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Media Contact:

Chuck Finnie

(510) 583-4344

chuck.finnie@hayward-ca.gov

Hayward caps rent hikes at five percent until more comprehensive rent stabilization and tenant protection ordinance takes effect

HAYWARD, Calif., June 27, 2019—The Hayward City Council has capped residential rent increases in the City at five percent until a more comprehensive overhaul of the City’s rent stabilization and tenant protection ordinances can take effect.

The temporary limit was enacted on an emergency basis Tuesday and will remain until July 25 when it is replaced by a new Residential Rent Stabilization and Tenant Protection Ordinance.

The new ordinance establishes a mandatory mediation and binding arbitration process that can be utilized by tenants if their landlord wants to raise their rent by more than five percent in a year. Like the temporary cap, the new mediation and arbitration process for rent increases in excess of five percent applies to multi-unit residential properties constructed prior to 1979, and exempts all single-family homes and condominiums as required by state law.

The new ordinance also requires all residential landlords to start filing residential rent increase notices and notices to terminate tenancy with the City. City housing officials want to use the data to more accurately track rental housing trends and to support development of future housing policy.

Additionally, the new ordinance:

- Sets forth specific justifications by which landlords can lawfully evict a tenant;

- Prohibits discrimination against housing applicants who intend to use government vouchers to pay their rent; and
- Protects tenants against retaliation by landlords for exercising their rights under the ordinance.

The new ordinance, which received final Council approval Tuesday, is an update an update of the City's 39-year-old Residential Rent Stabilization Ordinance (RRSO). The action marks a major step toward addressing the housing crisis and resident displacement in Hayward.

In a significant departure from the prior RRSO, the new legislation eliminates the ability of landlords to apply to have a vacant unit constructed prior to 1979 permanently exempted from local rent increase regulation in exchange for making even modest improvements to the property.

However, as required by state law, landlords remain free to reset rent levels on pre-1979 units to whatever the market will bear whenever a unit is voluntarily vacated by its tenants.