



City of Mountain View

Minutes

Rental Housing Committee

Monday, August 12, 2019

7:00 PM

Council Chambers - 500 Castro

1. CALL TO ORDER

Chair Grunewald called the meeting to order at 7:00 p.m.

2. ROLL CALL

- Present** 5 - Committee Member Susyn Almond, Committee Member Vanessa Honey, Committee Member Julian Pardo de Zela, Vice Chair Emily Ramos, and Chair Matthew Grunewald
- Absent** 1 - Alternate Nicole Haines-Livesay

3. MINUTES APPROVAL

3.1 Approve the minutes for June 24, 2019 RHC Meeting

MOTION: M/S - Honey/ Ramos - To approve the minutes for the June 24, 2019 RHC meeting.

- Yes:** 5 - Committee Member Almond, Committee Member Honey, Committee Member Pardo de Zela, Vice Chair Ramos, and Chair Grunewald

4. CONSENT CALENDAR - None

5. ORAL COMMUNICATIONS FROM THE PUBLIC

No public comments were received.

6. APPEAL HEARINGS - None

7. STUDY SESSION

7.1 Rental Housing Committee input for potential City-Initiated 2020 Ballot Measure to amend the Community Stabilization and Fair Rent Act

Housing and Neighborhood Services Manager Wong and Program Manager van Deursen presented a report and responded to questions.

SPEAKING FROM THE FLOOR WITH COMMENTS:

Curt Conroy
Tom McNeil
Gail Nynan
Alex Nunez
Sue Russell
Eadie Keating
Shannon Thomson
Marie Chelberg
Conner O'Brian
Job Lopez
Sonia Sequeiros
Philip Cosby
Arturo Palma
Martha Tinajero
Joan MacDonald
Chris Chelberg
Alex Brown
Sandra Esparza
Maria Lindo

The Committee recessed at 9:00 p.m. and reconvened at 9:15 p.m.

The RHC provided the following feedback regarding potential amendments to the CSFRA or other general policy priorities or issues for the Council CSFRA Subcommittee to consider for a potential City-initiated 2020 ballot measure:

1. Relationship Between the RHC and the City

In general, the RHC wanted to maintain the current nature of the relationship where the RHC works independently of the City Council. Most RHC members indicated this is a low priority issue. Some members wanted clarity about, or rules to limit, City Council involvement. Below are select comments of various Committee members.

- Further clarity regarding removal process and staffing might be helpful if needed in the Charter.
- Need more communication with the Council. Only two or three letters from Council a year. Perhaps a quarterly report can be prepared for the Council so the Council understands the RHC's functions and achievements.

2. Mobile Home Parks

The RHC was divided as to whether to include mobile homes within the CSFRA. A majority felt that a separate ordinance specifically for mobile home rent stabilization was more suitable than incorporating mobile home parks as an amendment in the CSFRA. Although the RHC had previously explored coverage of mobile homes under the CSFRA and chose not to include it, if the Council were to pursue mobile home rent stabilization, the RHC would be open to share its work regarding mobile homes from the CSFRA legal team. Specific comments included:

- The CSFRA is a work-in-progress and should include mobile homes.
- Why create a separate structure when the CSFRA structure is already in place?
- CSFRA is not the right place for mobile home rent stabilization.
- Should be addressed in a separate ordinance.
- Mobile homes should be included in the CSFRA.
- Leaving it with the Council is too risky politically.
- It would be overreaching if the CSFRA covered mobile homes.
- Too much nuance to include mobile homes.
- The CSFRA would be too blunt an instrument to cover mobile homes.

3. Streamlined Petition Process

In general, the RHC was supportive of a streamlined petition process for certain mandatory capital improvement expenses. While some Committee members felt that the current maintenance of net operating income (MNOI) petition process itself could be further streamlined because of the amount of documentation involved, most felt the need for a distinct authority to address capital expenses, such as soft-story retrofit costs. They would like to see examples of other jurisdictions' processes. Specific comments included:

- Would like to know more about different streamlined processes.
- Existing petition process is cumbersome.
- Support streamlined petition process. Maybe no need to use a Hearing Officer.

- Any costs for mandatory capital improvements can already be requested for reimbursement through the current MNOI process. If a streamlined petition process is proposed, any pass-through costs allowed should have a sunset clause and not be permanent.
- The existing MNOI petition process has been constantly improved and streamlined over time.
- Streamline the current MNOI petition process instead of a separate streamlined petition process. State the need for the rent increase instead of substantiating the need and provide supporting documentation only when requested.
- Streamlined process for mandatory capital improvement costs, such as safety items.
- Pass-through allowance should make the landlord whole but should not be at the long-term expense of the tenant.
- Process a streamlined petition like an audit process where documentation is provided upon request and not needed to substantiate the request.
- Instead of a CSFRA amendment creating a streamlined process, amend language in CSFRA to allow the RHC to develop a streamline process.

4. Modifying the CSFRA to Make it Sustainable, Workable, With Some Flexibility

The RHC would like to recommend amendments that give the RHC the ability to address more implementation issues in the CSFRA. In the discussion about creating a streamlined petition process, it should be noted that the RHC currently has the ability to create a streamlined petition process. However, because of the current CSFRA language, a proposed streamlined petition process could only be structured in a limited way based on fair return. A CSFRA amendment addressing the streamlined petition process would allow the RHC to explore other options.

The RHC was also asked if it had any other input on issues in addition to the Subcommittee's issues noted above or in response to the staff-generated list of potential administrative items. The RHC provided the following additional input:

a. Revise the Single-Family Dwelling/Duplex Exemption Definition

All RHC members are in favor of amending the CSFRA to state that CSFRA requirements apply when three or more units are on a parcel/property. Currently, single-family dwellings (SFD) and duplexes are exempt from CSFRA requirements, but staff has encountered properties where there are multiple duplexes on one parcel. As it is written, all the duplexes on the property are exempt from the CSFRA. Another example is a single-family home that adds a detached accessory dwelling unit (ADU). Because of the CSFRA language, by adding the ADU, the ADU would be exempt, but the SFD now falls under the CSFRA. Amending the exemption definition by limiting the number of units on a single parcel would close this loophole while meeting the intent and spirit of the CSFRA in protecting single-family homes and duplexes.

b. Compliance and Monitoring

Most RHC members would recommend a mandatory registry. Some RHC members support annual registration requirements of rental property and basic information on a per-unit basis; others would require only basic property information.

The CSFRA team has developed a central database to better manage all the units covered under the CSFRA. However, registering on the database is voluntary. As of now, only 8 percent of Mountain View landlords have registered. By requiring landlords to submit basic information, RHC members and staff can better assess the effectiveness of the program.

c. Annual Fee Pass-Through

The CSFRA requires that landlords pay a per-unit annual fee for the administration of the CSFRA. A majority of Committee members would like to recommend some kind of sharing of the annual rental housing fees between landlords and tenants. They would like to recommend an amendment to allow a pass-through for the fee and give the RHC discretion to determine the percentage of the pass-through to the tenant. A minority of Committee members did not favor any pass-through of annual rental housing fees since this would increase destabilization of tenants in the community.

d. Short Term Rentals

RHC members briefly discussed the regulation of short term rentals and generally concluded it did not need to be included in an amendment of the CSFRA.

Chairperson Grunewald proposed to move agenda items 8.1: Tenant Buyout Agreement Process and agenda item 8.2: Quarterly Financial Expenditures FY 2018-19 through June 30, 2019 to the September 16, 2019 Rental Housing Committee meeting.

MOTION: Grunewald/ Honey - To move agenda items 8.1: Tenant Buyout Agreement Process and agenda item 8.2: Quarterly Financial Expenditures FY 2018-19 through June 30, 2019 to the September 16, 2019 Rental Housing Committee meeting.

Yes: 5 - Committee Member Almond, Committee Member Honey, Committee Member Pardo de Zela, Vice Chair Ramos, and Chair Grunewald

8. NEW BUSINESS

8.1 Tenant Buyout Agreement Process

Agenda item 8.1 was moved to the Rental Housing Committee meeting on September 16, 2019.

8.2 Quarterly Financial Expenditures FY 2018-19 through June 30, 2019

Agenda item 8.2 was moved to the Rental Housing Committee meeting on September 16, 2019.

9. COMMITTEE/STAFF ANNOUNCEMENTS, UPDATES, REQUESTS, AND COMMITTEE

10. ADJOURNMENT - At 10:12 p.m., Chair Grunewald adjourned the meeting to the next RHC meeting to be held on Monday September 16, 2019 at 7:00 p.m. in the City Council Chambers, 500 Castro Street.