OPA EPA Email Correspondence Received from December 8-January 25, 2022

This is a log of emails the Housing team received between December 8, 2021 and January 25, 2022. There were some corrections made to the record that was already posted, therefore, the log begins from the last hearing on December 7, 2021. Also to allow for enough time for staff to transpose all the emails, this log ends with any emails received before 5pm on January 25, 2022. Any emails that are received after publication of this attachment will be acknowledged and documented after the hearing scheduled for January 25, 2022 starting at 6pm.

If any correspondence was missed, please email Housing@cityofepa.org. Thank you!

From: <u>Kimberly Carlton</u>

To: Carlos Romero; Ruben Abrica; vlgauthier@cityofepa.org; Antonio D. Lopez; Regina Wallace-Jones; Jaime Fontes;

Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: EPA-OPA Feedback

Date: Wednesday, December 8, 2021 12:36:12 PM

Dear East Palo Alto City Council and Community Members,

The proposed EPA-OPA ordinance would introduce a severe infringement on ownership rights for private property owners and **should not apply at all** to single-family homes especially. That implies a high bar in terms of a compelling need for such a radical change, and my question is, what currently prevents tenants, nonprofits or the City from making an offer on any property available for sale on the public market? **How many times in the past ten years has a serious offer from any such prospective buyer been refused that would now be accepted as a direct result of this ordinance? Does that number justify the added hassle for everyone affected?**

This radical change should be aired publicly much more before being adopted because it will likely have an obviously foreseeable, strongly negative impact on renters in EPA. For example, I would expect landlords to start vetting potential tenants as rigorously as prospective buyers, given that the tenant would gain economically valuable privileged rights of first offer and first refusal in the event of any future sale. This would give a strong incentive to every landlord to prefer big tech employees making \$250K+ annual salaries over more economically vulnerable renters, and discourage them from taking a chance on good people with bad financials. How many renters might be hurt like this compared to how many tenants might benefit from the privileges afforded by the ordinance? Do the potential gains for the few justify the harm to the many?

Furthermore, this would create an undue burden on individual owners and privilege huge landlords who can more easily afford to wait out the inevitable delays in selling that will result from this ordinance. Not only that, but large landlords could easily package units to sell as a bundle, effectively pricing out virtually all individual tenants, most nonprofits, and even the City itself. Even if that didn't happen, the most resource-constrained sellers will undeniably struggle most and suffer the greatest harms from compliance with this overreaching ordinance.

Few if any of these objections relate to specific aspects of this ordinance and would stand regardless of recent or future minor tweaks (e.g., even important ones, like the change in earnest money deposit from 1% to industry-standard 3%). This proposal fails to demonstrate clearly articulated, specific, measurable objectives; a compelling rationale for its specific requirements of non-corporate landlords, explaining why they specifically are targeted by these proposed changes to ownership rights; or any mechanism by which this new law would increase availability of affordable housing beyond what is currently offered on public markets.

It's notable further that supporters make two completely contradictory claims: this ordinance

will not degrade home values, yet somehow will also allow first-time home-buyers to complete future purchases they are currently unable to afford. How, exactly, will affordability increase if real estate values aren't depressed? Effective public messaging in support of this ordinance needs to reconcile this discrepancy in claims to be believable.

For all of these reasons and more, I unequivocally reject the legitimacy of this proposed ordinance and urge all Council Members to dismiss and instead seek other means of alleviating the affordable housing crisis we all want solved. First-time home-buyer programs, tax credits for first-time buyers, buyer co-ops, and other creative initiatives to add value, rather than detract from value, should be seriously studied and considered before anything as draconian and punitive as this ordinance. Thank you.

Kimberly Carlton

538 Sacramento St., East Palo Alto

From: To: Subject:

Date:

FW: Additional Statements on Objection of Proposed OPA Ordinance, even with City Staff Revisions (12/7/2021)

Monday, December 13, 2021 7:05:46 AM

On 12/12/21, 11:48 AM, "Dixie Specht-Schulz" < dixschulz@icloud.com> wrote:

City Council members I wish to add the following to my original objection dated 12/5/2021 & place it on record. It appears that the real benefited parties of this proposed ordinance would be the designated nonprofits of East Palo Alto developing large land grants, such as the Pahali land trust. Look at the partnership that has raised approximately \$520 million to fund the purchase of residential properties & "craft policy"-investors that include Facebook, Morgan Stanley, First Republic Bank, Genentech, Silicon Valley Community Foundation & Chan Zuckerberg initiative. Are these really the folks we want funding these operations & ultimately holding the control by sure virtue of the monies they have invested? This will likely not benefit most existing renters in EPA. In fact it will likely drive up rental prices from landlords & additional vetting of prospective renters with the same scrutiny that a bank uses assesses for mortgage lending. If the true intention was to prevent displacement & achieve home ownership for renters, it would have stopped with first right of purchase with renters. No language that included nonprofits or the city & language & development of programs (including grants) that assist renters in the ability to purchase a property they have been living in.

Please consider holding off on taking a vote on this ordinance as presented & direct staff to come back with more defined measurements, including an economic study as to possible consequences, specific city examples of similar ordinances & how they are faring and possible long term legal consequences for the city of East Palo Alto. This ordinance needs a great deal more vetting, study and further revision before consideration by the City Council.

Thank you.

Sincerely,

Dixie-Lee S. Specht-Schulz East Palo Alto, CA 94303

Subject: FW: Additional Statements on Objection of Proposed OPA Ordinance, even with City Staff Revisions (12/7/2021)

Date: Thursday, December 16, 2021 10:37:32 AM

On 12/16/21, 10:36 AM, "Dixie Specht-Schulz" <dixschulz@icloud.com> wrote:

At the July 2021 East Palo Alto City Council meeting it appears to clearly spell out that the Qualified Non-Profit for the Opportunity to Purchase Act (OPA) Ordinance will be Pahali (Land Trust). Pahali is a small non-profit based in East Palo Alto whose Board of Directors consists of Duanne Bay (EPA CAN DO), Ofelia Bello (YUCCA) & Mark Moulton (YUCCA, CLSEPA, & EPA CAN DO). Apparently the Pahali Board of Directors were to be paid \$220,000 to campaign for, write & implement the OPA in assisting city staff. This certainly has all the appearances of a conflict of interest. Why did the city & city staff not hire an OUTSIDE consulting agency with expertise in this area to assist in the research & development of any potential OPA Ordinance.

Sincerely,

Dixie-Lee S. Specht-Schulz

> On Dec 12, 2021, at 11:48 AM, Dixie Specht-Schulz < dixschulz@icloud.com> wrote:

>

> City Council members I wish to add the following to my original objection dated 12/5/2021 & place it on record. It appears that the real benefited parties of this proposed ordinance would be the designated nonprofits of East Palo Alto developing large land grants, such as the Pahali land trust. Look at the partnership that has raised approximately \$520 million to fund the purchase of residential properties & "craft policy"-investors that include Facebook, Morgan Stanley, First Republic Bank, Genentech, Silicon Valley Community Foundation & Chan Zuckerberg initiative. Are these really the folks we want funding these operations & ultimately holding the control by sure virtue of the monies they have invested? This will likely not benefit most existing renters in EPA. In fact it will likely drive up rental prices from landlords & additional vetting of prospective renters with the same scrutiny that a bank uses assesses for mortgage lending. If the true intention was to prevent displacement & achieve home ownership for renters, it would have stopped with first right of purchase with renters. No language that included nonprofits or the city & language & development of programs (including grants) that assist renters in the ability to purchase a property they have been living in.

>

> Please consider holding off on taking a vote on this ordinance as presented & direct staff to come back with more defined measurements, including an economic study as to possible consequences, specific city examples of similar ordinances & how they are faring and possible long term legal consequences for the city of East Palo Alto. This ordinance needs a great deal more vetting, study and further revision before consideration by the City Council.

> Thank you.

> Sincerely,

>

- > Dixie-Lee S. Specht-Schulz
- > East Palo Alto, CA 94303

From: <u>trproven2@aol.com</u>

To: Housing

Subject: Re: Good meeting Thanks

Date: Monday, December 13, 2021 2:56:23 PM

any progress on my questions?

Thanks TR

----Original Message-----

From: Housing housing@cityofepa.org>
To: trproven2@aol.com trproven2@aol.com>

Cc: Housing housing@cityofepa.org Sent: Fri, Dec 3, 2021 8:08 pm Subject: RE: Good meeting Thanks

Thank you for sharing your input on the EPA OPA ordinance with the City. We have forwarded it to the relevant staff and will share your comments with City Council. Your comments will be taken into consideration as we prepare for the next City Council item on the OPA ordinance. Council staff reports are posted at the following webpage: http://eastpaloalto.igm2.com/Citizens/Default.aspx

Thank you!

Housing Division
City of East Palo Alto

From: trproven2@aol.com <trproven2@aol.com> **Sent:** Wednesday, December 1, 2021 7:34 PM

To: Housing < housing@cityofepa.org>

Subject: Good meeting Thanks

- 1. I own a town house that has three unrelated tenants. Is this a "single family dwelling" (SFD)?
- 2. Rachel said the SFD doesn't have rent protections. I thought I was limited to a percentage increase (maybe 5%) annually with my property.

The second question is dependent of the first. If the property is a SFD and I increase the rent to market value?

Thanks

TR Proven 703-946-9423

From: <u>Erica Prado</u>

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; rwallace@cityofepa.org; Rachel Horst;

cityclerk

Subject: Against TOPA and COPA

Date: Wednesday, December 15, 2021 10:21:50 AM

I am against both proposals for many reasons.

The proposal has many flaws that affect us homeowner's. I attended the last two meetings and have heard lots of opposition by homeowner's, many with the same concerns and sentiments as mine, secrecy, deceit, violating rights, lowering property value, hurting homeowners investment.

I've owned my home in EPA for the past 26 years, and held a job as a public servant for the past 21 years and counting. I purchased my home with my hard earned money, no help from family, friends, non-profits, or the City of East Palo Alto. We live in a country with a lot of opportunity. My parents came to this country as immigrants, they own property because they worked hard, two jobs to be able to save enough to buy a home. Continued to work two jobs to buy a rental property here in EPA.

During a period of time when I didn't occupy my property in EPA, I rented it out to section 8 because I wanted to help and give that low-income, single parent an opportunity. My tenants rent obligation to me was \$16 per month, the rest came from San Mateo County Section 8 program. Things were good in the beginning, after a year the tenants \$16 per month obligation stopped, this went on for 6 months. The tenant was eventually evicted, in the process my property was destroyed, without any recourse, the tenant had no assets, no job.

We live in a democratic country, not a communist country. Seems like EPA wants to become communist City by this ordinance. Telling us homeowners what to do with our properties and if we don't follow your rules we will be fined penalties based on the ordinance.

If EPA was really interested in helping the low income community achieve homeownership, why don't you buy the empty lots currently available through out the city? Two on Clarke Ave, one on the intersection of Clarke & Donohoe, the other on Clarke by the Church behind Home Depot. Another on University and Donohoe (old veterinary hospital). Another on Schembri Lane on the Cooley Street side. Once these properties are acquired the City, then ask the non-profits to assist in build four Townhomes or six Condo's and then do a lottery system for the low-income community.

FHA loans are available for low-income people, with low credit score and low down payments.

The City of EPA has no business trying to pass TOPA/COPA ordinance that will affect the current homeowner's and the future revenue of the City.

EPA needs to work on the problems they have within the City departments. I shouldn't have to call the police department five times over the course of six weeks to report an abandoned vehicle parked across my home. I shouldn't have to call the Police Dept multiple times for a noise ordinance, with no action taken against the violators. I shouldn't have to defend myself against the Police Dept for shooting my dog on my property when a Police office jumped over my fence, with the lie that he was looking for someone in my backyard.

I shouldn't have to call the City of East Palo Alto Planning Division three consecutive days multiple times a day with no answer to schedule an inspection appointment. I left a message on a Friday after three calls and didn't receive a call back on Monday or Tuesday of the following week.

EPA needs to work on improving the schools and test scores. For the past 26 years the schools have not improved, you built new schools with no improvement to the test scores, some of the worst scores in the Nation.

Now that we have street cleaning why is no one enforcing the parking situation? What is the point of street cleaning? Any other City would give citations to vehicles that are blocking the street cleaning process.

I'm building an ADU on my property with my hard earn money as a public servant. I am not using a non—profit organization money, because I don't want them to tell me who can and can't live on my property. I want to be able to charge fair market value rent to my future tenant, not be limited to what a non-profit wants me to charge. I don't want the City of East Palo Alto to obligate me to sell my property and follow an ordinance that does not benefit me or my family or my heirs.

I sued the City of EPA & Police Department for violating my rights and I will join a class action law suit against this City if this ordinance passes. I will sign any petition to recall any and all City elected officials. There are more homeowners than renters in the City, imagine the impact a class action law suit will have on the City and reputation, more than 1000 signatures have been collected on Change.org to stop this Ordinance. It's possible those 1000+ individuals would be agreeable to join a class action law suit because of this ordinance. Save yourself the embarrassment.

Focus your time, effort and money on better ways to improve your City Departments, making your staff and employees accountable for their actions, or lack of. Be transparent with the homeowners of this City, by doing more research before passing any ordinance, give proper notice to all invested people of this City. Think about the long term cost and effect, repercussion it will have on the City and revenue.

Say NO! to COPA & TOPA and Yes! To a better, brighter, happier EPA!

Erica Prado/Owner

Subject: FW: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 2:23:31 PM

From: Nadr Essabhoy <info@sg.actionnetwork.org>
Sent: Wednesday, December 15, 2021 1:12 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

I do not believe OPA has been fully thought through and its negative impacts. Also, none of the actual mechanisms of how it would work have been ironed out. For example, the first right of refusal, does that mean a tenant has to match all the terms of an existing offer including types of financing, close of escrow time, contingencies or the lack of.

I agree that shortage of affordable housing is a huge problem, but OPA will just make this problem worse

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Nadr Essabhoy nadres@yahoo.com 1125 Cypress St East Palo Alto , California 94303

Subject: FW: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 2:23:39 PM

From: Zhushou Luo <info@sg.actionnetwork.org>
Sent: Wednesday, December 15, 2021 1:18 PM
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Zhushou Luo
stevezluo@gmail.com
4882 Clydelle Ave
San Jose, California 95124

Subject: FW: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 2:25:52 PM

From: Cindy Yu <info@sg.actionnetwork.org>
Sent: Tuesday, December 14, 2021 8:37 AM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Cindy Yu
cindy2003yu@yahoo.com
1772 nickel ave
San jose, California 95121

Subject: FW: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 3:19:31 PM

From: Amalia Arroyo <info@sg.actionnetwork.org>
Sent: Wednesday, December 15, 2021 3:12 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Amalia Arroyo

ljarroyo14@gmail.com

1543 Ursula way

East Palo Alto, California 94303

From: Hugo Lu
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 11:11:12 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Hugo Lu

hugoxlu@gmail.com

Palo Alto, California 94303

Subject: FW: Strongly Oppose OPA in EPA

Date: Thursday, December 16, 2021 3:34:10 PM

From: Magnolia Ellis <info@sg.actionnetwork.org>
Sent: Thursday, December 16, 2021 3:14 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Magnolia Ellis

s.ellis74@yahoo.com

1137 Westminster Ave

East Palo Alto, California 94303

Subject: FW: Strongly Oppose OPA in EPA

Date: Friday, December 17, 2021 9:28:13 AM

From: Joe Bob <info@sg.actionnetwork.org>
Sent: Thursday, December 16, 2021 7:56 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Joe Bob

aeksanthr@gmail.com

Palo Alto, California 94303

Subject: FW: Strongly Oppose OPA in EPA

Date: Friday, December 17, 2021 9:28:21 AM

From: Werner Rogmans <info@sg.actionnetwork.org>

Sent: Thursday, December 16, 2021 10:01 PM **To:** Jaime Fontes < jfontes@cityofepa.org> **Subject:** Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Werner Rogmans
wrogmans@hotmail.com
141 Holland St.
East Palo Alto, California 94303

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: FW: Strongly Oppose OPA in EPA **Date:** Thursday, December 16, 2021 9:20:34 AM

From: Nimish Vora <info@sg.actionnetwork.org>
Sent: Wednesday, December 15, 2021 7:17 PM
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Nimish Vora
nvora@yahoo.com
2410 Illinois Street
East Palo Alto, California 94303

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: FW: Strongly Oppose OPA in EPA **Date:** Thursday, December 16, 2021 9:20:43 AM

From: Randy Melton <info@sg.actionnetwork.org>
Sent: Wednesday, December 15, 2021 9:31 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Randy Melton
randymelton@yahoo.com
2278 Tuscany Court
East Palo Alto, California 94303

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: FW: Strongly Oppose OPA in EPA

Date: Thursday, December 16, 2021 9:20:53 AM

From: An. Var. <info@sg.actionnetwork.org>
Sent: Wednesday, December 15, 2021 9:43 PM
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes,

I am extremely concerned about OPA and hope the city rejects this outrageous ordinance as it is not in the interest of the community and the city as a whole. Surprised that it is even has been looked at by the city as it is wrong, unacceptable. Had a better perception of the city council and management hoping you are working in the interest of the community.

OPA does not and will not create any affordable housing. It will discourage new housing to be built and makes housing shortage even worse. As a home "owner" with a mortgage still in place to be paid off I will financially suffer, along with other owners and renters, from this stupidest idea as:

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process can be dragged for months thus discouraging potential buyers ;
- With OPA, we the taxpayers' will be burdened to pay for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

Etc., etc., etc.

For the benefit of East Palo Alto, including homeowners and tenants, please drop the voting on the rodinance and reject it on Dec 22, 2021.

Don't behave like a communist state Troika and listen to community more. No OPA in the City of EPA!

Thank you very much!

An. Var.

permiak2003@yahoo.com

 From:
 Jaime Fontes

 To:
 Rachel Horst

 Subject:
 FW: NO OPA for EPA

Date: Thursday, December 16, 2021 9:21:05 AM

From: c.p. chu <cpchu00@yahoo.com>

Sent: Wednesday, December 15, 2021 10:34 PM

To: Jaime Fontes < jfontes@cityofepa.org>

Cc: Rafael Alvarado <ralvarado@cityofepa.org>; Patrick Heisinger <pheisinger@cityofepa.org>;

rhorst@citofepa.org **Subject:** NO OPA for EPA

I am a new EPA house owner and the property is owner occupied. I am so shocked and upset about this OPA proposal that I was just aware of last week as one of my friends share that with me. If I have known about such OPA I will definitely not buying a property in EPA. It is a very discouraging proposal for anyone who is interested to move in this city. I like EPA because it has a great location and great future in this city. Big corporation and new business are moving in. EPA will become, like all other cities in the bay area, a beautiful and desirable city to live in.

I read online in city website some information about it. it is far from mature to be an ordinance. There is no projection for city future fiscal income, financial impact on current property owners/tenants. The property owners who buy the house using their hard earned money are now loosing their decision of transaction to the city. Why do they have to follow such ordinance? If the benefits are for the entire city, please explain in full to the property owners with projection. I am not a real estate professional nor a researcher, I do not see convincing rational statistic information in this EPA. This OPA sounds just like a concept for me.

My opinion is this OPA is not even ready to put on the vote yet. We need further study, research and consideration till majority of the community feel comfortable. No city would like to create a divided community by passing an ordinance that upset residents. Most important, not all the city residents were notified. It is very unfair that they could not voice on this issue without awareness. On top, we need a full disclosure from all the council members that they has no personal interest conflict in OPA now or in the future. They are responsible and responsive to the citizens who elected them.

Thank you for your support and consideration.

CP Cheng 408-221-2499

Subject: FW: Strongly Oppose OPA in EPA

Date: Friday, December 17, 2021 10:58:37 AM

From: Raymond Yu <info@sg.actionnetwork.org>

Sent: Friday, December 17, 2021 10:41 AM **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject:** Strongly Oppose OPA in EPA

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Raymond Yu promo4yu@gmail.com

Palo Alto, California 94303

From: j.funabiki@gmail.com

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones

Cc: Housing

Subject: Please delay action on OPA ordinance
Date: Saturday, December 18, 2021 10:30:26 AM

Mayor Romero, Vice Mayor Abrica, and Council Members Gauthier, Lopez, and Wallace-Jones,

I participated in the December 1 community meeting and the December 7 City Council session concerning the proposed Opportunity to Purchase Act ordinance. While I am in favor of programs that preserve affordable housing, that help retain local ownership of properties and that produce more housing opportunity in East Palo Alto, I believe that the proposed OPA plan needs extensive analysis and significantly more community outreach and input from various stakeholders. I had only learned about the OPA proposal and the Dec. 1 meeting a week before. The number of complaints and unanswered questions demonstrates that the OPA proposal is neither well understand nor backed up by research.

After listening to the staff presentations and the public questions and comments, it was clear to me that:

- City council members and staff have done a poor job of explaining the rationale for the OPA and how it will work. During the presentations, the staff did not explain numerous aspects of the OPA saying that they had already discussed it in previous meetings or that it had been covered in previous memos. However, it was clear from the public comments that this was very unsatisfactory, and many members of the public, including myself, were new to the subject matter. As just one example, staff in their presentation never clarified the meaning of "Qualified Non Profit," leading many members of the public to believe that any non-profit organization would be eligible to bid on a property, and leading some members of the public to declare that there was a "conspiracy" by nonprofits to hoard property.
- Staff could not or would not respond to questions about the economic impact of the OPA program. For example, what would be the property tax revenue impact if nonprofits purchase homes? How would the city finance the purchase of properties if it decides to do so? Staff should be directed to prepare a detailed, comprehensive financial impact analysis of the OPA program, and the report should be widely distributed to the community.
- A cost-benefit analysis that covers the OPA plan and alternatives to increasing affordable housing opportunities – such as building more homes – has not been done. If city and nonprofit housing organizations need to raise money to fund the acquisition of houses through OPA, wouldn't it be more impactful – and less disruptive -- to use those funds to construct new housing?
- The question of how the OPA might impact the housing market has not been fully answered. Numerous realtors have already warned of a "chilling effect," and one landlord confided to me that they had decided to withdraw from East Palo Alto because of OPA. They decided to evict current tenants and sell the rental house ahead of OPA.

Thank you very much,

Jon Funabiki

From: Nicole Grace
To: Housing

Subject: OPA upcoming vote

Date: Saturday, December 18, 2021 2:52:48 PM

Hi,

I am very upset to hear that you are taking actions that would reduce landlords profitability on investment properties. Food is as essential as housing, yet the government pays for food stamps. You don't force Doctors to pay for free medical for the poor. You offer Medi-cal. You don't force restaurants and grocery stores to pay the poors food. California has a huge surplus to help the poor and should do so. I would vote for that. I am not rich. In fact I had so much in costs associated my houses, I earned nothing last year and had to live off my small savings. Instead of investing in 401k retirement, I bought two houses in EPA so that I can afford to live when I retire.

You can't make individual people to pay for others support. The government should take the loss. That is what it is for.

Thank you, Nicole Grace 115 Wisteria Drive EPA, CA 91364

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 4:23:02 PM

Sent from my iPhone

Begin forwarded message:

From: Aditya Chauhan <info@sg.actionnetwork.org>

Date: December 19, 2021 at 12:49:12 PM PST To: Jaime Fontes < jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: Aditya@u.northwestern.edu

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
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- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Aditya Chauhan Aditya@u.northwestern.edu 939 runnymede street East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Sunday, December 19, 2021 4:23:18 PM

Sent from my iPhone

Begin forwarded message:

From: Jose Garcia <info@sg.actionnetwork.org>
Date: December 19, 2021 at 12:58:15 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: jogarcia1 2000@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Jose Garcia jogarcia1_2000@yahoo.com 935 Runnymede St



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 4:23:40 PM

Sent from my iPhone

Begin forwarded message:

From: Silver Rosales <info@sg.actionnetwork.org>

Date: December 19, 2021 at 1:15:49 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: silver770229@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Silver Rosales silver770229@gmail.com 974 Weeks St.



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 4:23:54 PM

Sent from my iPhone

Begin forwarded message:

From: Edward Xue <info@sg.actionnetwork.org>
Date: December 19, 2021 at 3:24:01 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: yuannongxue@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Edward Xue yuannongxue@gmail.com 1549 Pratt Place



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 4:24:08 PM

Sent from my iPhone

Begin forwarded message:

From: diana gorovich <info@sg.actionnetwork.org>

Date: December 19, 2021 at 3:27:52 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: gorovichdiana@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

diana gorovich gorovichdiana@yahoo.com 943 Baines str East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 4:24:23 PM

Sent from my iPhone

Begin forwarded message:

From: Sheneth BellAlbero <info@sg.actionnetwork.org>

Date: December 19, 2021 at 3:33:54 PM PST **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject:** Strongly Oppose OPA in EPA

Reply-To: twihigh@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

- Sheneth Bell'Albero

Sheneth BellAlbero twihigh@gmail.com

1111 Beech St East Palo Alto, California 94303

Subject:Fwd: Strongly Oppose OPA in EPADate:Sunday, December 19, 2021 4:24:36 PM

Sent from my iPhone

Begin forwarded message:

From: Mauricio BellAlbero <info@sg.actionnetwork.org>

Date: December 19, 2021 at 4:23:00 PM PST **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject: Strongly Oppose OPA in EPA Reply-To:** mauricio.bellalbero@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Mauricio BellAlbero mauricio.bellalbero@gmail.com 1111 Beech St



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 6:48:36 PM

Sent from my iPhone

Begin forwarded message:

From: Alexander Parkhomovsky <info@sg.actionnetwork.org>

Date: December 19, 2021 at 4:32:55 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: alex.parkhomovsky@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Alexander Parkhomovsky alex.parkhomovsky@gmail.com 943 Baines



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 7:56:12 PM

Sent from my iPhone

Begin forwarded message:

From: Rigoberto Zamora <info@sg.actionnetwork.org>

Date: December 19, 2021 at 6:52:06 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: rigozamora1019@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Rigoberto Zamora rigozamora1019@gmail.com 1660 Michigan Ave East Palo Alto, California Ca

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 7:56:25 PM

Sent from my iPhone

Begin forwarded message:

From: Socorro Gutierrez <info@sg.actionnetwork.org>

Date: December 19, 2021 at 7:10:00 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: ERodriguez650@icloud.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Socorro Gutierrez ERodriguez650@icloud.com 212 Verbena Dr



From: <u>Carol Cunningham</u>

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing

Subject: Perspective on EPA OPA

Date: Wednesday, December 8, 2021 11:56:07 PM

Dear East Palo Alto City Council Members,

I attended the community meeting last week and City Council's meeting last night to participate in the OPA discussion, and appreciate you staying so late to listen to everyone's input, although I agree with Councilmember Regina's comment that it probably wasn't necessary given such overwhelming opposition. Along this line, I would like to request that someone publish the number/% of responses in favor of and opposed to OPA because that should be taken into consideration, especially when community feedback is this clear and vocal. According to my general count from last night, there were ~85-90 speakers opposed and ~21 in favor with a few that were unclear, which is about an 80+% rate against OPA (at least in its current form) and/or the process. At the community meeting, over 90% of speakers expressed opposition, so this is not an evenly divided 2-sided issue as some are claiming.

Based on the operational details of OPA as described by Staff and listening to *all* of the comments from both meetings, I have synthesized the feedback into the following 4 key points:

- 1. There are 2 fundamental flaws with this ordinance that are the source of most objections from the community:
 - It restricts landlords' rights on selling their homes (to whom and when), which they purchased at market value with their hard-earned money and invested in to provide safe and comfortable housing for tenants (sometimes at a loss) who otherwise may be unable to afford and maintain these homes. For many of us, these properties are essential to our livelihood and retirement. Related to this issue, many speakers also felt this was an example of government over-reach and an abuse of power, with several references to communism. In addition, an unintended consequence of these restrictions is the violation of fair housing and 1031 exchange laws, which exposes the City to litigation. Specifically, fair housing law states: "California law mandates that all housing must be made available to all persons."
 - It interferes with the free market process because OPA will artificially LIMIT the market of buyers. Although the ordinance does not prevent a seller from eventually listing on the "open" market, the mandatory disclosure (by law in real estate) that there is a potential eligible buyer involved who would have all the advantages of being able to match the best offer, plus a lengthy timeline, is like a scarlet letter that would absolutely discourage any market buyers. I can't think of any buyer in our market who would waste their time writing an offer and then wait around for someone else to potentially match it and win. That buyer would just move on to the next house that doesn't have this defect. Therefore, the limited demand will depress the market value of these homes, which would also have a ripple effect as these lower sales would be used as comps for owneroccupied homes. And just the possibility that transactions could be hampered as noted in the above point will also reduce the desirability of our City and discourage future investment in general. I assume this is another unintended consequence as Staff has not addressed this issue of market manipulation in any of their presentations, but regardless of intent, it is a legitimate problem, which I can speak to with authority in my professional role as a Realtor and based on the well understood economic principle of

supply and demand.

- 2. As well-meaning as the intentions of Staff and Council are, there must be more effective solutions that won't create such vitriol, as the Mayor put it. It sounds like most, if not all, of the opposition supports affordable housing and wants to see our entire community thrive, but there are better tools that more appropriately address the issues of displacement and affordable housing, like actually building more affordable housing or offering subsidies. In fact, single-family homes are actually the most expensive type of housing and, according to the sales charts presented by Staff, would not nearly provide the volume of housing needed in any given year. I would also like to note that although Staff seemed to refer to those charts as evidence that the impact of OPA would be small, it's the collective number of homeowners and the potential number of total sales that is much greater and the bigger issue.
- 3. Related to the second point above, how does OPA actually solve the issue of displacement or affordable housing?
 - One speaker raised a very good question that hasn't been answered yet: "The City should share statistics demonstrating a compelling need for this ordinance. What currently stops tenants, nonprofits, or the City from buying property on the open market? **Over the past 10 years, how many instances were there of tenants, nonprofits, or the City making a good-faith offer on a property listed for sale on the open market, and NOT successfully completing a sale that this particular ordinance would have made possible?**". Remember that fair housing laws prohibit discrimination, so if a tenant/eligible purchaser is able and willing to offer fair market value, but is being discriminated against, there are existing laws to protect all buyers and action can be taken against the seller and the real estate broker.
 - Staff claims that market value won't be impacted, so if we humor that assumption and ignore my market interference point above, how will these tenants (who apparently need the assistance of OPA) be able to afford these market-rate homes that are not actually affordable? How does OPA magically solve the affordability issue? If we assume that the average market value of a single-family home is around \$1M, will these tenants have the funds for a down payment and the income to pay PITI + on-going maintenance? If so, why weren't they successful in purchasing on the open market instead of renting? Perhaps they need to find a better real estate agent.
 - One speaker made the point that it's easy to be a supporter of OPA from an ideological standpoint if you have nothing to lose and something to gain. Some of the supporters also identified as being affiliated with YUCA and indicated they are in high school, so do they truly understand the financial responsibility of purchasing and maintaining a home here? Another speaker questioned the financial literacy of some of the supporters and I question if they really understand how OPA will work based on their comments. It appears the reality of what OPA can offer supporters has been distorted and will result in disillusioned tenants while devastating homeowners (and tenants as landlords exit the market), which is a lose-lose proposition.
- 4. Many speakers also raised issues with the way this process has unfolded:
 - Lack of notifications/transparency: Many property owners, including myself, only found out about OPA recently through social media. Although there were apparently meetings before December, the City never notified us (I'm assuming mostly the landlords) of this impending ordinance, which is why we didn't participate sooner. As word spreads, opposition seems to grow and intensify.

- Rushed process and insufficient time to provide input: The process seems to be moving at warp speed, probably because many of us are just finding out about this issue now. Also, speakers have been limited to only 1 minute during the December meetings, so many cannot express their complete opinion without getting cut off.
- Lack of analysis: Several people have raised the lack of an economic impact analysis, which should also address a few of the above points and questions.

To provide some final perspective, even San Francisco, which is probably the most tenant-friendly city in the nation, has exempted single-family homes, and Washington D.C. later removed single-family homes due to legal (and other) problems. The community has spoken clearly and forcefully, so please respect our concerns. Based on the fundamental flaws and legal violations of OPA, coupled with the fact that OPA does not actually address the root housing issues and is generating immense opposition, I strongly urge you to reject OPA. I believe we can work together in a way that unites the community for the common good of ALL stakeholders, without penalizing anyone. I appreciate your consideration on this matter. Please let me know if you have any questions or would like to discuss any of these points in more detail.

Thank You, Carol Cunningham Real Estate Professional DRE#: 02054293 COMPASS 578 University Avenue Palo Alto, CA 94301 415-260-6727

https://www.compass.com/agents/carol-cunningham/

This email communication, its contents and attachments may contain confidential and/or legally privileged information which is solely for the use of the intended recipient(s), and the information contained herein shall not be forwarded, copied, printed, or otherwise used without the permission of the sender. Additionally, unauthorized interception, review, dissemination, downloading, or disclosure is strictly prohibited and may violate applicable law, including the Electronic Communications Privacy Act. If you are not the intended recipient, please immediately notify the sender by reply email, delete the communication, and destroy all copies. I have not verified or investigated, nor will I verify or investigate, information supplied by third parties.



From: <u>Carol Cunningham</u>

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: Re: Perspective on EPA OPA

Date: Sunday, December 19, 2021 12:47:33 AM

Dear East Palo Alto City Council and Staff,

As a follow-up to my previous summary based on the 2 December meetings I attended, I also reviewed all of the emails that the City has published so far on this subject (up to 12/7) and wanted to include a few additional points and clarifications that I had not captured or were not raised during the Zoom calls. For ease of reference, I included these updates within the body of my original email below, prefaced with "CC:" and highlighted in yellow. This email should now represent a fairly comprehensive picture of the opposition's position.

In addition, during the course of my research, there is 1 particular finding that I want to bring to your attention because it was shocking to me. The outreach primarily targeted those stakeholders who would benefit from OPA i.e. ~70% were tenants, plus some youth organizations. As someone mentioned, it is easy to support a policy from an ideological perspective when you have *nothing* to lose and everything to gain. Out of the ~30% homeowner participants, how many were absentee owners? And of the racial representation, what were the numbers of Asians (e.g. Chinese) and Whites/Europeans? Based on the data provided, I can only identify maybe 2 landlords and 1 real estate agent that participated in 1 focus group, but the scope of the questions for that group was very limited. How is this considered a meaningful outreach with a balanced representation of EPA stakeholders? One of the participants even stated: "It's true the homeowners will suffer, but for greater good for people with modest or very low means."

After reviewing these emails and as I begin my investigation into the Staff reports, I feel even more compelled to protest this appalling ordinance and the way it has advanced to this point. The issues I've outlined in this email are based on the operational details of the ordinance as described by Staff and expressed over and over again by different people at different times from different backgrounds and in different formats. I resent that some supporters are using the term "fear-mongering" to dismiss very legitimate concerns and issues with this proposal without actually addressing any of them. We are not dismissive of the plight of tenants and low-income residents, so would appreciate the same courtesy.

Carol Cunningham
Real Estate Professional
DRE#: 02054293

COMPASS 578 University Avenue Palo Alto, CA 94301

415-260-6727

Thank You.

https://www.compass.com/agents/carol-cunningham/

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On Wed, Dec 8, 2021 at 11:55 PM Carol Cunningham < carol.cunningham@compass.com> wrote:

Dear East Palo Alto City Council Members,

I attended the community meeting last week and City Council's meeting last night to participate in the OPA discussion, and appreciate you staying so late to listen to everyone's input, although I agree with Councilmember Regina's comment that it probably wasn't necessary given such overwhelming opposition. Along this line, I would like to request that someone publish the number/% of responses in favor of and opposed to OPA because that should be taken into consideration, especially when community feedback is this clear and vocal. According to my general count from last night, there were ~85-90 speakers opposed and ~21 in favor with a few that were unclear, which is about an 80+% rate against OPA (at least in its current form) and/or the process. At the community meeting, over 90% of speakers expressed opposition, so this is not an evenly divided 2-sided issue as some are claiming.

Based on the operational details of OPA as described by Staff and listening to *all* of the comments from both meetings, I have synthesized the feedback into the following 4 key points:

- 1. There are 2 fundamental flaws with this ordinance that are the source of most objections from the community:
 - It restricts landlords' rights on selling their homes (to whom and when), which they purchased at market value with their hard-earned money and invested in to provide safe and comfortable housing for tenants (sometimes at a loss) who otherwise may be unable to afford and maintain these homes. For many of us, these properties are essential to our livelihood and retirement. Related to this issue, many speakers also felt this was an example of government over-reach and an abuse of power, with several references to communism. In addition, an unintended consequence of these restrictions is the violation of fair housing and 1031 exchange laws, which exposes the City to litigation. Specifically, fair housing law states: "California law mandates that all housing must be made available to all persons."

CC: I should not have narrowed this flaw to just impacting landlords (and investors) and was actually trying to exhibit balance in my summary. Although owner-occupied homes are technically exempt (for now), all property owners are part of the same ecosystem and will be impacted to some degree. Specifically, some community members have indicated that even if their home is exempt now, they may need to rent it out or move out for some reason in the

future, so would then become absentee owners. Other owner-occupiers are impacted/concerned because of the ADU inclusion.

I also wanted to include the additional header text from the Fair Housing Laws and Discrimination Advisory required for all real estate transactions: "California law mandates that all housing must be made available to all persons. Discrimination means showing a bias against or a preference for anyone who is in a protected class. Discrimination in housing is illegal under state and federal law."

• It interferes with the free market process because OPA will artificially LIMIT the market of buyers. Although the ordinance does not prevent a seller from eventually listing on the "open" market, the mandatory disclosure (by law in real estate) that there is a potential eligible buyer involved who would have all the advantages of being able to match the best offer, plus a lengthy timeline, is like a scarlet letter that would absolutely discourage any market buyers. I can't think of any buyer in our market who would waste their time writing an offer and then wait around for someone else to potentially match it and win. That buyer would just move on to the next house that doesn't have this defect. Therefore, the limited demand will depress the market value of these homes, which would also have a ripple effect as these lower sales would be used as comps for owner-occupied homes. And just the possibility that transactions could be hampered as noted in the above point will also reduce the desirability of our City and discourage future investment in general. I assume this is another unintended consequence as Staff has not addressed this issue of market manipulation in any of their presentations, but regardless of intent, it is a legitimate problem, which I can speak to with authority in my professional role as a Realtor and based on the well understood economic principle of supply and demand.

CC: The artificial suppression of demand due to the right of first refusal benefit will also reduce demand for owner-occupied homes. I believe investors make up a meaningful percentage of the EPA buyer market today and if they will be subject to OPA, they will choose to invest elsewhere, so owner-occupied homes will suffer as well due to the reduction in interested buyers.

- 2. As well-meaning as the intentions of Staff and Council are, there must be more effective solutions that won't create such vitriol, as the Mayor put it. It sounds like most, if not all, of the opposition supports affordable housing and wants to see our entire community thrive, but there are better tools that more appropriately address the issues of displacement and affordable housing, like actually building more affordable housing or offering subsidies. In fact, single-family homes are actually the most expensive type of housing and, according to the sales charts presented by Staff, would not nearly provide the volume of housing needed in any given year. I would also like to note that although Staff seemed to refer to those charts as evidence that the impact of OPA would be small, it's the collective number of homeowners and the potential number of total sales that is much greater and the bigger issue.
- 3. Related to the second point above, how does OPA actually solve the issue of displacement or affordable housing?

CC: If OPA were to play out as supporters think it will/should, how does it actually benefit potential eligible buyers over and above the current mechanisms for buying a home without harming homeowners? Do supporters assume that the market is just simply going to comply

with the OPA process/timeline and behave as it would in a truly free/open market with no adverse impact?

- One speaker raised a very good question that hasn't been answered yet: "The City should share statistics demonstrating a compelling need for this ordinance. What currently stops tenants, nonprofits, or the City from buying property on the open market? **Over the past 10 years, how many instances were there of tenants, nonprofits, or the City making a good-faith offer on a property listed for sale on the open market, and NOT successfully completing a sale that this particular ordinance would have made possible?**". Remember that fair housing laws prohibit discrimination, so if a tenant/eligible purchaser is able and willing to offer fair market value, but is being discriminated against, there are existing laws to protect all buyers and action can be taken against the seller and the real estate broker.
- Staff claims that market value won't be impacted, so if we humor that assumption and ignore my market interference point above, how will these tenants (who apparently need the assistance of OPA) be able to afford these market-rate homes that are not actually affordable? How does OPA magically solve the affordability issue? If we assume that the average market value of a single-family home is around \$1M, will these tenants have the funds for a down payment and the income to pay PITI + ongoing maintenance? If so, why weren't they successful in purchasing on the open market instead of renting? Perhaps they need to find a better real estate agent.

CC: For this bullet point, one of the emails states: "If the City, Non-profits, and Current Residents Were Actually Paying Fair Market Value, they Would Not Need a Right of First Refusal. The proposed right of first refusal would be unnecessary if the city, non-profits, and existing tenants were paying fair market value as they would necessarily be the highest and best bidders on homes listed on the market today." The design of OPA seems to contradict what Staff are claiming in that our home values would not suffer. If so, then what is the point of OPA?

• One speaker made the point that it's easy to be a supporter of OPA from an ideological standpoint if you have nothing to lose and something to gain. Some of the supporters also identified as being affiliated with YUCA and indicated they are in high school, so do they truly understand the financial responsibility of purchasing and maintaining a home here? Another speaker questioned the financial literacy of some of the supporters and I question if they really understand how OPA will work based on their comments. It appears the reality of what OPA can offer supporters has been distorted and will result in disillusioned tenants while devastating homeowners (and tenants as landlords exit the market), which is a lose-lose proposition.

CC: There is extremely little community support for OPA and the little support that's been expressed not only is NOT compelling, it doesn't even explain why/how OPA will help and why they are supporting it, which leads me to believe that they don't truly understand what it does (and doesn't do), as well as the implications for their neighbors who own property. I only saw 2 supportive emails that were from local residents. A 3rd seemed to be offering her suggestions as a consultant, but gave no indication of living in/near EPA. One of the

supporters emailed: "But the benefits in permanent affordability outweigh the costs for investors who will do quite well anyway. I think exempting owner occupied units completely from OPA would short circuit the scare tactics which are fanning the flames." This statement is insulting and naive, especially for those of us who are working hard to maintain these homes for our tenants and barely breaking even or are losing money. Another supporter wrote a letter that sounded more like a sermon, which I think we can all actually agree with. However, I wasn't able to determine how OPA is relevant to anything he states in that letter. Where are the outreach group participants who provided the input to craft this ordinance? Why aren't they defending OPA?

- 4. Many speakers also raised issues with the way this process has unfolded:
 - Lack of notifications/transparency: Many property owners, including myself, only found out about OPA recently through social media. Although there were apparently meetings before December, the City never notified us (I'm assuming mostly the landlords) of this impending ordinance, which is why we didn't participate sooner. As word spreads, opposition seems to grow and intensify.

CC: Why were the vast majority of the outreach participants the target beneficiaries of an OPA policy (i.e. 70% tenants + youth)? It seems like a very large swath of community members that would be negatively impacted were excluded from this outreach, which is extremely suspicious and explains the fierce backlash. This includes a lack of translation into different languages and was mentioned multiple times.

- Rushed process and insufficient time to provide input: The process seems to be moving at warp speed, probably because many of us are just finding out about this issue now. Also, speakers have been limited to only 1 minute during the December meetings, so many cannot express their complete opinion without getting cut off.
- Lack of analysis: Several people have raised the lack of an economic impact analysis, which should also address a few of the above points and questions.

CC: The FAQ mentioned that a 3rd party economic study wasn't required to pass an ordinance and the "economic analysis" relies only on Washington DC as an example, which I'm wondering whether it's applicable.

5. There were a number of additional concerns that I'll just group together into a miscellaneous 5th bucket. I believe they're just as valid, but are perhaps secondary to the above 4 points in my opinion. These concerns include (in no particular order):

- Loss in property tax revenue to the city/schools
- Administrative burden/costs of enforcing this ordinance
- Other imperatives the City should be focusing on to improve the quality of life for residents, instead of creating more problems
- Conflict of interest with some of the Staff and decision-makers
- I haven't even touched on the problems created by the timeline and intricacies of how an offer negotiation can unfold, although someone has attempted to do so, which was quite complicated to follow
- Increased blight because some tenants may not be able to maintain the homes they purchased
- OPA is punitive for owners because the penalties, expense, burden and weight of this ordinance disproportionately falls on homeowners e.g. lengthy delays, additional carrying costs, legal fees, reduced property values, etc, but there are no penalties or accountability for eligible purchasers
- Owners are vulnerable to abuse, extortion and collusion, which was documented in Washington D.C. e.g. tenant and "market" buyer teaming up to reduce purchase price, extorting owners to prevent tenants from interfering with the sale, selling their rights to a 3rd party, etc
- Tenants may squeeze into housing in order to combine their resources to purchase a home through OPA, which creates additional problems related to over-crowding

To provide some final perspective, even San Francisco, which is probably the most tenant-friendly city in the nation, has exempted single-family homes, and Washington D.C. later removed single-family homes due to legal (and other) problems. The community has spoken clearly and forcefully, so please respect our concerns. Based on the fundamental flaws and legal violations of OPA, coupled with the fact that OPA does not actually address the root housing issues and is generating immense opposition, I strongly urge you to reject OPA. I believe we can work together in a way that unites the community for the common good of ALL stakeholders, without penalizing anyone. I appreciate your consideration on this matter. Please let me know if you have any questions or would like to discuss any of these points in more detail.

Thank You,

Carol Cunningham

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From: <u>Carol Cunningham</u>

To: Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: OPA Public Hearing Follow-Up

Date: Friday, December 24, 2021 12:05:30 AM

Dear East Palo Alto City Council and Staff,

I attended the public hearing on 12/22 and appreciated the mostly thoughtful deliberation, as well as your decision to conduct further analysis (thank you!). Because we weren't allowed to ask questions during the meeting, I would like to respectfully request that Staff and your consultant include the following questions/concerns in their analysis as these items have not been addressed or raised by anyone as far as I'm aware, even during last night's meeting:

1. Investigate the Right of First Refusal (RoFR) impact, including associated timelines, on the market and sale prices for single-family homes. When Nora indicated that there would be no "material" loss or limit on sale price because of "strong market forces", this seems to be a general statement based on the greater Bay Area region and a truly free/open market. However, OPA's restrictions hamper the market and will discourage market buyers as the RoFR condition/timelines would need to be disclosed (material facts impacting a property must be disclosed by law). Can she, or any reputable consultant, claim that the market will behave the same regardless of OPA/RoFR and that market buyers will not be deterred when there is a RoFR condition on a property? If so, what is the data that supports this? One resident has already shared studies regarding RoFR that confirm the opposite. Even OPA supporters recognize that homeowners will be adversely impacted based on quotes I've already shared with you, so it's apparently intuitive to the entire community and not just the opposition.

Clearly, the economic principle of supply and demand apply, as we all recognize, but that's the crux of the issue as OPA will artificially reduce demand because a) OPA will discourage buyers in general due to the restrictions on selling and the subsequent impact to the market (even just the fear and uncertainty is enough to shift market dynamics) and b) those buyers that are left are *disincentivized* from submitting offers on those properties with the OPA RoFR condition. As a result, reduced demand means lower prices for everyone. All homeowners are part of the same ecosystem, so when one segment of the market suffers, as appears to be intended for absentee owners, there will be ripple effects across the entire market, even for those owners who are "exempt". **Knowing that a significant percentage of homeowners (and prospective buyers)** are absentee/investors, as Councilmember Romero made abundantly clear, doesn't it seem obvious that if you alienate this segment of the market there will be negative repercussions for anyone trying to sell?

2. Hire a <u>local</u> consultant who understands the East Palo Alto (EPA) and surrounding real estate markets. As you may be aware, the Bay Area market is very unique and consists of many micro-markets, not just between cities, but even within cities and on a street-by-street basis (e.g. Redwood City, Menlo Park, Palo Alto, San Mateo, San Jose, etc). Therefore, it's crucial that you choose a <u>local</u> consultant who is experienced in these hyper-local markets and EPA in particular. Nora appears to be based in Irvine, so I assume does not have local expertise, which is absolutely critical for this type of analysis. For example, is Nora aware that EPA's market is more fragile/volatile and very different from its surrounding neighbors? I know that many community members have a profound love for our city, but to the "outside" world, EPA is unfortunately still stigmatized and buyers/investors will not

hesitate to look elsewhere if the City creates a hostile environment. OPA may even push property values higher in surrounding neighborhoods (e.g. Belle Haven, Redwood City) as those buyers/investors seek stability elsewhere. I periodically check the status of single-family home sales in EPA and regularly see price reductions, sale prices below list and lengthy Days on Market, even during this pandemic-fueled market.

- 3. Why did San Francisco exempt single-family homes and Washington D.C. remove single-family homes after decades? Why do no other cities include single-family homes in their OPA ordinance? Please also review this article and give us your perspective. Is this misinformation?
- 4. Provide clarity on the purpose/merit of OPA and data on how OPA actually achieves those goals e.g. the number of tenants who will realistically benefit and how OPA stabilizes the community. For the sake of argument, if we assume that there will be no material impact on the market, so Potential Eligible Purchasers can/will purchase homes at market value, why do we need OPA and RoFR? According to Councilmember Romero, OPA is another tool to "provide stabilization" and to "reduce displacement", but how does OPA actually achieve those goals? We heard from one of the other Councilmembers that OPA is not an anti-displacement/affordable housing solution, so it appears that the City Council is not even aligned on the intent of OPA and if this Councilmember is correct, which is how we see it too, then there is clearly misinformation circulating within the supporters, so please clarify. Otherwise, based on Councilmember Romero's statements and attitude, it actually appears that OPA's not-so-veiled goal is to eject absentee owners and investors from EPA.

Also, the following question has been posed multiple times, but never answered: "The City should share statistics demonstrating a compelling need for this ordinance. What currently stops tenants, nonprofits, or the City from buying property on the open market? **Over the past 10 years, how many instances were there of tenants, nonprofits, or the City making a good-faith offer on a property listed for sale on the open market, and NOT successfully completing a sale that this particular ordinance would have made possible?**". One long-term resident/landlord recently stated what I have also said and believe to be true with most landlords and that is we would *prefer* to sell to our tenant if they are able/willing to pay fair market so we don't need an ordinance to impose such a restrictive and punitive process.

- 5. How do you address concerns around violations of Fair Housing laws and 1031 exchange timelines?
- 6. **More balanced community outreach.** As I expressed in an earlier email and some of the Councilmembers have recognized, the outreach, especially the Affinity Group meetings, was very one-sided. I would be happy to schedule a meeting with Staff and some homeowners to have a discussion and expand on our input or attend the next office hours. I did not have the opportunity to do so earlier as I found out about this ordinance so late and have been scrambling to catch up.

With these unanswered questions, the amendments proposed by Councilmember Romero do not meaningfully improve the ordinance. For meaningful change, all single-family homes need to be exempted, as other cities have done. I also want to express that Councilmember Romero's contempt and vilification of absentee owners, Realtors, the opposition and the free

market is palpable, extremely offensive and inappropriate for a public official. Mr. Romero's statements are divisive and create an "us" v. "them" mentality, which I believe is also a page out of the "Trumpian" playbook that he referenced. I have already given you some background on my connection to EPA and how I've been helping my tenant through this pandemic, in addition to having family live here, so do I not deserve to have a voice in this matter? I have been bullied and discriminated against my entire life, so find it completely unacceptable to be disparaged like this. I also do not appreciate that our very legitimate concerns as outlined in my above points and past emails are being dismissed as misinformation and lies, which seems like another political strategy to avoid addressing the issues. If our statements and conclusions are truly misinformation and lies, then please explain why and help us reconcile this information by responding to these questions and issues. I look forward to receiving a response from someone/anyone who can provide these details. In the meantime, I hope you have a pleasant holiday.

Thank You, Carol Cunningham

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From: <u>Carol Cunningham</u>

To: Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: Correction Requested

Date: Thursday, December 30, 2021 2:49:04 PM

Dear East Palo Alto City Council and Staff,

I attached a photo of the large postcard sent by Graeham Watts and referenced on the 12/22 call by Councilmember Romero (https://youtu.be/GMof8RSMXC4?t=3471), which he used to accuse Graeham of stating that the market will drop by 30%. Please read the actual text of the card. I believe making this type of false accusation, especially for the purpose of denigrating a professional in our community, to be irresponsible of a public official and leads to questions surrounding the integrity of that Councilmember's other claims.

Carol Cunningham

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Modifications to this proposal are currently being considered by the city and will be brought up at the next meeting December 1, will then be presented at the next count meeting on Dec 7th,

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INTERO

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From: <u>Carol Cunningham</u>

To: Housing; Ruben Abrica; Regina Wallace - Jones; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Carlos Romero;

Rachel Horst; Patrick Heisinger; Jaime Fontes; Rafael Alvarado

Subject: COPA Op-Ed from Former SJ City Councilmember

Date: Thursday, January 13, 2022 9:45:45 AM

Dear East Palo Alto City Council and Staff,

I just emailed a chart this morning that I thought would be helpful in understanding the EPA real estate market and how it compares with our surrounding area. I hope you will review it before the 1/18 meeting. In the meantime, I also wanted to share this brief Op-Ed piece written by a former San Jose City Councilmember that was recently published in the Mercury News. I look forward to hearing your thoughts on this!

Thank You,

Carol Cunningham

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Opinion: San Jose housing proposal is expensive, expands bureaucratic process

A real estate broker could proactively find properties without disrupting the open market



Karl Mondon/Bay Area News Group

San Jose has been struggling to purchase sufficient affordable housing to meet the city's needs.

By JOHNNY KHAMIS |

PUBLISHED: December 21, 2021 at 5:15 a.m. \mid UPDATED: December 21, 2021 at 5:21 a.m.

While I was serving on the San Jose City Council, the Housing Department staff was tasked with providing solutions to increase our low-income housing inventory to help alleviate the housing crisis. Sometimes their ideas were good. Other times they came up with expensive, bureaucratic and potentially illegal ideas.

One such expensive and bureaucratic idea currently being considered is COPA, the "Community Opportunity to Purchase Act."

Under COPA, any rental property owner, whether they are a mom and pop owning one rental unit or a corporation owning 200 units, would be forced to provide the city and nonprofits over a month with the first right to submit an offer before the public has access to purchase the property. Then, if the nonprofit matches a competing public offer, the property owner would be required to accept the nonprofit's offer, with the possible risk that terms and conditions have not been met. Meanwhile, all this would be accomplished with the creation of an even larger bureaucratic process that would be run by the San Jose Housing Department.



First, a whole department will need to be set up to regulate all housing sales, and it will need to be empowered to give and collect fines for people who sell their units without following these new regulations. New departments are often expensive to run with city employees and may not result in a single unit being purchased through the new regulation. In fact, in San Francisco, where COPA has been implemented for the last two years, only 37 units have been purchased by the city as a result of this unproductive ordinance. On the other hand, hiring a real estate agent does not cost the city any money since realtors work on a commission basis and are incentivized to find properties quickly to earn that commission.

Second, this new time-consuming process could cost the owner or the city money and open the city to lawsuits because it interferes with the normal sales process. While the city or nonprofits decide on whether or not to bid on a unit, the clock is ticking. In these fast-paced markets, the price could fluctuate greatly during the 30-day period required by the regulation. Instead, the city and nonprofits should do what the rest of property buyers must do and get a preapproved loan and ask an agent to find a property that falls within that price range. This would allow the buyer, whether it is the city or a nonprofit, to react as fast as other buyers and avoid lawsuits.

There is a lot of money coming into the Housing Department from federal, state and new local tax sources to help alleviate the housing crisis. Let's not waste it all on inventing a new bureaucratic system for commerce that will not yield any additional inventory. Instead of inefficiently utilizing taxpayer resources, the City of San Jose can mitigate its inability to find properties by hiring a brokerage. The broker can proactively find properties without disrupting the open market while saving time and money for the city and nonprofits.

Johnny Khamis is a former San Jose city councilman.

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Tags: Affordable Housing, Housing Crisis, Housing Development, San Jose City Council



Johnny Khamis



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From: <u>Carol Cunningham</u>
To: <u>nora@draconsultants.com</u>

Cc: Housing; Ruben Abrica; Regina Wallace - Jones; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Carlos Romero;

Rachel Horst; Patrick Heisinger; Jaime Fontes; Rafael Alvarado

Subject: East Palo Alto Real Estate Market Analysis for OPA

Date: Thursday, January 13, 2022 9:19:53 AM
Attachments: Average Annual Sales Price Comparison.pdf

Hello Nora.

Happy new year! I'm a property owner in East Palo Alto (EPA) and also have family who lives there. I attended the 12/22/21 City Council meeting to deliberate the proposed OPA ordinance and heard you provide your assessment of the EPA real estate market, which was quite surprising to me. Your summary may apply to the Bay Area region overall and many of the cities in the area, but EPA's market is <u>not</u> like its neighbors, due to its history and many other factors. Based on my experience as a local Realtor, I'd like to share 2 key concerns that were not addressed during the City Council meeting that I'm hoping you can respond to:

1. It appears that you are based in Irvine, so do you have experience with our hyper-local markets, which can differ dramatically, even within the same city e.g. Belle Haven v. Central/West Menlo Park? Please note that East Palo Alto is a different municipality than Palo Alto and is not an extension, as many non-locals have easily mistaken. I also spoke with another Realtor who conducts a lot of business in EPA and he confirmed that anyone who is familiar with the EPA market would never characterize it the way you did during that meeting. I attached a chart that compares the average single-family home sales price between EPA and our closest neighbors, Palo Alto and Menlo Park, to help illustrate this point.

As you can see, the EPA market is very different from the surrounding communities in that it is aggressive on the downside, but sluggish on the upside. The divergence starts to accelerate a few years before the Great Recession. Around that time, values dropped by 60% in EPA, whereas more "desirable" communities actually increased first and then eventually declined by only ~15% *from the prior peak*, if at all depending on the specific condition/location of the home. This is a 4x difference! In addition, the EPA market has been relatively flat over the last few years, while the Bay Area region (and the nation) has continued to set record after record during the pandemic-fueled market. And this is without an OPA ordinance.

Due to the desirability issues in EPA, buyers/investors will not hesitate to look elsewhere (or even exit the market) if the City creates a hostile environment for investors, who make up a significant portion of the buyer pool at around 30%-40%. I periodically check the status of single-family home sales in EPA and regularly see price reductions, sale prices below list and lengthy Days on Market. This is why EPA's market is more fragile and at risk of significant downside if it is disrupted with an arduous and punitive ordinance like OPA.

2. Investigate the Right of First Refusal (RoFR) impact, including associated timelines, on the market and sale prices for single-family homes. When you indicated that there would be no "material" loss or limit on sale price because of "strong market forces", this seems to be a general statement based on the greater Bay Area region and a truly free/open market. However, OPA's restrictions hamper the market and will discourage market buyers as the RoFR condition/timelines would need to be disclosed (material facts impacting a property must be disclosed by law). Can you claim that the market will behave the same regardless of OPA/RoFR and that market buyers will not be deterred when there is an OPA/RoFR

condition on a property? If so, what is the data that supports this? One resident has already shared multiple studies regarding RoFR that confirm the opposite.

Clearly, the economic principle of supply and demand apply, as we all recognize, but that's the crux of the issue as OPA will artificially reduce demand because a) OPA will discourage buyers in general due to the restrictions on selling and the subsequent impact to the market (even just the fear and uncertainty is enough to shift market dynamics) and b) those buyers that are left are *disincentivized* from submitting offers on those properties with the OPA/RoFR condition. As a result, reduced demand means lower prices for everyone. All homeowners are part of the same ecosystem, so when one segment of the market suffers, there will be ripple effects across the entire market, even for those owners who are "exempt". Knowing that a significant percentage of homeowners (and prospective buyers) are absentee/investors, doesn't it seem obvious that if the City alienates and drives away this segment of the market there will be negative repercussions for anyone trying to sell? This could then spiral as prices start to decline and fewer buyers participate in the market due to fear and uncertainty around the implications that OPA may have on them.

I look forward to hearing from you soon!

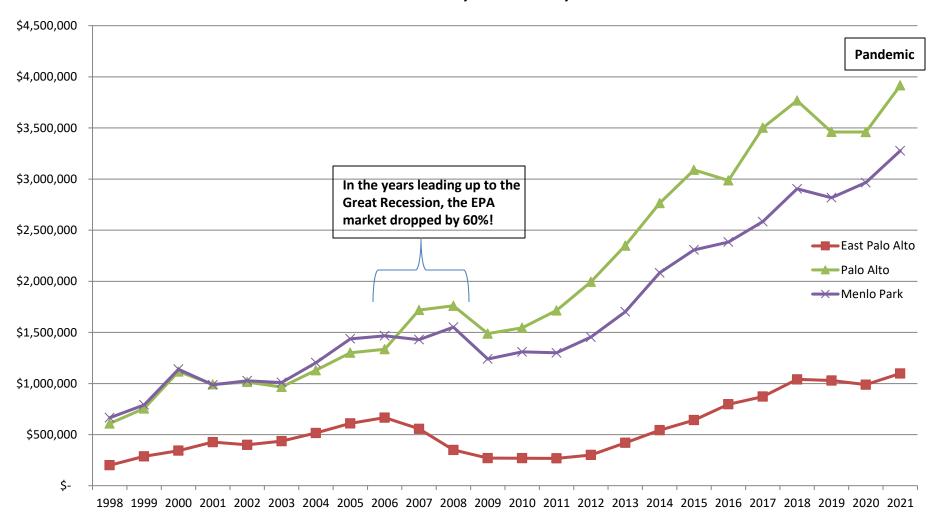
Thank You, Carol Cunningham Real Estate Professional DRE#: 02054293 COMPASS 578 University Avenue Palo Alto, CA 94301 415-260-6727

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Average Sale Price Comparison for Single-Family Homes Since 1998 East Palo Alto, Palo Alto, Menlo Park





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carol.cunningham@compass.com



From: <u>Carol Cunningham</u>

To: Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: OPA Follow-Up After Staff Meeting

Date: Saturday, January 15, 2022 4:26:03 PM

Dear Rachel and East Palo Alto City Council/Staff,

Thank you Rachel and Karen for your time in meeting with me Thursday. I thought it was a productive conversation and helped fill some gaps in my understanding of the City's process in developing OPA. Due to the brief nature of our call, I wanted to follow up with these additional thoughts and questions for you and the City Council to consider, especially because I'm even more concerned now about the City's approach and strategy on this ordinance.

- 1. Rachel affirmed that the City is clear-eyed that OPA is not an affordable housing solution and is just "1 tool in the toolbox", and that if OPA passes, it would be the starting point to launch additional programs and tools to provide the needed support/resources. However, with financing being the primary obstacle for tenants, isn't the OPA strategy putting the cart before the horse? Wouldn't it make more sense to build the funding programs first and then see if this solves the issue for tenants before resorting to OPA? We don't even know that time/opportunity is actually a problem, especially given the current tenant protections and notice periods in place, yet, this is what the CIty is trying to solve for first? Rachel even admitted that there's no way for them to know of failed attempts to purchase by tenants, so how do you know this is even an issue and one that would be solved by OPA? Doesn't this seem backwards?
- 2. Rachel stated that the notice/pre-market period (up to 65 days) still isn't enough time for tenants to get their financing and paperwork together, which is why there are additional conditions and timelines after the home goes on the market. However, this doesn't make sense because the tenant needs to have their financing and bank statements lined up in order to be able to submit an offer during the notice period in the first place, even with OPA. Therefore, how is the Right of First Refusal (RoFR) and additional timeline after a home goes on the market relevant to the financing and paperwork requirement? A tenant who gets prequalified will know their maximum limit and this will not change when the home goes on the market, so what additional financing and paperwork is needed that justifies a RoFR condition and additional timeline? The only additional paperwork after the initial offer are potential counter-offers that the Realtor handles during a normal negotiation. It does not require additional paperwork from the tenants that they should not already have i.e. bank statements and pre-approval letter.
- 3. Rachel and Karen explained that the outreach was targeted at those stakeholders that you felt would have difficulty participating in the public process using technology e.g. email and Zoom, which conveniently biases the demographics of the participants. The issue with this approach is that the feedback from the skewed outreach was used to help draft the ordinance, so was very powerful, whereas the opportunity for the rest of the stakeholders to provide input can only now be reactionary, which creates an uphill battle and much larger burden on the rest of the community to challenge/modify the ordinance after-the-fact. Is this imbalanced approach really acceptable to the City?
- 4. Rachel explained that the City made a deliberate choice to include single-family homes in OPA, despite lessons from other cities like SF and DC, based on "community need" and

"trade-offs", which seems to hinge on the City's misguided assumption that market values won't be impacted. Also, how was this "community need" determined? It couldn't be based on actual data as you said you can't identify if there is even a problem in the current marketplace, so are you relying on the input from ~67 people in the Affinity Group who are apparently technically challenged and did their input clearly indicate that the primary issue with purchasing a home is that there is not enough time during the notice period? After the last month or so of public input, meetings and various discussions, the crux of the issues from the opposition really centers around 2 main points (although there are certainly other problems that have been raised around analysis, outreach, transparency, legality, etc):

- A) The lack of meaningful benefit (and potential abuse) of OPA over the current process. You mentioned 1 anecdotal case where a non-profit failed to purchase a home because they didn't have sufficient time to get board approval and/or to secure funding. However, aren't there more cases of tenants and non-profits who have successfully purchased homes without needing OPA? Just recently, a resident provided an example of a homeowner successfully selling to a non-profit and apparently below market. Failing to purchase because of lack of time to get approval, make a decision, secure financing, complete paperwork, etc can happen to any buyer. In fact, there are many disappointed buyers every day who fail to purchase homes. One or 2 cases of a failed attempt by a non-profit does not define a compelling need for such an arduous and punitive process. How many additional purchases does the City actually expect tenants/non-profits to close with OPA, above and beyond what could be achieved in the free market today? Is that a meaningful number that is worth the "trade-offs", risk and consequences?
- B) The resulting adverse impact to home values due to the manipulation of the free market as a result of the RoFR condition and timelines. In addition, due to the free market issue, you actually increase displacement and destabilize the community as investors exit/bypass EPA, which reduces rental housing stock, and as some landlords evict tenants to move in and exempt themselves. Therefore, OPA is actually a lose-lose proposition and doesn't even rise to the level of a "trade-off" as you suggest. What I'm struggling to understand is why it's so difficult for the City to acknowledge that OPA hampers the free market and because of this, will deter buyers. Therefore, prices will be impacted due to the basic concept of supply and demand, as Nora also recognized. Even supporters admit that homeowners will suffer and this is without prompting.

In addition, Councilmember Romero referred to the Penn Central Supreme Court decision in the 12/22 meeting in an attempt to justify OPA's adverse impact on property values because this court decision confirmed that it is "not a taking [by the City] to reduce the value of someone's property". You can hear his statement in this recording at the timestamp of ~52:39. However, this case is completely irrelevant to OPA as it sets the precedent for municipalities to be able to designate *specific* properties as landmarks, which limits development in order to preserve these special properties that have historical significance. In fact, the summary of the decision is "A city does not need to pay compensation to a property owner under the Takings Clause of the Fifth Amendment when it designates their property as a landmark and limits its development." We are familiar with this precedent as there are historical properties around the Bay Area that have been identified and listed on a registry, but these are individual/distinct properties that meet strict criteria, not an entire market of homes, so what does this case have to do with OPA?? OPA is not proposing to designate all of our

homes as landmarks! This is an example of another illegitimate claim that the Councilmember is trying to twist to support his cause, which is totally irresponsible as a public official. Has the situation in EPA deteriorated to the point where citizens need to fact-check our local leaders as well to hold them accountable for what they say? The rhetoric from the Councilmember is deceitful and hypocritical.

As a final thought, during the 12/22 meeting, Councilmember Romero also proudly ticked off a laundry list of around 16 or so ordinances, tax measures, protections, etc for tenants that have been implemented in the City, in order to justify OPA as just another one of these tools or par for the course. If this is true (as I haven't fact-checked this yet), this should actually be further proof that the community is clearly receptive to tenant protections, affordable housing and social/economic justice, so isn't this level of backlash, "vitriol" and resistance against OPA a strong signal that perhaps the City has crossed a line and gone too far?? Please put a stop to this vendetta against homeowners and be the leaders that can develop win-win solutions and unite our community behind common goals.

Carol Cunningham

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From: <u>Carol Cunningham</u>

To: Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Cc: nora@draconsultants.com

Subject:Review of OPA Staff Report and DRA AnalysisDate:Monday, January 17, 2022 12:05:06 PMAttachments:Average Annual Sales Price Comparison.pdf

Dear East Palo Alto City Council and Staff,

I just had a chance to review the latest staff report and DRA analysis regarding OPA and am immensely disappointed with the outcome. Despite repeated emails, meetings and input, the City continues to ignore the key issues that the community has raised. In an attempt to focus the City's attention, let's just tackle one issue at a time, starting with the real estate market interference due to the Right of First Refusal (RoFR) condition and timeline.

We keep explaining that RoFR will hamper the market and deter buyers, regardless of which (and how many) owners are targeted/exempt, and is why values will be impacted for all homeowners, which is heavily supported by research/data and is not just hyperbole. Therefore, why did the City not include this important issue in DRA's scope of work despite multiple requests? Rachel even assured me on Thursday that the concerns the community had raised regarding the market impact had been forwarded to DRA for analysis, yet there was no mention of RoFR in their scope of work nor final report. If the City/DRA believes there is no impact, then why wasn't this stated, along with supporting data??

DRA's analysis was further flawed in that they did not even acknowledge nor consider relevant details of the EPA market, which is why it's imperative that you hire a local consultant. Would you hire an agent in Irvine to advise you on a purchase in the Bay Area? Specific to EPA, their analysis only referred to price appreciation since the Great Recession, which is myopic as it does not present a complete picture. Did DRA realize that average property prices had fallen by 60% during the Great Recession, reversing values back to 1998 levels and wiping out about 10 years of equity? EPA was already in a deep hole at the start of the recovery (much deeper than the region and surrounding communities) and it took another 10 years (up until ~2016) for property values just to claw their way back to pre-recession levels. Therefore, the actual gain during the last decade for longterm homeowners is more like 40%, not 261%, which is quite meager, especially compared to the region and surrounding communities. Furthermore, the market has essentially been flat the last few years. DRA is clearly cherry-picking their data in order to support the City's agenda, despite contrary evidence when you look at the bigger picture and context. I attached the chart of the average sales prices for single-family homes again for easy reference. I simply graphed the raw numbers based on the data in MLS for all singlefamily home sales for these 3 cities, so did not manipulate/scrub the underlying data or selectively include only those statistics that would benefit our position. I urge you to review the entire chart carefully and determine whether DRA's assessment of the EPA market is thorough and accurate.

I also wanted to point out that this specific statement in the Staff report is concerning: "The purpose of these timelines is to give Potential Eligible Purchasers meaningful time to organize, express interest, submit an offer, secure financing, and to close...". Why is "secure financing" after "submit an offer"? Are you saying that PEPs can submit an offer *before* they have their financing lined up? How can any good faith offer be placed before a buyer knows their

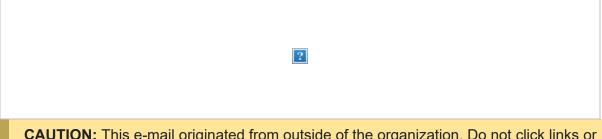
financing capabilities? If that is the expectation, then this is further evidence that the market is being manipulated at all costs to give PEPs "opportunities" at the expense of homeowners.

In the end, the incremental changes in the ordinance to shorten timelines and update the exemptions do nothing to meaningfully improve the ordinance and are a weak attempt to pacify the opposition. Meaningful change would be to remove any interference in the market once a home is listed and/or exempt all single-family homes. I hope you will seriously consider these points before tomorrow's meeting, in addition to the other issues raised by the community, as you evaluate the ordinance.

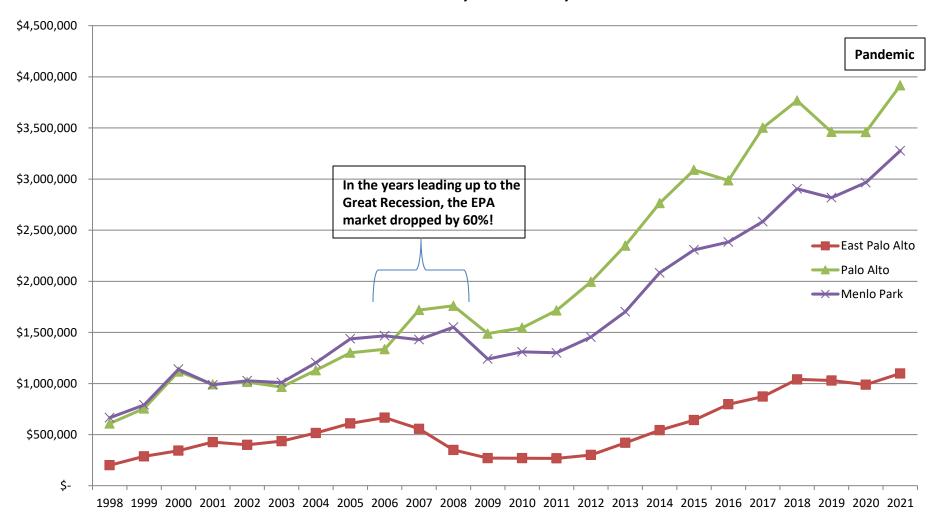
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Average Sale Price Comparison for Single-Family Homes Since 1998 East Palo Alto, Palo Alto, Menlo Park





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carol.cunningham@compass.com



From: <u>Carol Cunningham</u>

To: Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Housing;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: OPA Right of First Refusal

Date:Tuesday, January 25, 2022 12:07:41 PMAttachments:Professor Bikhchandani Email.pdf

Dear East Palo Alto City Council and Staff,

By now, I hope you have had the opportunity to consider all of the concerns, issues and questions raised by the community regarding OPA. I believe I have clearly shared my perspective in multiple forums, even organizing/summarizing the opposition's position into a handful of overarching points to simplify and focus the conversation. Therefore, I'm only reaching out again to draw your attention to the compelling email recently published by Staff that was written by UCLA Professor Bikhchandani and addresses the Right of First Refusal (RoFR) condition and why it is so problematic (see attached). In his letter, he specifically states:

"...current homeowners will incur costs in terms of reduced selling prices and appraised values of their homes. The key point is that selling prices will be lower if the OPA is implemented with an ROFR provision than if it were implemented without an ROFR... The primary reason an ROFR lowers prices is that it curtails competition from third-party buyers who are put at a disadvantage... Homeowners who are exempt from the OPA will also be adversely affected as the comparison set of houses for appraisal of their home may include homes that were sold under the purview of the OPA... It is difficult to estimate the magnitude of the negative impact that an ROFR will have on home prices, but it may well be substantial."

When I attended the Staff-led community meeting on 12/1 and asked 2 questions to clarify RoFR, I immediately knew this would be the key issue with OPA and have communicated this point several times. Although Staff/DRA still did not include RoFR in their analysis, which is another issue, Dr. Bikhchandani's email (along with other evidence/studies submitted to the City) confirms the result of RoFR and validates our concerns. As powerful as the Professor's email is, it doesn't take a PhD to understand the cost of RoFR. In fact, the community (including OPA supporters) has known this all along, although we didn't necessarily have the academic vocabulary to explain as well. Clearly, the assertion from the community that property values will be adversely impacted, which incidentally has also been conveyed by OPA supporters, is not misinformation and lies, and the Professor's letter and mounting documentation directly refutes the false claims made by Councilmember Romero (again) and Staff that our "property values will not be touched".

To put it bluntly, until RoFR is resolved and/or all single-family homes are exempted, no additional "improvements" or discussion on OPA will matter.

Thank You, Carol Cunningham Real Estate Professional DRE#: 02054293 COMPASS 578 University Avenue Palo Alto, CA 94301 415-260-6727

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From: <u>Bikhchandani, Sushil</u>

To: Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Carlos Romero

Cc: Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: ROFR provision in Opportunity to Purchase Act Date: Tuesday, January 11, 2022 10:03:07 AM

Dear Honorable City Councilors of East Palo Alto,

This missive is a comment on the Opportunity to Purchase Act (OPA) which the City Council of East Palo Alto is considering. I am a professor at the Anderson School of Management at UCLA. I have done research on the Right of First Refusal (ROFR). In my classes here at UCLA, I teach issues related to the ROFR.

I hesitate to write this letter because I very much applaud your goal of providing housing for the displaced and homeless in East Palo Alto. My purpose in writing is to point out that in achieving this laudable goal, current homeowners will incur costs in terms of reduced selling prices and appraised values of their homes.

Whether home prices in East Palo Alto decrease or increase after the OPA is implemented in its current form is determined largely by broad economic forces that influence the supply and demand of houses. The key point is that selling prices will be lower if the OPA is implemented with an ROFR provision than if it were implemented without an ROFR. I focus below only on the ROFR and not on any other provision in the OPA.

The primary reason an ROFR lowers prices is that it curtails competition from third-party buyers who are put at a disadvantage. In the absence of an ROFR, when two or more buyers submit bids to buy a house the seller may invite all buyers to submit higher bids – all credible buyers are treated equally. If, instead, one buyer has an ROFR, and this special buyer matches the highest bid made by the other bidders, then there is no further bidding; this results in a lower selling price.

The structure of the real-estate market exacerbates this tendency. This is because the sale of houses is typically intermediated by real-estate agents, whose interests are best served by a quick sale. An agent of a third-party buyer is less likely to show them a property in which another party has an ROFR because the playing field is tilted against the third-party buyer (the agent's client). If the ROFR-holder merely matches the third-party buyer's bid, the agent's client doesn't get the house. As real-estate agents earn a commission only if they close a deal for their client, they will steer their clients away from properties that have a ROFR-holder under the OPA. This would diminish buyer interest and further decrease prices of homes sold under the OPA.

Non-resident homeowners who come under the purview of the OPA will, of course, be directly affected as they will likely obtain a lower price (than they would have if the ROFR provision was not part of the OPA) when they sell their property. Homeowners who are exempt from the OPA will also be adversely affected as the comparison set of houses for appraisal of their home may include homes that were sold under the purview of the OPA.

It is difficult to estimate the magnitude of the negative impact that an ROFR will have on home prices, but it may well be substantial. Allow me to give you an example from another line of business.

In 1994, Wayne Huizenga, the founder of AutoNation and Waste Management Inc., bought the NFL team Miami Dolphins for \$138 million. The price was considered very low for a team which in 1994 had the best pro-football record since 1970. At that time, even new NFL expansion teams were being sold at a price greater than \$138 million. New England

Patriots had recently been sold for \$160 million. Mr. Huizenga, who was a board member of the Miami Dolphins franchise, had an ROFR on any future sale of the team. When the Miami Dolphins was put up for sale, there was very little interest. Potential buyers were not going to take on Mr. Huizenga armed with his ROFR. Only one serious buyer submitted a bid. Mr. Huizenga matched this buyer's bid of \$138 million and bought the Miami Dolphins. Because of the ROFR, Miami Dolphins' selling price of \$138 million was almost 14% lower than New England Patriots' selling price of \$160 million.

Let me reiterate that I support your goal of providing housing options for the underprivileged. My intent is to lay out one of the costs of the OPA as currently written. This cost, in terms of lower sales prices of existing homes, will be borne not just by non-resident homeowners but as mentioned above, also by resident homeowners through the impact on appraisal values of their homes.

Sincerely, Professor Sushil Bikhchandani Howard Noble Chair in Management Anderson School of Management, UCLA sbikhcha@ad.ucla.edu

P.S. Many years back, I went to graduate school at Stanford University. I have pleasant memories of my time in South Bay.

cc: City Manager
City Attorney
Assistant City Manager
City Housing Manager

From: <u>kasturi shekhar</u>
To: <u>cityclerk</u>

Subject: Re: Proposed Ordinance OPA (Opportunity to Purchase Act)

Date: Sunday, December 19, 2021 9:00:57 PM

To the City Manager, Mayor and Council Members,

We are currently retired and have been residents of East Palo Alto City since June 2002 as a homeowner of a Single Family Home. We moved to North Tustin (Southern California) to take care of our granddaughter.

We are senior citizens above 70+ years, and our home in East Palo Alto is a major source of income to meet our expenses. Considering our age we may need to sell the home in case of any emergency for urgent need of money.

We are shocked to learn from other sources that you are proposing an ordinance called OPA that will affect us because we own a home in East Palo Alto. This secretive approach to the ordinance without any communication and not letting us know about it, is authoritarian and unacceptable.

We purchased the home with our hard-earned money and will be losing our rights to sell the home as granted at the time of the purchase. This ordinance will also reduce the value of our home and we will have major obstacles in selling it. This will drag and delay the process of selling the home when there is an urgent need of money in case of an emergency.

Besides the above-mentioned facts, we do have doubts and concerns that the proposed OPA and the inclusion of Single Family Homes will meet the stated objectives and the purpose in true sense.

We therefore strongly oppose this Ordinance.

Thank you,

Kasturi Shekhar

1541 Kenneth Drive,

North Tustin, CA 92705.

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open attachments unless you validate the sender and know the content is safe.

From: Kasturi Shekhar
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Sunday, December 19, 2021 9:13:50 PM

Ms City Manager,

Currently my husband and i are retired and have been residents of East Palo Alto City since June 2002 as a homeowner of a Single Family Home. We moved to North Tustin (Southern California) to take care of our granddaughter.

Both of us senior citizens above 70+ years, and our home in East Palo Alto is a major source of income to meet our expenses. Considering our age we may need to sell the home in case of any emergency for urgent need of money.

We are shocked to learn from other sources that you are proposing an ordinance called OPA that will affect us because we own a home in East Palo Alto. This secretive approach to the ordinance without any communication and not letting us know about it, is authoritarian and unacceptable.

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Besides the above-mentioned facts, we do have doubts and concerns that the proposed OPA and the inclusion of Single Family Homes will meet the stated objectives and the purpose in true sense.

We therefore strongly oppose this Ordinance.

Thank you, Kasturi Shekhar

Kasturi Shekhar kasturimanu@yahoo.com

Santa Ana, California 92705

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Monday, December 20, 2021 9:18:28 PM

Sent from my iPhone

Begin forwarded message:

From: Francisco Ochoa <info@sg.actionnetwork.org>

Date: December 20, 2021 at 7:17:29 PM PST To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: panchoochan71@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

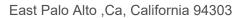
OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Francisco Ochoa panchoochan71@gmail.com 885 Green St



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Monday, December 20, 2021 9:18:40 PM

Sent from my iPhone

Begin forwarded message:

From: Alexander Ochoa <info@sg.actionnetwork.org>

Date: December 20, 2021 at 7:17:20 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: imabossasdog@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Alexander Ochoa imabossasdog@gmail.com 885 Green St



Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Monday, December 20, 2021 9:18:53 PM

Sent from my iPhone

Begin forwarded message:

From: Maria Lopez <info@sg.actionnetwork.org>
Date: December 20, 2021 at 7:14:08 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: maryochoa8@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Maria Lopez maryochoa8@gmail.com 885 Green St

From: Adam

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Jaime Fontes;

Rafael Alvarado; Patrick Heisinger, Rachel Horst

Subject: EPA OPA ordinance analysis

Date: Monday, December 20, 2021 9:25:23 PM

Dear mayor, vice mayor, councilmembers, and city staff

I am a homeowner and resident in East Palo Alto. I am deeply concerned about the lack of analysis that has been shared on the EPA OPA ordinance. I feel that with a radically progressive ordinance like this, a thorough analysis is required and I'm shocked that this has not been demanded by the council. I would expect such an analysis to clearly describe and quantify the problem the proposed ordinance seeks to address, then go on to objectively describe and quantify the pros and cons of the ordinance. If such an analysis is available, please kindly direct me to its location, however if such a thorough analysis has not been performed, please vote no on this ordinance due to lack of information.

Regards,

Adam Idoine

Adam Idoine

(650) 269 5798

adamidoine@gmail.com

From: Amit G
To: Housing

Subject: Confusion on OPA

Date: Monday, December 20, 2021 1:10:29 PM

I have been a house owner in EPA for 20+ years.

I Heard about OPA from social media.

The OPA ordinance seems very confusing and seems like it is being rushed through. Why is the city pushing through something not implemented in other cities in USA? Why take actions to reduce free-market real-estate wealth creation that has uplifted EPA and brought in tax dollars? Why turn back the clock? Why pit home-owners against renters? What are the arguments against some of the points raised at: https://www.noepaopa.com/home

From: <u>Isha Goyal</u>

To: Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Carlos Romero; Housing

Subject: No on OPA

Date: Monday, December 20, 2021 10:23:32 PM

Hi,

I'm emailing you as a resident of EPA and one of your constituents. Yesterday I attended the protest at City Hall against OPA. I believe that not only is it unfair and harmful to homeowners and tenants alike, but it will put an end to the growth the city has been experiencing. Please keep our long term interests at heart and vote no on OPA.

Thank you, Isha Goyal

From: To:

Subject: FW: OPA? - Please hear EPA people voices **Date:** Tuesday, January 11, 2022 10:45:46 PM

From: Jennifer Liu < <u>jenliu 01@yahoo.com</u>>

Reply-To: Jennifer Liu < jenliu_01@yahoo.com > Date: Tuesday, December 21, 2021 at 12:35 AM

To: Carlos Romero cromero@cityofepa.org, Ruben Abrica rabrica@cityofepa.org, Lisa Yarbrough-Gauthier ligauthier@cityofepa.org, "Antonio D. Lopez" alopez@cityofepa.org, Regina Wallace-Jones rwallacejones@cityofepa.org, Jaime Fontes jfontes@cityofepa.org, Patrick Heisinger pheisinger@cityofepa.org, cmoffice cromoffice@cityofepa.org

Subject: OPA? - Please hear EPA people voices

Dear Mayor, Council members and city managers,

When you're considering OPA, please hear EPA people's voices. EPA people have sent very clear messages: No OPA!

https://drive.google.com/file/d/10WcrHVCU0XmMnl4ACSzp5DcQTs4pqIXB/view?usp=sharing

Pictures:

https://drive.google.com/drive/folders/1zSi2jjIJYeIQGlws5FdKVHl7sVkxmIfz?usp=sharing

Please do not go against EPA people's will.

Jennifer

Subject:Fwd: Strongly Oppose OPA in EPADate:Tuesday, December 21, 2021 8:13:35 AM

Sent from my iPhone

Begin forwarded message:

From: TINA TUNG <info@sg.actionnetwork.org>
Date: December 20, 2021 at 10:18:18 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: mmtina@hotmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

TINA TUNG mmtina@hotmail.com 2606 Fordham St



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 11:56:21 AM

Sent from my iPhone

Begin forwarded message:

From: Francisco Ochoa <info@sg.actionnetwork.org>

Date: December 21, 2021 at 11:43:45 AM PST **To:** Jaime Fontes < jfontes@cityofepa.org > **Subject:** Strongly Oppose OPA in EPA

Reply-To: friscoo98@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Francisco Ochoa friscoo98@gmail.com 885 Green St



Subject: FW: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 12:27:03 PM

From: Nina Helmer <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 12:11 PM
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Nina Helmer
nwhelmet@icloud.com
894 San jude Ave
Palo Alto, California 94306

Subject: FW: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 12:27:14 PM

From: Jane Oh <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 12:19 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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Thank you very much!

From: Patrick Heisinger

To: <u>Housing</u>

Subject: Fwd: 12/22/21 Special Meeting; Agenda Item 3.1; Introduction of EPA OPA

Date: Tuesday, December 21, 2021 1:03:23 PM
Attachments: 2021-12-21 Ltr to City Council re OPA.pdf

Patrick Heisinger Assistant City Manager

Begin forwarded message:

From: Corinne Calfee <ccalfee@opterralaw.com>
Date: December 21, 2021 at 12:46:02 PM PST

To: Carlos Romero <cromero@cityofepa.org>, Ruben Abrica

<rabrica@cityofepa.org>, Lisa Yarbrough-Gauthier <lgauthier@cityofepa.org>,

"Antonio D. Lopez" <alopez@cityofepa.org>, Regina Wallace-Jones

<rwallacejones@cityofepa.org>

Cc: Rafael Alvarado < ralvarado @cityofepa.org >, cityclerk

<cityclerk@cityofepa.org>, Victor Ramirez <vramirez@cityofepa.org>, Patrick

Heisinger cpheisinger@cityofepa.org>

Subject: 12/22/21 Special Meeting; Agenda Item 3.1; Introduction of EPA OPA

Honorable Mayor and City Council Members:

Thank you for your extended consideration of the EPA OPA ordinance. We appreciate the adjustments that are being proposed. Please see the attached letter reiterating our additional comments.

Thank you for your consideration.

Sincerely, Corie Calfee

Cavia Calfa a

Corie Calfee (510) 809-8001 (o) (510) 501-0202 (m) ccalfee@opterralaw.com

THIS EMAIL IS CONFIDENTIAL and is intended to be sent only to the recipient stated in the transmission. It may also be protected by the attorney/client privilege and attorney work product privileges. Any review, use, dissemination, distribution or copying of this communication by other than the intended recipient or that person's agent is strictly prohibited. If you are not the intended recipient, please notify us immediately by telephone at the number above. Thank you.



Corinne I. Calfee 1237 Torrey St. Davis, CA 95618

ccalfee@opterralaw.com 510-809-8001

VIA Electronic Mail

City Council City of East Palo Alto 2415 University Avenue East Palo Alto, CA 94303

December 21, 2021

Re: December 22, 2021 City Council Meeting; Agenda Item #3.1 Introduction of East Palo Alto Opportunity to Purchase Act ("EPA OPA")

Honorable Members of the City Council:

We represent Woodland Park Communities in relation to its properties in East Palo Alto. We appreciate that you have extended your consideration of the EPA OPA ordinance. In reading the agenda for the Special Meeting on December 22, 2021, it is not clear what changes, if any, staff have proposed since the December 7, 2021 meeting.

We continue to support the changes that staff recommended for the December 7, 2021 meeting and continue to believe that a few additional, critical changes are necessary. They were detailed in our December 6, 2021 letter and are repeated below.

Protections Against Undue Delay. There may be circumstances when no Potential Eligible Purchaser is interested in or capable of pursuing the purchase of a given property. In that situation, we believe that there should be a mechanism, perhaps established by the administrative guidelines, whereby each Potential Eligible Purchaser can indicate that they will not be submitting a Statement of Interest. Receipt of such information from every Potential Eligible Purchaser should allow an owner to proceed with the sale. We believe that this would be permissible under the EPA OPA ordinance if the following sentence were added after the first sentence of 14.26.130(D), "Notwithstanding the foregoing, a Potential Eligible Purchaser may affirmatively indicate that they have no interest in a Residential Property, prior to the expiration of any deadlines, and in accordance with Administrative Guidelines."

<u>Timelines Should Match San Francisco.</u> As we requested in November, the timelines should align with the San Francisco timelines. We request that for all transactions, the time lines be as follows:

5 Days for Statement of Interest 25 Days for Offer 5 Days for Right of First Refusal 60 Days for Closing Property owners have noted that even the San Francisco timelines present significant challenges for real estate transactions. The timelines in the draft EPA OPA are significantly longer and we anticipate that such long timelines will create undue delays in transactions. Delays have the effect of reducing the value of real property, which we understand is not the purpose of this ordinance.

If there were public funding available to facilitate transactions, we can understand that delay might be warranted in order to further the purposes of the EPA OPA. However, there is not currently funding available to potential eligible purchasers. Without funding, they are less likely to be able to close. The deal will simply be delayed without any corresponding affordable housing benefit.

We further note that there are risks associated with requiring a property owner to continue to manage a residential property for months after that owner seeks to exit the business. Neither the City, the tenants, nor Potential Eligible Purchasers benefit from that situation.

Non-refundable Deposits. Any deposit made by a Potential Eligible Purchaser must be treated in the same manner as a deposit made by any other purchaser. In general, once the buyer waives contingencies, the deposit is non-refundable if the buyer breaches the agreement by failing to close. This is a protection for sellers against bad-faith buyers who intend to simply delay a transaction, rather than purchase the property. We suggest adding, "unless otherwise provided in the contract" to the end of 14.26.110(E).

Require Good Faith From Potential Eligible Purchasers. Potential Eligible Purchasers must be prohibited from "bargaining without good faith," as are Owners. We suggest adding a subsection 14.26.110(A)(4) that says, "Making an offer that is commercially unreasonable or otherwise delaying a sale without the intention to close or without a reasonable probability of being able to close." Such behavior would indicate bargaining without good faith.

<u>Confirm Recordation.</u> Unless you have confirmed with the San Mateo County Recorder's Office that they will accept for recordation the declarations attesting to owner certification, this should not be required in the ordinance. If the Recorder will not record such document, then the owner should not be required to do the impossible. The EPA OPA could follow San Francisco's model of requiring that such declaration be provided to the City itself.

Section 14.26.150(A) could be amended to read, "Owner Certification. By no later than thirty (30) days after any Sale, the Owner(s) shall submit to the City a signed declaration, under penalty of perjury, affirming that the Sale of that Property substantially complied with the requirements of this Chapter. The City will publish all such addresses on its website."

Means Test Potential Eligible Purchasers. We would like to reiterate that any potential eligible purchaser of multi-family property must be means tested to have the potential ability to purchase a given property prior to submitting a statement of interest. We understand that this process will be formalized in administrative guidelines.

If the potential eligible purchaser has no means of purchasing type or quantity of multi-family property at issue, that purchaser should not have the ability to slow that sale for up to 280 days. Blanket qualification of non-profits does not accomplish this; a nonprofit that could conceivably purchase 5 dwelling units may not be able to purchase 100 dwelling units or 1,000 dwelling units.

<u>Timing of Implementation</u>. We encourage the City to conduct robust community outreach while developing the administrative guidelines. Soliciting input from property owners early in the process will avoid last-minute delays. The draft ordinance also defers to the guidelines several important issues with policy implications. This means that the development of thoughtful and effective guidelines will take time. We request that the Effective Date of the ordinance be set for January 1, 2023 to give adequate time for the preparation of the administrative guidelines and for owners to prepare for the new procedures.

Thank you for allowing us to weigh in on this important policy issue.

Sincerely,

Corinne I. Calfee

Couine O. Calfee

cc: Rafael Alvarado, City Attorney
Patrick Heisinger, Assistant City Manager
Victor Ramirez, Rent Stabilization Administrator

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 4:54:22 PM

Sent from my iPhone

Begin forwarded message:

From: Simon Weng <info@sg.actionnetwork.org>
Date: December 21, 2021 at 4:52:03 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: simonweng2006@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
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- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Simon Weng simonweng2006@gmail.com 340 maclane st

Subject: Fwd: Strongly Oppose OPA in EPA. **Date:** Tuesday, December 21, 2021 5:00:12 PM

Sent from my iPhone

Begin forwarded message:

From: Daniel Lee <info@sg.actionnetwork.org>
Date: December 21, 2021 at 4:59:41 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA.
Reply-To: danielleenh@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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Thank you very much!

Daniel Lee danielleenh@gmail.com 1660 bay Rd



Subject: FW: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 5:21:11 PM

From: Christina Lee <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 5:02 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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Thank you very much!

Christina Lee
christinalee168@gmail.com
345 Gellert Blvd #D

Daly City, California 94015

Subject: FW: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 5:21:17 PM

From: Yan Li <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 5:13 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Yan Li

yanlimdca@gmail.com

549 east Duane ave

Sunnyvale, California 94085

Subject: FW: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 5:21:29 PM

From: zhida lan <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 5:14 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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Thank you very much!

zhida lan

zhida@yahoo.com

San Jose, California 95129

Subject: FW: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 6:17:37 PM

From: Carial Zhao <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 5:55 PM
To: Jaime Fontes <jfontes@cityofepa.org>

Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

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Thank you very much!

Carial Zhao carial 2002@gmail.com

Palo Alto, California 94303

Subject: FW: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 6:17:47 PM

From: Shannon Cheng <info@sg.actionnetwork.org>

Sent: Tuesday, December 21, 2021 6:09 PM **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject:** Strongly Oppose OPA in EPA

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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Thank you very much!

Shannon Cheng
sc95014@yahoo.com
2247 Menalto Ave
East Palo Alto, California 94303

Subject: FW: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 6:17:56 PM

From: David Macias <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 6:12 PM
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

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Thank you very much!

David Macias

davidmacias909@yahoo.com

2247 Menalto ave

East Palo Alto, California 94303

Subject: FW: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 6:18:07 PM

From: CP Cheng <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 5:44 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes,

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Thank you very much!

CP Cheng
cpchu00@yahoo.com
2247 Menalto avenue
East Palo Alto , California 94303

Subject: FW: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 6:18:17 PM

From: yuanwen wu <info@sg.actionnetwork.org>
Sent: Tuesday, December 21, 2021 5:39 PM
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Ms Jaime Fontes.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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Thank you very much!

yuanwen wu
yuanwen_wu@hotmail.com

1115 leslie dr san jose, California 95117

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:53:05 PM

Sent from my iPhone

Begin forwarded message:

From: Zhibin Yan <info@sg.actionnetwork.org>
Date: December 21, 2021 at 6:33:24 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: robinyan@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Zhibin Yan robinyan@gmail.com 959 Garden St.



Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:53:16 PM

Sent from my iPhone

Begin forwarded message:

From: John Zeng <info@sg.actionnetwork.org>
Date: December 21, 2021 at 6:44:31 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: johnzeng@hotmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

John Zeng johnzeng@hotmail.com

Santa Clara, California 95051

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:53:29 PM

Sent from my iPhone

Begin forwarded message:

From: Anne Wang <info@sg.actionnetwork.org>
Date: December 21, 2021 at 6:53:43 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: axjw@hotmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Anne Wang axjw@hotmail.com 2064 Pulgas Ave.



Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:53:41 PM

Sent from my iPhone

Begin forwarded message:

From: Phil Chiu <info@sg.actionnetwork.org>
Date: December 21, 2021 at 7:07:16 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: pcplumg99@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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Thank you very much!

Phil Chiu pcplumg99@gmail.com

San Mateo, California 94401

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:53:52 PM

Sent from my iPhone

Begin forwarded message:

From: Samson Huang <info@sg.actionnetwork.org>

Date: December 21, 2021 at 7:21:35 PM PST **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject: Strongly Oppose OPA in EPA Reply-To:** samsonh678@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Samson Huang samsonh678@gmail.com 2370 Ralmar Ave East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:54:04 PM

Sent from my iPhone

Begin forwarded message:

From: Sunny Huang <info@sg.actionnetwork.org>
Date: December 21, 2021 at 7:31:46 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: sunnyhuang276@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Sunny Huang sunnyhuang276@yahoo.com 2370 Ralmar Ave East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:54:17 PM

Sent from my iPhone

Begin forwarded message:

From: Guozhong Tao <info@sg.actionnetwork.org>

Date: December 21, 2021 at 7:39:39 PM PST **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject:** Strongly Oppose OPA in EPA **Reply-To:** guozhongtao@hotmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Guozhong Tao guozhongtao@hotmail.com 11555 Bay Rd East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:54:30 PM

Sent from my iPhone

Begin forwarded message:

From: Rui Li <info@sg.actionnetwork.org>
Date: December 21, 2021 at 7:44:44 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: acupunctureli@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Rui Li acupunctureli@gmail.com

Palo Alto, California 94303

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 8:54:43 PM

Sent from my iPhone

Begin forwarded message:

From: Jinyan Wang <info@sg.actionnetwork.org>
Date: December 21, 2021 at 8:39:20 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: jinyan.wang@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Jinyan Wang jinyan.wang@gmail.com 127 Abelia way East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Tuesday, December 21, 2021 10:21:46 PM

Sent from my iPhone

Begin forwarded message:

From: Z Yu <info@sg.actionnetwork.org>
Date: December 21, 2021 at 9:50:12 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: zyu2032@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Z Yu zyu2032@gmail.com

Palo Alto, California 94303

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Tuesday, December 21, 2021 10:36:16 PM

Sent from my iPhone

Begin forwarded message:

From: Wendy Maclay <info@sg.actionnetwork.org>
Date: December 21, 2021 at 10:35:19 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>

Subject: Strongly Oppose OPA in EPA

Reply-To: wenxia@maclay.net

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Wendy Maclay wenxia@maclay.net 903 moss dr

 From:
 Rosendo Perez

 To:
 Housing

 Cc:
 Rosendo Perez

 Subject:
 EPA OPA

Date: Tuesday, December 21, 2021 9:45:49 AM

Hello, good morning, I would like to express my disagreement about what the city of East Palo Alto EPA OPA wants to do, I strongly oppose this law, I do not agree.

thank rosendo perez

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Wednesday, December 22, 2021 7:48:11 AM

Sent from my iPhone

Begin forwarded message:

From: Lin Nay <info@sg.actionnetwork.org>
Date: December 21, 2021 at 11:00:50 PM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: naylinhtike@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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Thank you very much!

Lin Nay naylinhtike@yahoo.com 1390 Southgate Ave



Subject: Fwd: Strongly Oppose OPA in EPA

Date: Wednesday, December 22, 2021 7:48:25 AM

Sent from my iPhone

Begin forwarded message:

From: Avis Doctor <info@sg.actionnetwork.org>
Date: December 21, 2021 at 11:21:36 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: renethajones@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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Thank you very much!

Avis Doctor renethajones@gmail.com 2270 Poplar Ave East Palo Alto , California 94303

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Wednesday, December 22, 2021 7:48:36 AM

Sent from my iPhone

Begin forwarded message:

From: Can Hui Zhen <info@sg.actionnetwork.org>
Date: December 22, 2021 at 5:19:38 AM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: canhuizhen@msn.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

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Thank you very much!

Can Hui Zhen canhuizhen@msn.com 1818 Vicente ST.



From: Jessica Ernst

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst To:

Cc: **Evan Edwards** Subject: NO on FPA OPA

Date: Wednesday, December 22, 2021 8:24:29 AM

Dear City Council Members,

As homeowner's of East Palo Alto, it is with great concern that the City of EPA is proposing the Opportunity to Purchase Act (OPA). We are strongly against it.

OPA is aimed squarely at the pocket book of EPA families and is the biggest threat to housing since the 2008 mortgage crisis. OPA was suddenly introduced by Mayor Carlos Romero on November 16th at a City Council with little publicity and no outreach to EPA homeowners. The city did no economic analysis of this proposal and has not followed best practices on OPA ordinances in other cities. This dangerous ordinance:

- * Applies to all single family home rental properties
- * Applies to all single family homes with absentee homeowner
- * Inserts the City of East Palo Alto and select corporations into every real estate transaction, enabling them to slow transaction time for a home sale from 30 to 280 days
- * Discourages the development of new housing, including apartment buildings
- * Could lower home owner equity by \$500 million -\$1 Billion, causing as much damage as the 2008 housing crisis in East Palo Alto

Please vote NO to OPA for the benefits of East Palo Alto homeowners and tenants during today's Community Meeting.

Thank you very much.

Sincerely,

Evan and Jessica Edwards

Jessica Ernst 650.799.5518

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Wednesday, December 22, 2021 9:29:58 AM

Sent from my iPhone

Begin forwarded message:

From: jenny zhang <info@sg.actionnetwork.org>
Date: December 22, 2021 at 8:19:15 AM PST
To: Jaime Fontes <jfontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: jennyzzh@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
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- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

jenny zhang jennyzzh@yahoo.com 4206 rickey way

From: <u>Jeanne Jeanne</u>

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones

Cc: <u>Housing</u>; <u>Rachel Horst</u>; <u>cityclerk</u>

Subject: EPA OPA

Date: Wednesday, December 22, 2021 9:31:35 AM

Dear EPA City Council Members,

I am a homeowner who lives in my home in EPA. I have written a couple times and spoken during public comment during 3 meetings in the past couple months. Please vote NO on EPA OPA.

Some additional points:

- Most of the voices you hear in opposition are actual EPA home owners who live in EPA. Even if the ordinance does not directly affect our home sale now, we are concerned about the future and our futures. Some of the public believes that the "opposition" is being misled and organized by powerful landlord associations. That is incorrect. We are mom and pop homeowners at the grassroots level reading through the ordinance, attending city council meetings, and sharing information with each other as we dig deep into its derivation. The flyer and protest actually came about through brainstorming sessions, and BAHN was organized enough to help with that. The reason that some of the public feels that the ordinance is being "derailed" by the "opposition", as per a public comment from last night's city council meeting, is that most people did not know about the ordinance until about 1.5 months ago. Once we were aware of the ordinance, we could finally give our feedback.
 - I have spoken with 5 households on my street, all of whom are homeowners and live in their homes, and everyone is AGAINST the ordinance. Please, if you were to actually do a true survey of who is opposed, you will find out that a lot regular homeowners are against OPA and they are also correctly informed about it.
- In a recent Palo Alto Online article (see link below) about EPA OPA, Carlos Romero was quoted as saying that homeowners are wrong in saying that home values will go down with OPA, especially since they haven't done any research into it. Interestingly enough, we have been asking the city repeatedly to do a cost analysis of OPA from a third party in order to fully realize the consequences and impact of EPA OPA on the community. At the Dec 7 city council meeting, the city stated that an analysis was not necessary. If the city is unwilling to do an analysis, following Carlos Romero's own line of logic, how would EPA be able to say that real estate values will NOT be affected? The only argument I have heard from these city council meetings is that other cities with TOPA/COPA did not have a decrease in real estate values. This argument is flawed because the other cities did not include single family homes into their TOPA/COPA's. Washington DC did originally but had to remove them due to tenant corruption.
- Many homeowners have talked about their inability to use the 1031 Tax Exchange if

- OPA were to be enacted. The city's response at the Dec 7 meeting was that 1031 is out of the scope of OPA, and that homeowners would have to navigate it on their own. This response is insensitive and an evasive way to avoid responsibility for the city's actions.
- I have noticed patterns from opponents of OPA and supporters of OPA. From opponents, they often cite facts and details of the ordinance and are responding directly to parts of OPA. They cite scenarios, specific impacts, and consequences. From supporters, they cite the intent of OPA and how they feel supported, but they do not discuss specific details of the ordinance. All sides agree upon the intent. However, OPA is the wrong way to do it. Opponents use facts to tell you why. Supporters still need to use details of the ordinance and the bid/purchase timeline to discuss how they or their neighbors would benefit and what the long-term consequences would be. I would love to hear that. One side is using facts, while another side is using themes. Be careful about voting yes on an ordinance if the support is based on themes and intent, rather than facts and details.

I want to thank you for bringing our community together. Because of this ordinance, I have now had the opportunity to meet and communicate with residents all over EPA. Even though I already participated in community and neighborhood events before, I feel even more connected and more part of this community now. Sadly, what brings us together is our opposition to EPA OPA. I am also appreciative of hearing from residents who support OPA. I am now more aware of the non-profits that exist in EPA and the Bay Area and who they are funded by, which is sadly large Silicon Valley corporate or corporate owned sponsors (CZI, Meta, Hewlett, Packard, Genentech, etc). I am more aware of who writes ordinances and laws, and often it is the same organizations that will benefit from them (baysfuture, EPA CANDO, Yuca, CLSEPA). Finally, I finally have gotten to know the city council members better and see how they respond to people and the community, which is mostly respectfully but sometimes not. I pledge to myself to become a better citizen and get even more involved. I pledge to myself to read more city council meeting agendas and to attend more meetings. I pledge to myself to do more research before I vote for someone.

In the recent Palo Alto Online article

(https://www.paloaltoonline.com/news/2021/12/21/east-palo-alto-to-discuss-controversial-housing-purchase-policy), Carlos Ramiro said that he is upset that the public has asked for city staff to be fired. City officials and staff should not hold conflicts of interest. If they are on the board of a non-profit that will directly benefit from the ordinance getting approved, they should not be working on the ordinance themselves. Such employees should not hold their titles OR they should recuse themselves from working on the ordinance. OR, they should remove themselves from serving on the board for such non-profits. It should also be the city council members' responsibility to not put their staff in such a sticky situation.

Please vote NO on EPA OPA. Thank you!

Best regards,

Jeanne Yu

From: <u>Jeanne Jeanne</u>

To: Ruben Abrica; Lisa Yarbrough-Gauthier; Carlos Romero; Antonio D. Lopez; Regina Wallace-Jones

Cc: Rachel Horst; Housing; cityclerk

Subject: EPA OPA

Date: Saturday, January 15, 2022 9:46:18 PM

Dear EPA City Council Members,

Thank you for spending a little more time to analyze and amend the EPA OPA. Unfortunately, the heart of the matter is that OPA is the wrong way to help the community with affordable housing if OPA is to include single family homes:

- In a community member zoom about a month ago, even Mayor Abrica stated that in his mind, EPA OPA was never meant to help with affordable housing.
- In the new version of the ordinance published this weekend, OPA still gives right of first refusal to tenants and non-profits, slowing down the process of the homeowner being able to sell their property, and therefore turning potential other buyers away who don't want to wait around to see if their offer is just going to be nullified due to a non-profit matching them.
 - Again, many of the homeowners being affected by this are mom-and-pop landlords AND/OR EPA residents who actually live in their property (like me). We oppose OPA because OPA will dampen the value of all of our homes, and if homeowner/residents like me were ever to rent out our homes due to life circumstances, we would be negatively affected by OPA due to the wait, ability to sell, and selling price.
- In the analysis that EPA has prepared, it does not mention the 1031 Exchange. In a previous city meeting, city staff stated that 1031 Exchange was "out of the scope" of OPA. So essentially that means that the city does not care enough about local homeowners to analyze the direct impact of OPA on their lives. With the 1031 Exchange, the homeowner has 45 days to lock on a new home and 180 days to close. The waiting period of OPA will negate those days and cause the homeowner to lose hundreds of thousands of dollars. Keep in mind our houses are our retirement. We are wealthy investors. And we care about our community.
 - Resident Robert Jones has made an economic analysis of a home purchasing scenario. Please take a look at it. Mr. Jones is knowledgeable and was one of the founders of EPA Cando which is one of the approved non-profits for OPA. His analysis shows that it would be nearly impossible for a tenant with a median EPA income to afford a house a market rate. Basically, the main tenants who would benefit from this ordinance are the ones who can afford it and are the not the types of tenants that this ordinance is trying to protect. He also has knowledge about how non-profits and land trusts work. Feel free to talk to him.
- The analysis also states that only 2-3 homes will be sold via OPA per year. If only 2-3 properties will be sold per year, why go through the burden of creating this damaging

ordinance, paying city staff to enforce and implement it, and marketing the ordinance as something that will truly help with affordable housing? Even if 2-3 homes be sold this way, how many sales will be affected by the having tenant or non-profit bids that fall through? If the approved non-profits wanted to buy single family homes, why haven't they done so or tried to already?

- In an early city meeting, city council member Carlos Romero stated that non-profits would be vetted based on their ability to afford the properties. One of the current approved non-profits is CLSEPA. They have historically provided legal help to tenants and immigrants. Do they truly have the money to buy properties, and why would they want to?
- Two of the approved non-profits EPA Cando and Yuca have been vocal in their support of the ordinance. However, there needs to be examples of how a tenant would exactly benefit from a non-profit purchasing on their behalf or how a tenant would be subsidized to purchase their home. A 10-year timeline of the handover a property over the tenant or what a payment schedule would look like should a non-profit become the tenant's landlord would be useful for both supporters and opponents of OPA. Currently, there is a lot of corporate funding (Meta, CZI, Hewlett, Packard, etc) of the non-profits but not a lot of explaining, which makes the situation murky and suspicious. Have the non-profits laid out an exact plan with specifics? It would be good for the non-profits and the city to break down the different scenarios with time and money, especially since the city would be one of the approved purchasers.
 - Is it also coincidental that Bays Future which wrote the ordinance is in direct partnership with the approved EPA OPA non-profits? So basically non-profits wrote the ordinance to help themselves.
 - Also note that Yuca received \$20 million dollars from Facebook in 2016 for affordable housing. They are not allowed to speak negatively against Facebook and must work together. A question is, what kind of income qualifies for affordable housing? In the Bay Area, that may be \$100k per year. It is in the corporations' best interest to establish housing for their own employees, as their own employees have difficulty purchasing homes in the Bay Area.
- There should also be a clause saying that non-profits which currently have city council members or city staff who work on OPA on their boards should not be able to be approved as an OPA non-profit now and/or in the future. Otherwise, it would be a conflict of interest. (Ie. Urban Habitat & Carlos Romero, Alta Housing & Rachel Horst) There should also be a clause having all approved non-profits prove their qualifications each year in renewing their approval, so that non-profits that become stagnant do not remain on the list.
- Woodland Park apartments is exempt from the ordinance. That is also suspicious. Why? Woodland Park apartments is owned by Sandhill Properties which is currently trying to build the Four Corners business and community complex in EPA. Four-corners will directly encourage "gentrifiers" wanting to move to EPA. So wouldn't it make sense

- for Sandhill to also need to contribute towards affordable housing rather than receive favoritism from the city? Please do not exempt Four Corners.
- Finally, EPA keeps saying that TOPA/COPA has been approved in various cities such as San Francisco and Washington DC. Note, none of these cities include single family homes. Washington DC used to include them but eventually removed them due to corruption.

Finally, I was appalled by the behavior of council member Carlos Romero at the OPA "study session" meeting on Dec 22. During that meeting, he called out a local citizen in an offensive and accusatory way. This kind of behavior is extremely unprofessional and also out of the Trump playbook (as he accused the community member of being). Mr. Romero, if you are accusing this citizen of lies, please at least address them. The lies that you are talking about are points that opponents of OPA have been imploring you to address for months but we only hear vague answers. Even if I were in support of the ordinance, after hearing the way that Mr. Romero spoke of another person, I would never vote for him again in the future. Ruben Abrica also had something to say about this citizen and told the citizen that he could send the FBI after Abrica to quash rumors about him. I was sadly disappointed by this targetting. Mr. Abrica, I would like you to know that Mark Dinan (the citizen) is highly accessible and responds in detailed, factual, data driven, and analytical ways. I'm sure he would be happy to talk with you, just as he does with everyone else. Additionally, I want to reassure you Mr. Abrica, I have been attentive to the social network pages on Facebook and Nextdoor regarding OPA and the only thing I have ever read in regards to any speculations about you is that you might possibly live at the Woodland Park apartments. One thing I do know is that you, Mr. Abrica, really do care about the EPA community as we have been in the same emergency response meetings before. You seem like you are willing to listen and are trying to make conscience-based decisions.

Please remove single family homes from OPA. Please reject OPA. There are other solutions out there which I hope you consider. The consequences of approving EPA OPA will weaken the EPA real estate market, possibly increase rents due to this, leave the city council members with the wrong kind of legacy, require too much maintenance, not actually help the people you want to help, and have non-profits become the new landlord (sponsored by corporations).

Best regards, Jeanne Yu

Subject: Fwd: OPA - Big Scandals

Date: Wednesday, December 22, 2021 3:27:27 PM

Sent from my iPhone

Begin forwarded message:

From: Yvonne Ip <info@sg.actionnetwork.org>
Date: December 22, 2021 at 2:27:44 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>

Subject: OPA - Big Scandals

Reply-To: cyip8881997@yahoo.com

Ms Jaime Fontes.

It is ridiculous to hear about OPA and it is a big scandals between the politicians and so-called "non-profit organizations". We are living in US not living in Communist country. It is free market and whoever supporting this law in council members should be recalled.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Yvonne Ip cyip8881997@yahoo.com 764 Avelar Street East Palo Alto, California 94303

From: <u>Vladimir Matveyev</u>
To: <u>Housing</u>

Subject: Re: EPA OPA concerns

Date: Wednesday, December 22, 2021 3:44:02 PM

Hello,

Please read this article:

https://www.paloaltoonline.com/news/2021/12/21/east-palo-alto-to-discuss-controversial-housing-purchase-policy

Dinan argues that the city's timeline appears to be "intentionally designed to kill home prices." He points to other jurisdictions, such as San Francisco, which gives five days to show interest, whereas East Palo Alto provides 30.

"We have people on city staff say that delaying the home sale by (270) days would not affect the home price, and that's just flat out wrong," he said. "You can't make an offer on a house in June and wait until December to see if you got it. That's just not how real estate works."

<u>An investigation</u> found that some renters used OPA as a cudgel to charge landlords an exorbitant amount of money to be released from their TOPA rights. As a result, the D.C. council exempted all single-family homes from the law.

There's only one thing wrong with this proposed policy...It WON'T WORK.

Thanks, Vladimir

From: Housing <housing@cityofepa.org> **Sent:** Tuesday, December 7, 2021 11:55 PM

To: vmatveyev@hotmail.com <vmatveyev@hotmail.com>

Subject: RE: EPA OPA concerns

Thank you for sharing your input on the EPA OPA ordinance with the City. We have forwarded it to the relevant staff and shared your comments with City Council. Your comments will be taken into consideration and were posted online at the OPA webpage:

https://www.cityofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-0

If you don't see your email, please let us know by replying to Housing@cityofepa.org

Please note Council staff reports are posted at the following webpage: http://eastpaloalto.iqm2.com/Citizens/Default.aspx

Thank you!

Housing Division
City of East Palo Alto

From: Vladimir Matveyev < vmatveyev@hotmail.com>

Sent: Tuesday, December 7, 2021 2:12 PM **To:** Rachel Horst < rhorst@cityofepa.org

Subject: EPA OPA concerns

Hello Rachel.

I went through the updated ordinance and here are my questions and concerns:

"Listing or Marketing" ... or receiving communications from prospective buyers.

From the wording it looks like even receiving unsolicited communication from third party byers can be considered a violation of listing prohibition.

C. Disclosure Package. Within five (5) days of receiving a Statement of Interest, the Owner must provide a disclosure package that includes documents and information set forth in the Administrative Guidelines, and at minimum, an itemized list of annual income and expenses, including but not limited to rent and other income collected, and costs of management, insurance, utilities, maintenance, and repairs.

This information is between the owner and IRS. City should not require disclosure of such information for single family home in special "Administrative Guidelines" (that we have not even seen) - as it is not a commercial real estate. Owner can provide regular disclosures, as required by law and normally provided to any third party buyers as part of real estate transaction. IMO that would be a violation of owners privacy and put unnecessary burden on the owner, so I request to remove that requirement.

B. Reduced Price. If the Owner sells or contracts to sell the Residential Property to a Third-Party Purchaser for a price more than ten percent (15%) less than the price offered to the Potential Eligible Purchaser or for other terms which would constitute bargaining without good faith, the sale or contract is void and the Owner shall comply anew with all requirements of this Chapter as applicable.

Even though the appraisal requirement is gone, this paragraph still put restrictions on who to sell to and at what price. IMO that is a violation of owner right to sell the property at whatever price owner and buyer agree upon. And wording does not match the number - 10% or 15%?

C. Financial Assurances. The Owner may not require the Potential Eligible Purchaser to prove financial ability to perform as a prerequisite to entering into a contract.

IMO Owner should be able to request financial ability information, as allowed by law from any prospective buyers, including potential eligible purchasers. City should not put any additional restrictions on that process.

E. Deposit. The Owner shall not require the Potential Eligible Purchaser to pay a deposit of more than one percent (3%) of the contract sales price to make a contract.

Wording does not match the number - is it 1% or 3%?

IMO owner should be able to ask for the same amount of deposit, allowed by law, as from third party prospective buyers, and that deposit could be non-refundable, like it would be with third party buyers. So potential eligible purchasers will not have preferential treatment and will be taking the same financial risk as any other prospective buyers, if they fail to complete transaction.

The Notice of Intent to Sell shall be provided at least thirty (30) days before listing or marketing the Residential Property ("Notice Period").

•••

Receipt of a timely Statement of Interest and disclosure package shall extend the Notice Period by thirty (30) days for Single Family Dwellings; sixty (60) days for two or three (2-3) unit Multi-Family Dwellings; and ninety (90) days for four or more (4+) unit Multi-Family Dwellings

...

A Qualified Nonprofit and/or the City shall have ninety (90) days to close the transaction for the sale of a Single-Family Dwelling or a two to three (2-3) unit Multi-Family Dwelling; and one hundred and twenty (120) days to close the transaction for the sale of a four or more (4+) unit Multi-Family Dwelling.

So for the single family with ADU the required timing is 30+60+90 = 180 days - that is unacceptable, as it will effectively prohibits 1031 exchange (that has total 180 days to complete).

IMO this is a violation of owners rights for 1031 exchange and may lead to financial litigations against the City, as owners will not be able to do 1031 exchanges. Timing needs to be made comparable to regular real estate transactions with third party buyer, to allow 1031 exchanges.

The City Attorney, any non-exempt Owner subject to the provisions of this Chapter, and/or any Potential Eligible Purchaser may bring a civil action to enforce this Chapter and shall be entitled to the remedies set forth in this section to the greatest extent permitted by law.

And enforcement by any potential purchaser litigation without any time boundary and bug fines - that is huge concern.

Overall - I consider that ordinance to be very bad for single family home owners and not solving the stated goal of affordable housing in EPA.

IMO single family homes and single condo units should be removed completely from that ordinance (regardless of the owner status).

Citi should look for other ways to achieve affordable housing in EPA, like it is done in other cities:

- Invest City money into building affordable apartment complexes (instead of purchasing most expensive single family homes)
- Provide incentives to single family home owners (via taxes or some other way) to build additional ADUs and rent them out (this ordinance effectively dis-incentivize owners to build ADUs, which is contrary to stated goal)

Thanks,

Vladimir

CAUTION: This e-mail originated from outside of the organization. Do not click links or open attachments unless you validate the sender and know the content is safe.

From: <u>Helen</u>
To: <u>Housing</u>

Subject: No to OPA - it does not solve problems but creates new ones!

Date: Wednesday, December 22, 2021 3:53:28 PM

Dear City Council,

I wanted to say thank you for the opportunity to discuss the OPA matter.

I really appreciate that the city council listened to our concerns and made some amendments and definite improvements to the initial version of the ordinance. I understand there is the problem here: my very dear friend will probably need to relocate in a couple of month since her rent is going to increase by \$600.

I don't, however, understand how the proposed ordinance is going to help her and others in similar situations.

It was pointed out many times that OPA does not solve the housing problem. In addition, the economical impact has not been analyzed. Just wanted to add that there is also a social impact as seen in the hate speech at last night's meeting when someone made racist comments against an Asian group of home owners. We don't need hatred in our city!

I am strongly against OPA. It does not solve the intended problem. It creates social tensions. We need to find other ways without trampling on peoples' rights.

Sincerely, Helen Bernstein

From: Ofelia Bello

To: Martha Hanks; kalamu.chache@gmail.com; Stewart Hyland; Danita Churchill; Dee Uhila; Shanna Uhilamoelangi;

Tiffany Uhila-Hautau; Laura Rubio; Sarah Hoffman; Fr. Goode; Paulina; Izamar Moya; Maureen Larsson; Karl-Magnus Larsson; Marisela Ramos; lidiagarcia2014@yahoo.com; julian garcia; Lourdes Best; Nora Melendez; S.T.

Webster; Michael Mashack; Kyra Brown; Elizabeth Jackson

Cc: Duane Bay; Keith Ogden; Vanessa Smith; yucapeeps@youthunited.net; Miriam Yupanqui; Maritza Leal; Jason

Tarricone

Subject: OPA Website and Link for Tonight

Date:Wednesday, December 22, 2021 5:14:22 PMAttachments:2021-12-22 City Council - Public Agenda-1410.pdf

Hello Community of OPA Supporters, Housing Advocates & EPA Housing Partners-

As many of you know, tonight City Council will finally be deliberating the OPA proposal. We have heard lengthy rounds of community input, but tonight council members will finally be deliberating the policy. To Join the City Council meeting please use this link: https://us06web.zoom.us/j/86520513649

A few important things:

- There is no scheduled public comment as of yet, but keep in mind that if the mayor and council wish, they can reopen public comment
- There is now a live website for YES to OPA in East Palo Alto which you can visit HERE. There are a few last things that need to be addressed (FAQ sheet and some broken City links which I am working on) but feel free to share it to combat the misinformation that has been spread. If you have suggestions, want to give a quote we can feature, or anything like that please let me know!
 - PLEASE go to the "Take Action" page and send in emails to City Council if you haven't
 already and/or share with others. Not only today but in the coming days as well. Ask folks in
 support to do the same. I already tested the form and it works. Emails will be sent to all 5 members
 of council
- The content is so far only in English. : (I will work on translating as much key info as I can in the coming days. Help is welcome!

As always don't hesitate to reach out with questions, comments, etc.

Thank you!!!

Español/Spanish

Hola, partidarios de la OPA, defensores de la vivienda y colaboradores:

Como muchos de ustedes saben, esta noche el Ayuntamiento finalmente deliberará sobre la propuesta de la OPA. Hemos escuchado largas rondas de comentarios de la comunidad, pero esta noche los miembros del consejo finalmente deliberarán sobre la política. Para unirse a la reunión del Ayuntamiento, utilice este enlace: https://us06web.zoom.us/j/86520513649

Algunas cosas importantes:

•

No hay comentarios públicos está previsto hasta el momento, pero tenga en cuenta que si el alcalde y el consejo de deseo, que pueden volver a abrir el comentario público

Ya existe <u>un sitio web en vivo</u> para SÍ a OPA en East Palo Alto que pueden visitar <u>AQUÍ</u>. Hay algunas últimas cosas que deben abordarse (hoja de preguntas frecuentes y algunos enlaces rotos de la ciudad en los que estoy trabajando), pero no dude en compartirla para combatir la

información errónea que se ha difundido. Si tiene sugerencias, desea dar un presupuesto que podamos presentar, o algo por el estilo, ¡hágamelo saber!

- POR FAVOR vaya a la página "Actúe" y envíe correos electrónicos al Ayuntamiento si aún no lo ha hecho y / o comparta con otros. No solo hoy, sino también en los próximos días. Pídale a las personas de apoyo que hagan lo mismo. Ya probé el formulario y funciona. Se enviarán correos electrónicos a los 5 miembros del consejo.
- Hasta ahora, el contenido está solo en inglés. : (Voy a trabajar en la traducción de la máxima información clave como pueda en los próximos días. ¡La ayuda es bienvenida!

Como siempre no dude en llegar con preguntas, comentarios, etc.

Muchas gracias!!!!

Ofelia Bello (she/hers)
Exec. Director
YUCA
2135 Clarke Ave
EPA, CA 94303
(650) 322-9165 o.
(650) 322-1820 f.
www.youthunited.net

www.facebook.com/YouthUnitedforCommunityAction

From: Martin

To: Carlos Romero; Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Rachel Horst;

Karen Camacho; Victor Ramirez; cityclerk

Subject: EPA OPA - What is the purpose

Date: Wednesday, December 22, 2021 6:19:24 PM

Respected Sir/Madam,

I am an EPA resident and homeowner and I closely followed the discussions around EPA OPA.

One thing I am not clear is whether this ordinance will address the stated purpose of the ordinance. The stated purposes for this ordinance are Tenant homeownership, Affordable housing and Stopping displacement.

Tenant Ownership:

The average cost of home in EPA is >1M and if a tenant can purchase a home >1M without subsidies then everyone can agree that this tenant doesn't need City's help.

For tenants who need subsidies to buy a home - this legislation as written looks to be a financial disaster. Even if a tenant gets help with all the downpayment, he/she needs to take a loan of >800K. With 2.5-3% interest rate and property tax monthly expenses will come around 4.5 - 5K. This is greater than the market rate rent for a 4-5 bed house. Tenant who buys a home using subsidies cannot sell or rent the house at market rate, so he/she cannot build equity with this. So tenants are spending more for home ownership with little in returns. I will be surprised even if a single tenant buys a home using this ordinance with subsidies.

Affordable housing:

Even the supporters and the mayor agrees that affordable housing is not a direct benefit, nevertheless by giving nonprofits first dibs there could be an indirect benefit of affordable housing for some. But at what cost, for 100 homes it will take anywhere between 100-125M for the non-profits to buy the homes. For the city, there is a recurring loss of >16M in property taxes for every 10 years. The money we should be spending in building more affordable homes, investing in schools, roads and public safety.

Displacement:

If the goal is displacement, this ordinance could have been targeted to those long term rentals. Instead this ordinance applies to new future rentals, vacant homes. Who is getting displaced by a vacant home sale?

Some of the defense provided by the supporters seems to be more about the instinctive feeling about tenant owning homes but without the actual analysis. But some defense is just plainly false. There are people who said the OPA legislation is a success in Washington, which is plainly false. If it's so much success why did Washington DC exempted single family homes from this ordinance in 2018. Some even suggested that this legislation tips the balance of power to tenants. What happened in Washington is that some tenants used this new found power to extort thousands of dollars from homeowners. I am pretty sure our city council dont intend for this legislation to be used as an extortion tool.

This ordinance as written has serious flaws, it doesn't protect homeowners from spurious litigation or threat of litigation. This ordinance imposes harsher penalties only on homeowners not following this ordinance but not on tenants or non-profits who might abuse this ordinance.

Considering all this, I request the city council to reject this ordinance.

Thanks, Martin

From: Steve B

To: Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones

Cc: <u>Patrick Heisinger</u>; <u>Rachel Horst</u>; <u>Jaime Fontes</u>; <u>Rafael Alvarado</u>

Subject: OPA Violates the 5th Amendment Takings Clause

Date: Wednesday, December 22, 2021 6:26:26 PM

Dear Mayor, City Council Members and City Staff Members,

I heard the news that the Council will vote this evening on a new "Opportunity to Purchase Act" Ordinance.

I think this OPA is a terrible idea – it infringes on the rights of property owners to sell their property in a timely manner. It allows the City of EPA and unspecified "Qualified Non-Profit" organizations the right to interfere in the sale of a property by a willing seller to a willing buyer.

I believe this OPA amounts to a violation of the Takings Clause of the Fifth Amendment to the United States Constitution.

I believe the effect will be to depress property values in East Palo Alto. That financially hurts existing EPA homeowners and makes EPA a less attractive place for potential new owners to buy property.

I urge the entire Council to vote against this OPA ordinance.

Sincerely,

T. Tampaey

From: Brittany Goodwin
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Saturday, December 18, 2021 9:07:10 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Brittany Goodwin
brittanybgoodwin@gmail.com
1974 Pulgas Avenue
East Palo Alto, California 94303

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Thursday, December 23, 2021 7:04:07 AM

Sent from my iPhone

Begin forwarded message:

From: Shunn huah Huang <info@sg.actionnetwork.org>

Date: December 22, 2021 at 5:22:11 PM PST To: Jaime Fontes <i fontes@cityofepa.org>Subject: Strongly Oppose OPA in EPA Reply-To: sparklemusic@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Shunn huah Huang sparklemusic@yahoo.com 365 Bundy Ave

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Thursday, December 23, 2021 7:04:24 AM

Sent from my iPhone

Begin forwarded message:

From: Sunteck See <info@sg.actionnetwork.org>
Date: December 22, 2021 at 5:23:14 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA

Reply-To: sh8huang@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
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Thank you very much!

Sunteck See sh8huang@yahoo.com 365 Bundy Ave

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: Fwd: Strongly Oppose OPA in EPA **Date:** Thursday, December 23, 2021 7:04:49 AM

Sent from my iPhone

Begin forwarded message:

From: Tina Kong <info@sg.actionnetwork.org>
Date: December 22, 2021 at 5:34:04 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: wynngate88tracy@gmail.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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Thank you very much!

Tina Kong wynngate88tracy@gmail.com 40327 Imperio place Fremont, California 94539

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Thursday, December 23, 2021 12:55:39 PM

Sent from my iPhone

Begin forwarded message:

From: Michelle Chang <info@sg.actionnetwork.org>

Date: December 22, 2021 at 7:24:10 PM PST **To:** Jaime Fontes <jfontes@cityofepa.org> **Subject: Strongly Oppose OPA in EPA Reply-To:** bluesage2000@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
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Thank you very much!

Michelle Chang bluesage2000@yahoo.com 765 San Antonio Rd.

From: Meiling Chen
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Saturday, December 18, 2021 9:16:58 AM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Meiling Chen
meiling.chen@sbcglobal.net
2378 Oakwood Drive
East Palo Alto, California 94304

From: Grace Popple

To: nora@draconsultants.com

Cc: Housing; Ruben Abrica; Regina Wallace - Jones; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Rafael Alvarado

Subject: Right of First Refusal consequences and impact spread across other properties

Date: Friday, December 24, 2021 9:52:07 AM

Nora of DRA and the Housing Team in EPA,

Thanks for supporting the City of East Palo Alto in its efforts to understand the consequences of the proposed OPA ordinance and to evaluate the pros and cons of the ordinance for different residents and taxpayers (and resident taxpayers!) in the city, as has been requested by our Mayor Abrica and Councilmembers Lopez and Gauthier.

At the City Council meeting on 12/22/21 I put into the "Q&A" that I had already shared with our Councilmembers academic research I had found on the consequences of including Right of First Refusal in auction terms. This appears very relevant to the next phase of DRA Consultants' research to answer the impact questions from City Council.

Here's the relevant part from my earlier emails to Councilmembers:

"OPA would reduce house prices

- A Right of First Refusal (RoFR) policy reduces the achieved price in an auction in this case that implies the selling price of homes where RoFR applies would be reduced. This isn't just a hunch, there are academic papers that describe this effect.

 Example 1 Example 2 Example 3 [see extracts at bottom of this email!]
- The policy would apply to all sizes and types of homes and, through appraisal "comps", would impact the selling prices of all homes in the city. ("Sales comparison" approach to appraisal is most favored for single family homes, and rental or vacant homes are all in the same "comp bucket" (Appraisal info))

Most people who own their homes in EPA are members of minority groups

- 2/3 (67%) of owner-occupied homes in East Palo Alto today are owned by Black/African American, Pacific Islander or Hispanic/Latine people members of disadvantaged minorities. *Data source* (from Census) (note, for Palo Alto this ratio is only 4%)
- The highest proportion of owner-occupation by race is amongst Black/African American population, where 50% of those residents in our city own their own homes.

 Data source (This is likely a legacy of the limited choices available to Black/African American people in the 1950s when East Palo Alto was developed and they were prevented from building housing wealth elsewhere by racist deed restrictions and redlining.)

Therefore, enacting OPA in East Palo Alto would have a negative impact on homeowners and in particular Black/African American homeowner residents of EPA."

I am keen for our Councilmembers and the public to have a more comprehensive set of auction dynamics analysis presented to them and I am excited you will be conducting this research as an impartial party in this effort seeking to answer Council's questions as objectively and accurately as possible. As an individual my access to research literature is quite limited but I am sure your firm is able to access a great deal more. And furthermore in our local companies that depend on auction market dynamics (eBay, Google, Facebook, Twitter being just four of them) there are many economics experts who have made business happen from a very careful study of how **small changes in the configuration of an auction move value around in markedly different ways** (for instance, adjusting product-by-product whether a first price or second price auction model is used, with consequences for transparency and brand trust as well as ultimate achieved pricing is still happening today). Hopefully through your efforts we can tap into this expertise and bring some real insights.

I would also like us to agree somehow on terminology around "reduction in house prices" to avoid confusion. I use the term "reduce house prices" here to mean "in comparison with the status quo with no change". Whether house prices objectively go up or go down over time is clearly something determined by a myriad of factors many of which are much more macro-scale economic impacts affecting a whole national or regional economy, or even world financial markets, just as homeowner costs of ownership, tenant cost of living, and opportunities for income from other sources other than real estate also change. But I believe what's fair and right to consider here in understanding the tradeoffs of implementing OPA is the difference that having an OPA ordinance in the city makes on OPA residents - tenants, nonprofits, and property owners. And that is a difference in the value of their property at a given point in time, compared with what it would have been without OPA. In an atmosphere of inflation not just in property prices but also in all manner of goods, as we are currently experiencing, it is surely very evident that it is the relative effect on price and value and not the absolute change over the period of an investment that is most important here.

I have already observed a conversation amongst a group of people containing no active "proponents" or "opponents" of OPA in East Palo Alto in which someone who was considering buying a home currently listed for sale in EPA (but who could also consider buying in other nearby communities instead) was warned off the EPA property because of possible difficulties in later exiting that home purchase, or reduced future appreciation in home value, depending on how this ordinance evolves or what other investment choices that person may make later on. This is an example of reducing the market of willing buyers for that home, and that has a real (non-imagined!) impact on the achievable selling price for it.

You'll note that in my email to councilmembers I included some analysis of racial demographics. I think this is important and relevant because a key source of funding to "close the gap" to enable the acquisition of properties under OPA in EPA is the Bay's Future fund, which provided the funding to place the Fellow in EPA who has already done a lot of work to get the OPA ordinance drafted. This fund now has \$520MM and more is accumulating to put towards Bay Area anti-displacement efforts and therefore could be expected to be very important in moving TOPA and COPA from an impact only on pricing through its administrative changes, to actually changing in a substantial way the ownership of property in

EPA. Bay's Future has a requirement for future funding that projects "advance racial... equity". If disadvantaged racial groups are harmed through OPA then this puts at risk this potential important source of funding for EPA, which might jeopardise the greatest positive impact that OPA proponents - and indeed many others in EPA - might hope for. I would like to see more analysis on this from DRA Consultants and the City too.

I haven't previously addressed the issue of **loss of property tax revenue** to the City from homes becoming owned by non-profits, which I saw originally raised as a concern by Councilmember Regina Wallace-Jones on an October video meeting when I later watched it. In the December 22nd meeting Nora stated that this impact would be negligible since so few properties would be funded to go to nonprofit ownership under OPA. I would like to understand how this changes if indeed a substantial portion of **Bay's Future** funds (\$520MM and climbing) are pumped to nonprofits for the acquisition and stabilization of East Palo Alto properties. Given the enthusiasm of our local tech companies and their foundations to be seen to be active in creating solutions for housing local communities this seems a possible outcome that we should consider in a sensitivity analysis. It's not fair to state that this policy is needed for its impact in changing home ownership but then also to state that it won't change home ownership and so it will have no impact on property taxes. If it has no impact then why do it, given real harm to property owners. If it has real impact then let's be open and straightforward about how much. I understand that in the funding environment so far experienced, Pahali Land Trust has an appetite to own 10 properties in EPA. Let's see the analysis - suppose these are \$1MM properties, property tax is about 1% of value per year, so \$10K of property tax per year per property - then that would be \$100K of negative impact to property tax revenue to the city every year, is that correct? (Please adjust if not!) But if EPA CANDO and Pahali are "supercharged" by Bay's Future funds and buy not just 10 but 100 properties in our city, presumably we are talking \$1MM per year of directly reduced revenue to the city through the nonprofit ownership (along with the reduction in property tax from the relatively reduced market value of all the other housing stock at the moment of sale)... this is something you could model I think?

I also haven't made a significant study of the impact on potential buyers who are in a **1031 exchange situation**, having already sold their existing investment property and being locked into a timeline to identify and conclude the purchase of a new property. I hope you can help us all understand this more. My understanding is that from the moment of sale of the prior property the investor has 45 days to identify and commit to purchase another property and must conclude the transaction end-to-end in 180 days. During the 45 day period they need to know that they are actually able to get in contract on the target property or they have wasted their opportunity to identify and buy any property anywhere. A right of first refusal on a property that causes the property to slip away from them isn't just a disappointment - it's a real financial risk with potentially devastating tax consequences. So in their set of identified properties they will shy away from any with uncertainties on the bid process or the close process. Please work this through for us with an assessment of to what extent 1031 buyers are likely to avoid East Palo Alto property investment.

Thank you for your help in putting together something far more meaningful, comprehensive and objective to help our City make fact-based decisions. Your work is being described as impartial and honest and I trust your professional ethics in serving the needs of our City to make decisions about trade-offs with eyes open.

Here are extracts from the abstracts for the three RoFR studies linked above.

Right of First Refusal (ROFR) Effects in Auctions with Reserve Price: Empirical Evidence from Taiwanese Government Land Auctions by Yao-Min Chiang & Jarjisu Sa-Aadu

"This paper presents the first empirical evidence on the effects of ROFR from 1012 first-price sealed-bid auctions for the sale of government owned land in Taiwan from 2007 to 2010. The main findings are as follows. An auction with the ROFR has significant negative effect on auction success, i.e. it decreases the likelihood of asset sale. Further, we find that the presence of ROFR in an auction: (i) discourages bidder entry into auction, (ii) creates incentive for bidders to bid less aggressively, and (iii) ultimately reduces seller expected revenue and profit. Interestingly, in majority of the margins of auction outcomes we analyzed the reserve price tends to offset the effects of the ROFR, and the ROFR in turn has significant negative effect on the level of reserve price set by the seller. Overall, the weight of our empirical evidence provides support for the branch of the theory that predicts negative impact of ROFR on auction outcomes."

On the Right-of-First-Refusal by Sushil Bikhchandani, University of California, Los Angeles - Anderson School of Management; Steven A. Lippman, University of California, Los Angeles (UCLA) - Policy Area; Reade Ryan, Amaranth LLC

"When the seller of an asset grants a right-of-first-refusal to a buyer, this special buyer has the opportunity to purchase the asset at the best price the seller can obtain from the other potential buyers. We show that the right-of-first-refusal is inefficient, and it benefits the special buyer at the expense of the seller and other buyers. In a private values model, the benefit the special buyer obtains via the right-of-first-refusal equals the cost to the seller. When buyers' valuations are correlated, the presence of a special buyer exacerbates the winner's curse on regular buyers. Consequently, the special buyer's expected gain from the right-of-first-refusal is often less than the expected loss to the seller. Thus, our analysis suggests that the seller should exercise considerable caution prior to deciding whether to grant this right to a buyer."

A note on the suboptimality of right-of-first-refusal clauses," Economics Bulletin, AccessEcon, vol. 4(24), pages 1-5. By Leandro Arozamena & Federico Weinschelbaum, 2006.

"We show that, under independent private values, no mechanism that contains a right-offirst-refusal clause can maximize the sum of the utilities of the seller and the right-holder."

Grace Popple, nee Webber

open attachments unless you validate the sender and know the content is safe.

From: **Grace Popple**

To: Ruben Abrica; Lisa Yarbrough-Gauthier; Carlos Romero; Antonio D. Lopez; Regina Wallace-Jones

Cc: **Rachel Horst**

OPA is especially harmful in a falling market Subject: Date: Thursday, January 13, 2022 8:42:20 PM

Councilmembers.

House prices anywhere are subject to market fluctuations. They go in "cycles" sometimes up and sometimes down. The chart below shows the Compounded Annual Rate of Change of all house transaction prices in SF-SanMateo-RedwoodCity area since 1983 when the City of East Palo Alto was founded. As you can see there have been 4 cycles so far when house prices have been falling.



Source: https://fred.stlouisfed.org/series/ATNHPIUS41884Q

We have had house prices falling fairly recently in this area (blue line below the black line since around 2018), though not as deeply as they fell in and around 2008. What the future looks like is uncertain - we're already seeing stock market jitters and rumors that the Fed may raise interest rates (which makes it harder for prospective buyers to find funding and for existing owners to refinance). This may drive a price decline overall. It may come sooner or later. But it will come and when it comes it will likely hit us fast, before we have a chance to change our Ordinances.

I'd like us to consider what happens to a homeowner owning their home through one of these periods of decline and how OPA will affect them. We have some evidence of what happens to our homeowners in a market contraction in some older news from 2009 when our Community Legal Services of East Palo Alto was called into action to <u>defend EPA homeowners - at that time it seems more than 150 homes in EPA were</u> facing foreclosure. Suppose that a homeowner realizes they need to sell to get out from their mortgage payments, and values are dropping. For whatever reason - travel to attend to a family business or care for an elder elsewhere, how the property is owned within the family - the property is covered under OPA.

The homeowner discovers there is no way for them to get a refinance on their existing mortgage to a better rate because their credit is poor, income has suffered, or because the appraised value of the home is not high enough to sustain a mortgage of the same size as before.

So they notify the PEPs of their intention to sell the house. A Qualified Nonprofit expresses interest and makes a First Offer. Being very concerned about the falling market, and the First Offer being enough to pay off the mortgage with a little bit of extra cash for expenses, the homeowner accepts it right away avoiding any delay of going to the third party market (even though a third party offer might be for a higher amount). But the nonprofit has 90 days to close. During this time the market falls further, and the homeowner is struggling to pay all the expenses of the home and its mortgage (that's three more monthly payments due). The bank is breathing down their neck. The PEP waits until the last moment and then decides that the price they contracted for the house has become more expensive than other properties now available - also the QNP's underwriters are no longer willing to underwrite their funding at the nowlower property value. The PEP withdraws from the purchase (penalty-free) to pursue a now-less-expensive neighboring property instead. The owner doesn't have enough value left in their house to pay off the bank. They missed the window of being able to sell without a short sale or a foreclosure. They can't arrange a short sale with the bank fast enough. They go into foreclosure, they have to move out and their credit is shot. Now the bank owns the property.

OPA offers a free "call option" to a PEP with an extended period in which they can buy a home for a preagreed price, or withdraw. The longer that period of time is, the greater the chance for the PEP to have a reason to back out of the purchase. This will happen especially in a falling market. The seller receives zero compensation for this costly delay and may face great difficulty working with the third party market subsequently, when the prices available may have fallen further.

Prospective purchasers looking to buy a home in a falling market will be especially concerned about their ability to sell the home on their timeline if they get into difficulty, precisely since such difficulties will be so well-described at the time, front-of-mind. They will not want to buy into situations where there are delays and other hurdles in front of a sale. This will exacerbate any fall in East Palo Alto compared with other cities in the same region.

It's certainly true that those homeowners who are able to weather storms in the market and times of decline and hold on through an eventual return to market growth may be able to make up for their losses and do well for themselves in the long run. But the homeowners that are least able to do this, are those with unstable family situations and relationships, vulnerable employment conditions, a lack of a financial cushion, and a

lack of familial wealth. These are exactly the sorts of homeowners that our City should be trying to support. **OPA does nothing to help these homeowners, and instead blocks their path to a dignified exit from their homeownership experience in East Palo Alto, and stomps on their chance to get a mortgage (or a car loan, or even maybe a reasonable rental property) here or anywhere else for a long time too.**

Please vote against OPA. This Ordinance will have damaging effects in all market conditions, many of which have not yet been properly evaluated.

Thank you

Grace Popple
Resident Homeowner in East Palo Alto

--

Grace Popple, nee Webber

From: Grace Popple

To: Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Carlos Romero; Regina Wallace - Jones

Cc: Housing; Patrick Heisinger; Rachel Horst; cityclerk

Subject: OPA: Analysis of the DRA paper "Research Regarding Potential Effects of TOPA"

Date: Monday, January 17, 2022 8:36:09 AM **Attachments:** Concerns with DRA analysis.pdf

Mr. Mayor, Ms. Vice-Mayor, Councilmembers (and cc City Staff),

The DRA analysis was published on Friday night. I have gone through the analysis and have major concerns with it. (If you prefer, or for inclusion in a printed document, you may find the attached PDF formats better than the below email body text - and has page numbers - both have the same content.)

A report engineered to support a policy rather than designed to discover the truth

Overall it appears to me that the DRA Analysis must have been engineered to attempt to support a particular position - that the OPA Ordinance won't really do anything; that people who own property in EPA subject to OPA will be unaffected by its passing; and that there is no downside risk to the City of East Palo Alto from passing the OPA Ordinance. It is hard to imagine how this analysis has turned out this way if it wasn't understood by the Consultant that that was the outcome they were supposed to achieve, since the underlying data does not support the conclusions of the Consultant in the way they suggest.

I have taken a look at the specifics of the DRA report and here are my findings:

- Summary/Conclusions section (pp162-163)
 - a. Housing supply/demand mismatch "expected to continue into the near future". No discussion of the risks of corporate "work from home" and "work from anywhere" potentially changing future demand, nor observations about the future direction of interest rates.
 - b. "The ordinance does not limit sales prices" in fact the Ordinance introduces a Right of First Refusal which does reduce sales prices, as I pointed out in a letter to Staff and to the Consultant on December 24th.
 - The OPA "affects a small proportion of single-family homes in EPA" is true only inasmuch as only a small proportion of them must go through the OPA process. But there **is an indirect/"knock-on" effect on all homes** with similar lot size, sq ft, number of bedrooms and so on who will be appraised together. This is not addressed.
 - d. "The market [is] very efficient in adjusting to regulatory changes." This statement is true but that does not mean that the market disregards regulatory change and continues to operate as it did before - markets adjust precisely by factoring in the regulatory environment into supply, demand, and ultimately price.
 - e. "Ordinance will have no effect on sales prices for units covered by the ordinance" - this is not true. The Right of First Refusal distorts the negotiation and results in different, lower pricing overall in the market. The timeline also reduces the attractiveness of East Palo Alto as a place to settle 1031 exchange funds already released to an investor from another

transaction (they may already have many fewer than 45 days remaining) and thus reduces the market of possible buyers.

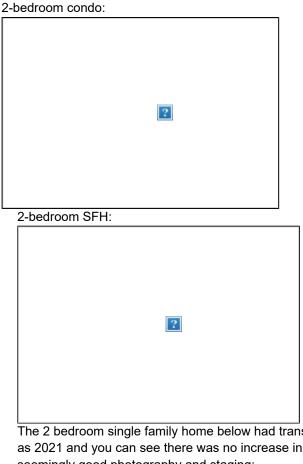
- f.

 Subsidizing units purchased under OPA may indeed be a goal of the very funding entity that funded the work of the Bay's Future Fellow in writing the Ordinance in the first place EPA received the grant because setting up a regulatory environment that meets their needs for funding is a known step in that process. This entity, Bay's Future, has \$520 million and growing to disburse towards anti-displacement and affordable housing efforts. That this funding source doesn't appear on the list of available funding sources reviewed by DRA in this effort is bizarre.
- 2. Residential Market Context section (pp 163-165)
 - a. The Freddie Mac quote from July 2021 is mostly backwards-looking as it relates to low mortgage rates - it doesn't predict what might happen to them in the future and indeed we are seeing signs of adjustment by central banks to drive rates up to try to squelch inflation. Looking forward Freddie Mac in this paragraph only describes a timeline on the order of "months". This Ordinance has no time limit and is presumably expected to remain in force for many years.
 - Table 1 seems to have data picked to show the most impressive % numbers possible, by having selected its years very carefully. Here's a chart that shows a longer time period than what is in the table, and that uses a more familiar metric of value growth, the Compounded Annual Growth Rate which enables us to compare growth over different time periods:

As you can see, the DRA study conveniently picked the most aggressive period of growth to present a very rosy picture of what has happened with home prices as though this is also what will always follow. But an EPA homeowner who has owned their home for a longer period than the 10 years that DRA looked back has a lot less price appreciation to show for their investment - a CAGR of just 2.9% since 2005 is less than could have been achieved in many savings accounts over that period. And of course during this period EPA

homeowners have incurred many expenses of owning their homes as well as having invested a great deal of additional capital (and their own sweat) to bring their aging homes up to modern standards and code.

Carol Cunningham has shared other data showing that the CAGR in EPA in recent years has in general been less than in other surrounding cities. I took a look at the 2021 sales which have been excerpted in DRA's Table 1 last column. 2021 was an unusual year in that twice the usual proportion of transactions in EPA seem to have come from sales of "University Square" homes - which generally sell at around a 50% higher price than other homes in our city, even though they don't have that many more bedrooms. While our "Premium" homes were selling, our standard, older, mostly 2 and 3 bedroom homes in other areas of the city, not so much - so our "mix" of transaction price changed. The value of an individual home in the city did not increase so much as is implied in Table 1. Here's a look at a typical "Zestimate" showing the movement of the value of a home in EPA (no, we wouldn't trust an appraiser to get the value of a specific home right but the Zestimate doesn't do a completely terrible job at understanding historic pricing for a category of similar homes) - look at the chart at bottom right to see the shape of the line since 2018:



The 2 bedroom single family home below had transactions (green spots) in 2018 as well as 2021 and you can see there was no increase in the price in three years, in spite of its

seemingly good photography and staging:	

And here's a 3 bedroom, same flat or slightly declining li	ine since 2018:
?	

(You can find other examples for yourself - look in <u>zillow.com</u> for East Palo Alto homes "for sale" or "sold" (I find "sold" useful since the market has spoken) and click on "Zestimate history and details" just under the "Home Value"). I don't have the data to compare with the other County-level data in Table 1, but we do know (as Carol has shown elsewhere) that EPA is hit harder and longer during a downturn than our neighboring areas. So the key is to compare us over a full business cycle and not just during an upswing - we have further to claw back just to get back to where we started than they do.

- In the section on rising interest rates, the Consultant asserts that "For investors who are paying all cash, interest rates are immaterial". I'm not sure how this supports their position, but in any case this assertion doesn't seem backed up by any data, and it seems to me that investors always consider interest rates as it affects funding across their growing portfolio and they depend on leverage for their growth. Just because an investor may be planning to rent out a property doesn't mean it's guaranteed that the investor is a "cash buyer" to make their portfolio grow they take out mortgages just like you and me. Nor is a "cash buyer" always going to be an investor sometimes they will have owner-occupier intent.
- 3. Potential Loss in Assessed Valuation section (pp.165-169) I have no comments on this except to note that there is an estimate of how many "absentee-owned" homes are sold each year. Given that the OPA Ordinance has a very specific definition of what makes an "absentee" not just Primary Residence status but also whether one has been physically present at the property and not traveling for more than 50% of the year I am not sure how we can know from external data sources how many homes are directly covered under OPA or not.
- Capital Subsidy Resources section (pp. 169-172)

- There's a listing of a lot of different sources of funding here, but NOT the source of funding that paid for the Bay's Future Fellow who was employed specifically on a Challenge Grant to help draft the OPA Ordinance. The Bay's Future Foundation has a pool of \$520 million in resources (and growing, we hear) to put towards exactly this type of funding effort this is why they ask cities to "prepare the way" for the funding by studying and adjusting their regulatory environment. Why didn't DRA look at the Bay's Future Foundation as a potential source of funding to evaluate? Surely the City Staff and DRA themselves were aware that they were working with a Bay's Future Fellow and that this is part of Bay's Future's remit? The entire premise that "there is no funding, and therefore there will be no (or almost no) transactions" is totally upended by this fact. Bay's Future is very accessible we have an in-house Fellow who can no doubt connect our City and the DRA team to leadership at Bay's Future to clarify how their funds are to be used and how much of that funding might find its way to sponsor purchases through OPA in East Palo Alto.
- 5. 1031 Exchanges
 - a. I wrote twice to Staff about 1031 Exchanges in November and December, and again on December 24th I wrote to Nora at DRA as well as to Staff, making the point that the impact from OPA on the 1031 Exchange situation would hit our homeowners in the way it reduced the ability for an investor with a 1031 exchange transaction already on-the-go to be able to select and transact on an EPA home for purchase with certainty within the necessary timeline thus reducing the market of prospective buyers for their property. However, Staff did not give DRA the remit to look into this aspect of 1031 exchanges, so the DRA report misses the point, and the impact.
 - b. On the final page of the report, DRA refers to a National Association of Realtors study and quotes a figure seemingly to make the case that 1031 Exchanges are not that important. Here is that study. Of course one might expect that the fraction of properties that are today rented out by "absentee landlords" might also be those in future thought as a "best fit" by other potential landlords and this drives up the importance of 1031s for the very properties covered directly by the OPA Ordinance. You will also find that other points are also made within the study that 52% of the properties that transact through a 1031 "Like-Kind" exchange are residential properties; that 94% of Realtors in the study felt that property prices would be lower if 1031 exchanges were not possible (through repeal); and that 68% of respondents expected that rent in acquired properties would increase if the 1031 process were made unavailable. Clearly our Consultants found and read this study. These other data from the study seem at least as relevant to East Palo Alto's need for economic analysis as the point they selected. If the study is thought to be meaningful, let's glean all the meaning from it.

I'm really disappointed that DRA's analysis turned out this way. I wish there had been transparency with the public in the drafting of the guidance for what would be studied, and some opportunity to have this be a truly solid and impartial study. I understand that there was only a short time for this analysis, but I do believe that the analysis could have been improved by accepting that the Right of First Refusal has a real impact on market dynamics as has solid backup in the literature; recognizing mix effects in EPA home sales value medians and some specific threats to value in our market compared with our neighbors'; understanding the real source of Foundation funding that exists now and is within EPA's reach; and looking at 1031 exchanges from the "other side".

I hope that Councilmembers realize that what DRA has provided is a paper to support a policy position, not to seek to understand its impacts.

Thank you for reading.

Grace Popple Homeowner and Resident in East Palo Alto

Grace Popple, nee Webber

Concerns with the DRA Analysis on OPA By Grace Poppl, 1/16/2022

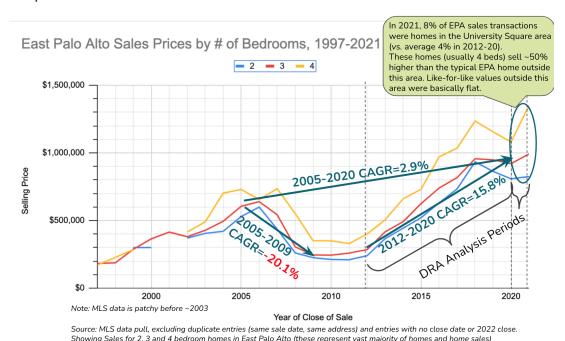
A report engineered to support a policy rather than designed to discover the truth

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I have taken a look at the specifics of the DRA report and here are my findings:

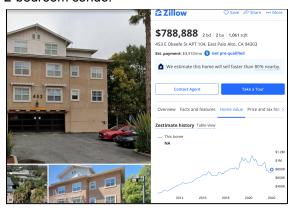
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- 2) Residential Market Context section (pp 163-165)
 - a) The Freddie Mac quote from July 2021 is mostly backwards-looking as it relates to low mortgage rates - it doesn't predict what might happen to them in the future and indeed we are seeing signs of adjustment by central banks to drive rates up to try to squelch inflation. Looking forward Freddie Mac in this paragraph only describes a timeline on the order of "months". This Ordinance has no time limit and is presumably expected to remain in force for many years.

b) Table 1 seems to have data picked to show the most impressive % numbers possible, by having selected its years very carefully. Here's a chart that shows a longer time period than what is in the table, and that uses a more familiar metric of value growth, the Compounded Annual Growth Rate which enables us to compare growth over different time periods:



As you can see, the DRA study conveniently picked the most aggressive period of growth to present a very rosy picture of what has happened with home prices as though this is also what will always follow. But an EPA homeowner who has owned their home for a longer period than the 10 years that DRA looked back has a lot less price appreciation to show for their investment - a CAGR of just 2.9% since 2005 is less than could have been achieved in many savings accounts over that period. And of course during this period EPA homeowners have incurred many expenses of owning their homes as well as having invested a great deal of additional capital (and their own sweat) to bring their aging homes up to modern standards and code. Carol Cunningham has shared other data showing that the CAGR in EPA in recent years has in general been less than in other surrounding cities. I took a look at the 2021 sales which have been excerpted in DRA's Table 1 last column. 2021 was an unusual year in that twice the usual proportion of transactions in EPA seem to have come from sales of "University Square" homes - which generally sell at around a 50% higher price than other homes in our city, even though they don't have that many more bedrooms. While our "Premium" homes were selling, our standard, older, mostly 2 and 3 bedroom homes in other areas of the city, not so much - so our "mix" of transaction price changed. The value of an individual home in the city did not increase so much as is implied in Table 1. Here's a look at a typical "Zestimate" showing the movement of the value of a home in EPA (no, we wouldn't trust an appraiser to get the value of a specific home right but the Zestimate doesn't do a completely terrible job at understanding historic pricing for a category of similar homes) - look at the chart at bottom right to see the shape of the line since 2018:

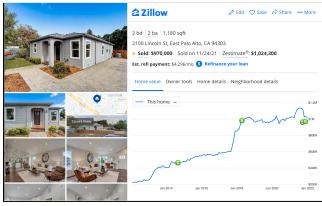
2-bedroom condo:



2-bedroom SFH:



The 2 bedroom single family home below had transactions (green spots) in 2018 as well as 2021 and you can see there was no increase in the price in three years, in spite of its seemingly good photography and staging:



2 Zillow

② Edit ☑ Save ☑ Share → More

3 bd 1 ba 1,158 sqft
404 Daisy Ln, East Palo Alto, CA 94303

③ Sold: \$800,000 | Sold on 11/19/21 | Zestimate®: \$814,900

Est. refi payment: \$3,540/mo ② Refinance your loan

Home value Owner tools Home details Neighborhood details

Comparable homes

\$986,773 ☑

Local Home Values - 1 year 5 years 10 years

This home - ### Syears 10 years

###

And here's a 3 bedroom, same flat or slightly declining line since 2018:

(You can find other examples for yourself - look in zillow.com for East Palo Alto homes "for sale" or "sold" (I find "sold" useful since the market has spoken) and click on "Zestimate history and details" just under the "Home Value"). I don't have the data to compare with the other County-level data in Table 1, but we do know (as Carol has shown elsewhere) that EPA is hit harder and longer during a downturn than our neighboring areas. So the key is to compare us over a full business cycle and not just during an upswing - we have further to claw back just to get back to where we started than they do.

- c) In the section on rising interest rates, the Consultant asserts that "For investors who are paying all cash, interest rates are immaterial". I'm not sure how this supports their position, but in any case this assertion doesn't seem backed up by any data, and it seems to me that investors always consider interest rates as it affects funding across their growing portfolio and they depend on leverage for their growth. Just because an investor may be planning to rent out a property doesn't mean it's guaranteed that the investor is a "cash buyer" to make their portfolio grow they take out mortgages just like you and me. Nor is a "cash buyer" always going to be an investor sometimes they will have owner-occupier intent.
- 3) Potential Loss in Assessed Valuation section (pp.165-169) I have no comments on this except to note that there is an estimate of how many "absentee-owned" homes are sold each year. Given that the OPA Ordinance has a very specific definition of what makes an "absentee" not just Primary Residence status but also whether one has been physically present at the property and not traveling for more than 50% of the year I am not sure how we can know from external data sources how many homes are directly covered under OPA or not.
- 4) Capital Subsidy Resources section (pp. 169-172)
 - There's a listing of a lot of different sources of funding here, but NOT the source of funding that paid for the Bay's Future Fellow who was employed specifically on a Challenge Grant to help draft the OPA Ordinance. The Bay's Future Foundation has a pool of \$520 million in resources (and growing, we hear) to put towards exactly this type of funding effort this is why they ask cities to "prepare the way" for the funding by studying and adjusting their regulatory environment. Why didn't DRA look at the Bay's Future Foundation as a potential source of funding to evaluate? Surely the City Staff and DRA themselves were aware that they were working with a Bay's Future Fellow and that this is part of Bay's Future's remit? The entire premise that "there is no funding, and therefore there will be no (or almost no) transactions" is totally upended by

this fact. Bay's Future is very accessible - we have an in-house Fellow who can no doubt connect our City and the DRA team to leadership at Bay's Future to clarify how their funds are to be used and how much of that funding might find its way to sponsor purchases through OPA in East Palo Alto.

5) 1031 Exchanges

- a) I wrote twice to Staff about 1031 Exchanges in November and December, and again on December 24th I wrote to Nora at DRA as well as to Staff, making the point that the impact from OPA on the 1031 Exchange situation would hit our homeowners in the way it reduced the ability for an investor with a 1031 exchange transaction already on-the-go to be able to select and transact on an EPA home for purchase with certainty within the necessary timeline - thus reducing the market of prospective buyers for their property. However, Staff did not give DRA the remit to look into this aspect of 1031 exchanges, so the DRA report misses the point, and the impact.
- b) On the final page of the report, DRA refers to a National Association of Realtors study and quotes a figure seemingly to make the case that 1031 Exchanges are not that important. Here is that study. Of course one might expect that the fraction of properties that are today rented out by "absentee landlords" might also be those in future thought as a "best fit" by other potential landlords and this drives up the importance of 1031s for the very properties covered directly by the OPA Ordinance. You will also find that other points are also made within the study that 52% of the properties that transact through a 1031 "Like-Kind" exchange are residential properties; that 94% of Realtors in the study felt that property prices would be lower if 1031 exchanges were not possible (through repeal); and that 68% of respondents expected that rent in acquired properties would increase if the 1031 process were made unavailable. Clearly our Consultants found and read this study. These other data from the study seem at least as relevant to East Palo Alto's need for economic analysis as the point they selected. If the study is thought to be meaningful, let's glean all the meaning from it.

I'm really disappointed that DRA's analysis turned out this way. I wish there had been transparency with the public in the drafting of the guidance for what would be studied, and some opportunity to have this be a truly solid and impartial study. I understand that there was only a short time for this analysis, but I do believe that the analysis could have been improved by accepting that the Right of First Refusal has a real impact on market dynamics as has solid backup in the literature; recognizing mix effects in EPA home sales value medians and some specific threats to value in our market compared with our neighbors'; understanding the real source of Foundation funding that exists now and is within EPA's reach; and looking at 1031 exchanges from the "other side".

I hope that Councilmembers realize that what DRA has provided is a paper to support a policy position, not to seek to understand its impacts.

Thank you for reading.

Grace Popple
Homeowner and Resident in East Palo Alto

From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: Fwd: Strongly Oppose OPA in EPA

Date: Friday, December 24, 2021 9:57:52 AM

Sent from my iPhone

Begin forwarded message:

From: Lisa Zhou <info@sg.actionnetwork.org>
Date: December 23, 2021 at 9:11:28 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>
Subject: Strongly Oppose OPA in EPA
Reply-To: lisa yan zhou@yahoo.com

Ms Jaime Fontes,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Lisa Zhou lisa_yan_zhou@yahoo.com 1170 Huntingdon dr



From: <u>Jaime Fontes</u>
To: <u>Rachel Horst</u>

Subject: Fwd: Strongly Oppose OPA in EPA - landlord and disabled

Date: Tuesday, December 28, 2021 7:36:25 AM

Sent from my iPhone

Begin forwarded message:

From: Gina Wolf <info@sg.actionnetwork.org>
Date: December 27, 2021 at 4:32:10 PM PST
To: Jaime Fontes <ifontes@cityofepa.org>

Subject: Strongly Oppose OPA in EPA - landlord and disabled

Reply-To: winjas12@yahoo.com

Ms Jaime Fontes.

I am a disabled person who lived in East Palo Alto and now need to rent it our to pay for my medicine. Not every landlord is a corporation! This is very short sighted. Many landlords are living on rent for retirement or need to sell their house to make it through old age and medical bills.

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please DO NOT PASS THIS ORDINANCE.

City of EPA is not ready for OPA yet.

Thank you very much!

Gina Wolf winjas12@yahoo.com 151 Buckingham Dr. Unit 201 Santa Clara, California 95051

From: <u>Daniel Hsia</u>
To: <u>cmoffice</u>

Subject: Strongly Oppose OPA in EPA

Date: Saturday, December 18, 2021 9:13:38 AM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Daniel Hsia daniel.hsia@sbcglobal.net 2378 Oakwood Drive East Palo Alto, California 94303 To: City Council

City of East Palo Alto

2415 University Avenue

East Palo Alto, CA 94303

Dear Mayor and City Council Members,

I'm deeply concerned that the City of East Palo Alto is proposing the Opportunity to Purchase Act (OPA). I am strongly against it.

During the first OPA discussion meeting, we were told that the reason for OPA is because the housing market is very "unaffordable", and the City is trying to create "affordable" housing with the OPA. How can OPA play the magic of creating instant affording housing without actually building any housing? The only explanation is to sell our properties at a discount.

With OPA, we will lose the property right that the Constitution grants to us;

With OPA, our hard-earn home equity is destroyed;

With OPA, the selling process is dragged for up to 9 months;

With OPA, we the tax payers' burdens are much heavier for more staff to administer the program;

With OPA, tenants' rents would be higher because the overall housing costs are higher;

With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

Please vote NO to OPA for the benefits of East Palo Alto homeowners and tenants!

Thank you very much.

	VINAYAL GOEL	
Name:	Signature:	
Email: V	inayakgoel@yahoo.com_01/01/2022	
Address:	954 Baines St	
	East Palo Auto, CA 94303	

From: <u>Bikhchandani, Sushil</u>

To: Ruben Abrica; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Regina Wallace-Jones; Carlos Romero

Cc: <u>Jaime Fontes</u>; <u>Rafael Alvarado</u>; <u>Patrick Heisinger</u>; <u>Rachel Horst</u>

Subject: ROFR provision in Opportunity to Purchase Act Date: Tuesday, January 11, 2022 10:03:07 AM

Dear Honorable City Councilors of East Palo Alto,

This missive is a comment on the Opportunity to Purchase Act (OPA) which the City Council of East Palo Alto is considering. I am a professor at the Anderson School of Management at UCLA. I have done research on the Right of First Refusal (ROFR). In my classes here at UCLA, I teach issues related to the ROFR.

I hesitate to write this letter because I very much applaud your goal of providing housing for the displaced and homeless in East Palo Alto. My purpose in writing is to point out that in achieving this laudable goal, current homeowners will incur costs in terms of reduced selling prices and appraised values of their homes.

Whether home prices in East Palo Alto decrease or increase after the OPA is implemented in its current form is determined largely by broad economic forces that influence the supply and demand of houses. The key point is that selling prices will be lower if the OPA is implemented with an ROFR provision than if it were implemented without an ROFR. I focus below only on the ROFR and not on any other provision in the OPA.

The primary reason an ROFR lowers prices is that it curtails competition from third-party buyers who are put at a disadvantage. In the absence of an ROFR, when two or more buyers submit bids to buy a house the seller may invite all buyers to submit higher bids – all credible buyers are treated equally. If, instead, one buyer has an ROFR, and this special buyer matches the highest bid made by the other bidders, then there is no further bidding; this results in a lower selling price.

The structure of the real-estate market exacerbates this tendency. This is because the sale of houses is typically intermediated by real-estate agents, whose interests are best served by a quick sale. An agent of a third-party buyer is less likely to show them a property in which another party has an ROFR because the playing field is tilted against the third-party buyer (the agent's client). If the ROFR-holder merely matches the third-party buyer's bid, the agent's client doesn't get the house. As real-estate agents earn a commission only if they close a deal for their client, they will steer their clients away from properties that have a ROFR-holder under the OPA. This would diminish buyer interest and further decrease prices of homes sold under the OPA.

Non-resident homeowners who come under the purview of the OPA will, of course, be directly affected as they will likely obtain a lower price (than they would have if the ROFR provision was not part of the OPA) when they sell their property. Homeowners who are exempt from the OPA will also be adversely affected as the comparison set of houses for appraisal of their home may include homes that were sold under the purview of the OPA.

It is difficult to estimate the magnitude of the negative impact that an ROFR will have on home prices, but it may well be substantial. Allow me to give you an example from another line of business.

In 1994, Wayne Huizenga, the founder of AutoNation and Waste Management Inc., bought the NFL team Miami Dolphins for \$138 million. The price was considered very low for a team which in 1994 had the best pro-football record since 1970. At that time, even new NFL expansion teams were being sold at a price greater than \$138 million. New England

Patriots had recently been sold for \$160 million. Mr. Huizenga, who was a board member of the Miami Dolphins franchise, had an ROFR on any future sale of the team. When the Miami Dolphins was put up for sale, there was very little interest. Potential buyers were not going to take on Mr. Huizenga armed with his ROFR. Only one serious buyer submitted a bid. Mr. Huizenga matched this buyer's bid of \$138 million and bought the Miami Dolphins. Because of the ROFR, Miami Dolphins' selling price of \$138 million was almost 14% lower than New England Patriots' selling price of \$160 million.

Let me reiterate that I support your goal of providing housing options for the underprivileged. My intent is to lay out one of the costs of the OPA as currently written. This cost, in terms of lower sales prices of existing homes, will be borne not just by non-resident homeowners but as mentioned above, also by resident homeowners through the impact on appraisal values of their homes.

Sincerely,
Professor Sushil Bikhchandani
Howard Noble Chair in Management
Anderson School of Management, UCLA
sbikhcha@ad.ucla.edu

P.S. Many years back, I went to graduate school at Stanford University. I have pleasant memories of my time in South Bay.

cc: City Manager City Attorney Assistant City Manager City Housing Manager

From: Donna Dong
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Thursday, December 16, 2021 5:06:15 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
- With OPA, the selling process is dragged for up to 9 months;
- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Donna Dong garnets_numeral_0n@icloud.com 452 Larkspur East Palo Alto, California 94303 From: <u>Juzer Essabhoy</u>
To: <u>cmoffice</u>

Subject: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 12:14:20 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Juzer Essabhoy juzer@cvpartnersinc.com

Palo Alto, California 94303

From: Rachel Munro
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Monday, December 13, 2021 11:17:18 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Rachel Munro rachelmunro@gmail.com 1885 E Bayshore Rd East Palo Alto, California 94303 From: Abeezer Essabhoy
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 12:06:49 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Abeezer Essabhoy essabhoy1@comcast.net 645 Center Drive Palo Alto, California 94301-3104 From: Linda Yang
To: cmoffice

Subject: Strongly Oppose OPA in EPA

Date: Wednesday, December 15, 2021 11:12:50 PM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
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For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Linda Yang wuly09@gmail.com

Palo Alto, California 94303

From: <u>Miguel Moreno</u>

To: Ruben Abrica; Regina Wallace-Jones; Lisa Yarbrough-Gauthier; Antonio D. Lopez; Housing; Carlos Romero;

Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: No on OPA

Date: Tuesday, January 18, 2022 6:37:14 AM

Dear Councilmembers:

OPA is designed to interfere with the speed of transactions and to restrict who (at times) can purchase. Intuitively, both of those factors will reduce the number of bidders and the final sale price of homes. No paid for consultant opinion can change that.

Residents elect councilmembers to provide clean walkable streets, trash collection, police response, and road maintenance and repair -- these are the basic services assigned to the city, and the city is not delivering.

East Palo Alto homeowners have not asked the city to experiment and gamble with their property values. When this item comes up for a vote, your vote needs to be a no on OPA.

M.M.

From: <u>Kyra Brown</u>

To: <u>Lisa Yarbrough-Gauthier</u>

Cc: <u>Housing</u>

Subject: Public comment TOPA/COPA - Kyra Brown Date: Tuesday, January 18, 2022 2:00:26 PM

Good Afternoon Honorable Mayor and Members of East Palo Alto City Council,

My name is Kyra Brown, I am what one might call "homegrown" leadership in EPA and I support the proposed Tenant Opportunity to Purchase Act/CommunityOpportunity to Purchase Act (TOPA/COPA), with amendments. I am a former Planning Commissioner and I have a conflicting meeting tonight, so I have submitted my public comment via email. It is my understanding that the ordinance does not 100% **guarantee** housing to current tenants, but merely gives them a *chance* to put their hat in the ring to bid to purchase said property. On that ground alone, here are my clarifying questions on the matter and my suggested amendments:

- 1. Get more data on nonprofit home ownership in EPA: If local nonprofits get involved or make purchases of homes, what happens to the property if the nonprofit closes its doors? Do we have any data on which nonprofits in the city already own properties and how much property they own? What happens if one organization monopolizes in this process?
- 2. Consider exempting accessory dwelling units (ADU's): This allows for some flexibility in the process.
- 3. Mandated reporting via the City on success or failure of the program: If passed, can we add the ordinance to the City's housing goals and reporting? EPA has done a lot of affordability/anti-displacement work and I honor that. By the same token, I would like some **on-going hard data (accountability) about the many housing efforts** over the years. That way, residents and organizers have not only a documented history of past efforts to keep housing affordable and accessible but also to have an idea of what tangible housing progress really looks like at present for our city.

Thank you for your time,

--

Kyra K. Brown

"If there is no struggle, there is no progress."

-Frederick Douglass

From: <u>Udaypal Aarkoti</u>
To: <u>cmoffice</u>

Subject: Strongly Oppose OPA in EPA

Date: Saturday, December 18, 2021 10:21:36 AM

Ms City Manager,

I am deeply concerned about OPA and hope the city can reach out to the community more and study OPA more.

OPA does not create any affordable housing. On the contrary, it will discourage new housing to be built and makes housing shortage even worse.

- With OPA, we will lose the property right that the Constitution grants to us;
- With OPA, our hard-earn home equity is destroyed;
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- With OPA, we the taxpayers' burdens are much heavier for more staff to administer the program;
- With OPA, tenants' rents would be higher because the overall housing costs are higher;
- With OPA, East Palo Alto becomes undesirable, and people will avoid buying properties here.

For the benefit of East Palo Alto, including homeowners and tenants, please delay the voting on Dec 22, 2021, open the public session to listen to community more. City of EPA is not ready for OPA yet.

Thank you very much!

Udaypal Aarkoti uaarkoti@gmail.com 2174 Ralmar Ave East Palo Alto, California 94303 From: Amy Chen
To: Housing

Subject: FW: Letter to City Council re OPA Ordinance **Date:** Friday, December 17, 2021 3:53:20 PM

Attachments: EPACANDO letter to EPA City Council re OPA 2021-12-17.pdf

From: Duane Bay <dbay@epacando.org>
Sent: Friday, December 17, 2021 3:40 PM

To: Antonio D. Lopez <alopez@cityofepa.org>; Carlos Romero <cromero@cityofepa.org>; Lisa Yarbrough-Gauthier <lgauthier@cityofepa.org>; Regina Wallace-Jones <rwallacejones@cityofepa.org>; Ruben Abrica <rabrica@cityofepa.org>

Subject: Letter to City Council re OPA Ordinance

Honorable City Council Members,

Please see attached letter for your consideration.

Duane Bay
Executive Director
EPACANDO
2369 University Avenue
East Palo Alto, CA 94303
dbay@epacando.org
650-473-9838 office
650-804-0932 mobile

So none of us must carry a load that's just too much, each of us best carry what we can.

Date: December 17, 2021

To: City Council Members & EPA Community

From: Duane Bay, Executive Director

Subject: "EPA OPA" Ordinance



"By whom for whom" is a profoundly enduring <u>community</u> concern, a founding concern for our great <u>City</u>, and a cornerstone of EPACANDO.

Historically, we are a community that takes care of our own. But this community's place is also an investment medium for outsiders. They own over one-half of all residences; about one-third of all residential parcels. Sometimes they take offense when this community asserts our right for our locally-elected leaders to find a balance of interests, in consultation with the community.

EPACANDO supports the City's long-standing active commitment to antidisplacement, constantly bringing new tools to that work. We appreciate being recognized as a partner in that work, and being invited to help develop an Opportunity to Purchase ordinance.

We support the City's recent efforts to improve the draft ordinance that was presented in substance in October and in full detail in November. Further, we support the many changes to the November draft already proposed by staff in response to constructive community input.

We encourage the City Council to "support with changes" on December 22nd, giving enough specific direction to staff that a final version can be voted in at the next meeting after that. We trust the Council to find a supportable, workable balance of ordinance provisions that gives tenants and the community a better chance to preserve affordable living situations without unreasonable inconvenience for landlords. This action will reaffirm the City's active commitment to anti-displacement and will initiate the six-month process to bring back full regulations and procedures for consideration by the Council and community before July 1st implementation.

Finally, we want to say a bit about our motivations, as they've been questioned.

We here at EPACANDO have worked hard to help bring this ordinance forward. Why? Because more often than not, when a rental property is sold, the residents are forced out. No matter if it's been their home for decades, and their rent has paid the taxes and mortgage. Without a notice system in place there usually is no time to react. This ordinance will set up a simple notification that will at least give the tenants enough warning to make an offer, or find an experienced nonprofit to help them buy or buy on their behalf.

Given this straightforward purpose, we are disheartened by some vocal opponents of the ordinance who choose to ignore some key facts.

- The ordinance will apply to rental properties only; not to any owneroccupied properties.
- The seller will set the price.
- Yes, while in some cases current tenants will be able to buy (at the seller-determined price), in many cases the tenants will not have the means, so a nonprofit (such as EPACANDO) could step in to buy (at the seller-determined price) on their behalf. Then we would sell or rent to the tenants at an affordable price. This would leave a funding gap, which we would raise funds to cover, using county, state, federal and philanthropic sources. In an apartment building, the form of ownership may be a co-op. In some cases, ownership just may not be feasible. But to the greatest extend possible, the outcome will be affordably-priced ownership that enables wealth formation for a new homeowner while also assuring permanently affordable pricing for subsequent owners.
- No, EPACANDO or similar affordable housing development organizations will not somehow make profits by doing this, by helping East Palo Alto residents stay in their homes rather than being forced out of their home or community.
- Yes, EPACANDO is one of several local nonprofits who have the capacity to respond, assuming adequate funding is secured, but we and other nonprofit implementers will have to undergo a public qualification process.

We have deep respect for the Council Members who are charged with finding a workable balance, and for the community we serve, including those who see this differently and express those differences respectfully.

From: <u>MinuteTraq Notifications</u>

To: Abisai Moreno; Azalea Renfield; Jocelyne Castillo; James Colin; Leticia Garcia; Salani Wendt; Tomohito Oku;

Victor Ramirez; Walfred Solorzano

Subject: A new comment has been posted to your Web Portal **Date:** Wednesday, December 1, 2021 7:34:54 PM

The user Howard Chao has posted a comment on <u>Legislative File 1969</u>: <u>Introduction of East Palo Alto Opportunity to Purchase Act ("EPA OPA") Ordinance</u>.

Comment: It appears that the primary goal of the OPA is to make EPA housing more affordable and to avoid displacement of existing residents. While we can all agree that the cost of local housing has become very high, this is not unique to EPA and is a region-wide problem. Surely the solution cannot be to single out existing owners of properties in EPA and penalize us by reducing the market value of our property? That is certainly the effect of imposing such stringent restrictions on our rights of resale. The whole process of requiring a Right of First Offer, then a Right of First Refusal, and then a further Appraisal right is an extraordinarily cumbersome, lengthy and bureaucratic process which will make selling any property difficult and filled with uncertainty. It will certainly scare away a lot of buyers and thereby depress all property prices in EPA below their current levels – but maybe that is the goal? But note that the OPA also seriously harms the interests of not only investors but also owners who occupy their own homes in EPA and tenants in EPA too. Once the OPA is passed the market value of all housing in EPA will go down, including the value of owner-occupied housing. Further, if you own your own house in EPA, you will now think twice before renting it out because it will then immediately become subject to the Act, and the owner's ability to sell will immediately be significantly restricted. So the pool of potential rental properties will be reduced further. If you are going to give Potential Eligible Purchasers the opportunity to purchase, I don't think you need to give them both the Right of First Offer and the Right of First Refusal. It is duplicative and cumbersome. In commercial contracts you rarely see both in one contract – usually the parties choose one or the other. You don't need to give them two bites out of the apple. The wording of Right of First Refusal section, Section 14.26.100, is confusing and problematic. Paragraph A requires the Owner to "disclose all Offers to Purchase to any Potential Eligible Purchaser that submits a Statement of Interest and shall provide said Potential Eligible Purchase with a right of first refusal pursuant to the requirements of this Chapter". Why should the Owner be burdened with showing all the offers the he/she has received (they could be numerous and irrelevant) to the Potential Eligible Purchasers before he/she has accepted an offer? Doesn't it make more sense to just disclose a deal once it has been accepted (subject to the Right of First Refusal)? The next two paragraphs (B) and (C) talk about the Potential Eligible Purchaser accepting an "Offer to Purchase," which does not make sense, since there may be multiple offers and most or all of them will not have been accepted by the Owner. The language should distinguish between Offers to Purchase and the actual deal that has been accepted by the Owner. As you know, there is typically a lot of back and forth between the seller and buyer before the final terms are agreed. Once a final deal is agreed, subject to the Right of First Refusal, then that deal can be disclosed to the Potential Eligible Purchasers.

Link to the Discussion: http://EastPaloAlto.iqm2.com/Citizens/Detail_LegiFile.aspx?
http://EastPaloAlto.iqm2.com/Citizens/Detail_LegiFile.aspx?

From: MinuteTraq Notifications

To: Abisai Moreno; Azalea Renfield; Jocelyne Castillo; James Colin; Leticia Garcia; Salani Wendt; Tomohito Oku;

Victor Ramirez; Walfred Solorzano

Subject: A new comment has been posted to your Web Portal Date: Wednesday, December 1, 2021 7:36:20 PM

The user Howard Chao has posted a comment on <u>Legislative File 1969</u>: <u>Introduction of East Palo Alto Opportunity to Purchase Act ("EPA OPA") Ordinance</u>.

Comment: In addition, the goals of the appraisal process are muddled and problematic. Apparently the grounds for demanding an Appraisal are if the Offer to Purchase is not a "Bona Fide Offer to Purchase". Normally a "non-bona fide" transaction means that the transaction is a sham, perhaps because the owner is selling to a related party at a rigged non-market price. There seems to be a logical disconnect here. If the Owner has found an unrelated party to purchase at a negotiated price, that is the very definition of bona fide transaction at a market price. The draft law permits the Petitioner to claim a non-Bona Fide transaction but does not even require that the Petitioner provide facts proving that the transaction is a sham. Why is that? Instead, the Petitioner can simply call for an appraisal. How does use of an appraisal avoid non-bona fide transactions? What does the appraisal accomplish if the transaction is already between unrelated parties who have agreed on a market price? Is the appraisal simply intended to bring down the price, even though it has been already been negotiated between a willing seller and a willing buyer? And what standard for market price will the appraiser use if it is not going to look at a negotiated price between a willing seller and a willing buyer? This whole process looks like transparent device to reduce the value of the property below the current market price, and completely contradicts the recitation in Section 14.26.110(A)(4) of the OPA that "Nothing in this section shall be read to prevent an Owner from obtaining the fair market value for the valid and lawful disposition of real property." Further, the purpose of Section 14.26.110 (A)(8) is very unclear: "The determination of the appraised value of the Residential Property in accordance with this section shall become the sales price of the Bona Fide Offer to Purchase for the Residential Property." Does this mean that the Act is requiring the Owner to sell to the Third-Party Purchaser at the new appraised price, regardless of whether it is higher or lower than the original negotiated price? What is the purpose of this? If the appraised price is actually higher than the agreed price, are we trying to force the purchaser to pay a higher price? If the appraised price is lower than what a willing buyer and willing seller have negotiated and agreed, isn't this forcing the Owner to accept a price below fair market price?

Link to the Discussion: http://EastPaloAlto.iqm2.com/Citizens/Detail_LegiFile.aspx?
http://EastPaloAlto.iqm2.com/Citizens/Detail_LegiFile.aspx?

From: stn44@aol.com
To: cityclerk

Cc: <u>Jaime Fontes</u>; <u>Rafael Alvarado</u>; <u>Patrick Heisinger</u>; <u>Rachel Horst</u>

Subject: Proposed OPA Ordinance

Date: Tuesday, December 7, 2021 12:09:38 PM

To:

City Council

City of East Palo Alto

2415 University Avenue

East Palo Alto, CA 94303

Dear Mayor and City Council Members,

The Opportunity to Purchase Act (OPA) Ordinance is very unfair and discriminates against Single Family Home Owners. This ordinance takes away our rights to sell our Private property to whoever we want to and whenever we want to which is our constitutional right.

The City really needs an impact analysis done by an OUTSIDE INDENPENDANT party with Real Estate experience, this is standard procedure and a must on an ordinance that is in the process of being challenged legally and which is also getting so much push back.

On December first there was a call with City staff over this ordinance and there were over 200 people on that call and 99% spoke out against the ordinance. We are dismayed that the city is not listening to its residents.

Real Estate Offers close in 30 days, banks lock loans for only 30 days, once you force third party buyers to wait for more than 30 days they will go to other cities which will lower the home values in East Palo Alto.

There is a reason no other city includes Single Family homes in their Ordinances.

Please look below at the article I copied from the Palo Alto daily. Palo Alto is also creating ordinances related to housing but the big difference is when it comes to

single family homes they **ONLY INCLUDE SINGLE FAMILY HOUSES THAT ARE OWNED BY CORPORATIONS.** I suggest the City of East Palo Alto do the same, exclude single family homes owned by individuals.

Palo Alto Daily 12/1/21

As City Council advances renter protection laws, landlords demand a voice

Palo Alto's proposed ordinance would not apply to single-family homes that aren't owned by corporations; and to tenants that had occupied their dwellings for less than a year. These exceptions were included in the new proposal at the behest of Vice Mayor Pat Burt.

During the first OPA discussion meeting, we were told that the reason for OPA is because the housing market is very "unaffordable", and the City is trying to create "affordable" housing with the OPA. How can OPA create instant affording housing without actually building any housing? The only explanation is to sell our properties at a discount.

With OPA, we will lose the property right that the Constitution grants to us;

With OPA, the selling process is dragged on for up to 9 months;

With OPA, Purchasing homes in East Palo Alto becomes a burden and people will avoid buying properties here.

With OPA, our hard-earned home equity is compromised

The lawsuits against the city over this ordinance will more than offset any possible benefits. These lawsuits will drain city finances and take a lot of the city council and city staffs time to resolve. There are more than a few organizations and private citizens talking to lawyers right now.

Please vote NO to OPA for the benefits of East Palo Alto homeowners and tenants!

If the City Council is serious about trying to find affordable housing, why don't they direct their staff to find the 20 BMR units that were built in University Square that the city claims it has no time to manage. We have approached the city numerous time about these BMR units once we learned that a few had sold for full market value

because the city is not keeping track of the units. These BMR units were purchased for under \$150K, and owners have sold them for over \$800k. It would not take a lot of work for the city to locate these BMR units as they were all built a little different than the other homes plus the county records and Zillow for that matter shows the sale price. Hard to believe the city is not managing the sale of these BMR units but has the time to draft such a poor ordinance.

Thank you.

Stan Jones

University Square

From: stn44@aol.com

To: carol.cunningham@compass.com; Ruben Abrica; Carlos Romero; Lisa Yarbrough-Gauthier; Antonio D. Lopez;

Regina Wallace-Jones; Housing; Jaime Fontes; Rafael Alvarado; Patrick Heisinger; Rachel Horst

Subject: Re: OPA Right of First Refusal

Date: Tuesday, January 25, 2022 1:59:17 PM

Thanks for sending this message to city staff and council members again, I just don't know what it is going to take for them to realize that OPA is just wrong.

I have also sent them a few emails and articles showing the problems with OPA but they don't seem to be listening.

I stated in the emails that if they would just change the OPA wording to eliminate single family homes "UNLESS OWNED BY A CORPORATION", it would go a long way in getting their ordinance passed.

I also stated the following:

City is attempting to do the right thing just going about it wrong

Create a program where owners are incentivized to sell to renters.

Team up with a Real Estate company and offer the company exclusive rights to a new city program where they offer the Home owner lower commission fees, 3% vs 6%.

That is a \$30,000 savings on a million dollar house.

Real Estate companies might be open to this because they are getting both sides of the sale, buyer and seller so 3% commission leaves them whole as long as the city does not add on a lot of extra paperwork.

Non Profits and Renters would work together **PRIOR** to bidding on a Property.

Create partnership where the non profit and renters are:

- Pre Qualified
- They bid in open free Market
- Renters can bid on property and close in 30 days

Don't penalize the owner or pit the landlords against the tenants. Offer real incentives and make it voluntary don't take the owners or tenants rights away from them. Most owners would love to sell the their homes to their tenants, they already have a relationship with them and they want to reward them for taking care of their home and paying rent for long periods of time. Plus the owner would not have to go through all of the trouble of preparing the house for sale on the open market, including painting, repairs, staging costs.

Thanks for you persistence

Stan

----Original Message-----

From: Carol Cunningham <carol.cunningham@compass.com>

To: Ruben Abrica <rabrica@cityofepa.org>; cromero@cityofepa.org; lgauthier@cityofepa.org; Antonio D. Lopez <alopez@cityofepa.org>; rwallacejones@cityofepa.org; Housing <housing@cityofepa.org>; jfontes@cityofepa.org; ralvarado@cityofepa.org; Patrick Heisinger <pheisinger@cityofepa.org>; Rachel Horst <rhorst@cityofepa.org>

Sent: Tue, Jan 25, 2022 12:07 pm Subject: OPA Right of First Refusal

Dear East Palo Alto City Council and Staff,

By now, I hope you have had the opportunity to consider all of the concerns, issues and questions raised by the community regarding OPA. I believe I have clearly shared my perspective in multiple forums, even organizing/summarizing the opposition's position into a handful of overarching points to simplify and focus the conversation. Therefore, I'm only reaching out again to draw your attention to the compelling email recently published by Staff that was written by UCLA Professor Bikhchandani and addresses the Right of First Refusal (RoFR) condition and why it is so problematic (see attached). In his letter, he specifically states:

"...current homeowners will incur costs in terms of reduced selling prices and appraised values of their homes. The key point is that selling prices will be lower if the OPA is implemented with an ROFR provision than if it were implemented without an ROFR... The primary reason an ROFR lowers prices is that it curtails competition from third-party buyers who are put at a disadvantage... Homeowners who are exempt from the OPA will also be adversely affected as the comparison set of houses for appraisal of their home may include homes that were sold under the purview of the OPA... It is difficult to estimate the magnitude of the negative impact that an ROFR will have on home prices, but it may well be substantial."

When I attended the Staff-led community meeting on 12/1 and asked 2 questions to clarify RoFR, I immediately knew this would be the key issue with OPA and have communicated this point several times. Although Staff/DRA still did not include RoFR in their analysis, which is another issue, Dr. Bikhchandani's email (along with other evidence/studies submitted to the City) confirms the result of RoFR and validates our concerns. As powerful as the Professor's email is, it doesn't take a PhD to understand the cost of RoFR. In fact, the community (including OPA supporters) has known this all along, although we didn't necessarily have the academic vocabulary to explain as well. Clearly, the assertion from the community that property values will be adversely impacted, which incidentally has also been conveyed by OPA supporters, is not misinformation and lies, and the Professor's letter and mounting documentation directly refutes the false claims made by Councilmember Romero (again) and Staff that our "property values will not be touched".

To put it bluntly, until RoFR is resolved and/or all single-family homes are exempted, no additional "improvements" or discussion on OPA will matter.

Thank You,
Carol Cunningham
Real Estate Professional
DRE#: 02054293
COMPASS
578 University Avenue

https://www.compass.com/agents/carol-cunningham/

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From: <u>Menlo Together</u>

To: Housing; Lisa Yarbrough-Gauthier; Carlos Romero; Regina Wallace-Jones; Antonio D. Lopez

Subject: YES to OPA

Date: Tuesday, January 25, 2022 4:55:09 PM
Attachments: Letter of Support EPA OPA Act.pdf

Dear Mayor, City Council Members, and City Staff,

On behalf of Menlo Together, I write in strong support of the Opportunity to Purchase Act (OPA). Below, I have attached our full letter.

Thank you for your consideration, Marlene

--

Marlene Santoyo | Organizer Menlo Together



January 25, 2022

City Council
City of East Palo Alto

Re: YES to OPA

Dear Mayor, City Council Members, and City Staff,

On behalf of Menlo Together, I write in strong support of the Opportunity to Purchase Act (OPA) Ordinance, a tool that can help curb displacement while also promoting homeownership opportunities for people who currently live in East Palo Alto.

We are a group of Menlo Park, East Palo Alto, and Peninsula residents who envision an integrated and diverse, multi-generational, and environmentally sustainable community. We value equity, sustainability, inclusion, health, and racial and economic justice. Menlo Together supports furthering fair and equitable housing and although our focus is Menlo Park, we support the EPA OPA ordinance because the problems we are tackling are regional, as are the solutions. Menlo Park will benefit from East Palo Alto implementing the innovative, proactive strategy of OPA, and we urge you to move it forward. We hope to follow your lead with innovative strategies to protect tenants and affordable housing. In addition, we support the self-determination of East Palo Alto residents who have worked to inform and mold the OPA ordinance to its current version. We support prioritizing permanent housing stability for EPA residents who might otherwise be displaced when units are sold.

OPA is a sensible strategy and our organization strongly urges you to continue advancing this proposal with the input and constructive critique that East Palo Alto community members have offered. We look forward to seeing OPA adopted and implemented in East Palo Alto. We stand with the tenants and homeowners who continuously work and advocate for bold policy action that prioritizes residents and advances housing equity in East Palo Alto.

Sincerely,
The Menlo Together Team
info@menlotogether.org

Date: Tuesday, January 25, 2022 4:13:08 PM

From: Suzanne Moore <Suzanne.Moore.510989099@p2a.co>

Sent: Tuesday, January 11, 2022 11:37 AM **To:** Carlos Romero cromero@cityofepa.org

Subject: YES to OPA

Dear Council member Carlos Romero,

I am a retired nurse practitioner formerly providing primary care at both the Daly City and South San Francisco Clinics of our county safety net system. Before retiring, I recognized that stable housing was necessary for health - and have been advocating ever since.

I remain grateful that East Palo Alto historically aims to protect residents to remain housed. Your community has bravely sought to meet your housing crisis with reasonable laws to protect both tenants and property owners. The Opportunity to Purchase Act is the next leg - it reduces displacement and homelessness, preserves existing affordable housing, and provides an opportunity for tenants to become homeowners through a trust.

East Palo Alto is a diverse community, culturally and economically. Your residents deserve the tools to remain in their homes and preserve affordable housing for generations to come. In the midst of an omicron surge, I needn't remind this Council of the importance of a home - to heal, stay well, protect family, and increase wellness of the entire community.

Health, economic stability, opportunity for wealth equity, support of existing community diversity - this is what is possible through passage of the Opportunity to Purchase Act. Please vote to pass East Palo Alto's Opportunity to Purchase Act. Thank you.

Suzanne Moore, retired Family Nurse Practitioner Housing Advocate

Thank you, Suzanne Moore 11 Milagra Ct Pacifica, CA 94044

From: <u>Carlos Romero</u>
To: <u>James Colin</u>

Subject: Fw: Support OPA in EPA

Date: Tuesday, January 25, 2022 4:13:23 PM

From: Tamara Smith-Jones <Tamara.SmithJones.517597475@p2a.co>

Sent: Thursday, January 20, 2022 10:58 AM **To:** Carlos Romero <cromero@cityofepa.org>

Subject: Support OPA in EPA

Dear Council member Carlos Romero,

My grandparents have been homeowners in EPA since the 1950's where they raised seven children and seven grandchildren. While everyone else migrated away from EPA my mom, little brother and I were the last to live in our remaining family home in the mid-90's before being displaced due to an unfortunate family incident. After that we moved around in surrounding cities like Sunnyvale, San Jose and Campbell. In 2016, upon finding out there was still a mortgage on our home and that we were on the verge of losing it, I moved myself, my mom and little brother back into it with the dual intention of salvaging it from foreclosure and purchasing it from my grandparents. While I was successful at the former, the latter has been challenging to say the least, due to the conflicting opinions and ulterior motives of other family members coupled with malicious and predatory external influences, and the pandemic has only heightened the dilemma. There is more to this testimony regarding my career, health, finances and spiritual growth but I'll spare you the intricacies for the sake of brevity. Long and short, my intentions have remained the same with the preservation of lineage and legacy at the heart of the matter – more specifically I still plan to purchase our home so I can raise my children, and they can raise their children, in it. Our home also doubles up as the business residence for H.O.M.E. making it all the more essential. God does not make mistakes!

I am emailing to express support for the Opportunity to Purchase Act (OPA) Ordinance. East Palo Alto's OPA proposal is tailored to our community's needs and is one more tool that can help curb displacement while also promoting homeownership opportunities for people who currently live in East Palo Alto.

OPA is a sensible strategy and I strongly urge you to continue advancing this proposal with the input and constructive critique that our community members have offered. I look forward to seeing OPA adopted and implemented in East Palo Alto.

Thank you, Tamara Smith-Jones 2512 Farrington Way East Palo Alto, CA 94303

Date: Tuesday, January 25, 2022 4:13:39 PM

From: Lourdes Best <Lourdes.Best.517668151@p2a.co>

Sent: Thursday, January 20, 2022 11:06 PM **To:** Carlos Romero <cromero@cityofepa.org>

Subject: YES to OPA

Dear Council member Carlos Romero,

I have deep roots in East Palo Alto and care immensely about our community. I urge you to support OPA along with local tenants, homeowners, and community members like myself. Take into consideration that 31% of residential parcels in East Palo Alto are owned by people who do not even live in town! Our community is tired of being treated as a financial investment for people who have no interest in building community here, volunteering here, or sending their children to school here.

With a hot real estate market and in the aftermath of the economic crisis brought on by the covid-19 pandemic, it is clear that East Palo Alto is in desperate need of additional strategies to not only stop displacement, but also to provide opportunity for our residents. I stand with the tenants and homeowners who continuously work and advocate to mold the OPA policy into the best possible fit for EPA. #YEStoOPA

Thank you, Lourdes Best 1973 Tate St Apt F205 East Palo Alto, CA 94303

From: <u>Carlos Romero</u>
To: <u>James Colin</u>

Subject: Fw: Support OPA in EPA

Date: Tuesday, January 25, 2022 4:13:58 PM

From: Ellen Hage <Ellen.Hage.519173491@p2a.co>

Sent: Tuesday, January 25, 2022 10:14 AM **To:** Carlos Romero cromero@cityofepa.org

Subject: Support OPA in EPA

Dear Council member Carlos Romero,

I am emailing to express support for the Opportunity to Purchase Act (OPA) Ordinance. East Palo Alto's OPA proposal is tailored to our community's needs and is one more tool that can help curb displacement while also promoting homeownership opportunities for people who currently live in East Palo Alto.

OPA is a sensible strategy and I strongly urge you to continue advancing this proposal with the input and constructive critique that our community members have offered. I look forward to seeing OPA adopted and implemented in East Palo Alto.

Thank you, Ellen Hage 10 Buffalo Ct Pacifica, CA 94044

Date: Tuesday, January 25, 2022 4:14:16 PM

From: Martha Hanks < Martha. Hanks. 519190915@p2a.co>

Sent: Tuesday, January 25, 2022 12:06 PM **To:** Carlos Romero <cromero@cityofepa.org>

Subject: YES to OPA

Dear Council member Carlos Romero,

I have deep roots in East Palo Alto and care immensely about our community. I urge you to support OPA along with local tenants, homeowners, and community members like myself. Take into consideration that 31% of residential parcels in East Palo Alto are owned by people who do not even live in town! Our community is tired of being treated as a financial investment for people who have no interest in building community here, volunteering here, or sending their children to school here.

With a hot real estate market and in the aftermath of the economic crisis brought on by the covid-19 pandemic, it is clear that East Palo Alto is in desperate need of additional strategies to not only stop displacement, but also to provide opportunity for our residents. I stand with the tenants and homeowners who continuously work and advocate to mold the OPA policy into the best possible fit for EPA. #YEStoOPA

Thank you, Martha Hanks 1184 Laurel Ave East Palo Alto, CA 94303

Date: Tuesday, January 25, 2022 4:14:36 PM

From: Saundra Webster <Saundra.Webster.519196739@p2a.co>

Sent: Tuesday, January 25, 2022 1:51 PM **To:** Carlos Romero <cromero@cityofepa.org>

Subject: YES to OPA

Dear Council member Carlos Romero,

I have deep roots in East Palo Alto and care immensely about our community. I urge you to support OPA along with local tenants, homeowners, and community members like myself. Take into consideration that 31% of residential parcels in East Palo Alto are owned by people who do not even live in town! Our community is tired of being treated as a financial investment for people who have no interest in building community here, volunteering here, or sending their children to school here.

With a hot real estate market and in the aftermath of the economic crisis brought on by the covid-19 pandemic, it is clear that East Palo Alto is in desperate need of additional strategies to not only stop displacement, but also to provide opportunity for our residents. I stand with the tenants and homeowners who continuously work and advocate to mold the OPA policy into the best possible fit for EPA. #YEStoOPA

Thank you, Saundra Webster 2281 Clarke Ave East Palo Alto, CA 94303

Date: Tuesday, January 25, 2022 4:15:46 PM

From: Renee Chantler < Renee. Chantler. 519202056@p2a.co>

Sent: Tuesday, January 25, 2022 1:58 PM **To:** Carlos Romero cromero@cityofepa.org

Subject: YES to OPA

Dear Council member Carlos Romero,

I am writing to express my strong support for the proposed OPA, with minor modifications from the current draft. Each of you know me as a long-term resident of East Palo Alto who has spent a large part of her residency advocating for the rights of both tenants and homeowners, within and outside my legal practice. This City has been, since its inception, committed to the preservation of affordable rental housing and the unique character of this community. To be honest, I had significant concerns about the terms and conditions of the OPA as originally proposed, and would have reluctantly opposed the OPA in that form. My primary concerns related to a far-too-lengthy option period (which I believed raised serious constitutional questions), but also to the extension of applicability to resident rental owners, many of whom themselves live modestly but most of whom have proven their commitment to East Palo Alto's goals to preserve the unique character of our community despite the pressures of regional gentrification and ongoing bubbling in the housing market. To your credit, Council and staff have for the most part addressed the offer period problem and the coverage problem in this most recent draft of the ordinance. My strong recommendation is that you evaluate the possibility of having the limitations period for the existing tenant and the nonprofit Potential Eligible Buyer to run more concurrently. One way to accomplish this is to require that the seller notify not just the tenant of the potential sale, but the City's Housing folks at the same time. Nonprofits have the ability to more quickly determine their interest in and ability to buy. thus, their need for time is less than that needed for the tenant. I know that this proposed ordinance has caused quite a bit of consternation in the resident homeowner community, driven in large part by propaganda (which at times has been outright falsehoods) spread almost entirely by relatively new property owners who have made as clear as possible (without saying the quiet part out loud) that they are enthusiastic about gentrification even if it drives out the working, middle class Black and Brown homeowners in this City. I think that the present form of the OPA is a nuanced balance of all interests, even those of absentee landlords who own single family homes (although I admit that, in a policy contest between residents here trying to avoid displacement and ensuring profits to those who have no real stake in this community other than the expectation of money, there is no contest. Anyone who has bought investment property here since 1983 has been on notice of the City's housing policy preferences and the potential impact on any property investment. I will end this lengthy comment by saying that each of you know my commitment to preserving the unique community of East Palo Alto, even as I welcome and appreciate new homeowners who wish to be part of this cultural oasis we have built here in Silicon Valley. Yet, like many, I too am tired of East Palo Alto being treated as a financial investment for people who have no interest in building community here, volunteering here, sending their children to school here, or even in the welfare of the tenants

who would benefit from the OPA. With the real estate market continuing to be excessively inflated, it is clear that East Palo Alto needs additional strategies to not only stop displacement, but to ensure that the City continues to welcome residents who care about more than just money, and more money. I apologize for this lengthy comment, but wanted to express how I felt (without a 2 minute limit;)) #YEStoOPA

Thank you, Renee Chantler 444 Bell St East Palo Alto, CA 94303