

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, March 7, 2016**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:30 p.m.

Present were: Chair Warner; Vice Chair Sullivan-Sariñana; and Members Griffiths and Nguyen

Vacancy: (1)

RRAC staff in attendance: Jennifer Kauffman

2. CONSENT CALENDAR

- a. Approval of the Minutes of the February 16, 2016 Regular Meeting

Approved by unanimous consent.

3. UNFINISHED BUSINESS (None)

4. NEW BUSINESS

- a. Case 355 – 844-A Lincoln Avenue

Staff reported that this case has been dismissed by the tenant. The tenant came into the Housing Authority and gave written notice that she would like to cancel the review of the case.

No public comment.

- b. Case 356 – 564 Central Avenue #124

Staff presented the case summary.

No public comment.

Tenant/ public speakers: Rosario Paez, Stephen Booth

Owner representative/ public speaker: Joe Vargo

Mr. Booth explained the financial hardship on the tenant to have the rent raised to the proposed amount. He explained the tenant's income and her commitments to take care of her children and sick mother. The tenant brought up maintenance concerns and expressed frustration that the property manager had not addressed the maintenance concerns in a timely or effective manner. The tenant changed a section of her carpet on her own money because the carpet's quality had become a detriment to her mother's health. Additionally, her refrigerator does not work properly; she feels the unit needs new paint; and she is concerned about mold in her bathroom, among other maintenance issues. Mr. Booth explained that the tenant received a termination of tenancy notice in October 2015, but the notice was invalidated by the Ordinance 3140. Due to the lack of maintenance and the

previous effort to terminate the tenancy, the tenant does not feel that the rent increase is made in good faith or is equitable.

Mr. Vargo explained that there is an online system to report maintenance issues. He had a maintenance staff do a habitability walk-through of the unit a few weeks prior to the meeting. He addressed the maintenance issues that were written in the habitability report. He finds the rent increase to be fair. Averaging the rent increases she's received over four years, he stated her average increase per year is about 5%. The rent increase is associated with the effort to bring the unit closer to market price. He addressed the termination of tenancy and explained that at the time of the notice it was legal to give a notice to terminate without stating the cause. When the property managers learned of the new regulations they withdrew the termination.

The tenant explained that she has technical difficulties using the computer system to report maintenance issues and particularly in paying her rent via the online system. This was a big concern as she had been fined late fees for rent when she had mailed her check in a timely manner.

The Committee discussed the maintenance concerns, particularly associated with the health of the tenants, the history of rent increases below 7%, and the need to improve communication to address maintenance and use the online system for bill pay and maintenance concerns. There was further discussion that because the rent increase is not effective until April 1, 2016, the property manager has ample time to address the maintenance concerns before the rent is increased.

M/S (Warner/Griffiths) and unanimous that the RRAC's official recommendation be for the current rent increase (\$115, 7.93%) to stay at the amount on the notice as long as maintenance concerns are addressed and the technical difficulties are resolved so the tenant can pay her bills online and knows how to enter maintenance issues into the online system so each complaint is documented. Mr. Vargo committed to support Ms. Paez in using the online system to pay her rent by getting her a valid code to access her account online.

Mr. Booth stated he was disappointed with this recommendation as it did not consider the financial hardship of the rent increase.

Staff stated that an official recommendation letter would be issued to the owner. The owner will have ten days from the date of the letter to provide a written agreement with the RRAC's recommendation. If they do not, then the City Council referral process would be initiated.

c. Case 357 -- 1419 Grand Street #206

Staff asked Chris Griffiths to abstain from involvement in the Committee for this case as there existed a conflict of interest.

Staff presented the case summary.

Public comment from Jamie Miller and Lynda Tran. Jamie Miller is a tenant in the same building as the tenant for this case. She shared the rent increase

notice she received, and believes most tenants in her building received, and stated that the notice is invalid as it does not include the exact language as stated in Ordinance 3131. Staff responded that the notice validity will be addressed only for the case at hand, and will be addressed when the Committee hears the case.

Lynda Tran is also a tenant in the same building as the tenant for this case. She expressed frustration that it was very difficult to communicate and get responses from the property manager. She felt misled by the property management company about her rent increase because she did not file a Rent Increase Complaint as her notice said that the property manager would like to discuss with the tenant first any concerns about the rent increase. However, the property manager did not return her efforts to discuss concerns in a timely manner and the deadline for submitting a Rent Increase Complaint form passed.

Tenant/public speakers: Brittany and Arurudh Dhawan

Owner representative/public speaker: Lisa Fowler

Mrs. Dhawan stated that the rent increase was not warranted because the property management does not provide effective or timely communication, that maintenance concerns are addressed with "Band-Aid" repairs, and that there is confusion for the tenant of who to contact for more immediate maintenance concerns such as leaks from plumbing.

Ms. Fowler explained the process the property management uses to address maintenance concerns. The rent increase is associated with various expenses to maintain the property as well as an effort to bring the unit to more closely reflect the market value of the unit as the property manager has fiduciary responsibility to the owner. Ms. Fowler was concerned if there are outstanding maintenance issues and expressed to the tenant that if maintenance requests are submitted she will have maintenance staff address the issues.

Mr. and Mrs. Dhawan brought up frustration with the lack of communication from the property management. They would like notification for large work projects on the property, such as painting of the building, and feel there is not enough information for the tenant to know who to call to have questions and concerns addressed. Additionally, the tenants have concern that repairs will not be done thoroughly and feel unsure how the property manager will address their need for better quality service when repairs are made.

Ms. Fowler gave the tenant the email to use to submit maintenance requests and encouraged tenants to use the system as then all requests will be in writing.

The Committee asked staff about the validity of the notice. Staff explained that the meeting should proceed with the notice interpreted as a valid notice. It is up to the parties to seek their own legal advice to address the validity of the notice. The Chair noted that the tenant was most concerned with maintenance issues and communication barriers. Committee members discussed that the amount of rent increase was within reason based on the base rent and the previous rent increases since 2012. The Committee discussed splitting the rent so that 3%

was paid when due and the rest was paid in one month when the maintenance issues and communication were addressed. Vice Chair Sullivan- Sarinaña expressed concern that the tenant does not have assurance that their grievance about communication and maintenance will improve into the future.

M/S (Sullivan-Sarifiñana/Nguyen) and unanimous that the RRAC's official recommendation be for the current rent increase (\$75, 5.26%) to stay at the amount on the notice. However, the effective date of the rent increase will be pushed back one month to become effective on April 1, 2016. The rent increase is delayed so that the property manager can address maintenance issues for concerns that the tenant reports. Additionally, the rent increase delay allows the property manager to improve communication to the tenants, such as noticing tenants with contact information for maintenance issues and posting information on the resident manager's door.

Staff stated than an official recommendation letter would be issued to the owner. The owner will have ten days from the date of the letter to provide a written agreement with the RRAC's recommendation. If they do not, then the City Council referral process would be initiated.

The Chair called for a five-minute recess.

The meeting was resumed after the five-minute recess.

d. Case 358- 736 Lincoln-Avenue #207

Staff presented the case summary.

No public comment.

Tenant/public speaker: Gary Henry

Owner representative/public speaker: Lisa Fowler

Mr. Henry stated he was protesting the rent increase because it was inconsistent with the pattern of his previous rent increases, which were at around 5%. Additionally, he noted that there will be a new law in Alameda that requires the landlord to justify their reason for raising the rent if it is more than 5%. Due to that trigger point, he felt the need to come before the Rent Review Advisory Committee. He did not express maintenance concerns and feels the property management company does a good job at responding to maintenance concerns.

Ms. Fowler explained that the rent is not increased based on a percentage. Rather, the rent increases are calculated based on the base rent of the tenant and the re-rent value for that unit.

The Committee discussed the history of rent increase and calculated what a 5% rent increase would be. Member Griffiths proposed that the rent be reduced to an increase of \$60 (5.7%). The Committee addressed Mr. Henry and Ms. Fowler to ask if these would be an acceptable agreement. Both participants of this case indicated that this change was reasonable.

M/S (Warner/Griffiths) and unanimous voted for the RRAC's official recommendation be that the rent increase be reduced to \$60 (5.7%).

Staff stated that an official recommendation letter would be issued to the owner. The owner will have ten days from the date of the letter to provide a written agreement with the RRAC's recommendation. If they do not, then the City Council referral process would be initiated.

e. Case 359 – 530 Santa Clara Avenue #302

Staff reported that this case had been postponed by the tenant one month.

No public comment.

f. Case 360 – 344 Westline Drive #C328

Staff presented the case summary. Staff pointed out that the rent increase notice provides two rent increase rates for the tenant. However, one of the rates is outside of the limits of the moratorium. Therefore, the case will only mediate on the rent increase amount that is within the legal moratorium limit.

No public comment.

Tenant/public speaker: Lynn Russo

Owner representative/public speaker: Shilough Coy

Ms. Russo explained that she is contesting the rent increase because her rent increases, cumulatively since 2012, are over 30%. She feels this is excessive and made an attempt to negotiate with the property manager. Ms. Russo explained that she has been a good tenant, and even when she lost her job last year and it took her ten months to find a job, she was not late on her rent. She feels the property is well maintained and appreciates the business needs of the property management company and owner. However, she does not think it is fair for the rent to continue to be raised to such an extent. Additionally, due to the fact that the City of Alameda passed a new law that will change the process for a rent increase to go into effect if it is over 5%, she thinks that this rent increase should be considered within the context of the decision by the City to address rent increases of more than 5%. Additionally, Ms. Russo noted that the rent listed is only her base rent. On top of her rent, she pays a separate bill for her share of the utilities, which in the past has been over \$200 month.

Ms. Coy explained that the rent increases are calculated through an accounting formula that takes into consideration current prices for comparable units, the costs for capital improvements in the portfolio, among other costs and considerations. She explained that Ms. Russo's unit is still under market even with the rent increase purposed. Ms. Coy also expressed the need to treat all tenants fairly and equally and was concerned with making exceptions on an individual case basis.

The Committee discussed the amount of rent increases in the past and the effort of the tenant to pay rent on time and to communicate with the landlord to reach a private agreement.

Member Nguyen proposed a \$90 (4.7%) increase based on the fact of the high increases that the tenant had already received. Vice Chair Sullivan-Sariñana expressed concern that this was still too high because the tenant had already received high rent increases in the past. Member Griffiths proposed a 6% increase of \$115 in an effort to compromise between the tenant and property manager with the intention to reach an agreement acceptable by both parties. The Committee deliberated on the amount of rent increase, examining amounts between 4% and 6%.

M/S (Warner/Nguyen) and unanimous voted for the RRAC's official recommendation be that the rent increase be reduced to \$95.45 (5.0%).

Staff stated than an official recommendation letter would be issued to the owner. The owner will have ten days from the date of the letter to provide a written agreement with the RRAC's recommendation. If they do not, then the City Council referral process would be initiated.

g. Case 361 – 1354 Third Street #107

Staff reported that this case had been dismissed by the tenant. The tenant had sent an email to the Housing Authority stating that the issue had been resolved with a negotiated 7.9% increase.

5. ORAL COMMUNICATIONS

- Vice Chair Sullivan-Sariñana requested that RRAC members discuss the RRAC process as an agenda item for the next meeting or that a special meeting be held if the next meeting agenda does not allow time. Members of the Committee unanimously agreed to make time to discuss the RRAC process.

6. WRITTEN COMMUNICATIONS (none)

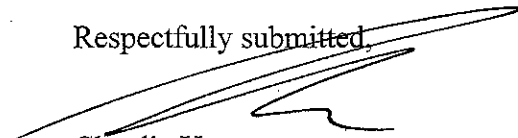
7. PUBLIC COMMENT

- John Klein spoke during public comment to urge the Committee to keep rent increases low. He congratulated the members for giving recommendations that were historically lower than usual.

8. ADJOURNMENT

The meeting was unanimously adjourned at approximately 9:18 p.m.

Respectfully submitted,


Claudia Young
RRAC Secretary

Minutes approved by the RRAC on April 4, 2016.