

Shaping the Future of Housing

Cypress Community Center

July 11, 2017



Agenda

1. Introductions & handouts review
2. Review of the Tenant Protection Ordinance
3. Review of the policies for the Fully Modified Apartment Rent Ordinance
4. Questions & answers

Tenant Protection Ordinance



Who is currently covered?



Apartment Rent
Ordinance
apartments



All other
properties
Multiple
Housing
Dwelling



All
apartments
built without
a permit, or
operating
illegally



Guesthouses



Apartments
with a condo
map

Who is not covered?



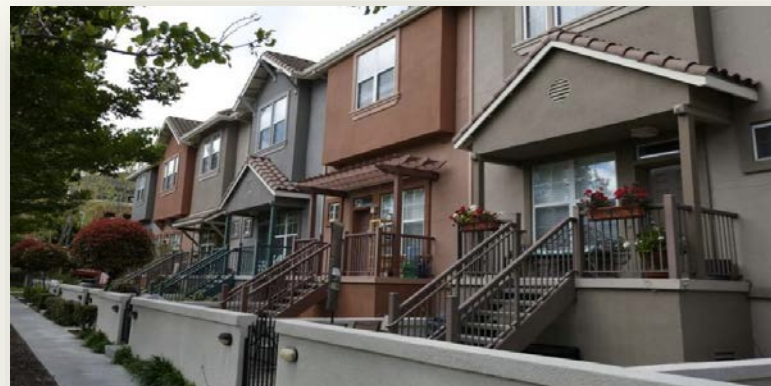
Single family homes &
second units



Duplexes



Condos for sale



Townhouses

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

TPO Policy Consideration #1

“Roommate Clause” or Just Cause #2 Material and Habitual Lease Violation

More details will be provided in the regulations.

For example, requiring notification to landlord prior to additional occupants



Group discussion (5 min)

1. Regulations to strengthen family verification for additional occupants:
 - Tenant request prior to move in
 - Tenant must document relationship
2. Occupancy Standard
 - 2 persons max per bedroom + 1 person (18+)

TPO Policy Consideration #2

Criminal Activity

Explore language to include criminal activity as a “just cause”



Group discussion (5 min)

1. How should criminal activity be defined?
2. What types of activity should be included?
3. What is the burden of proof?

Fully Modified Apartment Rent Ordinance



ARO Policy Consideration # 1

Consumer Price Index (CPI)

Annual rent increase may be limited by CPI, rather than a flat percentage



Group discussion (5 min)

1. Two ways to address banking:
 - Banking, or
 - Maximum Allowable Rent (MAR)
- Pros & cons

ARO Policy Consideration # 1

Scenario:

Original lease amount is \$2,000

\$2,000 original lease

Year 1: 2% \$40 \$2,040

Year 2: 3% \$60 \$2,101

Year 3: 2% \$40 \$2,143

ARO Policy Consideration # 2

Capital Improvements

Create a capital improvement program allowing the pass through of costs to tenants

Group discussion (5 min)

1. Three types of improvements:

- **Sustainability, safety, & seismic upgrades**
(100% for amortization period)
- **Major System Upgrades on list that improve Housing Services**
(100% for amortization period)
- **Major Maintenance Replacements on list**
(50% for amortization period)

ARO Policy Consideration # 3

Duplexes

Consideration of the inclusion of duplexes under the Apartment Rent Ordinance



Group discussion (5 min)

There are approximately 11,000 duplexes in City of San José. What are the advantages and disadvantages of including duplexes in the Apartment Rent Ordinance?

ARO Policy Consideration # 4

Hearing Process

Potential changes to the current hearing process structure



Group discussion (5 min)

What are the advantages and disadvantages of:

- Voluntary mediation
- Administrative hearing
- Staff determination

For Future Updates

Sign up for our email updates by sending email to RRRP@sanjoseca.gov

For more information and updates, visit www.sanjoseca.gov/housing

Submit questions or comments to staff:
Viviane Nguyen
viviane.nguyen@sanjoseca.gov