

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, October 6, 2014**

1. CALL TO ORDER AND ROLL CALL

Chair Miller called the meeting to order at 7:04 p.m.

Present were: Chair Miller; Vice Chair Perry; and Members Harrison and Nguyen. Member Roberts was absent. RRAC staff in attendance: Claudia Young.

2. CONSENT CALENDAR

a. Approval of the Minutes of the July 7, 2014 Regular Meeting

The consent calendar was approved by unanimous consent (4-0-1).

3. UNFINISHED BUSINESS (None)

4. NEW BUSINESS

a. Case 324 – 324 Kitty Hawk Rd. Apt. 210

This case was not heard, as the tenant had withdrawn the complaint prior to the meeting.

b. Case 325 – 1503 Walnut St. Apt. C

Tenant/public speaker: Anette Zielinski

Owner/public speaker: Daniel Ding, agent for owners Michael and Jun Kwan

The tenant stated that she objected to the 20 percent (\$300) rent increase to \$1,800 as being excessive, particularly in view of the disruption from construction following a fire in a neighboring unit last year. In response to a question by the Chair, the tenant stated that she would consider \$1,650 to be a reasonable rent. The Vice Chair asked if other neighbors had received rent increases. The tenant responded that her downstairs neighbors (three adults) received a \$600 rent increase.

Mr. Ding stated that the new owner of the building had been the handyman there for several years. He could not get conventional financing, as the building had an illegal unit. He plans on refinancing once the illegal unit is cured. He stated that the average rent for a two-bedroom unit is \$2,200 and the average for a one-bedroom unit is \$1,600. He stated that the market value for a unit of this size (1,100 sq. ft.) if vacant would be \$2,500. In response to a question by the Chair, Mr. Ding stated that he had authority to negotiate on behalf of the owners. He stated that he came up with \$1,800, as they wanted the tenant to stay. The owner was having problems paying his mortgage and decided upon \$1,800, as it was roughly halfway between \$1,500 and \$2,200.

The Chair stated that there was a difference between charging market rate for a vacant unit and raising the rent for an existing tenant. She acknowledged that they considered that in establishing the new rent. However, she did not consider it reasonable to assume that someone already living in the unit can budget for a 20 percent increase and that it could be

considered an eviction.

The tenant stated that she should not have to bear the burden of the owner's financial issues resulting from the illegal unit. Mr. Ding asked why the tenant's income could not be considered in the rent increase. Member Harrison noted that the owner planned on refinancing after the illegal unit was gone and would stand to benefit from a lower interest rate – and perhaps that should be taken into consideration when determining the amounts of rent increases. Mr. Ding stated that the owner's priority was to maximize profits.

The Chair entertained a motion for a recommendation. Member Harrison moved that the rent increase be limited to ten percent (\$150) for one year. Seconded by Vice Chair Perry and passed unanimously (4-0-1).

The Chair advised Mr. Ding that a letter officially stating the RRAC's recommendation would be mailed to the owners. The tenant was advised to pay the new rent of \$1,800 on November 1 if the matter was still in dispute. The chair explained the RRAC process and the possibility of the case being referred to City Council. Angie Watson-Hajjem of ECHO Housing was invited to address all present to explain about ECHO's fair housing and tenant-landlord mediation services.

- c. Discussion with facilitator Jeff Cambra in regards to the "Rental Housing: Issues & Solutions Suggestions for Conducting Community Based Discussions" as presented to the City Council on September 16, 2014 (**Discussion only. No Action Required.**)

Staff reported that Mr. Cambra was unable to participate in the meeting.

- d. Nomination and election of Chair and Vice Chair for 2014-15

Motion and second (Harrison/Nguyen) to elect David Perry as Chair and Karen Miller as Vice Chair for the 2014-15 period. Motion passed unanimously (4-0-1).

5. ORAL COMMUNICATIONS (None)
6. WRITTEN COMMUNICATIONS (None)
7. PUBLIC COMMENT

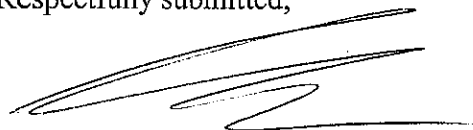
Public speaker: Bill Smith, Vice President of Renewed Hope Housing Advocates. Mr. Smith stated that Renewed Hope promoted the community forum process with Jeff Cambra, as many renters are afraid to go public before the RRAC. He praised the RRAC's work but stated that there are things they should be doing now, such as increasing advertising and outreach. When a tenant signs a lease, it should be required that the landlord provide an information sheet regarding RRAC. It is not clear if the RRAC is part of the City or the Housing Authority. The RRAC members' terms should be up for review every four years.

Public speaker: Garfield Kincross. Mr. Kincross stated that he has been an Alameda tenant for 23 years and is a federal employee now facing large rent increases. He emphasized the need for tenant representation on the rent task force.

8. ADJOURNMENT

The meeting was unanimously adjourned at 7:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a cursive-style name.

Claudia Young
Secretary

CY:rv

Minutes approved by the Rent Review Advisory Committee on December 1, 2014.