

HAYWARD CITY COUNCIL

RESOLUTION NO. 25-____

Introduced by Council Member _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD ADJUSTING
THE TRANSIENT OCCUPANCY TAX RATE FROM 12% TO 14% EFFECTIVE
FEBRUARY 1, 2026; AND FINDING THAT THE ACTION IS EXEMPT FROM
ENVIRONMENTAL REVIEW**

WHEREAS, the Transient Occupancy Tax (TOT) is a general tax imposed on the privilege of occupancy in any hotel, and is a debt owed by the transient to the City, which is satisfied by payment to the operator of the hotel; and

WHEREAS, the TOT is implemented through Hayward Municipal Code Chapter 8, Article 4; and

WHEREAS, during the November 3, 2020, general election the voters of the City of Hayward approved Measure NN (Ordinance No. ME 20-01), increasing Hayward's TOT rate from 8.5% to an amount up to 14%; and

WHEREAS, the City Council directed staff to maintain the TOT rate at 8.5% to allow hoteliers time to recover from the impacts of the COVID 19 pandemic and requested that an adjustment to the TOT rate be reviewed and considered when the economy recovered from the impacts of the pandemic; and

WHEREAS, on June 17, 2025 the City Council adopted Resolution 25-109, adjusting the TOT rate from 8.5% to 12% effective August 1, 2025; and

WHEREAS, on November 18, 2025, the City Council was presented with a Budget Update and Adoption of Amendments to the City of Hayward's FY 2025-26 Operating Budgets and Updates to Other Capital and Operating Budgets to review potential strategies that could be implemented to assist in closing the projected structural deficit, and during the session, the City Council expressed unanimous support for adjusting the TOT rate as a strategy to aid in closing the projected structural deficit; and

WHEREAS, California Constitution Article XIIC does not require voter approval where a general tax is imposed at a rate that does not exceed the maximum tax rate previously approved by the voters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Transient Occupancy Tax levied pursuant to Hayward Municipal Code Chapter 8, Article 4 is hereby imposed at the rate of 14.0%, effective February 1, 2026.

BE IT FURTHER RESOLVED, that the City Manager, or her designee, is authorized to take any administrative actions necessary to implement the rate adjustment adopted herein.

BE IT FURTHER RESOLVED, that this action does not have the potential for creating a significant effect on the environment and is therefore exempt from further review under CEQA pursuant to State CEQA Guidelines Section 15060(c)(3) because it is not a project as defined by the CEQA Guidelines Section 15378. Adjustment of the Transient Occupancy Tax rate does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

IN COUNCIL, HAYWARD, CALIFORNIA, _____, 2025

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward