

Attachment 8

Alin Lancaster

From: Chunchi Ma <3machunchi@gmail.com>
Sent: Thursday, February 02, 2017 11:35 AM
To: UCMayor; Emily Duncan; Gary Singh; Lorrin Ellis; Pat Gacoscos
Cc: Alin Lancaster; Tony Acosta; Joan Malloy
Subject: Sharing of some personal stories on hot topic of rent control

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Madam Mayor and Honorable Council-members,

My name is Chunchi Ma, one of the housing provider rep for the Task Force. As I said at last council meeting, it was my honor and privilege to serve on the Task Force, always looking for opportunity to serve the community. Appreciate for giving me that chance.

As I said during that meeting, the data shown the average rent in bay area cities dropped for 4 months in a row, and this is a trend. Just a few years ago, memory still fresh, when we came back from oversea assignment and relocated to bay area, there were lots of apartments offered us great deals, ie free 1 month rent, low deposit, or discount rent of several hundreds, in order to fill their units. We as the property owners, shoulder 100% of the liability and risk, so downturn hit which it will just a matter of time, do you think the tenants/govt/banks are willing to step up to land us a hand to pay for mortgage/tax/insurance/repairs and maintenance? NO! They are nowhere to be found and we are the ones holding the bags. So this is first unfair where there is max cap on potential profit but no floor to minimize the loss.

The second unfair, is that rent control is asking a specific subgroup of the society, namely the housing providers, to make sacrifices to subsidize the quality of life for tenants. Housing crisis is a whole society problem, and needing a solution from the whole community, not just any sub-group. especially, some of the tenants who work in high tech companies, likely making more than I do in paycheck. Our BAHN and RHA/CAA groups, have always been a supporter of the section 8 program, and this is an example of whole society/community pitch in to help, and we support the expansion of this program to help those truthly in need.

Regarding rent control, on Zillow Research survey of hundreds of economists in US, no matter their political standing, only 2% of them think rent control work. RC simply DOESN'T work, due to the fact that, it didn't solve the root cause of the problem: supply. Actually, it works against it, and make the situation worse, by reducing and shrinking of the existing supply pool. Take SF, Oakland, Berkeley as examples, they are the 3 cities with the longest RC+JCE history, but how ironic, also happen to be the three cities with the HIGHEST avg rents in the State (also close to the top for whole country). Is it just simply a coincidence? No! Can the tenant advocate group explain this behavior logically? In SF, the available rental stock was around 100k units, since RC+JCE, about 30k units were taken back by owners, and some more in recent years convert to Airbnb, since RC+JCE really act to hurt the landlords (horror stories of paying avg 50k per tenant to leave, one landlord settled for 400k for tenant to leave, due to JCE restricted their ability to evict), thus the remaining available units avg rents jacked up to sky high. The only people benefited from RC+JCE, is this existing tenants who NEVER want to leave, in the mean time, city, owners, and new tenants looking for housing, are deeply hurt by this rule. American has this saying which fit the situation perfectly: we are already in a deep hole as is, the first thing to do, is STOP DIGGING!

As Just Cause eviction, this one is a evil hiding its nasty face behind the veil. Many of the things listed on JCE, such as nuance, not paying rent, criminal activities, already are 100% covered by a contract we sign with the

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tenant, and this is the LEASE agreement. There are many existing State Law which already have tenancy protection in placed, why reinventing the wheel? JCE simply put the burden of proof of wrongdoing onto landlords and tie our hands behind in kicking out bad tenants. There is no incentive for landlord to evict any good tenants, as each turn around really costing us time and money. I like to share with you my own experiences of two eviction: one for not paying rent, took us 6 months to get it done, 6 month no rent + legal fee of 4k. The second case, sons were part of local youth gang, police really wanted them kicked out, talked to us several times, but unable to provide statements or documents for us since both of them were minors. The other tenants whose car got spray painted, or window broken, or neighbor's car stolen, afraid to step up to testify due to concern of their own safety. If Just cause eviction is passed, then I won't be able to kick them out (lack of physical evidence of wrongdoing). So we are fortunately that Union City has no JCE (not yet), so we were able to kick them out a few months ago (taking 4 months the whole process), and now tenants (feel free to interview my tenants) told us, it is night and day, much safer in our apt complex. Police should breath a sign of relieve too, as they used to come up to our apt couples times per month, :-(-

So in summary here, I am strongly against RC+JCE, and I support non binding mediation, proposal 3A by RHA/BAHN. The reasons: it is fair for both sides, and I knew it works. We as BAHN, was asked by RHA to help out to do some peer to peer counselling for cases in Fremont and San Leandro since owners were minority like us, and we were able to get them done and successfully kept the rent hike below the limit. City can get actual data from SL and Fremont, we have data to show that it works as designed. So I would urge the City Council to give this proven program a chance. What harm it can do? Give it a try for a year or so, and then review the program. If not working, we can consider other options, such as setting up specific rule against a few greedy landlords who do nothing but simply kick out tenants to hike rent. Other creative ideas are: increase the impact fee by developers such as Fremont, so use the funding to expand the section 8 program, faster permit process for in-law unit requests or buildup at in-filled area, demand more affordable units for new construction projects, working closely with developers and faster approval of more high density projects in city lands, creating special funds to assist teachers/police/firefighters in the city on their housing needs, etc. These are solutions which can address the root cause of the issue, the supply.

One last parting word: from a famous economist who said: there are two things which can destroy a city, one is bomb, the other is rent control and wait 20 years later. Please don't let RC+JCE to destroy the city we love.

Sincerely Yours,

Chunchi

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**Rental Housing Owners Association
of Southern Alameda County
1264 A Street, Hayward, CA 94541
510-537-0340**



February 7, 2017

Mayor Carol Dutra-Vernaci
Members of the Union City Council

Re: Rent and Tenant Task Force Recommendations

Honorable Mayor and City Council:

The Rental Housing Association respectfully requests your support of Proposal 3A.

We ask that you take careful consideration of the reliable, verifiable facts about the Union City housing market and the components of Proposal 3A as follows:

The January 31, 2017 Staff report underestimates the true affordable housing stock of Union City by failing to include 759 Section 8 units.

In the power point presentation, Staff stated that Union City has 579 family and 307 senior rent restricted units or 886/6,454 or 13.72% of the total rental stock.

However, Staff failed to include the 759 Section 8 voucher holders in place in Union City. Given this, 11.75% of the Union City rental housing stock is Section 8 housing.

The actual total affordable housing stock is 1,645 units. That means that 25.49% of Union City's rental housing stock is affordable to folks at 50% or less of median income and they pay 30% of their household income towards the rent on a monthly basis.

Mandatory participation in non-binding mediation is very effective in limiting rent increases. This is well documented in San Leandro and Fremont. Please refer to the January 31, 2017 staff power point for summaries of San Leandro and Fremont.

In addition, Assistant City Attorney, Kris Kokotayo staffs the San Leandro Rent Mediation Program and if asked, he can personally testify as to its effectiveness.

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RHASAC's landlord peer-to-peer counseling is very effective in resolving landlord issues with excessive rent increases. This is well documented in the Fremont staff report and can be confirmed by contacting Mark Thomasee at Sentiel Fair Housing and May Lee of the Fremont staff. This is also very well documented in the unincorporated area of Alameda County by contacting ECHO Housing and asking them about the Stanton Court, upper A Street and Garden Avenue cases.

ECHO Housing is very effective in investigating/mitigating Union City landlord/tenant issues.

Below is Table 4, Page 5 of the January 31, 2017 staff report determining Echo's efforts handling all types of landlord/tenant issues for Union City over the past five years.

Table 4
ECHO Housing
Union City Tenant/Landlord Inquiries

| Year | Eviction | Rent Increase | Retaliation | Repairs | Deposit | Entry | Other | Total |
|--------------|------------|---------------|-------------|-----------|-----------|----------|------------|------------|
| FY 11-12 | 41 | 9 | 0 | 10 | 14 | 0 | 29 | 103 |
| FY 12-13 | 52 | 6 | 1 | 14 | 16 | 0 | 22 | 111 |
| FY 13-14 | 34 | 8 | 5 | 10 | 13 | 1 | 28 | 99 |
| FY 14-15 | 44 | 14 | 8 | 8 | 10 | 1 | 26 | 111 |
| FY 15-16 | 23 | 21 | 0 | 8 | 9 | 0 | 22 | 83 |
| Total | 194 | 58 | 14 | 50 | 62 | 2 | 127 | 507 |

Union City has 6,454 rental units. In the last fiscal year ECHO had 83 inquiries from Union City or 1.30% of the total tenants made inquiries, the lowest in five years. Plus, there were zero inquiries about retaliation, 23 for eviction (00.36%) and 21 for rent increases (00.33%).

Given these documentable facts in the 2015-2016 fiscal years, 98.70% of the tenants in Union City did not find the need to make an inquiry into ECHO Housing about their rights.

Where is the documentable need for additional just cause evictions and harassment protections when only 00.36% (23/6,454) even made inquiries about eviction matters and no one made any inquiries about harassment protections in the 2015-2016 fiscal year?

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The Rental Housing Industry has offered to pay for the costs of the Program through increases in our business license fees.

The RHASAC and CAA have offered to help design, implement, support and pay for through a \$49.00 per unit, per year increase with Business License fees, a locally proven and very effective non-binding Mediation Program.

The Rental Housing Industry has offered to provide our award winning landlord education to Union City landlords.

To further the professionalism of the Union City Rental Housing Community, the RHASAC and CAA have offered to provide Union City specific landlord educational programs to the Union City rental housing owners.

We ask that in light of the well documentable facts listed above, that you support Proposal 3A at the February 14, 2017 council meeting.

Thank you for your time and attention to this important matter. Please contact me if you have any questions or concerns.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Thomas R. Silva', with a large, stylized flourish extending from the end of the signature.

Thomas R. Silva, CPM
President RHASAC

cc: File

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HACA AGENDA ITEM NO.: 4-8.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 and Housing Assistance Payments (HAP) Report for the Month of December 2016

| City | Certificates | | Vouchers | | December 2016 TOTAL | | December 2015 | December 2014 |
|---------------|--------------|-----------|----------|-------------|------------------------|-------------|------------------|------------------|
| | Number | HAP* | Number | HAP** | Number | HAP | | |
| Albany | 0 | \$0 | 24 | \$31,344 | 24 | \$31,344 | 27 | 29 |
| Castro Valley | 11 | \$12,881 | 196 | \$255,976 | 207 | \$268,857 | 210 | 225 |
| Dublin | 3 | \$3,513 | 351 | \$458,406 | 354 | \$461,919 | 357 | 358 |
| Emeryville | 5 | \$5,855 | 156 | \$203,736 | 161 | \$209,591 | 130 | 120 |
| Fremont | 22 | \$25,762 | 1,053 | \$1,375,218 | 1,075 | \$1,400,980 | 1,079 | 1,173 |
| Hayward | 91 | \$106,561 | 1,900 | \$2,481,400 | 1,991 | \$2,587,961 | 2,060 | 2,286 |
| Newark | 6 | \$7,026 | 203 | \$265,118 | 209 | \$272,144 | 225 | 243 |
| Pleasanton | 3 | \$3,513 | 109 | \$142,354 | 112 | \$145,867 | 110 | 119 |
| San Leandro | 17 | \$19,907 | 1,412 | \$1,844,072 | 1,429 | \$1,863,979 | 1,470 | 1,535 |
| San Lorenzo | 1 | \$1,171 | 193 | \$252,058 | 194 | \$253,229 | 198 | 218 |
| Union City | 3 | \$3,513 | 756 | \$987,336 | 759 | \$990,849 | 743 | 781 |
| TOTALS | 162 | \$189,702 | 6,353 | \$8,297,018 | 6,515 | \$8,486,720 | 6,609 | 7,087 |

*Based on an average December Housing Assistance Payment (HAP) of \$1171 per certificate contract

**Based on an average December Housing Assistance Payment (HAP) of \$1306 per voucher contract