

ORDINANCE NO. 25-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAYWARD AMENDING SECTIONS 2-13.02, 2-13.04 AND 2-13.06 OF ARTICLE 13, CHAPTER 2 OF THE HAYWARD MUNICIPAL CODE RELATING TO REVISED VOLUNTARY CAMPAIGN EXPENDITURE AND CONTRIBUTION LIMITS.

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Sections 2-13.02, 2-13.04 and 2-13.06 of Article 13, Chapter 2 of the Hayward Municipal Code are amended to read as follows, with deleted terms shown in strikethrough and added terms underlined:

**ARTICLE 13
CAMPAIGN CONTRIBUTION PRACTICES FOR CITY ELECTIVE OFFICES
AND BALLOT MEASURES**

SECTION 2-13.02 VOLUNTARY EXPENDITURE LIMITS FOR CAMPAIGNS FOR CITY ELECTIVE OFFICES.

- a. ~~A voluntary expenditure limit of sixty-six thousand nine dollars (\$66,009.00) per candidate or controlled committee is hereby established for each election to City elective office. The amount established by this section shall be annually adjusted by a percentage equal to the San Francisco Bay Area All Urban Consumer Price Index (CPI). The City Clerk shall calculate such increase and post the expenditure limit in a visible place in the City Clerk's Office and on the City's website.~~
- b. ~~Prior to accepting any contribution for a campaign, each candidate for City elective office or controlled committee shall file with the Hayward City Clerk a statement of acceptance or rejection of the voluntary expenditure limit established herein with regard to that campaign.~~
- c. ~~No candidate for City elective office who accepts the voluntary expenditure limit established herein and no controlled committee of such a candidate shall make campaign expenditures cumulatively in excess of the voluntary expenditure limit established herein.~~
- d. ~~Each candidate for City elective office or controlled committee who rejects the voluntary expenditure limit established herein shall be subject to the~~

ATTACHMENT II

~~contribution limit set forth in section 2-13.03 of this Article as that section may be amended from time to time.~~

a. A voluntary expenditure limit per candidate or controlled committee is hereby established for each district election for City Council or general election for the office of Mayor, as follows:

1. Candidates in District Elections for City Council. Fifty thousand dollars (\$50,000.00).
2. Candidates in General Elections for Office of the Mayor. Ninety-one thousand ninety six dollars (\$91,096.00).

b. Annual Adjustment. The amount established by this section shall be annually adjusted by a percentage equal to the San Francisco Bay Area All Urban Consumer Price Index (CPI). The City Clerk shall calculate such increase and post the expenditure limit in a visible place in the City Clerk's Office and on the City's website.

c. Prior to accepting any contribution for a campaign, each candidate for City elective office or controlled committee shall file with the Hayward City Clerk a statement of acceptance or rejection of the voluntary expenditure limit established herein with regard to that campaign.

d. No candidate for City elective office who accepts the voluntary expenditure limit established herein and no controlled committee of such a candidate shall make campaign expenditures cumulatively in excess of the voluntary expenditure limit established herein.

e. Each candidate for City elective office or controlled committee who rejects the voluntary expenditure limit established herein shall be subject to the contribution limit set forth in section 2-13.03 of this Article as that section may be amended from time to time.

SEC. 2-13.04 CONTRIBUTION LIMITATIONS FOR CANDIDATES ACCEPTING EXPENDITURE LIMITATIONS.

- ~~a. If a candidate accepts the expenditure limit set forth in section 2-13.02 of this Article, no person shall make to any candidate for City elective office, or the candidate's controlled committee, a contribution or contributions totaling more than one thousand two hundred ninety-five dollars (\$1,295.00) for each election in which the candidate is attempting to be on the ballot or is a write-in candidate.~~

- b. ~~If a candidate accepts the expenditure limit set forth in section 2-13.02 of this Article, no candidate running for City elective office, or the candidate's controlled committee, shall accept a contribution or contributions totaling more than one thousand two hundred ninety-five dollars (\$1,295.00) per person for each election in which the candidate is attempting to be on the ballot or is a write-in candidate.~~
- c. ~~The amounts established by this section shall be adjusted annually by a percentage equal to the San Francisco Bay Area All Urban Consumer Price Index (CPI). The City Clerk shall calculate such increase and post the contribution limit in a visible place in the City Clerk's Office and on the City's website.~~

In each election where a candidate in a district election for City Council or a general election for the office of Mayor accepts the expenditure limit as set forth in this Article, the following contribution limitations shall apply:

- a. Candidate in District Elections for City Council:
 - 1. No person shall make to any candidate or their controlled committee, a contribution or contributions totaling more than one thousand five hundred dollars (\$1,500); and
 - 2. No candidate or their controlled committee shall accept contributions from a person totaling more than one thousand five hundred dollars (\$1,500) cumulative between the candidate and their committee.
- b. Candidate in General Elections for the Office of the Mayor:
 - 1. No person shall make to any candidate or their controlled committee, a contribution totaling more than one thousand seven hundred eighty-four dollars (\$1,784); and
 - 2. No candidate or their controlled committee shall accept contributions from person totaling more than one thousand seven hundred eighty-four dollars (\$1,784) cumulative between the candidate and their committee.
- c. The amounts established by this section shall be adjusted annually by a percentage equal to the San Francisco Bay Area All Urban Consumer Price Index (CPI). The City Clerk shall calculate such increase and post the contribution limit in a visible place in the City Clerk's Office and on the City's website.

SEC. 2-13.06 PERSONAL LOANS.

ATTACHMENT II

- a. ~~—— A candidate may take out personal loans for campaign purposes. Withdrawal of funds from a candidate's personal bank account or savings account does not constitute a loan. If a candidate has accepted the voluntary expenditure limits pursuant to Section 2-13.02, any personal or bank loans taken out by the candidate will count towards his or her voluntary expenditure limit.~~
 - b. ~~—— If any person, including a relative or friend of the candidate, gives or loans the candidate money in connection with his or her campaign, these funds are considered a contribution from the donor to the candidate's campaign, and is subject to the campaign expenditure limits set forth in Sections 2-13.02 and 2-13.03. This is true even if the candidate uses the funds for personal living expenses while campaigning.~~
 - c. ~~—— Personal bank loans are not considered contributions from the bank. Such loans must be taken out solely in the name of the candidate from a commercial lending institution. If a person cosigns or guarantees a loan with a candidate, even if a relative or friend, that loan would be considered a contribution and subject to the expenditure limits set forth in Sections 2-13.03 and 2-13.04. The candidate must file notice of the loan with the City Clerk within seven (7) days of receiving the loan proceeds. Both the candidate and the commercial lending institution must be disclosed as the sources of the loan.~~
 - d. ~~—— A candidate who does not accept the voluntary expenditure limits of Section 2-13.02 may make a series of personal loans to his or her campaign as long as the outstanding balance does not exceed one hundred thousand dollars (\$100,000.00) at the time of making the loans. If a candidate's personal loan balance has reached the one hundred thousand dollar (\$100,000.00) limit, the loan balance must be reduced before the candidate may make any additional loans to his or her campaign.~~
 - e. ~~—— Candidates who accept the voluntary expenditure limits of Section 2-13.02 may make a series of personal bank loans to his or her campaign as long as the outstanding balance does not exceed sixty-six thousand nine dollars (\$66,009.00), or whatever amount constitutes the current voluntary expenditure limit as calculated by the City Clerk, at the time of making the loans. If a candidate's personal bank loan balance has reached the voluntary expenditure limit, the loan balance must be reduced before the candidate may make any additional bank loans to his or her campaign.~~
- a. A candidate may take out personal loans for campaign purposes. Withdrawal of funds from a candidate's personal bank account or savings account does not constitute a loan.

- b. Personal bank loans are not considered contributions from the bank. Such loans must be taken out solely in the name of the candidate from a commercial lending institution. If a person cosigns or guarantees a loan with a candidate, even if a relative or friend, that loan would be considered a contribution. The candidate must file notice of the loan with the City Clerk within seven (7) days of receiving the loan proceeds. The candidate, the co-signer and the commercial lending institution must be disclosed as the sources of the loan.
- c. Candidates who accept the voluntary expenditure limits of Section 2-13.02 may make a series of personal bank loans to his or her campaign as long as the outstanding principal balance does not exceed the amounts set forth below, or whatever amount constitutes the current voluntary expenditure limit as calculated by the City Clerk, at the time of making the loans:
 - 1. Candidate in District Elections for City Council. Fifty thousand dollars (\$50,000.00).
 - 2. Candidate in General Elections for the Office of the Mayor. Ninety-one thousand ninety six dollars (\$91,096.00).
 - 3. If a candidate's personal bank loan balance has reached the voluntary expenditure limit, the loan balance must be reduced before the candidate may make any additional bank loans to his or her campaign.
- d. A candidate who does not accept the voluntary expenditure limits of Section 2-13.02 may make a series of personal loans to his or her campaign as long as the outstanding principal balance does not exceed one hundred thousand dollars (\$100,000.00) at the time of making the loans. If a candidate's personal loan principal balance has reached the one hundred thousand dollar (\$100,000.00) limit, the loan balance must be reduced before the candidate may make any additional loans to his or her campaign.
- e. If any person, including a relative or friend of the candidate, gives or loans the candidate money in connection with his or her campaign, these funds are considered a contribution from the donor to the candidate's campaign.

Section 2. California Environmental Quality Act. Adoption of this Ordinance is exempt from environmental review as the adoption of this Ordinance does not qualify as a "project" pursuant to the California Environmental Quality Act ("CEQA"), under Public Resource Code Section 21065 and CEQA Guidelines Section 15320, 15378, and 15061(b) (3) as there is no possibility that such action would cause either a direct, or reasonably foreseeable indirect, physical change in the environment.

Section 3. If any section, subsection, paragraph, or sentence of this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid, or beyond the authority of

ATTACHMENT II

the City of Hayward by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

Section 4. The effective date of this Article shall be thirty (30) days after its adoption by the City Council.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the __ day of __, 2025, by Council Member _____,

ADOPTED at a regular meeting of the City Council of the City of Hayward, held the __ day of _____, 2025, by the following votes of members of said City Council.

AYES:	COUNCIL MEMBERS:
	MAYOR:

NOES:	COUNCIL MEMBERS:
-------	------------------

ABSTAIN:	COUNCIL MEMBERS:
----------	------------------

ABSENT:	COUNCIL MEMBERS:
---------	------------------

APPROVED: _____
Mayor of the City of Hayward

DATE: _____

ATTEST: _____
City Clerk of the City of Hayward