



CITY OF HAYWARD

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Cover Memo

File #: ACT 19-129, **Version:** 1

DATE: May 9, 2019

TO: Homelessness-Housing Task Force

FROM: Deputy City Manager

SUBJECT

Consider Recommendations to the City Council Regarding Vacancy Decontrol Provisions within the Residential Rent Stabilization Ordinance

RECOMMENDATION

That the Homelessness-Housing Task Force (HHTF) receives and reviews the consultant's report regarding the vacancy decontrol provisions within the Residential Rent Stabilization Ordinance (RRSO) and considers a recommendation to Council on the decontrol provisions.

SUMMARY

The purpose of this report is to solicit direction from the HHTF regarding recommended amendments to the RRSO regarding permanent vacancy decontrol provisions. On February 19, 2019, the City Council demonstrated support for eliminating vacancy decontrol (Section 8) from the RRSO; however, there was also support for waiting for the findings from consultant, Management Partners, hired to evaluate the vacancy decontrol process. For clarification, the elimination of permanent decontrol would not interfere with a landlord's right to increase rents to market rate once a tenant voluntarily vacates a unit as required by state law.

Management Partners has concluded its report, which is included as Attachment II. Some of the key findings include:

1. Many of the housing units subject to the City's rent control ordinance are already decontrolled, leaving a very small number subject to the rent stabilization policies of the ordinance;
2. The City has historically viewed its role as a repository of decontrol applications as opposed to arbitrator of vacancy decontrol decisions;
3. Decontrol applications included the basic information required under the terms of the decontrol ordinance, yet applicants were not always required to provide receipts or other substantiation of improvements implemented; and
4. The current and historic improvement thresholds that allow a unit to qualify for vacancy decontrol are quite low and do not seem to reflect values that would indicate significant improvement was made to the property to justify it being rent decontrolled permanently.

While Management Partners also identified areas that could improve the administration of the decontrol process, their final recommendation emphasizes the need to establish a comprehensive set of housing policies that equitably address affordability and the needs of tenants and property owners because the permanent decontrol provisions may no longer be relevant. At the February 19, 2019 work session,

Council provided a framework for staff to start the work to develop a comprehensive set of housing policies and Council has initiated these actions with the extension of just cause for eviction protections to all rental units in the City of Hayward.

Based on previous Council direction and the Management Partner's findings, the HHTF could recommend the elimination of the permanent vacancy decontrol provisions because the Council is considering a broader package of rent stabilization policies and the decontrol provisions may have run their intended course. Alternatively, the HHTF could consider a recommendation to significantly increase the improvement threshold for decontrol.

Staff anticipates returning to City Council with proposed legislation reflecting the recommendations of the HHTF as part of a comprehensive tenant protection policy on May 21, 2019.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Vacancy Decontrol Report by Management Partners