

**DATE:** April 20, 2010

**TO:** Mayor and City Council

**FROM:** Director of Development Services  
City Attorney

**SUBJECT:** Review and Consideration of Options for Amending the City's Mobilehome Park Regulations

## **RECOMMENDATION**

That the City Council:

- (1) Reviews the alternatives for modifying the Zoning Ordinance to regulate the conversion of seniors-only mobilehome parks to non-age-restricted parks;
- (2) Considers the options proposed by park owners and residents for modifying the existing Mobilehome Space Rent Stabilization Ordinance ("Ordinance"); and
- (3) Establishes a working committee comprising park owners, park residents/the Hayward Mobilehome Owners Association (HMOA), and City staff to review any desired proposals.

## **SUMMARY**

This staff report discusses possible amendments to the City's mobilehome park regulations. Staff recommends taking action to preserve seniors-only mobilehome parks from conversion to non-age-restricted parks, which the City Council has identified as a 2010 priority. The report further provides information about the statutory framework of water submetering. Additionally, the report also seeks direction from the City Council on a variety of policy considerations, including:

- a) Whether capital improvements should be subject to resident approval, and if so, to what extent;
- b) How to increase the overall transparency of mobilehome park operations, including mandatory insurance coverage disclosure, separate listing of base rent from operating expenses and allowable pass-throughs, and universal anniversary dates for rent increases,
- c) Whether the 'fair rate of return' language in the Ordinance should be updated;
- d) Whether vacancy decontrol supports the City's affordable housing objectives; and
- e) Whether automatic rent increases tied to the Consumer Price Index (CPI) be increased to 100% CPI from 60% CPI.

## **BACKGROUND**

The City has nine mobilehome parks, comprising approximately 2,500 spaces and over 5,000

residents. The regulation of these parks, at the state and local level, is important due to high demand for lower cost housing and the limited supply available in these parks. Vacancies in parks are rare and are quickly filled. Additionally, a substantial portion of mobilehome park residents are senior citizens (55 years of age or older), many of whom live on fixed or limited incomes.

Staff, in consultation with both the Hayward Mobilehome Owners Association (HMOA), representing the residents, and the Western Manufactured Housing Communities Association (WMA), on behalf of park owners, has identified several approaches available to strengthen Hayward's mobilehome park regulations.

## **DISCUSSION**

Mobilehome parks remain one of the City's key sources of affordable housing. Cities that prioritize affordable housing have a wide array of strategies to implement. The following report provides general information about regulations proposed by park residents and owners. The options are summarized below for the City Council's consideration.

### **A. Seniors-only Zoning Designation**

The intent of an amendment to the Zoning Ordinance would be to preserve affordable housing for senior citizens, by protecting mobilehome parks that are primarily occupied by seniors from conversion to non-age-restricted parks. A proposed ordinance would establish a definition of a "Seniors-Only Mobile Home Park" as one in which at least 80% of the spaces are occupied by, or intended to be occupied by, at least one person who is age 55 or older. This definition complies with state and federal law. In cases where a senior may no longer occupy a unit and a non-senior family member desires to continue residing there, the family member would be permitted to stay in the unit since the seniors only mobilehome park would remain occupied by a least 80 percent seniors. Therefore, non-senior residents would retain their right to live in their homes.

The proposed text amendment would allow existing seniors-only mobilehome parks and non-age restrictive mobilehome parks in operation prior to January 1, 2010, to continue to operate "as is." Any mobilehome park that is operated as a seniors-only mobilehome park pursuant to state and/or federal law, as of January 1, 2010, would be required to obtain a conditional use permit to become a park that is not age-restricted. Any park that is operated as a park that is not age-restricted as of January 1, 2010, would be required to obtain a conditional use permit to operate as a seniors-only mobilehome park. The conditional use permit process is designed to protect and preserve the affordable housing stock of both seniors-only and non-age restrictive mobilehome parks.

The proposed modification would also require that signage, advertising, leases and park rules and regulation for spaces in seniors-only mobilehome parks state that the park is a seniors mobilehome park. However, staff is not proposing to alter existing general plan land use designations or development standards. Therefore, any potential effects from the proposed text amendment are adequately addressed within the final environmental impact report prepared for the General Plan.

In initiating this effort, staff is responding to concerns expressed by occupants of several mobilehome parks in the City. Staff recommends this regulation to further the City Council's 2010

priority of preserving affordable senior housing by protecting seniors-only parks from conversion to non-age-restricted parks.

## **B. Water Utility Submetering**

Because of the comprehensive regulation of submetering under State law, staff does not recommend local legislation on this issue. Municipalities that have adopted submetering ordinances generally reiterate State law requirements. There have been recent communications between park owners, the City Council, and staff about submetering. The purpose of this section is to explain and simplify what submetering is and how it is regulated. "Submetering" refers to the use of separate privately-installed, owned, and operated meters to measure individual tenant water usage in apartments, condominiums, and mobilehome parks where a master meter user (e.g., the park owner) exists. Water savings may occur by allowing residents to pay directly for the amount of water used at their respective units, thereby encouraging conservation.

Submetering is closely regulated by California law. (See State Mobilehome Residency Law, Civ. Code §§ 798 *et seq.*) Existing law allows park owners to install submeters and bill residents separately for utility service fees where the rental agreement does not preclude it. However, doing so obligates park owners to comply with additional State law requirements, including: (a) separately billed utility fees and charges are prohibited from being included in the base rent; and (b) for spaces regulated under local rent control ordinances, the park must simultaneously reduce base rents by an amount equal to the average amount charged to the park management for that space's utility service during the 12 months immediately preceding notice of the commencement of separate utility service billing. (Civ. Code §§ 798.31, 798.41(a).) (emphasis added.)

State law also requires that management posts in a conspicuous place the prevailing residential utilities rate schedule as established by the serving utility, and that submetered utility charges be stated separately on any monthly or other periodic billing to the resident along with the opening and closing readings for his or her meter. Civ. Code § 798.40(a.) If a third-party billing agent or company prepares utility billing for the park, management must also disclose on each resident's bill the name, address, and telephone number of the billing agent or company. (Civ. Code § 798.40(b).)

The City's Mobilehome Rent Stabilization Ordinance mirrors State law and defines a "rent increase" as "[a]ny additional space rent demanded of or paid by a tenant for a mobilehome space including any reduction in housing services without a corresponding reduction in the amount demanded or paid for rent." Consequently, once tenants become responsible for their own water bills, the amount park owners charged prior to installation of submeters for water utility services must be removed from the space rent. Failure to do so would render the charge a rent increase under the ordinance, subjecting it to rent increase limitations imposed by local law.

The City Council should note that mobilehome park customers are already generally lower users of water than single-family households due to several factors: typically smaller units, fewer occupants, and more limited landscaping. Nonetheless, if the City Council desires to lend additional support to submetering, staff may be directed to devise a water utility rate system that further incentivizes conservation. For example, Hayward currently applies a four-tiered rate to single family home customers allowing households that use less water to pay less per unit than households that use

more. Meanwhile, mobilehome residents and other multi-family development customers are subject to a more limited two-tier rate system. The City Attorney's office identified only one agency that subsidizes the purchase and installation of submeters to reduce water use. The Santa Clara Valley Water District offers a rebate of \$100.00 per submeter in mobilehome parks and multi-unit buildings. Other communities, such as Rohnert Park, apply a discounted rate per gallon to qualified residents that both submeter and conserve a specified amount of water per month.

### **C. Policy Questions related to the Revision of the Mobilehome Space Rent Optimization Ordinance**

The following is a series of general policy questions proposed by the WMA and the HMOA for the City Council's consideration as potential revisions to the City's existing Ordinance.

#### ***Policy Question #1 – Should the City provide residents with increased discretion regarding the owner's decision to construct capital improvements?***

Staff recommends that the City Council evaluate whether park owners must solicit resident input or approval – and if so, to what extent – before constructing capital improvements<sup>1</sup> and passing through costs. Existing law allows consideration of a park owner's capital improvement costs in evaluating proposed space rent increases. It does not mandate approval of improvements by a majority of residents, though it does require majority approval for inclusion of the costs as part of an owner's "operating expenses." (Ordinance Sec. 9(c).) Section 8(b) of the Ordinance appears to give owners separate authority to pass through costs of any "substantial rehabilitation or addition of capital improvements," absent majority approval. As such, staff recommends discussion of this issue with the working committee formed to evaluate these proposals.

California cities have adopted myriad types of capital improvement regulations. At one end of the spectrum, residents merely need to be consulted. At the other end, a majority of park residents must approve all projects in writing before construction of the capital improvements may commence. Supporters of providing residents with greater authority argue that it allows residents to vote on costs they ultimately are responsible for paying as pass-throughs. They also contend it better protects the affordability of mobilehome housing. Conversely, there are also legitimate concerns about subjecting improvements to resident referendum. The effect of giving residents veto power may be at odds with the public interest in improving park conditions. Opponents argue that residents are likely to repeatedly vote against improvements due to their interest in avoiding rent increases. Park owners have expressed strong opposition to authorizing residents to approve or reject capital improvements.

Other cities have adopted ordinances with various components to provide residents with enhanced decision-making authority regarding capital improvements. Several examples follow:

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<sup>1</sup> The definition of a "capital improvement" under the Ordinance mirrors the definition provided by the Internal Revenue Service (IRS): "[t]hose improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful remaining life of the improvement to the property." The WMA opposes changing this definition.

- **Requiring owners to consult with and receive input from park residents before construction of capital improvements.** The City could obligate park owners to consult with residents in either a public meeting or in writing about the purpose and cost of each proposed project. Park owners would be required to receive input from residents before proceeding with construction. However, residents would not have veto power.
- **Subjecting capital improvements by the owners to resident pre-approval.** Before charging affected mobile home owners the pro rata share of new service and capital improvement costs as additional rent, cities such as Santa Rosa and Oceanside require park owners to: (a) consult with park residents; and (b) obtain prior written consent of at least one adult resident from a majority of the rental spaces to include the cost of improvement as an operating expense. Each space is allotted only one vote. Existing law permits capital improvement costs to be considered as a “factor” in evaluating the space increase proposed by a park owner (other than the cost of living increase).
  - **Ballot protests.** The ballot protest procedure is an alternate form of giving tenants referendum authority. This procedure presumes approval of improvements but requires park owners to circulate notices of pass through improvement costs to each resident. Residents would need to act affirmatively and submit an adequate number of protests prior to construction. Under this scheme, a park owner could not proceed if at least one adult from a majority of residences in the park files a protest.
  - **Allowing resident approval only over capital improvements exceeding a specified dollar value.** An amendment could also provide residents with approval authority over capital improvements that exceed certain amounts (e.g., \$25,000).
  - **Allowing residents to initiate capital improvement projects.** The WMA has also proposed regulations that better enable park residents to initiate capital improvements. This procedure would allow a resident to request improvements from management, and upon management approval, such improvements may be approved by a majority vote of residents.
- **Allowing residents to initiate a capital improvement or service request.** The WMA has requested that the Ordinance specifically authorize residents to initiate new facilities or services. If an owner agrees with a resident’s proposal, an election procedure could be instituted to allow other residents to approve the improvement or service and determine whether they are willing to fund it. If it is approved a majority of residents, the entire community would be billed for it on a monthly basis as a separate line item on the bill.
- **Distinguishing between “capital improvements” and “capital replacements.”** Policy objectives may justify establishing different rules for resident approval of capital improvements v. capital replacements. Typically, a capital improvement constitutes a new improvement that directly and primarily benefits the resident by adding to the value of the park (e.g., a swimming pool or new common area facility). A capital replacement is the replacement of an existing improvement (e.g., replacement of a previously constructed road). The Ordinance currently allows unavoidable increases in maintenance and operating

expenses, including the substantial rehabilitation or the addition of capital improvements, to be a “factor” in evaluating the space rent increase (See Ordinance, Sec. 8.) Distinguishing between capital improvements and replacements may better serve the City’s interest in ensuring existing improvements in parks are maintained in good condition. This approach is used by the City of Santa Rosa. There, for an owner to pass through as additional rent the pro rata share of capital improvement costs, a majority of residents occupying spaces affected by the pass through must consent to the improvement. A capital improvement pass through may be implemented at any time during the year. Capital replacement costs, including reasonable financing costs, may be passed through to the residents. However, if 50% of the spaces subject to rent control in a park, or 50 spaces, whichever is less, sign a petition objecting to the pass through, an arbitrator holds a hearing to determine whether it should be allowed. If the City Council has an interest in providing veto authority to residents, it may want to consider endowing park residents with less discretion in capital replacement contexts.

**Policy Question #2 - What are effective means for the City to increase operational transparency for mobilehome park residents?**

- **Insurance Coverage Disclosure for Common Areas.** This revision would compel park owners to disclose insurance coverage amounts for common areas to park residents. Staff was unable to locate similar legislation adopted by neighboring communities. Nonetheless, neither state nor federal law precludes the City’s adoption of such a provision, and park residents have expressed strong support for this change.
- **Mandatory Listing of Base Rent Separately from Allowable Pass-Throughs.** This amendment would require park owners to separately list all pass-through expenses from base rent on bills and notices of rent increase to promote transparency. In *Cacho v. Boudreau* (2007) 40 Cal.4th 341, the court affirmed that State Mobilehome Residency Law permits cities to impose such requirements. Several other cities, including Capitola and San Jose, dictate separate listing of rent and pass-throughs on rental adjustment notices. One park owner has represented that most parks in the City employ a private billing company that already lists base rent separately from utility charges, though it is not clear if other pass-throughs (e.g., property taxes and government fees) are presently separately listed.
- **Consolidated Anniversary Date for Rent Increases.** Consolidated City-wide anniversary dates for rent increases are an additional way to increase transparency. Several mobilehome parks in Hayward have already implemented a park-wide consolidated anniversary date for increases. Residents prefer this option because it better enables them to confer and determine if an increase is inconsistent with applicable regulations. If the City elects to require consolidation, the City Attorney’s office also suggests prohibiting adjustments on rental terms that became effective within the previous twelve months so that residents do not receive more than one permissive adjustment in a 12 month period. The HMOA has expressed its strong support of this provision.

***Policy Question #3 – Does the City need to update its fair rate of return language?***

Staff also evaluated whether the fair rate of return language in the existing Ordinance needs updating. A local rent control law must permit a landlord to earn a fair return on investment in order to be constitutionally valid. The current language complies with this constitutional requirement. The Ordinance provides a park owner the opportunity and means to initiate a fair return increase, in addition to the cost of living increase and rent stabilization administration fee pass-through.

Staff does not recommend amending the Ordinance's fair return features at this juncture. Although the fair return language may not be as precise as comparable mobilehome ordinances, it nonetheless satisfies constitutional requirements by providing a park owner the ability to obtain a fair return.

Furthermore, recent case law suggests it is inadvisable to make such an amendment at this time. In September 2009, the 9<sup>th</sup> Circuit, U.S. Court of Appeals, ruled 2-1 that the rent control ordinance in Goleta, California, resulted in an unconstitutional taking of the park owner's property. On March 12, 2010, the 9<sup>th</sup> Circuit voted to rehear the case before a full 11-judge panel. Until there is further guidance concerning the impact of federal law on local rent control, it is prudent to monitor developments and refrain from proceeding with an amendment to fair rate of return.

***Policy Question #4 – Would establishing vacancy decontrol support the City's affordable housing objectives?***

Cities and counties have within their police power the authority to enact rent control laws so long as property owners are assured a fair rate of return. (*Birkenfeld v. Berkeley* (1976) 17 Cal. 3d 129.) Over 100 jurisdictions in California have some form of local rent control ordinance limiting the amount of rent or establishing a maximum amount of rent that a park owner may charge a tenant. Most California jurisdictions with mobilehome rent control either use vacancy control or partial vacancy decontrol to regulate the initial rental rate; only about 20% allow for full vacancy decontrol. The Ordinance currently mandates total vacancy control, meaning that space rent charged to a new tenant is subject to rent control at the same rent charged to the prior tenant. Park owners are permitted under existing law to seek rent increases through an administrative process if the owner does not feel that s/he is receiving a fair rate of return. Additionally, rental agreements of twelve months or longer are exempt from local rent control under current law.

The WMA, on behalf of owners, proposes amending the Ordinance to establish vacancy decontrol. Vacancy decontrol would mean that rent control is preserved for occupied units but removed upon the sale, assignment, transfer, or termination of an interest in a mobilehome or mobilehome tenancy. Management would be allowed to offer a new rental agreement containing an initial rent in excess of the maximum rent established by the Ordinance. The new rental rate would then be controlled by the rent increase restrictions of the Ordinance going forward. Some jurisdictions have partial vacancy decontrol, allowing for some rent increase upon the change in tenancy but limiting the increase to a specified amount, usually a certain percentage of the current rent.

According to the WMA, vacancy control creates a false value for homes via rent restriction. They argue that decontrol is necessary because control artificially lowers rents for park spaces while

increasing the sales prices for the homes on those spaces, thus eliminating affordable housing because the purchase price of the home increases beyond the reach of potential buyers.

Park residents largely oppose vacancy decontrol. They contend that the landlord-tenant relationship in a mobilehome park is unique because while a tenant in an apartment has the choice of other similar apartments on the market, a mobilehome owner effectively has one choice – the one the home is already on. Mobilehome residents/owners claim that the value of their property rights, which they have paid for, are lost if vacancy decontrol forces a homeowner to sell at a fraction of what they paid. In other words, they argue that the consequence of decontrol is the loss of equity in their property value. The fiscal impact of vacancy decontrol on mobilehome owners could be quite negative. Similarly, the City could see its affordable housing inventory depleted by this measure.

Staff suggests that if the City Council has interest in this proposal, vacancy decontrol should take place only where the prior tenant's vacancy was involuntary (e.g., caused by harassment, reduced housing services, or failure to perform necessary repairs).

***Policy Question #5 – Should automatic rent increases tied to the Consumer Price Index (CPI) be increased to 100% CPI from 60% CPI?***

Local rent control ordinances commonly provide for automatic annual rent increases tied to the CPI. These are commonly known as “cost of living increases.” The CPI is determined by the U.S. Department of Labor through a complex review of the changes in the cost of local goods and services. Hayward's Ordinance limits space rent increases to the greater of 3% or 60% of the percent change in the CPI, provided that no rent increase of more than 6% may be imposed. As previously stated, park owners are permitted to seek additional rent increases through an administrative process if the owner does not feel that s/he is receiving a fair rate of return.

The WMA has proposed increasing annual space rent increases allowed without a hearing to 100% of the percent change in the CPI, no maximum. The park owners claim that annual increases of less than 100% of CPI causes lower maintenance of both facilities and services, since some costs such as fees and taxes, increase by more than the CPI.

**FISCAL IMPACT**

There is no foreseeable impact on the City.

**PUBLIC CONTACT**

City staff has engaged in discussions with the Hayward Mobilehome Owners Association (HMOA), representing residents, and the Western Manufactured Housing Communities Association (WMA), representing park owners, in preparation for the work session.

## NEXT STEPS

1. Direct staff to develop a seniors-only regulation for consideration by the Planning Commission; and
2. Direct staff to develop a working committee comprising park owners, park residents/HMOA, and City staff, to evaluate the policy proposals and generate a status report for the City Council within six months.

*Prepared by:* Michael S. Lawson, City Attorney  
David Rizk, Director of Development Services

Approved by:



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Fran David, Acting City Manager

Attachment: Current Mobilehome Space Rent Stabilization Ordinance

ORDINANCE NO. 08-12

AN ORDINANCE AMENDING ORDINANCE NO. 89-057 C.S., AS AMENDED, THE MOBILEHOME SPACE RENT STABILIZATION ORDINANCE

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Section 4(b)(2) (iv) of Ordinance No. 89-057 C.S., as amended, is further amended to read in full as follows:

“(iv) A copy of the petition form prepared by the City's Rent Review Office which initiates the arbitration process authorized by this ordinance.”

Section 2. Section 5 (b) of Ordinance No. 89-057 C.S., as amended, is further amended to read in full as follows:

“(b) Service Reduction Claims. Any Tenant who believes that a housing service has been reduced by a Park Owner in violation of this ordinance, and desires to have such service restored or the rent adjusted shall submit a written request for restoration of such housing service or rent reduction no later than one year after the Tenant's actual discovery of such housing service reduction or one year after a prudent person exercising reasonable care would have discovered the service reduction. Upon receipt of such notice, the Park Owner shall respond to the Tenant within 30 days. If the Homeowner and Tenant are not able to resolve their dispute over the alleged housing service reduction, the Tenant shall file a Petition for Space Rent Arbitration with the Rent Review Office no later than two years after the Tenant's discovery of such housing service reduction. Any change in the severity of a service reduction shall give rise to a new claim and the deadlines for service of notice to the Park Owner and the filing of a Petition start to run anew when the Tenant actually discovers or should have discovered the increase in service reduction.”

Section 3. Section 5 (c) of Ordinance No. 89-057 C.S., as amended, is further amended to read in full as follows:

“(c) Petition. If the Park Owner and Tenant do not resolve the housing service reduction or rent increase dispute between them, the Tenant may file with the Rent Review Officer a Petition for Space Rent Arbitration. The Petition shall be filed with a copy of the notice of rent increase, if applicable, within 30 days after service of the notice of rent increase, or no later than two years after the Tenant's discovery of a housing service reduction. If there are more than ten affected mobilehome spaces as shown on the notice required by Section 3(b) or 4(b) of this ordinance, the Rent Review Officer shall not accept a petition for filing unless it has been signed by Tenants representing at least 51 percent of all affected mobilehome spaces.”

Section 4. Section 5 (g) of Ordinance No. 89-057 C.S., as amended, is removed in its entirety.

Section 5. Section 6 of Ordinance No. 89-057 C.S., as amended, is further amended to read in full as follows:

**SECTION 6. SUBPOENA POWER.**

Subpoenas, including subpoenas duces tecum, requiring a person to attend a particular time and place to testify as a witness, may be issued in connection with any dispute pending before an Arbitrator, and shall be issued at the request of the Rent Review Officer, an Arbitrator, or a party. Subpoenas shall be issued and attested by the City Clerk in the name of the City. A subpoena duces tecum shall be issued only upon the filing with the City Clerk of an affidavit showing good cause of the production of the matters and things described in the subpoena, specifying the exact matters or things desired to be produced, setting forth in full detail the materiality thereof to the issues involved in the proceeding, and stating that the witness has the desired matters or things in his or her possession or under his or her control, and a copy of such affidavit shall be served with the subpoena. Any subpoena or subpoena duces tecum issued pursuant to the provisions of this ordinance may be served in person or by certified mail, return receipt requested, and must be served at least five days before the hearing for which the attendance is sought. Service by certified mail shall be complete on the date of receipt. Notwithstanding any other provision of this ordinance, any time limits set forth in this ordinance shall be extended or such time as is necessary, but not longer than five days, if a subpoena has been served and five days have not elapsed since the service. Any subpoena or subpoena duces tecum issued pursuant to the provisions of this ordinance shall be deemed issued by and in the name of the City Council."

Section 6. Section 13 of Ordinance No. 89-057 C.S., as amended, is further amended to read in full as follows:

"The costs of administration of this ordinance shall be reimbursed in full to the General Fund by imposition of a rent stabilization administration fee chargeable against each mobilehome space in the City. The Park Owner who pays these fees may pass through up to 50 percent of the fees assessed against a mobilehome space to the Tenant pursuant to the provisions of Section 3(b) herein. The remaining 50 percent of the fees assessed against a mobilehome space shall not be passed on in any way to Tenants.

The fees imposed by this Section shall be paid annually with the Park Owner's business license tax. The time and manner of payment, delinquency status, and assessment and collection of penalties for delinquent payment of the fees imposed by this Section shall be as provided in Article 1 of Chapter 8 of the Hayward Municipal Code. The City Manager and

Rent Review Officer shall recommend to the City Council the amount of such fee and the City Council shall adopt such fee by resolution.

If the Park Owner elects to pass on a percentage of the fee, the Park Owner shall comply with the requirements of Subsection 3(b) and send a notice to the Tenant in substantially the following form:"

Section 7. Section 13, "Notice to Tenants" paragraph 2 of Ordinance N. 89-057 C.S., as amended, is further amended to read as follows:

"The rent stabilization fee imposed for 20\_\_ reflects costs incurred during the calendar year of 20\_\_\_. The fee for this year is \_\_\_\_\_ Per mobilehome space. The Park Owner has paid the full amount of the fee to the City and has decided to exercise the option to collect a portion of the fee from the mobilehome space rent Tenants. Your \_\_\_\_\_ Percent share of this fee is \_\_\_\_\_ Per mobilehome space. The amount of \_\_\_\_\_ Will be added to your monthly bill for the ext 12 months./ Please remit the full amount of \_\_\_\_\_ to \_\_\_\_\_ By check payable to \_\_\_\_\_ within 30 days."

Section 8. Severance. Should any part of this ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of the City, such decision shall not affect the validity of the remainder of this ordinance, which shall continue in full force and effect, provided that the remainder of the ordinance, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the City Council.

Section 9. In accordance with the provisions of Section 620 of the City Charter, this ordinance shall become effective 30 days from and after the date of its adoption

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the 22nd day of July, 2008, by Council Member Quirk .

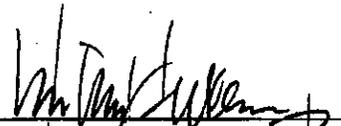
ADOPTED at a regular meeting of the City Council of the City of Hayward, held the 29th day of July, 2008, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS: Zermeño, Quirk, Halliday, May, Dowling, Henson  
MAYOR: Sweeney

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

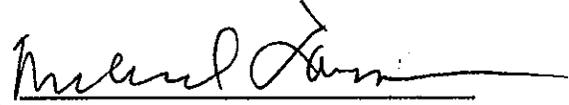
ABSENT: COUNCIL MEMBERS: None

APPROVED:   
Mayor of the City of Hayward

DATE: August 22, 2008

ATTEST:   
City Clerk of the City of Hayward

APPROVED AS TO FORM:

  
City Attorney of the City of Hayward