



DATE: September 17, 2019

CATEGORY: New Business

DEPT.: Community Development

TITLE: **Potential 2020 Community Stabilization and Fair Rent Act Amendments**

RECOMMENDATION

That the City Council:

1. Review input from the CSFRA Ad Hoc Subcommittee and the public regarding potential CSFRA amendments for a City-initiated ballot measure.
2. Provide direction on specific CSFRA program components to be amended.
3. Provide direction on whether the amendments should be placed on the March 2020 or November 2020 ballot.

BACKGROUND

In November 2016, the voters approved the Community Stabilization and Fair Rent Act (CSFRA) as a Charter amendment, which went into effect December 23, 2016. The CSFRA enacted stabilization of rents to multi-family residential rental units constructed prior to 1995 and just-cause termination protections for multi-family units constructed prior to the effective date of the CSFRA on December 23, 2016.

On November 27, 2018, the City Council accepted the Certificate of Sufficiency of "The Mountain View Homeowner, Renter, and Taxpayer Protection Initiative" ("2020 Initiative"). The 2020 Initiative was put forth by John Inks and Bryan Danforth to modify the CSFRA. The Council has the option to place this initiative on either the March 3, 2020 or November 3, 2020 ballot.

On May 21, 2019, the City Council adopted its Fiscal Year 2019-21 Major Goals and associated work plan items. One of the work plan items is: "Hold a Study Session to explore modifications to CSFRA for the 2020 election." On June 25, 2019, the Council

approved formation of the CSFRA Ad Hoc Subcommittee (Subcommittee) to facilitate this process.

Subcommittee Meetings to Date

Since its formation, the Subcommittee has held three meetings to discuss potential CSFRA amendments for a City-initiated ballot amendment, as summarized below:

- July 23, 2019: At its first meeting, the Subcommittee set a process/timeline and identified four initial areas to explore for potential amendments. These four areas were: (1) the relationship between the City and the Rental Housing Committee (RHC); (2) inclusion of mobile homes in the CSFRA; (3) explore a separate petition process; and (4) modify the CSFRA to make it sustainable and workable. On August 12, 2019, the Rental Housing Committee (RHC) held a Special Meeting to provide its input for potential CSFRA amendments, including those initially identified by the Subcommittee. RHC input was summarized for the Subcommittee's second meeting held on August 19, 2019 (see Attachment 1).
- August 19, 2019: The Subcommittee received stakeholder input, including formal presentation from the RHC, landlord and tenant stakeholders, and comments from the general public (see Attachment 2). The Subcommittee then provided additional input on the areas it would like to further explore for possible amendments, including Council oversight of the RHC and further exploration of a separate petition process for capital improvements. The Subcommittee agreed that rent stabilization for mobile homes should be pursued in an ordinance instead of amending the CSFRA. Other discussion items included use of a flat-rate percentage instead of the Consumer Price Index (CPI) for the standard for annual rent increases and a potential ordinance to prohibit discrimination against source of income to protect those potential renters that utilize Housing Choice (also known as Section 8) vouchers (see Attachment 2).
- September 4, 2019: The Subcommittee provided additional clarifications regarding the relationship of the RHC and the Council, the scope of Council oversight, and the separate petition process. In addition to providing direction to potential amendments, the Subcommittee requested an overview of two current proposed State bills related to rent stabilization (AB 1482 and SB 329) and if and how these bills might interact with the CSFRA (see Attachment 3).

The Analysis section below provides a discussion of the key issues, takeaways, and issues from the Subcommittee meetings for Council consideration.

ANALYSIS

During the course of its three meetings, the Subcommittee discussed a number of areas they were interested in as potential Charter amendments and received various input from the RHC, stakeholders, and the public. However, by the conclusion of the Subcommittee's third meeting, the various input received to date has primarily been related to two key components: (1) the nature of the relationship between the RHC and Council/City; and (2) establishing a streamlined petition process for certain capital improvements. Below is staff's summary of Subcommittee input and analysis regarding these two issues for Council's consideration, as well as discussion on other issues identified at the Subcommittee's third meeting.

Relationship between the RHC and the Council/City

The Subcommittee would like the CSFRA to be amended in a manner that would provide clarified/expanded administrative flexibility for the RHC to implement the program day-to-day. There are various sections in the CSFRA that lack clarity/specificity, which causes ambiguity and, therefore, administrative and implementation challenges. The Subcommittee would like these sections to be clarified, but also for the RHC to be able to make interpretations and policy decisions in the event of future ambiguities. However, the Subcommittee also stated that it wishes the Council to have oversight over certain parts of the CSFRA. Staff sought additional clarity to better understand issues related to how the balance between RHC administrative flexibility and Council oversight would work in practice, and staff provided the Subcommittee with six clarifying questions.

Subcommittee Question 1:

Is the Subcommittee's intent for the Council to have oversight authority in part or in whole over the RHC and CSFRA?

Subcommittee Discussion

The Subcommittee discussed Council oversight regarding RHC decisions that affect units, persons, seek City General Funds, implement significant pass-throughs, and suspending the CSFRA. When analyzed further, it appeared that these items would cover a majority and possibly all major RHC decisions, thus potentially causing the Council to have full oversight of the RHC and CSFRA. The Subcommittee clarified that its intent is for the Council to have limited oversight specifically related to RHC decisions that are high-level, key decisions that affect all tenants. The Subcommittee provided some possible oversight examples to be elevated to the Council, such as any rate increases, increasing the percentage of pass-throughs, program suspension, and

CSFRA exemptions. As part of the oversight process, one option discussed was requiring a Council supermajority to approve or overturn any RHC decision.

The Subcommittee also wanted the RHC to be held to the same policies that govern other City advisory bodies. Initially, this potential change was discussed to specifically give the Council the ability to remove RHC members. As the meetings progressed, the Subcommittee discussed treating the RHC as more of an advisory committee in which the Council can appoint, remove, and apply rules of conduct. By having the RHC more as an advisory body, the Council could assign work responsibilities to the RHC. An example of a type of work assignment would be the implementation of a Mobile Home Rent Stabilization Ordinance if it were approved. The RHC could also be required to submit a work plan for Council review, as with other advisory committees. Lastly, the Subcommittee discussed some requirements for potential members such as potentially having non-Mountain View residents to serve on the RHC or requiring technical expertise in the field.

Staff Analysis

Section 1709(k) of the CSFRA stipulates that the RHC shall be an *integral* part of the government of the City, but shall exercise its powers and duties under the CSFRA *independent* from the City Council, City Manager, and City Attorney. The provision of “integral” but “independent” has caused ambiguity. At a minimum, this language would need to be modified to clarify the relationship between the RHC and Council, and to establish Council oversight over certain parts of the CSFRA.

RHC as an Advisory Body

In addition to limited Council oversight, having the RHC treated as a traditional advisory committee could change the role and function of the RHC. The Subcommittee stated it is comfortable letting the RHC continue to implement the CSFRA with limited oversight. However, by treating the RHC as an advisory body that is subject to the review of the City Council, this additional oversight could change some of the independent nature of the RHC as outlined in the Charter. Additionally, this could lead to some complexities in the RHC/Council relationship. For example, if the Council were to assign the RHC other work assignments, such as implementing the Mobile Home Rent Stabilization Ordinance, would the RHC be an advisory body for any mobile home decisions but independent with CSFRA decisions? This could lead to an unusual independent body/advisory body dynamic for the RHC having the task of enforcing two different sets of regulations.

Non-Mountain View Residents Serving on the RHC

The CSFRA, Section 1709(a), states: “There shall be in the City of Mountain View an appointed Rental Housing Committee comprised of Mountain View residents as set forth in this Section.” Most of the City advisory committees also have a Mountain View residency requirement. This clause would also need to be revised if the Council decides to allow non-Mountain View residents to serve on the RHC. As part of this discussion, since RHC work is quite technical, a question was posed as to whether there should be a requirement for RHC members to have technical expertise.

Funding Requests

Staff notes that Council already has oversight if the RHC requests funds from the City. If the RHC were to request City General Funds, the Council would still need to approve the request as part of the City’s budget approval process. The Council has the ultimate authority to grant or loan funds to the RHC.

City Council Question No. 1: Does the City Council agree that the Council should have limited oversight in specified areas, with the RHC as an advisory body subject to the same City policies that govern other advisory bodies?

Subcommittee Question 2:

Does the Subcommittee have input on which issues and how issues get elevated to the Council in areas where Council has oversight?

Subcommittee Discussion

The Subcommittee confirmed that it wants the Council to have oversight over certain aspects of the CSFRA (i.e., limited oversight) and not total oversight. They stated that any key decisions that impact renters such as rate increases, pass-throughs, and exemptions should be items that require full Council review. The Subcommittee did not provide specific input on the mechanism by which matters in those areas of oversight would be elevated to the Council, though It did state, however, that certain policies/decisions made by the RHC that involve the specific areas summarized above would be forwarded to the Council for ratification, much like with other City advisory bodies. The Subcommittee also discussed being able to forward items to RHC for its deliberation.

Staff Analysis

For ambiguities to be minimized, it is important to be clear which specific RHC decisions (not just general categories) would go to Council and what kind of items the Council could forward to the RHC. This requires a clear delineation between the areas over which Council does and does not have oversight, as well as a clear framework, set of standards, and/or thresholds that specify what and when items would go to Council for ratification or review.

It seemed the Subcommittee intent that any item elevated to the Council would be a “high-level” or “programmatic”-level type issue for their review. Staff requests some additional input from the Council to provide clearer direction.

Council Question No. 2: Does the City Council have any further input on the specific areas that Council would like to have oversight of, and should all RHC decisions in those areas be forwarded for Council review/ratification?

Subcommittee Question 3:

Does the Subcommittee support general language in the Charter amendment for Council oversight, with details developed in procedures/regulations outside of the Charter?

Subcommittee Discussion

The Subcommittee supported general language in the Charter amendment, with detailed procedures/regulations to be developed outside of the Charter. Staff notes that additional input from the Subcommittee/Council is likely required to ensure that the ballot amendment language accurately reflects their intent regarding the RHC/Council relationship and that strikes the right balance between general but clear Charter language that outlines those specific areas of oversight and leaving the details to a separate procedural/regulatory document.

Finally, it should be noted that other CSFRA sections might need to be modified or new sections added.

Staff Analysis

Based on Council direction, staff will begin drafting Charter amendment language for Subcommittee review. At its future meetings, the Subcommittee can review and refine the draft language in preparation for the Council’s November 18, 2019 meeting, where the Council will consider the final Charter amendment language.

Council Question No. 3: Does the Council agree with the Subcommittee that the Charter language should be clear but general about the areas of Council oversight, with detailed procedures/regulations to be developed outside the Charter?

Separate Petition Process

Another potential Charter amendment the Subcommittee is interested in creating is a separate petition process for certain capital improvements required to meet the City Code, such as soft-story retrofits, if required through a mandatory program. The Subcommittee also discussed other capital improvements to consider for possible inclusion in a separate petition process, specifically improvements related to environmental sustainability and improvements related to extending the useful life of the building. Since the RHC is experienced in implementing the CSFRA, the Subcommittee agreed that it was appropriate for the RHC to design a separate petition process for certain capital improvements.

Under the current CSFRA, landlords can request rent increases above the Annual General Adjustment (AGA) of rent, through a petition process in order to maintain a fair return on investment. The CSFRA petition process uses the MNOI (maintenance of net operating income) fair return standard methodology to determine whether a landlord is able to receive a fair rate of return on their investment. This methodology compares the operating income and expenditures between the base year and the petition year to determine if the property qualifies for an increase greater than the AGA.

Landlords seeking a rent adjustment under the fair return petition process would need to submit all required information regarding the capital improvement expense as well as all other operating expenses to demonstrate need for a fair return. A hearing officer reviews the information and makes a determination on the amount of rent adjustment allowed under fair return, if any.

Staff posed the following questions to the Subcommittee about a separate expedited petition process:

Subcommittee Question 4:

What are some specific issues/concerns/problems with the current petition process that the creation of a separate petition process would be intended to solve? Are there any specific areas that are priorities for streamlining?

Subcommittee Discussion

The Subcommittee supported a separate petition process for those capital improvements required by the City. One goal of a separate petition process is that it could have a shorter processing time frame than the current petition process. There was also discussion of including environmentally sustainable improvements and those improvements that help extend the life of the structure. As the Subcommittee further discussed this topic, they clarified that they wanted the RHC to design the separate process. There was concern about verifying the reasonableness of the costs of the capital improvements. The Subcommittee also stated that capital improvements should also benefit the tenants.

Staff Analysis

A number of jurisdictions with rent stabilization programs have a separate petition process for capital improvements in place that the RHC could review while designing a separate petition process. After an initial review, there are a number of ways that a jurisdiction can implement the process. For example, the petition process could be focused based solely on costs incurred due to certain allowed capital improvements and petitions reviewed only for related capital improvement costs, instead of reviewing all income and expenses as required under the fair return MNOI standard. Only documentation related to such capital improvement expenses would need to be provided (along with general information regarding ownership, business license, etc.). Another option could include having separate petitions reviewed through an administrative process instead of through a formal hearing process with a hearing officer. This could allow petitions to be adjudicated through a shorter process.

In other jurisdictions with a separate petition process, each jurisdiction has different requirements of how much of the capital improvement cost was allowed to be passed through to the tenants. Capital improvement costs are often amortized, or spread out, over a specified time frame. Once the amortization period is complete, the increases sunset and can no longer be applied to monthly rent charges. The amount that could be passed through, the amortization period, and other factors could also vary depending on the type of capital improvement.

There was a concern raised about verification of the reasonableness of the capital improvement cost since the purpose of this type of petition is to pass costs on to the tenants. In general, landlords avoid incurring any unreasonable or excessive costs in the operation of their property. These considerations would need to be factored in when designing the program. However, if the landlord does have a suspected unreasonable cost for a capital improvement, staff can consult with the Building

Inspection Division to determine if the stated capital improvement is within a reasonable range; other provisions can be included to provide parameters regarding reasonable levels of improvements; and/or provisions can be included to demonstrate benefit to the tenants. These and other details for a separate petition process would need to be clearly specified in a procedures/regulatory document. Additionally, as per Subcommittee input, these details can be considered by the RHC as they develop a separate petition process for certain allowable capital improvements. With the proposed Council oversight, which would include reviewing pass-through percentages, the Council would be able to review all the details of the process, including the percentage pass-through to the tenant.

Separate Petition Process for Required Capital Improvements

Currently, only capital improvements that are required to meet or maintain health and safety code compliance are eligible for the petition process. The CSFRA states: “Among other factors to be considered when ensuring a fair rate of return, subsections (a)(2) and (a)(3) of Section 1710 require inclusion of capital improvements ‘necessary to bring the Property into compliance or maintain compliance with applicable local codes affecting health and safety,’ and excludes the costs of ‘capital improvements that are not necessary to bring the Property into compliance or maintain compliance with applicable local codes affecting health and safety.’”

The Subcommittee supported a separate petition process for required capital improvements such as soft-story retrofits. Staff reviewed other jurisdictions and how they developed their separate petition process for capital improvements. Increases granted by expedited petitions are often capped, amortized, and restricted as described below. For reference, Table 1 shows the various requirements in different jurisdictions with rent stabilization and capital improvement pass-through petitions.

Table 1: Types of Standards for Cost Recovery for Specific Capital Improvements

	Fair Return MNOI Process	Separate Petition Process	Pass-through Share	Amortization Period	Sunset Period of Rent Increase
Alameda	✓	✓	Total cost of repairs + interest] / amortization period / # of units improved	15 years	None
Berkeley	✓	✓	[(Out of pocket cost + self-labor cost) x calculation rate] / # of units affected	None	None

	Fair Return MNOI Process	Separate Petition Process	Pass-through Share	Amortization Period	Sunset Period of Rent Increase
Los Angeles	✓	✓	Permanent 10% increase per unit split over two years plus any regular annual rent increase or Primary Renovation Cost/amortization/number of units (+ interest)	180 months	None
Oakland	✓	✓	70% of actual costs and financing	Amortized based on detailed schedule (5 to 20 years)	Determined by amortization period
San Francisco	✓	✓	<i>Properties with 1 to 5 Units:</i> 100% of actual costs; tenants can apply for hardship; maximum amount of \$30 per year or 5% of tenant's base rent <i>Properties with 6 or more units:</i> 50% of actual costs; tenants can apply for hardship; maximum amount of \$30 per year or 10% of tenant's base rent OR 100% of actual costs; tenants can apply for hardship; maximum amount of 5% of tenant's base rent with limit of 15% of tenant's base rent	<i>Properties with 1 to 5 units:</i> Amortized based on detailed schedule (10 to 20 years) <i>Properties with 6 or more units:</i> Amortized based on detailed schedule (7 to 10 years)	Determined by amortization period; sunset period may be extended to allow all costs to be recovered
San Jose	✓	✓	Capped at 3% of monthly rent at the time of filing; not considered a rent increase; does not increase with rent increases	Amortized based on detailed schedule (5 to 20 years)	Determined by amortization period
Santa Monica	✓	N/A	N/A	N/A	N/A
West Hollywood	✓	N/A	N/A	N/A	N/A

The majority of agencies stated that few cost-recovery petitions of any kind, either MNOI-based or separate petition, are being filed because housing providers were able to recover costs through vacancy decontrol (setting initial rents at market rate at the start of a new tenancy).

Separate Petition Process for “Voluntary” Capital Improvements

As mentioned, the Subcommittee was also interested in including environmental sustainability improvements and improvements that extend the useful life of the structure. While some of these items could fall under the current definition of eligible capital improvements for the MNOI process, there is concern about excessive or unnecessary capital improvements that could be passed on to the tenant. Since these types of improvements are not as clearly defined as code improvements, staff discussed guiding principles and/or parameters for the RHC to use when evaluating potential improvements that fall under these types of improvements, some of which might be voluntary improvements.

Subcommittee Question 5:

Does the Council have any parameters or guiding principles for balancing landlord and tenant interests regarding a separate capital improvement petition process?

Subcommittee Discussion

To help define the parameters for eligibility of nonhealth and safety or other types improvements, staff queried the Subcommittee for any guidelines or parameters that could be used when designing the petition process. The Subcommittee did provide some initial thoughts on those parameters, including:

- Must benefit the tenant.
- Would lead in a reduction of costs to the tenants.
 - This pertains more for environmentally sustainable improvements.
- Items that would bring the building up to code.
- Luxury improvements would not qualify.

Staff Analysis

In a review of other jurisdictions with rent stabilization that allow for improvements that extend the life of the building, the qualifications to be eligible varied from jurisdiction to jurisdiction. However, some of the more common guidelines include:

- Materially adds value to the property.
- Appreciably prolongs the useful life or adapts the property to a new use.
- Primarily benefits the tenant rather than the owner.
- Prolongs the useful life to more than one-plus years.

If the RHC is tasked with the development of the separate expedited petition process, these limitations could be reviewed by the City Council as one of its specified areas of oversight.

City Council Question No. 4: Does the City Council have any additional parameters/qualifications it would like to add when considering eligibility of capital improvements for the separate petition process?

Subcommittee Question 6:

Are there any specific examples of capital improvements regarding “the useful life of a building” that are not related to health and safety requirements, and any that are related to health and safety requirements, that the Subcommittee wishes to consider for a separate petition process?

Subcommittee Discussion

The Subcommittee provided a number of capital improvements that could be eligible for the separate expedited petition process but would like the RHC to design the petition process for certain capital improvements subject to City Council oversight. Some items that the Subcommittee mentioned included:

- Anything in the building envelope, including structural (“the bones” of the building) such as windows, roofs, plumbing and electrical systems.
- Sustainability items, including EV charging systems, drought items, emissions reductions, etc.

Staff Analysis

Again, in reviewing other jurisdictions that allow for approved capital improvements, the list of approved capital improvements is quite extensive. The range of eligible improvements include large-scale improvements such as roofs, foundation work, and HVAC systems to smaller items such as tilework, light fixtures, and shower heads. One jurisdiction includes children's play equipment as an eligible improvement.

As reference, a chart showing all the different allowable repairs (see Attachment 4) have been listed by jurisdiction.

As with the required capital improvements, each jurisdiction placed limitations in the ability to share the costs with the tenants. Those limitations included amortization schedules, percent caps, sunset provisions, and the income of the tenants.

City Council Question No. 5: Does the City Council agree that the RHC should have the ability to design the separate petition process, which could include required and "voluntary" improvements and would factor in at minimum all of the program design considerations as discussed above?

Other Items Discussed by the Subcommittee at its Third Meeting

Flat Rate versus Consumer Price Index

Subcommittee Discussion

The Subcommittee discussed the use of a flat rate percentage instead of using the Consumer Price Index (CPI) for the annual rent increase. The Subcommittee raised the notion that a flat rate could provide more certainty because the AGA would be constant. The CSFRA states the AGA is the CPI with a 2 percent floor and a 5 percent rent ceiling. The CPI has averaged approximately 3.5 percent annually over the past several years.

As part of the discussion at the last meeting, there was interest in a proposal for a landlord to receive a higher allowable rent increase if the landlord was "good actor" and compliant with a set list of requirements such as no violations or complaints, registered on the rental database and meets all the regulations of the CSFRA.

The Subcommittee was divided on this issue. There was also concern that CPI would not be an adequate percentage to receive a fair return but also that a flat rate would be

an arbitrary figure. They wanted to refer this issue to the City Council for their input and direction.

Staff Analysis

The CSFRA provides two methods to ensure a landlord may earn a fair return: one way is to allow all landlords to increase rents by authorizing an Annual General Adjustment (AGA). The second method is allowing individual landlords to petition for rent increases above the AGA. The CSFRA mandates that the AGA equals 100 percent of the annual change in an inflation index, the Consumer Price Index for All Urban Areas, San Francisco Area (CPI-U).

The majority of rent-stabilized cities in California use inflation as a basis by which to determine allowable rent adjustments, and most of those cities set the allowable increase at less than 100 percent of CPI (while the CSFRA is 100 percent of CPI). There are some local cities, however, that do employ a flat rate. The City of San Jose, for example, uses an annual cap of 5 percent.

It could be challenging to implement and enforce a “good actor” provision because of the staff resources needed to verify each landlord claiming the incentive. If the Council is interested in pursuing incentivizing “good actor” landlords, staff will further analyze the options and implications. For example, an incentive may be that the landlord must be a “good actor” in order to be eligible for the expedited petition process or to get a higher, fixed-rate rent increase.

SB 329 and AB 1482

The Subcommittee noted two bills pending in the California Legislature that may be relevant to discussions of any potential amendment of the CSFRA to be placed before the voters. SB 329 (Mitchell) and AB 1482 (Chiu) are discussed below.

SB 329 would revise two sections of the California Fair Employment and Housing Act (FEHA) to prohibit discrimination against households that rent housing pursuant to a voucher program such as Federal Housing Choice Vouchers (commonly known as “Section 8”). The proposed language expressly includes “Federal, State, or local housing subsidies,” whether paid to the renter household or directly to a landlord or housing provider. SB 329 has passed the Senate and requires a majority vote from the Assembly and signature of the Governor. At this time, it appears likely to become law.

AB 1482 would regulate terminations of tenancy (evictions) and impose limits on rent increases Statewide, as briefly described below. Generally, AB 1482 provides fewer

protections for tenants against evictions and allows for greater rent increases as compared to the CSFRA. AB 1482 would allow annual rent increases equal to the annual change in the Consumer Price Index (CPI) plus 5 percent, while the CSFRA authorizes annual rent increases only equal to the change in CPI. AB 1482 also includes continuing authority for cities to provide greater protections for tenants with respect to evictions and rent increases.

AB 1482 would also limit rent increases for housing units not currently limited by the CSFRA: apartment buildings constructed between 1995 and 2004, as well as duplexes (unless they are owner-occupied) and single-family homes owned by real estate investment trusts (REITs), corporations, or limited-liability companies (LLCs) where one member of the LLC is a corporation, so long as the duplex or single-family home was constructed prior to 2004.

AB 1482 has passed the Assembly and on September 10, 2019, the bill passed the Senate. The Governor supports the bill, but before he can sign it, it must pass through the Assembly again before the end of the legislative session.

Polling

There was a request to the Council from the Subcommittee regarding whether or not to conduct polling for any potential City-sponsored amendment to the CSFRA. In order to meaningfully impact decision making, a poll needs to mirror the ballot language and include arguments for and against a measure. This detail will not be available for some time, limiting the ability to evaluate results before Council action in November.

FISCAL IMPACT

There is no direct impact related to this report. The Fiscal Year 2019-20 Adopted Budget includes \$20,000 for the exploration of changes to the CSFRA. However, it is estimated that preparation of the Charter amendment language will cost approximately \$50,000 if a City-sponsored initiative was placed on the March 2020 ballot and \$75,000 if on the November 2020 ballot. In addition, the budget does not include funds for placing a measure on the ballot or for a poll, which is estimated at approximately \$120,000 for a March 2020 ballot and could be a similar or greater amount for the November 2020 ballot, respectively.

CONCLUSION

Therefore, based on Subcommittee input, staff is requesting the City Council provide additional clarification and direction based on the following questions:

City Council Question No. 1: Does the City Council agree that the Council should have limited oversight in specified areas, with the RHC as an advisory body subject to the same City policies that govern other advisory bodies?

Council Question No. 2: Does the City Council have any further input on the specific areas that Council would like to have oversight of, and should all RHC decisions in those areas be forwarded for Council review/ratification?

Council Question No. 3: Does the Council agree with the Subcommittee that the Charter language should be clear but general about the areas of Council oversight, with detailed procedures/regulations to be developed outside the Charter?

City Council Question No. 4: Does the City Council have any additional parameters/qualifications it would like to add when considering eligibility of capital improvements for the separate petition process?

City Council Question No. 5: Does the City Council agree that the RHC should have the ability to design the separate petition process, which could include required and "voluntary" improvements and would factor in, at minimum, all of the program design considerations as discussed above?

ALTERNATIVES

1. Take no action. If the City Council does not wish to pursue a City-sponsored amendment to the CSFRA, the 2020 Initiative would be the sole initiative on the March or November 2020 ballot.
2. Provide additional or alternative direction to the Subcommittee and staff.

PUBLIC NOTICING

Agenda posting. A courtesy notice was placed in the *Mountain View Voice* on September 13, 2019. City Council agenda sent via electronically to Rental Housing Committee, interested stakeholders, and sponsors of the 2020 Initiative

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- Attachments:
1. July 23, 2019 CSFRA Subcommittee Memo
 2. August 19, 2019 CSFRA Subcommittee Memo
 3. September 4, 2019 CSFRA Subcommittee Memo
 4. Types of Eligible Repairs