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Media Contact:

Chuck Finnie

(510) 583-4344

chuck.finnie@hayward-ca.gov

Hayward to limit rent increases in overhaul of Residential Rent Stabilization Ordinance

HAYWARD, Calif., June 20, 2019—The City Council has given initial approval to new legislation establishing a mandatory mediation and binding arbitration process that can be utilized by tenants when their landlord wants to raise their rent by more than five percent in a year. This approval is a major step toward addressing the housing crisis and displacement of residents in Hayward.

The new regulation whereby landlords can be required to participate in mediation and justify in arbitration a rent increase 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 mediation and arbitration process for rent increases greater than five percent is part of a broader update of the City's 40-year-old Residential Rent Stabilization Ordinance (RRSO) that received initial Council approval late Tuesday night.

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

Other provisions of the new legislation:

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

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

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 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 each time the unit is voluntarily vacated by its tenants.

The new Residential Rent Stabilization and Tenant Protection Ordinance is scheduled to come back before the City Council for a second reading and vote on June 25. If passed, it would take effect July 25.