OPA EPA Email Correspondence Received from July 18, 2023-October 3, 2023

This is a log of emails the Housing team received between July 18, 2023 and October 3, 2023. To allow for enough time for staff to transpose all the emails, this log ends with any emails received before 5pm on October 3, 2023. Any emails that are received after publication of this attachment will be acknowledged and documented after the meeting scheduled for October 3, 2023 starting at 6:30pm.

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

From: <u>Carol Cunningham</u>

To: <u>Lisa Yarbrough-Gauthier; Antonio D. Lopez; Ruben Abrica; Carlos Romero; Martha Barragan; Karen Camacho;</u>

Housing; cmoffice

Subject: 7/18 City Council OPA Discussion Follow Up **Date:** Saturday, July 22, 2023 6:47:27 PM

Attachments: Average Annual Sales Price with EPA Trendline.pdf

Compass Mail - Fwd 1 25 OPA Discussion and RoFR Studies (1).pdf

Dear East Palo Alto City Council and Staff,

Thank you for staying so late to discuss OPA this week and giving us the opportunity to provide public comment, although 1 minute is rarely enough time. I also appreciate Mayor Gauthier's request for a meeting and will send a separate email to her to schedule - after July of course.

Regarding one of the primary points of misunderstanding, I am working with resident homeowners to clarify that they would be exempt from OPA. However, this does NOT mean that OPA will not impact them, which is where confusion still exists and supporters are being misled. While ROFR has been covered extensively by me and others (I attached one of my emails on the subject for quick reference), here is another perspective that may be more helpful to explain why most homeowners are so concerned:

In the real estate market, the "market" is essentially the pool of buyers. They are the ones who will ultimately determine the price they are willing to pay to purchase a home (using comps as a guide), not the sellers or agents. A seller can list a house for whatever price they want, but it doesn't mean they will get that amount, and the market will punish them if they price too high. Based on the economic principle of supply and demand, the higher the demand (the more buyers) for a particular house, the higher the potential sales price. The reverse is also true.

This is why it doesn't matter who the seller is, whether absentee landlord or resident homeowner, because it's the market of buyers who will drive the value of homes. And all of the sellers for single-family homes are trying to sell to this same market. One of OPA's consequences is to reduce demand (buyers) by imposing additional controls on the market as Councilmember Romero (and others) have alluded to. Therefore, when buyers are driven away because of the impositions, disadvantages, complexities, uncertainties of OPA, ALL homeowners will be affected due to reduced demand, which leads to reduced home values. Don't underestimate how substantial the financial impact could be, as it was during the Great Recession.

Please also note that EPA's market has been flat over the last 6 years and is essentially stagnant. EPA is NOT an out-of-control market that needs to be reigned in, especially compared to Menlo Park and Palo Alto. If anything, the market is starting to decline again. I attached an updated chart that also illustrates where prices should be had the market continued along the same trajectory prior to the major setback caused by the Great Recession. You can see that actual long-term price appreciation has slowed considerably from historical rates and we're in a declining market that is nowhere near the trendline. OPA would result in further market deterioration.

On a more positive note and inspired by the leadership of Councilmembers Barragan, Abrica, Mayor Gauthier and Vice-Mayor Lopez I'm already brainstorming with homeowners on interesting OPA alternatives based on a carrot v. stick approach that will incentivize

homeowners and tenants to work together. I look forward to sharing details with you soon!

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>Tr Proven</u>
To: <u>Housing</u>
Subject: Clarification

Date: Thursday, August 10, 2023 7:02:52 PM

I live in Virginia. I own a Townhouse at 132 Mission Drive.

Is this a Single Family Home in terms of the EPAOTP?

--

Thanks,

TR

From: court@courtskinner.com

To: <u>Housing</u>

Subject: Consequence of OPA passage

Date: Thursday, August 10, 2023 7:14:46 PM

The presenters seem to carefully skirt questions re the actual benefits statistically re the number of tenants who might actually become owners. Further there is no mention of other approaches to achieving the goal of OPA (also not addressed in the ordinance nor the presentations). Clearly there is a huge investment in OPA, and there really needs to a mention of the expected return on it. So how about setting a 5 year target that we can monitor. Court Skinner

From: <u>Carol Cunningham</u>

To: Lisa Yarbrough-Gauthier; Antonio D. Lopez; Ruben Abrica; Carlos Romero; Martha Barragan; Karen Camacho;

Housing; cmoffice

Subject: EPA OPA Alternatives

Date: Friday, August 25, 2023 9:28:33 PM

Dear East Palo Alto City Council and Staff,

I hope you had a good week! I'm following up on my earlier email to share a number of OPA alternatives that some EPA homeowners have brainstormed so far. Although removing ROFR from single-family homes makes a big difference in my opinion, which is why OPA supporters want to leave it in, I know that it still leaves a burdensome process with potentially severe consequences/penalties and no material benefit or progress towards achieving the City's ultimate goals. On top of that, OPA is resulting in escalating tension and frustration as you witnessed during the last City Council meeting on the topic.

Homeowners support common-sense options that will unite the community in our effort to address displacement and affordability challenges. With that in mind, I summarized the following ideas that some homeowners have sent me, which I believe are all worthy of consideration and exploration. The key difference with these suggestions is that they are not punitive against one segment of our community in an effort to benefit another, and they also address the root issues that tenants are facing. I hope that you will evaluate these options in advance of the upcoming study session so that we can start meaningful and productive dialogue in order to move our community forward together.

- 1. EPA Can Do (and other Non-Profits or the City) can award grants to low-income individuals to help them with their down payment.
- 2. Non-Profits or the City can enter into a shared equity agreement with buyers in which the entity providing financial assistance or loan will receive a percentage share of the appreciated value of the home that is equal to the percentage of assistance provided, at the time the home is sold or paid off. This is the profit that the entity makes at the end, in lieu of receiving interest or even principle payments during the life of the loan, so it could be a win-win for both parties. As an example, if the entity provides a 20% down payment loan, they will receive 20% of the appreciated value of the home, in addition to the original 20% loan, when the home is sold or paid off. So if a home is purchased for \$1M under this program with 20% assistance (or \$200K) from a Non-Profit and then sold 10 years later for \$1.2M, then the Non-Profit would receive \$40K, or 20% of the \$200K appreciation, along with the original 20% assistance when the home is sold or paid off. This is the general model that Stanford (and some startups) are following, but can be modified to meet EPA's needs. If the home decreases in value, then there is no additional equity share that is paid.
- 3. Similar to #2, Non-Profits or the City can offer no-interest or low-interest loans.
- 4. Non-Profits or the City can purchase homes listed on the market and rent or sell them to low-income individuals.
- 5. Non-Profits or the City can purchase large lots from other EPA Non-Profits (e.g. churches that are largely unattended) and develop condos or below-market rentals.
- 6. The City can re-zone certain single-family districts to allow denser housing development, which helps increase supply, and offer incentives for developers to build more affordable units.
- 7. The City can establish a fund and solicit contributions from those entities it feels contributed to redlining in EPA (this is one of the ideas from Ruben Abrica), so

- would include banks, real estate brokers, etc. Contributions could also come from individuals, companies or other organizations with philanthropic goals.
- 8. The City could partner with a reputable real estate company to establish a Local Housing Program that incentivizes homeowners to sell their homes through this program by offering sellers a 50%+ discount on the commission they would pay because the real estate broker would represent both sides of the transaction. These savings could add up to \$25K or more per transaction, especially if the broker is willing to kick in additional funds because they have an exclusive relationship with the City that provides them with this captive pipeline of clients. Eligible tenants would apply and work with the City and real estate broker to ensure qualification and financial readiness, so homeowners know they are being matched with suitable buyers. In addition, homeowners are motivated to participate in the program because they would save on the cost of selling their home, which means some of these savings could be passed on to the buyer in the form of a lower purchase price, in addition to the goodwill generated from helping out their community.
- 9. Non-Profits or the CIty can offer a financial bonus for homeowners to sell to a local tenant. This is similar to the Section 8 Landlord Bonus granted to landlords who rent to Section 8 tenants.

I'm sure there are even more great ideas if Staff and the larger community were actually given an opportunity to openly brainstorm together. Note that these were not the recent sessions facilitated by PCRC and Staff. We're eager to hear your thoughts and next steps, but please let me know if you have any questions in the meantime.

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/

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From: Eve Sutton
To: Housing

Cc: YUCA; keith@clsepa.org; Duane Bay-EPACANDO; Mark Moulton; Court Skinner; Henrietta J. Burroughs EPAToday; Mitch Speigle-SMrealestate

Subject: Eve"s summary of EPA OPA mtg August 10, 2023

Date: Friday, August 11, 2023 11:25:48 AM

Below is my understanding of the EPA OPA meeting we had Aug 10, 2023 on Zoom. Please correct me if I am mistaken in any of these details. I also included 2 questions below, marked QUESTION.

"Reply All" will send your reply to everyone in Cc, or you can choose which recipients to include.

I added Mitch Speigle, a real estate agent representing the Government Affairs Committee for San Mateo County Board of Realtors, who contacted me for follow-up on some of my earlier comments about OPA.

QUESTION #1 Am I accurate in my assessment that the current version will be hard to enforce, and will not produce a significant increase in the number of current, at-risk EPA residents who become more securely housed in EPA?

BACKGROUND:

Partnership for the Bay's Future is a local nonprofit composed of 4 other local nonprofits.

https://baysfuture.org/who-we-are/

San Francisco Foundation

LISC Bay Area

Chan Zuckerberg Initiative [is this why Mark Dinan says "Facebook" is funding OPA?]

Shift the Bay

In 2019, EPA City Council authorized city staff to apply to "Partnership for the Bay's Future" for a grant to fund the preservation of housing. The grant application included the request for design of an Opportunity to Purchase Act.

QUESTION #2: I would like to know whether the city's OPA request was in response to a survey of at-risk residents to ask WHAT MEASURES would help them stay in EPA when they in danger of being displaced by rising costs of housing. >> If it was in response to the stated needs of individuals, please ask those individuals or their direct representatives for their opinion on whether the current wording of OPA would help them.

Or was that specific request made by EPACANDO, or PAHALI, or YUCA, or CLSEPA as a nonprofit serving low-income residents trying to stay in EPA? If so, how do these agencies feel about the current version of OPA?

I hope your replies and future meetings will communicate about whether the current version meets the original intentions, and whether it can be enforced.

Right now, it seems like a muddled mess that will face an even bigger muddled mess if any litigation goes to San Mateo Superior Court, which most tenants cannot afford anyway.

[between these dashed lines ----, I am copying some paragraphs in sans serif font from this link: https://www.cityofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-0]

Partnership for the Bay's Future Policy Grants

On June 4, 2019, via Resolution No. 5128, the City Council authorized the City Manager to submit an application to the Partnership for the Bay's Future for a Challenge Grant for Housing Protection and Preservation ("Challenge Grant"). City Council directed staff to seek a Challenge Grant award to research a Community Land Trust ("CLT") and related policies to create long-term affordable housing opportunities in East Palo Alto.

The City applied for the Challenge Grant in August 2019, in partnership with East Palo Alto Community Alliance and Neighborhood Development Organization ("EPACANDO"), Preserving Affordable Housing Assets Long Term, Inc. ("PAHALI"), Youth United for Community Action ("YUCA"), and Community Legal Services in East Palo Alto ("CLSEPA") (collectively, the "Community Partners"). East Palo Alto was selected to be one of the ten jurisdictions in the inaugural Challenge Grant cohort in Fall 2019.

The Challenge Grant project scope included three main goals: (1) Establishing a sustainable funding source for housing preservation; (2) launching a preservation model centered on a CLT to acquire, rehabilitate, and redevelop properties; and (3) designing and supporting the passage of a local preservation ordinance- a Tenant Opportunity to Purchase Act/Community Opportunity to Purchase Act ("TOPA/COPA policy").

On July 20, 2021, via Resolution No. 103-2021, the City Council authorized the City Manager to submit an application to the Partnership for the Bay's Future for a Breakthrough Grant for Housing Production and Preservation ("Breakthrough Grant"), for the purposes of continuing this work and implementing a

TOPA/COPA policy if adopted.

The City applied for the Breakthrough Grant in July 2021, in partnership with the same grassroots organizations. East Palo Alto was selected to be one of the eleven government entities in the Bay Area. The grant began in June 2022 and will continue to May 2024.

THANK YOU!

Eve Sutton eve@well.com 650/325-3234 landline/voice msgs

---- Original Message -----

From: Housing housing housing@cityofepa.org

Sent: Thu, 10 Aug 2023 14:30:57 -0700 (PDT)

Subject: Join EPA OPA Policy Overview - TODAY August 10, 2023 at 6pm

En español más abajo [deleted by Eve Sutton for this email]

Webinar - August 10, 2023

Opportunity to Purchase

Dear East Palo Alto Resident,

Thank you for participating in the City of East Palo Alto's discussions on the potential Opportunity to Purchase policy. Join the City of East Palo Alto tonight, Thursday, August 10, 2023 at 6pm for a webinar to learn about the new proposed East Palo Alto Opportunity to Purchase (EPA OPA) policy components, as a follow-up to the changes recommended at the July 18, 2023 City Council meeting. Register at: bit.ly/draft_EPAOPA_ordinance. For more updates, visit the

<u>City EPA OPA webpage</u>. If you would like to unsubscribe from these updates, please email housing@cityofepa.org.

- When: Thursday, August 10, 2023at 6pm
- You can join via Zoom at: https://us06web.zoom.us/j/81474468501

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You can find this and other updates at: https://www.cityofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-0.

What is the East Palo Alto Opportunity to Purchase Act? The East Palo Alto Opportunity to Purchase Act

is a policy component of the 2019-2023 Affordable Housing Strategy to address displacement and increase opportunities for local homeownership. It requires some owners of residential buildings to notify tenants, local affordable housing providers, and the City when

the property owner is ready to sell. It is designed to help stabilize local tenants looking to purchase the spaces they rent and to also enable affordable housing preservation by purchasing the buildings at market price, but reselling or renting them at a price that is affordable to local residents.

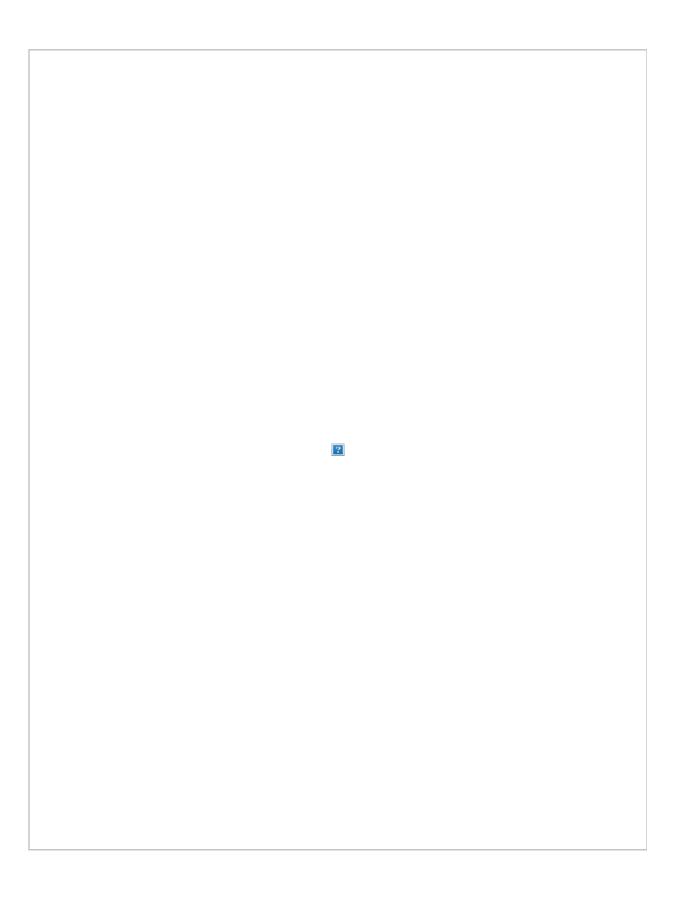
Why is my participation in the East Palo Alto Opportunity to Purchase policy discussion important? Your

participation will help shape our City's deliberation about the policy details and implementation. Your participation helps us ensure our process is as inclusive and community driven as possible.

How can I get involved? Stay up-to-date and explore our Housing page at www.cityofepa.org/housing. You can also submit your comments to housing@cityofepa.org, using "Opportunity to Purchase Act" in the subject line.

Visit the

East Palo Alto Opportunity to Purchase Actwebpage for more info.





City of East Palo Alto

Phone: (650) 853-3195

Email: housing@cityofepa.org

Web: www.cityofepa.org/housing

1960 Tate Street, East Palo Alto, CA

here. The City continues to offer virtual appointments as an alternative to in-person meetings. For inquiries or to request an appointment with Housing, please email housing@cityofepa.org or set up a meeting via this link (https://tinyurl.com/appointmentsEPAhousing). **

^{**} View City office hours

From: jeff buenz
To: Housing

Subject: Further clarification Re: OPA exemption **Date:** Thursday, August 10, 2023 6:53:05 PM

So.... a single condo unit ownership is considered a "single family home" in the OPA Ordinance for both the exemption and ROFR correct?

thanks,

JΒ

On Thursday, August 10, 2023 at 06:37:40 PM PDT, jeff buenz <jeffbuenz@yahoo.com> wrote:

Is a SINGLE CONDO UNIT owned in a multi condo complex considered a single property or single family home? You mention house, duplex, triplex but not individual condo. please clarify status of single condo units in a multi complex. Thanks,

JB

From: <u>Karen Camacho</u>
To: <u>Housing</u>

Subject: Fwd: Odd page on EPA website about OPA meeting?

Date: Tuesday, September 26, 2023 2:23:42 PM

Attachments: image001.png

image002.png

From: Karen Camacho

Sent: Tuesday, September 26, 2023 3:23:25 PM **To:** Grace Popple <grace.webber@gmail.com>

Subject: RE: Odd page on EPA website about OPA meeting?

Hi Grace,

Thank you for your email. I tried searching for the webpage to see what page it may be linked to, but couldn't find anything on the back-end. It's probably from a few years back, so I can't change it now.

Karen



Karen Camacho

(she/her/ella)

Housing & Economic Development Manager

Phone (650) 853-3195

Email kcamacho@cityofepa.org

Web www.cityofepa.org/housing

1960 Tate Street, East Palo Alto, CA 94303

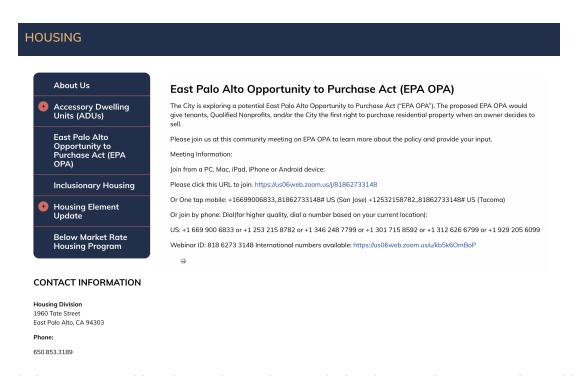
From: Grace Popple <grace.webber@gmail.com>
Sent: Saturday, September 23, 2023 4:40 PM
To: Karen Camacho <kcamacho@cityofepa.org>

Subject: Odd page on EPA website about OPA meeting?

^{**} View City office hours <u>here</u>. The City continues to offer virtual appointments as an alternative to in-person meetings. For inquiries or to request an appointment with Housing, please email <u>housing@cityofepa.org</u> or set up a meeting via this <u>link</u> (https://tinyurl.com/appointmentsEPAhousing). **

Karen,

There's an odd page on the website, here: https://www.cityofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-1:



it doesn't say anything about a date or time or whether there's an in-person option and if so, where.

I thought you might want to know!
Thanks
Grace

Grace Popple, nee Webber

From: <u>Miguel Moreno</u>

To: <u>Lisa Yarbrough-Gauthier; Antonio D. Lopez; Ruben Abrica; Karen Camacho; Martha Barragan; Housing; cmoffice</u>

Subject: No OPA

Date: Tuesday, July 18, 2023 6:53:58 PM

Ladies and Gentlemen:

You will no doubt hear from animated residents this evening regarding OPA. My understanding is that the ROFR has been dropped. Instead, only the Right of First Offer remains. Even with the change, OPA is defective beyond repair. Please count me as a registered voter (among many) against the city's adoption of OPA.

From: jeff buenz
To: Housing
Subject: OPA exemption

Date: Thursday, August 10, 2023 6:37:52 PM

Is a SINGLE CONDO UNIT owned in a multi condo complex considered a single property or single family home? You mention house, duplex, triplex but not individual condo. please clarify status of single condo units in a multi complex. Thanks,

JΒ

From: Matthew Runyan
To: Housing
Subject: OPA Questions

Date: Thursday, August 10, 2023 4:28:54 PM

Hello,

I have some questions for the meeting tonight.

How will the city help connect renters to resources like down payment assistance?

How will the city package and share information for rightsholders?

What kind of policies do we have in place for landlords that attempt to skirt these new regulations during a sale? Are the fines commensurate to make attempting to skirt the regulations cost prohibitive or will they treat it as a slap on the wrist and consider it part of the home sale?

Can we not make concessions around the Right of First Refusal on Single Family Homes as those are the most likely of properties to go up for sale and apply to OPA? I'm concerned OPA becomes toothless without this included in the regulation.

Thanks,

Matthew Runyan

From: Eve Sutton

To: Housing; YUCA; Mark Dinan

Cc: Court Skinner; Duane Bay; Henrietta J. Burroughs EPAToday

Subject: Questions for OPA Policy Overview 6pm Aug 10, 2023

Date: Thursday, August 10, 2023 4:43:53 PM

AT THE START OF THIS ZOOM MEETING, immediately after introdu Please explain exactly, in short simple sentences that everyone can unders	
1) Facebook's (department/affiliate group) is putting \$_ the following reason(s):	into this effort to pass OPA/COPA/DOPA for
2) This Facebook-affiliated money is being sent to	_ recipient(s), who are using that money to
[name the specific funding for each recipient, and describe how that mone YUCA, Real Estate agents, anyone else who is subsidized or paid or reimbraticipation on this issue and discussion]	
3). Ask each discussion leader to estimate the total amount of MONEY an OPA/COPA/DOPA, and ask each one to answer this question:	nd TIME spent to date on this extended discussion of
HOW, exactly, would passage of OPA/COPA/DOPA be MORE effective residents than using the same amount of money and time for direct aid with	

Thank you! Eve Sutton eve@well.com 216 Daphne Way

---- Original Message -----

From: Housing housing housing@cityofepa.org

Sent: Thu, 10 Aug 2023 14:30:57 -0700 (PDT)

Subject: Join EPA OPA Policy Overview - TODAY August 10, 2023 at 6pm

En español más abajo

Webinar - August 10, 2023

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<u>City EPA OPA webpage</u>. If you would like to unsubscribe from these updates, please email <u>housing@cityofepa.org</u>.

- When: Thursday, August 10, 2023at 6pm
- You can join via Zoom at: https://us06web.zoom.us/j/81474468501

You can find this and other updates at: https://www.cityofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-0.

What is the East Palo Alto Opportunity to Purchase Act? The East Palo Alto Opportunity to Purchase Act is a policy component of the 2019-2023 Affordable Housing Strategy to address displacement and increase opportunities for local homeownership. It requires some owners of residential buildings to notify tenants, local affordable housing providers, and the City when

the property owner is ready to sell. It is designed to help stabilize local tenants looking to purchase the spaces they rent and to also enable affordable housing preservation by purchasing the buildings at market price, but reselling or renting them at a price that is affordable to local residents.

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How can I get involved? Stay up-to-date and explore our Housing page at www.cityofepa.org/housing. You can also submit your comments to housing@cityofepa.org, using "Opportunity to Purchase Act" in the subject line.

Visit the

East Palo Alto Opportunity to Purchase Actwebpage for more info.

Oportunidad de Compra

Estimado/a residente de East Palo Alto,

Gracias por participar en las discusiones de la ciudad de East Palo Alto sobre la posible póliza de Oportunidad de Compra. Únase a una reunión virtual esta tarde, jueves 10 de agosto del 2023 a las 6 pm para aprender sobre los nuevos elementos de la propuesta Oportunidad de Compra de East Palo Alto (EPA OPA), como seguimiento a los cambios recomendados por el Concejo Municipal el 18 de julio de 2023. Registrese en:

bit.lv/draft EPAOPA ordinance. Para

ver actualizaciones, visite la página web EPA OPA

de la ciudad. Si desea no seguir recibiendo estas actualizaciones, envíe un correo electrónico a housing@cityofepa.org.

Cuando: jueves, 10 de agosto, 2023 a las 6pm

- Puede asistir por Zoom en: https://us06web.zoom.us/j/81474468501
- Puede encontrar esta y otras actualizaciones en:
 https://www.citvofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-0.

¿Qué es la póliza de Oportunidad de Compra de East Palo Alto? La Oportunidad de Compra de East Palo

Alto es un componente de la Estrategia de Viviendas Asequibles de 2019-2023 para reducir el desplazamiento y aumentar las oportunidades para la propiedad de vivienda local. Requiere que algunos propietarios de edificios residenciales notifiquen a los inauilinos.

a los proveedores locales de viviendas asequibles y a la ciudad de East Palo Alto cuando las propiedades estén a la venta. Está diseñada para ayudar a estabilizar a los inquilinos locales buscando comprar espacios que alquilan y también para permitir la preservación

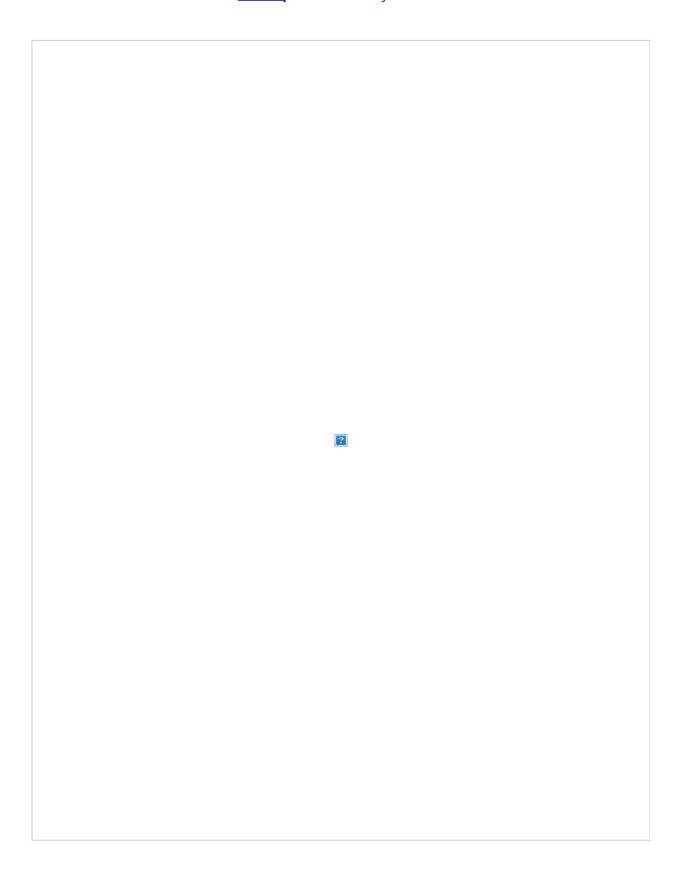
al comprar los edificios a la tasa de mercado, y hacerlas asequibles para residentes locales.

¿Por qué es importante mi participación en la discusión sobre la póliza de Oportunidad de Compra de East Palo Alto? Su participación en la discusión ayudará la discusión de nuestra Ciudad sobre los detalles de la póliza y su implementación. Su participación

nos ayuda a mantener nuestro proceso lo más inclusivo y comunitario posible.

¿Cómo me puedo involucrar? Manténgase actualizado/a visitando la página de la Ciudad en<u>www.cityofepa.org/housing</u>. También puede enviar sus comentarios a<u>housing@cityofepa.org</u>, utilizando "Oportunidad de Compra" en la línea de asunto.

Visite la página web de la<u>Ley de Oportunidades de Compra de East</u> <u>Palo Alto</u>para obtener más información.





Housing Division

Community & Economic Development Department

City of East Palo Alto

Phone: (650) 853-3195

Email: housing@cityofepa.org

Web: www.cityofepa.org/housing

1960 Tate Street, East Palo Alto, CA 94303

** View City office hours

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From: Nina Helmer
To: Carol Cunningham

Cc: Lisa Yarbrough-Gauthier; Antonio D. Lopez; Ruben Abrica; Carlos Romero; Martha Barragan; Karen Camacho;

Housing; cmoffice

Subject: Re: 7/18 City Council OPA Discussion Follow Up

Date: Sunday, July 23, 2023 12:09:13 AM

Attachments: Average Annual Sales Price with EPA Trendline.pdf

Compass Mail - Fwd 1 25 OPA Discussion and RoFR Studies (1).pdf

Great analysis !!! Sent from my iPhone

On Jul 22, 2023, at 6:46 PM, Carol Cunningham <a range carol.cunningham@compass.com wrote:

Dear East Palo Alto City Council and Staff,

Thank you for staying so late to discuss OPA this week and giving us the opportunity to provide public comment, although 1 minute is rarely enough time. I also appreciate Mayor Gauthier's request for a meeting and will send a separate email to her to schedule - after July of course.

Regarding one of the primary points of misunderstanding, I am working with resident homeowners to clarify that they would be exempt from OPA. However, this does NOT mean that OPA will not impact them, which is where confusion still exists and supporters are being misled. While ROFR has been covered extensively by me and others (I attached one of my emails on the subject for quick reference), here is another perspective that may be more helpful to explain why most homeowners are so concerned:

In the real estate market, the "market" is essentially the pool of buyers. They are the ones who will ultimately determine the price they are willing to pay to purchase a home (using comps as a guide), not the sellers or agents. A seller can list a house for whatever price they want, but it doesn't mean they will get that amount, and the market will punish them if they price too high. Based on the economic principle of supply and demand, the higher the demand (the more buyers) for a particular house, the higher the potential sales price. The reverse is also true.

This is why it doesn't matter who the seller is, whether absentee landlord or resident homeowner, because it's the market of buyers who will drive the value of homes. And all of the sellers for single-family homes are trying to sell to this same market. One of OPA's consequences is to reduce demand (buyers) by imposing additional controls on the market as Councilmember Romero (and others) have alluded to. Therefore, when buyers are driven away because of the impositions, disadvantages, complexities, uncertainties of OPA, ALL homeowners will be affected due to reduced demand, which leads to reduced home values. Don't underestimate how substantial the financial impact could be, as it was during the Great Recession.

Please also note that EPA's market has been flat over the last 6 years and is essentially stagnant. EPA is NOT an out-of-control market that needs to be reigned

in, especially compared to Menlo Park and Palo Alto. If anything, the market is starting to decline again. I attached an updated chart that also illustrates where prices should be had the market continued along the same trajectory prior to the major setback caused by the Great Recession. You can see that actual long-term price appreciation has slowed considerably from historical rates and we're in a declining market that is nowhere near the trendline. OPA would result in further market deterioration.

On a more positive note and inspired by the leadership of Councilmembers Barragan, Abrica, Mayor Gauthier and Vice-Mayor Lopez I'm already brainstorming with homeowners on interesting OPA alternatives based on a carrot v. stick approach that will incentivize homeowners and tenants to work together. I look forward to sharing details with you soon!

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/

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From: Carol Cunningham
To: Maleli Raiyawa

Cc: Antonio D. Lopez; Housing; Lisa Yarbrough-Gauthier; Ruben Abrica; cmoffice; Carlos Romero; Karen Camacho;

Martha Barragan

Subject: Re: EPA OPA Alternatives

Date: Saturday, August 26, 2023 10:53:27 AM

Hi Maleli,

Thank you for sharing your feedback and ideas. I agree with your position that perhaps there is a more urgent need that the City needs to address before homeownership can be realistically considered for many residents. These 2 objectives are not mutually exclusive though and are even complementary with some overlap (e.g. #2 - #5 from your list with #1 and #4 - #6 from my list).

Therefore, depending on how the City defines the goals of resolving displacement and affordability, assuming these are still the primary objectives we're trying to tackle, maybe City Council would consider expanding or shifting the scope of this conversation to include the broader question you raise and invite the appropriate stakeholders to the discussion.

Carol Cunningham

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On Sat, Aug 26, 2023 at 4:57 AM Maleli Raiyawa <<u>mal.raiyawa@gmail.com</u>> wrote: Dear Carol,

Thank you for taking the time to share these innovative suggestions regarding East Palo Alto's housing challenges. Your commitment to our community is evident, and the OPA alternatives you've provided are thoughtful and reflect a desire to see real progress.

However, I'd like to emphasize that while the strategies mentioned cater well to

homeownership and generational wealth-building, they don't tackle the immediate concern many residents face: escalating rent prices. If rents continue to remain out of reach, many families won't be able to save, let alone think about owning a home. I believe our immediate focus should be on ensuring affordable living spaces for all, and with that foundation, we can then look towards fostering homeownership.

With that in mind, here are some alternative ideas to consider:

- 1. **Rent Control and Stabilization:** Implementing or strengthening policies to limit how much rents can increase in a given period, ensuring tenants aren't priced out of their homes.
- 2. **Incentives for Developers:** Offering tax breaks or other incentives for developers who reserve a significant portion of their housing units as affordable rentals.
- 3. **Rent Vouchers:** A city-wide program where qualified residents receive subsidies to help bridge the gap between what they can afford and current market rents.
- 4. **Land Trusts:** Establishing community land trusts that buy and manage land for the purpose of providing affordable housing. These trusts can lease land to developers under the condition that they build and maintain affordable rental units.
- 5. **Inclusionary Zoning:** Implement zoning that requires developers to include a percentage of affordable units in new residential developments.
- 6. **Co-Housing Initiatives:** Support co-housing or shared housing developments, where individuals and families have private bedrooms or units but share common spaces, reducing overall living costs.

It would be beneficial for us to open a dialogue on these proposals and collectively brainstorm on an even broader scale. It's imperative that we prioritize the immediate needs of our residents while also planning for long-term solutions. I look forward to hearing your thoughts and exploring these suggestions further.

Warm regards,

Maleli Raiyawa

On Sat, Aug 26, 2023 at 4:28 PM Carol Cunningham < carol.cunningham@compass.com> wrote:

Dear East Palo Alto City Council and Staff,

I hope you had a good week! I'm following up on my earlier email to share a number of OPA alternatives that some EPA homeowners have brainstormed so far. Although removing ROFR from single-family homes makes a big difference in my opinion, which is why OPA supporters want to leave it in, I know that it still leaves a burdensome process with potentially severe consequences/penalties and no material benefit or progress towards achieving the City's ultimate goals. On top of that, OPA is resulting in escalating tension and frustration as you witnessed during the last City Council meeting on the topic.

Homeowners support common-sense options that will unite the community in our effort to address displacement and affordability challenges. With that in mind, I summarized the

following ideas that some homeowners have sent me, which I believe are all worthy of consideration and exploration. The key difference with these suggestions is that they are not punitive against one segment of our community in an effort to benefit another, and they also address the root issues that tenants are facing. I hope that you will evaluate these options in advance of the upcoming study session so that we can start meaningful and productive dialogue in order to move our community forward together.

- 1. EPA Can Do (and other Non-Profits or the City) can award grants to low-income individuals to help them with their down payment.
- 2. Non-Profits or the City can enter into a shared equity agreement with buyers in which the entity providing financial assistance or loan will receive a percentage share of the appreciated value of the home that is equal to the percentage of assistance provided, at the time the home is sold or paid off. This is the profit that the entity makes at the end, in lieu of receiving interest or even principle payments during the life of the loan, so it could be a win-win for both parties. As an example, if the entity provides a 20% down payment loan, they will receive 20% of the appreciated value of the home, in addition to the original 20% loan, when the home is sold or paid off. So if a home is purchased for \$1M under this program with 20% assistance (or \$200K) from a Non-Profit and then sold 10 years later for \$1.2M, then the Non-Profit would receive \$40K, or 20% of the \$200K appreciation, along with the original 20% assistance when the home is sold or paid off. This is the general model that Stanford (and some startups) are following, but can be modified to meet EPA's needs. If the home decreases in value, then there is no additional equity share that is paid.
- 3. Similar to #2, Non-Profits or the City can offer no-interest or low-interest loans.
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- 5. Non-Profits or the City can purchase large lots from other EPA Non-Profits (e.g. churches that are largely unattended) and develop condos or below-market rentals.
- 6. The City can re-zone certain single-family districts to allow denser housing development, which helps increase supply, and offer incentives for developers to build more affordable units.
- 7. The City can establish a fund and solicit contributions from those entities it feels contributed to redlining in EPA (this is one of the ideas from Ruben Abrica), so would include banks, real estate brokers, etc. Contributions could also come from individuals, companies or other organizations with philanthropic goals.
- 8. The City could partner with a reputable real estate company to establish a Local Housing Program that incentivizes homeowners to sell their homes through this program by offering sellers a 50%+ discount on the commission they would pay because the real estate broker would represent both sides of the transaction. These savings could add up to \$25K or more per transaction, especially if the broker is willing to kick in additional funds because they have an exclusive relationship with the City that provides them with this captive pipeline of clients. Eligible tenants would apply and work with the City and real estate broker to ensure qualification and financial readiness, so homeowners know they are being matched with suitable buyers. In addition, homeowners are motivated to participate in the program because they would save on the cost of selling their home, which means some of these savings could be passed on to the buyer in the form of a lower purchase price, in addition to the goodwill generated from helping out their community.
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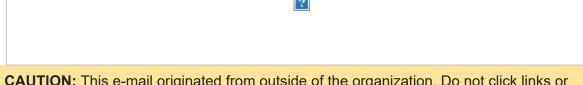
who rent to Section 8 tenants.

I'm sure there are even more great ideas if Staff and the larger community were actually given an opportunity to openly brainstorm together. Note that these were not the recent sessions facilitated by PCRC and Staff. We're eager to hear your thoughts and next steps, but please let me know if you have any questions in the meantime.

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From: <u>Maleli Raiyawa</u>
To: <u>Carol Cunningham</u>

Cc: Antonio D. Lopez; Housing; Lisa Yarbrough-Gauthier; Ruben Abrica; cmoffice; Carlos Romero; Karen Camacho;

Martha Barragan

Subject: Re: EPA OPA Alternatives

Date: Saturday, August 26, 2023 4:57:26 AM

Dear Carol,

Thank you for taking the time to share these innovative suggestions regarding East Palo Alto's housing challenges. Your commitment to our community is evident, and the OPA alternatives you've provided are thoughtful and reflect a desire to see real progress.

However, I'd like to emphasize that while the strategies mentioned cater well to homeownership and generational wealth-building, they don't tackle the immediate concern many residents face: escalating rent prices. If rents continue to remain out of reach, many families won't be able to save, let alone think about owning a home. I believe our immediate focus should be on ensuring affordable living spaces for all, and with that foundation, we can then look towards fostering homeownership.

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Warm regards,

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Carol Cunningham

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From: Court Skinner
To: Carol Cunningham

Cc: Lisa Yarbrough-Gauthier; Antonio D. Lopez; Ruben Abrica; Carlos Romero; Martha Barragan; Karen Camacho;

Housing; cmoffice

Subject: Re: EPA OPA Alternatives

Date: Saturday, August 26, 2023 6:10:39 PM

Thanks Carol. Good ideas. No question we all need to work together, not fight, to make our city productive.

I read today's (or this week's) Almanac and noted that Menlo Park is looking into a number of prospective developments for high density (and high rise) housing on sites now occupied by obsolete low rise office buildings (Sunset Magazine site, for example) and shopping centers. Perhaps that means we can look forward to a time when there is real equity re jobs, housing, commerce, and education opportunities with our SMC neighboring cities.

Court

650 353 1646

On Fri, Aug 25, 2023, 9:28 PM Carol Cunningham <<u>carol.cunningham@compass.com</u>> wrote:

Dear East Palo Alto City Council and Staff,

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	2	

From: <u>Eve Sutton</u>
To: <u>Housing</u>; <u>cityclerk</u>

Cc: Mark Dinan; YUCA; Court Skinner; Duane Bay; Eve Sutton

Subject: Re: Goals of OPA; how to help displaced or at-risk home-seekers?

Date: Thursday, July 20, 2023 12:12:46 AM

Update Wed July 19, 2023: I hope EPA City Clerk and EPA Housing Dept. will forward this message to City Council and other staff as appropriate. I am still trying to understand some aspects of OPA-- and more important, how to achieve the INTENT of OPA even if the current wording of OPA is not right mechanism to achieve those noble goals.

I tried listening to some of the 75+ speakers at the city council meeting last night, but I just could not listen to everyone.

Yes, most home-owners want top dollar when they sell. Yes, most long-term residents or displaced residents cannot offer the highest bid unassisted.

But I would like to help think of workable approaches provide housing security in EPA for our long-term residents, based on what these neighbors need, and what will actually work to help them.

Please let me know what YOU heard from the exact people we are trying to help-- the displaced residents, or long-term residents at risk of being displaced.

What are the real concerns of the displaced or at-risk residents, in their own words? For example, do they need help BUYING a house, or do they simply need help LIVING here?

____What barriers must be removed for these displaced or at-risk residents to get secure housing in EPA?

For example, do they need more than 30 days of advance notice to gather a market-level amount of money to place the top bid?

Do they need a low-interest second mortgage, or co-signed second mortgage, to cover that last 10-15% of the purchase price?

Are they interested in a developing, and jointly funding, a cooperative housing arrangement -- for example, if we facilitate their group purchase of an apartment building or land for a mobile home park?

Do they need a better way to find and rent housing in a shared home, or an ADU? Or ??

Eager to hear whatever you have learned from the folks we are trying to help! --Eve Sutton. eve@well.com

---- Original Message -----

From: Eve Sutton <eve@well.com>

To: Mark Dinan <mark@dinanrecruiting.com>, YUCA <info@youthunited.net>, Court

Skinner <court@courtskinner.com>, housing@cityofepa.org, Duane Bay

<dbay@epacando.org>

Sent: Sat, 15 Jul 2023 14:21:25 -0700 (PDT) Subject: Goals of OPA; mobile home park?

Now that I am on summer break, I have some time to think deeply about the goals of OPA, so I can propose some workable alternatives that could meet the objectives without all the turmoil.

Here is my understanding. Please correct any errors. You can choose to Reply All or just to Some or just to me: eve@well.com

This Act, if passed, should provide an Opportunity [for tenants living in single-family rental houses where the owner does not live on the property] to Purchase the rental house if a non-resident landlord is selling it.

The stated INTENTION of the Act is to increase the number of long-time EPA residents who can afford to stay in EPA.

The MECHANISM that will allow these long-time EPA residents to live in EPA is reduce the barriers to home ownership, IF those residents are currently renting a single-family house that is not occupied by the landlord, and IF those tenants can scrape up enough money to buy that house, and IF they are willing and able to live in that exact house after purchase. The anticipated number of new homeowners would be rather small, maybe a few dozen over several years, and they would not all be long-term residents of EPA.

OR maybe OPA will facilitate the purchase of housing by nonprofit housing agencies, who will rent out the unit(s) at below-market rates.

I understand OPA makes these assumptions:

- __1. These long-term EPA residents have a desire, and the ability, to become home-owners. They cannot stay here as Renters; they must buy and hold the property where they live.
- __2. Renters of single-family rental houses wish to purchase the houses they are renting, especially if they grew up in EPA or moved here long ago.
- __3. Advance notice of 30 days is enough time for the renters to liquidate their investment portfolio, exercise stock options, borrow from rich relatives.... whatever ... to make an offer on

that rental house, at or very close to market value, before the house is advertised in public.

Meanwhile, some homeowners are concerned that a below-market sale would lower the value of their own properties, reducing the wealth they can bank for the future or pass to their offspring.

SOLUTION: I just do not see the point of all this fuss -- all the money and time expended by individuals, city staff, outside agencies, local nonprofits. We could pour equivalent resources into developing a plot of land for a well-run, successfully managed MOBILE HOME PARK, something clean and tidy that does not tolerate drug dealers or squatters. Building costs are minimal -- just utilities (water, sewage, electricity), and a few permanent structures -- maybe the manager's office, community room or gym-- and landscaping for a playground, parking and walkways.

Mobile Home tenants rent the land but they provide their own housing units, which they can sell or take with them when they leave. If you really want to provide affordable housing for low-income renters, the mobile home park could allow sub-letting or a housing agency can

maintain some units for Below-Market renting. The city (or nonprofit housing agencies) could facilitate low-interest loans or discounts on the purchase of the mobile homes. The managers could take lessons from well-run mobile home parks in Redwood City, Palo Alto (Buena Vista Moble Home Park), Mountain View, Sunnyvale, and Palo Mobile Estates here in EPA.

Thus EPA could offer affordable housing within a few months. Whether we can 'discriminate' in favor of long-time or former residents of EPA is another question.

Remember to choose REPLY ALL if you want to share your ideas with others.

--Eve Sutton eve@well.com

 From:
 D w

 To:
 Housing

Subject: Re: Join the City Council Discussion on EPA OPA - Tonight June 18, 2023 after 6:30pm

Date: Wednesday, July 19, 2023 1:03:44 AM

Attachments: <u>image001.png</u>

Dear city council member,

I am an EPA resident.

I think the ordinance is a really bad idea.

It will discourage the owner from selling. (Lowing housing supply)

It will discourage the owner from renting and create a lot of owner-move in eviction. (Displace tenants)

It will discourage people to build an ADU (Lowing housing supply)

It will discourage the outside developer to build more housing or improve existing housing. (Lowing housing supply) Based on the unfriendly atmosphere towards the owners and investors.

In the long term, it will reduce the housing supply, increase the chance of deferred maintenance and increase the rent. It will hurt not only the owner but also the tenants too. It is the companies like Facebook, Amazon and Woodland apartments that push the price of housing to the north. Not homeowners, or mom and pop landlords. Yet Chan Zuckerburg initiative will benefit from this and companies like Sand hill properties are not affected by this. How is this fair in any way?

__

Thank you,

Best regards.

On Tue, Jul 18, 2023 at 12:26 PM Housing < housing@cityofepa.org > wrote:

En español más abajo

City Council Policy & Action Discussion – June 18, 2023

Opportunity to Purchase

Dear East Palo Alto Resident,

Thank you for participating in the City of East Palo Alto's discussions on the potential Opportunity to Purchase policy between October 2021 to March 2022, and/or at the May 30th Community Forum and June 13th Policy Discussion. The City Council will be continuing discussions on this policy this year, and we want you to continue to be a part of

the conversation. Please join the City Council meeting tonight, June 18th (more details below). If you would like to unsubscribe from these updates, please email housing@cityofepa.org.

- When: Tuesday, June 18, 2023 starting at 6:30pm or soon thereafter
- View the City Council meeting agenda (Item #9.1) at: http://eastpaloalto.iqm2.com/Citizens/Detail Meeting.aspx?ID=1992.
- You can join in-person at the City Hall, or virtually via Zoom at: https://us06web.zoom.us/j/81081510688.
 - You can find this and other updates at: https://www.cityofepa.org/housing/page/east-palo-alto-opportunity-purchase-act-epa-opa-0.

What is the East Palo Alto Opportunity to Purchase Act? The East Palo Alto Opportunity to Purchase Act is a policy component of the 2019-2023 Affordable Housing Strategy to address displacement and increase opportunities for local homeownership. It requires some owners of residential buildings to notify tenants, local affordable housing providers, and the City when the property owner is ready to sell. It is designed to help stabilize local tenants looking to purchase the spaces they rent and to also enable affordable housing preservation by purchasing the buildings at market price, but reselling or renting them at a price that is affordable to local residents.

Why is my participation in the East Palo Alto Opportunity to Purchase policy discussion important? Your participation will help shape our City's deliberation about the policy details and implementation. Your participation helps us ensure our process is as inclusive and community driven as possible.

How can I get involved? Stay up-to-date and explore our Housing page at www.cityofepa.org/housing. You can also submit your comments to housing@cityofepa.org, using "Opportunity to Purchase Act" in the subject line.

Visit the **East Palo Alto Opportunity to Purchase Act** webpage for more info.

Oportunidad de Compra

Estimado/a residente de East Palo Alto,

Gracias por participar en las discusiones de la ciudad de East Palo Alto sobre la posible póliza de Oportunidad de Compra entre octubre de 2021 y marzo de 2022, y/o el 30 de mayo y 13 de junio. El Concejo Municipal continuará la discusión sobre esta póliza este año y queremos que siga siendo parte de la conversación. Únase a la junta municipal hoy,

el 18 de junio (más detalles a continuación). Si desea no seguir recibiendo estas actualizaciones, envíe un correo electrónico a housing@citvofepa.org.

- Cuando: martes, 18 de julio, 2023 empezando a las 6:30pm o después
- Vea la agenda (#9.1) en: http://eastpaloalto.iqm2.com/Citizens/Detail_Meeting.aspx?
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¿Qué es la póliza de Oportunidad de Compra de East Palo Alto? La Oportunidad de Compra de East Palo Alto es un componente de la Estrategia de Viviendas Asequibles de 2019-2023 para reducir el desplazamiento y aumentar las oportunidades para la propiedad de vivienda local. Requiere que algunos propietarios de edificios residenciales notifiquen a los inquilinos, a los proveedores locales de viviendas asequibles y a la ciudad de East Palo Alto cuando las propiedades estén a la venta. Está diseñada para ayudar a estabilizar a los inquilinos locales buscando comprar espacios que alquilan y también para permitir la preservación al comprar los edificios a la tasa de mercado, y hacerlas asequibles para residentes locales.

¿Por qué es importante mi participación en la discusión sobre la póliza de Oportunidad de Compra de East Palo Alto? Su participación en la discusión ayudará la discusión de nuestra Ciudad sobre los detalles de la póliza y su implementación. Su participación nos ayuda a mantener nuestro proceso lo más inclusivo y comunitario posible.

¿Cómo me puedo involucrar? Manténgase actualizado/a visitando la página de la Ciudad en www.cityofepa.org/housing. También puede enviar sus comentarios a housing@cityofepa.org, utilizando "Oportunidad de Compra" en la línea de asunto.

Visite la página web de la <u>Ley de Oportunidades de Compra de East Palo Alto</u> para obtener más información.

Housing Division

Community & Economic Development Department



City of East Palo Alto

Email housing@cityofepa.org

Web www.cityofepa.org/housing

1960 Tate Street, East Palo Alto, CA 94303

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__

Thank you, Best regards.

Dawei Wu

 From:
 Gregory Slater

 To:
 Karen Camacho

 Cc:
 Housing

Subject: Re: latest draft of the OPA

Date: Wednesday, July 26, 2023 11:10:37 PM

Thanks Karen,

Indeed, when I tried later, I reached the page. So it was probably as you said - I needed to refresh.

Thank much!

- Greg

On Jul 26, 2023, at 8:33 PM, Karen Camacho < kcamacho@cityofepa.org > wrote:

Hi Greg,

The link is still active. It might be that you need to refresh your browser each time you visit. Please find the link by visiting <u>cityofepa.org</u> and going to Departments > Housing > East Palo Alto Opportunity to Purchase.

Best,

Karen

Karen Camacho

Pronouns: she/her/ella
Housing & Economic Development Manager
Community & Economic Development
City of East Palo Alto
1960 Tate Street
East Palo Alto, CA 94303

Phone: (650) 505-9776

E-mail: kcamacho@cityofepa.org www.cityofepa.org/housing

From: Gregory Slater < tenkyuu@pacbell.net > Sent: Wednesday, July 26, 2023 10:04:21 AM
To: Karen Camacho < tenkyuu@pacbell.net > Sent: Wednesday, July 26, 2023 10:04:21 AM

Cc: Housing < housing@cityofepa.org> **Subject:** Re: latest draft of the OPA

Hi Karen,

For some reason, the link to the OPA page that you provided, gives 'not found' this morning.

Is it now elsewhere? I think it is quite useful.

Thank you for any help, Greg Slater

On Jul 25, 2023, at 5:13 PM, Gregory Slater < tenkyuu@pacbell.net> wrote:

Thank you.

- Greg Slater

On Jul 25, 2023, at 4:51 PM, Karen Camacho kcamacho@cityofepa.org> wrote:

Hi Greg,

That is correct. City Council has asked staff to return with a new draft that eliminates ROFR for single family homes. That version will be presented at a City Council study session after the August recess (most likely in September or October). You can visit the webpage for the most recent updates on the City Council meeting schedule on this item.

Best,

Karen

<image002.png>

Karen Camacho

(she/her/ella)

Housing & Economic Development

Manager

Phone (650) 853-3195

Email kcamacho@cityofepa.org **Web** www.cityofepa.org/housing

From: Gregory Slater < tenkyuu@pacbell.net >

Sent: Tuesday, July 25, 2023 4:28 PM

To: Karen Camacho < kcamacho@cityofepa.org >

Subject: Re: latest draft of the OPA

Hello Karen,

Thank you very much for your prompt reply and information.

The version you show the link for is indeed the one I was looking at. Just to clarify my understanding, during the meeting the Council said that the latest version eliminates inclusion of RoFR. Since the one you refer me to still includes that provision, I am assuming the version to be made available in August is the version referred to by the Council. Is that correct?

Thank you, Greg Slater 933 Clarke CT, East Palo Alto

From: Karen Camacho < kcamacho@cityofepa.org >

Subject: RE: latest draft of the OPA
Date: July 25, 2023 at 4:14:08 PM PDT
To: Gregory Slater < tenkyuu@pacbell.net>

Cc: Karen Camacho

< kcamacho@cityofepa.org >

Hi Greg,

Thanks for reaching out! The latest version of the draft Ordinance is available at the March 1, 2022 City Council meeting. You can find it by following the link circled below on the East Palo Alto Opportunity to Purchase Act webpage at cityofepa.org/housing. A new draft Ordinance will be presented to City Council after August recess.

<image003.png>

Best,

Karen Camacho (she/her/ella) Housing & Economic Development Manager Phone (650) 853-3195

Email kcamacho@cityofepa.org

Web www.cityofepa.org/housing 1960 Tate Street, East Palo Alto, CA 94303

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----Original Message-----

From: Gregory Slater < tenkyuu@pacbell.net >

Sent: Tuesday, July 25, 2023 2:25 PM

To: Karen Camacho

<kcamacho@cityofepa.org> Subject: latest draft of the OPA

Hi,

My name is Greg Slater. I am an EPA resident. I attended the city council meeting last week. During the meeting, the council stated that there is a new version of the proposed OPA, but I only find the old version online on the OPA site.

Could I get a copy of the new version?

Thanks for any help, **Greg Slater** 933 Clarke CT, East Palo Alto

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:
 Ryan Carrigan

 To:
 Karen Camacho

 Cc:
 Housing

 Subject:
 ROFR SFH

Date: Thursday, September 21, 2023 7:51:04 AM

Hi Karen,

Thank you for posting the draft of changes in advance of next week's meeting. Can you confirm that in the cases of SFH:

- 1. The intent notice is still required I believe yes.
- 2. Tenant would have up to 30 days to submit an offer I believe yes.
- 3. If the offer is declined that would be the end of it and it could be listed on the open market with not ROFR granted this is my confusion?

I know there are still a lot of rules to be written even after the meeting (assuming the council doesn't request more programmatic changes) but wanted to clarify this point as it is probably the main issue of contention for REALTORS.

Thank you,

Ryan

 From:
 Karen Camacho

 To:
 Ryan Carrigan

 Cc:
 Housing

 Subject:
 RE: ROFR SFH

Date: Friday, September 22, 2023 4:22:38 PM

Attachments: <u>image001.png</u>

Hi Ryan,

Thanks for reaching out! Below are the responses to your questions – please let us know if you have any follow-up questions.

- 1. The intent notice is still required. Yes, the notice of intent is required for the sale of non-exempt properties. Rightsholders need to know when the statement of interest and right of first offer window begins.
- 2. Tenant would have up to 30 days to submit an offer. Yes, tenants have 30 days after the statement of interest period to submit an offer. Below is the timeline breakdown (which can be found on the <u>EPA OPA webpage</u> under the most recent <u>August 10</u> presentation):
 - Statement of Interest: 15-30 days (15 days to initially signal intent; 30 days to submit Statement of Interest)
 - First Offer: 30 days
 - Frist Refusal Match: Not Applicable for single-family dwellings
 - · Closing: 30 days
- 3. If the offer is declined that would be the end of it and it could be listed on the open market with not ROFR granted this is my confusion? **Correct. ROFR does not apply on single-family dwellings.**

Best,

Karen



Housing Division

Community & Economic Development Department City of East Palo Alto Phone: (650) 853-3195

Email: housing@cityofepa.org
Web: www.cityofepa.org/housing
1960 Tate Street, East Palo Alto, CA 94303

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From: Ryan Carrigan <rcarrigan@silvar.org>
Sent: Thursday, September 21, 2023 7:51 AM
To: Karen Camacho <kcamacho@cityofepa.org>

Cc: Housing <housing@cityofepa.org>

Subject: ROFR SFH

Hi Karen,

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- 1. The intent notice is still required I believe yes. Yes -- notice of first offer. Rightsholder needs to know when window starts.
- 2. Tenant would have up to 30 days to submit an offer I believe yes.
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Thank you,

Ryan

 From:
 Ryan Carrigan

 To:
 Karen Camacho

 Cc:
 Housing

 Subject:
 Re: ROFR SFH

Date: Tuesday, September 26, 2023 1:35:05 PM

Attachments: <u>image001.png</u>

I apologize for my lack of following along but I appreciate the clear answer.

Thank you very much!

-RC

From: Karen Camacho < kcamacho@cityofepa.org>

Sent: Friday, September 22, 2023 4:22 PM **To:** Ryan Carrigan < rcarrigan@silvar.org > **Cc:** Housing < housing@cityofepa.org >

Subject: RE: ROFR SFH

Hi Ryan,

Thanks for reaching out! Below are the responses to your questions – please let us know if you have any follow-up questions.

- 1. The intent notice is still required. Yes, the notice of intent is required for the sale of non-exempt properties. Rightsholders need to know when the statement of interest and right of first offer window begins.
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Best,

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Housing Division

Community & Economic Development Department City of East Palo Alto Phone: (650) 853-3195 Email: housing@cityofepa.org

Web: www.cityofepa.org/housing 1960 Tate Street, East Palo Alto, CA 94303 ** View City office hours <u>here</u>. The City continues to offer virtual appointments as an alternative to in-person meetings. For inquiries or to request an appointment with Housing, please email housing@cityofepa.org or set up a meeting via this link (https://tinyurl.com/appointmentsEPAhousing). **

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Thank you,

Ryan

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From: 猫獸 To: Housing

Subject: Re:Join the City Council Discussion on EPA OPA - Tonight June 18, 2023after 6:30pm

Date: Wednesday, July 19, 2023 1:03:07 AM **Attachments:** FB2DCA90@F4BAE036.B198B76400000000.pnq

Dear city council member,

I am an EPA resident.

I think the ordinance is a really bad idea.

It will discourage the owner from selling. (Lowing housing supply)

It will discourage the owner from renting and create a lot of owner-move in eviction. (Displace tenants)

It will discourage people to build an ADU (Lowing housing supply)

It will discourage the outside developer to build more housing or improve existing housing.(Lowing housing supply) Based on the unfriendly atmosphere towards the owners and investors.

In the long term, it will reduce the housing supply, increase the chance of deferred maintenance and increase the rent. It will hurt not only the owner but also the tenants too.

It is the companies like Facebook, Amazon and Woodland apartments that push the price of housing to the north. Not homeowners, or mom and pop landlords. Yet Chan Zuckerburg initiative will benefit from this and companies like Sand hill properties are not affected by this. How is this fair in any way?

--

Thank you,

Best regards.

Original

From: "Housing" < housing@cityofepa.org >;

Date:2023/7/18 12:26

To:"Housing" < housing@cityofepa.org >;

Subject: Join the City Council Discussion on EPA OPA - Tonight June 18, 2023after 6:30pm

Opportunity to Purchase

Dear East Palo Alto Resident,

Thank you for participating in the City of East Palo Alto's discussions on the potential Opportunity to Purchase policy between October 2021 to March 2022, and/or at the May 30th Community Forum and June 13th Policy Discussion. The City Council will be continuing discussions on this policy this year, and we want you to continue to be a part of the conversation. Please join the City Council meeting tonight, June 18th (more details below). If you would like to unsubscribe from these updates, please email housing@cityofepa.org.

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Why is my participation in the East Palo Alto Opportunity to Purchase policy discussion important? Your participation will help shape our City's deliberation about the policy details and implementation. Your participation helps us ensure our process is as inclusive and community driven as possible.

How can I get involved? Stay up-to-date and explore our Housing page at www.cityofepa.org/housing. You can also submit your comments to housing@cityofepa.org, using "Opportunity to Purchase Act" in the subject line.

Visit the **East Palo Alto Opportunity to Purchase Act** webpage for more info.

Oportunidad de Compra

Estimado/a residente de East Palo Alto,

Gracias por participar en las discusiones de la ciudad de East Palo Alto sobre la posible póliza de Oportunidad de Compra entre octubre de 2021 y marzo de 2022, y/o el 30 de mayo y 13 de junio. El Concejo Municipal continuará la discusión sobre esta póliza este año y queremos que siga siendo parte de la conversación. Únase a la junta municipal hoy, el 18 de junio (más detalles a continuación). Si desea no seguir recibiendo estas actualizaciones, envíe un correo electrónico a housing@cityofepa.org.

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¿Qué es la póliza de Oportunidad de Compra de East Palo Alto? La Oportunidad de Compra de East Palo Alto es un componente de la Estrategia de Viviendas Asequibles de 2019-2023 para reducir el desplazamiento y aumentar las oportunidades para la propiedad de vivienda local. Requiere que algunos propietarios de edificios residenciales notifiquen a los inquilinos, a los proveedores locales de viviendas asequibles y a la ciudad de East Palo Alto cuando las propiedades estén a la venta. Está diseñada para ayudar a estabilizar a los inquilinos locales buscando comprar espacios que alquilan y también para permitir la preservación al comprar los edificios a la tasa de mercado, y hacerlas asequibles para residentes locales.

¿Por qué es importante mi participación en la discusión sobre la póliza de Oportunidad de Compra de East Palo Alto? Su participación en la discusión ayudará la discusión de nuestra Ciudad sobre los detalles de la póliza y su implementación. Su participación nos ayuda a mantener nuestro proceso lo más inclusivo y comunitario posible.

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más información.



Housing Division

Community & Economic Development Department

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From: jeff buenz
To: Housing

Subject: Single family house definition and suggestion **Date:** Thursday, August 10, 2023 7:35:37 PM

A Suggestion,

Please add a definition to the wording "Single Family House",

since it is not clear if it includes an individual condo, townhouse or condo/mobile home (Palo Mobile Estates).

Perhaps change to:

Single Housing Unit (which includes single family home, single condo unit, single townhouse)

The reason for clarifying this wording is..

California's definition of "Single Family Home" --does NOT include condo unit.

Changing the wording and/or defining the property type you mean by "Single Family Home" would clarify any misunderstanding in the OPA Ordinance language.

Sincerely,

JB

On Thursday, August 10, 2023 at 06:52:59 PM PDT, jeff buenz <jeffbuenz@yahoo.com> wrote:

So.... a single condo unit ownership is considered a "single family home" in the OPA Ordinance for both the exemption and ROFR correct?

thanks,

JB

On Thursday, August 10, 2023 at 06:37:40 PM PDT, jeff buenz <jeffbuenz@yahoo.com> wrote:

Is a SINGLE CONDO UNIT owned in a multi condo complex considered a single property or single family home? You mention house, duplex, triplex but not individual condo. please clarify status of single condo units in a multi complex. Thanks,

JB



Corinne I. Calfee P.O. Box 2369 Davis, CA 95616

ccalfee@opterralaw.com 510-809-8001

VIA Electronic Mail

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

September 25, 2023

Re: September 26, 2023 Study Session Meeting; Agenda Item 3(1): East Palo Alto Opportunity to Purchase Act

Honorable Members of the City Council:

Opterra Law, Inc., represents Sand Hill Property Co. and Woodland Park Communities with regard to their properties in East Palo Alto (the "City). We write today to provide comments on Agenda Item 3(1), the East Palo Alto Opportunity to Purchase Act ("EPA OPA").

We have repeatedly commented on the EPA OPA, most recently on July 18, 2023. Although we sent a letter to the City Clerk pursuant to the directions on the agenda, there was never any mention of the correspondence and none of the adjustments that we requested have been made. We therefore take this opportunity to reiterate our comments and requests.

As a preliminary matter, we support the City's intention to increase the supply of affordable housing, combat displacement, and promote community stability. However, we do not believe that the proposed policies would have these effects. Rather, the proposed policies are additional governmental constraints on housing that are likely to deter the production of new housing at all income levels.

These policy changes are being proposed simultaneously with the City's work to bring its Housing Element into compliance with state law. State law requires that cities work to **remove** governmental constraints to the development of housing. Gov't Code 65583(c)(3). The California Department of Housing and Community Development ("HCD") has repeatedly requested that the City analyze its existing governmental constraints to the development of housing. More particularly, HCD has advised that the City may need to "remove or mitigate any identified constraints."

-

¹ See Letters from Paul McDougall, Senior Program Manager, HCD to Amy Chen regarding City of East Palo Alto's 6th Cycle (2023-2031) Adopted Housing Element dated as of January 19, 2023 and dated April 25, 2023.

Despite this admonition from HCD, the City is now proposing to **add** rather than **remove** governmental constraints to housing. This directly contravenes the direction from HCD to reduce or eliminate existing constraints. This is occurring before HCD has even approved the City's draft Housing Element. We believe that adding new constraints is both contrary to the City's policy goals and contrary to the state's requirements. We respectfully request that you work to remove governmental constraints that are preventing the development of new housing instead of adding new, onerous constraints. We ask that you reject the EPA OPA policies to avoid new governmental constraints on the maintenance, improvement, and development of housing.

Since you originally began working on the EPA OPA, the Housing Element analysis and its review by HCD have highlighted some of the challenges to housing production in East Palo Alto. In particular, the City has not made progress toward meeting its RHNA goals and it has not completed a Housing Element that complies with state law. Those high-priority issues should be resolved and housing should begin to be produced before the City contemplates additional constraints on housing.

EPA OPA would constitute a new constraint as it increases the overall regulatory burden on housing providers in East Palo Alto. New procedural requirements deter the creation of new housing. If EPA OPA were to be adopted, developers looking to create new housing would face yet another hurdle in order to sell their property. This makes development in the City less desirable than in other areas and further jeopardizes the City's ability to increase the housing supply. We therefore respectfully request that the City drop its work on the EPA OPA because it constitutes another governmental constraint on housing.

We have previously offered technical comments on the proposed EPA OPA and its implementing guidelines. We have also previously requested copies of the most recent version of the proposed ordinance. Staff have explained that it has not yet been prepared. The staff report indicates that it includes the proposed ordinance, but only a small portion is included. We hereby reiterate our request to review the entire proposed ordinance to understand the details of the proposal.

As the staff report does not include the draft ordinance or the draft guidelines, it is unclear exactly what policy may be considered. If Council continues to direct staff to work on EPA OPA, we reiterate our prior requests as follows:

<u>Timelines Should Match San Francisco</u>. The timelines for multi-family properties are much too long. Current data on multi-family transactions in the area indicates that the average number of "days on the market" for a multi-family property is 19 days. Such deals close an average of 50 days later, for a total of 69 days. The EPA OPA proposal is to extend this to up to 270 days. This is nearly **four times longer** than the average multi-family closing.

As we have repeatedly requested, we believe that the timelines should more closely align with the San Francisco timelines. We request that for all transactions, the timelines be as follows:

15 Days for Statement of Interest25 Days for Offer5 Days for Right of First Refusal60 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.

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.

Require Good Faith From Potential Eligible Purchasers. We have heard community concern about the propriety of the City giving non-profit organizations special rights under EPA OPA. We believe that these concerns could be alleviated by a requirement that Potential Eligible Purchasers, including nonprofits, be prohibited from "bargaining without good faith," as are Owners. We suggest adding a subsection that says that prevents "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. We believe this clarification should be in the ordinance. However, it could also be included in the administrative guidelines.

Means Test Potential Eligible Purchasers. 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. 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 267 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.

The administrative guidelines will need to include threshold criteria. One important qualifying criterion to be added is that any nonprofit seeking to qualify as a Potential Eligible Purchaser must have experience acquiring and developing affordable residential properties of the type and size (+/-5%) of the proposed purchase.

Thank you for your assistance. We request a meeting with housing staff as soon as a draft ordinance is available for review. We urge you to reject any new governmental constraints on housing and focus the City's attention on growing the overall supply of housing, so that all who want to live in East Palo Alto are able to do so.

Sincerely,

Corinne I. Calfee

Courne O. Calle

cc: John Le, City Attorney

Karen Camacho, Housing and Economic Development Manager Paul McDougall, Senior Program Manager, Department of Housing and Community Development via Anthony Errichetto at Anthony.Errichetto@hcd.ca.gov