

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, March 3, 2014**

1. CALL TO ORDER AND ROLL CALL

Chair Miller called the meeting to order at 7:00 p.m.

Present were: Chair Miller and Members Harrison, Nguyen, and Roberts. Vice Chair Perry was absent. City staff in attendance: Miriam Delagrange.

2. CONSENT CALENDAR

a. Approval of Minutes

Approval of the October 7, 2013 minutes was tabled to a future meeting when all members could be present.

3. UNFINISHED BUSINESS (none)

4. NEW BUSINESS

a. Case 313: 1519 Everett Street

Tenant in attendance: Catherine Johnson. The landlord had no representative in attendance.

The tenant's rent had been increased from \$1,300 to \$1,600 per month effective August 1, 2013. On December 31, 2013, the tenant was served a notice of rent increase to \$1,900 effective March 1, 2014. The tenant stated that she believed this to be a result of her operating a home daycare business over the past year. The tenant stated that she had recently reached an agreement with the landlord to lower the increase to \$1,750 per month, which would match the rent paid by the other tenant in the duplex. She stated that she could live with this amount for now; however, she is concerned that six months from now, she could face the same situation again.

The Chair stated that as long as the tenant was in agreement for now, that the Committee would not make a recommendation at this time. Member Harrison encouraged the tenant to be proactive and communicate with the landlord to see what his intentions are for the future. He also stated that this case was unique in that it involved a commercial business. Angie Watson-Hajjem of ECHO Housing addressed the Committee. She explained that unlike other residential-based businesses, home daycare is a protected class of business by the State. She provided her business card to the tenant and encouraged her to call ECHO to learn about her rights.

No formal RRAC action was taken.

b. Case 314 and 314-A: 434 Central Avenue

Owner representatives in attendance: Linda Rodriguez, Regional Property Manager for Mendoza Investments; and Jeff Kaplan, Surfside Apartments resident manager.

Apartment 210 tenants in attendance: Skyler Ormes and Samuel Robinson.

The tenants stated a variety of problems relating to complex maintenance, security, and staffing. They did acknowledge that the current property manager was making a sincere effort to address problems. Effective April 1, 2014, the base rent is set to increase from \$1,270 to \$1,499. The previous rent increase (\$100) went into effect on June 1, 2014. The tenants do not believe that the latest increase is justified based upon the condition of the unit and the complex. The tenants brought forward several phone photos showing the conditions.

Apartment 206 tenant in attendance: Nabil Hadwan, who was assisted by Samir Hadwan, who acted as his interpreter.

The tenant stated that he was in agreement with the statements of the apartment 210 tenants regarding the maintenance issues. The tenant is currently paying \$1,445 per month and the rent is set to increase to \$1,699 per month effective April 1, 2014 (an increase of \$254). He stated that he wrote a letter to the management requesting that they take into consideration his recent unemployment due to an injury. He wants to keep his family in the community for safety reasons and does not want to take the children out of their current school. Based on the condition of the complex and the lack of improvements to his unit, the tenant believes that a \$50 or even \$100 per month increase would be reasonable. The tenant stated that he is concerned about another rent increase in six months, as it is his understanding that the management now offers only six-month leases.

The Chair invited the owner representatives to address the RRAC. Mr. Kaplan stated that he is in the process of obtaining building permits for repairs and improvements. He has repaired the weight machine in the exercise room and maintains that the other machines work fine even though they are older machines. The railings have been repaired. He can only speak for the six months that he has lived there. The security problems that were cited came from the retaliation of an evicted tenant and there have been no incidents since then. He stated that he works daily with the tenants regarding repairs but he has to know about them first. The parking lot has been repaved and restriped and was approved by the City. Improvements are made to units when tenants move out. Regarding the rent increases, the owner wants fair street value for the units.

The Chair responded to Mr. Kaplan that fair market rents are not for the tenants moving in, not the tenants who are already there. In response to the Chair's question, Mr. Kaplan responded that it was correct that tenants are now being offered only six-month leases. The current rent for a vacant one-bedroom unit is \$1,499 per month and \$1,699 per month for a vacant two-bedroom unit. Mr. Kaplan agreed that what he is charging for the current tenants is the same as what he charges for a new tenant. The Chair stated that a long term existing tenant should have value in relation to the cost of turning over a unit and could not see the justification for charging an existing tenant the same rent as a new tenant. Mr. Kaplan stated that he has tried to explain this to the owner. The Chair asked if he was authorized to negotiate. Mr. Kaplan deferred to Ms. Rodriguez.

Ms. Rodriguez stated that she is regional manager over Mr. Mendoza's 12 properties. She has been in this position since December 2013, and stated that she and Mr. Kaplan are hearing these concerns for the first time. The building is 100 percent occupied. Sixteen tenants were increased in April and the tenants at this meeting were the only ones to complain about it. She stated that Mr. Mendoza sympathizes with Mr.

Hadwan; however, this is a business and he has a mortgage to pay. She stated that she could take the RRAC's recommendations back to Mr. Mendoza but cannot state that they will not ultimately increase rents to one or two people as there could be a fair housing complaint. The Chair stated that fair housing would not apply in a situation like this due to the difference in the conditions of units; this has nothing to do with issues such as race or gender.

The Chair stated she was a landlord and yes, this is a business but it's not like selling bicycles, it's a human business affecting people's families and lives. In Alameda, we have not had rent control up until now, as we have had responsible landlords and we have this board that people can come to and try to negotiate so both sides have an agreeable solution. She hopes that the landlord is amendable to the recommendations because otherwise, what we will have in this town is rent control and then he won't be able to raise his rents at all.

The Chair stated that it was the RRAC's unofficial policy to recommend rent increases of up to ten percent per year, as this is what tenants can work into their budgets and landlords' taxes and insurance don't increase over that.

Regarding unit 210, Member Roberts moved that the base rent be increased to \$1,397 without the pet rent, \$1,422 with the pet rent, for one year. The motion was seconded by Member Nguyen and passed unanimously, 4-0-1. Ms. Rodriguez stated that the RRAC's recommendations would be taken to the owner.

Regarding Unit 206, Member Harrison moved that the rent be increased from \$1,445 to \$1,589.50 for a one-year period. The motion was seconded by Member Roberts and passed unanimously, 4-0-1.

The Chair stated to Ms. Rodriguez and Mr. Kaplan that hopefully this would be resolved before the rent increases go into effect in April. If it doesn't get resolved before April, the RRAC recommends that tenants pay whatever the new rent is and they will be credited back. If the recommendation of the RRAC is not accepted, a second RRAC meeting would be scheduled. The process is that if the matter is not resolved in two RRAC meetings, then it is referred to the City Council.

4c. Case 303-2 – 350 Central Avenue Apt 301

Tenant in attendance: Charles D'ancona. There was no representative of Ballena Village Apartments in attendance.

The tenant had received a notice dated January 7, 2014, stating that his rent would be increasing to \$2,088 per month if he opted for a month-to-month lease. This would be a 47 percent increase over his current rent of \$1,423. The tenant stated that he recently heard unofficially that the property manager was considering increasing his rent by only five percent. The Chair stated that it would be in the tenant's interest at this time to see what he could negotiate with the landlord and to not request a RRAC recommendation, as the RRAC would normally recommend a ten percent increase.

The tenant also cited a separate dispute with the property management company regarding possible rent overpayment over a period of time. Ms. Watson-Hajjem of ECHO addressed the tenant and encouraged him to contact her, so she could advise him

regarding this problem. The Chair recommended that the tenant wait until his new lease was negotiated before contacting the property management company about this dispute.

No formal RRAC action was taken.

4d. Case 315 – 341 Tideway Drive Unit 308

This case was withdrawn prior to the meeting, as the tenant and landlord were able to negotiate a resolution.

5. ORAL COMMUNICATIONS (none)
6. WRITTEN COMMUNICATIONS (none)
7. ADJOURNMENT

The meeting was unanimously adjourned at approximately 8:30 p.m.

Respectfully submitted,



Claudia Young, Secretary

CY:rv

Minutes approved by the RRAC on April 7, 2014.