



DATE: December 16, 2025

TO: Mayor and City Council

FROM: City Attorney
Development Services Director
Police Chief

SUBJECT: Temporary Moratorium: Adopt an Interim Urgency Ordinance Pursuant to Government Code section 65858, Imposing a Temporary Moratorium on New Massage Businesses in Hayward, and Finding that the Action is Exempt from Environmental Review

RECOMMENDATION

That the City Council adopts an interim urgency ordinance (Attachment II) imposing a temporary moratorium on new massage businesses in Hayward and finds that the action is exempt from environmental review under the California Environmental Quality Act (CEQA).

SUMMARY

Hayward Police Department (HPD) has become aware of instances of commercial sex work taking place at permitted and unpermitted massage businesses within the City. As a result, staff recommends that the City Council impose a temporary moratorium on new massage businesses in Hayward to allow time for city staff to develop a more effective approach to addressing this issue via land use approval and operational regulation of these businesses. During this moratorium no conditional use permits, massage permits, or business licenses would be issued for new massage establishments or existing establishments undergoing a change of ownership. Under current zoning regulations, massage businesses are allowed by right in the downtown core, but require a conditional use permit in some other commercial areas, and are completely prohibited in other parts of the city. Additionally, massage businesses must obtain an operating permit (massage permit) from HPD pursuant to Hayward Municipal Code Chapter 6, Article 10.

State law (Government Code section 65858) authorizes, as a means of protecting public health, safety and welfare, the adoption of an interim ordinance to establish a temporary moratorium on specified uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the City is considering, studying, or intends to study within a reasonable time. The urgency ordinance requires a 4/5 vote (6 affirmative votes) of the legislative body

and can last for up to 2 years (45 day initial term with initial extension up to 10 months, 15 days and subsequent extension up to 1 year).

FISCAL IMPACT

Adoption of the ordinance provided herein will have no additional fiscal impact. Staff is already working on this topic within normally budgeted hours.

BACKGROUND

HPD has become aware of instances of commercial sex work taking place at permitted and unpermitted massage businesses within the City. Although there are mechanisms in place to revoke existing permits for these types of violations, the lack of land use controls for massage businesses downtown creates challenges in processing new operating permit applications, and increases the risk that these new establishments will become hosts for commercial sex activity and human trafficking. A temporary pause in the issuance of new permits for massage businesses would allow city staff to consider alternative approaches to land use approval and operational regulation of these businesses.

New land use regulations, including stricter controls around massage establishments, could be incorporated into the Business Friendly Hayward project,¹ an effort aimed at “right-sizing” the use permit process among other things, which is currently underway and expected to be adopted in Spring 2026. The Planning Division is leading the Business Friendly Hayward Project and has already been in communication with HPD staff about potential changes to the Downtown Code, Zoning Ordinance, and Massage Permit Process to help address the issues discussed above. Additionally, HPD is collaborating with the City Attorney’s Office to develop amendments to the Massage Permit Ordinance to strengthen enforcement capabilities.

This item was presented to the Council Economic Development Committee on November 3, 2025.² The Committee members were supportive of the proposal and recommended presentation to the full City Council.

DISCUSSION

Massage establishments in Hayward are regulated through the Zoning Ordinance (Chapter 10, Article 1) and the Massage Permit Ordinance (Chapter 6, Article 10). Under current zoning regulations, massage businesses are allowed by right in the Downtown core,³ require a

¹ Business Friendly Hayward Project: <https://www.hayward-ca.gov/your-government/departments/planning-division/business-friendly-hayward-project>

² CEDC Meeting, November 3, 2025:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=7721816&GUID=59B00704-AABA-41CF-8C1A-669B6425EC1A&Options=&Search=>

³ HMC Section 10-28.2.3.010, Downtown Use Table:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH10PLZOSU_ART28DECO_ART10-28.2SPZO_DIV10-28.2.3USTA

conditional use permit (CUP)⁴ in select commercial districts, and are prohibited in all other parts of the city.

The Massage Permit Ordinance⁵ requires massage establishment operators to obtain a permit issued by the Police Chief, subject to specific conditions such as background checks for all owners and employees, state certification for all massage therapists, and compliance with operational requirements. Failure to comply with the requirements of the Massage Permit Ordinance can lead to suspension or revocation of a massage permit.

The HPD Vice Unit is responsible for enforcing the massage permit regulations. The unit is staffed with a detective and a sergeant who are responsible for reviewing massage permit applications, conducting background checks on applicants, investigating complaints, and initiating enforcement actions when necessary.

There are currently 17 permitted massage establishments in Hayward, with 10 of those establishments having complaints of illicit activity. One business recently had its massage permit revoked after an investigation revealed commercial sex activity taking place at the location. Additionally, HPD is aware of five unpermitted massage businesses in the city.

The combination of staffing challenges and suboptimal regulatory tools increases the risk of bad operators who may be engaged in human trafficking and commercial sex work operating massage establishments in the city, which poses a significant threat to public health and safety. Adoption of a temporary moratorium would allow staff an opportunity to assess how the current set of regulations can be modified to prevent and deter bad actors while ensuring that legitimate massage establishments have an opportunity to operate and provide massage services within the city.

Environmental Review - 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.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council’s Strategic Roadmap.

⁴ HMC Section 10-1.3200, Conditional Use Permit:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH10PLZOSU_ART1ZOOOR_S10-1.3200COUSPE

⁵ HMC Chapter 6, Article 10, Massage Permit Ordinance:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH6BU PRTR_ART10MAPEOR

NEXT STEPS

If adopted by a 4/5 vote (6 affirmative votes) of the Council, the moratorium will be in place for 45 days initially. A second hearing is tentatively scheduled for January 20, 2026 to consider extension of the moratorium. State law allows the moratorium to be extended initially for a maximum period of 10 months, 15 days, with a final extension up to one (1) year. However, staff anticipates that such a lengthy extension will not be necessary. Updated regulations are tentatively scheduled to be brought to the Council for consideration in Spring 2026.

Prepared by: Michael Vigilia, Senior Assistant City Attorney
Elizabeth Blanton, Senior Planner
Det. Gabrielle Wright, Hayward Police Department

Recommended by: Michael Lawson, City Attorney
Sara Buizer, Development Services Director
Bryan Matthews, Police Chief

Approved by:



Jennifer Ott, City Manager