



City of San José Department of Housing

Policy Development Community Meeting

Seven Trees Community Center

February 12, 2018



Agenda

Overview of Issues

- Tenant Protection Ordinance
- Apartment Rent Ordinance
- Ellis Act Ordinance
- Source of Income

Questions & Answers

Tenant Protection Ordinance

List of Just Cause Terminations

1. Nonpayment of rent
- 2. Material or habitual lease violation**
3. Damage to the apartment
4. Refusal to sign a new agreement
- 5. Nuisance behavior**
6. Refusing access to the apartment
7. Unapproved holdover subtenant
8. Substantial rehabilitation
9. Ellis Act removal
10. Owner move-in
11. Order to vacate
12. Vacation of unpermitted apartment

Tenant Protection Ordinance - Criminal Activity

No Change

Utilize the current Tenant Protection Ordinance as a basis to serve Notices of Termination to tenants

- Material lease violation
- Nuisance Behavior – requires a warning

Criminal Activity Just Cause

Create a new Criminal Activity just cause

- Require a conviction
- Crime committed on the premises
- Specific types of crime
- No warning required

Apartment Rent Ordinance

Major Changes:

- Base rent increases limited to 5% once every 12 months
- Exclude duplexes from the ARO
- Tenant buyout agreement requirements
- Rent registry

Ratio Utility Billing Systems (RUBS) will be determined in Spring 2018

Apartment Rent Ordinance – Ratio Utility Billing System (RUBS)

No RUBS; Transition for RUBS Elimination

RUBS is not allowed – transition for current RUBS contracts:

- Amnesty with Sunset Date
- Provide Process for One-Time Rent Increase

No RUBS

RUBS is not allowed

Allow RUBS

RUBS is allowed if the following criteria is met:

- Limited to water, garbage and gas
- Combined rent and utility charges never exceed 5%
- Utility amounts are capped at HUD utility rates
- Common area costs are not passed on (25% of total utility costs)

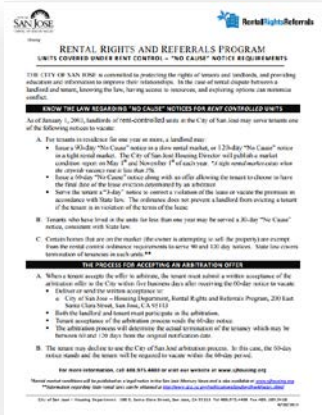
Ellis Act Ordinance

Landlords have a right to remove rental housing from the market



Ellis Act Ordinance

1



Create a standardized & formal process for issuing notices

2



Provide relocation benefits to tenants

3



Re-control of new apartments & right to return for displaced tenants

Ellis Act Ordinance - Re-control

All Units

All new apartments are re-controlled

Anti-Gouging

All new apartments are re-controlled; the number of destroyed apartments are subject to the ARO general increase (5%), all additional apartments are limited to a 10% rent increase.

Two-for-One

Twice the number of apartments destroyed are re-controlled. All additional apartments are not controlled.

% Additional Deed Restricted Affordable

If inclusionary obligations are exceeded by voluntarily building a certain percentage on-site, re-control requirements may be exempted.

One-for-One

The number of apartments destroyed is re-controlled on a one-for-one basis.

Ellis Act Ordinance - Covered Apartments

Current

4 apartments or more

or

Proposed Amendment

3 apartments or more

Ellis Act Ordinance - Apartments Built After 1979

Current

Cover apartments built
before 1979

- Relocation Benefits
- Noticing

or

Proposed Amendment

Also cover apartments built
after 1979

- Relocation services
- Noticing

Source of Income: What is it?

A public statement that people that have rental vouchers should not be turned away as potential renters because of the source of their income.

Source of Income: City's Objectives

- Encourage properties to fairly consider prospective tenants.
- Decrease the time it takes for voucher holders to find housing.
- Decrease likelihood that prospective tenants have to leave San José to find housing (displacement).
- Encourage, but not require, participation of landlords in Section 8 and other voucher programs.

Source of Income: Need

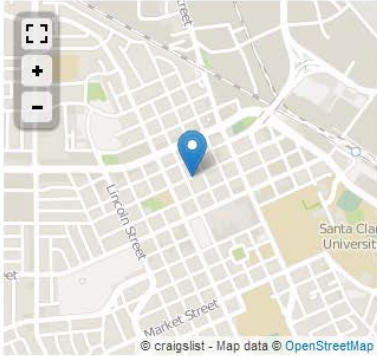

- The housing crisis continues.
- Valuable rental vouchers are difficult to get and use.
- In a 2017 survey, 66% of San José listings on major apartment websites advertised “no Section 8”
 - Another 29% of properties said on the phone that they don’t take Section 8
 - Only 5% of available apartments’ managers would consider a Section 8 tenant
- Elderly, disabled, veterans, formerly homeless, and families are at risk of losing their vouchers.

Source of Income: Need

[reply](#) [prohibited](#) ^[2] Posted about 5 hours ago [print](#)

☆ **\$2250 / 2br - 800ft² - LARGE TWO BEDROOM IN A QUIET 10 PLEX (6-6) (santa clara)**

image 1 of 12



© craigslist - Map data © OpenStreetMap
1135 Harrison St
[\(google map\)](#)

2BR / 1Ba **800ft²** **available now**

apartment
laundry on site
carport

Great Santa Clara location, quiet area and apartment building. Lots of remodeling, air conditioner. No Pets, No Section 8. To see this apartment, please call Jessie or Maria at [show contact info](#)

- do NOT contact me with unsolicited services or offers

post id: 6486611907 posted: about 5 hours ago [email to friend](#) [best of](#) ^[1]

Source of Income: Background

- Cities that have adopted SOI ordinances:
 - Santa Clara County
 - Marin County
 - San Francisco
 - Santa Monica
 - East Palo Alto
 - Corte Madera
 - Foster City

Source of Income: Policy Options

1. Define vouchers as tenant income.
2. Prohibit exclusionary advertising.
3. Require fair consideration of applicants with vouchers and housing subsidies.
4. Define which buildings are subject to the ordinance.
5. Identify enforcement:
 - City-initiated process (mediation, civil actions, fines, etc.)
 - Privately-initiated process (civil actions, fines, attorney's fees, etc.)

Source of Income: Feedback

- Have you, or someone you know, had trouble finding a landlord who will accept housing vouchers or other forms of housing subsidies?
- If the City were to create a “source of income” ordinance, what types of housing should it apply to?
- What else can be done to make it easier for voucher holders to find eligible apartments?

Upcoming Meetings

Date	Time	Location
Monday, February 12, 2018	6:30—8:30 p.m.	Policy Development Meeting Seven Trees Community Center 3590 Cas Avenue
Thursday, March 8, 2018	5:45 p.m.	Housing and Community Development Commission City Hall, Wing Rms. 118-120 200 E Santa Clara Street

Future Updates

- Sign up for email updates or submit questions or comments to staff by sending email to RSP@sanjoseca.gov
- For more information and updates, visit www.sanjoseca.gov/rent
- Call us at **408-975-4480**