



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: September 17, 2024

SUBJECT: Rent Stabilization Strategic Plan Status Report

Recommendation

As recommended by the Community and Economic Development Committee on August 26, 2024, accept the status report on the draft Rent Stabilization Program Strategic Plan including Apartment Rent Ordinance, Mobilehome Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and goals and objectives for the program over the coming years.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Housing)
[Community and Economic Development Committee 8/26/2024 – Item (d)1]



Memorandum

TO: COMMUNITY AND
ECONOMIC DEVELOPMENT
COMMITTEE

FROM: Erik L. Soliván

SUBJECT: Rent Stabilization Program
Strategic Plan Status Report

DATE: August 13, 2024

Approved

Date:

8/15/24

COUNCIL DISTRICT: Citywide

RECOMMENDATION

- a. Accept the staff report on the proposed Rent Stabilization Program Strategic Plan 2024-2027, including Apartment Rent Ordinance, Mobilehome Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and goals and objectives for the program over the coming years; and
- b. Cross-reference the staff report to the September 17, 2024, City Council meeting.

SUMMARY AND OUTCOME

The Community and Economic Development (CED) Committee will review the Rent Stabilization Program Strategic Plan 2024-2027 (Strategic Plan).

BACKGROUND

The Rent Stabilization Program (Program) consists of education, engagement, collaboration, and enforcement of policies and regulations intended to build and maintain safe, healthy, and sustainable communities. The City has administered the Program since the passage of the Apartment Rent Ordinance in 1979. Management of the Program has evolved, supporting changes in City Council policy.

City Auditor's 2016 Report

In 2016, City Council began a series of actions to strengthen the City's Apartment Rent Ordinance, address rising housing costs, and help avoid the displacement of vulnerable

residents. In November 2016, the City Auditor issued an audit report entitled: “The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords” (City Auditor’s Report)¹. The City Auditor’s Report included 19 recommendations regarding additional investment, improved processes, and strategic resource deployment needed to better serve residents and housing providers.

Recommendation #15 of the City Auditor’s Report directed the Housing Department to “develop a strategic plan for (the Program) that outlines desired goals and outcomes and establishes measures of program effectiveness.” The City Auditor’s Report reasoned that a strategic plan provides a foundation for the effective administration of the programs that define desired results and plan tasks to meet those results. The City Auditor’s Report recommended that the strategic plan include objectives, strategies, activities, outcome measures, and targets.

Status Update to the CED Committee

On April 24, 2023, staff provided a status report on the development of the draft Strategic Plan to the CED Committee. In its motion to approve the status report, the CED Committee requested that staff conduct additional outreach, present the community and housing provider’s feedback to the Housing and Community Development Commission, and return to the CED Committee with another status report before presenting the Strategic Plan to City Council.

The draft Strategic Plan was posted on the Housing Department website in July 2023 and presented to the Housing and Community Development Commission on August 10, 2023. Staff made further revisions to the draft Strategic Plan based on feedback received from the public and input from the Commissioners. A revised draft of the Strategic Plan was posted on the Housing Department website in September 2023, and staff sought feedback from stakeholders on the revisions that were made.

In April 2024, staff posted the draft Strategic Plan² for the April 22, 2024, CED Committee meeting. At this meeting, the CED Committee voted to defer the item to fall 2024 due to the anticipated arrival of the new Housing Director in May 2024. The new Housing Director has reviewed and updated the plan, providing additional clarity on the objectives, strategies, and outcome measures included in the Strategic Plan (**Attachment A**).

¹ <http://www.sanjoseca.gov/Home/ShowDocument?id=33888>

²File Number: CC 24-338, April 22, 2024, Item Name: Rent Stabilization Program Strategic Plan Status Report <https://sanjose.legistar.com/LegislationDetail.aspx?ID=6609948&GUID=37DFCE3E-A2E8-431E-83D6-CEE8B44C5307&Options=&Search=>

ANALYSIS

In developing the Strategic Plan, staff examined goals, strategies, and measurements of program effectiveness to ensure the community is receiving necessary housing services. Staff considered the City Auditor's direction on the Strategic Plan's components to develop the structure of the plan.

Overview of the Strategic Plan

The Strategic Plan provides a clear and actionable roadmap for achieving short—and long-term goals related to housing stability and unit preservation. By addressing the specific needs of families through targeted programs and policies, the Program can prevent homelessness and support housing stability while balancing the interests of tenants and housing providers.

Staff developed the draft Strategic Plan to guide program implementation over the next three years by establishing a set of goals, objectives, strategies, and measurements intended to evaluate and improve the effectiveness of the overall Program. The Strategic Plan was also informed by goals and strategies for housing stability and tenant protections included in the City's Housing Element³.

The three goals of the Program are to stabilize housing for families, preserve the units in which people live, and provide broad outreach and education to better protect tenants and support housing providers. Table 1 summarizes the three goals outlined in the Strategic Plan.

Table 1 – Summary of Strategic Plan Goals

Strategic Plan Goal	Description
Family Housing Stabilization	Implement programs and employee evaluation tools to increase the stability of families and fairness in the rental market
Unit Preservation	Implement systems and operational enhancements to promote and enable unit preservation
Outreach and Engagement	Foster positive relationships between tenants and housing providers and further fair housing through inclusive education and outreach to tenants and housing providers

³ City of San José's 2023-2031 Housing Element <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/citywide-planning/housing-element>

Attachment A – Rent Stabilization Program Strategic Plan 2024-2027 is the final revised draft Strategic Plan. Under the leadership of the new Housing Director, the final version of the Strategic Plan includes an update to the three goals in a new, clearer format. Previous versions of the Strategic Plan included four goals, which were simplified and consolidated into Family Housing Stabilization, Unit Preservation, and Outreach and Engagement. The Outreach and Engagement goal was retained from the previous version of the Strategic Plan. Furthermore, the strategies for each goal were reordered in the plan to align with the three clarified goals. There are no proposed changes to the Apartment Rent Ordinance, Mobilehome Rent Ordinance, Tenant Protection Ordinance, or Ellis Act Ordinance (collectively referred to as ordinances) in the current version of the Strategic Plan presented as part of this memorandum.

The Strategic Plan provides objectives, strategies, and performance measurements for each goal. The objectives provide clarity on the purpose of each goal. In an effort to meet each goal, short- and long-term strategies are identified to improve program administration. Finally, performance measures will track progress toward meeting Strategic Plan goals over time.

EVALUATION AND FOLLOW-UP

This item will be cross-referenced to City Council on September 17, 2024.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

The following community outreach and engagement were conducted in the development of the Strategic Plan:

Date	Activity
February 9, 2023	Presentation of preliminary findings and analysis to Housing and Community Development Commission
February 27, 2023	Tenant virtual stakeholder engagement meeting to gather input on the Program
March 2, 2023	Tenant in-person stakeholder engagement meeting to gather input on the Program

March 6, 2023	Housing provider virtual stakeholder engagement meeting to gather input on the Program
March 8, 2023	Housing provider in-person stakeholder engagement meeting to gather input on the Program
March 13, 2023	Mobilehome community stakeholder engagement to gather input on the Program
February – March 2023	Online survey to the general public to gather input on the Program
April 4, 2023	Virtual community meeting with a summary of stakeholder/community input
July – August 2023	Invitation for public comment on the initial draft Strategic Plan posted on the Housing Department website
August 10, 2023	Draft Strategic Plan presented to Housing and Community Development Commission
September – October 2023	Invitation for public comment on the updated draft of the Strategic Plan posted on the Housing Department website
October 3, 2023	Tenant virtual engagement meeting on draft Strategic Plan
October 4, 2023	Mobilehome community virtual engagement meeting on draft Strategic Plan
October 5, 2023	Housing Provider Roundtable meeting
October 19, 2023	Housing Provider virtual engagement meeting on draft Strategic Plan
Upcoming Meetings	
August 16, 2024	Affordable Housing Stakeholder Engagement meeting
August 22, 2024	Housing Providers Roundtable meeting

Staff will host two additional stakeholder engagement meetings in August. The final revised draft of the Strategic Plan will be presented and discussed at these two meetings, and any additional feedback will be communicated verbally to the Community and Economic Development Committee on August 26, 2024.

Attachment B – Summary of Stakeholder Feedback provides summaries of the feedback received at each of the stakeholder engagement meetings and feedback received via email. The top three messages expressed by participants at the initial stakeholder engagement meetings were related to transparency, cultural relevancy, and partnership.

Transparency

Stakeholders want to see transparency in implementing the ordinances, what the City is doing, and where the fees are going. They also expressed a desire for transparency on what course of action housing providers and tenants have when there is a violation of the ordinance. They want new housing providers and tenants to be educated and aware of what the ordinances are and how they impact both housing providers and tenants.

Cultural Relevance

Stakeholders also want the City to be culturally responsive to tenants and housing providers. They want information to be accessible to vulnerable populations and want to ensure that communities are protected and that people can afford to live in San José.

Partnership

Additionally, stakeholders wanted a greater partnership between the City and advocacy groups representing both housing providers and tenants. Tenants and housing providers have firsthand experience with the impacts of the ordinances. Stakeholders want to ensure the City recognizes and uses their firsthand knowledge and lived experiences as tenants and housing providers because their experiences offer valuable insight. Housing providers have direct experience following and complying with the ordinances and program procedures, whereas tenants have firsthand experience of being vulnerable to housing instability and reporting housing issues. Both groups want to ensure their voices are heard in decision-making.

COMMISSION RECOMMENDATION AND INPUT

In April 2021, staff presented a draft report of the three-year Strategic Plan to the Housing and Community Development Commission. Commissioners provided significant feedback and recommendations on the draft Strategic Plan. Given this feedback and the staff's need to focus on COVID-19 pandemic-related responsibilities, the Housing Department decided to procure the services of a consultant to support the research and analysis needed to develop a strategic plan.

The Housing and Community Development Commission heard this item again on August 10, 2023. The Commissioners heard comments from the public and discussed the report. During its discussion, the Housing and Community Development Commission raised concerns stating that the draft Strategic Plan did not adequately address the needs of housing providers. Public comments and input from some Housing and Community Development Commissioners also demonstrated that there was a perception and concern that the draft Strategic Plan would lead to significant policy changes that would further constrain housing providers.

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In the weeks after the August 2023 Housing and Community Development Commission meeting, staff met with housing providers to follow up on their concerns and review the draft Strategic Plan in further detail. Staff has considered the concerns raised by the Housing and Community Development Commission and public comments and has incorporated them into the final revised draft Strategic Plan.

CEQA

Not a Project, PP17-009, staff reports, assessments, annual reports, and informational memorandums that involve no approvals of any City action.

PUBLIC SUBSIDY REPORTING

This item does not provide a public subsidy as defined in sections 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Erik L. Soliván
Housing Director

The principal author of this memorandum is Emily Hislop, Division Manager. For questions, please contact Rachel VanderVeen, Deputy Director, at rachel.vanderveen@sanjoseca.gov or (408) 535-8231.

ATTACHMENTS

Attachment A: Rent Stabilization Program Strategic Plan 2024-2027

Attachment B: Summary of Stakeholder Feedback



RENT STABILIZATION PROGRAM

Strategic Plan 2024-2027

**City of San José
Housing Department**

August 2024

INTRODUCTION

The City of San José (“City”) Rent Stabilization Program (“Program” or “RSP”) consists of education, engagement, collaboration, and enforcement of policies and regulations intended to build and maintain safe, healthy, and sustainable communities. Over the last several years, the City has developed, adopted, and implemented policies and programs aimed at protecting its rental community, which according to the City’s 2022-2023 annual report, includes over 38,000 rent stabilized apartments, over 47,000 market rate units (buildings with three units or more built after September 1979), and more than 10,000 mobilehome spaces.

During the past two years, Program staff, with assistance of a consultant, RSG, Inc., for some tasks, performed research, data analysis, and stakeholder engagement focused on assessing program effectiveness. Based on the findings, RSG, Inc. prepared an initial draft of a Strategic Plan (“Plan”) in 2023 to guide program implementation over three years¹, by establishing a set of goals and activities intended to evaluate and improve the effectiveness of the overall program. Program staff further revised the draft Plan after seeking stakeholder input and feedback and aligned the tasks with related goals and strategies for housing stability and tenant protections that were recently developed for the City’s 2023-2031 Housing Element. In addition, the Plan identifies tasks and activities to address the concerns and interests of housing providers.

Rent Stabilization Program Background and Goals

The City originally adopted a rental dispute ordinance in 1979 which covered both apartments and mobilehome park spaces. This ordinance only addressed rent increases and did not require just cause for eviction. In 1985, actions were taken to bifurcate the original rental dispute ordinance so that mobilehome parks and spaces are covered by their own stand-alone ordinance². Beginning in 2017, the City expanded the scope and services of the Rent Stabilization Program through significant legislative and policy changes, including amendments

¹ Due to the rapid changes in housing markets, community demographics, and legislation, the Plan should be reviewed periodically and course action updated after several years at a minimum.

² Mobilehome parks are governed by the State’s Mobilehome Residency Law and having an ordinance that only pertains to mobilehome parks was necessary to avoid inconsistencies or interference with state law.

and adoption of five related ordinances intended to stabilize and protect the renter community³. The current suite of rental stabilization ordinances and their primary goals are as follows:

ORDINANCE	KEY PROVISIONS	PRIMARY GOAL(S)
<i>Apartment Rent Ordinance (ARO)</i>	Limits rent increases to 5% per annum.	Promote stable and long renter tenancy. Stabilize rents in apartments covered by the ARO.
<i>Tenant Protection Ordinance (TPO)</i>	Limits termination notices to 13 just causes; provides for relocation assistance.	Validate just termination of tenancies Maintain tenancies and mitigate displacement of apartment residents.
<i>Ellis Act Ordinance (EAO)</i>	Regulates owner move-ins or demolitions, provides for relocation assistance, tenant right to return, and re-control of new rental units.	Maintain rent stabilized housing stock.
<i>Mobilehome Rental Ordinance (MRO)</i>	Allows rent increases based on 75% of CPI, ⁴ with a minimum of 3% and maximum of 7%. Provides for a fair return petition process.	Stabilize mobilehome rents and support residents to maintain affordable housing.
<i>Housing Payment Equality Ordinance (HPEO)</i>	Prohibits refusing to rent to households due to source of income, such as rental assistance.	Supports low-income households, particularly those who are disabled, single parent, and/or female-led households in gaining equitable housing by combating discriminatory practices.

³ It should be noted that in response to the COVID-19 pandemic, beginning in March 2020 and ending in March 2022, action was taken by the City, state and federal government bodies at different times to limit evictions and rent increases and to ensure emergency rental assistance funds were deployed to housing providers on behalf of impacted tenants.

⁴ CPI = Consumer Price Index

STRATEGIC WORK PLAN GOALS OVERVIEW

This Plan aims to improve the Rent Stabilization Program in three general areas. Each area addresses related key findings derived from data analysis, research, comparable jurisdiction program review, and stakeholder feedback. In general, the three goals of the program are to stabilize housing for families, preserve the units people live in, and provide broad outreach and education to better protect tenants and support housing providers.

Objectives

Goals

<i>1) Family Housing Stabilization</i>	Implement programs and employ evaluation tools to increase stability of families and fairness in the rental market⁵
<i>2) Unit Preservation</i>	Implement systems and operational enhancements to promote and enable unit preservation⁶.
<i>3) Outreach and Engagement</i>	Foster positive relationships between tenants and housing providers and further fair housing through inclusive education and outreach to tenants and housing providers.

⁵The purposes of the Apartment Rent Ordinance are to promote stability and fairness within the residential rental market in the City, thereby serving the public peace, health, safety, and public welfare.” San José Municipal Code Section 17.23.020 – Policy and Purposes Declaration.

⁶ “The Apartment Rent Ordinance recognizes the value of residential rental units as a critical resource amid the continuing shortage of and persistent demand for housing in the City of San José.” SJMC Section 17.23.020

GOAL 1 – FAMILY HOUSING STABILIZATION

Objectives

The main objective of family housing stabilization is to identify and address the specific needs of local communities by leveraging available resources to ensure families remain housed. Family housing stabilization encompasses the programs and policies developed and executed by the City to ensure that families have access to decent, safe, stable, and affordable housing. These initiatives are designed to prevent homelessness and offer support to households experiencing housing instability. Family housing stabilization programs address the financial challenges encountered by low-income renters while carefully balancing the interests of housing providers and the broader housing market.

The City has chosen to implement specific housing stabilization plans that support anti-displacement efforts, mitigate evictions, stabilize vulnerable families, and preserve rent stabilized housing units.

Strategies

The strategy of approach synchronizes the three prongs of engagement: program administration, evaluation, and data collection to ensure alignment with the objective.

Short-Term	
1.1	Administration: Assess staffing level and structure of the current Program to determine when changes or additional resources are necessary to meet the objective.
1.2	Evaluation: Evaluate the frequency of using joint petition submissions and consider enhancements to encourage their use by housing providers and tenants.

Short-Term	
1.3	<p>Administration: Establish an operational policy and database configuration plan for the rental registry to:</p> <ul style="list-style-type: none"> • Notify housing providers and tenants of potential violation if rent increase field is greater than 5%; • Communicate with housing providers and tenants on refunds for any rent increases above the allowed 5% limit for covered units; and • Track when units are subject to eviction proceedings, mitigation actions, and subsequent outcomes. <p>If and when changes are made to the rent registry requirements, the City will need to modify the annual registration process, including housing provider noticing, to include information on the additional requirements.</p>
1.4	<p>Data Collection: Capture socio-economic and demographic data on program forms.</p> <ul style="list-style-type: none"> • Add data fields for total tenure of household in unit, percent change in rent at start of lease and thereafter and notes to explain any unusual circumstances for the unit or tenant and capture socio-economic and demographic data on program forms. Specifically, to include data captured when filing a Petition or Exemption Request
1.5	<p>Evaluation: Determine what resources and procedures are needed to identify and track termination notices and notices to pay, voluntary vacancies, and unlawful detainer proceedings.</p>
Long-Term	
1.6	<p>Data Collection: Establish a tool for tracking impacts/outcomes of tenants displaced through Ellis Act buyouts.</p>

Measuring Performance

The primary program outcomes that will be measured are:

- The number of stabilized households compared to the number of unlawful displacements submitted to the Program.
- The number of rent increases above the 5% limit by registered buildings within the Rent Registry.

- The number of evictions and eviction diversions by supporting vulnerable populations
- The rate of vacancy turnover and cause of vacancy.
- The number of longer-term tenants who received a rent increase year-to-year.

GOAL 2 – UNIT PRESERVATION

Objectives

The main objective of unit preservation is to streamline administrative processes by removing hurdles that slow down unit maintenance and repairs. Preserving existing housing stock is crucial for maintaining affordable housing and supporting community stability. Preserving housing units ensures families have access to decent, safe, and stable affordable housing.

Strategies

The strategy of approach synchronizes collaboration and compliance to ensure alignment with the objective.

Short-Term	
2.1	Compliance: Identify all housing providers of rent stabilized units that are not in the rent registry. Use notification, encouragement, and administrative citations to maintain at least 95% rent registry compliance annually.
2.2	Collaboration: Review capabilities of existing rental registry system to allow for modifications to collect additional information and easily report out on program metrics aimed at measuring program effectiveness. If necessary, the City could consider a request for proposal ⁷ to solicit a vendor that specializes in the creation of such systems that include built-in reporting functions.
2.3	Collaboration: Standardize the registration period dates for consistent comparison across periods.
2.4	Compliance: Automatically notify housing providers and tenants when no data was entered during a registration period.
2.5	Collaboration: Add data fields for unit square feet and tracking of any major rehabilitation and/or damage to building caused by fire or flood.

2.6	Collaboration: Collaborate with representatives of the Police Department, Planning, Building, and Code Enforcement Department, other key City and County Departments including local courts, legal aid and other tenant support groups, churches, and schools to share current trends and concerns in the community as it relates to the Program.
2.8	Collaboration: Establish regular meetings among Hearing Officers to create consistency and coordination, and to elevate best practices.
2.9	Collaboration: Establish a mediation program to support tenants and housing providers in coming to voluntary mutual agreements to their disputes.
2.10	Compliance: Implement a pre-approval process for proposed capital improvements to allow housing providers to determine feasibility of cost recovery.
2.11	Compliance: Establish an education program in partnership with other departments and agencies for housing providers concerning code requirements, resources for unit repairs or general building improvements, climate and utility incentives and programs, etc. Conduct housing provider “Landlord Learning Sessions” targeting smaller landlords, with multi-lingual translation/interpretation and that are held in collaboration with third party service providers and other City Departments.
Long-Term	
2.12	Collaboration: Implement improvements to petition mediation and hearing process.
2.13	Collaboration: Conduct a study to establish base year rent standards for use in fair return petition reviews.
2.14	Compliance: Evaluate the impact to housing providers and tenants due to limits on utility charges.
2.15	Collaboration: Consider a “hardship petition” process for low-income tenants in response to a proposed rent increase petitions from a housing provider.

Measuring Performance

The primary outcomes that will be measured are:

- The number of units participating in the rent registry.
- The total value of unit repairs and improvements.

- The percentage of tenant/landlord petitions resolved;
- The Percentage of tenant/landlord petitions that resulted in voluntary agreement without an appeal;
 - The average rent increase for apartments covered by the ARO
 - The continuing occupancy rate.

GOAL 3 – OUTREACH AND ENGAGEMENT

Objectives

The main objective of outreach and engagement is to collaborate with other entities and foster opportunities for providing services and receiving input from housing providers and tenants that will ensure families and housing providers remain in San José to provide and have access to decent, safe, stable, and affordable housing.

Strategies

The strategy of approach synchronizes collaboration and compliance to ensure alignment with the objective.

Short-Term	
3.1	Community Awareness: Collaborate with community organizations and other City or community-based organizations who can assist in sharing information with the public.
3.2	Community Awareness: Collaboration with community organizations who may have well-established relationships with vulnerable populations, including any grassroots efforts like “promotores” programs, in an effort to increase awareness of tenants’ rights under the ARO and TPO.
3.3	Marketing: Create basic ‘Know Your Rights and Responsibilities’ materials for housing providers and tenants, including fair housing information. Produce materials in multiple languages with accessible vocabulary, photos, and infographics. Create an outreach strategy to share this information widely including partners such as schools, community-based nonprofits, and housing providers. Provide internet links to additional resources including more information on fair housing. Identify eligible ongoing funding sources for this purpose.
3.4	Outreach: Distribute periodic program surveys to tenants and housing providers.
3.5	Outreach: Organize annual stakeholder engagement sessions, such as listening sessions, with mobilehome park tenants and housing providers.
3.6	Community Awareness: Establish standing meetings with housing providers to discuss a broad range of support topics and pursue collaborative initiatives.
3.7	Community Awareness: Collaborate with the State to establish that San José can educate the public about and enforce the California Tenant Protection Act, also known as Assembly Bill 1482. Assess whether desired enforcement authority can be granted administratively or if legislation is needed.
Long-Term	
3.8	Marketing: Increase fair housing education, monitoring, and enforcement in target neighborhoods, especially on source of income discrimination. Consult legal assistance partners and analyze City data to determine target neighborhoods. Create a plan for outreach with nonprofit and community-based partners. Identify additional ongoing funding sources for this activity. Enter into contracts with qualified legal services organizations.

3.9	Outreach: Identify ongoing funding to increase nonprofit organizations' support of San José tenants' and housing providers' rights and responsibilities, including fair housing laws. Increase funding of nonprofits to do broad tenant outreach, education, and in some cases legal representation on housing issues, to lower income tenants in the City. Support a nonprofit-run hotline for information and referrals on general tenant/housing provider issues (not legal advice) for all housing providers and tenants, regardless of income or type of home.
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Measuring Performance

The primary outcomes that will be measured are:

- The number of housing providers participating in the Program.
- The percentage of Program inquiries received by intake channel.
- The number of unique tenants participating in events.
- The number of unique housing providers participating in events and forums.
- Survey data demonstrating overall knowledge of the Program.

Appendix A – Key Observations

In preparing the Rent Stabilization Program Strategic Plan, research was completed and gathered for review. This appendix serves as a summary of this background work providing key observations. As part of the stakeholder engagement process for this Plan, both apartment tenants and housing providers indicated that they were only somewhat familiar with the various provisions of the Rent Stabilization Program. All stakeholder groups provided feedback that minority groups are more vulnerable to displacement and would like the City to ensure protection of these groups, including language accessibility, building trusting relationships with racial minorities, posting requirements for notices in mobilehome parks, and accessibility for people with disabilities. The overall feedback received from tenants and housing providers during the stakeholder engagement process was for greater communication and outreach from the City to ensure housing providers and tenants are aware of the ordinances and enforcement of regulations, particularly for the most vulnerable communities.

Need For High-Quality Data

Collecting high-quality data in rent stabilization programs offers numerous benefits, including accurate decision-making, effective policy evaluation, compliance monitoring, and long-term planning. Reliable data empowers policymakers to make equitable decisions based on accurate information, fostering trust among tenants, housing providers, and policymakers. It allows for the evaluation of existing policies, identification of improvements, and informed adjustments. Furthermore, high-quality data serves as a foundation for proactive long-term planning, enabling anticipation of future challenges and informed strategy development. Basing operations on analysis of high-quality data also enhances the effectiveness and fairness of the programs.

- **Data Transparency** - The City's rent registry system provides a good, but limited, base for the collection of information from housing providers. In its current form, the rent registry can only be viewed and utilized by the City, which reduces transparency and the ability for both housing providers and tenants to access information.
- **Registration Rates** - The rent registry includes units covered by the ARO, which are in buildings with three or more units and built before September 7, 1979. This represents approximately 27% of the entire rental housing market in San José. Over 96% of housing

providers with ARO rental units have registered in the most recent annual registration period. Program staff issues Notices of Violation and Corrective Action letters to housing providers who fail to register their units and issue Administrative Citations if no action is taken to correct the deficiency.

- **Housing Voucher Holders** - There is a lack of program data available for assessing the acceptance rate by housing providers of tenants with rental assistance (e.g., Section 8 vouchers), nor are there any demographic details that would provide insight on potential discrimination. Rent registry analysis shows that approximately 5% to 7% (depending on registration period) of rent registry units are rented to tenants who receive rental assistance vouchers, and that rent increases were greater for those receiving rental assistance vouchers. This suggests a need to better monitor equity impacts for this vulnerable group of tenants.
- **Unlawful Detainer Outcomes** - To effectively measure outcomes specifically related to unlawful detainer court proceedings, it is crucial for the City to establish a reliable method of capturing this data and tracking outcomes. Currently, consistent and accurate reporting of relevant information, such as reasons for eviction and outcomes is not available or feasible to track.

Allowable Rent Increases

The vast majority of ARO tenants experienced rent increases under 5% over the four rent registration periods from August 2018 through September 2022. In the most recent rent registration period (August to September 2022), ARO tenants had an average rent increase of approximately 2%. In contrast, units with new tenants following vacancy decontrol had an average rent increase of 8.7% in the fourth registration period. The average increase over the four registration periods was 2.3%. The low average increase is partly due to COVID-19 related rent moratoriums that occurred for seven months in 2020 and another five months in 2021. Additionally, the rent registry identifies rent increases above 5% are as non-compliant, and the City sends information to the tenant about their rights, to the landlord about their requirements and additional tools to both parties as may be needed to ensure program compliance. Less than 3% of landlords are engaged with to resolve non-compliant rent increases.

- **Allowable Rent Increases in Other Jurisdictions** – A review of rent stabilization policies in six comparable jurisdictions revealed that it is more common to use the Consumer Price Index (CPI) as a variable for setting annual allowable rent increases, versus a fixed 5% in San José. The cities of Mountain View and Inglewood use 100% of CPI, while Richmond, Berkeley, Santa Monica, and West Hollywood use 60-75% of CPI. Several jurisdictions also included a cap or maximum, as well as a floor or minimum for setting annual allowable rent increases. For example, Mountain View uses the CPI change, but also has a max of 5% and a minimum rent increase of 2%. Some jurisdictions also allow housing providers to “bank” allowable increases and apply them in subsequent years.
- **Fair Return** – Any evaluation of rent increases in ARO units must also examine whether housing providers are able to preserve their rights to a fair return on investment under the ARO and its provisions. This would consider the outcomes of any petition for fair return or for specified capital improvements that is submitted to the Program.
- **Coverage Based on Building Type** – The ARO and TPO combined apply only to buildings with three or more units (unless units fall under an exemption) which accounts for approximately 97% of the multifamily units in San José. There are also more than 49,000 duplexes, single-family homes, condominiums, and townhomes in San José that are rented and not subject to the ARO or TPO.⁸
- **Ellis Act Withdrawals** – In the past five years, the number of ARO units has been declining and EAO withdrawals have increased. Although Ellis Act Ordinance affected tenants are entitled to relocation assistance, the number and amount of relocation benefits has not increased at a similar rate. Additionally, data revealed that more rent-stabilized units and fewer market rate units were withdrawn in recent years, and the average relocation assistance amount decreased. Further investigation would be needed to identify the reasons behind these changes.

⁸ Some portion of the 49,000+ rentals not covered by the ARO or TPO are covered by the State’s Tenant Protection Act of 2019 which establishes just cause for eviction protections and an annual rent increase cap.

- **State Law Rent Provisions** – While San José has its own local ordinances that cover most units in multi-family buildings, almost all tenants and rental housing providers in California are subject to a state law known as Assembly Bill (AB) 1482 (The Tenant Protection Act of 2019) that limits rent increases and provides just cause eviction, discrimination, and other tenant protections.

San José ARO and TPO rental units are not subject to most of AB 1482's provisions, but other rental units in the City are covered by AB 1482, like duplexes and units constructed in the last 40 years. For example, units more than 15 years old, but built after 1979, are subject to a rent increase cap under AB 1482. However, if a tenant receives a rent increase above that threshold, they have no mechanism of enforcement available to them and the City does not currently have jurisdiction to enforce AB 1482. Another challenge is that AB 1482 just cause for eviction provisions apply to most duplexes, whereas all duplexes are exempt from the TPO. These differences create challenges to educating the rental community about rights and responsibilities, and for Program staff to analyze and understand trends.

Observations From Other Jurisdictions

Rent stabilization programs have been implemented in many jurisdictions throughout California, several within the last few years. As part of the comparable jurisdiction research process for this Plan, interviews were conducted with representatives from other cities with rent stabilization programs including Mountain View, Berkeley, Richmond, Santa Monica, West Hollywood, and Inglewood. Some of these rent stabilization programs have been in place for several decades, while others were established more recently. Each city's program has its own unique structure and approach. This diversity provides an opportunity to standardize best practices from a range of rent stabilization programs.

- **Mediation Program** - The ARO provides that tenants who live in rent stabilized units may file petitions for mediation and/or a hearing to the Rent Stabilization Program. These petitions may be based on invalid rent increases, health and safety concerns, or a service reduction. Furthermore, the current petition hearing and mediation process may require enhancements. In Mountain View, having separate individuals serve as mediators and

hearing officers was considered a strength. Mediation is a confidential voluntary proceeding where mediators assist parties in coming to a resolution of their own making, which promotes addressing matters outside of the petitions process if the parties wish. In contrast, a hearing officer considers evidence presented by parties at the hearing and in their petition or response and then issues a binding decision. Different hearing officers can present alternative solutions that may lead to more favorable outcomes for both tenants and housing providers. Mountain View's hearing officers hold regular meetings among hearing officers to foster collaboration and stay informed about the latest regulations and developments in the field of rent stabilization.

- **Capital Improvements** – As part of the stakeholder engagement process for this Plan, housing providers reported they struggle with the current capital improvement process. Housing providers believe the limited ability to recoup repair costs through a 3% pass-through creates disincentives for housing providers to make improvements, particularly in older properties subject to ARO regulations. They share that this is due to the financial challenge posed by ongoing repairs without sufficient cost recovery, hindering investment in necessary upgrades.

Attachment B – Summary of Stakeholder Feedback

I. HOUSING PROVIDERS VIRTUAL STAKEHOLDER MEETING: March 6, 2023

- Mom-and-Pop housing provider's concerns presented
 - Operating losses compared to those of large corporations, as cost of utilities increase making it difficult to afford properties.
 - Find fair return process difficult, causing much update needed on properties providing renters less valuable living spaces
 - Creation of competition against newer apartment buildings
- 5% allowable rent increase limit leads to the depreciation of properties.
- Rent Registry has improved over the years making it easier to use.
- Bring back the ratio utility billing system (RUBS)
- There should be more focus on preserving “mom-and-pops” by enforcing tenant protections. Some owners can only evict based on nonpayment, given the legal assistance provided to renters.
- The TPO causes difficulty in removal or eviction of tenants that cause issues on the property or for other tenants.
 - Time consuming.
 - Can require legal fees.
 - Can cause more retaliation from bad renters, such as nonpayment, worse nuisance behavior, etc.
- The TPO defeats the purpose of existing lease agreements.
- Rental assistance/ Sacred Heart has become a lobbying business and is extending the eviction process further; money comes in to favor renters.
- The TPO disincentivizes landlords to upgrade properties for bad tenants.
- Landlords do not get any real support/protections outside of the moment of eviction

II. HOUSING PROVIDERS IN-PERSON STAKEHOLDER MEETING: March 8, 2023

ARO Presentation & Discussion

In what ways does San José’s Rent Stabilization Program create challenges to a fair return?

- Limitations on charges that can be placed on tenants for additions, for example: Additional parking for \$50, charge for pets, storage, or additional roommates.
- The ban on RUBS causes housing providers to place limitations on the number of tenants per unit to keep utility costs low as utility costs increase.
- The 5% allowable rent increase limit provides a burden to make necessary repairs and additional support to older buildings.

- In mobilehomes we have a sliding scale depending on Consumer Price Index (CPI), what is that taken into consideration for the ARO?
- How many people want stability and predictability in their rents? How about banking? How many people would prefer not to raise their rent every year?
- Believe that State Law and the ARO provide greater protections to tenants than they do to housing providers.
- I would like the ability to do “a la carte” charging.

What challenges have you faced accessing and completing the Rent Registry?

- There are many housing providers who are not tech-savvy. You need to have equity to make sure material is translated to make information easier.
- How many people are being fined in an administrative citation? This should be public record and be made available for us to see.
- User Interface should be improved and easy to use.
- Housing providers and managers had difficulty in entering information manually and managing all units when there are over 14,000 units.
- Landlord should have the ability to make changes without having multiple log-ins for all the properties and should not be shut down in September.
- Rent Registry from the landlord knowledge, must be used when there is a 5% increase.
- Clarification on the need for the Rent Registry when in the lease tenant is given information that states how “landlords are not able to raise the rent over 5%, to contact CSJ Housing”.
- How can you expect people of different languages to complete the registry and then cite them for failing to register?

What changes or improvements would you like to see the City implement regarding rent stabilization?

- Return programs that help to educate housing providers on ordinances and regulations that exist among Housing and Code Enforcement.
- To develop a more productive and stronger relationship with housing providers that provide affordable housing under the ARO.
- Work with Code Enforcement to identify and focus on problematic property cases.
- Evaluate programmatic funding.
- Would like to see housing provider resources that do not eliminate them based on income.
- Standardization of residential occupancy permit and program fee invoicing, where a date is set for each year.
- Return of Ratio Utility Billing (RUBS) and banking.
- Have a la carte charging option such as for pets, storage, etc.
- Expand ARO rent increase caps to all properties, including newly constructed units.

TPO, EAO, HPEO Presentation & Discussion

What are the most important benefits of San José's RSP regarding Just Cause Eviction?

- Housing providers do not see benefits of the TPO.

What barriers have you faced in your ability to exercise control over your property(s) due to San José's tenant protections?

- Binding agreement for tenants to attend mediation.
- Free legal services for landlords. Make legal representation equal between landlords and tenants.
- The difficulty in terminating a tenant under state law is enough without including the TPO.
- The just causes do not encompass all situations that may apply to the termination or eviction of a tenant.
- The eviction process is very long and at times landlords need to extend their notice.
- Just Cause Eviction, Cost is around \$20K and 4-6 of lost rental income and not being able to re-rent.
- Housing providers fear retaliation by tenants when they issue a notice and attempt to evict.
- Housing providers indicate tenants fear retaliation by problematic tenants for reporting issues to the housing provider or police.
- Unable to evict tenants that have a mental illness, since at times they are forgetful or may not understand the information shared.
- Relocation assistance required and other regulations for no-fault terminations (such as substantial rehabilitation) are too costly that housing providers aren't incentivized to make improvements on their properties; even when accounting for a 3% increase that can be granted through a capital improvement petition.
- Housing providers absorb all the costs for having to make necessary replacements and modifications to the property.
- TPO has caused housing providers to excessively screen applicants to prevent the potential of renting to a problematic tenant.

What challenges and improvements would you like to see the City implement regarding just cause eviction policies?

- Shorten the time frame required for the eviction process. Especially when there are serious problematic tenants.
- Binding agreement through mediation to hold tenant and landlord accountable.
- Legal Service resources provided should be equal to housing providers and tenants.

III. TENANT VIRTUAL STAKEHOLDER MEETING: February 27, 2023

ARO Presentation & Discussion

What are the most important benefits of the Apartment Rent Ordinance (ARO)?

- 5% increase is beneficial. It is difficult for residents to remain housed if it is above the 5%.
 - ARO should expand the limit on 5% increase to combat evictions/homelessness.
- There is concern about tracking landlords' violation of the ARO when rent is increased by > 5%.
- Concerned that housing providers will issue a notice of termination of tenancy to the tenant after a petition is submitted or outcome issued in retaliation.

What are the biggest challenges/concerns of the ARO?

- Only 38,000 units are covered by ARO. There are good protections, but they are not expanded enough to protect the City. It is not enough to help residents that are not making market rate wages/salaries. Not enough ARO coverage.

What is one change/improvement you would like to see the City implement regarding the ARO?

- Lower the 5% rent increase. Many people are still cost burdened by the rent.
- Expanding the types of units that ARO covers so that more people can be protected.
- Various occupations that do not pay enough for someone to pay rent.

TPO, EAO, MRO, HPEO Presentation & Discussion

What is one change/improvement you would like to see the City implement regarding the TPO?

- Inclusion of duplexes as part of covered units in the TPO.
- Explaining what tenants can do when experiencing false accusations.
- Better awareness when communicating with members of the public that experience a communication barrier.
- Expand awareness of the city's ordinances and protections. Conduct further outreach to tenants and housing providers.

IV. TENANT IN-PERSON STAKEHOLDER MEETING: March 2, 2023

ARO Presentation & Discussion

What are the most important benefits of the Apartment Rent Ordinance (ARO)?

- Limit on increase of rent by 5%.

What are the biggest challenges/concerns of the ARO?

- Lack of awareness among tenants of the Program and protections of the ordinances.
- The petition process is unclear to tenants and what items can be the basis of a petition.
- Fear of retaliation from landlords.
- Staggered rents: new tenants pay market value after old tenants leave, making it impossible to pay utilities as well.
- Single-family homes not covered.

What is one change or improvement you would like to see the City implement regarding the ARO?

- No change is necessary because if changes occur, it will inequitably benefit either the landlord or the tenant.
- Rent increase should be decreased to 3%.
- Social media marketing the ARO.
- Flexibilities with single-family homes and duplexes.
- Collaborate with churches and CBOs to educate immigrants about ARO
- Void 1979 restrictions

TPO, EAO, MRO, HPEO Presentation & Discussion

What are the most important benefits of the TPO?

- Just-cause evictions.
- Relocation assistance, but the amount should increase.

What are the biggest challenges/concerns of the TPO?

- Gives bad tenants too much leeway, which is bad for neighbors and landlords.
 - Limited regulations
- Tenants do not feel comfortable bringing issues to landlords.
- Lack of clarity on how the City responds to illegal evictions.
- Most tenants are not informed of their rights.

What is one change/improvement you would like to see the City implement regarding the TPO?

- Communication requirements, such as an addendum, for landlords to tenants apart from the lease agreement, which discusses protections (if leaseholder leaves, give allowable time to find someone new).
- Make stricter anti-retaliation rules for landlords.

- Tenants unaware of rights -> Implementing communication requirements for landlords when signing new tenants onto lease (needs to be in tenant's language).
- Workshops for tenants (monthly, quarterly).
- Cultural communities are afraid to speak up. There needs to be ways to lessen the fear these people:
 - Could possibly provide outreach in underrepresented areas or hold meetings specific to Section 8 voucher holders.
- How can the City protect cultural communities and the elderly community who are vulnerable and unfamiliar with rights?

V. **MOBILEHOME RENT ORDINANCE (MHRO) STAKEHOLDER MEETING:
March 13, 2023**

MHRO RESIDENTS Discussion

Do you feel that the Mobilehome Rent Control Ordinance adequately helps maintain affordability for mobilehome lots within the City?

- MRO is not perfect, but it works.
 - Mobilehome park enforcements are appropriate.
- Affordability can be difficult but adequate, considering apartment rent costs.
 - Amenities in mobilehome parks are a perk (general maintenance, street sweeps, etc.), but this can be an issue in some parks.
- There are hopes that any changes in the ordinance will not directly negatively affect seniors, as there is a large community of senior mobilehome renters.
- SJC is the only robust rent-controlled area in California.
 - Helps people of all demographics to maintain housing.
- Overall, changes that would go against residents are not wanted, as many residents have not faced.

What challenges have you faced regarding tenant protections provided to mobilehome residents?

- Residents are terrified of being evicted upon complaints to management.
 - Residents are not well informed of their rights and fear retaliation.
- Scenario 1: A group of mobilehome park residents raised \$40K for a lawyer when mobilehome owner wanted to increase rent. It has been up to residents to join and enforce the ordinance as it should be applied.
 - Lack of concrete restrictions on lease management/owners.
- Scenario 2: The actual owner of a mobilehome park does not plan on keeping it.
 - What regulations are enforced? Can there be protections for this situation?
- When mobilehome is sold, residents want to see that mobilehome rent is not increased more than is allowed. Residents want proactive monitoring, rather than them bringing the issue to CSJ.

What changes/ improvements would you like to see the City implement regarding the Mobilehome Rent Control Ordinance

- There is a large Vietnamese community in mobilehome areas.
 - Managers refuse to explain when rent will increase – Existing language barriers.
- Accessibility to information is difficult, given announcements are only posted on park boards.
 - Solution: Enforce mailing information out to each resident in their native language.
- More transparency is wanted between Housing and residents; residents do not feel respected as a vulnerable community.

MHRO OWNERS Discussion

Does San José's Mobilehome Rent Control Ordinance provide a fair return for mobilehome park owners?

- The Ordinance allows for a 'Fair return' but park owners think 'fair' is different than residents. The word 'Fair' is subjective.
 - There is a divide on what is a fair return.
- In order to do the calculations and have a hearing, you have to have your records for **1985**.
 - Few owners have those records due to not owning the park in 1985. Extremely unfair because then you can't petition.
- Vacancy de-control: the space in which a tenant voluntarily left has to stay at the same rental rate.
 - Does not give an incentive to the landlord to upgrade space.
 - As park gets older, the owners need to put a substantial amount of money to maintain (old gas lines, old sewer lines)
- If you don't give owners fair returns, they don't have the funds to upgrade their parks.
- Birkenfield vs Berkeley: if a city exercises rent control they can guarantee a fair return (origins of fair return).
- Operational burdens that are imposed stops a fair return.
 - The 1985 records requirement is an obstacle.
 - Must appear with an appraiser, CPA, to start a fair return. It's a long process.
 - Justice denied.
- Rent control transfers all power from landlord (which hold responsibility to upgrade and maintain park conditions) to the tenant
 - 75% of CPI is not a fair return.
 - Base year 1985.
 - Anecdote: Crazy storms caused park fence to fall down. \$80,000 to replace. To capture a fair return, it costs more \$ to go through the process than to maintain conditions.

What challenges have you faced regarding tenant protections as a mobilehome park owner?

- Protections were punctuated during COVID-19 restrictions from Sacramento.
- Significant and burdensome.
- City should stay out.
 - We have a court system that handles this situation. Civil codes take care of it.
 - It protects people that shouldn't be protected.
- Mobilehome residency laws are very strict, and it is unnecessary for the City to get involved. It's very confusing to know which laws to follow.

Do you have any recommendations on how the City could better support park owners during transitions in park ownership?

- Nice for Housing to reach out to Ryan Jasinsky (Housing Commissioner) during these transitions to help people out.
 - People are hesitant to talk to the city and Ryan is happy to be the conduit when it's deemed necessary.
- Difficult for an owner to attempt to add spaces to park.
 - The Sacramento HCD kept sending owner to the city and vice versa.
- Contact within the City to approve adding new spaces to the park.
- Property tax reassessment is an issue with a new park owner.
- An appropriate pass-through should be applied on a dollar-to-dollar basis.
- New buyers may not know the intricacies of the ordinance. It is a daunting task.
 - Clearer information.
- There should be a set formula for rent increase and property taxes for a new buyer.
- The fair return process is largely involved with attorneys on both sides.
 - Parties are capable of defending themselves. Less murky the water gets more smoother the process gets.
- City should be more helpful when trying to add housing.
 - Costs \$27,000 to add more spaces.
 - Mobilehomes are an affordable option.

Changes you would like to see the City implement?

- Mobilehome parks provide very valuable low-income source for City to meet criteria.
- Would like to see the city participate with mobilehome parks.
 - Mobilehome parks have certain rent levels, maybe the city can give them a break on property taxes.
 - Owners contribute so much to the city but not vice versa.
 - Offer to upgrade electrical and sewers.
 - If things are not done (deferred maintenance) and things get older and more expensive, the owners may not want to upgrade those things.

- No changes to having a rent registry for mobilehomes: waste of City's time and resources, only 26 calls last quarter and five were rent increases.
- Make sure owners are always part of the conversation: They really are your best resource.
- Why are we paying for the mobilehome fees?
 - 20 - 35 dollar increase mobilehome park fees.
- Mobilehome space rent increase limit is always around 3%, never goes to 7% - this is way short of inflation.
 - ARO can increase by 5% and they don't have to maintain the roads or PG&E lines, gas, electric. The owners have more infrastructure to maintain.
- Measure of vacancy decontrol.
- City should consider a more reasonable rent increase each year.
- Santa Cruz and Capitola lost rent control.

VI. STAKEHOLDER MEETING FEEDBACK VIA EMAIL: Throughout the Month of March 2023

Regarding ARO/TPO

- Allow for eviction without cause, as long as the replacement tenant's rent will be the same (or less).
- Include duplexes under the ARO.
- Allow for add-on charges as part of rent to bring rents to market rate such as pets, parking, storage, new appliances, etc.
 - Then allow for Rent Registry to capture those add-on charges.
- The cost of insurance, maintenance, and utilities have increased but the rate of rent increase doesn't match.

Regarding Mobilehome Rent Ordinance

- The cost of property taxes, fees, insurance, maintenance, and utilities have increased but the rate of rent increase doesn't match.

VII. INITIAL DRAFT STRATEGIC PLAN PUBLIC INPUT VIA EMAIL: July-August 2023

- The current ARO rent increase limit of 5% does not match the rate of inflation that is currently being experienced.
- MHRO annual increase limit of 75% of CPI negatively impacts park owner's ability to generate income.
- Strong support for AB 1482 rent increase limit of 5% plus CPI as a model that should be adopted by the City.
- What measures are taken to ensure housing providers receive a fair return on their investments?

- The ability for housing providers to take preventative measures in building maintenance that is beyond wear and tear is difficult due to low rents, causing issues to worsen over time.
- Provide more funding to Law Foundation and legal consortium to assist tenants in receiving more assistance in knowing their rights, and more hours of availability to be accessible to low-income households.
- Partner with community liaisons in school districts and family resource centers to reach out to more families, and provide greater education and resources of their rights as tenants.
- All tenants deserve the right to affordable, if not free, legal counsel.
- Greater need to protect “natural affordable housing” from out-of-state investors that are seeking to drastically increase rents to force tenants out, and only rent to high income tenants.
- In the short-term goals of Data Collection, no mention of costs and/or payment sources are mentioned when discussing soliciting a vendor. When Rent Registry compliance is 96%, above another stated goal, it seems that a cost-benefit analysis should be seriously considered for an outside vendor.
- The rent registry is a time-consuming, costly endeavor for housing providers and property managers. Those costs should be considered with any additional reporting requirements.
- There is currently no enforcement of rent increases over 5%. With the effort provided by housing providers to prove rents are at the city-mandated levels, there is an assumption there would be required compliance if violated.
- The difference in the increase of costs to housing providers and the increase of rent paid by existing tenants should be a metric to consider.
- Address the impact of rent loss and financial burden due to COVID-19 experienced by housing providers.
- A need for protections for mom-and-pop housing providers that rely on income generated by rents.
- Re-institute RUBS or something similar to address water usage and trash collection as a means of conservation.
- Conduct analysis on the cost/benefit of the registry and the current rent stabilization policies.

VIII. UPDATED DRAFT STRATEGIC PLAN TENANT ENGAGEMENT: October 3, 2023 virtual meeting

- Request for translated copies of the draft, primarily prior to the item going to CED or City Council.
- What things can be changed prior to arriving to CED or to Council?
- Is the goal of the strategic plan to make a more efficient equitable process between tenants and housing providers?

- What are the next steps after the plan gets approved? How will Housing put the plan into effect?
- Goal around getting to complaints of rents greater than 5% within 18 months, there hasn't been enforcement of that. From their understanding that is a point of the ARO. Enforcement should be done sooner than 18th months. The 18th month objective seems longer and should be done in 30 days.
- Making programs work is often framed as an us vs them, tenants vs housing providers. However, there is a broader community interest, a public interest, in mitigating the personal, family, community, and economic impacts of displacement and instability. It is important to have common sense administrative actions to better realize the public interest.
 - Are we going to be measuring the amount of time for actions we may take if a tenant files a complaint? Would need something quicker sooner as a measurable action.
- The draft that has been sent, if there is any feedback or comments will that help change or will it remain as is?

IX. UPDATED DRAFT STRATEGIC PLAN MOBILEHOME COMMUNITY ENGAGEMENT: October 4, 2023 virtual meeting

- Commend the team on the outreach that has already begun; truly appreciated by park owners.
- Looking forward to continuing engagement and bringing in residents; their voices are equally important.
- Be sure to differentiate between apartment folks and mobilehome folks in the plan's observations section.
- Work should be done to increase resident participation in meetings.
- Preservation is an important goal for the mobilehome community.
- Be mindful of the needs of the disabled.

X. UPDATED DRAFT STRATEGIC PLAN HOUSING PROVIDER ENGAGEMENT: October 5, 2023 hybrid meeting

The first monthly Housing Provider Roundtable was held at City Hall with over 35 attendees participating in person and virtually. The updated draft of the Strategic Plan was one of the discussion topics. Feedback received:

- Recognition that there are different types of property owners – “mom and pop”, large corporations, etc. – and that the expense ratios are very different for smaller housing providers.
- No incentive to own rental property in San José.
- Feel vilified for not being able to maintain their property.

- Burden of providing affordable housing shouldered by “mom and pops.”
- Capital improvement costs are high.
- Large property corporations don’t work with tenants.
- Property owners pay the fees and are not subsidized.
- Property owners should be able to have a process to raise rents like affordable housing does.
- The ARO can be tweaked to be beneficial to both property owners and tenants.
- Hope that the monthly Housing Provider Roundtable develops trust between the Housing Department and housing providers.
- Rent increases are capped, but housing providers can’t cap services.
- ARO forces housing providers to increase rent 5% every year rather than postpone rent increases.
- Housing providers should be included in policy making process, not be informed of the change after it’s been adopted.
- Code inspection issues – inconsistencies between inspectors.
- Bring back Project Blossom.
- There should be an impartial person to buffer relations between housing providers and the City.
- Housing providers only have one option to deal with lease violations by tenant – eviction.
- There’s no legal advice services for Housing Providers in the plan.

XI. EMAILS RECEIVED ON THE UPDATED DRAFT STRATEGIC PLAN
Email received on September 27, 2023:

- Changing the regulation to encourage landlords to put more units on the market as well as improve the quality of their housing.
- We need more rehabbers fixing up properties for rental units and more people putting available units on the market.
- Enable additional cause to TPO– namely the renovation of the unit. If landlord wishes to invest more than \$20,000 in upgrading a unit they should be allowed to evict tenant with four months' notice. There would be vacancy decontrol at the point of renovation and would have to give a right of refusal to the old tenant at the new rental rate.
- Reduce the permitting procedures and practices so that these renovations can occur in less than three months.
- Increase maximum allowable rent increase from 5% to 8%
- Encourage rehabbers to develop property for rental usage, by creating expedited permit processing if the house will be used for rental purposes.

Email received on October 5, 2023:

- Page 8- 1.3: Give benefit to housing providers who do not give rent increases or give rent increases below 5%.
- Page 10, what is the purpose of this? If there is a hardship from the tenant, what are the other alternatives?
- Why are there no legal services for housing providers but only for tenants?
- Page 13-While ensuring a fair return on investment to owners: What is the definition of Investment? How are we doing it?
- Since 2018, how many fair return petitions have been approved?
- Suggestion: Housing providers should be allowed to raise a rent which is equal to low-income housing (80% AMI) in any part of San José, CA, with no questions asked.