



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember David Cohen  
Councilmember Peter Ortiz  
Councilmember Sergio Jimenez

**SUBJECT:** SEE BELOW

**DATE:** 04/25/23

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APPROVED:

Date: 4/21/2023

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**SUBJECT: City Initiatives Roadmap - Housing Stabilization: Community Opportunity to Purchase Act Program Proposal.**

## **RECOMMENDATION**

Accept the staff recommendation with the following additions:

1. Direct Housing staff to investigate the creation of a “Building Selling Notification” for all tenants to ensure that tenants are notified when their building is being sold and of all their legal rights if their building is sold.
2. Direct Planning, Building & Code Enforcement and Housing staff to explore the use of a Rent Registry as a resource to develop and/or conduct housing preservation strategies to enforce the rent control law for units that are subject to AB 1482.
3. Direct Housing staff to study and develop a work plan centered around housing preservation and return to council regarding opportunities to further preservation efforts. Strategies can include:
  - a. Acquiring and rehabilitating affordable housing.
  - b. Building preservation infrastructure in San Jose. Foundational components of a preservation program's infrastructure could include:
    - i. Funding for Technical Assistance and Capacity Building for mission driven non-profit organizations looking to conduct preservation projects.
    - ii. Increasing the amount of organizations equipped to do preservation work in San Jose.
      1. Specific focus towards creating a Community Development Corporation (CDC).
    - iii. Coordinate with the County and Philanthropic partners on ongoing work around this piece

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4. After the housing preservation work plan is created, Housing staff must annually return to City Council to discuss the progress and efficacy of all housing preservation strategies.

## **BACKGROUND**

We applaud and thank staff for their dedicated and hard work in creating the Community Opportunity to Purchase Act Program Proposal. However, there are many other preservation strategies that we can pursue and focus on. We agree that there are many challenges that tenants face when their building is being sold and there can be multiple ways that we preserve affordable housing.

When buildings are sold, tenants should be informed of the sale of their buildings and should be given accurate information when properties change hands. This will ensure that all tenants are well informed of any decisions being made about their building while preventing confusion that may come with changing property owners. Without this notification, tenants may preemptively leave their building or may be given misinformation on their options when their building is sold. The notification is the best step to ensuring that tenants are given their full range of options and information when their building is changing hands in ownership.

A Rent Registry will allow for greater transparency of the units being rented within the city. Although two rent registries exist, only rent-stabilized units are documented with the Housing department and a different rent registry exists within PBCE. The two departments should work jointly together to determine the best way to utilize both databases and document units subject to AB 1482. This collaboration should be used to conduct and develop housing preservation strategies.

In determining the best preservation plans to utilize, the Housing department should develop a work plan centered around housing preservation and annually update City Council on its progress. With this work plan, we can clearly move forward in trying to protect tenants and increase our stock of affordable housing throughout San Jose. Options for the work plan includes funding acquisition and rehabilitation where we can provide funding for developers to purchase and rehabilitate existing low-cost housing as affordable, deed-restricted housing. Further, building out the housing preservation infrastructure is equally important. This would enable an ecosystem where non-profits have greater capacity to purchase and retain affordable housing. However, Housing staff should use their own discretion to dictate strategies to pursue in the workplan.

Ultimately, we are striving to find ways to preserve affordable units across the city while also providing tenants resources to keep their housing. The recommendations listed are the first steps in a long discussion surrounding how we can preserve more affordable rental units.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed*

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*in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*