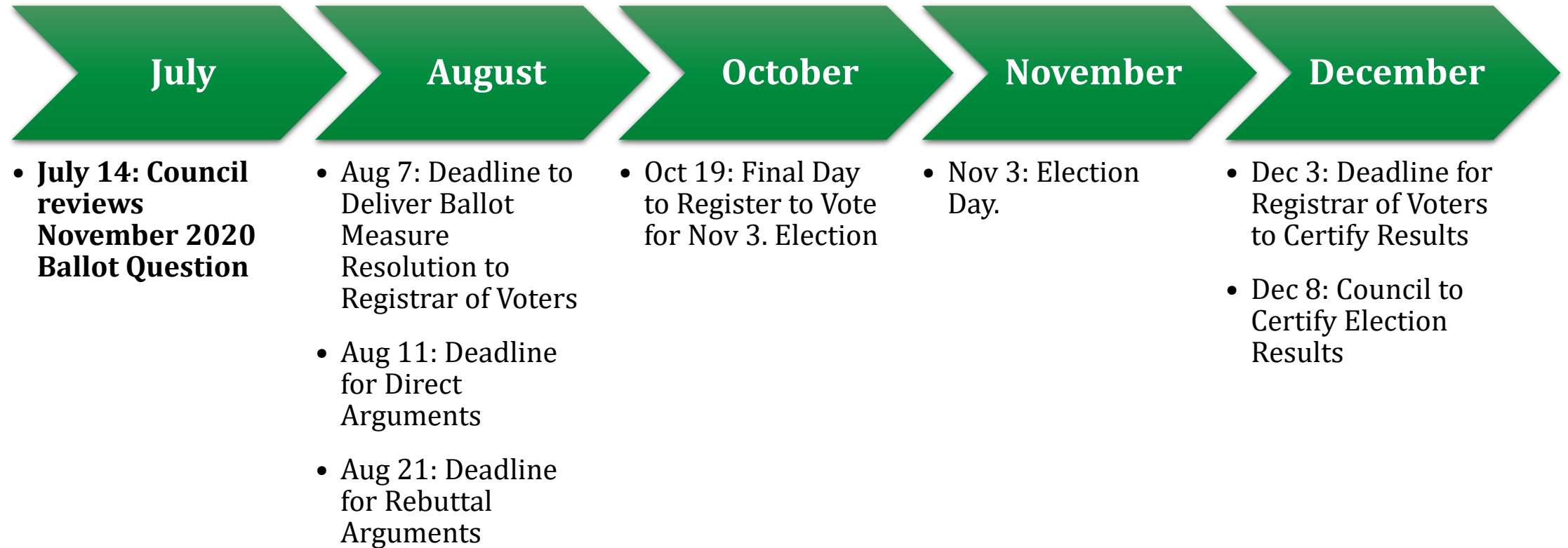
- The City's Transient Occupancy Tax (Commonly referred to as TOT or Hotel Tax) is applied **ONLY** to persons who occupy a hotel/motel room for thirty (30) consecutive calendar days or less.
- This tax does not apply to Residential Rentals.
- The printing costs associated with adding this measure to the November 2020 ballot are estimated at approximately \$7,200.

# Proposed Ballot Question

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To support City of Hayward services, including: repairing streets and sidewalks; 911 emergency and firefighter response times; disaster preparedness; extended library hours and after-school programs; and other general City services with revenue that cannot be taken by the State; shall the City of Hayward increase the transient occupancy tax paid only by hotel and motel guests from 8.5% to up to 14%, providing an estimated \$3,000,000 annually, until repealed by voters, all funds benefiting Hayward?

# Next Steps



# Recommendations

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1. That Council approves a ballot question to be placed on the November 2020 ballot allowing for increase to the City's TOT of up to 14%. If successful, Staff recommends to maintain current rate (8.5%) for at least 6 months after the election and then consider raising the rate depending on recovery of travel and hotel industry in Hayward.
2. That Council directs the City Attorney to prepare an impartial analysis of the measure.

Questions?



**ITEM 8 – LB 20-037**

**Hayward City Charter: Adopt Resolutions  
Establishing November 3, 2020 as the Date for  
One Proposed Ballot Measure Asking Hayward  
Voters to Approve Amendments to the  
Hayward City Charter**



# Hayward City Charter:

Adopt Resolutions for the November 3, 2020  
General Municipal Election





**a.**

Resolution asks voters to eliminate requirement to be a 'qualified elector' in order to serve as advisory member on boards and commissions and replace gender-based titles with neutral, gender-free designations and titles.

**b.**

Resolution establishes schedule for submitting arguments regarding the measure.

On June 23, 2020, Council directed staff to move forward with a suggestion to consider amendments to the City Charter.

The amendments need to be approved by Hayward voters at the November 3, 2020 General Municipal Election.

Approval requires a simple majority 50% + one.

# Proposed ballot question:

Shall amendments to the Hayward City Charter be adopted?	YES
“To create more opportunities for residents to volunteer, and to honor Hayward’s commitment to diversity, shall the Charter of the City of Hayward be amended to eliminate the requirement of being a qualified elector/registered voter to serve on City Council-appointed advisory commissions, and shall the Charter be amended to eliminate gender-based designations and titles and instead use neutral, gender-free designations and titles?”	NO

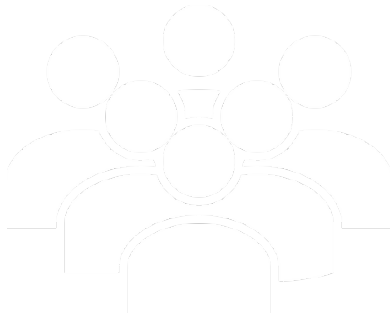
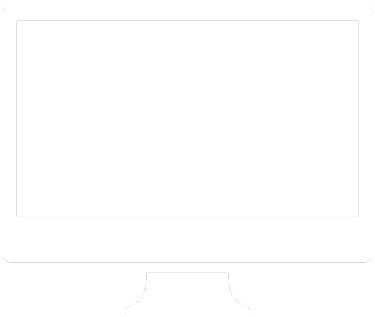
# City Charter Section 900

There shall be boards and commissions enumerated in this article which shall have the power and duties states herein. The number of members to comprise any board or commission shall be determined by ordinance or resolution of the Council. No member of any board or commission shall be a member of any other board or commission or hold any paid office of employment in the City Government. In order to be eligible for appointment to any board or commission, a person shall be a qualified elector of the City.

**In order to be eligible for appointment to any board or commission, a person shall be a qualified elector of the City:**

Qualified elector means registered voter. A registered voter must be a U.S. citizen and resident of the City.

# Survey of other cities in Alameda County

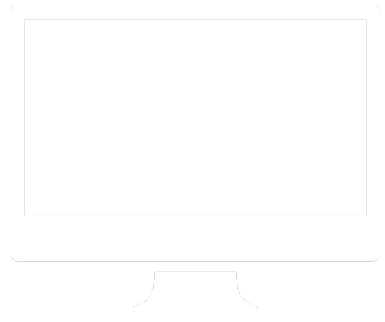


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TABLE A		
CITY	QUALIFIED ELECTOR/ REGISTERED VOTER?	RESIDENT?
City of Berkeley	NO	YES
City of Fremont	NO	YES
City of Hayward	YES	YES
City of Newark	NO	YES
City of Oakland	NO	YES
City of Union City	NO	YES
<b>Link to sample Board/Commission application:</b> <a href="https://www.unioncity.org/DocumentCenter/View/137/Human-Relations-Commission-Application-PDF">https://www.unioncity.org/DocumentCenter/View/137/Human-Relations-Commission-Application-PDF</a>		

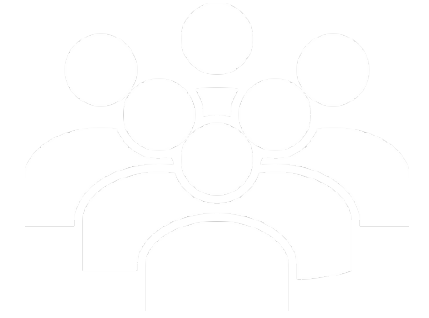


# Gender-based designations and titles:

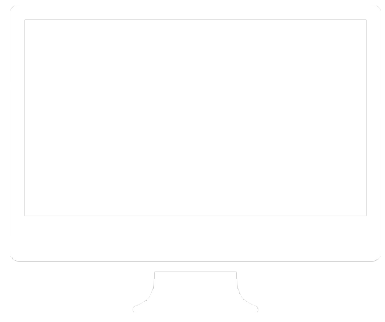


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‘Council man’  
‘Council men’  
‘Chairman’  
‘He’  
‘Him’  
‘His’



# Neutral, gender-free designations and titles:



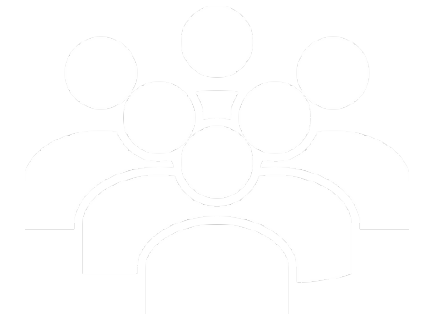
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‘Council member’

‘Council members’

‘Presiding officer’

‘the Mayor’ or ‘the City Manager’

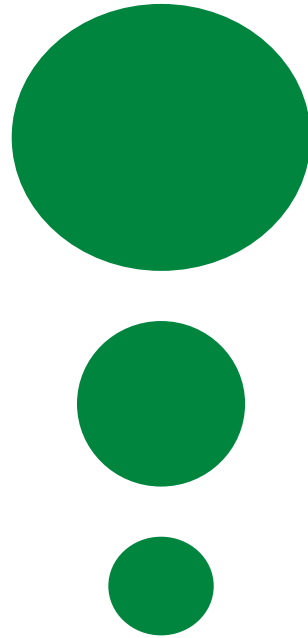


# Table B

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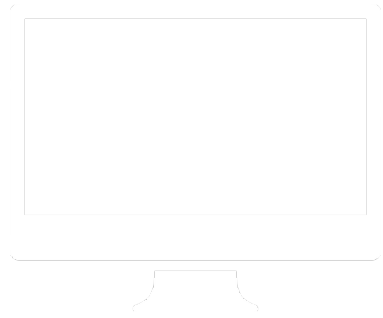
<b>TABLE B</b>	
<b>CITY</b>	<b>GENDER BASED</b>
<b>City of Berkeley</b>	<b>NO</b>
<b>City of Fremont</b>	<b>NO</b>
<b>City of Hayward</b>	<b>YES</b>
<b>City of Newark</b>	<b>NO</b>
<b>City of Oakland</b>	<b>NO</b>
<b>City of Union City</b>	<b>NO</b>

# Economic and Fiscal Impact



Election costs are estimated at \$250,000, including approximately \$7,200 for translation and printing cost for this ballot measure.

# Recommendations



- 
1. That Council adopts resolution approving the ballot question and directs City Attorney to prepare impartial analysis.
  2. That Council adopts resolution approving the schedule for submitting arguments regarding the measure.



# Next Steps



- **July 14: Council Reviews November 2020 Ballot Question**

- Aug 7: Deadline to Deliver Ballot Measure Resolution to Registrar of Voter
- Aug 11: Deadline for Direct Arguments
- Aug 21: Deadline for Rebuttal Arguments

- Oct 19: Final Day to Register to Vote for Nov 3 Election

- Nov 3: Election Day.

- Dec 3: Deadline for Registrar of Voters to Certify Results
- Dec 8: Council to Certify Election Results

# Questions

