Minutes of the Regular Meeting of the Rent Review Advisory Committee Monday, March 2, 2015

1. CALL TO ORDER AND ROLL CALL

Acting Chair Roberts called the meeting to order at 7:07 p.m.

Present were: Acting Chair Roberts, Vice Chair Miller, and Member Nguyen.

Members absent: Chair Perry and Member Harrison.

RRAC staff in attendance: Claudia Young.

2. CONSENT CALENDAR

a. Approval of the Minutes of the January 5, 2015 Regular Meeting

The draft minutes were approved as submitted. Motion by Miller, seconded by Nguyen, and passed unanimously.

3. UNFINISHED BUSINESS (None)

4. NEW BUSINESS

a. Case 332 – 1825 Poggi St. Unit 211A

Tenant/public speaker: Abeba Woldemariam.

Owner representatives/public speakers: Don Lewis and Michelle Lewis.

The tenant stated that the ten percent rent (\$100) increase to \$1,125 would present a financial hardship to her family. In response to a question from Vice Chair Miller, the tenant stated that three percent would be fair. In response to a question from Acting Chair Roberts, the tenant stated that the complex was well maintained.

Ms. Lewis stated that even with a ten percent increase, the rent is still far below market rate. The tenant's family has lived in the unit since 2002. In 2005, the rent was decreased by \$100 per month due to a down rental market. The total percentage of the rent increase since the start of tenancy in 2002 to date is 25 percent, which averages to less that two percent per year.

Mr. Lewis questioned the criteria for appearing before the Committee, asking if anyone could complain about even a low increase. Acting Chair Roberts responded that there was currently a committee considering these types of issues but that for now, the Committee takes complaints by the tenants. The Committee is not in a position to decide what an egregious rent increase is; the Committee makes a recommendation based on the information provided. As it stands now, anyone can bring a rental increase to the Committee. Vice Chair Miller stated that this can be a tenant's only opportunity to negotiate directly with the landlord.

Member Nguyen stated that the owner should be acknowledged for voluntarily lowering the rent. Vice Chair Miller stated that she had no problem with this ten percent rent

increase, as the past increases had been gradual. Motion (Miller), seconded (Nguyen), and unanimous that the RRAC would not make a recommendation regarding the rent other than landlord's current increase.

b. Case 333 – 2228 Encinal Ave. (multiple units)

Tenants/public speakers: Nar B. Luna, Surendra Thapa, Geraldine Buxie (represented by Paul Foreman), Nanette Lanz, Annette Brisco, and Norma Ensor.

Owner representative/public speaker: Sreenivasulu Ramireddy.

The six tenants were asked to address the Committee individually. The tenants have resided at this location spanning from over six to 38 years. This 11-unit apartment complex was sold to the current owner (Island Dream Homes LLC) in July 2013. In 2014, these tenants received increases ranging from 15 to 38 percent. No rental increase complaints were filed by these tenants in 2014. However, when the tenants received notices for additional rent increases ranging from 9 to 11% effective March 1, 2015, they decided to proceed with the rent review process. The tenants stated that the prior owner was a family that would raise the rents no more than \$50 per year if at all. In addition, the tenants had endured a lengthy and inconvenient seismic retrofit to the building during the prior ownership.

The owner stated that he was maintaining below market rents, especially for these tenants. He added that these were good tenants and he was trying to keep their rents as low as possible. He stated that when he bought the building, the property tax went up by 32 percent. There have been other significant costs including \$15,000 for an electrical upgrade to the entire building but that he has not passed along all his costs to the tenants. He stated that he was responsive to the tenants and would go right away to assess a situation.

Vice Chair Miller stated to the owner that these tenants received a steep increase last year, too large for just one year, plus a ten percent increase on top of that. She added that it was unfortunate that the prior owner did not raise rents in a reasonable fashion. Rents need to be brought up slowly to market rate so that people can adjust to it. She added that she was surprised that the tenants did not complain last year. The owner asked how he could keep on going if he keeps rents that low. Vice Chair Miller responded that he chose to buy the building with rents that low.

Motion (Miller), seconded (Nguyen), and unanimous that the rents of the tenants present at this meeting be frozen to what they were in 2014, with no increases for a period of one year from today (March 2, 2015).

c. Case 334 – 350 Central Ave. Unit 301

Prior to the meeting, the tenant called staff and stated that he wished to withdraw the case.

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

8. ADJOURNMENT

The meeting was unanimously adjourned at approximately 8:44 p.m.

Respectfully submitted

Claudia Young

Secretary

CY:rv

Approved by the Rent Review Advisory Committee on April 6, 2015.

The Rent Review Advisory Committee does not provide legal advice. Each landlord and tenant is responsible for seeking the advice of legal counsel on any matters or document related to their specific circumstances. The Committee's recommendations are not legally binding.

All materials submitted to the Rent Review Advisory Committee are property of the City of Alameda and the Housing Authority of the City of Alameda and are subject to the laws governing Public Records.