

EAST PALO ALTO CHALLENGE GRANT SUMMARY

Community-Based Partners	Fellow	Government Partner
<p>Lead Partner: East Palo Alto Community Alliance and Neighborhood Development Organization (EPACANDO)</p> <p>Additional Partners: Community Legal Services in East Palo Alto (CLSEPA); Youth United for Community Action (YUCA); Preserving Affordable Housing Assets Long-Term, Inc (PAHALI)</p>	<p>Karen Camacho</p>	<p>Rachel Horst Housing & Economic Development Manager, City of East Palo Alto</p>

CONTEXT

East Palo Alto has a population of 30,034, the smallest of the jurisdictions funded by the Challenge Grant (CG) program.¹ The city's relatively small population contributes to a political landscape in which influential community members are largely aware of each other.

POLICY JOURNEY

Prior to the CG, the City of East Palo Alto made the following progress in equitable housing policies, adopting 15 of 17 progressive policies inventoried by the Association of Bay Area Governments. Among these policies and of particular relevance to the CG were:

- **Tenant Protection Ordinance:** Passed in 2014, this ordinance was designed to address several issues related to the tenant-landlord relationship, including relocation assistance when properties are demolished, tenants' right to first refusal when the residential units are available for rent after renovation, tenants' right to organize, and other protections.
- **Rent Stabilization and Eviction for Good Cause Ordinance:** Passed in 2010, this ordinance regulates most residential tenancies by providing protections for residential tenants from unreasonable rent increases, protecting tenants from arbitrary, discriminatory, or retaliatory evictions, and assuring landlords the right to a fair return.

At the start of the CG, the East Palo Alto CG team decided to pursue the following policies² to allow housing-insecure residents to purchase their home or live in a permanently affordable rental unit:

- Design and support the passage of a Tenant Opportunity to Purchase/Community Opportunity to Purchase (**TOPA/COPA**) policy.
- Launch a preservation model centered on a Community Land Trust (CLT) to acquire, rehabilitate, and redevelop properties.
- Establish a dedicated revenue source to implement this policy framework.

¹ U.S. Census Bureau (2020). 2020 Census of Population and Housing. Retrieved from: <https://data.census.gov/cedsci/table?g=1600000US0620956>

² San Francisco Foundation (2019). East Palo Alto Challenge Grant Summary Sheet.

During the CG period, the East Palo Alto CG team refined its priorities, focusing primarily on:

- **East Palo Alto Opportunity to Purchase Act (EPA OPA)**, which would give “tenants, qualified nonprofits, and/or the City the first right to purchase certain residential properties when a non-resident absentee owner decides to sell.”³
- **Measure V**, which calls for an increase to the City’s transient occupancy tax to serve as a revenue source for affordable housing development, acquisition and rehabilitation activities.

COMMUNITY ENGAGEMENT

Community-based organizations (**CBO**) worked together to garner community support by compelling community members to show up at City Hall, writing letters of support for policies to the East Palo Alto City Council, and circulating petitions for signatures from the community. YUCA played an instrumental role in mobilizing the youth community to support these outreach efforts. Community outreach leveraged the existing infrastructure of participating CBOs, which set aside time in their regular meetings to discuss CG policy goals and added new ad-hoc meetings to delve into additional details. Support from the Fellow, in addition to funding from the CG, was critical in increasing community participation.

The CG team’s community outreach strategy focused heavily on reaching diverse and underrepresented groups, and ultimately conducted multiple focus groups with East Palo Alto community members – 97% of participants were people of color.⁴ As a sense of urgency for policy changes rose among community members, established legacy leaders in the community took ownership and played a major role in garnering community-wide support.

POLICY JOURNEY HIGHLIGHTS

Successes

- During the early days of the CG, the Fellow collaborated with city staff to gain a broader understanding of TOPA/COPA policies implemented in Washington, DC and San Francisco, as well as the development of TOPA/COPA policies pursued by Berkeley and Oakland.
- The City Council introduced the EPA OPA in November 2021 and held seven public meetings on it through March 2022. The CG team has continued to move forward with this policy despite strong opposition.
- Even though the 2020 Measure V campaign was not immediately successful, the City Council continued to prioritize an affordable housing revenue source and voted to place a new measure on the 2022 ballot.
- Largely because of community education as part of the Measure V and OPA ordinance campaigns, the community land trust concept went from relative obscurity to broad exposure and popularity with many stakeholders, albeit with detractors, too.

Compromises

- The East Palo Alto CG team had to compromise in the details of the EPA OPA to keep it moving forward.

³ City of East Palo Alto (2022). “EPA OPA Press Release.” Retrieved from:

https://www.cityofepa.org/sites/default/files/fileattachments/housing/page/20967/2022.03.11_epa_opa_press_release.pdf

⁴ As reported by EPA Fellow, Karen Camacho. Interview conducted December 11, 2021.

- For instance, the CG team removed the appraisal process from single family homes. The appraisal intended to ensure tenants are protected from displacement by preventing arbitrary and exorbitant offers of sale that effectively prohibit a potential eligible purchaser from purchasing the units,⁵ but opponents argued the process would result in building owners selling at a lower price than the market rate.
- In addition, the City Council directed staff to study the removal of the right of first refusal for tenants living in single family dwellings and research a substitute mechanism that addresses the issue the right of first refusal sought to address.

Challenges

- Measure V fell just short of the two-thirds supermajority vote required to pass, receiving 64.66 percent 'yes' votes.
- The East Palo Alto CG team encountered challenges securing enough community support during the presentation of EPA OPA to the City Council at a November 2021 meeting. At that meeting, the opposition had a much stronger presence than proponents during public comments. Learning from this lesson, the CG team mobilized more community participation in subsequent meetings and prepared detailed responses to the concerns presented by the opposition.⁶

STATUS OF POLICY PRIORITIES (AS OF MARCH 2022)

- During the first year of the CG, the East Palo Alto CG team was able to put the Measure V Transient Occupancy Tax on the November 2020 ballot, but it did not pass.
- EPA OPA is on hold until fall 2022. The City of East Palo Alto, EPACANDO, CLSEPA, YUCA, and PAHALI will continue to work together on OPA during the Breakthrough Grant.

⁵ City of East Palo Alto (2022). "Frequently Asked Questions." Retrieved from:

https://www.cityofepa.org/sites/default/files/fileattachments/housing/page/20967/epa_opa_faqs.pdf

⁶ Ibid.