



DATE: June 29, 2026
TO: Housing Policy & Resource Committee
FROM: Deputy Director of Development Services
SUBJECT: Work Session Update on the Feasibility of a Rental Registration System

RECOMMENDATION

That the Housing Policy & Resource Committee receives an update and continues to postpone further consideration of a Rental Registration System until the financial outlook of the City of Hayward improves and the City can identify an ongoing funding source to offset the indirect fiscal impacts.

SUMMARY

In September of 2025, staff presented a report to the City Council on the feasibility of implementing a Rental Registration System (RRS) in the City of Hayward. The report presented benefits and challenges, including an estimated annual cost of \$250,000 to the General Fund. At that meeting, Council directed staff to continue to explore the concept and return in a year. The main concern was starting a new major program with staffing impacts and new costs considering the City’s financial challenges and recent staffing reductions.

Since that time, staff has continued evaluating the potential for a new RRS program, as well as a third-party software to streamline the administrative functions of a potential RRS. Staff generally support pursuing an RRS. However, staff continues to recommend postponing further consideration of an RRS due to: 1) a funding gap to pay for indirect costs, 2) ongoing staffing reductions across the City that create risk for implementing and managing a new major program, and 3) caution over raising fees for landlords at the same time as pursuing the business license tax modernization that is also increasing costs to landlords. This report outlines the operational and fiscal considerations of an RRS and recommends returning to the HPRC next year with an update on the availability of funding, including consideration of funding from the General Fund, Affordable Housing Special Revenue Funds, and development fees to cover the indirect fiscal impacts.

FISCAL IMPACT

There is no fiscal impact for receiving this work session report.

Should the City Council move forward with the RSS as outlined in this report, there would be additional staffing and software implementation and maintenance costs for management and enforcement as outlined in this report. While most of these costs would be funded through the Rent Program Fees, there would be an annual impact of between approximately \$230,000 to \$350,000 (subject to increase over time) on either the General Fund or Affordable Housing Special Revenue Funds for indirect costs related to decoupling staff costs currently shared among the distinct housing programs. These current cost estimates are based on further research and analysis conducted since last year and the latest cost increases for staff salaries and benefits.

BACKGROUND

Residential Rent Stabilization & Tenant Protection Ordinance Adoption

On July 25, 2019, the City Council adopted a new Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) to improve housing stability for Hayward tenants.^{1 2} The key components of the RRSO include:

Regulations applicable to all pre-1979 units (“Covered Rental Units” or “CRU”) except single-unit properties consistent with State law, which is approximately 11,500 units:

- Mediation and arbitration to resolve rent increase disputes and ensure compliance with the rent increase limits, capital improvement pass-through and landlord’s right to a fair return as established in the RRSO.

Regulations applicable to all rental units (“RU”):

- Provisions to protect Section 8 voucher holders from discrimination;
- Requirements that landlords file rent increase notices and eviction notices with the City to obtain data about rental housing activity;
- Tenant retaliation protection provisions; and
- Just Cause for tenant evictions

Evaluation of a Rental Registration System

An RRS serves as a database of rental information within a jurisdiction that includes information regarding the property owner or manager, tenant, the rental unit, and rent, updated annually by the property manager/landlord.

This system enables staff to monitor whether rent increases for Covered Rental Units are compliant with the RRSO’s provisions, track rent increases, and maintain contact

¹ Residential Rent Stabilization & Tenant Protection Ordinance:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH12HO_ART1RERESTTEPR

² February 19, 2019, City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3863371&GUID=E3FF2A1F-D770-463F-ACC2-8EBEFC711CF3>

information of landlords and their respective tenants.³ Moreover, an RRS would provide policymakers with data-driven evidence for future policies related to housing and community development. For these reasons, staff support pursuing the implementation of an RRS. Neighboring jurisdictions like the Cities of Oakland, Berkeley, and Alameda have launched a rent registry, and the City of San Leandro is in the process of implementing its rent registry. Staff anticipate that the development of an RRS from start to finish requires between 24-36 months for implementation. Table 2 below summarizes the benefits and challenges of an RRS.

Table 2. RRS Benefits and Challenges

Benefits	Challenges
<ul style="list-style-type: none"> • Proactive enforcement of the rent increase limits for CRUs • Availability of micro-level rental inventory data • Improved data accuracy and accessibility • Increased compliance with rent program fees • Support for strategic enforcement and inspections* 	<ul style="list-style-type: none"> • Ongoing implementation and operational costs* • Compliance requirements for rental property owners • Increased administrative complexity* • Potential privacy concerns regarding sensitive information • Infeasible regional collaboration with neighboring jurisdictions

**Depending on the software used, this benefit or challenge may not be realized*

Past Reports to the City Council on RRS

On December 7, 2023, staff provided the then-Housing and Homeless Task Force (HHTF) with an overview of what an RRS may consist of.⁴ The HHTF broadly supported pursuing the benefits accompanying an RRS and recommended that the City Council include an evaluation of creating a rental registration system as part of the FY 2025 Strategic Roadmap.

On June 4, 2024, the City Council adopted the FY 2025 Strategic Plan, which included a proposed special project to evaluate the option of creating an RRS.⁵ Staff returned to the Housing Policy & Resource Committee (HPRC, formerly the HHTF) on March 20, 2025, to

³ Under current RRSO provisions, landlords for Covered Rental Units can increase rent by 5% once every 12 months or bank increases for up to 10%.

⁴ December 7, 2023 Homelessness-Housing Task Force Staff Report and Materials: <https://hayward.legistar.com/LegislationDetail.aspx?ID=6441050&GUID=784D448D-B0B2-4C53-8C60-AEEAA1179607&Options=&Search=>

⁵ June 4, 2024 City Council Staff Report and Materials: <https://hayward.legistar.com/LegislationDetail.aspx?ID=6712541&GUID=FC1C8272-3788-4EEE-B855-19B21D44EFAE&Options=&Search=>

present staff's evaluation of an RRS.⁶ The HPRC was divided in its support for an RRS and recommended that the full City Council discuss the feasibility of an RRS.

On September 2, 2025 the item was presented to the full City Council.⁷ Staff shared a proposal for implementing an RRS that would involve hiring additional staff, including the reinstatement of the Housing Division Manager. This proposal estimated a fiscal impact to the General Fund of approximately \$250,000 each year. Due to the General Fund deficit, the City Council acknowledged the lack of fiscal capacity to undertake the RRS. At that meeting, the City Council directed staff to continue to evaluate an RRS and return with an update in a year (September 2026).

DISCUSSION

Since the September 2025 Work Session, staff have evaluated a potential RRS further and researched software that would streamline some of the staffing requirements for the RRS program. Based on further analysis, staff determined that the RRS still requires an ongoing funding source to cover indirect fiscal impacts as described in this section.

Implementation Software

Staff identified a software company that can automate critical functions required for successfully implementing an RRS. The company can absorb functions like processing check payments, sending mailers, and reviewing exemptions that staff would otherwise manage in-house, including paper-based submittals. Furthermore, the company would provide a call center for landlords to contact for inquiries related to rent registry requirements, assistance with registration and fee payments, and inquiries about general ordinance administrative requirements.

Based on conversations with neighboring jurisdictions that utilize this company to manage their rent registries, these capabilities would streamline the City's clerical responsibilities and reduce administrative burden that would otherwise require hiring additional administrative staff. The City would still need to hire staff to fulfill the outreach and managerial responsibilities of the program which is estimated to be two full-time employees (FTEs).

Personnel Analysis

Staff have evaluated multiple configurations of the Housing Division to ensure that both the Rent Review Team and the Affordable Housing Development Team would maintain adequate managerial and clerical support. As stated above, staff estimate that up to two FTEs will be required to implement the RRS.

⁶ March 20, 2025 Housing Policy & Resource Committee Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7261689&GUID=0874D000-DC7A-483A-8795-F9450BC7B020&Options=&Search=>

⁷ September 2, 2025 City Council Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7642055&GUID=E0D68AB1-5376-4671-B34C-EABB3AB4A554&Options=&Search=>

As the RRS will require its own dedicated managerial and clerical support, the addition of the RRS program to the RRSO housing team creates a staffing deficiency for the Affordable Housing Development team who are currently supported by existing management and clerical staff. Based on further analysis and increased salaries and benefits, upon implementation of the RRS it is estimated that there is a need for approximately \$230,000 - \$350,000 annually to cover the costs related to decoupling staff costs currently shared among the distinct housing programs. Costs would vary depending on how the program is ultimately staffed at the time of implementation.

Further staff analysis will be required to determine if affordable housing related funding sources can support the \$230,000 to \$350,000 in currently shared staffing needs of the affordable housing development team. The City’s Affordable Housing Special Revenue Funds primarily support the development of affordable housing and can be used to cover personnel costs associated with the development and monitoring of affordable housing not to exceed the administrative cap. Additionally, staff can evaluate the revenue generating potential from recently adopted fees and evaluate if new development fees to support the cost of the affordable housing development team are appropriate.

Staff evaluated if the City could charge a fee that would cover the costs of both the RRS and other housing functions. Fees are charged for a specific service, such as a rent registry, while a tax is charged for public service and requires voter approval. Inclusion of general housing costs not related to an RRS program would not likely fall within the definition of a fee. Therefore, a fee could not cover the costs of the entire housing division.

Given the annual \$230,000 to \$350,000 funding gap of the City implementing an RRS, staff will continue to evaluate potential funding sources, including funding from the General Fund, special revenue funds, and additional development-related fees to address staffing needs of the affordable housing development team. Over the next year, staff will monitor development revenue, conduct further evaluation, and return to the HPRC next year to give an update regarding the status.

RRS Fee Analysis

Currently, Rent Program Fees fund all personnel and operational costs for implementing the Rent Review Program. As described above, adding an RRS will require additional staff and dedicated managerial and administrative staff to administer the RRS and ensure compliance. Table 6 below compares the current rates for the Rent Review Program with a proposed rate that would fund the additional anticipated RRS costs.

Table 6. Proposed Rent Program Fees Per Unit Per Year

RENT REVIEW FEES	CURRENT RATE	PROPOSED RATE
Covered Rental Units (subject to rent increase dispute resolution process)	\$66	\$118
Rental Units (No rent increase dispute process available)	\$32	\$71

Currently, staff estimates that an annual fee of \$118 for Covered Rental Units and a \$71 for Rental Units be required to implement an RRS. Based on the automation proposed by the new software company, the proposed fee has decreased, since the last report, due to the reduced need for clerical support. It is anticipated that these fees will increase as personnel costs increase. Covered Rental Units are subject to a higher fee to offset the costs of providing free mediation and arbitration services to tenants and landlords for resolving rent increase disputes. Tenants and landlords of Rental Units are ineligible for using these services.

While these are the City fees for the Rent Review Program, landlords would also be required to pay the software company additional fees per property, the number of additional units, if any, on the property, and CPI adjustments. Tentatively, this would amount to \$20 per account with one residential unit plus \$7 per additional unit, and CPI adjustments on an annual basis. Table 8 shows the fees a landlord would pay for the Rent Review Program.

Table 7. Current and Proposed Rental Review Program Fees

RRSO (PROPOSED)		
Covered Rental Unit	\$118	Per unit
Rental Unit	\$71	Per unit
Annual Rental Registration System COSTS (TENTATIVE)		
Registration Cost	\$20	Per property
	\$7	Per each additional unit on property
	+ CPI	Per change each calendar year

Tables 8A, 8B, 8C, and 8D lay out sample scenarios of the estimated annual fees that a landlord may owe, comparing the costs before and after RRS implementation.

Table 8A: Landlord with 1 Rental Unit

PROGRAM	ESTIMATED FEE WITH RRS	CURRENT FEE
RRSO	\$71.00	\$32
RRS Registration*	\$20.55	-
TOTAL	\$91.55	\$32

Table 8B: Landlord with 5 Covered Rental Units

PROGRAM	ESTIMATED FEE WITH RRS	CURRENT FEE
RRSO	\$590.00	\$330
RRS Registration*	\$49.31	-
TOTAL	\$639.31	\$330

Table 8C: Landlord with 10 Rental Units

PROGRAM	ESTIMATED FEE WITH RRS	CURRENT FEE
RRSO	\$710.00	\$320
RRS Registration*	\$85.26	-
TOTAL	\$795.26	\$320

Table 8D: Landlord with 150 Covered Rental Units

PROGRAM	ESTIMATED FEE WITH RRS	CURRENT FEE
RRSO	\$17,700.00	\$9,900
RRS Registration*	\$1,091.99	-
TOTAL	\$18,791.99	\$9,900

Staff's proposed Rent Program Fees are within the range of fees charged by neighboring cities, except for the City of Berkeley. Berkeley's fees significantly exceed those of neighboring jurisdictions. Table 9 below shows the fees for rent-controlled and unregulated units (equivalent to Hayward's CRUs and RUs) in other Bay Area jurisdictions with a Rent Review Program in comparison to Hayward's existing and proposed Rent Program Fee.

Table 9. Rent Program Fees of Bay Area Jurisdictions with Rent Review Programs

CITY	RENT PROGRAM FEES (PER UNIT PER YEAR)	
	<i>Rent-Controlled Units</i>	<i>Unregulated Units</i>
City of Hayward (Proposed)	\$118*	\$71*
City of Alameda	\$170	\$114
City of Berkeley	\$397	\$244
City of Mountain View	\$130	
City of Oakland	\$137	

**Does not include RRS registration costs, which are approximately \$7 - \$20 per unit*

ECONOMIC IMPACT

If the City Council authorizes the creation of an RRS, implementation will require an increase in Rent Program Fees, which could negatively impact landlords. The RRSO permits landlords to pass through 50% of the per-unit fee to tenants, which may offset some of the cost for landlords but could increase the financial burden on tenants. These fees would be in addition to landlords' current annual Residential Rental Inspection Program. Furthermore, the City Council has placed a measure on the November 2026 ballot to modernize the Business License Tax. If passed by the voters, this will also raise costs for landlords.

At the same time, an RRS could strengthen the City's residential rent stabilization efforts by promoting greater transparency and reducing noncompliant rent increases. Over time, this may help decrease renter housing burdens and allow tenants to retain more disposable income, potentially benefiting the local economy.

PUBLIC CONTACT

Staff has surveyed Cities that have implemented the alternative means for an RRS. Generally, the Cities supported this alternative implementation tool, stating the benefits of a call center significantly outweigh the costs of hiring additional staff in-house. Additionally, staff previously engaged with the East Bay Rental Housing Association (EBRHA) to discuss potential challenges, best practices, and insights from landlords and property managers regarding the implementation and administration of an RRS. EBRHA recommended that the City pursue an intermediary process in which the City streamlines fees for rental properties through the business license tax process. However, streamlining through the business license tax process would neither result in granular data for unit-by-unit rents nor provide a proactive enforcement of the RRSO. Staff will continue to explore efficiencies related to the implementation of both the modernized business license tax and a potential RRS Program.

Tenants have largely supported the creation of an RRS. During meetings with the then-HHTF and HPRC, tenants have stated their support for creation of an RRS to prevent unlawful rent increases and deter displacement. Furthermore, the 2025 Hayward Community Survey indicated that 74% of residents believe that the cost of housing is an extremely or very serious problem.⁸

QUESTION FOR DISCUSSION

Does the HPRC support staff's recommendation to return to the Committee next year with an evaluation of the City's financial and staffing situation and potential identification of sufficient ongoing revenue that could absorb the annual costs \$230,000 - \$350,000, subject to increase?

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect & Produce Housing. Specifically, this item relates to the implementation of the following project(s):

Project HP10: Evaluate the option of creating a rent registry to obtain better data on rent increases, evictions, and occupancy

NEXT STEPS

If the HPRC supports further consideration of the RRS, staff will reconvene the HPRC within a year to discuss potential funding strategies associated with the annual \$230,000 to \$350,000 cost.

⁸ April 22, 2025 City Council Staff Report and Materials:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7349062&GUID=38E88327-D77A-43EA-8FC4-A8BB67CE22B7&Options=&Search=>

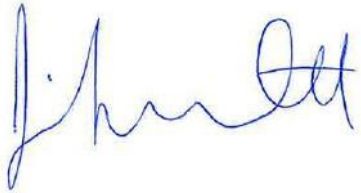
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