<u>Attachment D – Proposed Tenant Preferences Program Framework</u>

TENANT PREFERENCES PROGRAM FRAMEWORK		
Webpage	https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-	
Applicability: Set-Aside	library/housing-policy-plans-and-reports/tenant-preferences 35% of all restricted affordable apartments otherwise available to the general public in a	
	 subject property: No more than 15% of apartments set aside for applicants living in the same neighborhood as the property, and 20% of apartment set aside for applicants living in high displacement tracts. Set-aside of apartments will be a commensurate mix of all apartments for the general public (number of bedrooms and affordability levels). 	
Eligibility for the Tenant Preferences Program	Lower-income San José residents (≤80% AMI) are eligible for the Program if they:	
	 Live in definitive and probable displacement tracts, as defined by the U.C. Berkeley Urban Displacement Project, and/or Are at-risk of displacement as they currently rent a home in the same Council District as a subject development. 	
Applicability: Which Properties	 City-funded affordable developments, including those for seniors, 	
	Developments negotiated through Development Agreements,	
	Existing affordable housing properties when documents are modified (on a deal-by-deal basis),	
	Any affordable housing in San José on which public agencies want to apply preference, even if no City funding, and	
	• State-funded developments that meet the above criteria (pending approval by the state's Department of Housing and Community Development).	
Applicability: Phase-In	All new and renegotiated City-funded affordable housing developments in the pipeline and early in construction at the designated effective date of the San José resolution.	
Implementation: Housing Department Roles and Responsibilities	Integrate preferences into the City of San José's Affordable Housing online tenant application portal (Doorway): https://housing.sanjoseca.gov/listings ;	
	 Ensure Doorway identifies applicants eligible for one or both tenant preferences based on current address; 	
	Create program implementation manual for property managers;	
	Develop administrative program guidelines for tenant preferences with public feedback;	
	Integrate tenant preference administration language into loan documents;	
	Approve lease-up plan and tenant selection plan prior to advertising;	
	Ensure compliance annually with tenant preference administration;	
Implementation: Property Manager Roles	Ensure property profile set up on Doorway portal;	
	Advertise that alternative documentation for undocumented residents is accepted;	

and	Identify units for tenant preference that are a commensurate share of unit mix;
Responsibilities	
	• Receive list(s) of applicants, including those eligible for one or both tenant preferences, through Doorway;
	Review applicants' qualifications and supporting documentation;
	 Verify current address with two forms of evidence;
	 Alternative documentation for undocumented applicants must be accepted;
	 Confirm address is eligible for tenant preferences;
	 Determine income and all other eligibility criteria are met;
	Maintain waitlist of adequate size; and
	Supply evidence as requested for City annual compliance.
Housing Department Engagement and Education	Create webpage with materials - Ordinance, guidance, sample language, disparate impact analysis;
	Educate transaction teams on tenant preferences to address any questions or concerns;
	Hold general information sessions with property managers following the passage of the Tenant Preferences Program;
	Meet with property management company on each transaction;
	Support property managers' need for marketing assistance, if any;
	Conduct community presentations at or near new affordable developments; and
	• Create and distribute educational materials for the public to community partners, public sites (i.e., libraries, City buildings), and affordable housing sites.
	• For properties subject to tenant preferences, property managers will need to demonstrate annually:
Annual Compliance Process	 Commensurate unit mix is met as indicated on rent rolls;
	 Set-aside for applicants in the same neighborhood never exceeded 15% of units otherwise available to the general public
	 Waitlist procedures adhere to program guidelines;
	 Tenant selection plan describes tenant preference procedures;
	Acceptance of alternative documents has been advertised; and
Non-Compliance Penalties	 Property listing is active in Doorway tenant portal and online digital application is being used for initial lease-up (if appropriate), waitlist openings, and for units that become vacant.
	First Violation:
	 Meeting to re-educate property management staff; and 6-month follow-up with City and property managers.

- Second Violation:
 - o City issues formal letter of non-compliance to owner and property manager.
- Third Violation:
 - City issues formal letter of non-compliance to owner, property manager, lenders, and other funders; and

The City reserves the right to pursue any of its remedies under loan documents in the event of continued non-compliance.