

**Minutes of the Special Meeting of the
Rent Review Advisory Committee
Wednesday, July 6, 2016**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:34 p.m.

Present were: Acting Chair Sullivan-Sariñana; and Members Griffiths, Friedman, and Schrader.

Absent: Landess

Vacancy: None

RRAC staff: Jennifer Kauffman

The Chair announced that any business not concluded before 9:30 p.m. was subject to being continued at a Special Meeting.

The Committee discussed the order of agenda items. Griffiths made a motion to move ORAL COMMUNICATIONS to the second item on the agenda. Schrader made a second to the motion and all members were in agreement.

The Committee allowed for ORAL COMMUNICATIONS at this time. The Chair invited Angie Watson-Hajjem of ECHO Housing to speak about ECHO's fair housing and tenant/landlord mediation services.

2. CONSENT CALENDAR

- a. Approval of the Minutes of the June 6, 2016 Regular Meeting.

Approved by unanimous consent.

3. UNFINISHED BUSINESS (None)

4. NEW BUSINESS

- a. Case 386 – 2220 San Antonio Avenue.

Tenant/public speaker: Susi Ostlund

Landlord/public speaker: David Petersen

Ms. Ostlund stated that she receives a fixed disability income from the U.S. government and also has a serious illness that requires frequent medical appointments. She stated that the maximum increase that she believed to be reasonable was 1.9% (\$31).

Mr. Petersen stated that the reason he had issued the 60.5% (\$980) rent increase notice in May 2016 was at the advice of his attorney in order to maximize his negotiating position. The tenant's current rent is \$1,620 and Mr. Peterson had determined that the market value of the unit was \$2,600. He stated that he would accept a 15.7% (\$255) increase. A rent increase had been served in October 2015;

however, it was determined to be invalid under the Moratorium then in effect (a 9.5% increase had already been issued in April 2015).

Mr. Petersen provided documentation of maintenance expenses (sewer, paint, roof, gutters, and dry rot) totaling over \$50,000 over the past three years. Ms. Ostlund stated that there was a difference between capital expenses and cost-of-business expenses.

Parties were unable to reach agreement. The Committee discussed a recommendation for the rent increase. Motion and second (Griffiths and Sullivan-Sariñana) for a 5% (\$81) increase. Friedman stated that a lower rent increase would be more reasonable considering the circumstances, however, Mr. Friedman agreed to the 5% rent increase and passed the motion. Schrader was in disagreement with the motion due to the high capital improvement costs.

Staff explained that the parties had 15 days to: 1) submit written acknowledgement of an agreement; or 2) request an arbitration hearing. If no action is taken by either party, the Committee's recommendation would be binding.

b. Case 387 – 2611 Central Avenue

Tenant/public speaker: Allen Nakamura

Landlord/public speaker: Tommy Wong

Mr. Nakamura stated that he did not believe that the 10% (\$140) increase was justified, as he has not seen any improvements to his unit during the three-plus years he has been living there. The Wong provided documentation of a new roof installation in December 2015 that cost \$10,700, and he wanted to recoup the cost of the roof. It was also explained that this would be the first rent increase since the tenant has occupied the unit.

Following discussion, Mr. Nakamura did not want to accept an increase over 5% and Mr. Wong did not want to accept an increase less than 8%. The parties could not reach agreement and the Committee made a recommendation for the rent increase. Motion and second (Friedman and Shrader) for a 6.5% (\$91) increase. Motion passed unanimously. Staff re-stated the options for tenant and landlord and the 15-day deadline.

c. Case 388 – 2609 Central Avenue

Tenant/public speaker: An-Nisaa Hamza

Landlord/public speaker: Tommy Wong

Ms. Hamza stated that the cost of improvements, such as the new roof, should not be the total responsibility of the tenants, as the landlord can write off these expenses on his taxes. Ms. Hamza stated that the maximum increase that she believed to be reasonable was 4% (\$52). Mr. Wong stated that he would reduce the increase from 10% (\$130) to 6.5% (\$84.50) in order to be fair with his other tenant. Following discussion, Ms. Hamza did not want to accept an increase over 4% and Mr. Wong did not want to accept an increase less than 6.5%.

The Committee discussed a recommendation for the rent increase. There have been two rent increases over the six-plus years that Ms. Hamza and her husband have been living in the unit. Member Friedman stated that in view of the rent increase history with this unit, an increase of 5.8% (\$75) would be appropriate. Motion and second (Griffiths and Schrader) and unanimous to recommend an increase of 5.8% (\$75). Staff re-stated the options for tenant and landlord and the 15-day deadline.

d. Case 389 – 2445 Shoreline Drive #126

The case was canceled, as the tenant and the landlord reached an agreement prior to the meeting for an increase in an amount greater than 10%.

e. Case 390 – 2445 Shoreline Drive #104

The case was canceled, as the tenant decided to move.

f. Case 395 – 2445 Shoreline Drive #323

The case was canceled, as the tenant and the landlord reached an agreement prior to the meeting for an increase in an amount between 5.1 and 10%.

g. Case 404 – 1107 Broadway

The case was canceled, as the tenant and the landlord reached an agreement prior to the meeting for an increase in an amount between 5.1 and 10%.

h. Case 405 – 3271 Central Avenue

Tenant/public speaker: Frances Hayden

Landlord/public speaker: Barbara Jolliffe

Ms. Hayden stated that she did not believe the 7.5% (\$98) increase was justified for maintenance reasons. The Chair stated that maintenance issues were beyond the RRAC's scope and that there were other alternatives for pursuing maintenance complaints that could be discussed with staff. The tenant stated that the maximum increase that she believed to be reasonable was 4% (\$64.50).

Ms. Jolliffe cited costs of \$31,000 last year for sewer, sidewalk and roof work plus increased costs for taxes, utilities, insurance, and maintenance labor. She also noted increased administrative costs and time demands as a result of complying with Ordinance No. 3148.

(At approximately 9:30 p.m., the Committee voted to extend the meeting time to 9:45 p.m.)

Following discussion, Ms. Jolliffe offered a phased rent increase, delaying payment of a portion of the rent increase for several months. Ms. Hayden was not agreeable to this offer. The parties did not reach agreement and the Committee discussed a recommendation for the rent increase. Motion and Second (Griffiths and Schrader) and unanimous for a phased \$98 increase (\$52 for the first six months plus an additional \$46 thereafter). Staff re-stated the 15-day policy.

5. PUBLIC COMMENT

No additional public comment.

6. ORAL COMMUNICATIONS

Angie Watson-Hajjem of ECHO Housing made an announcement at the beginning of the meeting.

7. WRITTEN COMMUNICATIONS (none)

8. ADJOURNMENT

The meeting was unanimously adjourned at 9:42 p.m.

Respectfully submitted,



Jennifer Kauffman
RRAC Secretary

Approved by the Rent Review Advisory Committee on August 1, 2016.