

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING SECTION 17.23.310 OF PART 3 OF CHAPTER 17.23 OF TITLE 17 OF THE SAN JOSE MUNICIPAL CODE TO NOT REQUIRE LANDLORDS WHO HAVE ENTERED INTO REDUCED RENT AGREEMENTS TO USE THE REDUCED RENT CHARGED PURSUANT TO SUCH AGREEMENT WHEN CALCULATING THE ANNUAL GENERAL INCREASE

WHEREAS, on April 28, 2020, the City Council adopted a temporary Rent Increase Moratorium Ordinance, Ordinance No. 30405, placing a temporary moratorium on rent increases of rent-stabilized properties through 2020; and

WHEREAS, under such Ordinance, a Landlord and Tenant may enter into rent reduction agreements during the term of the Ordinance; and

WHEREAS, the Council approved including a change to the Apartment Rent Ordinance that would allow Landlords who enter into reduced rent agreements with their Tenants to be able to increase the Tenant's rent based upon their contract rent and not based upon the reduced rent charged; and

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP17-008 (General Procedure and Policy Making resulting in no changes to the physical environment); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

Section 17.23.310 of Part 3 of Chapter 17.23 of Title 17 of the San José Municipal Code is hereby amended to read as follows:

17.23.310 Limits on Rent Increases

A. Annual Rent Increase Limit. The Rent of any Rent Stabilized Unit may not be increased by more than the Annual General Increase unless otherwise authorized by Petition. If the Landlord has not substantially complied with the City's request to register or re-register a Rent Stabilized Unit pursuant to the procedures in the Regulations, the Landlord may not increase the Rent for the Rent Stabilized Unit.

B. The "Annual General Increase" is limited to:

The monthly Rent charged for the previous twelve (12) months for the Rent Stabilized Unit multiplied by five percent (5%).

C. Rent Adjustments Based Upon COVID-19 Rent Increase Moratorium.

1. Notwithstanding subsection B., Landlords who enter into reduced rent agreements with their Tenants pursuant to the COVID-19 Rent Increase Moratorium Ordinance, Ordinance No. 30405, may calculate their Annual General Increase upon the prior charged rent under their rental contract and not on the monthly rent charged under the reduced rent agreement.

2. This subsection shall expire twelve (12) months after expiration of the COVID-19 Rent Increase Moratorium Ordinance, Ordinance No. 30405.

- D. Rent Increase Frequency Limit. Not more than one (1) Rent increase, including the Annual General Increase, any increase allowed under Chapter 13 of the Regulations, and any increase authorized by a final decision after a Petition may be imposed in any twelve (12)-month period. An increase in Rent authorized by a decision on a Petition filed pursuant to Section 17.23.350.C or Part 8 of this Chapter may be imposed after notice has been provided pursuant to California Civil Code Section 827, if the decision states that the initial increase is exempt from the twelve (12) month interval requirement under this Section.
- E. Rental Voucher Unit - Rent Increases. During the time a Rental Unit serves as a Rental Voucher Unit, the Initial Rent shall be subject to this Chapter, but its Rent may be adjusted annually consistent with the published rules of the applicable government agency in lieu of the Rent adjustments allowed under this Chapter.

PASSED FOR PUBLICATION of title this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk