

From: Roberta Moore

Sent: Thursday, May 21, 2020 9:27 AM

To: Liccardo, Sam <sam.liccardo@sanjoseca.gov>

Cc: District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6 <district6@sanjoseca.gov>; District7 <District7@sanjoseca.gov>; District8 <district8@sanjoseca.gov>; District9 <district9@sanjoseca.gov>; District 10 <District10@sanjoseca.gov>; Morales-Ferrand, Jacky <Jacky.Morales-Ferrand@sanjoseca.gov>; Nguyen, Viviane <viviane.nguyen@sanjoseca.gov>; Tran, Fred <Fred.Tran@sanjoseca.gov>; VanderVeen, Rachel <Rachel.VanderVeen@sanjoseca.gov>; City Clerk <city.clerk@sanjoseca.gov>; Henninger, Ragan <ragagan.henninger@sanjoseca.gov>; Sykes, Dave <Dave.Sykes@sanjoseca.gov>; Doyle, Richard <Richard.Doyle@sanjoseca.gov>; CAO Main <cao.main@sanjoseca.gov>; city.auditor <city.auditor@sanjoseca.gov>; Moua, Louansee <Louansee.Moua@sanjoseca.gov>; Connolly, Shane Patrick <shane.connolly@sanjoseca.gov>; Fedor, Denelle M <DenelleM.Fedor@sanjoseca.gov>; Jeff Zell ; Jenny Zhao ; Tim Beaubien ; dhotop ; Cheryl ; Anil Babbar;

Subject: Special Meeting Today: Rent Registry Your Promise Broken

Dear Honorable Mayor,

There has been a 50% increase in homeless count (4,063 to 6,097) since 2017 and significant changes were made to the Apartment Rent Ordinance. The Housing Department doesn't understand the correlation, but as a Rental Provider showing a vacant apartment and screening Renters as well as being on the ARO Task Force, the HCDC, and the General Plan Task force, I do.

The Rent Registry doesn't contribute directly to homelessness, but it is an example of one of the bad policies impacting 27% of San Jose's rentals. The Rent Registry is expensive to implement and it doesn't house more people.

4 years ago, you assured us the Rent Registry wouldn't cost as much as other cities. After 2 years, It cost more than expected and wasn't good enough. Version 2.0 is in the works. Data hasn't been requested this year and fees are still being collected. Isn't this a violation of Proposition 218; collecting fees without providing the service?

Value of the Rent Registry is questionable:

- Housing Department received 71 complaints on 38,867 ARO units. (2019)
- 1/3 of building owners haven't participated.
- Less than 18% of the rentals are tracked.
- Data entered is inaccurate with some owners entering \$0, \$1, or \$18,500 for rent.

In 2016, the ARO Task Force received a report on what other cities are doing with Rent Control. Ultimately, San Jose copied much of Los Angeles' policies and increased their staff accordingly. Here is what the changes cost since:

- ARO fees have increased from \$11.75 per year (2015) to \$85.04 per unit (2019).

- 10.5 Staff have been added to the Rent Stabilization Program.
- The increase in fees alone is equivalent to \$33,381 per complaint filed in 2019.

In 2019, San Francisco said they will need as much as \$3.6 million to convert from a Unit Registry to a Rent Registry. How many people need to be hired to make the Rent Registry work? How much will be added to the unfunded pension liability by hiring these people?

The City Audit recommended against the Rent Registry in 2016. There are two lawsuits filed against the City for the Rent Registry; one by Owners and one by Renters who don't want their privacy violated.

The benefit is not worth the cost or the risk. Please eliminate the Rent Registry and allocate that money for better use; providing shelter for the homeless and keeping police and fire.

Please stop wasting taxpayers' and mom and pops' money. Eliminate the Rent Registry now before the 2nd version is rolled out.

Regards,

Roberta Moore | Broker Associate
Compass

P.S. Here is a letter to Housing and Council highlighting the flaws of the system:

From: **dhotop**

Date: Tue, Aug 6, 2019 at 7:34 PM

Subject: The 8/1/19 HD Memo on Ellis has incorrect data!

To: Morales-Ferrand, Jacky <jacky.morales-ferrand@sanjoseca.gov>, VanderVeen, Rachel <rachel.vanderveen@sanjoseca.gov>, Davis, Dev <dev.davis@sanjoseca.gov>, Johnny <johnny.khamis@sanjoseca.gov>, Lan <lan.diep@sanjoseca.gov>, Charles Chappie Jones <chappie.jones@sanjoseca.gov>, District9 <District9@sanjoseca.gov>

Dear Jacky,

Your memo dated 8/1/19 states that the average ARO 1-bedroom rents are \$1644/month based on the rent registry data collected as of April 2, 2019. This data is incorrect.

Unfortunately, you failed to properly validate the rent registry data before publishing this incorrect information. While this # is the simple average found in the data, you did not account for the skewing of the average by 627 records which have \$0 entered or left blank, 19 records showing \$1 or less and 1 record showing rent of \$18,500/month. Attached is the dataset for all 1-bedrooms, sorted by the monthly rent. You will quickly see the error in your math.

Excluding those records, the real average is \$1,728 per month, 5.1% higher than the # you are using.

This reckless use of the data further highlights the risks to the public of your collection & use of the data itself. Privacy and security issues aside, attempting to influence public policy by peddling unverified data is likely a due process violation as well and may subject the City of San Jose to further litigation.

Also, you show an income factor of 2.5x in table 7, where the industry standard property owners use to qualify renters is 3 - 3.5x.

Lastly, on page 9, you state " ARO apartments make up 49% of all market rate rental housing in San José." This is also incorrect. If 39,009 ARO units equaled 49%, there would only be 79,610 market rate rental housing units in San Jose.

SJ's code enforcement site currently shows 99,895 units on its MH roster of 3+ unit buildings, there are 12,786 duplex units and approx. 30,000 SFH/Condo/TH rentals in SJ (based on county records). Combined for over 142,000 market rate housing units of which ARO's represent only 27%.

Please correct the data ASAP and set the public record straight before the City Council begins deliberations on public policy using this incorrect data.

Regards,

Dean Hotop

From: David Wong

Sent: Thursday, May 21, 2020 2:35 PM

To: CouncilMeeting <CouncilMeeting@sanjoseca.gov>; City Clerk <city.clerk@sanjoseca.gov>

Subject: May 21, 2020 Special Meeting: Item 3.1 Rent Registry

I am writing to express my opposition to the rent registry and ask that San Jose discontinue putting money into this program. I believe our tax dollars could be better used in other areas that could directly provide people in San Jose with housing options. The cost per complaint process is not an efficient use of city funds.

I think funds should go to rental assistance programs for renters who are encountering difficulty in paying rent due to the effect of the COVID-19 pandemic.

Thank you,

David Wong