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Hayward City Council adopts emergency legislation to preserve remaining rent-controlled housing

HAYWARD, Calif., May 31, 2018—The City of Hayward announces today an 18-month moratorium on a process by which landlords can apply to have residential rental units permanently exempted from rent control.

A provision of the city’s Residential Rent Stabilization Ordinance allows landlords to apply to have a rental unit permanently “decontrolled” once voluntarily vacated by a tenant and after making a certain dollar-value of improvements to the dwelling.

Under state law, landlords in any city with rent control are free to adjust rent to market level after a unit is vacated but it continues to be governed by local rent-increase limitations once a new tenant moves in.

Under the provision of the Hayward ordinance that is subject to the moratorium announced today, city landlords could apply to make units voluntarily vacated by a tenant permanently free of rent-increase limitations for all future occupants after making unit improvements ranging in value from \$1,500 to \$3,100, depending on unit size. The moratorium will pause this process while it is being evaluated.

The Hayward City Council voted unanimously Tuesday to impose the 18-month moratorium on an emergency basis—meaning it takes effect immediately.

Of approximately 46,700 housing units in Hayward, about 22,200 are rentals. Of those, approximately 14,900 are covered by the city’s Residential Rate Stabilization Ordinance (RRSO), which regulates units held by landlords who own at least five residential rental units in the city. Of the 14,900, only about

9,500 are subject to rent-increase limitations, because about 5,400 are single-family homes exempted under state law. To date, the city has received about 7,900 applications for decontrol of rent-controlled units, leaving an estimated range of 1,000 to 1,600 units still rent-controlled under the RRSO.

During the 18-month moratorium, staff will evaluate the administrative process of decontrolling units under the RRSO as well as the appropriate dollar threshold for unit improvements to qualify.

The emergency decontrol moratorium was recommended to the Council by city staff as one of two ways to immediately improve tenant protections in Hayward.

The other, also adopted on an emergency basis by unanimous vote of the Council, was an ordinance to clarify that for-cause eviction provisions of the RRSO apply to all 14,900 rental units covered by the ordinance—regardless of whether a unit has been decontrolled.

The provision, Section 19, lists 15 grounds upon any one of which a landlord is entitled under the RRSO to evict tenants to recover possession of a rental unit.