

District 1 — Roma Dawson  
District 3 — Barry Del Buono  
District 5 — Ruben Navarro  
District 7 — Victoria Partida (VC)  
District 9 — VACANT  
Mayor — VACANT  
Lived Experience (Mayor) — Sketch Salazar  
Lived Experience Alternate (Mayor) — Gabriela Gabrian

Alain Mowad — District 2  
VACANT — District 4  
Jen Beehler — District 6  
Huy Tran — District 8  
Roberta Moore — District 10  
Daniel Finn — CAAC MR  
(C) Ryan Jasinsky — CAAC ML

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Commissioners are appointed by corresponding Council Members, but do not need to reside in that Council District.

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### **REGULAR MEETING AGENDA**

December 12, 2024

Virtual [Zoom Link](#)

Start time: 5:45 PM

Web ID: **940 5398 8541**

Location: City Hall, Wing Rooms 118-120

**888-475-4499 (Toll Free)**

Members of the public have a choice to attend the meeting either in person at the location listed above, or to attend virtually, viewing and listening to the meeting by following the instructions below. Additional instructions are provided below to those members of the Public who would like to comment on items on the agenda.

Beginning Tuesday, February 6, 2024, the City of San José will limit verbal comment for Brown Act meetings to **in person only**. The public will still be able to watch live broadcasts of commission meetings on Zoom. The public may attend meetings in person to provide comment or may provide written comments on agenda items.

#### **How to attend the Housing & Community Development Commission Meeting:**

- 1) **In person:** For participants that would like to attend in person, the physical location is listed on the upper left of this page.
- 2) **Electronic Device Instructions:** For participants who would like to join electronically from a PC, Mac, iPad, iPhone, or Android device, please click this URL: [Zoom Link](#).
  - a. Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
  - b. Enter an email address and name to join the meeting.
- 3) **Telephone Device Instructions:** For participants who would like to listen to the meeting on their telephones, please dial **888-475-4499 (Toll Free)**.
- 4) **Public Comments prior to meeting:** If you would like to submit your comments prior to the meeting, please e-mail [mindy.nguyen@sanjoseca.gov](mailto:mindy.nguyen@sanjoseca.gov) or call **(408) 534-2961 by 12pm the day of the meeting**. Comments submitted prior to the meeting will be considered as if you were present in the meeting.

*Note that the times for items shown below are approximate and intended only to notify the Commission of the approximate amount of time staff expects each item might take. Please note that items may be heard before or after the times shown, and plan accordingly.*

<b>APPROX. TIME</b>	<b>AGENDA ITEM</b>
<b>5:45</b>	<b>I. Call to Order &amp; Orders of the Day</b> A. Chair reviews logistics for Zoom meetings
<b>5:46</b>	<b>II. Introductions and Roll Call</b>
<b>5:50</b>	<b>III. Consent Calendar</b> A. <b>Approve the Minutes for the Regular Meeting of November 14, 2024</b> ACTION: Approve the November 14, 2024 action minutes
<b>6:00</b>	<b>IV. Reports and Information Only</b> A. Chair B. Director C. Council District Liaison
<b>6:10</b>	<b>V. Open Forum</b> <i>Members of the Public are invited to speak on any item that does <u>not</u> appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak during Open Forum; however, the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate due to a large number of speaker requests.</i>
	<b>VI. Old Business</b>
	<b>VII. New Business</b>
<b>6:15</b>	<b>A. Measure E Transfer Tax Annual Report for Fiscal Year 2023-2024 (K. Geier, S. Kamat, Housing)</b>  <b>Action:</b> Review the Measure E Transfer Tax Annual Report for Fiscal Year 2023-2024 revenues and expenditures and provide possible recommendations.

**7:00**                    **B. Rent Stabilization Program Fiscal Year 2023-2024 Annual Report  
(E. Hislop, Housing)**

**Action:** Review the Rent Stabilization Program Fiscal Year 2023-2024 Annual Report and provide possible recommendations to staff regarding Rent Stabilization Program data.

**7:30**                    **VIII. Open Forum**

*Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission (per [Section 2.08.2840](#) of the San José Municipal Code). Meeting attendees are usually given two (2) minutes to speak during Open Forum; however, the time limit is in the discretion of the Chair of the meeting, and may be limited when appropriate due to a large number of speaker requests.*

**7:35**                    **IX. Meeting Schedule**

The next **Regular Meeting** for the Commission is scheduled to be held on **Thursday, January 9, 2024 at 5:45 p.m. in Wing Rooms 118-120 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113**. Items tentatively expected to be heard are:

- Moderate Income Strategy Status Report

**7:40**                    **X. Adjournment**

*The City's [Code of Conduct](#) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.*

You may speak to the Commission about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the Commission. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during Open Forum. Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Commission unless listed on the agenda, which has been posted not less than 72 hours prior to meeting. Agendas, Staff Reports and some associated documents for the Commission items may be viewed on the Internet at <http://www.sanjoseca.gov/hcdc>. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

Correspondence to the Housing & Community Development Commission is public record and will become part of the City's electronic records, which are accessible through the City's website.

Before posting online, the following may be redacted: addresses, email addresses, social security numbers, phone numbers, and signatures. However, please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the Housing & Community Development Commission, will become part of the public record. If you do not want your contact information included in the public record, please do not include that information in your communication.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk, 200 East Santa Clara Street, 14<sup>th</sup> Floor, San José, California 95113, at the same time that the public records are distributed or made available to the legislative body. Any draft resolutions or other items posted on the Internet site or distributed in advance of the Commission meeting may not be the final documents approved by the Commission. Contact the Office of the City Clerk for the final document.

On occasion, the Commission may consider agenda items out of order.

The Housing & Community Development Commission meets every second Thursday of each month (except for July and sometimes December) at 5:45pm, with special meetings as necessary. If you have any questions, please direct them to the Commission staff. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

*The Levine Act* requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than \$250 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution. Please visit <https://www.sanjoseca.gov/your-government/appointees/city-clerk/levine-act> for updated forms and information.

**To request translation or interpretation services, accommodation, or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events, or printed materials, please call (408) 535-1260 as soon as possible, but at least three business days before the meeting. Please direct correspondence, requests, and questions to:**

City of San José Housing Department  
Attn: Mindy Nguyen  
200 East Santa Clara Street, 12<sup>th</sup> Floor  
San José, California 95113  
Tel: (408) 534-2961  
Email: [mindy.nguyen@sanjoseca.gov](mailto:mindy.nguyen@sanjoseca.gov)

**Para residentes que hablan español:** Si desea mas información, favor de llamar a Luisa Cantu al 408-535-8357.

**Tiếng Việt:** Xin vui lòng liên lạc Janie Le tại 408-975-4462.

**對於說華語的居民:** 請電 408-975-2694 向 Hong Hua 詢問詳細事宜。

**HOUSING & COMMUNITY DEVELOPMENT COMMISSION**  
**MEETING ACTION MINUTES**

**November 14, 2024**

**MEMBERS PRESENT:**

Roma Dawson	Commissioner (D1)
Barry Del Buono	Commissioner (D3)
Ruben Navarro	Commissioner(D5)
Jen Beehler	Commissioner (D6)
Victoria Partida	Vice Chair (D7)
Huy Tran	Commissioner (D8)
Roberta Moore	Commissioner (D10)
Daniel Finn	Commissioner (MR)
Ryan Jasinsky	Chair (ML)
Gabriela Gabrian	Commissioner (LE Alt)

**MEMBERS ABSENT:**

Alain Mowad	Commissioner (D6)
Sketch Salazar	Commissioner (LE)

**STAFF PRESENT:**

Erik L. Soliván	Director of Housing
Cupid Alexander	Deputy Director, Housing
Mindy Nguyen	Development Officer, Housing
Karly Wolak	Assistant to the Director, Housing
Emily Hislop	Division Manager, Housing
Brittany Stafford	Senior Development Officer, Housing

**(I) Call to Order & Orders of the Day**

**A.** Chair Jasinsky called the meeting to order at 5:45 p.m.

**(II) Introductions – Commissioners and staff introduced themselves.**

**(III) Consent Calendar**

**A. Approve the Consent Calendar which includes Minutes for the Regular Meeting of September 12, 2024.**

Commissioner Beehler made the motion to approve the Consent Calendar with a second by Commissioner Moor. The motion passed 10-0.

Yes	Dawson, Del Buono, Navarro, Beehler, Partida, Tran, Moore, Gabrian, Finn, Jasinsky (10)
No	None (0)
Absent	Mowad, Salazar (3)

**Housing & Community Development Commission**  
**DRAFT Minutes – Regular Meeting of November 14, 2024**

**(IV) Reports and Information Only**

- A. Chair:** Chair Jasinsky reviewed logistics and guidelines for participation. Chair Jasinsky reviewed the functions, powers, and duties of the Housing and Community Development Commission.
- B. Director:** Mr. Erik L. Soliván provided housing administrative and policy updates to the commission.
- C. Deputy Director:** Mr. Cupid Alexander provided updates on the Housing Department’s homelessness response efforts.
- D. Council Liaison:** No updates were given as the Council Liaison was not present.

**(V) Open Forum**

**(VI) Old Business**

**(VII) New Business**

**A. Rent Stabilization Program Fiscal Year 2023-2024 Q4 and Fiscal Year 2024-2025 Q1  
Mobilehome Interaction Log Report for Mobilehomes  
(E. Hislop, Housing)**

**ACTION:** Review the Rent Stabilization Program interaction log report for mobilehomes in the fourth quarter of Fiscal Year 2023-2024, first quarter of Fiscal Year 2024-2025, and other updates and provide possible recommendations to staff.

Commissioners asked clarifying questions and gave feedback to staff. No actions were taken.

**(VIII) Open Forum**

*Members of the Public are invited to speak on any item that does not appear on today’s Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.*

**(IX) Meeting Schedule**

The next Regular Meeting for the Commission is scheduled to be held on **Thursday, December 12, 2024 at 5:45 p.m., Wing Rooms 118-120, at San José City Hall, 200 E.**

**Housing & Community Development Commission**  
**DRAFT Minutes – Regular Meeting of November 14, 2024**

**Santa Clara St., San José, CA 95113.** Items tentatively expected to be heard are:

- Measure E Transfer Tax Annual Report for Fiscal Year 2023-2024
- Rent Stabilization Program Fiscal Year 2023-2024 Annual Report

**(X) Adjournment**

Chair Jasinsky adjourned the meeting at 7:15 p.m.



# Memorandum

**TO:** HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

**FROM:** Erik L. Soliván

**DATE:** December 5, 2024

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**SUBJECT: MEASURE E TRANSFER TAX ANNUAL REPORT FOR FISCAL YEAR 2023-2024**

## **RECOMMENDATION**

Review the Measure E Transfer Tax Annual Report for Fiscal Year 2023-2024 revenues and expenditures and provide possible recommendations.

## **SUMMARY**

This **Measure E Transfer Tax (“Measure E”) Annual Report** provides the Housing and Community Development Commission with detailed information on Measure E funds collected, expended, and committed during Fiscal Year (FY) 2023-2024.

## **ANALYSIS**

### ***Revenue and Expenditures Overview***

In FY 2023-2024, Measure E generated a total revenue of **\$50,749,321.18**. During the fiscal year, **\$49.1 million** was expended and **\$23.7 million** was encumbered and committed toward future housing developments.

### ***Report on Measure E Fund Expenditures and Outcomes***

This report highlights the allocation and use of Measure E funds across key spending categories, as well as the outcomes achieved during FY 2023-2024. The expenditures were directed to the following approved categories:

- 1. Production and Preservation of Housing**
- 2. Homelessness Response and Support Programs**
- 3. Administration**



The following **Table 1** summarizes the Measure E fund expenditures that occurred last fiscal year, and the outcomes from the expenditures.

**Table 1: Measure E Expenditures and Outcomes, FY 2023-2024**

	Measure E 2023-2024 Adopted Budget Spending Priorities						
	Distribution of Uncommitted Funds		Distribution of Funds for 2023-2024		Total Proposed Plan for 2023-2024	Add / Deduct and Rollover Funds	Expended in 2023-2024
	<b>Production and Preservation of Housing</b>						
Housing for Extremely Low-Income Households	\$24,553,478	30%	\$19,000,000	40%	\$43,553,478		\$19,821,990
Housing for Low-Income Households	\$31,101,374	38%	\$14,250,000	30%	\$45,351,374		\$6,254,487
New Construction of Rental Housing	\$23,091,062		\$14,250,000		\$37,341,062		\$6,044,287 [balance rolled into next funding cycle]
Commercial Space in HSG	\$1,335,253				\$1,335,253		\$210,200
Inflation Reserve for Projects Under Construction	\$6,675,059				\$6,675,059		[rolled into next funding cycle]
Housing for Moderate-Income Households	\$2,333,416	3%	\$2,375,000	5%	\$4,708,416		[rolled into next funding cycle]
New Construction of Rental Housing	\$2,333,416		\$2,375,000		\$4,708,416		[rolled into next funding cycle]
	<b>Homelessness Response and Support Programs</b>						
Homelessness Prevention	\$2,712,628	3%	\$4,750,000	10%	\$7,462,628	\$1,995,473	\$9,068,082
Eviction Prevention and Diversion	\$2,712,628				\$2,712,628		\$2,354,653

Homeless Rental Assistance			\$4,750,000		\$4,750,000	\$1,995,473	\$6,713,429
<b>Homeless Support Programs Shelter Construction and Operations</b>	\$22,004,809	27%	\$7,125,000	15%	\$29,129,809		\$10,486,506 [balance invested in interim housing that's under construction]
Supportive Services (OWL)	\$1,500,000				\$1,500,000		\$1,024,936
Supportive Services (CARE Coordination Program)			\$1,000,000		\$1,000,000		\$1,000,000
Interim Shelter Identification & Development Staffing (PW)	\$2,006,789				\$2,006,789		\$300,680
Interim Housing Construction & Op. Reserve	\$13,970,500		\$625,000		\$14,595,500	(\$4,400,000)	
Interim Housing Construction & Operations - SureStay			\$500,000		\$500,000	\$2,500,000	\$2,400,168
Measure E - Supportive Parking Site Berryessa Road (15% HSP)						\$1,900,000	\$1,630,140
Interim Housing Maintenance Staff & Contractual Services (PW)			\$2,000,000		\$2,000,000		\$1,797,472
Interim Housing Maintenance Reserve			\$3,000,000		\$3,000,000		-
Homeless Response and Outreach Contractual Services	\$3,700,000				\$3,700,000		\$1,879,077
Homeless Response and Outreach Staffing	\$827,520				\$827,520		-

(Trauma-Informed Specialists)							
	<b>Administration</b>						
<b>Administration</b>	\$4,324,941	5%	\$2,500,000	5%	\$6,824,941		\$3,481,392
Homeless Response Staffing (Housing Department)	\$2,472,471				\$2,472,471		\$788,739
Homelessness Coordination Staffing (City Manager's Office)	\$1,852,470				\$1,852,470		\$192,653
Program Administration			\$2,500,000		\$2,500,000		\$2,500,000
<b>Total</b>	<b>\$87,030,646</b>		<b>\$50,000,000</b>		<b>\$137,030,646</b>		<b>\$49,112,457</b>

Following is additional information on expenditures and outcomes from last fiscal year.

***Production and Preservation of Housing:***

The city is actively developing affordable housing projects to support extremely low-income and low-income households. For Extremely Low-Income (40%) households, efforts include Dry Creek Crossing Apartments (63 units, 31.2% complete) and The Charles (97 units, 49.8% complete), both delivering homes for those earning 30%-70% of the Area Median Income.

The City of San José operates multiple housing-focused Interim Housing programs under the Homekey Initiative, providing private accommodations and onsite support services for individuals experiencing homelessness. The Arena Project, an adult-only program with 89 private units, served 139 individuals in FY 2023-2024, with 52.27% exiting to positive housing destinations, and many receiving benefits such as Medicare/Medicaid and SNAP. The PMI Project, which opened on September 30, 2024, offers 72 private units for individuals awaiting permanent supportive housing, though outcomes are not yet available for FY 2023-2024. The Branham/Monterey Project, expected to open in March 2025, will add 204 units, serving 400-600 individuals annually through referrals managed by the County's Here4You hotline. Additionally, The Pavilion Inn project in District 6 transformed a motel into 42 interim

housing units for Transitional Aged Youth and households earning up to 30% of the Area Median Income. As of July 2024, this project is now in the occupancy phase, with referrals coordinated by the County's Office of Supportive Housing and the Bill Wilson Center.

For Low-Income (30%) households, projects like Alum Rock Family Housing (59 units, 87.2% complete), Madrone Place (153 units, 19% complete), and Tamien Station Affordable (134 units, 45% complete) offer 100% affordable homes, with two developments including childcare facilities. The completion dates range from 2025 to 2026.

### ***Homelessness Response and Support Programs:***

San José offers various homelessness prevention and support programs to address housing instability and assist vulnerable populations. Homelessness Prevention, led by Destination Home, supported 1,169 at-risk families, with 96% remaining housed after 12 months and 93.5% avoiding shelters within two years. The Eviction Diversion and Settlement Program, run by Sacred Heart Community Service, provided rental assistance to 176 households, launched as a COVID-19 emergency response program. Homeless Outreach & Engagement, is a program targeting hotspots like Downtown San José and Coyote Creek as well as encampments and libraries, served 324 individuals through outreach and housing placement activities by PATH. The Safe Encampment Resolution program run by Home First of Santa Clara, focused on the Guadalupe River Trail, helped 32 households, with 38% transitioning to permanent housing. The Homeless Response and Outreach initiative addressed homelessness concerns through assessments, shelter placements, and proactive outreach in specific areas. The Care Coordination Program served 124 individuals by integrating services such as behavioral health and housing assistance to help long-term homeless residents secure permanent housing. Additionally, Overnight Warming Locations, operated by Home First, provided shelter for up to 60 individuals at community and library sites during cold weather. The city oversees Housing Properties Maintenance with the maintenance of six interim housing sites, including the Bridge Housing Communities and Emergency Interim Housing locations. While routine maintenance is handled by the site operators, the City's Public Works department provides higher-level maintenance support for these facilities.

### ***New Projects initiated and funded, FY 2023-2024:***

First Street Interim Housing (FSIH): FSIH is a city-owned, 76-unit, two-story hotel located at 1488 North First Street, currently operating as an interim housing site for homeless individuals and couples. The Santa Clara Housing Authority manages the project offering interim housing and supportive services to residents, including shelter, meals, case management, life skills training, employment support, housing navigation,

and connections to community resources. The program serves 39 households, with a capacity of up to 58, and assisted 50 clients during fiscal year 2023/24.

*Supportive Parking Site:* As part of its diverse portfolio of homelessness interventions, the city introduced supportive parking programs, creating a designated and secure place for car and Recreational Vehicle (RV) dwellers to park, sleep, and access services. The City Council approved a resolution authorizing to negotiate and execute a lease agreement between *Terreno Berryessa LLC* and the City of San José. This allows the 1300 Berryessa Road site to be developed into supportive parking, storage and/or other emergency interim housing programs. In FY 23-24, the city incurred lease expenses for this site, which is approximately 6.325 acres.

FSIH and Supportive Parking Site projects were funded through the Interim Housing Construction and Operation Reserve. Two new appropriations were created later in FY 2023-24 as part of a budget action. The funds were utilized for both projects, as shown in the table under the row labeled Interim Housing Construction and Operation Reserve<sup>1</sup>.

### ***Administration:***

Administration funds were used to support the Measure E program in three ways.

*Housing Homeless Response Staff:* Directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by City Council, this action is part of a series of actions that allocates uncommitted Measure E resources to fund homeless prevention, support, and management investments. This action adds 1.0 Senior Development Officer, 2.0 Development Officer, and 1.0 Analyst I/II positions, all limit-dated through June 30, 2026, totaling \$2.5 million.

*Homelessness Coordination Team (CMO) and (PW)Staff:* Funds directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, reallocates \$1.9 million from unallocated Measure E funds for Homelessness Coordination for three (1.0 Assistant to the City Manager (A2CM); 1.0 Senior Executive Analyst; 1.0 Senior Executive Analyst) limit-dated positions in the City Manager's Office of Administration, Policy, and Intergovernmental Relations that will support the

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<sup>1</sup> Santa Clara Housing Authority at FSIH  
<https://sanjose.legistar.com/LegislationDetail.aspx?ID=6417313&GUID=8B71E3DD-2980-4D99-BE61-C197B5CC1A9A>  
Supportive Parking Berryessa  
<https://sanjose.legistar.com/LegislationDetail.aspx?ID=6433706&GUID=339CFA69-79E3-45CF-B8B5-F49C9AEBFED4>

expansion of Emergency Interim Housing Communities, inter-jurisdictional coordination, and data-driven solutions for unsheltered homelessness.

Additionally, adding to Public Works, as directed by the Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, this action is part of a series of actions that allocates Measure E resources to fund homeless prevention, support, and management investments. This action adds 1.0 Associate Engineer position and 1.0 Program Manager position, through June 30, 2026, and personal services funding for two rehired retirees, totaling \$2.0 million, funded by the Measure E – Interim Housing Site Development. Staffing City-Wide Expenses allocation, as described in the City-Wide Expenses section of this document. These positions will facilitate the site identification, design, and construction/improvement of sites for Emergency Interim Housing, safe parking, or other uses to shelter currently unsheltered residents.

*Administration of Measure E:* Administration funds paid for staff time to produce the Measure E Spending Plan for FY 2023-2024, including the various iterations drafted prior to the approved plan adopted by the Council on June 13, 2023, appraisals, construction, and financial consultants, and preparing this Measure E Annual Report for FY 2023-2024.

## **EVALUATION AND FOLLOW-UP**

In its role as the Oversight Committee for Measure E funds, the Commission will review this Measure E Annual Report after the end of each fiscal year to inform their recommendations to City Council on the next Measure E Spending Plan. This report is incorporated into the broader budget considerations and information provided to City Council.

Erik L. Soliván  
Director, Housing

The principal author of this memorandum is Susmita Kamat, Senior Analyst. For questions, please contact: Kathleen Geier, Administrative Officer



# Memorandum

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**TO:** HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

**FROM:** Emily Hislop

**DATE:** December 5, 2024

**SUBJECT: RENT STABILIZATION PROGRAM ANNUAL REPORT FY 2023-2024**

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## **RECOMMENDATION**

Review the Rent Stabilization Program Annual Report for Fiscal Year 2023-2024 and provide possible recommendations to staff.

## **BACKGROUND**

The Rent Stabilization Program Annual Report for Fiscal Year 2023-2024 (from July 1, 2023 to June 30, 2024) provides the Housing and Community Development Commission and San José residents with a comprehensive overview of the Rent Stabilization and Eviction Prevention Program (“Program”) activities. As detailed in **Attachment A**, the report outlines the Program’s efforts to limit rent increases, ensure affordable housing for residents, and encourage unit preservation among property owners. Input received at the June 6, 2024 Commission meeting has been incorporated into this annual report.

## **ANALYSIS**

The Annual Report includes several highlights from the 2023-2024 fiscal year. The Rent Registry has been instrumental to the City’s housing policy and marks its fifth year with 96% of rent-stabilized units registered as of June 30, 2024. The Program overall enforces tenant rights and provides alternative dispute resolution for tenants and property owners to address their issues, with most cases settled amicably. Vacancies mainly arise from voluntary move-out and nonpayment, while lease violations are a leading cause for other terminations. The Program has issued 151 citations for the fourth rent registry period for “failure to register” units with the Rent Registry and has successfully resolved conflicts between both property owners and tenant parties totaling 130 petitions. Between July 2023 to June 2024, the Eviction Diversion and Settlement Program successfully stabilized 194 households facing imminent eviction. Services provided by the Program, address diverse housing inquiries, reinforcing the Housing Department’s commitment to community support and housing stability.

As part of folding the programs developed during the COVID-19 pandemic to mitigate displacement into the same Housing Department division as the Rent Stabilization Program, staff has examined how to revise the division's vision and purpose in supporting the community. The central goal of among all programs in the division is to stabilize renter households, improve relations between residents and housing providers, and preserve the city's affordable housing stock.

### **EVALUATION AND FOLLOW-UP**

Input received at the December 12, 2024 Housing and Community Development Commission meeting will be incorporated into the Program's Semi-Annual report for Fiscal Year 2024-2025 scheduled to be brought to the Commission in Spring 2025.

EMILY HISLOP  
Division Manager, Housing Department

The primary author of this memorandum and report is Brittany Stafford – Senior Development Officer. For more information, please contact Emily Hislop – Division Manager, [emily.hislop@sanjoseca.gov](mailto:emily.hislop@sanjoseca.gov) .

### **ATTACHMENTS:**

- **Attachment A** – Rent Stabilization Program Annual Report FY 2023-2024



**ATTACHMENT A**

**Rent Stabilization Program  
Annual Report  
Fiscal Year 2023-2024**

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## **I. INTRODUCTION AND SUMMARY**

The Rent Stabilization and Eviction Prevention Division within the City of San José Housing Department oversees the implementation of several key programs and ordinances including the Apartment Rent Ordinance, the Tenant Protection Ordinance, the Mobilehome Rent Ordinance, the Ellis Act Ordinance, and the Eviction Prevention Program.

This division provides services to owners, managers, and residents of apartments and mobilehomes. These services include:

- Addressing general inquiries and conducting meetings with property owners and tenants to discuss issues, provide answers, and offer solutions to challenging problems.
- Facilitating access to external resources for residents to address their rental housing needs.
- Developing and implementing policies to enforce the Ordinances.
- Managing the rent registry and submissions of notices of termination of tenancy, including reviewing submitted notices for accuracy and analyzing trends.
- Managing tenant and owner petitions, and scheduling mediations and administrative hearings.
- Interacting with and educating community members and community-based organizations through various channels, such as mailings, presentations to community groups, site visits to apartment complexes and mobilehome communities, fact sheets, brochures, website updates, social media, and multilingual workshops.
- Providing third-party resources and referrals to tenants and owners to help resolve their rental housing or mobilehome issues.

This annual report provides the Housing and Community Development Commission and San José residents with a comprehensive overview of the Rent Stabilization and Eviction Prevention Division's (Program) activities during Fiscal Year 2023-2024 (July 2023 through June 2024).

The Program's annual accomplishments include:

- launch of the fifth (FY 2023-24) Rent Registry registration period with a compliance rate of 96%;
- supported tenants and property owners in addressing their rental housing issues by processing 97 eligible petitions for rent increase or decrease;
- maintaining and expanding a court-based eviction diversion program and weekly courthouse clinic, and
- launching and facilitating eight Housing Provider Roundtable meetings.

Analyzing data and trends from the Program over a twelve-month period offers valuable insight into the rental community's experiences and the effectiveness of its implementation. It also highlights the Program's continued efforts to address the economic and social impacts of the cost-reductive strategies implemented during the pandemic.

## II. APARTMENT RENT ORDINANCE

In 1979, the City Council enacted the ordinance now known as the Apartment Rent Ordinance (ARO). The ARO was comprehensively amended to strengthen and expand its provisions in 2017. The ARO outlines the public policy purposes of the Program:

- Strives to prevent excessive and unreasonable rent increases.
- Aims alleviate undue hardship for individual tenants; and
- Strives to ensure property owners have confidence in receiving a fair and reasonable return on their property investment.

The ARO covers units in buildings with three or more units constructed before September 7, 1979, as well as units in guesthouses built before that date.

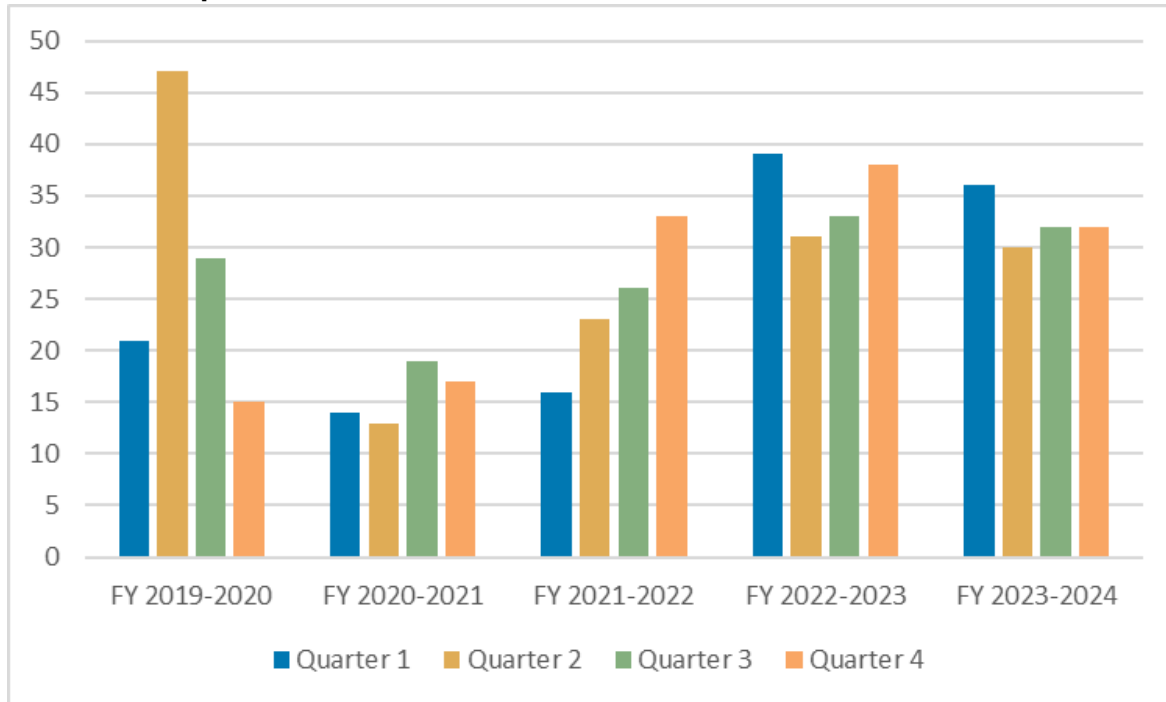
### a. Summary of Petitions

The Rent Stabilization Program helps tenants and property owners initiate petitions under the ARO. This year, independently contracted Hearing Officers and Mediators conducted 44 mediations and hearings to resolve disputes. Property owners and tenants also resolve their concerns prior to scheduling mediation. For specific petitions, staff serve as Petition Examiners and issue administrative decisions. Tenants address concerns such as service reductions, unlawful rent increases, and health and safety issues. Property owners can petition to pass through costs of specified capital improvements that benefit tenants or seek rent increases beyond 5% to ensure a fair return on investment. Additionally, both property owners and tenants can jointly petition for a one-time increase or fee to cover extra services not initially included in the rental agreement.

Petitioners who opted to provide race data between July 2023 and June 2024 indicated a filing distribution of 41% Hispanic/Latinx Hispanic, 9% African Ancestry, 5% White, and 5% Asian representation among the petitioners. The remaining petitioners did not disclose their racial data.

From July to September (Q1) of 2023, tenants and property owners filed 36 petitions. Between October and December (Q2) of 2023, 30 petitions were filed. Between January and March (Q3) of 2024, 32 petitions were filed. Rounding out the fiscal year, the Program received 32 petitions from April to June (Q4) of 2024. **Chart 1** below shows a comparison of the number of petitions filed across all four quarters of the fiscal year, with additional data reflecting the past six fiscal years.

**Chart 1: Comparison of Petitions filed in Fiscal Year 2023-2024 vs. Prior Fiscal Years**



***i. Petition Submissions***

**Chart 1** demonstrates that the Program is receiving and processing petitions at a similar rate as before the pandemic. The Program assists tenants and property owners in resolving issues and enforcing their rights without resorting to a lengthy court process. The number of petitions filed helps determine staffing levels and assess the effectiveness of educating tenants and property owners about the petition process and the Program. During this fiscal year, the number of petitions remained relatively level in comparison to the previous fiscal year. Staff is assessing potential issues, fears, or lack of awareness among tenants that may prevent them from accessing the petition process to resolve problems. This understanding of impediments guides the Program's outreach and education efforts.

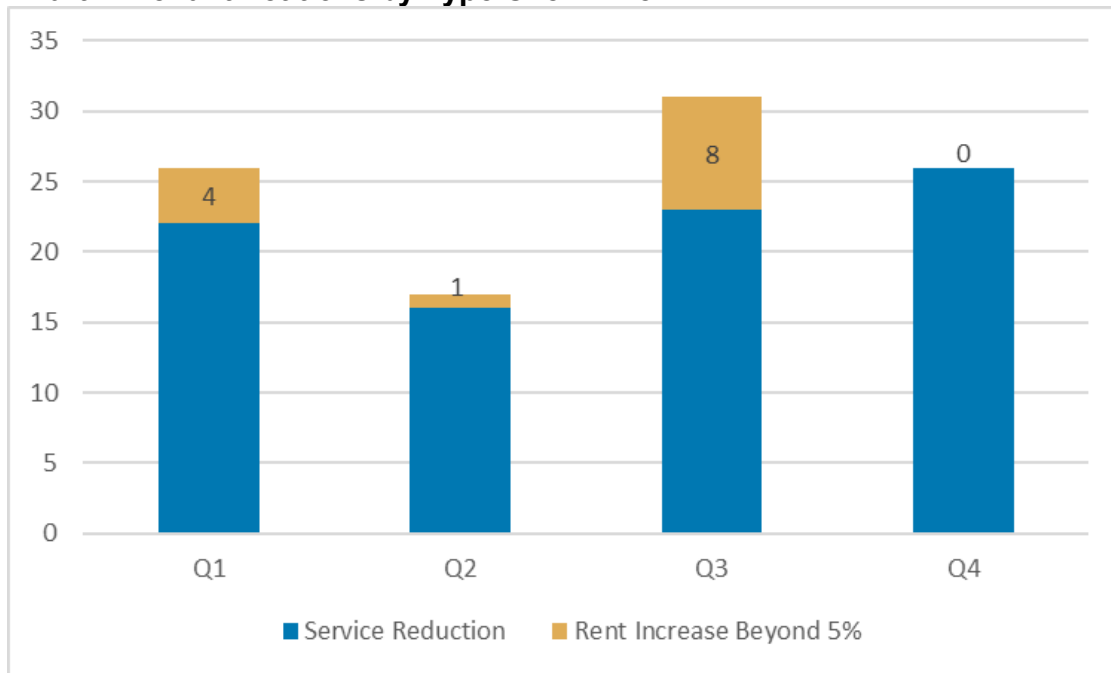
***ii. Tenant Petitions***

Tenants of units covered by the ARO have the right to file a petition for issues such as:

- service reductions (e.g., loss of amenity, unaddressed maintenance concerns, etc.);
- unlawful rent increases (above 5%, less than 12 months since last increase, increase issued while unit was unregistered); and
- issues relating to violations of the Housing Code, like outstanding code violations.

**Chart 2** shows the types and number of tenant petitions submitted to the program by quarter for the past fiscal year 2023-24. The Petitions section in the **Appendix** provides further detail about the claims asserted in petitions for service reductions.

**Chart 2: Tenant Petitions by Type Over Time**



**iii. Property Owner Petitions**

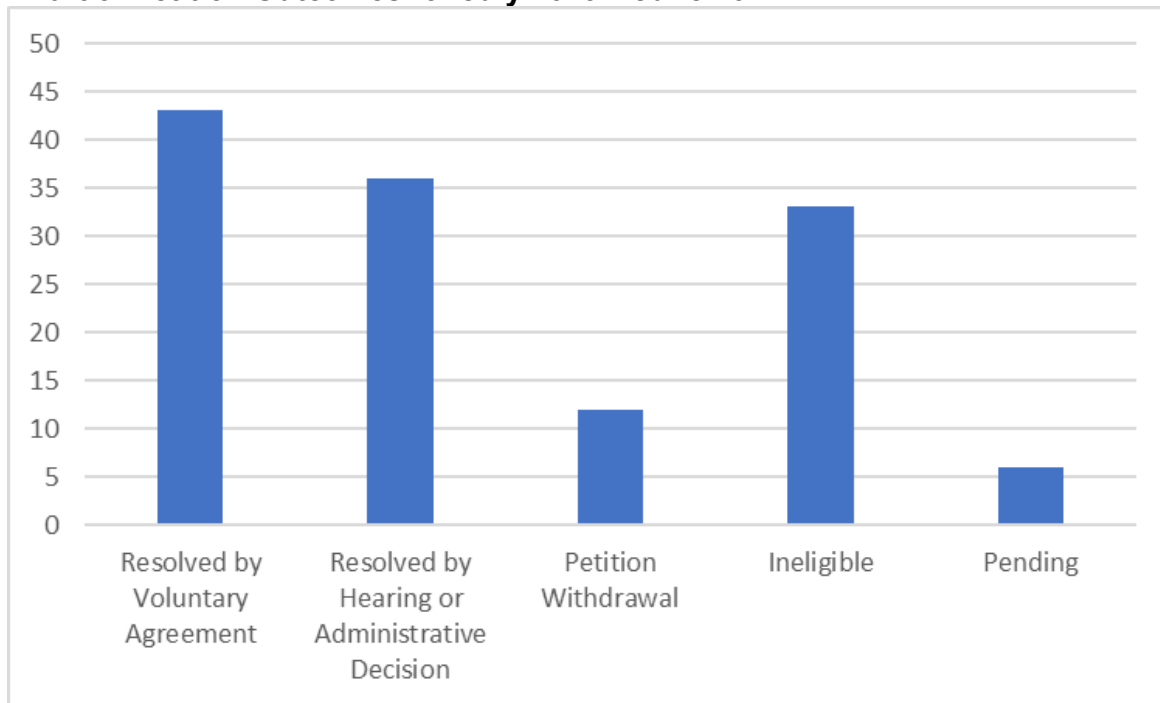
During the twelve-month period of this report, the Program received a total of nine property owner petitions – two petitions for fair return and nine petitions for specified capital improvements. To show that a property is not earning a fair rate of return on investment, a property owner must prove that the net operating income has not kept pace with the rate of inflation since 2014, when changes to the ARO were initially proposed, even with the allowable annual rent increases. For a specified capital improvement pass-through petition, an owner must produce documentation demonstrating that the improvement qualifies, that the work was performed and paid for, and current tenant rent amounts. Of the two fair return petitions, one was denied, and the other was granted. Eight of the specified capital improvement petitions were approved, and one was determined ineligible.

**iv. Petition Outcomes**

It is the goal of the Program to encourage tenants and property owners to come to mutual and voluntary agreements that are facilitated through staff or a Mediator, who ensure parties' understanding of rights and responsibilities. Of the 97 eligible petitions submitted between July 2023 and June 2024, 81% were resolved as of June 2024 and 44% were resolved by voluntary agreement.

**Chart 3** below details the outcomes for the 130 petitions submitted to the Program between July 2023 and June 2024. With the assistance of Program staff or a Mediator, the parties may also enter into a voluntary written agreement to resolve their issues. Petitions can also be resolved by adjudication where a Hearing Officer or Petition Examiner reviews evidence and issues a written decision. A petition is pending if the case has not reached a conclusion (e.g., an appeal is under review).

**Chart 3: Petition Outcomes for July 2023 – June 2024**



Petitions may be considered ineligible if the property is not covered under the ARO, such as single-family homes, duplexes or townhouses, if the rental unit is either owned or operated by a government agency, is subject to certain affordability restrictions, or the rental unit was built or has an occupancy permit issued after September 7, 1979. A petition may also be deemed ineligible if the relief requested or claim asserted does not fall under the purview of the ARO. A tenant or property owner may request to withdraw their petition from the process if they provide a written request to the program. Petitions may be withdrawn if both tenant and property owner resolve the issues on their own prior to a scheduled mediation. A petition may also be considered withdrawn if it is incomplete. Tenants must revise and amend their petition within 30 days of receiving a Notice of Incomplete Petition. Most incomplete petitions may be missing supporting documentation, signatures, rent information, or reasons for submitting a petition. A petition may also be withdrawn if the tenant fails to respond to revise or amend their petition within 30 days.

## **b. Rent Registry**

The ARO requires that all units covered by the ARO be registered annually. Implemented in 2018, the web-based Rent Registry Portal is where property owners register their rent stabilized units, however some property owners opt to register units via paper forms. The Rent Registry is a cornerstone of San José's efforts to maintain fair and equitable housing practices. It provides critical oversight and data that underpin the Rent Stabilization Program. San José's Rent Registry collects information relating to rent increases, security deposits, vacancies, and vacancy reasons, and helps ensure tenants' rights are protected.

### ***i. Rent Registry Periods***

The Program has had five annual registration periods since the Rent Registry launch in 2018. While the registration compliance window is typically 60 days, some percentage of owners register their units outside of that period. Property owners that do not substantially comply

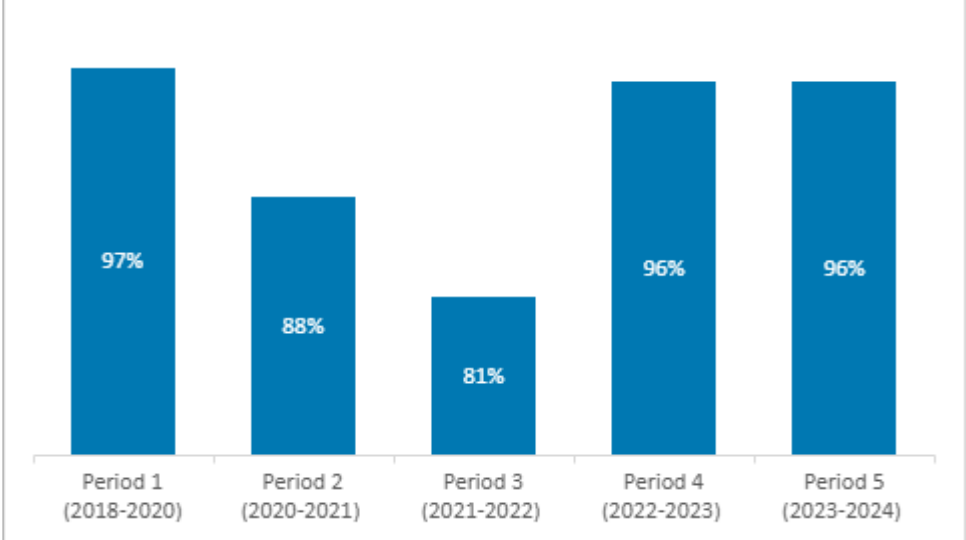
with the rent registration requirements during the compliance window cannot lawfully increase the rent for units until those units are registered. The Program sends a courtesy notice to owners of units that were not registered by the compliance deadline, which is followed by a notice of violation and corrective action and ultimately an administrative citation is issued if the owner still fails to comply.

1. Fifth Registration Period (August 1, 2023 – September 30, 2023)

The fifth registration period concluded with a compliance rate of 96%. A total of 36,731 units out of 38,371 registered successfully, reflecting consistent participation from property owners and the program’s effective outreach and support strategy. This marks the second registration period in a row in which the Program achieved a 96% compliance rate. This achievement underscores the Program’s ongoing commitment to ensuring high compliance rates and highlights the effectiveness of our outreach efforts.

2. Rent Registry Periods History

**Chart 4: Percent of Registered Units by Period**



**Chart 5** shows the average rent of Rent Stabilized Units by number of bedrooms for the fifth registration period as compared to market rate units. **Chart A** of the Rent Registry section of the **Appendix** details average rent of Rent Stabilized Units by number of bedrooms over the five registration periods.



**Chart 5: Average Rent of Rent Stabilized Units vs Average Rent of Market Rate Units**



Market Rent Data Source: July 1, 2023-June 30, 2024 Housing Market Report<sup>1</sup>

**ii. Tenancy Turnover and Vacancies**

In San José, the Rent Stabilization Program provides data on rent stabilized units. For the reporting period, there were 36,371 rent stabilized apartments. Of which, 78% of the units experienced no vacancy turnover. 15% of registered units reported new tenancies and 6% of registered units reported the unit as vacant at the time of registration. **Table B** of the Rent Registry section in the **Appendix** demonstrates reasons for turnover as reported by property owners for the fifth registration period. Vacancy turnover reports can provide insights into the turnover rates, which reflect how often tenants move out and new tenants move in, affecting the availability of rent-stabilized housing.

**iii. Voucher Holders in Rent Stabilized Units**

Analysis of the registration data for the fifth registration period revealed that 6% of the registered units were occupied by tenants utilizing housing vouchers. Specific voucher type ranged from HCV (Section 8), HUD-VASH, to Project-Based and aim to provide affordable housing options in both the public and private markets and represented approximately 2,259 voucher holders. It is the goal of the Program in the coming years and a strategy of the City’s 2023-2031 Housing Element<sup>2</sup> to expand the use and acceptance of vouchers and work with the Housing Authority to capture performance measures.

**iv. Rent Increases**

Based on analysis of the units registered as of June 30, 2024, excluding voucher holders, 42% of continuing tenants received a rent increase in the past 12 months, with the average rent increase being 4.7%. This data highlights the importance of utilizing additional analytical tools to predict and mitigate eviction trends, as rent increases can significantly affect tenants’ ability to maintain stable housing. To address this, the City of San José is taking several steps to examine ways to incorporate data from community engagement surveys, market analysis reports, and AI-generated software to better predict eviction trends.

<sup>1</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/109900/638463655613930000>

<sup>2</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/106978/638355761263470000>

#### **v. Enforcement and Administrative Citations**

In fiscal years 2019-2020, the Program launched administrative citations to enforce adherence to the Apartment Rent Ordinance, Tenant Protection Ordinance, and Ellis Act Ordinance. The onset of the COVID-19 pandemic required deferring the issuance of citations, resulting in non-compliance notices for properties failing to register with the rent registry. Apartments not registered by the deadline are ineligible for annual rent increases until registration is complete. The Program facilitates the administrative citation process, ensuring vigilant enforcement in collaboration with the Code Enforcement and Finance Departments.

In the current fiscal year, the Program distributed 151 citations for the fourth rent registry period due to “failure to register” with the rent registry. 14 of these cases were appealed through an administrative hearing. These hearings, coordinated with the Finance Department, are conducted by neutral hearing officers contracted by the Finance Department.

### **III. ELLIS ACT ORDINANCE**

The City of San José’s Ellis Act Ordinance regulates the withdrawal of buildings with covered residential units from the rental market. The Ordinance standardizes the process for issuing withdrawal notices to residents, recording summary memorandums, providing required relocation benefits, and granting residents the right to return and re-control rental costs if the units are re-rented. Property owners may choose to enter the Ellis Act Ordinance withdrawal process for various reasons, including demolition for redevelopment and conversion for different uses such as condominiums, interim, or affordable housing.

The project located at 459, 465, and 475 S. 4<sup>th</sup> Street has progressed during this fiscal year. The developers have now completed the following items: paid tenants relocation assistance, paid filing and relocation fees, issued Notice of Intent to Withdraw, and submitted Recorded Summary Memorandum. The submission of the recording memorandum indicates the removal the covered properties from the rental market. This allows the Program to provide approval towards the issuance of a demolition permit as the necessary Ellis Act Ordinance requirements have been met. This project is expected to construct a total of 240 residential dwelling units. Whether or not any of those units will be subject to re-control pursuant to the Ellis Act will not be known until the final stages of project completion.

The City of San José closely monitors projects that may trigger the Ellis Act Ordinance to ensure compliance and protect residents’ rights. This monitoring will involve detailed tracking of all withdrawal notices, thorough reviews of submitted documentation, and regular updates to the Rent Registry. Additionally, Program staff will engage in proactive communication with affected residents and property owners, providing guidance and ensuring that all required relocation benefits and rights to return are upheld. Through these efforts, the Program aims to minimize displacement and maintain stable housing within the community. There were no rental unit withdrawals between July 2023 and June 2024.

### **IV. TENANT PROTECTION ORDINANCE**

Effective since June 16, 2017, the Tenant Protection Ordinance (TPO) in the City of San José applies to rent-stabilized buildings, rental units within multiple dwellings, guest rooms in guesthouses, and unpermitted units within city limits. Property owners must provide just-cause reasons for terminating tenancies and submit proof of notice to the Housing Department following TPO guidelines. All notices of termination submitted to the Rent

Stabilization Program, including 3-day notices, 30-60-90-day notices, and Unlawful Detainer Summons and Complaints<sup>3</sup>, and must be based on at least one of the 13 reasons listed in San José’s Municipal Code 17.23.1250.

The Tenant Protection Ordinance (TPO) ensures at-risk residents have access to critical resources, including internal and external financial assistance programs, legal referrals, social welfare resources, and homelessness hotlines and shelters. The Program also analyzes data on just-cause terminations of tenancy to identify trends and ensure that property owners comply with San José’s Municipal Codes. These efforts are the Program’s top priorities in mitigating avoidable displacement.

#### **a. Notices of Termination Submissions and Trends**

The TPO provides that owners of multifamily homes, guesthouses, and units without permits can only end a tenancy if one of 13 just cause for eviction applies<sup>4</sup>. Between July 2023 and June 2024, the Program recorded a total of 13,575 notice submissions and 1,527 unlawful detainer submissions to the Program. More than 95% of the notices were based in whole or in part on nonpayment of rent during this period, making “nonpayment of rent” the leading cause for intended terminations. The second leading just cause reason for termination was “material or habitual violation of the lease.” Although notices related to reasons 9 through 12 of the TPO, which are not based on any fault of the tenant, are infrequently submitted, the Program diligently ensures compliance for all submissions.

For properties protected under the TPO, initial notices must be submitted to the Program before a property owner can file an unlawful detainer lawsuit (UD)<sup>5</sup> with the Santa Clara County Superior Court. Once filed with Superior Court and served on the tenant defendant, copies of the UD must also be submitted to the Program. **Chart 6** details trends in the type and number of UD submissions that were submitted to the Program during this reporting period. The Program experienced a spike in eviction lawsuit submissions in September 2023 that declined into quarter two. Like Fiscal Year 2022-2023, nonpayment UD trends make up 94% of the total UD submissions. As detailed in **Chart C** in the Tenant Protection Ordinance section of the **Appendix**, nonpayment notices make up 95% of the notices submitted to the Program between July 2023 and June 2024 and 94% of the UDs submitted during that same period were based in whole or in part on nonpayment. Consequently, not every notice to a tenant results in the pursuit of a UD action. As a result, the Program receives considerably more notices than UDs. The report examines whether the decrease in submissions is an overall trend for the year, which could suggest improved housing stability for rent-burdened households.

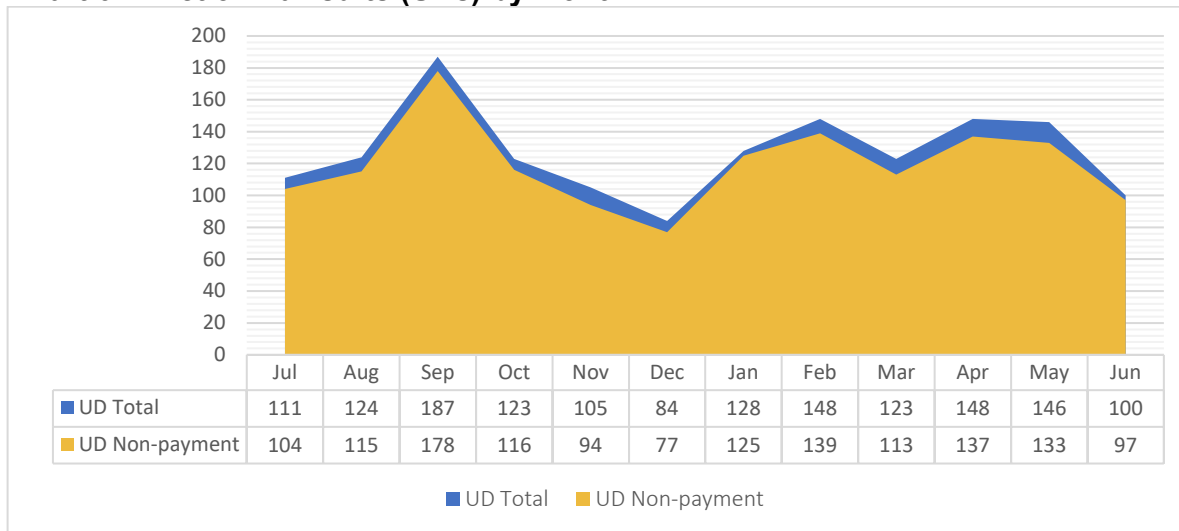
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<sup>3</sup> Eviction lawsuits

<sup>4</sup> [Tenant Protection Ordinance Factsheet](#)

<sup>5</sup> A property owner seeking to evict a tenant must initiate a court action after serving the proper initial notice on a tenant. The type of legal filing to remove someone from a property is called an unlawful detainer action or case.

**Chart 6: Eviction Lawsuits (UDs) by Month**



**b. Commencement of Tenant Protection Ordinance Audit**

The Program underwent an audit from April to June of Fiscal Year 2023-2024 at Council’s request during the budget process for Fiscal Year 2024-2025. The audit aimed to review the assessment and use of Tenant Protection Ordinance Fees, which are charged to property owners of rental units covered by the ordinance, including those with three or more units built and occupied before September 7, 1979. Prior to the audit's recommendations, the Program had already implemented several actions to address key areas of improvement, such as refining the tracking of staff time.

As part of the process, City Auditors shadowed staff to observe daily functions and activities, noting areas for improvement and by providing general recommendations. During this period, staff in the areas of Outreach, General Program Inquiries, and Staffing Time Allocations were interviewed. It’s important to note that any changes to the fees charged to property owners were temporarily on hold until the release of the audit report. The audit of the TPO is scheduled for completion in October 2024, culminating in a presentation to the City Council to share findings and make recommendations to better support the Program's operation. Moving forward, the Program will incorporate the additional recommendations provided by the City Auditor into the work of the Strategic Plan.

The finalized City Auditor’s report recommended that the Program develop a TPO property database, clarify identification methods for TPO and exempt properties, and formalize staff time tracking procedures. Program staff will update the Rent Stabilization Program procedure manual, enhance interaction log data collection, strengthen enforcement mechanisms and develop performance measures for TPO activities based on the Auditor’s feedback. Additionally, the Program will explore alternative mechanisms for identifying high-need outreach areas to address landlords' knowledge gaps. Prior to the audit, Program staff were already collaborating with the Fire Department to update materials for tenants displaced by incidents and will continue to strengthen partnerships with external stakeholders.

**V. FORWARD-LOOKING STRATEGIES**

**a. Rent Stabilization Program Strategic Plan**

In August 2024, the Program finalized a three-year strategic plan outlining three primary goals: stabilizing housing for families, preserving existing housing units, and providing

comprehensive outreach and education to protect tenants and support housing providers. In September 2024, the City Council approved the Strategic Plan, allowing staff to tailor their efforts to fully support the Program's overarching goals. Additionally, the plan specifies various short- and long-term strategies to achieve these objectives. Program staff sought stakeholder input and feedback, aligning tasks with the related goals and strategies for housing stability and tenant protections recently developed for the City's 2023-2031 Housing Element. This report will further provide a high-level overview of each goal and strategy.

Family housing stabilization focuses on identifying and addressing community needs to ensure families remain housed. The City's programs and policies aim to provide safe, stable, and affordable housing, prevent homelessness, and support households facing housing instability. These initiatives address the financial challenges of low-income renters while balancing the interests of housing providers and the broader housing market. Specific plans include anti-displacement efforts, eviction mitigation, stabilizing vulnerable families, and preserving rent-stabilized units. The Program's strategy will involve synchronizing Program administration, evaluation, and data collection to ensure alignment with the objective.

The primary focus of unit preservation is to streamline administrative processes by removing hurdles that slow down maintenance and repairs. Preserving existing housing stock is crucial for maintaining affordable housing and supporting community stability. Ensuring the preservation of housing units guarantees that families have access to decent, safe, and stable affordable housing. This strategy of approach synchronizes collaboration and compliance to ensure alignment with the objective.

The Program's focus related to outreach and engagement is to collaborate with other entities and foster opportunities for providing services and receiving input from housing providers and tenants. This approach ensures that families and housing providers remain in San José, providing and accessing decent, safe, stable, and affordable housing. This strategy also synchronizes collaboration and compliance to ensure alignment and works towards the 2023-2031 Housing Element.

## **VI. MOBILEHOMES**

The Mobilehome Rent Ordinance (MRO) covers 58 mobilehome parks and approximately 10,735 mobilehome park spaces. Of these mobilehome parks 11 are age-restricted communities, serving individuals fifty-five years and older, of which many live on fixed incomes.

The Rent Stabilization program aims to support and educate mobilehome owners, park owners, park managers, and park residents on the MRO. The City is home to the largest number of mobilehome households in California and among the highest in the nation, with approximately 35,000 residents living in mobilehome parks.

The MRO establishes the essential framework for the protection of rights for residents of mobilehomes in San José. State law – the Mobilehome Residency Law – governs many aspects of mobilehome park ownership and the resident/owner relationship. The MRO and attendant regulations set forth rules regarding rent increases for mobilehome spaces. The MRO designates the maximum annual mobilehome space rent increase to be 75% of the annual change in the regional Consumer Price Index, with a minimum increase of 3% and a

maximum of 7%. The Maximum Annual Percentage Increase for mobilehome spaces covered by the MRO is 3.14% for the period of October 1, 2023 - September 30, 2024.

#### **a. Resident and Owner/Manager inquiries**

Between July 2023 and June 2024, the Program recorded 117 mobilehome park inquiries. During the Fiscal Year, there were many inquiries regarding program office information, allowable rent increases, and maintenance issues. Further details regarding program inquiries can be found in the Mobilehomes section of the **Appendix**.

#### **b. Site Visits**

Program staff continued its efforts to connect regularly with mobilehome parks by engaging in eight site visits between July 2023 and June 2024. Staff met with park management at each mobilehome park site, and while there, staff were able to ask questions, address concerns, and develop an understanding of each mobilehome park community. The goal of the site visits is to strengthen the communication and collaboration between the Program and mobilehome communities, and to discuss the ways to help support both mobilehome residents and park owners and managers.

#### **c. Mobilehome Space Fee Invoices**

Each year in the Fall, program staff mails out the Mobilehome Ordinance Summary letter to all mobilehome parks as required by the MRO. Along with the summary, Program staff mails out the annual mobilehome fee exemption form for park owners to complete. The fee exemption form allows park owners to apply for a fee exemption if any of the following apply: 1) a park owner occupies a mobilehome lot, 2) a rental unit with plumbing, electrical, and sewage permits were issued after September 7, 1979, or 3) if the mobilehome park has a long-term lease or rental agreement with a mobilehome resident that is twelve months or longer. The MRO allows owners to pass half of the fee on to mobilehome residents.

Of the 58 mobilehome parks that received the fee exemption form, seven parks requested fee exemptions based on long-term leases and plumbing, electrical, or sewage permits being issued after September 7, 1979. Staff approved all seven exemption requests and sent invoices, due to be paid by January 31, 2024.

### **VII. RENT STABILIZATION PROGRAM INQUIRIES**

To contribute to monitoring and improving the overall program and its policies, Program staff reviewed 5,773 inquiries received between July 2023 and June 2024. Inquiries ranged from rental assistance, affordable housing, homelessness prevention, request for referrals, and program ordinances. Residents and housing providers can contact the program via phone calls, emails, walk-ins and mail. Program staff shares information with residents, as well as assesses a resident's situations and provides resources, makes referrals, or addresses a matter that will best assist their needs.

The Rent Stabilization Program section of the **Appendix** provides details regarding the inquiries made between July 2023 and June 2024. Notably, more than 20% of the Spanish inquiries were made for rent stabilized units which is an indication that the Program has succeeded in efforts to build trust and awareness of the ARO program in the Spanish speaking community.

## **VIII. OUTREACH**

Community outreach plays a crucial role in enabling program staff to engage with community members, tenants, and property owners across San José. In-person events serve as the cornerstone of this outreach effort, offering a platform for Program staff to address questions, share ordinance information, and guide tenants and property owners towards services available within the City of San José and the County of Santa Clara. The Program's outreach strategy primarily involves attending resource fairs and giving presentations. Resource fairs entail setting up informative tables at various community, agency, school, or city-wide events to showcase our program services and connect with residents. Meanwhile, our outreach presentations allow our team to educate attendees by delivering focused presentations using program-specific slides to address program concerns or questions. Resource fairs are held at diverse events all over the city such as movie nights, Viva Parks/Viva Calle events, back to school events, health fairs, and numerous other community engagement initiatives. Between July 2023 and June 2024, Program staff participated in a total of 96 outreach events. The Outreach section of the **Appendix** provides detail regarding those outreach events. Program staff will continue to engage and educate tenants, residents and property owners/managers through community outreach events, e-mail, in-person, and telephone assistance, as well as provide referrals to legal and social services as needed.

### **a. Housing Provider Roundtable**

In October 2023, Housing Department leadership began a series of monthly meetings with local rental property owners, managers, and landlord advocacy groups. These sessions provided a structured opportunity for staff to receive input on policies affecting these stakeholders and inform housing providers about beneficial program opportunities. The Housing Provider group can also request workshops or Q&A sessions on topics of interest. The roundtable meetings were well attended by various stakeholders, including “mom and pop” landlords, property managers, realtors, and landlord advocates. Eight meetings were held during Fiscal Year 2023-2024 and will continue as a regular outreach component for the Program.

## **IX. EVICTION PREVENTION**

Amid the COVID-19 pandemic, the Housing Department swiftly adopted a comprehensive suite of strategies to maintain the stability of tenant housing. In the wake of the March 2020 shutdown, the City expeditiously introduced temporary moratoriums on evictions and rent hikes, adopting them as emergency ordinances. In the ensuing two years, the State of California enacted four additional laws with the objective of offering temporary eviction protection and rent relief. Following the expiration of emergency tenant protections on June 30, 2022 and the ending COVID-19 rent relief programs, eviction filings surged to pre-pandemic levels and the Housing Department redirected its efforts toward eviction diversion strategies. These efforts incorporate the dissemination of tenant rights information and the promotion of education and resources for both tenants and property owners dealing with eviction issues.

### **a. Eviction Help Centers**

Between July 2023 and June 2024, the Housing Department used remaining federal COVID-19 recovery funding to continue its Eviction Prevention efforts at help centers on the 12th Floor of San José City Hall. The Program phased out its support at external locations - Lion Plaza on Story and King Roads, Kirk Community Center, and Educare Resource Center on

Santee Drive – by May 2024. The help centers offered access to legal consultations with staff from the Law Foundation of Silicon Valley and Bay Area Legal Aid on-site and virtually Tuesday through Friday. Staff at these help center sites provided eviction prevention services, primarily consisting of advising residents and property owners of resources and the eviction process<sup>6</sup>. Program staff continue to assist residents and owners contacting the Eviction Prevention Program by phone, email or in-person.

#### **i. Households Assisted by Phone, Email and In-Person**

The Eviction Prevention Program uses data collected from household inquiries that focus on aspects such as implementation, effectiveness, efficiency, and informing program development. Between July 2023 and June 2024, the Program staff assisted 1374 households in-person at the help center sites, 4404 were assisted by phone and 384 emails received response. The Eviction Prevention Program section of the **Appendix** provides further detail of these interactions.

#### **b. Court Based Programs**

When the strongest state COVID-19 eviction protections ended September 30, 2021, Program staff began going to Santa Clara County Superior Court to assist tenants and property owners with rent relief applications before their unlawful detainer Court hearings. This service evolved into a comprehensive Weekly Eviction Prevention Courthouse clinic (Court Clinic) in partnership with Santa Clara County Superior Court Self-Help Center and the Sacred Heart Community Service. The weekly Court Clinic is open to everyone and offers a broad spectrum of resources to tenants and property owners involved in unlawful detainer actions. The Court Clinic strives to provide as many opportunities as possible to help parties resolve their disputes and, ideally, avoid evictions. Coupled with the weekly Court Clinic, staff attends the unlawful detainer court trial calendar two to three times week. Working with mediators, Sacred Heart Community Service and property owner attorneys, staff screens San José tenants facing eviction for the Eviction Diversion and Settlement Program and connects them to resources to further their housing stability. During July 2023 to June 2024 staff assisted 342 tenants and property owners that were served during the court trial calendar or the Weekly Court Clinic.

#### **i. Eviction Diversion and Settlement Program**

In response to the heightened risk of displacement faced by residents post-June 30, 2022, the Eviction Prevention Program strategically realigned its focus. A significant initiative was the establishment of the Eviction Diversion and Settlement Program (Diversion Program). This program initially addressed the backlog in processing rent relief applications for tenants facing imminent eviction. As eviction rates escalated, the Diversion Program's emphasis shifted to support tenants involved in unlawful detainer proceedings who demonstrated the capacity to meet future rent obligations and whose property owners were amenable to receiving arrears payments, thereby allowing tenants to retain their housing. The Diversion Program's operations have been sustained through allocations from federal emergency rent relief funds, various grants, and Measure E resources designated for Homeless Prevention and Rental Assistance.

Participants of the Diversion Program are sought out primarily during the unlawful detainer calendars at Santa Clara Superior Court on Wednesday, Thursday, Friday mornings when

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<sup>6</sup> As of May 2024, staff is only providing help center in-person support at the City Hall location.



tenants and property owners are appearing. When clients are determined to be eligible and agree to participate, a mediator assists them with entering into a stipulated settlement agreement.

Between July 2023 and June 2024, the Diversion Program evaluated at least 238 households for eligibility, with 194 households qualifying and remaining stably housed. During this period, the Program utilized Measure E funding to provide a total of \$2,201,997.04 to property owners, with an average payment of \$11,350.50 per household. Demographic and other detailed information about the households who were served by the Diversion Program can be found under the Eviction Prevention Program section of the **Appendix**.

Staff conducted a survey with the Diversion Program's participating tenants and property owners in during Fiscal Year 2023-2024 to understand outcomes and evaluate the effectiveness of the program at keeping families stably housed. The results of this survey will inform future iterations of the program and has been included below.

## **ii. Eviction Diversion and Settlement Program Survey Results Fiscal Year 2023- 2024**

Between August 2023 and June 30, 2024, the Program reached out to 166 households that received Diversion Program payment checks. A total of 125 households, representing 75.3%, completed the survey. Of these, 90 surveys were completed solely by the tenant, 15 solely by the property owner, and 20 by both parties, resulting in a total of 145 responses. Program staff was unable to obtain complete survey responses from tenants or property owners of 41 households, despite multiple follow-up attempts. Additionally, four tenants and three property owners declined to participate in the survey. This comprehensive outreach effort highlights the program's commitment to gathering valuable feedback and engaging with both tenants and property owner.

The Diversion Program was awarded a \$2 million earmark grant in the State's budget last year. These funds will help support the Diversion Program to continue for Fiscal Year 2024-2025.

## **X. CONCLUSION**

From July 2023 to June 2024, the Program made significant efforts to strengthen relationships with the rental and mobilehome communities, ensuring they understand their rights and responsibilities and where to get their questions answered. The Program attended outreach events across all districts, conducted targeted site visits, and prioritized responding to the high volume of program inquiries by phone, in-person, and email. The Program assisted both tenants and property owners in resolving rental disputes. Through data collected from the Rent Registry, termination notices, and unlawful detainer lawsuits, staff monitored compliance and identified areas for targeted displacement mitigation efforts. The COVID-19 pandemic prompted the implementation of eviction diversion strategies, including providing resources, education, and court-based programs to prevent homelessness. These efforts demonstrate the Program's commitment to maintaining stable and equitable housing for San José residents.

## APPENDIX A

### I. PETITIONS

#### a. Service Reduction Petitions Trends

Several factors can impact the number of service reduction petitions the program receives. Typically, during the winter, the number of petitions is lower compared to the summer, when the program sees an increase. Extreme weather conditions have influenced the number of petitions received. Rainfall and storm conditions have been a common factor as the area saw a record of rain between the months of December and January. Many tenants reported damage to roofs, water leakage, lack of heat, and mold in their units as a result. Common issues reported by tenants on petitions include mold, pest/rodent infestation, and water leakage. **Table A** shows the types of service reductions filed. Tenants can claim more than one service reduction type one petition, and they can also indicate other possible violations such as improper fees/charges, lack of access to amenities such as laundry, storage, etc., issues with neighbors, or retaliation.

**Table A: Service Reduction Petitions by Issue Type**

Service Reduction	Jul-Sept 2023	Oct-Dec 2023	Jan- Mar 2024	Apr- Jun 2024
Defective Walls, Floors, or Weather Protection	4	8	5	9
Defective Electrical Lights, Wiring, & Related Equipment	2	0	0	4
Defective Plumbing (Gas, Water Supply, or Sewage System)	3	2	8	11
Defective Heating or Cooking Facilities (Appliances)	5	5	5	2
Unsafe or Unsanitary Conditions in unit or in Common Areas	7	6	17	14
Other*	9	3	13	16

*\*Other includes issues like loss of laundry or recreational areas (pool), loss of 'Quiet Enjoyment', loss of parking, lease issues, etc.*

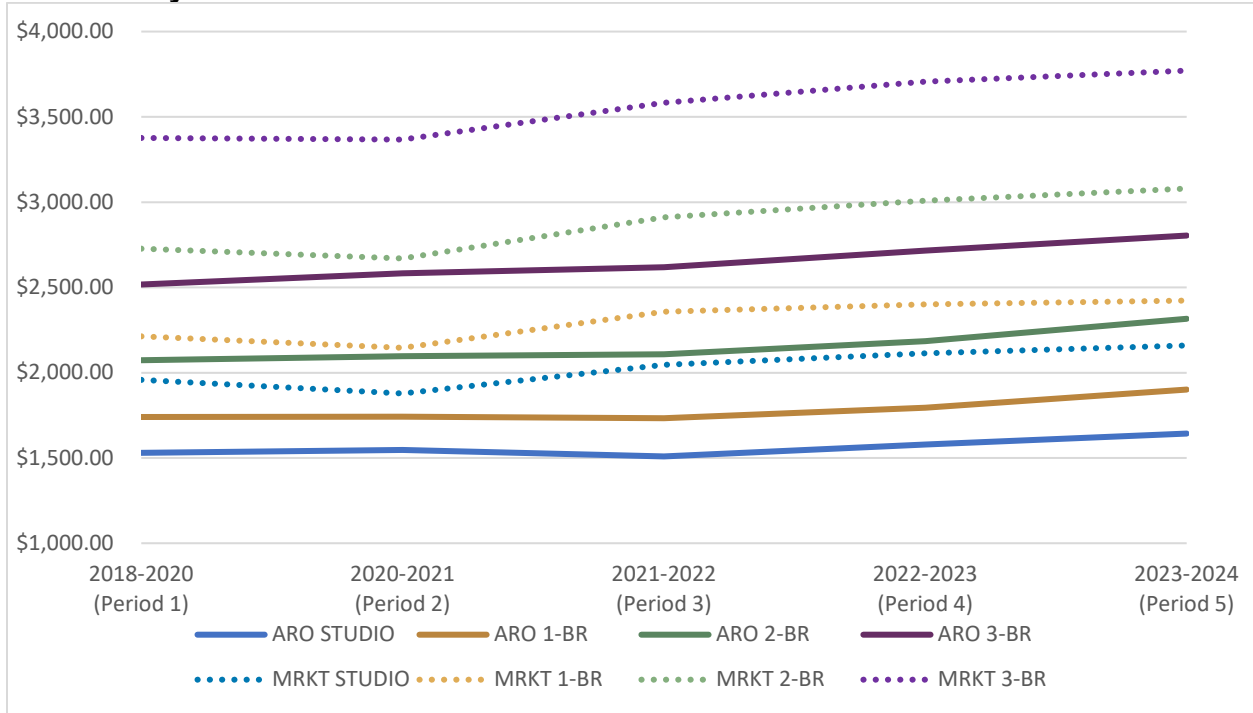
### II. RENT REGISTRY

#### a. Average Rents

**Chart A** details average rent of Rent Stabilized Units by number of bedrooms compared to average rent of Market Rate Units across the five registration periods. The data for Market Rate Units includes all classes of rental units. It should be noted that a rent

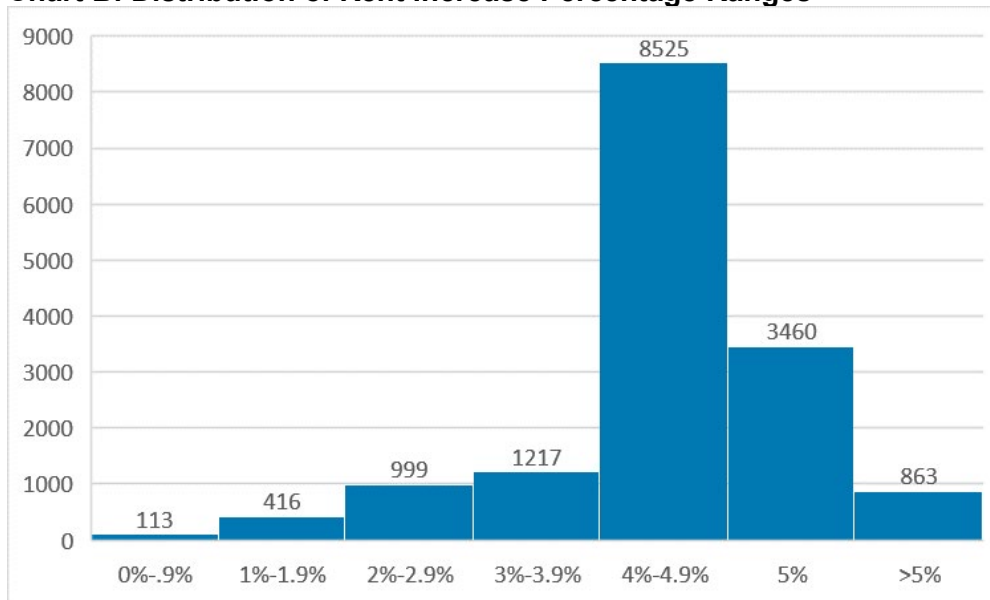
increase moratorium for rent stabilized units was in place for 18 months between 2020 and 2021.

**Chart A: Comparison of Average Rent of Rent Stabilized Unit and Average Market Rate Unit by Bedroom Size**



**Chart B** provides a distribution of rent increases registered during the fourth registration period. The ranges organized as percentage points, with over 5% reflecting the sum of all rent increases issued over 5%. Rent increases in the range of “4%-4.9%” comprised the 55% of the whole data, while “5%” made up of 22% followed by the sum of the ranges from 0% to 3.9% consisting of 18%.

**Chart B: Distribution of Rent Increase Percentage Ranges**



**b. Reasons for Turnover**

**Table B** demonstrates turnovers as reported by property owners during the fifth registration period. Vacancy turnover reports can provide insights into the turnover rates, which reflect how often tenants move out and new tenants move in, affecting the availability of rent-stabilized housing.

Nonpayment of rent, damage to the apartment, substantial rehabilitation of the apartment, and voluntary move-out account for the majority of vacancy reasons reported in the Rent Registry. It is important to recognize that the reason of voluntary move-out may not comprehensively account for the diverse reasons tenants vacate a unit. Examples such as receiving a notice from the property owner to pay rent or quit, notice of lease violation, or cash for keys agreement, can result in a tenant moving out. The Rent Stabilization Program is developing version 6.0 of the Rent Registry website which launches in Fall 2024. This update aims to include more specific sub-categories under voluntary move-outs to capture nuanced reasons for tenant vacancies.

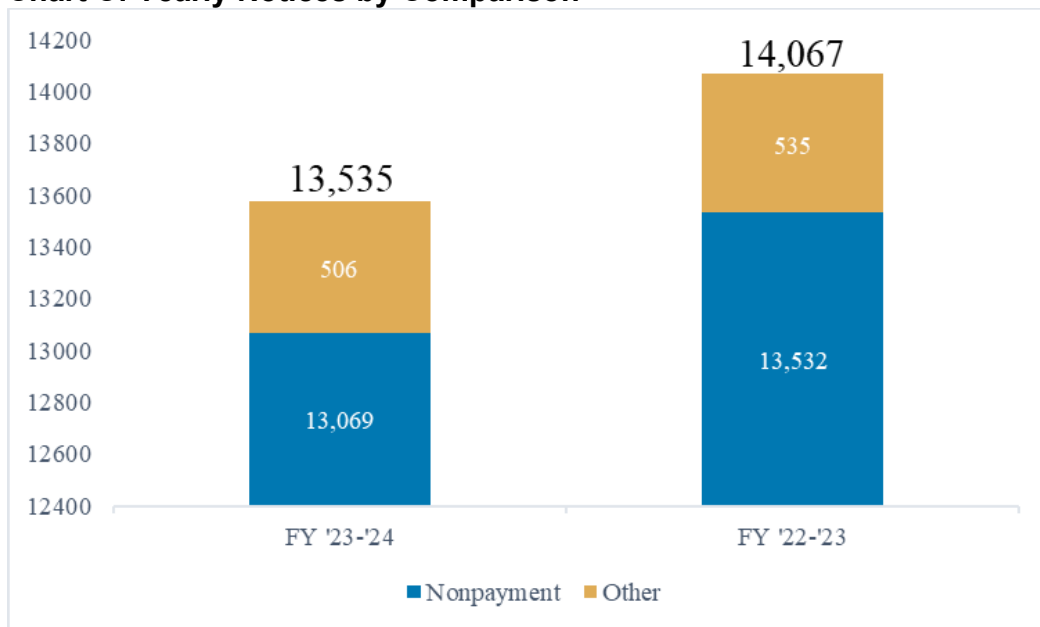
**Table B: Vacancy Reasons Stated by Property Owners**

Vacancy Reason in Registration	Count
1. Nonpayment of rent	103
2. Material or habitual violation of the lease	5
3. Damage to the apartment	26
4. Refusal to agree to a similar or new rental agreement	1
5. Disorderly behavior/disturbing the peace	12
6. Refuse access to the apartment when requested in accordance with law	0

7. Unapproved holdover subtenant	1
8. Criminal activity	3
9. Substantial rehabilitation of the apartment	16
10. Removal of apartments from the rental market under the Ellis Act	0
11. Owner move-in	4
12. City code enforcement actions requiring a moveout	6
13. Convert an unpermitted apartment for permitted use	0
Voluntary move-out	1935
<b>Total</b>	<b>2112</b>

### III. TENANT PROTECTION ORDINANCE PROGRAM

**Chart C: Yearly Notices by Comparison**

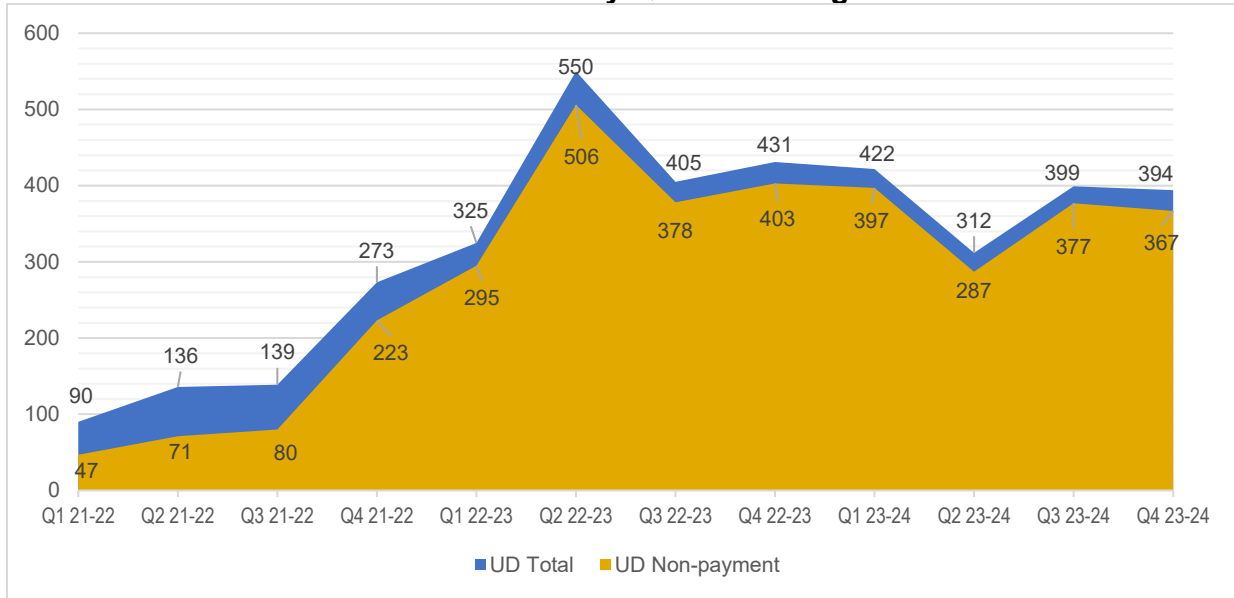


#### a. Unlawful Detainer (Eviction) Lawsuit Submissions and Trends

The trends and submissions of UD lawsuits may be subject, but not limited to influencing factors, including economic conditions, changes in housing policies, and shifts in the rental market. Submission of notices decreased by 3.8% from Fiscal Year 2022-2023. This is a significant decrease, given that it had increased by 11.4% the previous fiscal year. The Program received the most unlawful detainers in September, which was the month that most total notices of termination were processed. The Program cannot confirm the outcome of UD submissions as these records are outside of City jurisdiction.

**Chart D** details trends in the type and number of UD submissions that were submitted to the Program by quarter during the past three fiscal years. Quarter 4 of Fiscal Year 2021-22 is when the last of COVID-19 pandemic era eviction protections were lifted which likely explains the spike in UD submissions. For the first quarter of 2023-24, the Program received a similar number of UD submissions as the prior three quarters, there is a notable decrease in the rate of UD submissions for the last three quarters of the Fiscal Year. This trend suggests possible recovery from COVID-19 impacts for many families and a stabilizing of some households. Like Fiscal Year 2022-2023, nonpayment UD trends make up 94% of the total UD submissions.

**Chart D: Eviction Lawsuit Submissions by Quarter During Three Fiscal Years**



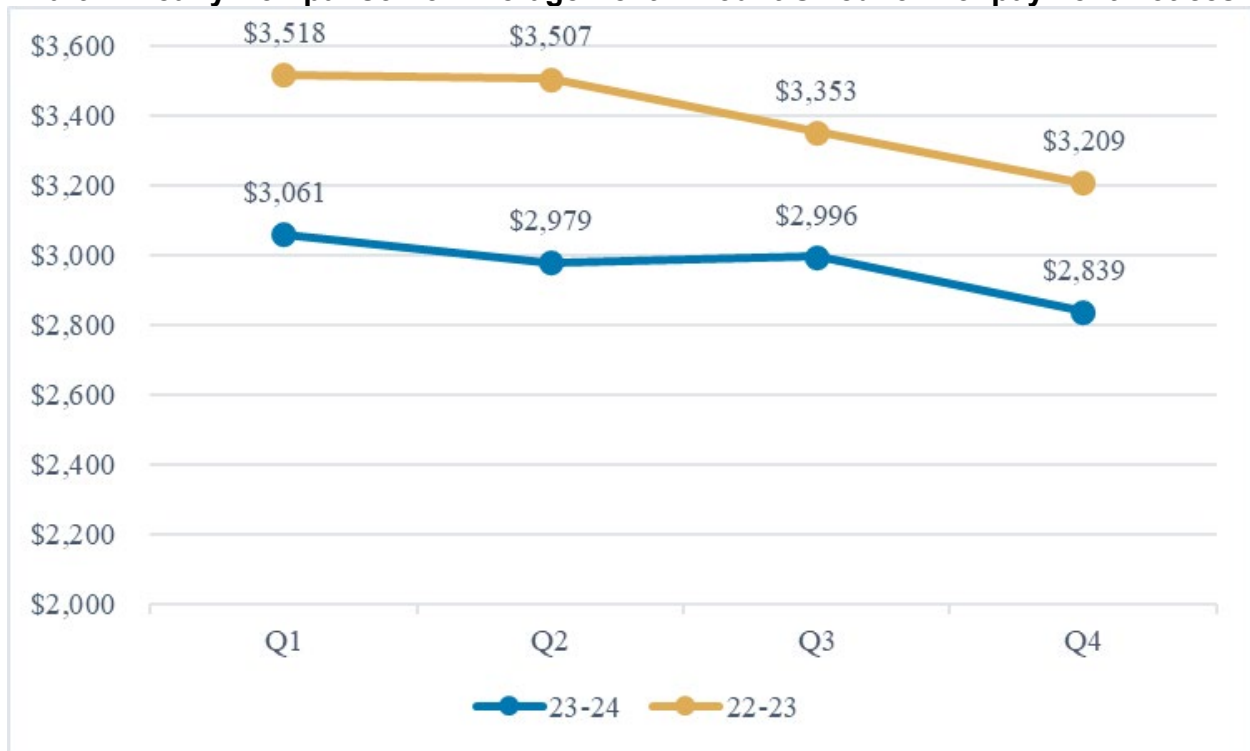
**b. Analysis of Non-payment of Rent Notices and Unlawful Detainers**

**Table C** displays the differences in the decrease in average rent owed by tenants who received nonpayment notices between this fiscal year and the last. The decreases are as follows: 14% in quarter 1, 16% in quarter 2, 11% in quarter 3, and 12% in quarter 4.

**Table C: Comparison of Average Rent Amount Owed for Nonpayment Notices**

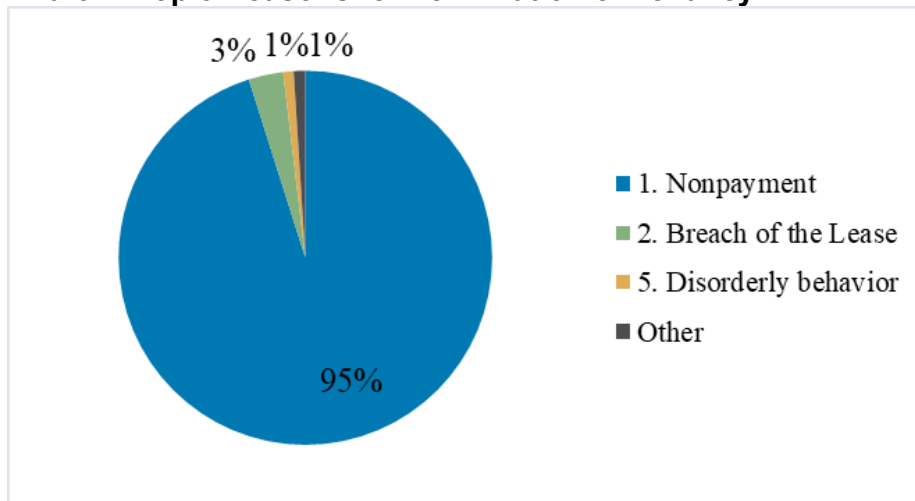
	Q1	Q2	Q3	Q4
<b>23-24 Rent Avg</b>	\$3,061	\$2,979	\$2,996	\$2,839
<b>22-23 Rent Avg</b>	\$3,518	\$3,507	\$3,353	\$3,209

**Chart E: Yearly Comparison of Average Rent Amount Owed for Nonpayment Notices**



The top reasons for termination of tenancy have been consecutive in the last three fiscal years. The Program anticipates these same termination reasons will be reported in the next fiscal year, in no particular order.

**Chart F: Top 3 Reasons for Termination of Tenancy**



#### IV. MOBILEHOMES

**Table D** shows the total number of inquiries by topic. The “Miscellaneous” topic section is made up of inquiries having to do with mobilehome service issues, state inspection,

lease disputes, HCDC Title and Registration inquiries among other topics. **Table E** shows a breakdown of these inquiries by the resident’s preferred language.

**Table D: Combined Summary of Call Inquiries Received in FY 2023-2024**

Topic	Inquiries Received
Request for Information	25
Rent Increases	24
Maintenance	11
Eviction Information	7
Referral	1
Site Visits	8
Miscellaneous (Service issues, title inquiries, etc.)	41
<b>Total</b>	<b>117</b>

**Table E: Combined Inquiries by Preferred Language in FY 2023-2024**

Language	FY 2023-2024
English	94
Spanish	22
Vietnamese	1
<b>Total</b>	<b>117</b>

Owners of mobilehome parks are entitled to file a petition for increase in rent if they believe the net operating income from the park has kept up with the rate of inflation, as measured from a base year of 1985. This type of petition is called a petition for fair return and residents may bring claims of service reductions to rebut any potential rent increase the park owner may be entitled to. When a petition for fair return is filed, a significant amount of staff time is required to support the residents, park owner, and hearing officer in processing the petition, service reduction claims and coordinating the hearing which can last several days. The Program has not received a petition for fair return in several years, but has received Public Record Act requests for prior petitions and decisions. This can be an indication that a park owner is preparing to file a petition.

## V. RENT STABILIZATION PROGRAM INQUIRIES

During Fiscal Year 2023-24, a combination of property owners, tenants, property managers, and residents made up 84% of the inquiries. All other inquiries included real estate professionals, attorneys, or unidentified requestors. This work also includes providing assistance with Rent Registry for property owners subject to the Apartment Rent Ordinance and informing property owners of Tenant Protection Ordinance guidelines. **Tables F** and **G** the total inquiries made to the Program based on language as well as those submitted to the program based on Council District, respectively.



**Table F: Inquiries to the Program by Language**

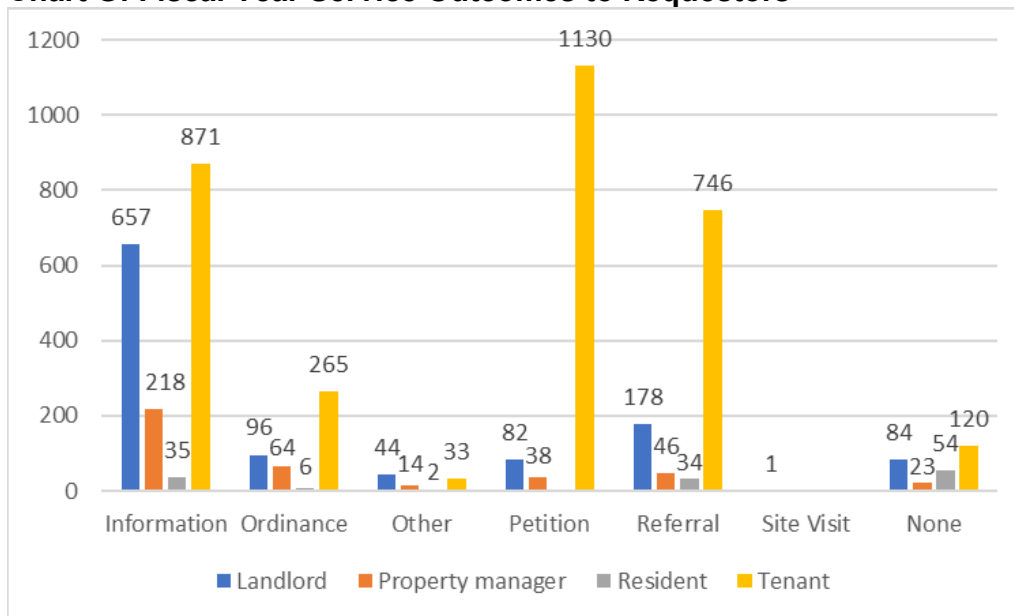
Language	FY 2023-2024
English	4470
Spanish	1164
Vietnamese	58
Other	81
<b>Total</b>	<b>5,773</b>

**Table G: Inquiries to the Program by Council District**

Council District	1	2	3	4	5	6	7	8	9	10	N/A	Total
<b>FY 2023-2024 Inquiries</b>	835	105	953	33	319	847	225	1	470	176	1809	<b>5,773</b>

**Chart G** show categories of information and resources provided to community members contacting the Program for assistance and the number of inquiries in each category. Services are provided to anyone contacting the program. People occupying a rental property are referred to as “tenants”. “Landlords” are property owners, managers or any person renting real property to another. Occasionally, inquiries are made by individuals who do not fall into the category of Landlord or Tenant, and they fall into the category of “resident”. Tenants seeking services made up 61% of the Program's service outcomes, followed by landlords with 31%.

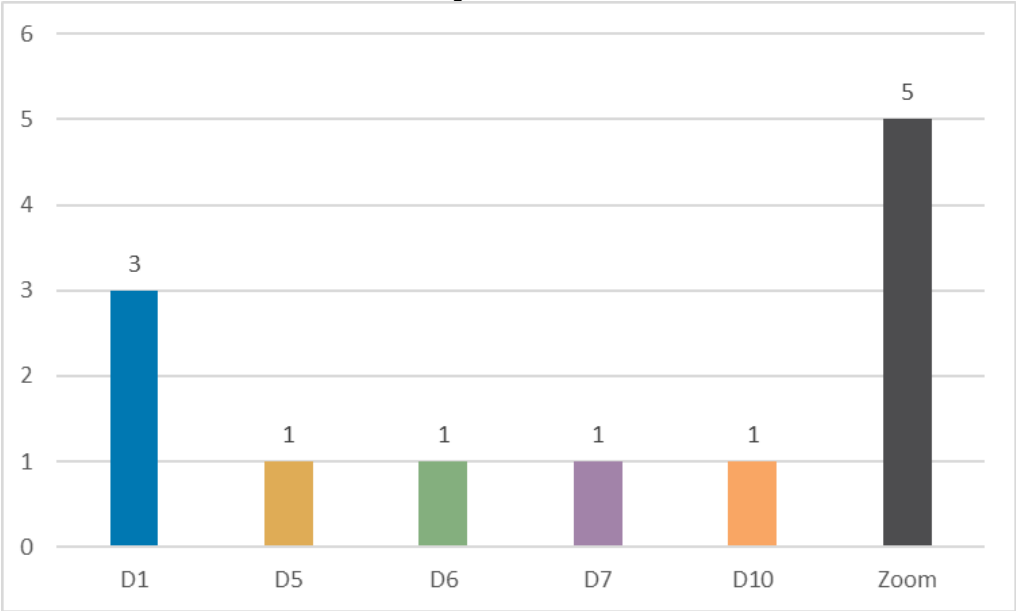
**Chart G: Fiscal Year Service Outcomes to Requestors**



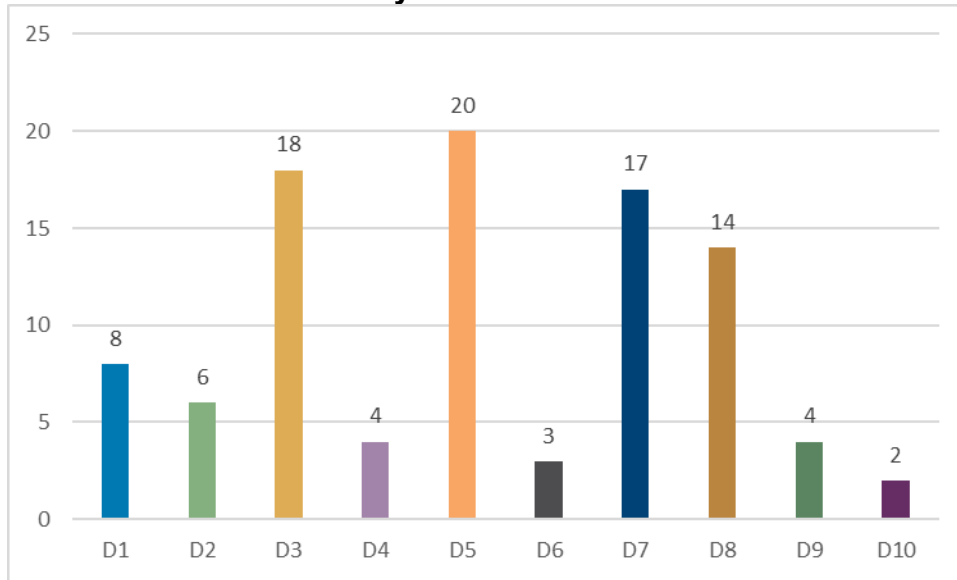
**VI. OUTREACH**

**Chart H** is a breakdown of presentations provided by Program staff during Fiscal Year 2023-24. The Program collaborates with a diverse array of partners to enhance community awareness regarding rights and responsibilities under the ordinances and available resources to address concerns. Some presentations are in person for community groups, and some are held virtually which can capture a wider audience across all Districts. **Chart I** is a breakdown of the outreach events (resource fairs, community events) by district that staff attended during Fiscal Year 2023-24. There is a concentration in District 3 and District 5 because those Districts historically contain a high demand for tenant rights and housing resources and have a considerable amount of ARO units. These districts contain census tracts identified as having tenants at high risk of displacement and high rent burden. This is due largely in part to the high number of program inquiries particularly from English and Spanish speakers. There was also an increase in resource events that were attended by staff in Districts 7 and District 8, as the Program makes expansive efforts to engage within communities. This can also be observed in the attended events within the other districts.

**Chart H: Presentation Events by Council District in Fiscal Year 2023-2024**



**Chart I: Outreach Events by Council District in Fiscal Year 2023-2024**



## VII. EVICTION PREVENTION PROGRAM

### a. Total Households served by the Eviction Prevention Program

**Table H** demonstrates the total number of tenants and property owners assisted through the eviction help hotline and email, and in-person at the help center sites. A total of 6,742 households with eviction concerns were assisted by Eviction Prevention Program staff between July 2023 and June 2024.

**Table H: Interactions in the Eviction Prevention Program**

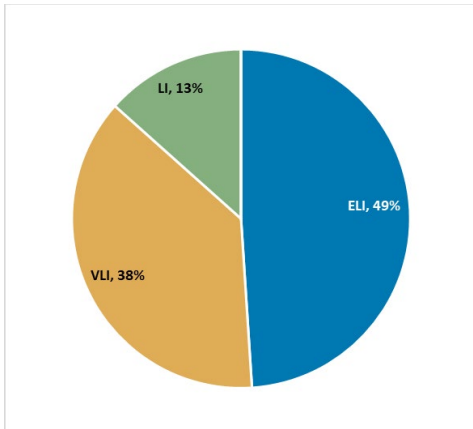
Inquires	Jul – Sept 2023	Oct – Dec 2023	Jan – Mar 2024	Apr –Jun 2024
Phone Calls	1,138	1,044	1,192	1,030
Emails	99	72	84	129
Walk-in	417	354	416	187
Court	75	95	108	64
Eviction Diversion and Settlement Program Referrals	43	71	67	57
<b>TOTAL:</b>	<b>1,772</b>	<b>1,636</b>	<b>1,867</b>	<b>1,467</b>

### b. Eviction Diversion and Settlement Program

Between July 2023 and June 2024, 238 households that were assessed for the Eviction Diversion and Settlement Program. 194 of those households were deemed eligible and their property owners were paid the back rent by the program. The program targets households earning 50% or less of the Area Median Income for Santa Clara County.

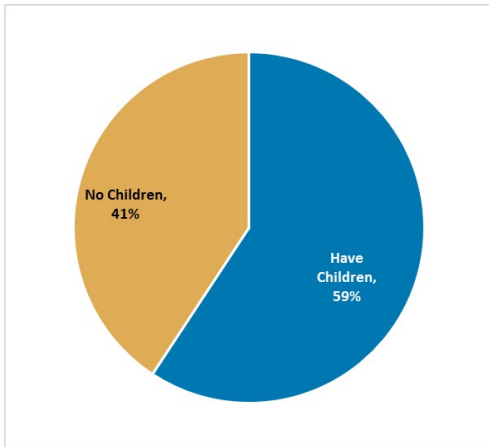
**Charts J** through **P** detail the demographic breakdown of the households served by the program between July 2023 and June 2024.

**Chart J: Household Income\***

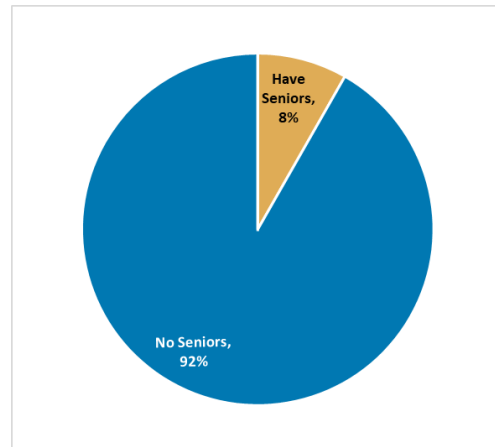


\*Current Santa Clara County Area Median Income Levels for household of 4: Low-Income (80% AMI) < \$146,100/year (LI); Very Low-income (50% AMI) < \$92,150/year (VLI); Extremely Low-Income (30% AMI) < \$55,300/year (ELI)

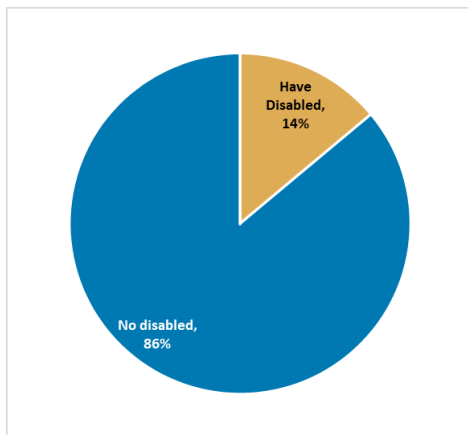
**Chart K: Households with Minor Children**



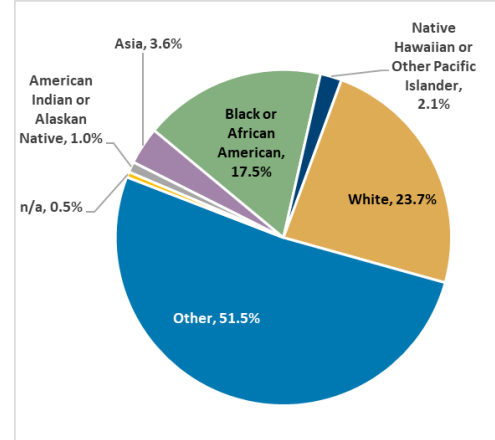
**Chart L: Senior Household Member(s)**



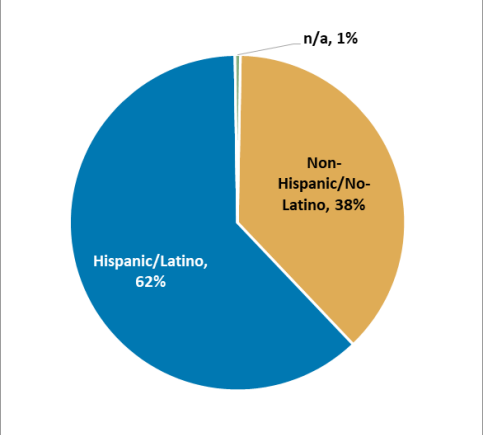
**Chart M: Disabled Household Member(s)**



**Chart N: Race Reported by Applicant**



**Chart O: Ethnicity Reported by Applicant**



**Chart P: Preferred Language of Applicant**

