

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, August 7, 2017**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:35 p.m.

Present were: Chair Cambra and Vice Chair Sullivan-Sariñana; Members
Griffiths and Murray

Absent: Member Friedman

RRAC Staff: Jennifer Kauffman

City Attorney Staff: John Le

2. AGENDA CHANGES

- a. Staff informed Committee that items 7-B, C, D & E resolved prior to the meeting and will not be reviewed by the Committee.

3. STAFF ANNOUNCEMENTS

- a. Staff stated that the following meeting is scheduled for Wednesday, September 6th, due to the Monday holiday.
- b. Staff explained the schedule for the evening, noting where to find the meeting agenda and procedures for public comment.

4. PUBLIC COMMENT, NON-AGENDA, NO.1

- a. Angie Watson-Hajjem, ECHO Housing representative, spoke about ECHO's fair housing and tenant- landlord counseling services.

5. CONSENT CALENDAR

- a. Approval of the Minutes from the June 5, Regular Meeting.
Motion and second (Sullivan-Sariñana and Griffiths). Approved Landess, Sullivan-Sariñana, Griffiths and Friedman. Abstention Cambra.

6. UNFINISHED BUSINESS

- a. No unfinished business.

7. NEW BUSINESS

7-A. CASE 871- 431 Pacific Ave., Apt. 202

Tenant: Lakeisha Cornelius, accompanied by her father Mr. Cornelius

Landlord: Hen-Shin Wu

Property Manager: Charles Kline

Proposed Rent Increase: \$450.00 (50.0%), effective as a stepped increase over three months.

Mr. Wu stated that Ms. Cornelius's mother had previously worked at the property. When she was no longer been able to work, they agreed to provide her housing at the premises for rent that was below market rate. The mother no longer lives at the unit and the owner feels it is reasonable to raise rent closer to market value.

Ms. Cornelius asked that Mr. Cornelius speak on her behalf. Mr. Cornelius explained that Ms. Cornelius's mother passed away a year and a half ago. Ms. Cornelius is on the lease and it was their understanding that the owner's willingness to provide a courtesy extended to the family.

Both parties acknowledged that there had been no discussion about future rent or future rent increases.

The tenant explained that the current rent is about 50% of her income and she believes a reasonable increase would be between 5-10%. She has been the sole occupant since her mother's passing in August 2015 and that it would not be possible for her to get a roommate based on the unit layout.

Member Griffiths acknowledged that \$900.00 is well under market. He also stated that a 50% increase in any expense is challenging to absorb.

The tenant and landlord discussed the timeline for the rent increase and the relationship between current rent and market rent. Mr. Cornelius explained that more gradual increases over time would make it more possible for Ms. Cornelius to prepare for the changes.

Mr. Cornelius stated that they would be willing to accept a \$250 increase to a total rent of \$1,150 starting on September 1, 2017. They requested that any future rent increases be on a regular schedule in an amount near 5%.

The landlord offered a \$350 increase to a total rent of rent at \$1,250, acknowledging the tenant has the option to continue month-to-month or sign a one year lease.

The tenant explained that she current earns \$12/hour and the \$250 increase would require her father to cover some of her other expenses.

The parties were unable to reach an agreement. Committee members concluded the conversation with tenant and landlord and opened deliberation between members to render a recommendation.

- Vice-Chair Sullivan-Sariñana considered a \$250 (27.7%) increase to \$1,150 the maximum that he would vote as fair and reasonable. Sullivan-Sariñana emphasized he takes tenants and landlords at their word and the tenant stated \$1,150 would be something she could handle.
- Member Murray acknowledged the courtesy the landlord provided when the unit was offered to the mother at a rent below market rate. She noted that the current City rent regulations impact the amount of future increases and the landlord is in this situation because he was generous in the past. Murray identified that one of the current challenges relates to communication regarding assumptions made by both parties and lack of dialogue around expectations moving forward. Murray stated that the \$100 difference between the landlord's offer and the tenant's offer appears to constitute a more serious hardship to the tenant. The \$1,150 offer seems reasonable in that it represents a sacrifice by both parties in effort to establish a middle ground. She explained that it appears the tenant is acknowledging the previous generosity of the landlord by trying to stretch herself to bring the unit closer to market rate. Murray stated that \$1,150 is the maximum amount that she would find acceptable.
- Member Griffiths recommended a \$180 (20%) increase. He explained concerns that a monthly rent of \$1,150 would not provide enough income remaining for other living expenses based on the tenant's income. Acknowledging the unique circumstances of the original \$900 agreement, he pointed out that such a significant jump in the rent amount would be difficult. He would encourage a more gradual increase over time.
- Chair Cambra acknowledged the landlord provided the tenant a benefit for two years by offering the unit at \$900. Cambra stated that he agrees with Griffiths in that the financial burden on the tenant is significant, noting with a \$1,150 rent she would need financial assistance from her father. A stepped increase would provide the tenant more time to prepare and absorb the additional rent. Cambra explained that the landlord's total rent is reasonable with the market, though he is also factoring in the structure of implementation and impact on the tenant. He also stated that the tenant's relative burden appears more than the landlord's burden. Cambra proposed the \$1,150 rent as a stepped increase: \$180 increase, effective September 1, followed by an additional \$70, six months later.

Motion and second for \$1,150 rent as a stepped increase: \$180 increase, effective September 1st, followed by an additional \$70, six months later (Griffiths and Cambra). Sullivan-Sariñana and Murray opposed. Motion fails.

Motion and second for \$1,150 rent, effective September 1st (Sullivan-Sariñana and Murray). Cambra approved; Griffiths opposed. Motion passes.

7-B. CASE 894 - 89 Maitland Dr., Unit O

Proposed Rent Increase: \$187.00 (20.0%) effective September 1, 2017

No Committee review. Prior to the RRAC meeting, the tenant and landlord reached a mutually agreeable arrangement of a \$187.00 (20.0%) rent increase.

7-C. CASE 896 - 89 Maitland Dr., Unit Q

Proposed Rent Increase: \$99.00 (9.9%) effective September 1, 2017

No Committee review. Prior to the RRAC meeting, the tenant and landlord reached a mutually agreeable arrangement of a \$99.00 (9.9%) rent increase.

7-D. CASE 908 - 1569 Lincoln Ave., Unit B

Proposed Rent Increase: \$237.60 (17.6%), effective September 1, 2017

No Committee review. The landlord withdrew the rent increase.

7-E. CASE 910 - 1029 Regent St., Unit A

Proposed Rent Increase: \$215.00 (10.0%), effective August 1, 2017

No Committee review. Prior to the RRAC meeting, the tenant and landlord reached a mutually agreeable arrangement of a \$175.00 (8.2%) rent increase.

7-F. Discussion of any considerations raised during the events of previous meetings to improve Committee review process

Chair Cambra discussed the basis for raising rent when a landlord indicates the tenant has lease violations. Sullivan-Sariñana noted that the timeline of events is critical when understanding the circumstances related to the rent increase request.

8. PUBLIC COMMENT, NON-AGENDA, NO. 2.

- a. No public comment.

9. MATTERS INITIATED

- a. Member Sullivan-Sariñana asked for clarify on email addresses.

10. ADJOURNMENT

The meeting was unanimously adjourned at 8:40 p.m.

Respectfully submitted,
Committee Secretary
Jennifer Kauffman

Approved by the Rent Review Advisory Committee on November 6, 2017.