



Memorandum

TO: LESLYE KRUTKO
DIRECTOR OF HOUSING

FROM: Vivian Frelix-Hart

SUBJECT: SEE BELOW

DATE: April 28, 2010

Approved

Date

4/20/10

COUNCIL DISTRICT: Citywide

INFORMATION

SUBJECT: QUARTERLY REPORT DETAILING ACTIVITY IN THE HOUSING DEPARTMENT'S RENTAL RIGHTS AND REFERRALS PROGRAM

This report covers the activities during January 1, 2010 through March 31, 2010. The Rental Rights and Referrals Program (RRRP) provides education and information to protect the rights of, and improve relations between, tenants and landlords. In rental disputes, knowing the law, having access to resources, and exploring options can minimize conflict.

Program Highlights

Major actions taken during the third quarter of FY 2009-10 include:

- **Rental Housing Market Determination** - The Director of Housing has determined that the City of San José is NOT experiencing a Severe Rental Housing Shortage. Based on information for the first quarter of 2010, the San José rental housing market has a 4.7% vacancy rate. The impact of these findings are, effective June 1st, "no-cause" notices served to tenants living in rent-controlled properties will be 90-day, or 60-day including an offer to arbitrate for those tenants who have lived in the unit for more than one year.
- **Community Resource Fair** - On January 8, 2010, California State Assemblymember Jim Beall, representing District 24, hosted a "Community Resource Fair" consisting of booths from several City departments and non-profit organizations that provided resources and service information to the public. The RRRP staff provided information on the City's Rent Control Ordinances relating to apartments and mobilehomes.

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- **Apartment Owners Association Seminar** - On January 15, 2010, RRRP staff made a presentation to over 50 property owners. Staff provided an overview of the apartment rent ordinance, San José, Municipal Code – CHAPTER 17.23. The Association was pleased with the presentation and invited staff back to provide updates in July 2010.
- **Program Fee** - On February 29, 2010, the RRRP Budget Subcommittee approved a motion to recommend to the City Council that the current fees change as listed below:
 - ✓ Apartment Rent Control – Decrease from \$7.26 to \$5.00 per unit
 - ✓ Non-rent Control – Increase from \$0.80 to \$1.00 per unit
 - ✓ Mobilehome – Maintain current fee at \$13.82
- **Foreclosure Data** – From January 1 to March 31, 2010, the total number of real estate owned properties in foreclosure decreased by 60%. However, during the same period, the number of Notice of Defaults (NOD) increased by 36%. The amount of home auction sales increased by 70% according to data provided by Foreclosure Radar.

Quarterly Activities

Public Outreach Report - RRRP staff participated in three-community events. Staff made four presentations to community groups, educating residents on tenant/landlord rights provided under the Rent Control Ordinance.

Notice to Vacate - The RRRP received six 30-day notices, five 60-day notices, and eight 90-day notices.

Case Log Report - Thirteen petitions were filed with the RRRP. Nine of these petitions were regarding service reductions, two petitions were filed regarding 60-day no cause evictions, and two petitions were not eligible.

Mobilehome Call Log Report - The Call Log Report tracked 65 mobilehome inquiries.

The following items are included in this document as attachments:

- **Case Log Report Inquiries** – The call log database report tracked 684 inquiries during this period, an increase of 53.72% over the last quarter. (See Attachment A).
- **Petitions Filed** – Of the thirteen petitions filed during this period, four were resolved voluntarily in mutual agreements, three were resolved by the Hearing Officer, four are still active/pending, and two were not eligible. (See Attachment A-1).

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- **Average San Jose Rents** – According to RealFacts data, the average rent has decreased by 6% year over year. (See Attachment A-2).
- **Vacancy Rates** – Based on information from Real Facts for the first quarter of 2010, the San José rental housing market has a 4.7 % vacancy rate. (See Attachment A-3).

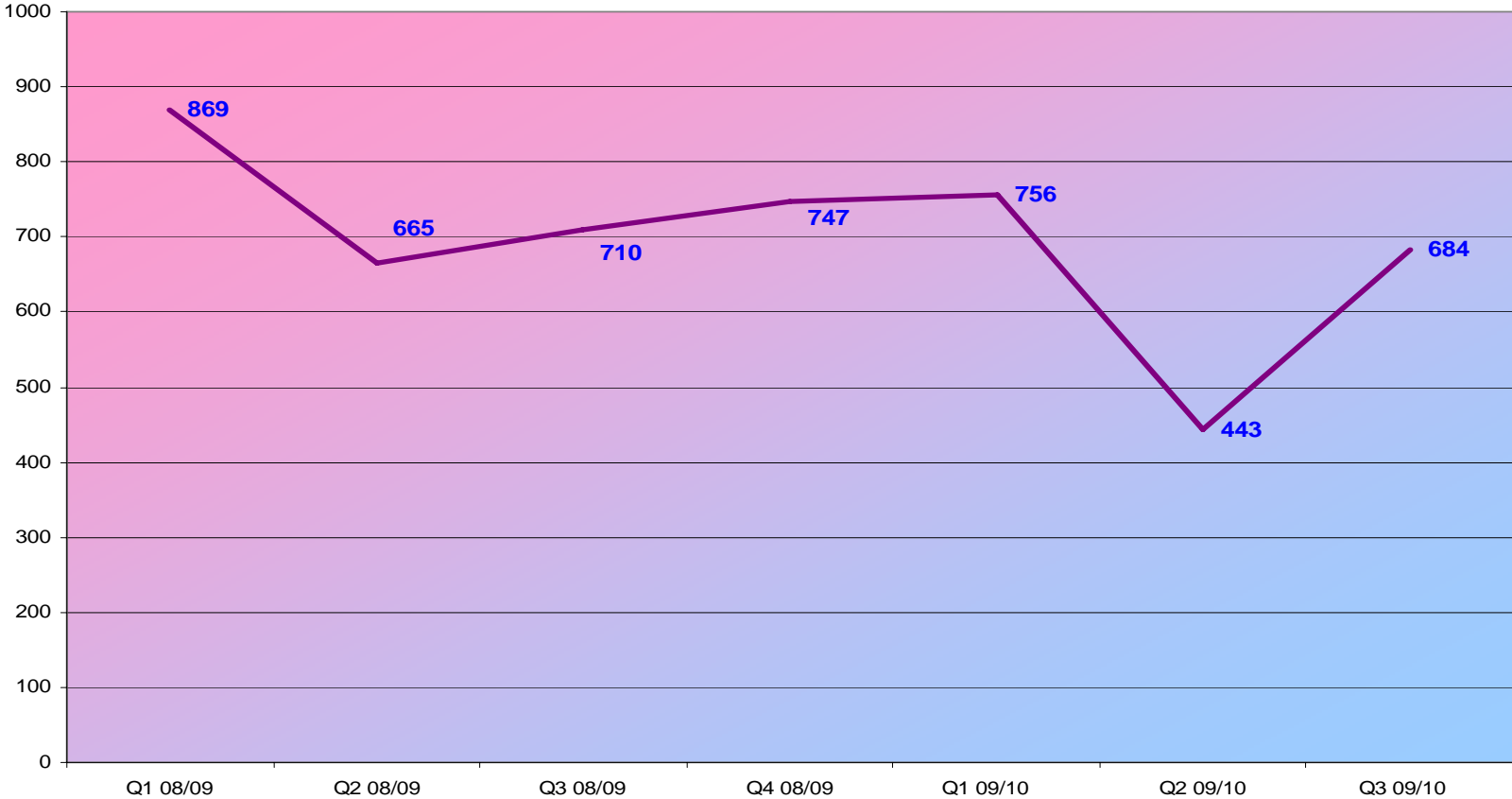


Vivian Frelix-Hart
Policy & Planning Administrator

Attachments

Number of Clients Drop During the Holiday Season

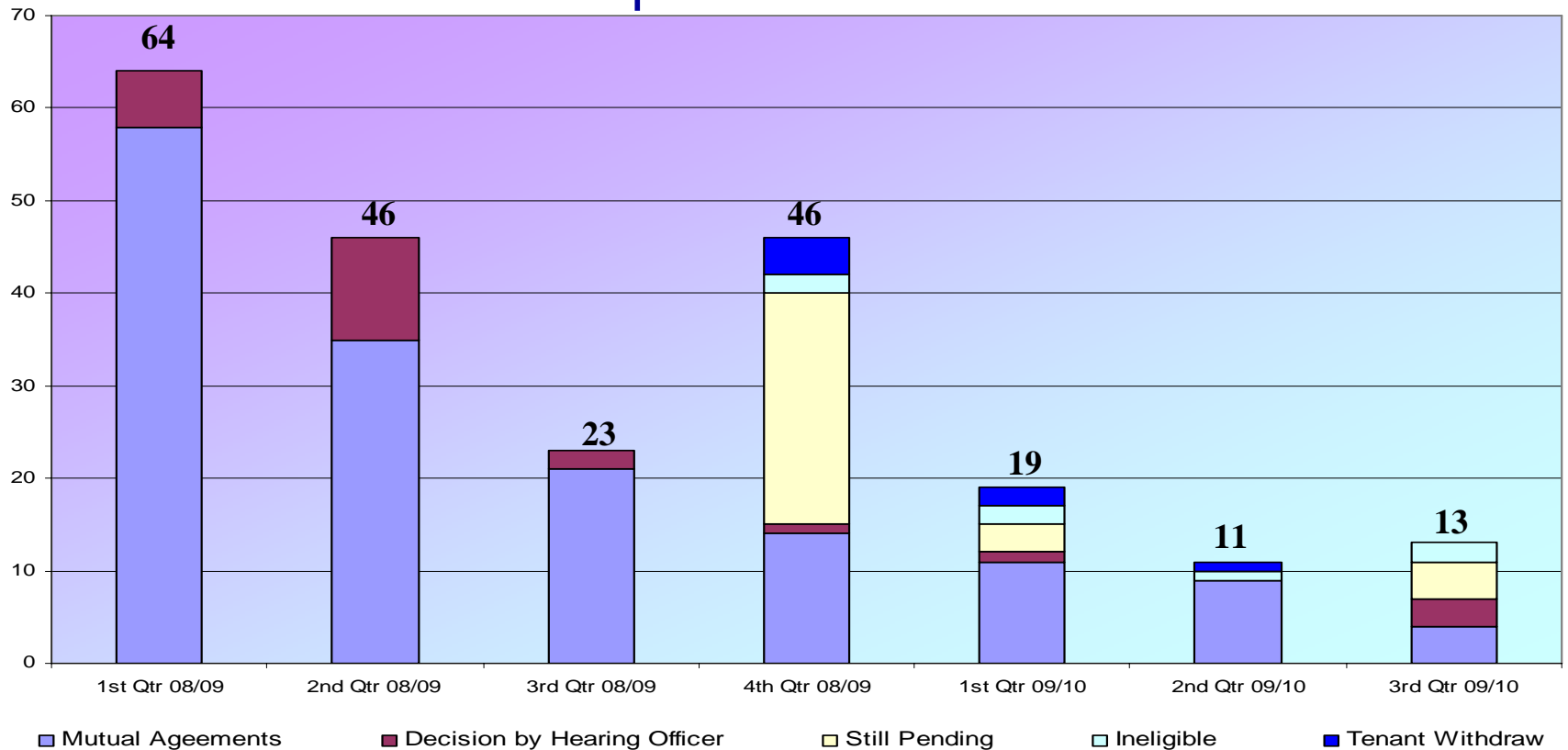
Number of Clients Assisted



SOURCE: The City of San José, Rental Rights & Referrals Case Log Report

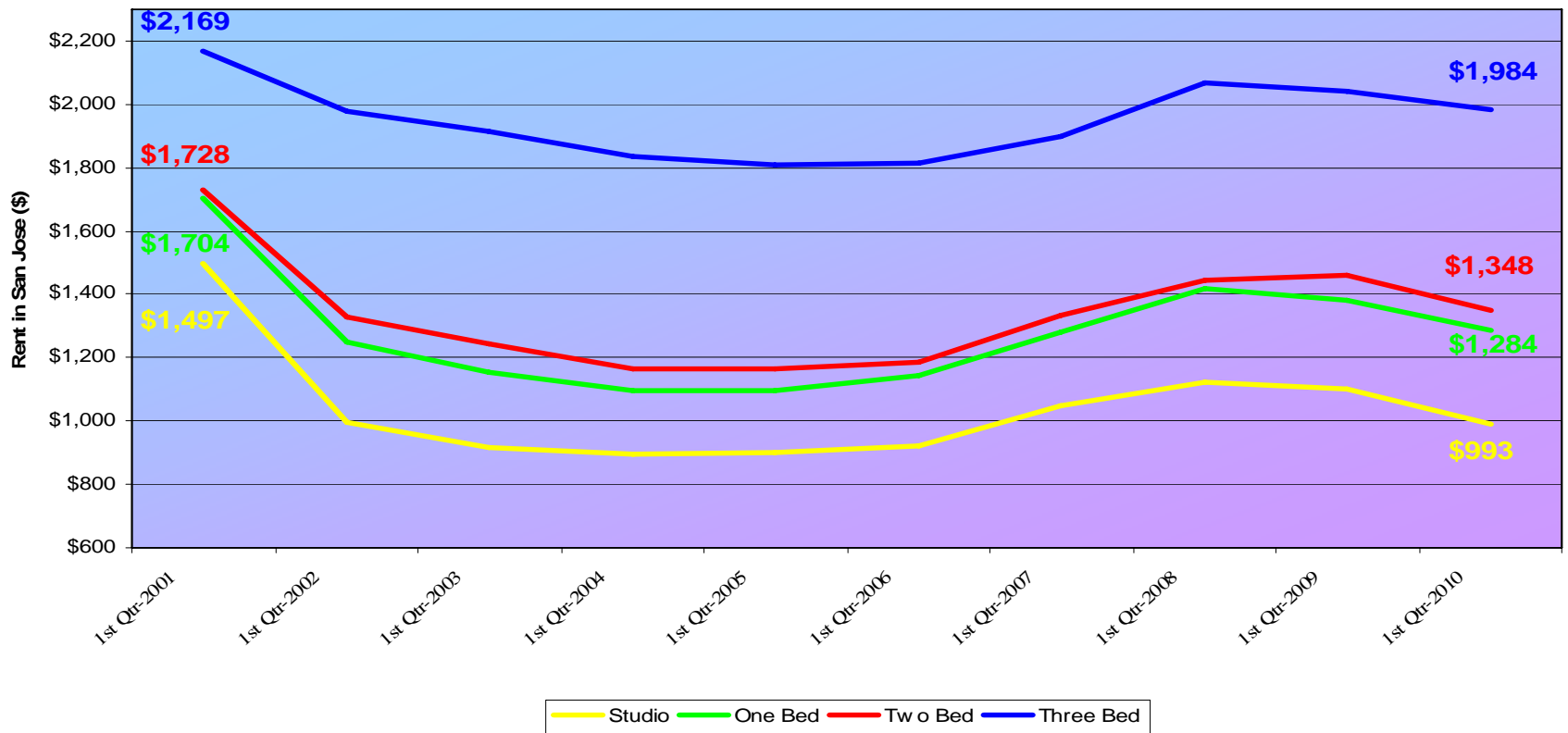
Total Number of Petitions Filed Decreased 77% From the Same Quarter 2008-09

Number of Petitions Filed and Outcome for a Specific Quarter



Average San José Rents Decrease 6% Year Over Year

Average Rental Rates for Units in San José

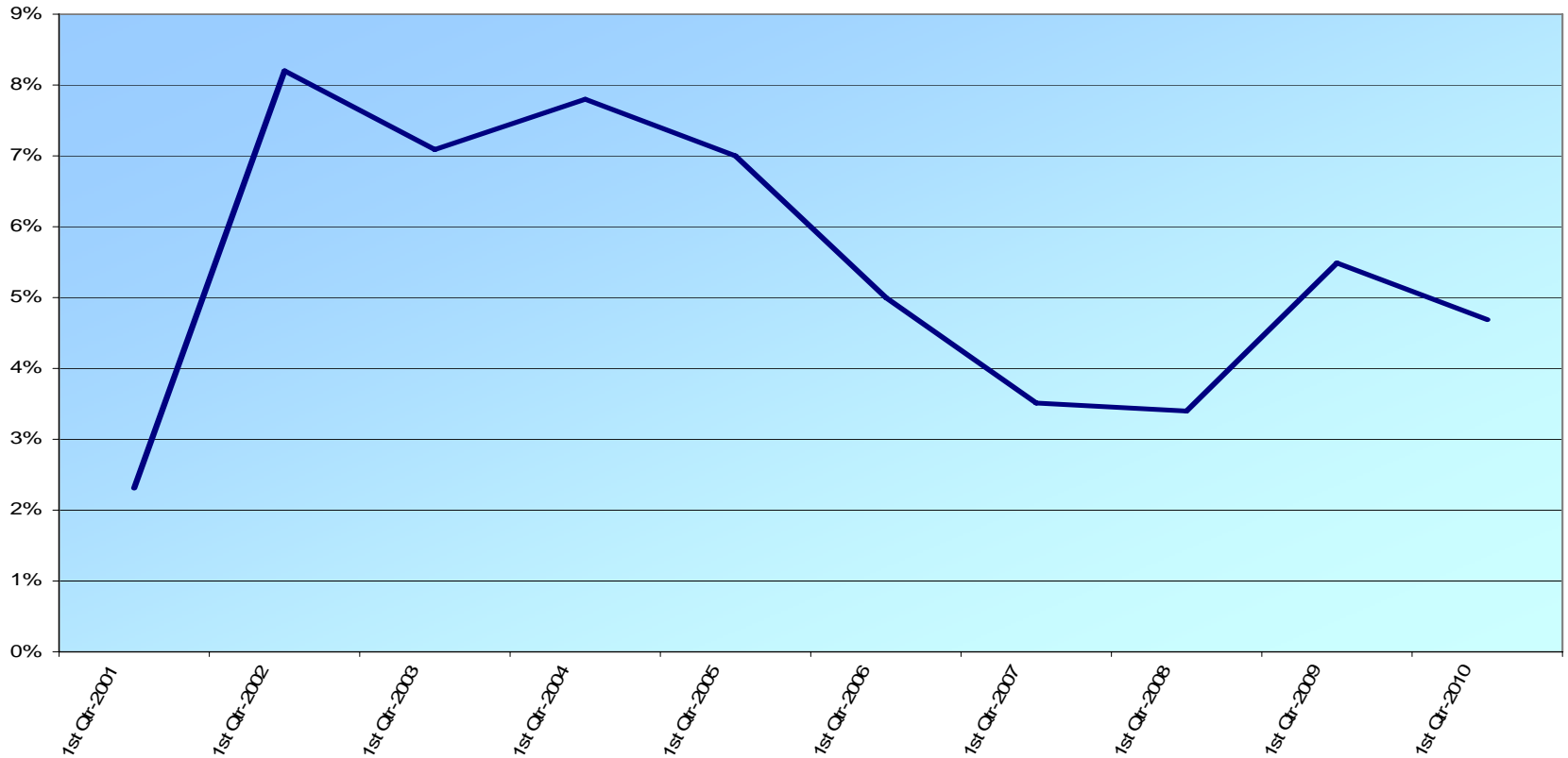


SOURCE: RealFacts Data Comparison of Average Rents in San José 50 + Units

Attachment A-2

Vacancy Rates at a Healthy Rental Market

San José Rental Housing Vacancy Rates



SOURCE: RealFacts Data only includes rental projects with 50 + Units

The “natural” vacancy rate reflective of a healthy rental housing market is 5%