

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, May 7, 2018**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:31 P.M.

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

Absent: None

Program staff: Grant Eshoo, Jennifer Kauffman, Gregory Kats

City Attorney staff: John Le

2. AGENDA CHANGES

- a. Staff announced that several cases on the agenda would not be heard, as they resolved prior to the hearing.

3. PUBLIC COMMENT, NON-AGENDA ITEMS, NO.1

- a. No public comment.

4. STAFF ANNOUNCEMENTS

- a. No staff announcements.

5. CONSENT CALENDAR

5-A. Approval of the Minutes of the March 5, 2018 Regular Meeting.

Motion and second to approve of the minutes (Griffiths and Cambra) with two typos corrected by Chair Cambra. Motion passed 4-0. Member Murray abstained.

5-B. Approval of the Minutes of the April 2, 2018 Regular Meeting.

Motion and second to approve the minutes (Sullivan-Sariñana and Murray). Motion passed 3-0. Chair Cambra and Member Griffiths abstained.

6. UNFINISHED BUSINESS

- a. No unfinished business.

7. NEW BUSINESS

7-A. CASE 1013 – 1586 Lincoln Ave.

No Committee review. Prior to the RRAC hearing, the tenant and landlord agreed to a rent increase of \$154.25, a 10.0% increase, bringing the rent to a total of \$1,703.00 effective May 20, 2018.

7-B. CASE 1015 – 2251 San Jose Ave., Unit B

No Committee review. Prior to the RRAC hearing, the tenant informed the landlord that she would vacate the unit.

7-C. CASE 1016 – 2251 San Jose Ave., Unit C

Tenant: Micah Beasley

Landlords: Cindy Ou, Linda, Joe

Proposed rent increase: \$106.25 (6.8%), \$78.25, plus 10% of the water bill which amounts to approximately \$28.00 per month, to a total rent of \$1,643.25 plus 10% of the water bill, effective June 1, 2018

Cindy Ou explained that she thought that making her tenants partially responsible for the water bill would encourage them to use water more frugally. She and Joe stated that they reduce their own water usage and wanted to ensure that the tenants also take steps to conserve water.

Micah Beasley explained that she thought her rent increase was going up 15% and asked for clarification. Chair Cambra and Member Murray clarified that the landlords were asking for a \$78.25 rent increase plus 10% of each water bill, which averaged approximately \$28.00 per month.

Ms. Beasley said that she already conserves water. She added that she has to let the water run a long time before the water heats up. She noted that other units may use more water and therefore charging her 10% of the bill makes her feel like she will be paying for other tenants' water usage.

Member Murray confirmed the points and concerns Ms. Beasley made.

Ms. Ou stated that the total rent increase, including the unbundling of part of the water bill, amounted to about 7%, not 15 percent. She stated that the landlords would be paying 50% of the total water bill and the other 50% of the bill would be divided equally at each of the five units on the property.

Ms. Beasley noted that her salary did not increase 7% per year and believed continued increases would pose a financial burden on her household in the future. She said she has had previous rent increases from previous landlords, although this was the first from this landlord.

Ms. Ou added that the landlord pays for the utilities in all common areas, the laundry room, and the hallways.

Vice Chair Sullivan-Sariñana referenced the prior rent increases that Ms. Ou provided on her Form RP-04 and asked Ms. Beasley if those rent increases were correct. Ms. Beasley said she did not remember if they were correct.

Member Murray asked Ms. Beasley to confirm if she felt like she could handle this rent increase, but not future increases above five percent. Ms. Beasley confirmed this was accurate. Member Murray asked Ms. Ou if she had plans to increase the rent more than 5% in the future. Ms. Ou said she intends to increase the rent at or below 5% in the future. She added that the only reason she had to come to the RRAC hearing for this increase was because of the unbundling of the water bill, which made the rent increase go above five percent.

Ms. Beasley said she was a long-time Alameda resident going back to 1995. She said she lived here before that time as well, when her father was stationed at the Alameda Naval Base. She expressed a desire to remain in Alameda and had concerns about being priced out of the city.

Member Murray stated that the purpose of Ordinance 3148 is to keep long-time residents from being priced-out. City Attorney staff Le added that a tenant could request RRAC review of an increase of 5% or less if she had concerns about future rent increases. Chair Cambra acknowledged this was correct.

Joe opined that having to run the water longer to get hot is not a fixable problem, as water needs to travel from the heater to her unit. Ms. Ou and Joe noted that Ms. Beasley lived farther from the hot water heater than other tenants. They pointed out that Ms. Beasley may end up using more water than other tenants because of the distance of her unit from the water heater, yet she would only have to pay the same 10% of the total water bill that the other tenants would have to pay.

Member Murray acknowledged that Ms. Beasley was already taking steps to conserve water and Ms. Beasley felt she could not cut back on water usage more than she has.

Ms. Ou confirmed her intention to increase the rent next year at 5% or less.

Member Friedman expressed appreciation for the landlords, as rather than attempting to bring the rent to market rate or compensate for having a larger mortgage than previous property owners, the landlords were asking for a relatively modest rent increase. He also expressed appreciation for Ms. Beasley attending the meeting to discuss the increase and learn about the rent review process.

Member Griffiths restated that tenants can request review of rent increases of 5% or less. Member Murray acknowledged that the RRAC review process presented an opportunity for parties to discuss concerns and provided a space for parties to try to work things out.

Ms. Beasley agreed to the rent increase the landlords were requesting.

Public comment on Agenda Item 7-C: Eric Strimling applauded Ms. Beasley for coming to the hearing to find out what the rent increase review process was like. He also applauded the landlords for keeping the increase close to 5% and trying to conserve water. He said that the landlords could have increased the rent by less to make the total increase, including the unbundling of the water bill, equal to or less than five percent. He added that upgraded water systems for hot water can be installed cheaply and may help reduce the water wastage that occurs when running the water while waiting for it to get hot.

7-D. CASE 1017 – 2251 San Jose Ave., Unit D

Tenant: Kristie Nachtsheim

Landlord: Cindy Ou, Linda, Joe

Proposed rent increase: \$106.25 (6.8%), \$78.25, plus 10% of the water bill which amounts to approximately \$28.00 per month, to a total rent of \$1,643.25 plus 10% of the water bill, effective June 1, 2018

No Committee review. The tenant did not attend the hearing. The rent increase will go into effect as proposed.

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

a. No public comment.

9. MATTERS INITIATED

None.

10. ADJOURNMENT

The meeting adjourned at 7:17 PM.

Respectfully Submitted,

RRAC Secretary

Grant Eshoo

Approved by the Rent Review Advisory Committee on June 6, 2018