

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, April 7, 2014**

1. CALL TO ORDER AND ROLL CALL

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

Present were: Chair Miller; Vice Chair Perry; and Members Harrison, Nguyen, and Roberts. RRAC staff in attendance: Claudia Young. The Chair had requested that the Members' seats be identified at roll call for the benefit of the audience.

2. CONSENT CALENDAR

- a. Approval of Minutes of the October 7, 2013 Regular Meeting
- b. Approval of Minutes of the March 3, 2014 Regular Meeting

The consent calendar was approved by unanimous consent.

3. UNFINISHED BUSINESS

- a. Case 314 – 434 Central Avenue, Unit 210
- b. Case 314-A – 434 Central Avenue, Unit 206

The Chair announced that New Business cases would be taken up first.

4. NEW BUSINESS

- a. Case 314-B – 434 Central Avenue, Unit 219
- b. Case 314-C – 434 Central Avenue, Unit 114
- c. Case 314-C – 434 Central Avenue, Unit 220
- d. Case 314-E – 434 Central Avenue, Unit 303

Tenants in attendance/public speakers: Daryl A. Ferrar, Jerry L. Stepp, Richard Miranda, and Lee Odom.

Owner's representatives in attendance/public speakers: Linda Rodriguez, regional manager and Jeff Kaplan, on-site manager.

The Chair had each of the tenants representing the four units address their concerns, which included:

- Rent increases are excessive and are not justified by the quality of the units. One tenant stated that his rent was being increased by \$300 after only one year of tenancy.
- Only six-month leases were being offered.
- Maintenance concerns including serious water damage to one tenant's bathroom
- Safety concerns including unsecured access to the building and pool area
- Owner and managers have not been responsive to tenant communications.

- One tenant described an in-person meeting at the owner's office, partially attended by Ms. Rodriguez, as not being a good experience.

The Chair asked the owner's representatives to respond. Mr. Kaplan stated that the building recently passed a City inspection and that tenants need to tell him what is wrong. He stated that he was authorized by the owner today to offer the tenants the following two options:

- a) New paint, carpets, and linoleum, and upgraded appliances depending upon the age. The new rent increases would go into effect immediately after completion of the work; or
- b) A ten percent increase as recommended by the RRAC. All necessary maintenance would be done but the upgrades would not be offered. The ten percent increase would be offered for six months; the owner will not offer it for one year.

The Chair asked Ms. Rodriguez why, when past rent increases have been reasonable, have the increases now "shot through the roof." Ms. Rodriguez responded that there were a lot of items that had not been attended to prior to when she started working for the owner. Regarding the above-referenced meeting at the owner's office, she stated that she should not be held responsible for things done by people she did not even know, or answer for what happened in the past. She also stated that the owner needed to refinance his entire portfolio as of result of mismanagement by her predecessor. This was company-wide and wasn't just at one property. She added that the owner is trying to be fair but still has to stay afloat. Member Harrison commented that he interpreted this to mean that the owner wants to get to market rate within six months. Ms. Rodriguez responded that the market could change – right now it is up but rents could go down and it is possible that the owner could not get these rents in six months and he is aware of that.

Member Roberts cited Ms. Rodriguez's March 10, 2014 letter in response to the RRAC's March 5, 2014 recommendation letter pertaining to units 210 and 206 (included in the agenda packet). He asked if the owner's offer being presented at this meeting just applied to the new cases. Ms. Rodriguez provided a copy of a letter sent to the prior tenants offering to hold their rents at current levels until everything is repaired or replaced. The tenants in 210 have accepted this offer. Mr. Kaplan stated that the tenants in unit 206 had vacated. The Chair stated that she still had concerns regarding charging existing tenants what a new tenant would be charged, adding that no one can budget for that.

Vice Chair Perry asked if the offer being presented at this meeting was offered to the two original tenants. Ms. Rodriguez responded that the offer being presented at this meeting was approved only recently by the owner. The original tenants are under a new agreement and work is already underway.

The Chair asked the tenants to respond to the new offer. The responses were:

- The rents will just be up to market rate in six months. Even ten percent is not justified.
- Safety issues are still a concern and a six-month lease is not reasonable.
- The owner will just increase the rents in another six months until he gets to where he wants to get to. Would like to see a five percent increase and fix the place. A maintenance budget should have already been established. To raise the rents in this

fashion is wrong. We need more details about the upgrades. Will the owner raise the rent every six months?

- They should work with us – not give us “options.”
- A ten percent increase for one year would be reasonable.

Mr. Kaplan offered to meet with tenants in his office. Mr. Kaplan stated that he and Ms. Rodriguez were in agreement with ten percent for one year but it was up to the owner and they would speak with him about it.

Member Roberts moved that the RRAC recommend a ten percent increase to be in effect for a period of one year. Member Harrison requested that the motion be amended to state a “maximum” ten percent increase for one year. Member Roberts accepted the amendment. Vice Chair Perry seconded the motion and the motion passed unanimously.

Mr. Kaplan asked if this was the same recommendation that the RRAC made last month. The Chair responded yes and added that the owner must understand that the next option would be going before the City Council.

The Chair stated that more outreach was needed to promote the RRAC. Member Harrison stated that he does not see the need for rent control in Alameda but when we see what is happening in San Francisco and the flow of people coming here, we don't want the same problems here as in San Francisco. He asked if the City was making plans regarding this and if there was some way to start that discussion. The Chair stated that it was being discussed. She met with a group of people last week and they are trying to get this in front of the City as part of the approval process for the Housing Element update.

5. ORAL COMMUNICATIONS

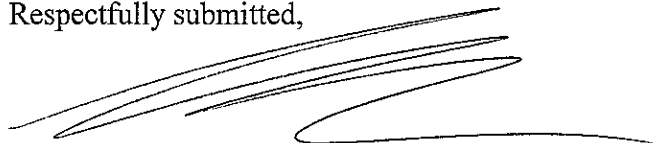
- Angie Watson-Hajjem of ECHO Housing stated that ECHO was providing technical assistance to Renewed Hope Housing Advocates as well as assisting them in the distribution of a rent survey to city tenants. Ms. Watson-Hajjem submitted a copy of the survey form to the RRAC. She also spoke about ECHO's tenant/landlord and fair housing counseling and mediation services.

6. WRITTEN COMMUNICATIONS (none)

7. ADJOURNMENT

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

Respectfully submitted,



Claudia Young, Secretary

CY:rv

These minutes were approved by the RRAC on June 2, 2014.