



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: LB 20-049, **Version:** 1

DATE: November 10, 2020

TO: Mayor and City Council

FROM: Deputy City Manager

SUBJECT

Residential Rent Stabilization and Tenant Protections: Introduce an Ordinance Amending Chapter 12, Article 1 of the Hayward Municipal Code Relating to Residential Rent Stabilization and Tenant Protections to Modify the Rent Increase Threshold to the Annual Change in the Consumer Price Index (CPI) with a Maximum and Minimum

RECOMMENDATION

That Council considers a recommendation from the Homelessness-Housing Task Force (HHTF) to adopt an Ordinance amending Chapter 12, Article 1 of the Hayward Municipal Code lowering the rent increase threshold from 5% to the annual percent change of Consumer Price Index (CPI), but no lower than 2% and not to exceed 5%.

SUMMARY

On July 14, 2020, City Council directed staff to analyze alternative lower rent stabilization thresholds for HHTF consideration. Staff presented an analysis of four different threshold options to the HHTF on September 3, 2020.

The HHTF reviewed staff's analysis of the benefits and challenges of using 1) a fixed percentage threshold, as established in the City's current rent stabilization ordinance, and 2) a threshold based on an established economic index, including three different potential indices. Following public comment and discussion, the HHTF voted two to one to recommend lowering the threshold from a fixed 5% to 100% of the annual change in the area Consumer Price Index (CPI), with a ceiling of 5% and a floor of 2%. With a 5% ceiling and 2% floor, the threshold would always fall within the range of 2% to 5%, regardless of the annual change in CPI.

This report summarizes staff's evaluation of potential thresholds and the HHTF's recommendation. Should Council decide not to adopt the HHTF recommendation to lower the threshold, the current threshold of 5% would be maintained. If Council approves the HHTF recommendation, staff proposes that the rent increase threshold would go into effect and change every January 1.

ATTACHMENTS

Attachment I Staff Report
Attachment II Amendment to RRSO