



DATE: February 3, 2026

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT: Residential Rent Stabilization and Tenant Protection Ordinance: Introduction of an Ordinance Amending Chapter 12, Article 1 of the Hayward Municipal Code to Extend the Arbitration Decision Deadlines and Include a Cost Recovery Process Consistent with Other Housing Program Fees

RECOMMENDATION

That the City Council introduces an Ordinance (Attachment II) amending Sections 12-1.07(j)(7) and 12-1.17 of Article 1, Chapter 12 of the Hayward Municipal Code that extends the arbitration decision deadline and includes a cost recovery process consistent with the process used for the Residential Rental Inspection Program (RRIP).

SUMMARY

The current Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) requires a 20-day deadline for arbitrators to render a decision during the rent dispute resolution process and does not include an effective cost recovery process for the Rent Review Program. Specifically, arbitrators have raised concerns that the 20-day deadline does not provide sufficient time to render their decisions, and staff remains limited in its ability to ensure a full cost recovery from the program. To remedy these administrative issues, staff recommend modifying the RRSO to:

- Extend the arbitration decision deadline from its current 20-day deadline to a 30-day deadline; and
- Provide the City with authority to impose assessments on rental properties when landlords fail to pay their annual RRSO fee similar to the process for collecting late or unpaid fees for the RRIP thus allowing for a fully merged and combined billing process for all rental housing program fees.

Attachment II shows these changes with redlines to the existing RRSO.

FISCAL IMPACT

This report proposes minor amendments that would not create a fiscal impact on the City's General Fund. Rather, it provides an opportunity to better recover costs for the Rent Review Program by aligning the fee collection process for all rental housing program fees. The alignment in rental housing program billings will create administrative efficiencies and better equip City staff in collecting outstanding delinquent fees.

BACKGROUND

On June 18, 2019,¹ the Council approved the introduction of a new RRSO to implement renter protections and improve housing stability for Hayward tenants. Staff and community partners conducted a comprehensive and community inclusive process, including specific direction provided by the Council on February 19, 2019,² a community workshop on April 6, 2019, and numerous subsequent then-Homelessness-Housing Task Force (HHTF) meetings, to develop the RRSO. Key components of the RRSO, passed in June 2019 and made effective on July 25, 2019, include:

- Mandatory mediation program with binding arbitration for tenants upon rent increases greater than five percent and applicable to all pre-1979 units except single-unit properties including condominiums consistent with State law;
- 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.

On December 18, 2025, the Housing Policy & Resource Committee (HPRC) received an annual update regarding Hayward's Rental Housing Programs, including the RRSO/Rent Review Program.³ HPRC members agreed with staff's proposals to amend the Ordinance as proposed. During discussion about the item, a member of the HPRC inquired about considerations for other amendments to the RRSO, such as reexamining the five percent rent cap, banking provisions, and stronger enforcement of noticing requirements and suggested that discussions of those possible amendments could be paired with the administrative amendments proposed in this report. However, since the amendments in this report are minor, staff recommended that the City Council consider more significant policy issues and

¹ June 18, 2019, City Council Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=3985848&GUID=52D1B678-D6BB-401A-AB3C-8990885C0CDD&Options=&Search=>

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

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

³ December 18, 2025, Housing Policy & Resource Committee:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=7783849&GUID=FA830759-E06F-419B-9553-821BB4B5A766&Options=&Search=>

amendments to the RRSO in the context of broader, structural changes to the RRSO in conjunction with the Rental Registration System (RRS), which is slated for consideration later this calendar year.

DISCUSSION

Staff propose that the City Council adopt two minor administrative amendments to the RRSO to minimize the burden on arbitrators and to ensure cost recovery for RRSO fees. Additional information about each amendment is provided below.

Extending Timeline for Arbitration Decisions

Tenants and landlords who file petitions to the Housing Division undergo the rent dispute resolution process, administered through Project Sentinel.⁴ Disputes may be referred to arbitration, in which the hearing officer (the arbitrator) renders a decision based on testimonies, submittal of evidence, review of applicable legislation and factual findings. Currently, the RRSO allows the arbitrator for up to 20 days following the closure of the hearing to complete their review of evidence and legislation and to render a decision. Staff received feedback from arbitrators that the 20-day timeline for issuing decisions is difficult to meet. Thus, staff recommend extending this timeline to 30 days to ensure adequate timeframes.

A 30-day deadline aligns with other Bay Area jurisdictions' rent review programs, including the Cities of San Jose, Alameda, Mountain View, and East Palo Alto, while Oakland does not impose a time limit. One member of the HPRC inquired about whether extending the deadline would negatively impact tenants by delaying the issuance of a decision. While a marginal impact is expected, staff do not believe that the ten-day extension will result in significant impacts to tenants. However, the extension will be consistent with other Bay Area jurisdictions and support the arbitrators who are handling these cases.

Fee Collection

Each year, landlords must pay \$66 per Covered Rental Unit and \$32 per non-covered Rental Units to fund all personnel and operational costs for implementing the Rent Review Program. In FY25, the Housing Division collected about \$900,000 in payments for the Rent Review Program. However, staff estimate that an additional \$160,000 remains outstanding.

While the current process imposes a late penalty on delinquent accounts, recovering these fees remains difficult because there is no enforceable penalty for property owners, thus limiting the City's ability to ensure full cost recovery for the Rent Review Program. To strengthen compliance, staff recommend amending the Ordinance to authorize the City to

⁴ See [HMC SEC. 12-1.07](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH12HO_ART1RERESTTEPR_S12-1.07THREDIREPR) for more information about the rent dispute resolution process:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAMUCO_CH12HO_ART1RERESTTEPR_S12-1.07THREDIREPR

place assessments on rental properties when landlords fail to pay their annual RRSO fee. Allowing assessments would provide a more reliable mechanism for collecting outstanding fees. In addition, the RRIP already authorizes the City to impose assessments for delinquent payments. Aligning the RRSO enforcement process with the RRIP would promote consistency and reduce administrative inefficiencies.

ECONOMIC IMPACT

This report provides an update on the implementation progress of Hayward's Rental Housing Programs that would have minimal economic impact to the community.

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

The Housing Division has proposed these minor administrative amendments based on feedback from Project Sentinel and experience with administering the annual RRSO billing cycle. No additional stakeholder engagement has been conducted.

NEXT STEPS

If the proposed legislation is approved, the second reading will take place on February 17, 2026, and take effect thirty days after adoption.

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