



**DATE:** April 21, 2026

**TO:** Mayor and City Council

**FROM:** City Attorney  
Police Chief

**SUBJECT:** Massage Permits: Introduction of an Ordinance Amending Article 10, Chapter 6 of the Hayward Municipal Code Relating to Massage Permits and Finding that the Action is Exempt from Environmental Review.

### **RECOMMENDATION**

That the City Council introduces the attached ordinance (Attachment II) amending Article 10, Chapter 6 of the Hayward Municipal Code, relating to Massage Permits, and finds that the action is exempt from environmental review.

### **SUMMARY**

On December 16, 2025, the City Council adopted Ordinance No. 25-16, an interim urgency ordinance imposing a 45-day moratorium on approval of new massage businesses in Hayward. On January 27, 2026 the City Council adopted Ordinance No. 26-02, extending the moratorium for an additional 10 months, 15 days as allowed by state law. 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 the Hayward Police Department pursuant to Hayward Municipal Code Chapter 6, Article 10. The attached ordinance contains amendments to regulations relating to issuance of massage permits that are intended to enhance enforcement capabilities, including expanded basis for suspension or revocation of permits.

The Business Friendly Hayward project led by the Planning Division includes amendments to the Zoning Ordinance that impose stricter land use controls around massage establishments. Introduction of the Business Friendly Hayward amendments are taking place separately but in conjunction with the introduction of the updated massage regulations contained in the attached ordinance.

## **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. Adoption of the moratorium on new permits for massage businesses has provided City staff time to develop alternative approaches to land use approval and operational regulation of these businesses that will provide greater safeguards for the community.

The following example provides an illustration of the significant public health and safety risk posed by massage establishments, and the need for more robust local regulations: shortly before the 45-day moratorium was adopted, the Santa Clara County District Attorney's Office announced the arrest of three individuals who are suspected of running a network of brothels in the Bay Area, including one in Hayward.<sup>1</sup> According to the Santa Clara District Attorney, the brothels were operating under legal cover as massage parlors. The Hayward Police Department collaborated with multiple agencies at the local, state and federal levels on the investigation that led to the arrests of the suspects and identification of over 40 women involved in commercial sex work at the brothels.

## **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,<sup>2</sup> require a conditional use permit (CUP)<sup>3</sup> in select commercial districts, and are prohibited in all other parts of the city.

The Massage Permit Ordinance<sup>4</sup> 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.

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<sup>1</sup> <https://da.santaclaracounty.gov/operation-family-ties-das-human-trafficking-task-force-busts-brothel-network-worth-millions>

<sup>2</sup> 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](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH10PLZOSU_ART28DECO_ART10-28.2SPZO_DIV10-28.2.3USTA)

<sup>3</sup> HMC Section 10-1.3200, Conditional Use Permit:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAMUCO\\_CH10PLZOSU\\_ART1ZOOOR\\_S10-1.3200COUSPE](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH10PLZOSU_ART1ZOOOR_S10-1.3200COUSPE)

<sup>4</sup> HMC Chapter 6, Article 10, Massage Permit Ordinance:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH6BU PRTR\\_ART10MAPEOR](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH6BU PRTR_ART10MAPEOR)

The Hayward Police Department 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, the Hayward Police Department is aware of several unpermitted massage businesses in the city.

The combination of staffing challenges and suboptimal local 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. Some of the proposed amendments to the Massage Permit Ordinance include:

- Expanded definition of “owner or operator” that includes anyone listed on a business license, any general or limited partners or shareholders, or any person with a 5% or greater ownership interest in the business.
- Requiring an applicant for a massage business permit to provide the name and contact information of the property owner where the business will be located, as well as a copy of the lease for the premises, or a notarized acknowledgement by the property owner that they are aware of the nature of the business conducted by their tenant.
- Expanded basis for suspension or revocation of permits, including if specified acts that constitute criminal offenses involving sexual activity have taken place, whether or not criminal charges have been pursued.
- Prohibiting use of sexually suggestive advertising related to massage services and
- Changing duration of permit from two (2) years to one (1) year.

*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.

## **FISCAL IMPACT**

The recommendations provided herein will have no additional fiscal impact.

## **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.

## **NEXT STEPS**

If introduced by the City Council, the Ordinance will return for adoption and take effect 30 days thereafter. The moratorium adopted by Ordinance No. 26-02 will terminate upon the effectiveness of the attached ordinance and the Business Friendly Hayward amendments.

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

*Recommended by:* Michael Lawson, City Attorney  
Bryan Matthews, Police Chief

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott".

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Jennifer Ott, City Manager