



DATE: May 19, 2026

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Project Sentinel for Fiscal Year 2027 in a Not-to-Exceed Amount of \$210,000 to Provide Mediation, Arbitration, and Education Services Related to the Residential Rent Stabilization and Tenant Protection Ordinance and Mobilehome Space Rent Stabilization Ordinance

RECOMMENDATION

That the City Council adopts a resolution (Attachment II) to authorize the City Manager to execute an agreement with Project Sentinel to provide mediation and arbitration services, administrative support, and outreach and educational services related to the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) and Mobilehome Space Rent Stabilization Ordinance (MRSO) in an amount not-to-exceed \$210,000 for Fiscal Year 2027.

SUMMARY

As part of the RRSO, the City provides a mandatory mediation program with binding arbitration to resolve rent increase disputes for tenants of covered rental units. Project Sentinel currently administers the RRSO rent dispute resolution process, including providing mediation and arbitration services, administrative support, and outreach and education support. Project Sentinel has reliably provided these services for many years and their current contract with the City will expire on June 30, 2026.

The Project Sentinel agreement is paid from Rent Review Fund and funded by payments from the annual Residential Rent Stabilization Fee. The fee supports the administration of the RRSO, the MRSO, and the Tenant Relocation Assistance Ordinance (TRAO). The Operating Budget will cover the cost associated with this contract with Project Sentinel. Staff has accounted for a shift of \$30,000 within the proposed Rental Housing Program operating budget to provide Project Sentinel with sufficient funds for translation service requests. The total fiscal impact will be equal to the amount budgeted for FY 2027, and there is no additional impact to the Rental Housing Program Fund.

FISCAL IMPACT

There are sufficient funds budgeted in the proposed FY 2027 Operating Budget to cover the cost associated with this item, and there is no additional impact to the Rental Housing Program Fund and no impact to the General Fund.

BACKGROUND

On June 19, 2019, the City Council approved adding Chapter 12 to the Hayward Municipal Code (HMC) to adopt a new Residential Rent Stabilization and Tenant Protection Ordinance to mitigate displacement of Hayward residents.¹ Included in the RRSO is a mediation and binding arbitration program in which tenants living in units covered by the residential rent threshold provision of the ordinance (HMC Section 12-1.05) have access to free mediation and arbitration services such as when they receive a rent increase greater than five percent, a health or safety violation exists, there is a reduction in housing services, they do not receive a lawful notice of a rent increase, and they receive an increase in utility costs of more than one percent of their current rent and fail to provide supporting documentation. The MRSO also includes an arbitration program. The City entered into agreements with Project Sentinel to support its administration of the RRSO and MRSO since before FY 2018. Each year, staff provide an RRSO implementation update to the Housing Policy & Resource Committee (HPRC), formerly known as the Homelessness-Housing Task Force (HHTF). The RRSO implementation update from the December 2025 HPRC meeting provides a more detailed discussion of Project Sentinel's role and the implementation of the RRSO.²

DISCUSSION

As part of the RRSO, the City provides a mandatory mediation program with binding arbitration to resolve rent increase disputes for tenants of covered rental units. Project Sentinel currently administers the mediation and arbitration program and provides educational workshops to advise tenants and landlords of their rights and responsibilities under the City's RRSO. A key component of the work Project Sentinel does to support the City's implementation of the RRSO is ensuring that petitions move through the workflow within the timeframes established by the RRSO and contracting with a panel of mediators and arbitrators to provide services established under the RRSO and MRSO. The City contracted with Project Sentinel prior to FY 2018, with their scope expanding in FY 2020 to account for the adoption of the new RRSO in July 2019.

¹ June 19, 2019 City Council Meeting Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=3985848&GUID=52D1B678-D6BB-401A-AB3C-8990885C0CDD&Options=ID|Text|&Search=rent+stabilization>

² December 18, 2025, Housing Policy & Resource Committee Staff Report and Attachments:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=7783849&GUID=FA830759-E06F-419B-9553-821BB4B5A766&Options=&Search=>

For FY 2027, staff accounted for a shift of \$30,000 from translation services to Project Sentinel within the proposed operating budget. Previously, the City would use this \$30,000 to purchase translation services on behalf of Project Sentinel. However, the City's facilitation resulted in minor delays and inefficient, administrative involvement from the City during the rent dispute resolution process. The City will maintain \$20,000 for translation services in the Housing operating budget to cover translations of new documents or other materials produced by Staff.

Staff recommend the City Council adopt a resolution authorizing the City Manager to negotiate and execute an agreement with Project Sentinel to support the implementation of the RRSO and MRSO in FY 2027.

ECONOMIC IMPACT

There is no immediate economic impact with consideration of this report.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Preserve, Protect, and Produce Housing. This item is not specifically related to a project identified in the Strategic Roadmap.

PUBLIC CONTACT

There has been no public comment related to this item.

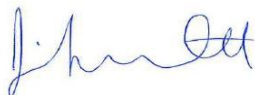
NEXT STEPS

If this item is approved, staff will enter into an agreement with Project Sentinel to provide the services described in this report.

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Recommended by: Sara Buizer, AICP, Director of Development Services
Christina Morales, Deputy Director of Development Services
Leigha Schmidt, Principal Planner

Approved by:



Jennifer Ott, City Manager