



Memorandum

TO: SAN JOSE City Council

FROM: Councilmember Devora "Dev" Davis
Councilmember Lan Diep

SUBJECT: Ellis Act Implementation

DATE: April 14, 2017

Approved:

Devora Davis *Lan Diep*

Date:

4/14/2017

RECOMMENDATION(S): ACCEPT THE STAFF RECOMMENDATIONS WITH THE FOLLOWING CHANGES:

- 1) Change section 17.23.1180A to read "...the same number of newly constructed rental units located on the property where the Covered Unit was demolished shall be Rent Stabilized Units as were previously present on the property..." **instead of** "...each newly constructed rental unit located on the property where the Covered Unit was demolished shall be deemed a Rent Stabilized Unit..." as it applies to the number of rent-stabilized units required after removal of the unit from the market as per the Ellis Act.
- 2) Remove the right to return to the unit removed from market under the Ellis Act.

BACKGROUND:

San Jose is facing a housing crisis. The City should not place any more burdens, restrictions, or barriers which might discourage a landowner from increasing the number of units on the property. It is also important to encourage mixed-rate apartments within the same complex as it fosters positive community development among diverse groups.

It is necessary to encourage Landlords to return their newly constructed units to market as soon as possible after they have been removed from the market. The fewer ways in which we penalize them for doing so, the more likely they will be to return the units to the available housing stock in a timely manner. After five or even ten years, tenants will have moved, maybe even several times, and are unlikely to be able to be reached by means other than an email. Anything further would also constitute an unreasonable administrative burden.