

From: McFarland, Tessa
Sent: Friday, August 18, 2023 10:09 AM
To: edie.keating100@gmail.com
Subject: RHC - RUBS

Dear RHC Chair Keating:

It was good to meet you last Friday. Thank you for taking the time and for listening. I hope we were able to convey that RUBS is key to conservation of resources. Also, we discussed how RUBS is allocated based upon occupancy and floor plan and that residents are not charged for vacant apartments or for water used in common areas, as that is paid by the housing provider. Even if installation of separate metering of water and sewer for each unit was economically feasible, *these bills are sent by the City of Mountain View to the property owner* so there would still be a pass-through billing and payment by the housing provider.

We wanted to provide some follow-up information in advance of Monday's meeting:

(1) Housing providers pay the bill to the City on behalf of residents' utility use, collect those funds under RUBS and then use those funds to pay the City of Mountain View for water, sewer and trash. The RUBS charges are solely a pass-through, therefore this is not rent that is paid "to" the housing provider, as it is passed through to the City of Mountain View and is not retained by the housing provider (See attached RUBS Billing Process Cycle). This pass-through negates the application of payments "to" or "for the benefit of" housing provider. Also, at no time were MV voters informed when they voted on CSFRA that a "Yes" vote would be later construed to mean that residents who rented would be able to use unlimited water, sewer and trash, without any responsibility for the associated cost, any obligation to comply with government mandates to conserve or any societal responsibility concerning usage. I think we'd be hard pressed to find MV voters who would agree that is the right approach. It's important to note that because RUBS is based on actual usage, the amount charged month over month may vary somewhat (See attached MV Sample Averages 2022 for variation in RUBS charges at a Prometheus Neighborhood). These slight variations make it challenging to calculate under a rent cap. The cap on utilities, if any, should only be applied as a determined maximum amount per utility in consideration of unit size/# of occupants (which impacts usage amount), and that maximum amount should increase following the City of Mountain View's annual increases, not AGA.

(2) Requiring housing providers to file petitions to account for the City of Mountain View's increasing utility charges is not a solution for two reasons:

First, the petition process contemplates a petition for each individual unit (See language below re “Petitions for individual rent adjustments” as well as the definition of “*Petition*. A petition for Individual Rent Adjustment...”). That means that if RUBS is not allowed to continue or is limited to AGA (despite the annual increases by the City of Mountain View that far exceed AGA) there are potentially thousands of petitions that will need to be filed, annually. Also, if the resident claims a “hardship,” the petition is declined. Accordingly, some housing providers have ceased offering housing in Mountain View due to the inability to succeed on a rent increase petition, given the hardship defense and the lengthy process and associated burden and costs involved in seeking an adjustment.

“Section 1710. – Petitions for individual rent adjustments – bases”

Petition for Upward Adjustment—Fair Rate of Return: To effectuate the purposes of this Article and the requirements of law, a Landlord may file a Petition for an upward adjustment of the Rent to ensure a fair and reasonable rate of return. It is the intent of this Article that individual upward adjustments in Rent be granted only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a fair rate of return. The Committee shall promulgate regulations to further govern Petitions filed pursuant to this Subsection in accordance with law and the purposes of this Article.

Second, CSFRA has several purposes, including to ensure a fair and reasonable return on investment and fair protections for renters, homeowners and businesses (See Section 1700 below.) There is no requirement to file a petition in order to obtain those fair protections.

“Section 1700. - Title and purpose.

This Amendment shall be known as the Mountain View Community Stabilization and Fair Rent Charter Amendment. The purpose of this Amendment is to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Mountain View by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair and reasonable return on their investment and guaranteeing fair protections for renters, homeowners, and businesses.”

Please let us know if we can provide any additional information.

Thank you,

Tessa

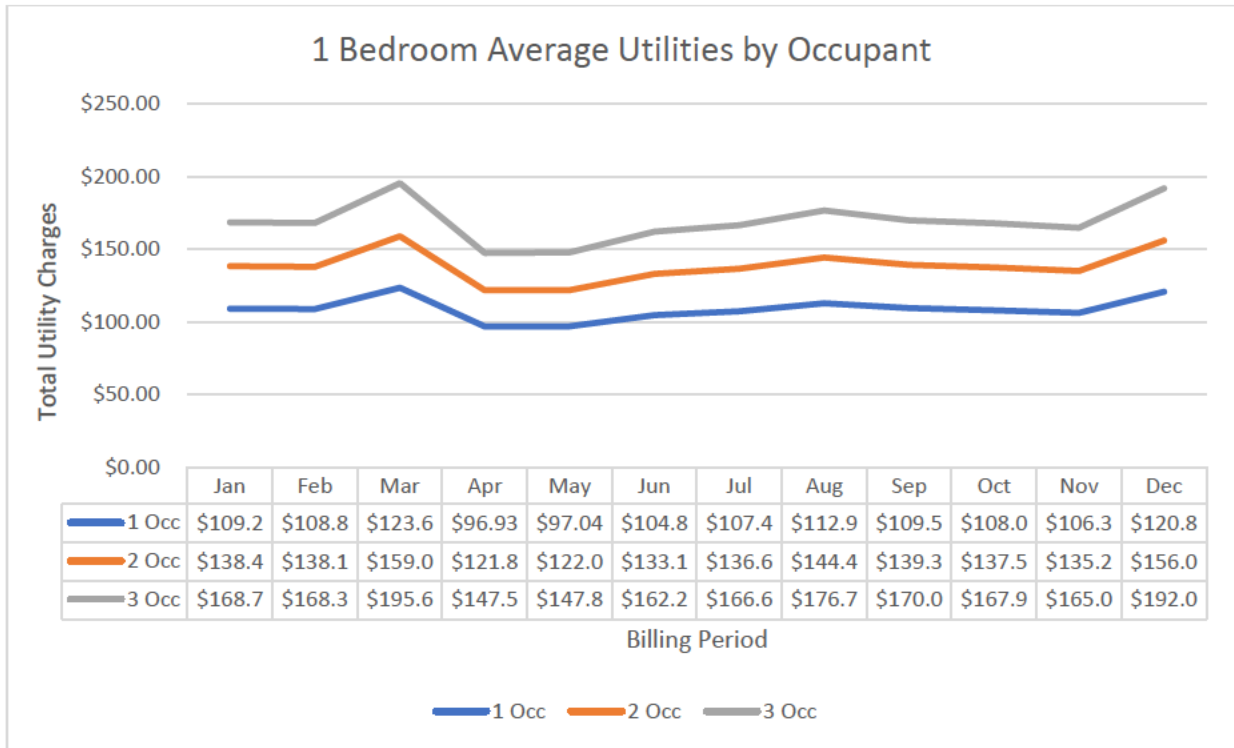
Theresa “Tessa” McFarland | General Counsel

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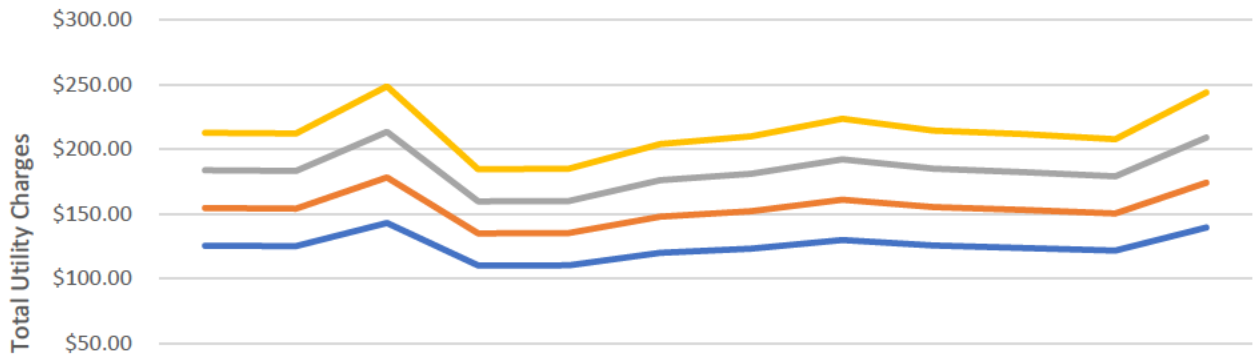
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Attachment: MV Sample Averages 2022



# of Occupants	Avg of 12 Month Period	Max	Min	Max difference
1	\$108.82	\$123.63	\$96.93	\$26.70
2	\$138.51	\$159.09	\$121.87	\$37.22
3	\$169.07	\$195.66	\$147.56	\$48.10

2 Bedroom Average Utilities by Occupant



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 Occ	\$125.50	\$125.11	\$143.03	\$110.19	\$110.35	\$120.01	\$123.26	\$129.90	\$125.74	\$123.76	\$121.66	\$139.38
2 Occ	\$154.58	\$154.16	\$178.24	\$134.97	\$135.21	\$148.03	\$152.16	\$161.09	\$155.32	\$153.08	\$150.36	\$174.21
3 Occ	\$183.66	\$183.20	\$213.46	\$159.73	\$160.08	\$176.05	\$181.07	\$192.27	\$184.91	\$182.40	\$179.07	\$209.03
4 Occ	\$212.75	\$212.25	\$248.66	\$184.51	\$184.95	\$204.08	\$209.97	\$223.47	\$214.48	\$211.72	\$207.77	\$243.84

Billing Period

1 Occ 2 Occ 3 Occ 4 Occ

# of Occupants	Avg of 12 Month Period	Max	Min	Max difference
1	\$124.82	\$143.03	\$110.19	\$32.84
2	\$154.28	\$178.24	\$134.97	\$43.27
3	\$183.74	\$213.46	\$159.73	\$53.73
4	\$213.20	\$248.66	\$184.51	\$64.15

Mountain View is Paid

3

Housing provider pays City of Mountain View on behalf of residents and housing provider.

Mountain View Bills HP

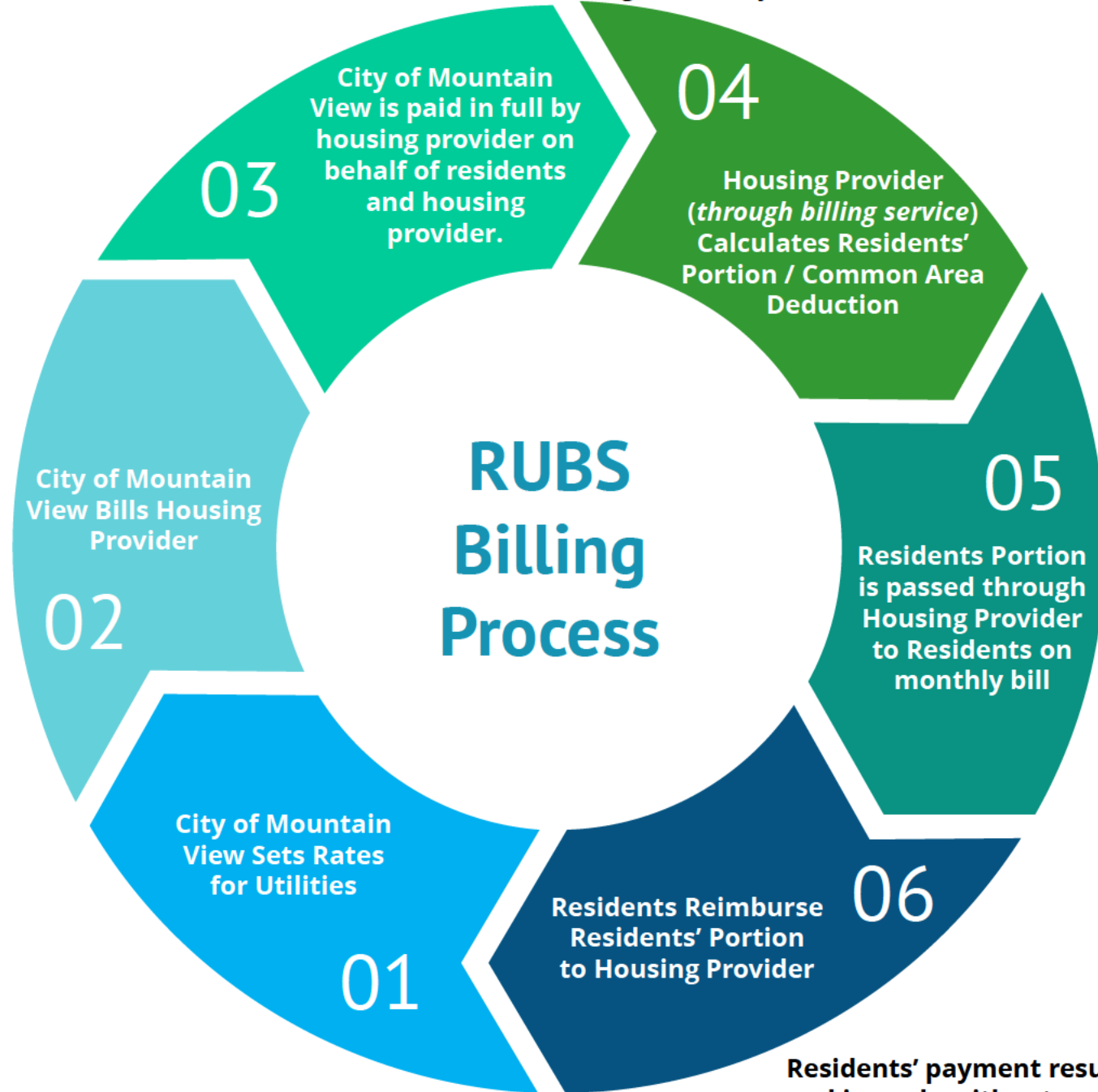
2

City of Mountain View bills Water/Sewer/Trash to housing provider on behalf of utilities used by residents in units and housing provider for maintenance and operation of common areas including amenities.

Mountain View Sets Rates

1

City of Mountain View sets rates for utilities, which may fluctuate throughout the year.



4 HP Calculates HP/Resident Cost

Housing Provider deducts Common Area Deduction (CAD) for common areas including amenities and calculates resident's portion.

5 Utility Cost Passed Through To Residents

Residents' portion of bill is passed through to residents on monthly bill without increase or service fees.

6 Resident Reimburses

Residents reimburse housing provider for residents' portion of amount paid to Mountain View by housing provider on residents' behalf.

Residents' payment results in no profit to housing provider and is made without any mark up or service fees to residents.