



**City of Mountain View
Rental Housing Committee Meeting
March 28, 2024, Agenda Item Questions**

Item 5.1.: Appeal Petition No. C22230037

Q: A key issue appears to be whether the rent on which the rent credit was based should be the lawful rent for the property of \$2200 or the amount used by the Hearing Officer \$2245. Was there in fact a rent increase on the property of \$45 from the time when \$2200 was the lawful rent? If so, whose responsibility was it to notify the Hearing Officer, landlord, or tenant of this increase so that it could be used in the calculation? Please supply more details on how the discrepancy in the rent occurred, and why legal staff believes \$2200 and NOT \$2245 was the correct rent to use when calculating the rent credit.

A: The tenant informed staff that he and the landlord had agreed to a \$45 “rent increase” to cover the cost of the tenant charging his electric vehicle at the Property. However, this “rent increase” was not achieved via the joint petition process, which is a requirement for increasing rent to cover a new Housing Service. Therefore, the rent increase is not valid; the correct lawful Rent for the Property at the time of the hearing was \$2,200.

Item 6.1: TRAO

Q: The TRAO was passed before the CSFRA and MHRSO. Yet the staff report says that the TRAO is now administered by the RHC because it can apply to properties affected by the CSFRA and MHRSO. I would have thought that the TRAO applies to ANY rental property that is demolished, regardless of whether it is a CSFRA or MHRSO covered property. Is that right? If so, is the RHC managing the TRAO for ALL properties because it is expected that MOST properties that have and will be demolished are CSFRA and MHRSO properties? Or does the RHC only administer TRAO for the CSFRA and MHRSO properties?

A: The TRAO is not administered by the Rental Housing Committee. However, it is administered by Rent Stabilization Division (RSD) staff on behalf of the City Council. Rent Stabilization Division staff administers the TRAO on behalf of the whole City, including those units not covered by the CSFRA or MHRSO. RSD staff has taken on the administration because the majority of properties affected by the TRAO are also covered by the CSFRA or MHRSO. The TRAO defines displaced units as the vacating of a rental unit covered by the CSFRA or the MHRSO or the vacating of three (3) or more rental units on a parcel for those rental units that are not covered by the CSFRA or the MHRSO within a 1 year period upon notice from the landlord as the result of 7 specific reasons including withdraw all rental housing units from the rental housing market, demolition, condo conversion, etc. This could include a site made up of 3 duplexes (6 units) where the property was not covered by the CSFRA but there are 3 or more units on the parcel.

There are currently no active TRAO projects that are not also covered by the CSFRA.

Q: On page 3, before Table 2, the staff report states that "In case both TRAO and SB 330 are applicable, the shaded area indicates the stricter requirement." Under cash payment, it isn't clear to me why staff believes that the SB330 requirement is ALWAYS stricter than the TRAO. Or is it just generally? Admittedly, TRAO is for 3 months and SB330 is for 42 months, but TRAO is months of rent, but SB330 is a differential only.

A: While the SB 330 differential may not ALWAYS be the higher payout, it would be a very rare instance where the 3-month TRAO payment is larger than the differential payment. The relocation consultant conducts the calculation on behalf of the tenants to ensure they receive the larger benefit.

Q: On page 6, the staff report states "According to developers, construction costs have risen significantly, in part due to the pandemic's supply-chain impacts." Since the COVID-19 pandemic is largely over now, does this mean that the supply-chain impacts are no longer a serious factor? Or are highest construction costs now primarily due to historically higher inflation rates?

A: Staff began hearing concerns from developer about the rise in construction costs during the pandemic due to supply chain issues. The high cost of construction material continues to be a concern for developers but more recently the cause is cited as high inflation rates. Moreover, there are still some supply chain issues; for instance, electrical equipment, such as switchgears, have been a hold up and cost burden on projects across the state.

Q: On page 7, the staff report indicates an alternative to the TRAO was adopted. When is an alternative permissible? Is it when the alternative is perceived to be equal to or better than the TRAO payment? Who decides when an alternative is permitted?

A: A redevelopment project is able to propose alternative mitigation to the standard TRAO benefits. The alternative mitigation strategy must meet the goals and purpose of the TRAO and must be approved by City Council.

For example, the City Council approved a development project of a 226-unit apartment complex at 696 to 1758 Villa Street. The project required 34 on-site Below Market Rate (BMR) units. As part of an alternate mitigation plan, the developer only supplied 5 BMR units on-site units and rehabilitated 48 naturally affordable CSFRA units at 660 Mariposa Avenue. Tenants were temporarily relocated and provided benefits equal to or greater than the TRAO while the units were remodeled.

Item 6.2: Displacement Response Strategy:

Q: I don't see a staff report separate from the council items. Is this intentional?

A: This item does not include an RHC memo but will be accompanied by a PowerPoint presentation to the RHC during the meeting. The included attachment is the memo presented to the City Council on 3/19/2024.

Item 6.3: Reclassification of Project Manager to Rent Stabilization Manager

Q: So, in brief, the person performing the new job will get an additional \$41,200 and take on some additional responsibilities?

A: As part of the City's FY 2023-24 MidYear budget process, Human Resources conducted a classification study related to reclassifying the Project Manager position to Rent Stabilization Manager. HR determined that the reclassification is appropriate based on the role of the of the position in the new Housing department and other comparable positions in the City, including those in Housing. The

reclassification to Rent Stabilization Manager will include an increase of \$41,200 (total compensation) for budget purposes. The person in this position will have a salary within this range.

Q: Will the city employee performing the old position be one who will be transferred to the new position? (Is it Anky Van Deursen)?

A: The reclassification of the existing position means there will not be an additional vacancy. The current incumbent in the reclassified position will be offered the position upon their return to the office.