

# Project Sentinel Presents:



## Hayward Ordinance Overview for Tenants

**Their  
House**



**Your  
Home**

# Agenda:



- Allowable Increases for Covered Rental Units
- Dispute Resolution and Petitions for covered units
- Better Tenant Protections affecting ***All Units***
  - Just Cause Eviction
  - Harassment/Retaliation
  - Stopping income source bias
- Additional Notice requirements
- Contacts and Resources

# Please note:



This presentation is not legal advice.



# RRSO Rent Increases

# Covered Rental Units



- Most Residential Units built on or before July 1 1979 are Covered
- Key Exceptions:
  - Single Family Home
  - Care Facilities
  - Hotels
  - Lodgers
  - Government subsidized housing
  - ADUs where owner is in main unit
- Covered units **must** be notified under the ordinance.

# Basic Rule for Rent Increases:



- One increase per year
- 5% Rent Increase Threshold (RIT)

# Some exceptions: Banking



- If a LL increases rent less than 5% this year, they may be able to increase it more than 5% in a subsequent year
- If a LL uses a banked increase, the total increase cannot exceed 10% in that year
- Example:
  - LL increases rent 3% this year
  - Next year, LL can increase rent  $5\% + 2\% = 7\%$

# Some exceptions: Fair Return



- LL may petition the city to increase rent more than 5% in any given year based on a claim for fair return on investment
- Requires an arbitrator's decision to support the petition
- Tenants will receive notice of LL's petition so that tenants may respond

# Some exceptions: Utility increases



IF

- the lease provides that Tenant will pay utility costs separate from rent *and*
- there are no individual meters, *and*
- the new INCREASE is more than 1% of current rent amount

THEN Tenant may

- request supporting documents (must be done within 60 days of the notice) *and*
- challenge the utility increase if the LL fails to provide the supporting documentation (petition for utility pass-through Review)
- Not considered a Rent increase

# Some exceptions: Capital Improvements



- If LL invests money to improve the property for the benefit of all tenants, LL may petition to charge tenants a part of that cost for a limited time
- Requires Arbitrator decision supporting the petition
- Not considered a rent increase
- An approved Capital Improvement Pass Through will end at a prescribed date

# Protections cannot be waived



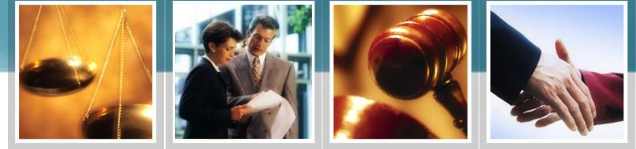
For covered units, any clause in a lease which asks tenant to waive these rights/protections is unenforceable.

# Note: Urgency Ordinance



- Moratorium on rent increases above 5%
- June 25, 2019 through July 25, 2019
- Intended to prevent rent gouging in anticipation of the ordinance coming into effect.

# RRSO Notice requirements for a rent increase:



- ✓ Amount of increase in both dollars and percent
- ✓ Amount of banked increase applied in both dollars and percent
- ✓ A statement that the LL believes that the rent increases, and banked increases are in compliance with the ordinance
- ✓ Contact information for the tenant to meet & confer with the landlord about a rent increase
- ✓ Contact information for the Hayward Rent Review Office
- ✓ A copy of a tenant petition form
- ✓ Hayward Rent Review Office will get copies of all increase notices

# Notices that include other amounts due:



If a notice of increase includes a

Utility Increase or  
Capital Improvement Pass through,

these must be identified as separate from any rent increase.

Must include statement that the landlord believes capital improvement cost pass throughs are in compliance with the ordinance

# Vacancy Decontrol



- LL can reset rent to market value whenever a tenant leaves of their own accord (voluntary vacancy) or a lawful eviction for Just Cause
  - Unless:
    - LL fails to repair habitability issues causing T to vacate the unit
    - Improper termination of previous tenant initiated by LL, including harassment
    - Note: Once rent re-sets, the covered rental unit is subject to RRSO limitations on increases

# Additional Provisions:



- Limits on Fees
  - Key replacement & security cards (\$10 above actual cost)
  - Late Payments (5% of rent 3 or more days late)
  - Bounced Checks (\$25 for first, \$35 after that)
  - Screening Fees (\$50.94 in 2019)
- Interest on Security Deposit required under the old ordinance is no longer required under the revised ordinance. Simply follow CA rules.

# Additional Provisions: Security Deposit



Interest on Security Deposit required under the old ordinance is ***no longer*** required under the revised ordinance.

Simply follow CA rules.



# Dispute Resolution Process

# 7 Grounds for Tenant Petitions



- Improper notice
- Request to review rent Increase greater than 5%
- Contest a banked rent increase
- Utility increase  $>1\%$  of rent and LL refusal to provide supporting documentation for utility increase
- Capital improvement pass through challenge
- Reduction in service is a rent increase
- Uncured Health and safety violations & rent increase

# Disputes: Meet & Confer Required



- ✓ Petitioner-tenant contesting a rent increase must begin by direct communication with the person identified by LL in the Notice of Rent Increase
- ✓ 10 days to complete this requirement
- ✓ Tips for Talking

# Disputes: Mediation



- ✓ Open, private, mutual and supported discussion of concerns in search of the best solution
- ✓ Scheduled on acceptance of petition in all cases
- ✓ Mandatory unless waived
- ✓ You design your agreement rather than have it handed down by an Arbitrator

# Disputes: Arbitration



- ✓ Formal court-like process
- ✓ Parties provide evidence
- ✓ Parties must follow Arbitration Rules
- ✓ Arbitrator hands down a Decision which becomes binding in 30 days



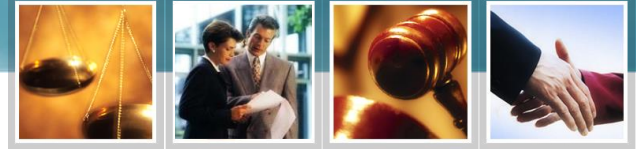
# Tenant Protections ALL RENTAL UNITS

# Tenant Protections – ALL UNITS



- ✓ No Retaliation or Harassment for exercising rights under RRSO
- ✓ No discrimination based on Source of Income
- ✓ No Termination without Just Cause
- ✓ Landlords must copy Hayward Rent Review Office on all Increase and Termination notices
- ✓ LL must inform current tenants about their rights under RRSO by 8/24 (within 30 days of 7/25/19 effective date)

# Just Cause Evictions



- ✓ Normal Lease Enforcements
- ✓ Additional notice requirements, including detailed written Notices to Cease
- ✓ Occupancy by LL or family member
- ✓ Remove from market
- ✓ Extensive Repairs
- ✓ Termination of Employment with LL





# In Summary

# 1. If you get an increase notice...



## **If you receive a Notice of Rent Increase,...**

- review it to verify calculations, completeness, and timing
- If you have questions, call the Rent Review Office

## **If you receive a notice of increased government utility costs,...**

- It should be listed separately from rent
- And if it exceeds 1% of your rent, you may request supporting documentation

## 2. If you got other notice of increase...



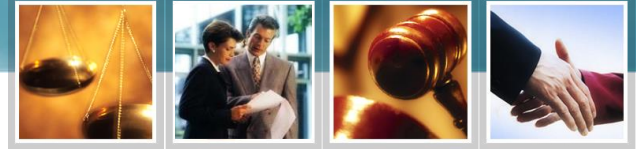
**If you receive a notice that LL is collecting a capital improvement cost pass through,...**

- Review to verify if listed separately from rent
- Review any supporting documents provided for accuracy
- Find out if the LL obtained a final arbitrator's decision approving the pass through
- If not, file a tenant petition to stop an unauthorized pass through

**If you believe that you suffered a decrease in housing services without a corresponding reduction in rent,...**

- File a tenant petition for reduction in rent

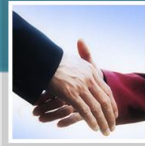
# 3. If you get a 'quit' notice...



## If you receive a Notice to Cease or Termination Notice,...

- review it to verify that it describes the violations and allowed cause with dates and specifics—"date, place, and circumstances concerning the reason"
- Pay attention to deadlines and due dates (ex. 3 day notice to pay rent or quit) as failure to meet the deadlines can put your tenancy at risk
- LL's failure to comply with notice requirements is a ***defense*** in an Eviction Action for possession

# If you want to read the ordinance!!



[https://library.municode.com/ca/hayward/ordinances/municipal\\_code?nodeId=965440](https://library.municode.com/ca/hayward/ordinances/municipal_code?nodeId=965440)

# Contacts and Resources



- ❑ Any questions about RRSO
  - ❑ Hayward Rent Review Office
  - ❑ 510-583-4454
  - ❑ [housing@hayward-ca.gov](mailto:housing@hayward-ca.gov)
- ❑ *After a petition is filed with city*
  - ❑ Project Sentinel Helpline
  - ❑ 510-709-4561
  - ❑ [Hayward@Housing.org](mailto:Hayward@Housing.org)