CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Honorable Mayor and City Council

FROM: Councilmember Arenas
Councilmember Jimenez

SUBJECT: Actions Related to the Apartment Rent Ordinance and Regulations.

DATE: November 9, 2017

APPROVED _____   DATE _____

11.09.2017

RECOMMENDATION

1. Accept the staff recommendation to not include Ratio Utility Billing (RUBS) as a pass through cost under the Apartment Rent Ordinance.

2. Accept the staff recommendation to allow under Capital Improvement Pass Through the installation of individual utility sub-metering for multi-family units as the recommended option for conservation and sustainability measures.

BACKGROUND

As discussed in the Housing department's staff report, RUBS is a utility billing system used by property owners to pass through sewer, water and trash utility costs to tenants because some older multi-family apartments do not have sub-meters. Generally, owners of such buildings use a third party billing company to calculate utility bills for tenants based on the number of occupants and/or square footage of the apartment compared to the total occupants/square footage of the building.

We agree with staff that this type of pass through is inconsistent with City Council direction limiting total annual rental increases in ARO buildings. Furthermore, RUBS has proven to be a complicated and obscure process that for many tenants equates to unknown and unverifiable additional monthly charges.

We also agree with landlords that water conservation is important, but RUBS is not the way to achieve it. If a landlord is serious about conversation and truly wishes to charge a tenant for their actual use, then sub-meters should be installed. By allowing this infrastructure cost to be passed through, the landlord is achieving the goal of conversation while at the same time passing through the cost and creating a much more transparent and reliable billing system for the tenant.

Therefore, we encourage our Council colleagues to reject RUBS in any form within this ARO.