RECOMMENDATION

In addition to the direction on the Apartment Rent Ordinance (ARO) provided in staff recommendations 2 and 3, I recommend that we also provide the following staff direction:

At the same time as the ARO returns to the City Council, bring forward a work plan for Council consideration that recommends a process for evaluating whether duplexes should be included within the ARO.

ANALYSIS

There are thousands of residents in San Jose who are being dragged along behind a cruel housing market. Just as we took responsibility for protecting our residents from rising flood waters, we also need to take responsibility for protecting them from rising rents. The housing crisis may not generate spectacular images of disaster on the television, but it is a disaster none the less. It disrupts lives, harms families, and sends people out to live on the street.

There is no one solution to this problem. If we are going to make meaningful progress, we must pursue every option available to us. In my opinion, there are many pieces of the puzzle that still need to be fit together, including General Plan policy changes that would allow for increased supply and the adoptions of a Commercial impact fee.
With this memo, I’m proposing that we set ourselves up to make a decision on one of the pieces that remains outstanding: inclusion of duplexes under the Apartment Rent Ordinance.

Staff estimates that if we amended our rent ordinance to include duplexes, there are approximately 11,000 additional units that would be covered, representing a 25% increase in the number of rent stabilized units in San Jose. Given the strict limits in state law on our ability to cover additional units under rent stabilization, duplexes represent one of the very few opportunities to substantially increase our stock of rent stabilized units.

My recommendation would not commit the Council to including duplexes today, but simply ask staff to prepare a work plan outlining the efforts needed to consider that policy option and bring it forward for Council consideration when ARO returns to the Council in August.

I think we have made progress in fitting some of the pieces to the puzzle together over the past few years, and when the ARO returns we will have the opportunity to make even more progress. My concern, however, is that for all the improvements to the ARO, we have not yet added a single new unit under the ordinance. Individuals and families who live in a unit that is already covered will benefit from changes to the ARO, but not a single new individual or single new family will enjoy its protections. In my opinion the suffering of our residents is too great for us not to do all we can to help those who we have not yet touched. I thank my colleagues for their consideration.