



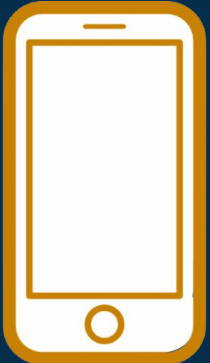
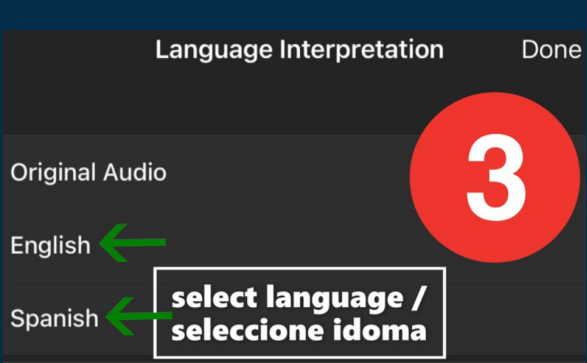
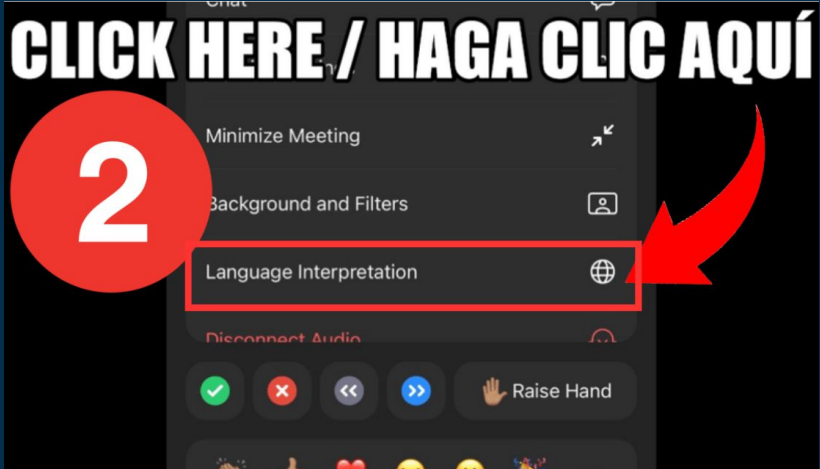
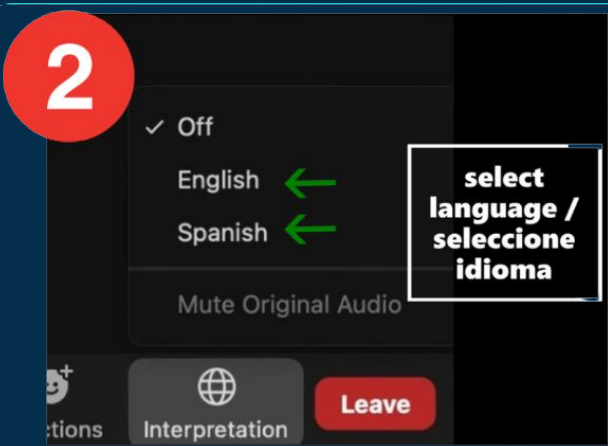
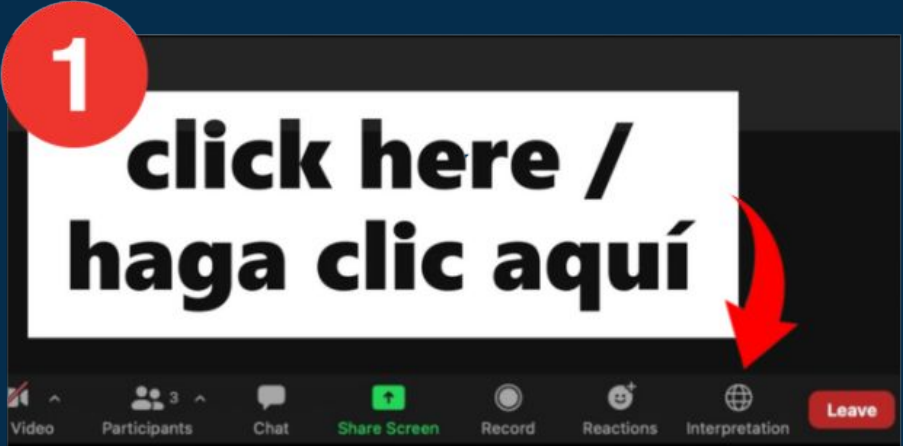
PCRC
PENINSULA
CONFLICT
RESOLUTION
CENTER



Policy Discussion
June 13, 2023

East Palo Alto Opportunity to Purchase Act

Interpretation | Interpretación



Information | Información

- Visit cityofepa.org/housing and select “East Palo Alto Opportunity to Purchase Act” to access these slides, previous presentations, and other information.



About PCRC

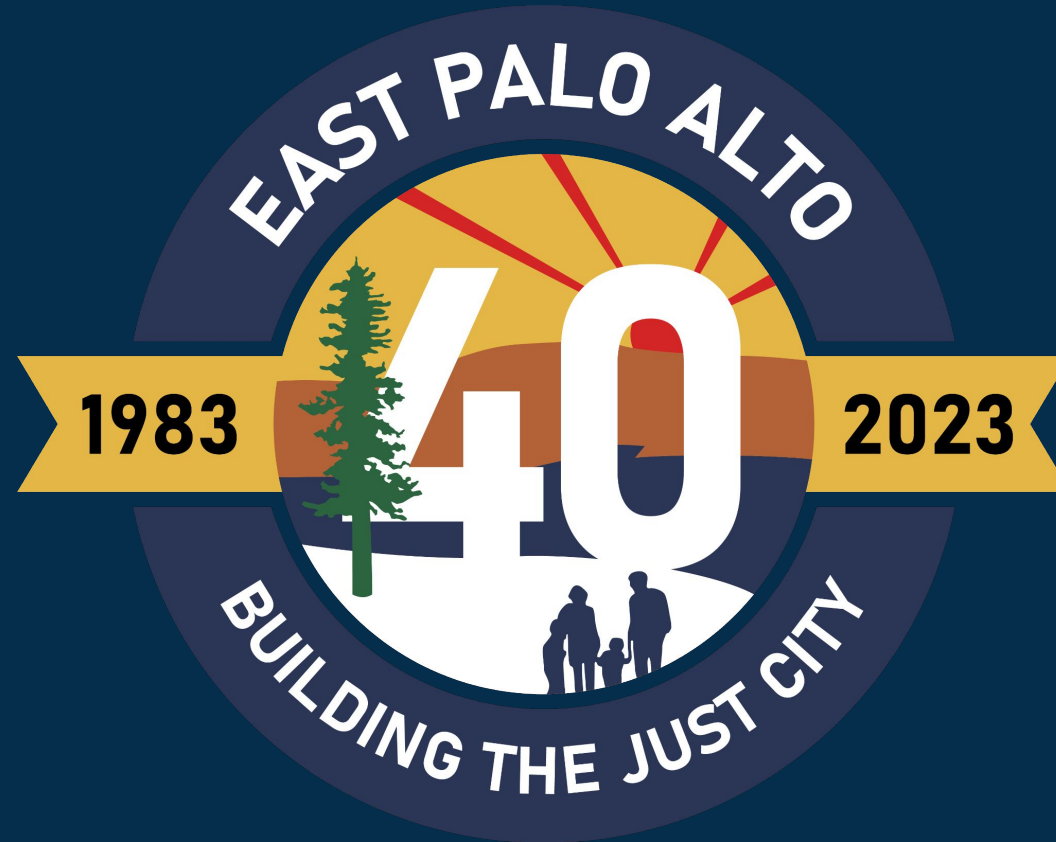


MISSION: To partner with community members to intentionally engage and collaborate on complex issues.

VISION: A world in which people advance equity, practice empathy and understand differences.

Peninsula Conflict Resolution Center (PCRC) builds community vibrancy and power by providing long term, community centered and systems-supported programs in four critical areas - high needs neighborhoods, corresponding schools, jails, and key workplaces. PCRC has been deeply embedded in San Mateo County for over *30 years*.

Welcome from City Manager



Agenda

- Welcome from City Manager
- Introduction from PCRC
- Recap of OPA Policy
- Recap of May 30th
- Policy Clarifying Questions (from May 30th)
- Presentations & Live Questions & Answers
 - Exemptions
 - Right of First Refusal Process
 - Property Values
 - Funding
 - Implementation Components
- Next Steps

Objectives

- Continue to hear questions, comments, and concerns about Opportunity to Purchase policy to present to City Council
- Sharing facts about the policy
- Update on how the city has shaped the proposed policy based on community feedback
- Solution Oriented: toward a middle ground that makes housing more inclusive

Group Agreements

- Be Curious, Open, and Respectful
- Speak From Your Own Experience
- Don't Assume. Ask.
- Open to New Information
- Remember Time Constraints
- Unfinished Business
- Take care of your personal needs
- Avoid Jargon, Acronyms, and Industry language
- Be conscious of Intent vs. Impact

MARKET PRICE!

Why did the market price go up?
 Why did the market price go down?
 Why did the market price stay flat?
 Why did the market price go up?
 Why did the market price go down?
 Why did the market price stay flat?

Other Concerns

Please put the...
 Add this...
 What's the...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

TIMELINE

Timeline of events...
 When did...
 How long...
 What was...
 Why did...
 How did...
 What was...
 Why did...
 How did...

ACT Clarifications

ACT Clarifications #1
 What does...
 Why is...
 How is...
 What's the...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

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 When did...
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 Why did...
 How did...
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 Why did...
 How did...

OPINIONS ①

Opinions #1
 This is...
 Why are...
 How is...
 What's the...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

OPINIONS - ③

Opinions #3
 Why is...
 How is...
 What's the...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

MARKET PRICE!
 ACT Clarifications
 Other Concerns
 TIMELINE

ACT CLARIFICATIONS #9

ACT Clarifications #9
 What does...
 Why is...
 How is...
 What's the...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

FUNDING

Funding
 How is...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

OPINIONS ②

Opinions #2
 Why is...
 How is...
 What's the...
 Why is...
 How is...
 What's the...
 Why is...
 How is...

Key Themes from Questions and Feedback from May 30

- High Priority concern to protect Property Values
- Most intense concern focused on Single Family Homes (SFH)
- Concern about Negative impact of Right of First Refusal (ROFR) for SFH transactions
- Clarification needed on how to save time with notification process
- Funding and Implementation for both Single Family and Multifamily

Submit clarifying questions | Haga preguntas

- Fill out Google form at:
<https://tinyurl.com/OPA-Question>

- Email housing@cityofepa.org



-or-



Recap: What is Opportunity to Purchase?

The first part is the **Tenant Opportunity**, which helps tenants purchase the home or building where they live.

For certain properties, the tenant opportunity:

1. Requires the owners to notify tenants of sale,
2. Gives tenants the chance to make the first offer,
3. Gives tenants a tiebreaker if they can match the best competing offer

OPA protects the Seller's right to initiate a sale, the right to define the price that makes an offer acceptable, and the right to choose to not to accept any of the offers made.

*OPA includes exemptions based on community feedback, including owner occupancy, family transfers, medical and financial emergencies, and more.



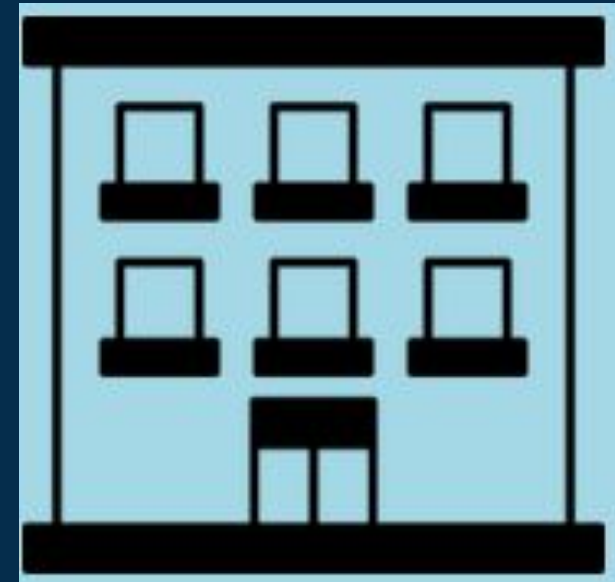
Recap: What is Opportunity to Purchase?

However, not everybody can afford to buy a home, even with support from a city policy.

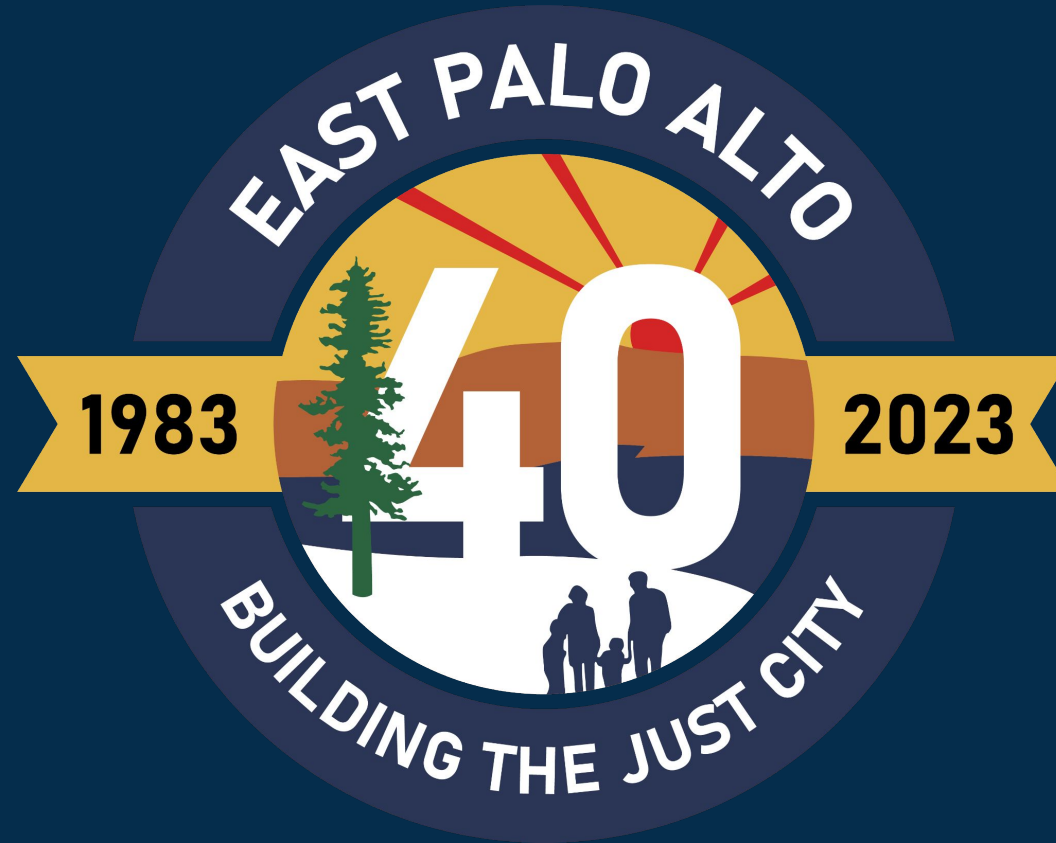
The 2nd part is the **Community Opportunity**. It's very important for neighbors who can't afford to buy – it helps affordable housing providers purchase a residential building when an owner is ready to sell, and convert it into permanently affordable housing.

1. Notification
2. First Offer
3. Tiebreaker
4. Protects the rights of the Sellers

These two parts work together to help EPA residents stabilize housing.



Policy Clarifying Questions



Property Type Exemptions (as of March 2022 draft ordinance)

1. Owner-Occupied Single-Family Dwellings, including those with an Accessory Dwelling Unit(s) (inclusive of any Junior Accessory Dwelling Unit)
2. Non-Owner-Occupied Residential Property owned by an East Palo Alto resident
3. Owner-Occupied Condominiums
4. Any Owner-Occupied Duplex with or without any Accessory Dwelling Unit(s) (inclusive of any Junior Accessory Dwelling Unit)
5. Any Owner-Occupied Triplex with or without any Accessory Dwelling Unit(s) (inclusive of any Junior Accessory Dwelling Unit)
6. Residential Property owned by the local, state, or federal government.
7. Residential Property subject to resale price control under Chapter 18.37 of East Palo Alto's Municipal Code.
8. Residential Property owned by and operated as a hospital, convent, monastery, extended care facility, convalescent home, or dormitories owned by educational institutions.

Case Study 1

Properties of three or fewer units (ADUs don't count in unit count)
with owner living in the unit or in East Palo Alto.



Single Family Home



Duplex



Triplex

All exempt

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-or-



Case Study 2 - TOPA

Let's say you're an owner living in San Francisco who owns eight properties in East Palo Alto...



You decide to sell a single family home in East Palo Alto

Tenants want to buy and deliver a Statement of Interest on time

First Offer is submitted on time before going to market

30 Day closing period

Existing 60 Day Notice Period for Selling a property with Tenants

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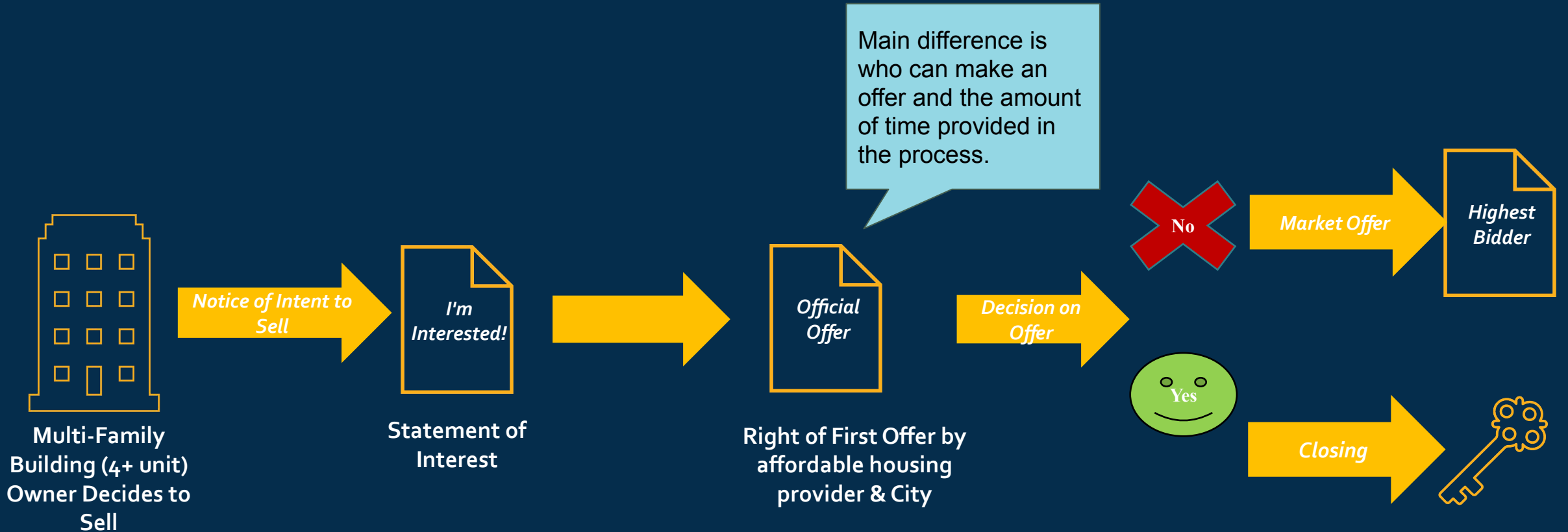


-or-



Case Study 3 - COPA

Let's say you own and want to sell a 20-unit multi-family building in East Palo Alto...



Notice and Offer Period extended to fit market trends for larger properties

120 Day closing period

Submit clarifying questions | Haga preguntas

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<https://tinyurl.com/OPA-Question>

- Email housing@cityofepa.org



Instances Where ROFR is Disqualified (as of March 2022 draft ordinance) for SFH

OPA process

Revert to Market Process

Local Purchaser Buys

Third Party Purchaser Buys

Notify Potential Purchasers / 60 days before tenant must move

No Statement of Interest -
NO ROFR

30 Day Statement of Interest period Ends

30 Day Offer Period Ends / Renovation for Listing and Marketing can begin

Third Party Purchaser Buys

Instances Where ROFR is Disqualified (as of March 2022 draft ordinance) for SFH

OPA process

Revert to Market Process

Local Purchaser Buys

Third Party Purchaser Buys

Notify Potential Purchasers 60 days before tenant must move

Tenants submit Statement of Interest

30 Day Statement of Interest period Ends

No timely offer - **NO ROFR**

30 Day Offer Period Ends /
Renovation for Listing and Marketing can begin

Third Party Purchaser Buys

Instances Where ROFR is Disqualified (as of March 2022 draft ordinance) for SFH

OPA process

Revert to Market Process

Local Purchaser Buys

Third Party Purchaser Buys

Notify Potential Purchasers /
60 days before tenant must move

Tenants submit
Statement of Interest

30 Day Statement of Interest period Ends

Tenants submit timely
first offer

30 Day Offer Period Ends /
Renovation for Listing and Marketing can begin

Seller Accepts Local
Offer - **NO ROFR**

Instances Where ROFR is Disqualified (as of March 2022 draft ordinance) for SFH

OPA process

Revert to Market Process

Local Purchaser Buys

Third Party Purchaser Buys

Notify Potential Purchasers /
60 days before tenant must move

Tenants submit
Statement of Interest

30 Day Statement of Interest period Ends

Tenants submit timely
first offer

30 Day Offer Period Ends /
Renovation for Listing and Marketing can begin

3rd party offer exceeds
15% of first offer

Third Party Purchaser
Buys - **NO ROFR**

Instances Where ROFR is Disqualified (as of March 2022 draft ordinance) for SFH

OPA process

Revert to Market Process

Local Purchaser Buys

Third Party Purchaser Buys

Notify Potential Purchasers /
60 days before tenant must move

Tenants submit
Statement of Interest

30 Day Statement of Interest period Ends

Tenants submit timely
first offer

30 Day Offer Period Ends /
Renovation for Listing and Marketing can begin

Seller seeks additional
offers and accepts one

Fail to match within 5
days - **NO ROFR**

Third Party Purchaser
Buys

Instances Where ROFR is Disqualified (as of March 2022 draft ordinance) for SFH



Notify Potential Purchasers / 60 days before tenant must move

No Statement of Interest - **NO ROFR**

Tenants submit Statement of Interest

Tenants submit Statement of Interest

Tenants submit Statement of Interest

Tenants submit Statement of Interest

30 Day Statement of Interest period Ends

No timely offer - **NO ROFR**

Tenants submit timely first offer

Tenants submit timely first offer

Tenants submit timely first offer

30 Day Offer Period Ends / Renovation for Listing and Marketing can begin

Third Party Purchaser Buys

Third Party Purchaser Buys

Seller Accepts Local Offer - **NO ROFR**

3rd party offer exceeds 15% of first offer

Seller seeks additional offers and accepts one

Third Party Purchaser Buys - **NO ROFR**

Fail to match within 5 days - **NO ROFR**

Third Party Purchaser Buys

Instances Where ROFR is Exercised (as of March 2022 draft ordinance) for SFH



Notify Potential Purchasers / 60 days before tenant must move

Tenants submit Statement of Interest

30 Day Statement of Interest period Ends

First Offer \$1M (example)

30 Day Offer Period Ends / Renovation for Listing and Marketing can begin

Seller Accepts additional offer of \$1.1M

Local Buyer Matches Offer within 5 Days - **ROFR Exercised**



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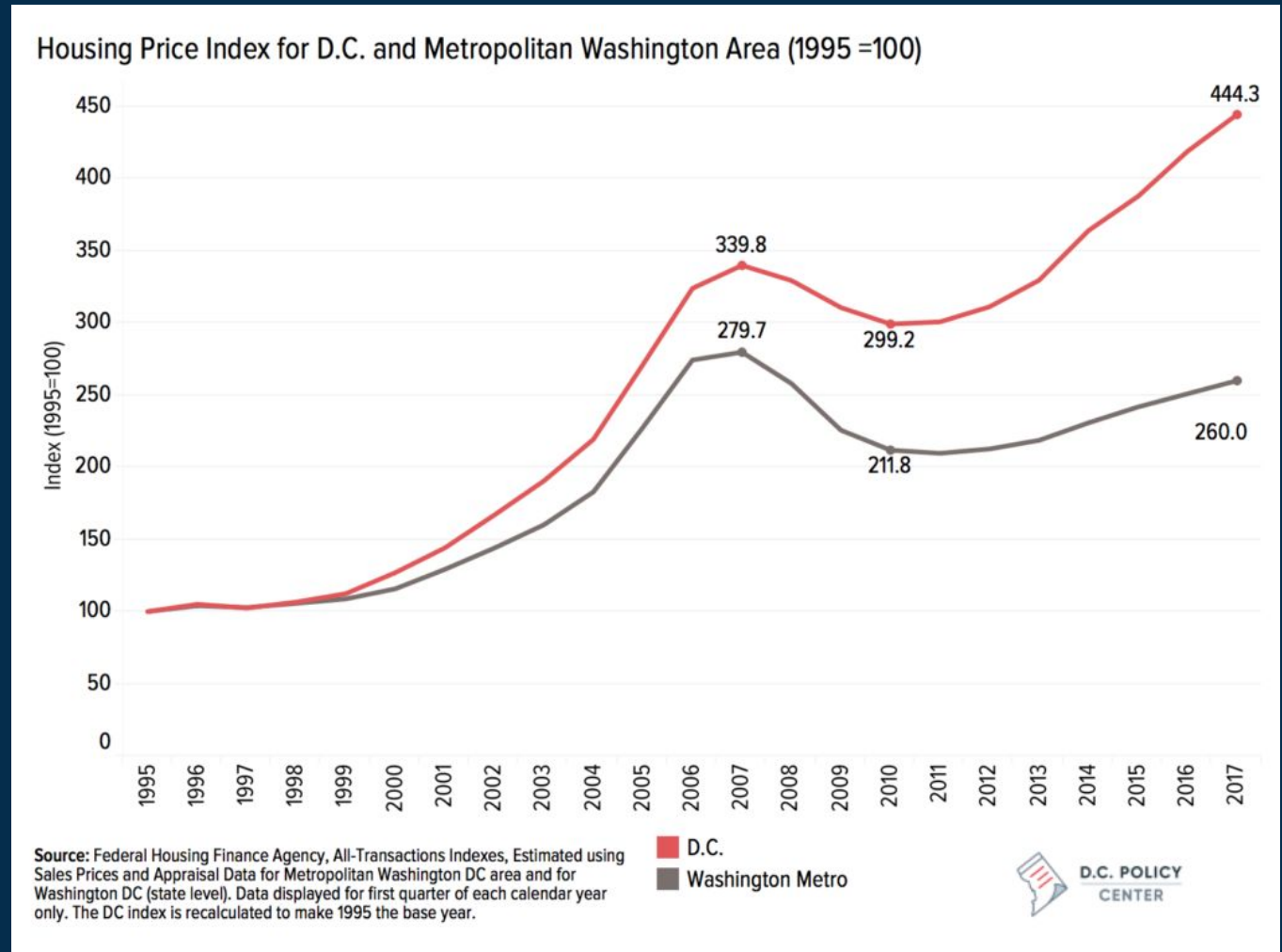


DC Property Values under TOPA

The D.C. Policy Center reported on home prices in D.C. where TOPA applied to single family homes (it applied between 1980 and 2018).

As shown, home values continued to increase faster than the rest of the region after TOPA was implemented.

DC exempt single family dwellings from TOPA, unless occupied by elderly or disabled tenants, after tenants were selling their rights. EPA OPA prohibits selling of rights.

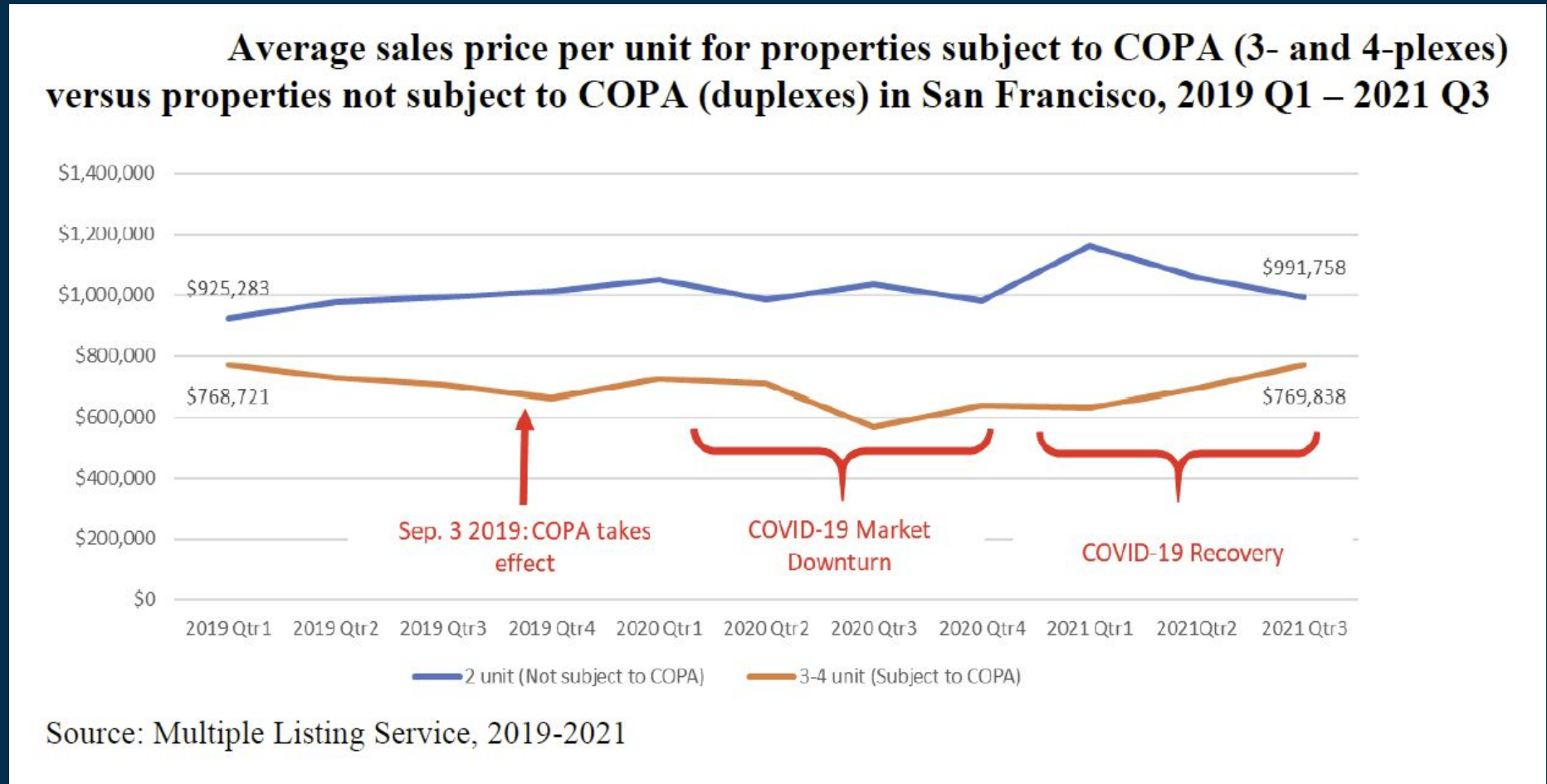


SF Property Values under COPA

San Francisco Property values remained strong under COPA during early implementation since approval in 2019.

There has been no evidence that SF COPA makes property values decline.

The main market drivers have been changes in interest rates, employment, wages, buyer demand and supply of homes for sale - all factors beyond cities' control. See [David Rosen & Associates Report](#).



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How can local Purchasers receive Funding

- Tenant Opportunity to Purchase for Single Family Homes
 - Ca Dream For All Down Payment Assistance Program
 - National Homebuyers Fund
 - Closing Cost Assistance Programs
 - San Mateo County First Time Homebuyer Programs
 - ...and more
- Community Opportunity to Purchase for Multi-Family Properties
 - Foreclosure Intervention Housing Preservation Program
 - Community Anti-Displacement and Preservation Program
 - Community Development Financial Institutions
 - ...and more
- In the future: Bay Area Housing Finance Authority Initiative

Implementation

- Tenant Opportunity
 - Information on funding support
 - Information and resources for Homeownership Planning
 - Outreach Strategy for Residents considering purchase
 - Information Packets for Sellers
 - City Housing Website Updates
- Community Opportunity
 - Identify properties suitable for preservation
 - Coordinate CDFI funding opportunities
 - Information Packets for Sellers
 - City Housing Website Updates

Next Steps

- Gather all comments and questions
- Present to City Council and seek feedback
 - Policy & Action item
 - Receive City Council direction to make changes to draft ordinance
- Find updates at Housing webpage

Final questions | Preguntas finales

- Fill out Google form at:
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- Email housing@cityofepa.org



Contact Us! | ¡Contáctenos!

- Email questions or comments to housing@cityofepa.org
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