

Attachment B – Summary of Stakeholder Feedback

I. HOUSING PROVIDERS VIRTUAL STAKEHOLDER MEETING: March 6, 2023

- Mom-and-Pop housing provider's concerns presented
 - Operating losses compared to those of large corporations, as cost of utilities increase making it difficult to afford properties.
 - Find fair return process difficult, causing much update needed on properties providing renters less valuable living spaces
 - Creation of competition against newer apartment buildings
- 5% allowable rent increase limit leads to the depreciation of properties.
- Rent Registry has improved over the years making it easier to use.
- Bring back the ratio utility billing system (RUBS)
- There should be more focus on preserving “mom-and-pops” by enforcing tenant protections. Some owners can only evict based on nonpayment, given the legal assistance provided to renters.
- The TPO causes difficulty in removal or eviction of tenants that cause issues on the property or for other tenants.
 - Time consuming.
 - Can require legal fees.
 - Can cause more retaliation from bad renters, such as nonpayment, worse nuisance behavior, etc.
- The TPO defeats the purpose of existing lease agreements.
- Rental assistance/ Sacred Heart has become a lobbying business and is extending the eviction process further; money comes in to favor renters.
- The TPO disincentivizes landlords to upgrade properties for bad tenants.
- Landlords do not get any real support/protections outside of the moment of eviction

II. HOUSING PROVIDERS IN-PERSON STAKEHOLDER MEETING: March 8, 2023

ARO Presentation & Discussion

In what ways does San José’s Rent Stabilization Program create challenges to a fair return?

- Limitations on charges that can be placed on tenants for additions, for example: Additional parking for \$50, charge for pets, storage, or additional roommates.
- The ban on RUBS causes housing providers to place limitations on the number of tenants per unit to keep utility costs low as utility costs increase.
- The 5% allowable rent increase limit provides a burden to make necessary repairs and additional support to older buildings.

- In mobilehomes we have a sliding scale depending on Consumer Price Index (CPI), what is that taken into consideration for the ARO?
- How many people want stability and predictability in their rents? How about banking? How many people would prefer not to raise their rent every year?
- Believe that State Law and the ARO provide greater protections to tenants than they do to housing providers.
- I would like the ability to do “a la carte” charging.

What challenges have you faced accessing and completing the Rent Registry?

- There are many housing providers who are not tech-savvy. You need to have equity to make sure material is translated to make information easier.
- How many people are being fined in an administrative citation? This should be public record and be made available for us to see.
- User Interface should be improved and easy to use.
- Housing providers and managers had difficulty in entering information manually and managing all units when there are over 14,000 units.
- Landlord should have the ability to make changes without having multiple log-ins for all the properties and should not be shut down in September.
- Rent Registry from the landlord knowledge, must be used when there is a 5% increase.
- Clarification on the need for the Rent Registry when in the lease tenant is given information that states how “landlords are not able to raise the rent over 5%, to contact CSJ Housing”.
- How can you expect people of different languages to complete the registry and then cite them for failing to register?

What changes or improvements would you like to see the City implement regarding rent stabilization?

- Return programs that help to educate housing providers on ordinances and regulations that exist among Housing and Code Enforcement.
- To develop a more productive and stronger relationship with housing providers that provide affordable housing under the ARO.
- Work with Code Enforcement to identify and focus on problematic property cases.
- Evaluate programmatic funding.
- Would like to see housing provider resources that do not eliminate them based on income.
- Standardization of residential occupancy permit and program fee invoicing, where a date is set for each year.
- Return of Ratio Utility Billing (RUBS) and banking.
- Have a la carte charging option such as for pets, storage, etc.
- Expand ARO rent increase caps to all properties, including newly constructed units.

TPO, EAO, HPEO Presentation & Discussion

What are the most important benefits of San José's RSP regarding Just Cause Eviction?

- Housing providers do not see benefits of the TPO.

What barriers have you faced in your ability to exercise control over your property(s) due to San José's tenant protections?

- Binding agreement for tenants to attend mediation.
- Free legal services for landlords. Make legal representation equal between landlords and tenants.
- The difficulty in terminating a tenant under state law is enough without including the TPO.
- The just causes do not encompass all situations that may apply to the termination or eviction of a tenant.
- The eviction process is very long and at times landlords need to extend their notice.
- Just Cause Eviction, Cost is around \$20K and 4-6 of lost rental income and not being able to re-rent.
- Housing providers fear retaliation by tenants when they issue a notice and attempt to evict.
- Housing providers indicate tenants fear retaliation by problematic tenants for reporting issues to the housing provider or police.
- Unable to evict tenants that have a mental illness, since at times they are forgetful or may not understand the information shared.
- Relocation assistance required and other regulations for no-fault terminations (such as substantial rehabilitation) are too costly that housing providers aren't incentivized to make improvements on their properties; even when accounting for a 3% increase that can be granted through a capital improvement petition.
- Housing providers absorb all the costs for having to make necessary replacements and modifications to the property.
- TPO has caused housing providers to excessively screen applicants to prevent the potential of renting to a problematic tenant.

What challenges and improvements would you like to see the City implement regarding just cause eviction policies?

- Shorten the time frame required for the eviction process. Especially when there are serious problematic tenants.
- Binding agreement through mediation to hold tenant and landlord accountable.
- Legal Service resources provided should be equal to housing providers and tenants.

III. TENANT VIRTUAL STAKEHOLDER MEETING: February 27, 2023

ARO Presentation & Discussion

What are the most important benefits of the Apartment Rent Ordinance (ARO)?

- 5% increase is beneficial. It is difficult for residents to remain housed if it is above the 5%.
 - ARO should expand the limit on 5% increase to combat evictions/homelessness.
- There is concern about tracking landlords' violation of the ARO when rent is increased by > 5%.
- Concerned that housing providers will issue a notice of termination of tenancy to the tenant after a petition is submitted or outcome issued in retaliation.

What are the biggest challenges/concerns of the ARO?

- Only 38,000 units are covered by ARO. There are good protections, but they are not expanded enough to protect the City. It is not enough to help residents that are not making market rate wages/salaries. Not enough ARO coverage.

What is one change/improvement you would like to see the City implement regarding the ARO?

- Lower the 5% rent increase. Many people are still cost burdened by the rent.
- Expanding the types of units that ARO covers so that more people can be protected.
- Various occupations that do not pay enough for someone to pay rent.

TPO, EAO, MRO, HPEO Presentation & Discussion

What is one change/improvement you would like to see the City implement regarding the TPO?

- Inclusion of duplexes as part of covered units in the TPO.
- Explaining what tenants can do when experiencing false accusations.
- Better awareness when communicating with members of the public that experience a communication barrier.
- Expand awareness of the city's ordinances and protections. Conduct further outreach to tenants and housing providers.

IV. TENANT IN-PERSON STAKEHOLDER MEETING: March 2, 2023

ARO Presentation & Discussion

What are the most important benefits of the Apartment Rent Ordinance (ARO)?

- Limit on increase of rent by 5%.

What are the biggest challenges/concerns of the ARO?

- Lack of awareness among tenants of the Program and protections of the ordinances.
- The petition process is unclear to tenants and what items can be the basis of a petition.
- Fear of retaliation from landlords.
- Staggered rents: new tenants pay market value after old tenants leave, making it impossible to pay utilities as well.
- Single-family homes not covered.

What is one change or improvement you would like to see the City implement regarding the ARO?

- No change is necessary because if changes occur, it will inequitably benefit either the landlord or the tenant.
- Rent increase should be decreased to 3%.
- Social media marketing the ARO.
- Flexibilities with single-family homes and duplexes.
- Collaborate with churches and CBOs to educate immigrants about ARO
- Void 1979 restrictions

TPO, EAO, MRO, HPEO Presentation & Discussion

What are the most important benefits of the TPO?

- Just-cause evictions.
- Relocation assistance, but the amount should increase.

What are the biggest challenges/concerns of the TPO?

- Gives bad tenants too much leeway, which is bad for neighbors and landlords.
 - Limited regulations
- Tenants do not feel comfortable bringing issues to landlords.
- Lack of clarity on how the City responds to illegal evictions.
- Most tenants are not informed of their rights.

What is one change/improvement you would like to see the City implement regarding the TPO?

- Communication requirements, such as an addendum, for landlords to tenants apart from the lease agreement, which discusses protections (if leaseholder leaves, give allowable time to find someone new).
- Make stricter anti-retaliation rules for landlords.

- Tenants unaware of rights -> Implementing communication requirements for landlords when signing new tenants onto lease (needs to be in tenant's language).
- Workshops for tenants (monthly, quarterly).
- Cultural communities are afraid to speak up. There needs to be ways to lessen the fear these people:
 - Could possibly provide outreach in underrepresented areas or hold meetings specific to Section 8 voucher holders.
- How can the City protect cultural communities and the elderly community who are vulnerable and unfamiliar with rights?

V. **MOBILEHOME RENT ORDINANCE (MHRO) STAKEHOLDER MEETING:
March 13, 2023**

MHRO RESIDENTS Discussion

Do you feel that the Mobilehome Rent Control Ordinance adequately helps maintain affordability for mobilehome lots within the City?

- MRO is not perfect, but it works.
 - Mobilehome park enforcements are appropriate.
- Affordability can be difficult but adequate, considering apartment rent costs.
 - Amenities in mobilehome parks are a perk (general maintenance, street sweeps, etc.), but this can be an issue in some parks.
- There are hopes that any changes in the ordinance will not directly negatively affect seniors, as there is a large community of senior mobilehome renters.
- SJC is the only robust rent-controlled area in California.
 - Helps people of all demographics to maintain housing.
- Overall, changes that would go against residents are not wanted, as many residents have not faced.

What challenges have you faced regarding tenant protections provided to mobilehome residents?

- Residents are terrified of being evicted upon complaints to management.
 - Residents are not well informed of their rights and fear retaliation.
- Scenario 1: A group of mobilehome park residents raised \$40K for a lawyer when mobilehome owner wanted to increase rent. It has been up to residents to join and enforce the ordinance as it should be applied.
 - Lack of concrete restrictions on lease management/owners.
- Scenario 2: The actual owner of a mobilehome park does not plan on keeping it.
 - What regulations are enforced? Can there be protections for this situation?
- When mobilehome is sold, residents want to see that mobilehome rent is not increased more than is allowed. Residents want proactive monitoring, rather than them bringing the issue to CSJ.

What changes/ improvements would you like to see the City implement regarding the Mobilehome Rent Control Ordinance

- There is a large Vietnamese community in mobilehome areas.
 - Managers refuse to explain when rent will increase – Existing language barriers.
- Accessibility to information is difficult, given announcements are only posted on park boards.
 - Solution: Enforce mailing information out to each resident in their native language.
- More transparency is wanted between Housing and residents; residents do not feel respected as a vulnerable community.

MHRO OWNERS Discussion

Does San José's Mobilehome Rent Control Ordinance provide a fair return for mobilehome park owners?

- The Ordinance allows for a 'Fair return' but park owners think 'fair' is different than residents. The word 'Fair' is subjective.
 - There is a divide on what is a fair return.
- In order to do the calculations and have a hearing, you have to have your records for **1985**.
 - Few owners have those records due to not owning the park in 1985. Extremely unfair because then you can't petition.
- Vacancy de-control: the space in which a tenant voluntarily left has to stay at the same rental rate.
 - Does not give an incentive to the landlord to upgrade space.
 - As park gets older, the owners need to put a substantial amount of money to maintain (old gas lines, old sewer lines)
- If you don't give owners fair returns, they don't have the funds to upgrade their parks.
- Birkenfield vs Berkeley: if a city exercises rent control they can guarantee a fair return (origins of fair return).
- Operational burdens that are imposed stops a fair return.
 - The 1985 records requirement is an obstacle.
 - Must appear with an appraiser, CPA, to start a fair return. It's a long process.
 - Justice denied.
- Rent control transfers all power from landlord (which hold responsibility to upgrade and maintain park conditions) to the tenant
 - 75% of CPI is not a fair return.
 - Base year 1985.
 - Anecdote: Crazy storms caused park fence to fall down. \$80,000 to replace. To capture a fair return, it costs more \$ to go through the process than to maintain conditions.

What challenges have you faced regarding tenant protections as a mobilehome park owner?

- Protections were punctuated during COVID-19 restrictions from Sacramento.
- Significant and burdensome.
- City should stay out.
 - We have a court system that handles this situation. Civil codes take care of it.
 - It protects people that shouldn't be protected.
- Mobilehome residency laws are very strict, and it is unnecessary for the City to get involved. It's very confusing to know which laws to follow.

Do you have any recommendations on how the City could better support park owners during transitions in park ownership?

- Nice for Housing to reach out to Ryan Jasinsky (Housing Commissioner) during these transitions to help people out.
 - People are hesitant to talk to the city and Ryan is happy to be the conduit when it's deemed necessary.
- Difficult for an owner to attempt to add spaces to park.
 - The Sacramento HCD kept sending owner to the city and vice versa.
- Contact within the City to approve adding new spaces to the park.
- Property tax reassessment is an issue with a new park owner.
- An appropriate pass-through should be applied on a dollar-to-dollar basis.
- New buyers may not know the intricacies of the ordinance. It is a daunting task.
 - Clearer information.
- There should be a set formula for rent increase and property taxes for a new buyer.
- The fair return process is largely involved with attorneys on both sides.
 - Parties are capable of defending themselves. Less murky the water gets more smoother the process gets.
- City should be more helpful when trying to add housing.
 - Costs \$27,000 to add more spaces.
 - Mobilehomes are an affordable option.

Changes you would like to see the City implement?

- Mobilehome parks provide very valuable low-income source for City to meet criteria.
- Would like to see the city participate with mobilehome parks.
 - Mobilehome parks have certain rent levels, maybe the city can give them a break on property taxes.
 - Owners contribute so much to the city but not vice versa.
 - Offer to upgrade electrical and sewers.
 - If things are not done (deferred maintenance) and things get older and more expensive, the owners may not want to upgrade those things.

- No changes to having a rent registry for mobilehomes: waste of City's time and resources, only 26 calls last quarter and five were rent increases.
- Make sure owners are always part of the conversation: They really are your best resource.
- Why are we paying for the mobilehome fees?
 - 20 - 35 dollar increase mobilehome park fees.
- Mobilehome space rent increase limit is always around 3%, never goes to 7% - this is way short of inflation.
 - ARO can increase by 5% and they don't have to maintain the roads or PG&E lines, gas, electric. The owners have more infrastructure to maintain.
- Measure of vacancy decontrol.
- City should consider a more reasonable rent increase each year.
- Santa Cruz and Capitola lost rent control.

VI. STAKEHOLDER MEETING FEEDBACK VIA EMAIL: Throughout the Month of March 2023

Regarding ARO/TPO

- Allow for eviction without cause, as long as the replacement tenant's rent will be the same (or less).
- Include duplexes under the ARO.
- Allow for add-on charges as part of rent to bring rents to market rate such as pets, parking, storage, new appliances, etc.
 - Then allow for Rent Registry to capture those add-on charges.
- The cost of insurance, maintenance, and utilities have increased but the rate of rent increase doesn't match.

Regarding Mobilehome Rent Ordinance

- The cost of property taxes, fees, insurance, maintenance, and utilities have increased but the rate of rent increase doesn't match.

VII. INITIAL DRAFT STRATEGIC PLAN PUBLIC INPUT VIA EMAIL: July-August 2023

- The current ARO rent increase limit of 5% does not match the rate of inflation that is currently being experienced.
- MHRO annual increase limit of 75% of CPI negatively impacts park owner's ability to generate income.
- Strong support for AB 1482 rent increase limit of 5% plus CPI as a model that should be adopted by the City.
- What measures are taken to ensure housing providers receive a fair return on their investments?

- The ability for housing providers to take preventative measures in building maintenance that is beyond wear and tear is difficult due to low rents, causing issues to worsen over time.
- Provide more funding to Law Foundation and legal consortium to assist tenants in receiving more assistance in knowing their rights, and more hours of availability to be accessible to low-income households.
- Partner with community liaisons in school districts and family resource centers to reach out to more families, and provide greater education and resources of their rights as tenants.
- All tenants deserve the right to affordable, if not free, legal counsel.
- Greater need to protect “natural affordable housing” from out-of-state investors that are seeking to drastically increase rents to force tenants out, and only rent to high income tenants.
- In the short-term goals of Data Collection, no mention of costs and/or payment sources are mentioned when discussing soliciting a vendor. When Rent Registry compliance is 96%, above another stated goal, it seems that a cost-benefit analysis should be seriously considered for an outside vendor.
- The rent registry is a time-consuming, costly endeavor for housing providers and property managers. Those costs should be considered with any additional reporting requirements.
- There is currently no enforcement of rent increases over 5%. With the effort provided by housing providers to prove rents are at the city-mandated levels, there is an assumption there would be required compliance if violated.
- The difference in the increase of costs to housing providers and the increase of rent paid by existing tenants should be a metric to consider.
- Address the impact of rent loss and financial burden due to COVID-19 experienced by housing providers.
- A need for protections for mom-and-pop housing providers that rely on income generated by rents.
- Re-institute RUBS or something similar to address water usage and trash collection as a means of conservation.
- Conduct analysis on the cost/benefit of the registry and the current rent stabilization policies.

VIII. UPDATED DRAFT STRATEGIC PLAN TENANT ENGAGEMENT: October 3, 2023 virtual meeting

- Request for translated copies of the draft, primarily prior to the item going to CED or City Council.
- What things can be changed prior to arriving to CED or to Council?
- Is the goal of the strategic plan to make a more efficient equitable process between tenants and housing providers?

- What are the next steps after the plan gets approved? How will Housing put the plan into effect?
- Goal around getting to complaints of rents greater than 5% within 18 months, there hasn't been enforcement of that. From their understanding that is a point of the ARO. Enforcement should be done sooner than 18th months. The 18th month objective seems longer and should be done in 30 days.
- Making programs work is often framed as an us vs them, tenants vs housing providers. However, there is a broader community interest, a public interest, in mitigating the personal, family, community, and economic impacts of displacement and instability. It is important to have common sense administrative actions to better realize the public interest.
 - Are we going to be measuring the amount of time for actions we may take if a tenant files a complaint? Would need something quicker sooner as a measurable action.
- The draft that has been sent, if there is any feedback or comments will that help change or will it remain as is?

IX. UPDATED DRAFT STRATEGIC PLAN MOBILEHOME COMMUNITY ENGAGEMENT: October 4, 2023 virtual meeting

- Commend the team on the outreach that has already begun; truly appreciated by park owners.
- Looking forward to continuing engagement and bringing in residents; their voices are equally important.
- Be sure to differentiate between apartment folks and mobilehome folks in the plan's observations section.
- Work should be done to increase resident participation in meetings.
- Preservation is an important goal for the mobilehome community.
- Be mindful of the needs of the disabled.

X. UPDATED DRAFT STRATEGIC PLAN HOUSING PROVIDER ENGAGEMENT: October 5, 2023 hybrid meeting

The first monthly Housing Provider Roundtable was held at City Hall with over 35 attendees participating in person and virtually. The updated draft of the Strategic Plan was one of the discussion topics. Feedback received:

- Recognition that there are different types of property owners – “mom and pop”, large corporations, etc. – and that the expense ratios are very different for smaller housing providers.
- No incentive to own rental property in San José.
- Feel vilified for not being able to maintain their property.

- Burden of providing affordable housing shouldered by “mom and pops.”
- Capital improvement costs are high.
- Large property corporations don’t work with tenants.
- Property owners pay the fees and are not subsidized.
- Property owners should be able to have a process to raise rents like affordable housing does.
- The ARO can be tweaked to be beneficial to both property owners and tenants.
- Hope that the monthly Housing Provider Roundtable develops trust between the Housing Department and housing providers.
- Rent increases are capped, but housing providers can’t cap services.
- ARO forces housing providers to increase rent 5% every year rather than postpone rent increases.
- Housing providers should be included in policy making process, not be informed of the change after it’s been adopted.
- Code inspection issues – inconsistencies between inspectors.
- Bring back Project Blossom.
- There should be an impartial person to buffer relations between housing providers and the City.
- Housing providers only have one option to deal with lease violations by tenant – eviction.
- There’s no legal advice services for Housing Providers in the plan.

XI. EMAILS RECEIVED ON THE UPDATED DRAFT STRATEGIC PLAN
Email received on September 27, 2023:

- Changing the regulation to encourage landlords to put more units on the market as well as improve the quality of their housing.
- We need more rehabbers fixing up properties for rental units and more people putting available units on the market.
- Enable additional cause to TPO– namely the renovation of the unit. If landlord wishes to invest more than \$20,000 in upgrading a unit they should be allowed to evict tenant with four months' notice. There would be vacancy decontrol at the point of renovation and would have to give a right of refusal to the old tenant at the new rental rate.
- Reduce the permitting procedures and practices so that these renovations can occur in less than three months.
- Increase maximum allowable rent increase from 5% to 8%
- Encourage rehabbers to develop property for rental usage, by creating expedited permit processing if the house will be used for rental purposes.

Email received on October 5, 2023:

- Page 8- 1.3: Give benefit to housing providers who do not give rent increases or give rent increases below 5%.
- Page 10, what is the purpose of this? If there is a hardship from the tenant, what are the other alternatives?
- Why are there no legal services for housing providers but only for tenants?
- Page 13-While ensuring a fair return on investment to owners: What is the definition of Investment? How are we doing it?
- Since 2018, how many fair return petitions have been approved?
- Suggestion: Housing providers should be allowed to raise a rent which is equal to low-income housing (80% AMI) in any part of San José, CA, with no questions asked.