

MEASURE V

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE V

This measure is a charter amendment that would limit the amount that landlords could increase the rent, and prohibit landlords from evicting a tenant except for specified reasons.

The City of Mountain View does not currently regulate the amount of rent that a landlord may charge.

Under the measure, a landlord could not raise the rent in any year more than the percentage increase in the Consumer Price Index, and the annual increase could not be less than 2% or more than 5%. A landlord could "bank" rent increases. This means that if a landlord does not increase rent as much as legally permitted in a particular year, the landlord could accumulate and impose unimplemented rent increases, provided the rent increase in any 12-month period does not exceed 10%.

Single family homes, condominiums, companion units, duplexes, and certain other housing units would be exempt. Rental units with a certificate of occupancy after February 1, 1995, and certain affordable housing units, would be exempt from rent regulation but would be subject to just cause eviction provisions.

A landlord who failed to comply with the measure's provisions, maintain rental units or make repairs could not increase rents.

The City Council would appoint a five member rental housing committee ("Committee"). Only two members could own or manage rental property, or be a realtor or developer. The Committee would set the base rent; establish regulations; determine allowable annual rent adjustment; establish the amount of penalties and go to court to enforce the measure. The Committee would exercise its powers and duties independent from the City Council, City Manager and City Attorney, except by request.

Landlords and tenants could petition the Committee to adjust rent. For rent increases, a landlord would be required to show that increases are necessary to provide a fair rate of return on the landlord's investment. The Committee could not consider cost of debt service, penalties for violations, income taxes, or the cost of capital improvements unless they were necessary to bring the property into compliance with law. Rent could be decreased when a landlord fails to maintain units as liveable, decreases housing services or maintenance, or charges unlawful rents. Either party could sue to have a court could review the Committee's decisions.

Landlords could only evict tenants for just cause, which would include failure to pay rent; breach of lease; nuisance; criminal activity; failure to grant a landlord reasonable access; necessary repairs; owner move-in; withdrawal of the unit from the rental market; and demolition. Landlords must pay relocation assistance in certain circumstances. Tenants have the first right of return in some circumstances.

Landlords could not retaliate against tenants for reporting violations, exercising tenant rights or participating in tenant organizations.

If the average annual vacancy rate of rental units covered by the measure exceeds 5%, the Committee could suspend the measure.

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE V-Continued

The measure was placed on the ballot by an initiative petition signed by the requisite number of voters.

The above statement is an impartial analysis of Measure V. If you desire a copy of the measure, please call the City Clerk's office at 650-903-6304 and a copy will be mailed at no cost to you. Copies are also available in the City Clerk's Office and on the City's website at: www.mountainview.gov

Submitted by:

/s/ Krishan Chopra
Senior Assistant City Attorney
City of Mountain View

August 22, 2016

ARGUMENT IN FAVOR OF MEASURE V

Vote YES on Measure V to protect Mountain View from the biggest threat facing our community: skyrocketing rents. Hard working families are losing their homes. Valued teachers, nurses, and tech employees are leaving Mountain View as rents become unaffordable.

To landlords who keep rents reasonable, thank you! Vote YES on Measure V to stop opportunistic rent increases and unwarranted evictions by others.

Measure V makes housing costs predictable and stable, freeing seniors and others from constant fear of losing their homes. Rents have skyrocketed 54% since 2012. Wages have not kept pace, putting profound stress on our community. As we lose beloved family and community members, we lose Mountain View's quality of life.

Vote YES on Measure V to protect over 14,000 renting households, while being fair to landlords:

- Allows rents to be raised 2 to 5% annually, depending on the rate of inflation (typically 2 to 3%);
- Allows larger rent increases for increased maintenance costs or property taxes or if a landlord skips a year;
- Limits evictions to specific situations (unpaid rent, illegal activity, etc.), preventing evictions just to raise rents;
- Protects families too frightened to report unsafe conditions for fear of retaliatory evictions;
- Exempts all units built after February 1, 1995, as well as all single-family homes, duplexes, condos and in-law units, and all new housing (does not discourage growth);
- Rolls rents back to October 2015 levels;
- Creates an independent Committee to administer and enforce the law, providing flexibility, accountability and transparency;
- Allows the creation of similar protections for mobile home residents.

For many hard working families, Measure V is their last hope to remain a part of our community. Measure V is our chance to protect our community and quality of life.

Join teachers, tech employees, nurses, landlords, retirees, homeowners and the Mountain View Tenants Coalition in voting YES on Measure V.

Vote YES to protect Mountain View's future. Vote YES on Measure V.

/s/ Monique Kane
Landlord, Former Director of Mountain View's CHAC

/s/ Ayinde Rudolph
Superintendent of the Mountain View Whisman School District

/s/ Lenny Siegel
Homeowner, Mountain View City Council Member

/s/ Michael Love
Pastor of Mountain View's Trinity United Methodist Church

/s/ Evan Ortiz
Mountain View Human Relations Commissioner (title for identification purposes only)

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE V

Measure V is NOT the best way to protect renters. **Measure W is the better, smarter renter's initiative for Mountain View.** It is an **ORDINANCE instead of a CHARTER AMENDMENT, and includes language so it can be changed in the future** (only after 2 years of implementation) if it isn't working as needed. That is smart.

Under State law, "rent control" provisions like binding arbitration are forbidden on units built after 1995. Those renters can be protected with mediation and non-binding arbitration. Measure V does not protect residents who live in newer buildings or residents who will live in buildings yet to be constructed. **Measure W extends as many of the protections allowed under State law to all of Mountain View's renters.** That is smart.

Landlords can pass on costs associated with getting a "reasonable rate of return". **In Measure V, only costs required to keep up with the building code can be passed on** to renters which discourages owners from maintaining their buildings well, much less upgrading them. In Measure W, the arbitrator considers the "history of capital improvements and verifies expenses" which encourages maintaining attractive buildings. That is smart.

The unelected Committee set up by Measure V works like an independent agency without City Council or City Manager oversight. The *Committee* makes its own rules, sets its budget and the fee for each apartment to cover the Measure V's implementation without City Council oversight. That is NOT smart.

Vote for Measure W. It's the smarter renters initiative.

/s/ Pat Showalter
Mayor, City of Mountain View

/s/ Michael Kasperzak
Former Mayor & City Council Member, City of Mountain View

/s/ Chris Clark
Former Mayor & City Council Member, City of Mountain View

/s/ John Inks
Former Mayor & City Council Member, City of Mountain View

ARGUMENT AGAINST MEASURE V

Because sharply rising rents have created terrible economic and social hardships, two rent stabilization measures are proposed.

Whether you support rent stabilization in Mountain View or not, **enacting it by CHARTER AMENDMENT such as Measure V is a serious mistake.** *Errors or unintended consequences* cannot be corrected except on the ballot of a General Election which only happens every 2 years. The ballot costs of each measure are over \$75,000 of taxpayer dollars. Mistakes CANNOT be fixed by the City Council you elected.

Measure V sets up a defacto independent agency within the City of Mountain View. After the City Council appoints the Rental Housing Committee, they set their own rules and budget without oversight of the City Manager or City Council. This includes hiring staff and setting fees. There isn't even a provision for recalling committee members. This lack of oversight is unacceptable.

The administration costs of Measure V will be covered by a per unit fee estimated at over \$150 per unit. That estimate is rough, because the amount of staff needed to administer this comprehensive program is still unknown.

The legal cost of Measure V is also unknown. Rent control measures are often challenged in court. **If Measure V passes, the City will be forced to defend the law with your tax dollars.** It won't be possible to settle the lawsuit by amending the law because the law cannot be amended without an election. The City may need to defend the law all the way through trial and appeal which could cost millions.

If you favor rent regulation, Measure W includes many of the same renter and landlord protections, includes better oversight and can be amended by the City Council. **Measure V does not include the oversight and flexibility the residents of Mountain View need.**

Vote NO on Measure V.

/s/ Pat Showalter
Mayor, City of Mountain View

/s/ Michael Kasperzak
Former Mayor & City Council Member, City of Mountain View

/s/ Chris Clark
Former Mayor & City Council Member, City of Mountain View

/s/ John Inks
Former Mayor & City Council Member, City of Mountain View

/s/ Ken Rosenberg
Current Vice Mayor & Council Member, City of Mountain View

REBUTTAL TO ARGUMENT AGAINST MEASURE V

The Mountain View Tenants Coalition collected signatures for Measure V **after** City Council members refused to enact rent stabilization. **After** Measure V qualified for the ballot, four Council members hastily created Measure W, on advice from landlord lobbyists.

Measure V was created by experts, based on best practices in 12 California cities with decades of experience with similar laws.

Measure V creates a Rental Housing Committee to administer and enforce the law, comprised of a majority uninvolved in the landlord or real estate business. Measure W places key decisions in the hands of unknown arbitrators, including the power to approve rent increases above 5%.

Measure V provides predictable rent increases, typically **2 to 3%** a year, and prevents landlords from evicting tenants just to raise rents higher. Measure W invites evictions for higher rents, threatening our families and community.

Measure V allows the Committee to protect mobile home residents. Measure W *explicitly excludes* mobile home residents.

Measure V offers real, lasting tenant protections that cannot be taken away by the City Council. Measure W could be repealed by an anti-rent control Council, *like today's council*, as early as 2018.

Opponents say Measure V might be subject to a lawsuit. So might Measure W. And the likeliest to sue are the same landlords who raised rents **80%** in the last seven years, forcing out teachers, nurses, and long-time residents. Since 2015, the Mountain View Whisman School District lost over 100 teachers. Skyrocketing rents are largely to blame. Anxiety about losing your home makes teaching, and learning, difficult.

Vote YES on Measure V for REAL protection from unnecessarily destructive rent hikes and evictions.

/s/ Bob Moran
Retired Priest, St. Joseph's Catholic Church, Mountain View

/s/ Michael R. Fischetti
M.D., Santa Clara County Health Advisory Commission, Mountain View Homeowner

/s/ Lenny Siegel
Homeowner, Mountain View City Council Member

/s/ Daniel DeBolt
Community Organizer, Former Mountain View Voice City Government Reporter

/s/ Meghan Fraley
PhD., Clinical Director, Center for Community Health and Wellness