

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, February 5, 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 and Friedman

Absent: Member Griffiths

Program staff: Grant Eshoo, Jennifer Kauffman

City Attorney staff: John Le

2. AGENDA CHANGES

- a. Staff informed the Committee 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. Angie Watson-Hajjem spoke about ECHO Housing's fair housing, landlord-tenant, and mediation services.

4. STAFF ANNOUNCEMENTS

- a. Staff welcomed the attendees and participants, and informed them of the process for participating in meeting.

5. CONSENT CALENDAR

5-A. Approval of the Minutes of the January 10, 2018 Regular Meeting Motion and second (Friedman and Cambra). Motion passed 3-0, with Member Murray abstaining.

6. UNFINISHED BUSINESS

- a. No unfinished business.

7. NEW BUSINESS

7-A. CASE 931.2 – 840 Oak St., Apt. A

Tenant: Jessica Lorega

Landlord: Park Young

Proposed rent increase: \$97.50 (5.0%) to a total rent of \$2,047.50, effective January 1, 2018

Prior to the review, Program Staff provided the Committee and public two photographs of the front of the outside of the subject property that the landlord had submitted to the Rent Program several days prior to the hearing.

Mr. Young, referencing the Craigslist ads submitted by the tenants of units renting for less than their rent, stated that the "comparatives" offered by the tenants were not relevant since they signed a lease (in 2016) at the rate of \$1,950.

Ms. Lorega informed the Committee that Program Staff had invalidated two previous rent increase attempts. She said she believed her rent was above market-rate considering the condition of the unit, lack of amenities, lack of maintenance and repairs, and the fact that most utilities were not included. She said that the increased rent would comprise about 36% of their current income.

Mr. Young responded that the apartment was in fine condition and the tenants did not take good care of the property. He told the Committee that the tenants had two pet rabbits when they told him they only had one, and that the unit smelled bad inside.

Referencing the photographs submitted by the landlord, Ms. Lorega replied that most of the items depicted belonged to her downstairs neighbors. She added that both rabbits were disclosed to the landlord when they moved in and were in fact mentioned in the lease, and that she cleaned up after them as needed.

Mr. Young replied that the building was old and that he was not making money from it, adding that repairs were expensive. He said that the tenants did not inform him of any work that needed to be done.

Ms. Lorega replied that they did not often ask for repairs because the landlord does repairs himself and they had concerns about him making repairs to their unit because he was not mindful of their personal property when doing repair work.

Vice Chair Sullivan-Sariñana asked the tenant if her household was single-income. She said that it was until her husband very recently found employment. She confirmed that when he starts bringing in money, the rent will comprise less of their income than the percentage she stated earlier.

Member Murray asked the tenant to describe the interior of the unit. The tenant said that she, her husband, and her daughter were the occupants, and that the interior had broken floor tiles, and multiple different kinds of flooring in various parts of the unit. She said that caulking was excessively used throughout the apartment in place of making needed repairs.

Mr. Young said that he was a general contractor and again stated that the tenants did not ask him for repairs. He said he bought the property in 2013.

Member Friedman asked the tenant how the landlord could help improve her living situation. Ms. Lorega replied that the landlord was very adversarial, adding that he drove past the property twice a day. She said that when the Rent Program informed the

landlord that an offer of a one-year lease was required along with the first rent increase since enactment of the Ordinance, he came to her door at 8:45 p.m. (close to her child's bed time) and tried to force her to sign a lease. She said that she did not want to sign it and does not see herself living there a long time. Member Friedman asked if improvements to the property would encourage her to stay, and she said they would have to be substantial.

Chair Cambra asked the landlord if any costs to run the property had increased and Mr. Young replied that some costs had increased, without specifying which costs.

Member Murray asked the landlord what it cost to pay the mortgage and insurance and Mr. Young replied that it was about \$3,100 per month. Mr. Young expressed that the rent from both units at the property barely covered the costs of running the property.

Chair Cambra asked the parties if they learned anything new that they did not know prior to the meeting. Mr. Young said that he did not know that the tiles needed repair.

Chair Cambra asked the tenant if she would be open to a rent increase if the landlord did repairs. Ms. Lorega responded that the bedroom door would have to be repainted and made to fit properly and the floors would need to be repaired. Mr. Young said he was open to fixing the broken floor tiles.

Chair Cambra clarified that the Committee did not have the authority to require repairs or maintenance in exchange for increased rent and that the parties would have to come to an agreement between themselves for this. Chair Cambra further clarified that any agreement is unenforceable by the City and that an agreement would waive the current right to a hearing. Ms. Lorega said she did not feel comfortable making an agreement with the landlord.

Vice Chair Sullivan-Sariñana asked the landlord how much rent the tenants in the other unit paid, and Mr. Young replied that their rent was \$2,586 per month.

Member Friedman asked if the tenant was concerned about her deposit being returned and Ms. Lorega said she was. Member Friedman suggested she may seek outside assistance, referencing Angie Hajjem-Watson's earlier public comment on ECHO's housing services.

The parties took their seats and the Committee members began deliberations. Member Murray said that she believed the rent to be high compared to comparable units in the area, but not high in relation to the landlord's costs of operation. She echoed that now that the tenants would have two incomes, the rent increase did not appear to cause a financial hardship. She stated she believed the fundamental problem was a bad relationship between the parties. She opined that a 5% increase was reasonable.

Vice Chair Sullivan-Sariñana echoed Member Murray's comments, adding that the best solution may be for the tenants to move to a less expensive unit, as Ms. Lorega expressed little desire to remain in that apartment.

Member Friedman stated that he did not believe the landlord's costs of operation have likely increased 5%, but did not think that a lower increase would keep the tenant in her home considering the reservations she expressed during the meeting.

Chair Cambra reiterated that the main issue was a lack of trust between the parties and a 5% increase would not displace the tenants. He added that a landlord cannot always expect a property to generate cash flow.

Motion and second (Sullivan-Sariñana and Murray) made for a \$97.50 (5%) increase. Passed 3-0, with Member Friedman abstaining.

7-B. CASE 977 – 2027 Encinal Ave., Apt. C

No Committee review. Prior to the RRAC meeting, the tenant and landlord agreed to a rent increase of \$150.00, a 9.1% increase, bringing the rent to a total of \$1,800.00, effective March 1, 2018.

7-C. CASE 958.1 – 2215 Central Ave., Apt. H

No Committee review. Prior to the RRAC meeting, the tenant and landlord agreed to a rent increase of \$91.50, a 5.0% increase, bringing the rent to a total of \$1,929.00, effective February 1, 2018.

Roberta Borglum, the tenant in this case, was present at the meeting and made a public comment at this time. She said that she was thankful for the RRAC and the Ordinance. She informed the Committee that several days prior to the meeting, her landlord came to her home and told her he would not negotiate the amount of the increase at the RRAC meeting and asked her to sign Form RP-05 agreeing to the increased amount. He told her that if she did not like the increase, she could move out. She said she felt intimidated by the landlord and signed the form. She added that she had lived in the home for 20 years, and suggested the City of Alameda consider adopting a stricter form of rent control where tenants did not have to negotiate with their landlords to avoid situations where the tenant could feel intimidated.

7-D. CASE 982 – 958 Park St., Apt. B

No Committee review. Prior to the RRAC meeting, the tenant and landlord agreed to a rent increase of \$72.60, a 5.0% increase, bringing the rent to a total of \$1,524.60, effective February 1, 2018.

7-E. CASE 983 – 958 Park St., Apt. 1

No Committee review. Prior to the RRAC meeting, the tenant and landlord agreed to a rent increase of \$75.63, a 5.0% increase, bringing the rent to a total of \$1,588.13, effective February 1, 2018.

8. PUBLIC COMMENT, NON-AGENDA ITEMS, NO. 2.
 - a. Referencing public comment in Agenda Item 7-C, Eric Strimling commented that the current Ordinance's stipulations encouraging landlords and tenants to negotiate the amount of rent increases leads to damaged relationships between the parties. He opined that the City of Alameda should move toward adopting a strict form of rent control in place of the current system to avoid situations where a tenant could feel intimidated.

9. MATTERS INITIATED

- a. Referencing public comment in Agenda Item 7-C, Member Friedman asked if Program Staff could do anything to help tenants who feel intimidated. City Attorney Staff commented that Committee members could ask Program Staff to agendize items for future discussion, but suggested it may be better to communicate with Staff directly on certain topics rather than agendizing them for discussion in public forums. He added that while matters like intimidation and coercion may not be appropriate topics for Committee discussion, Program Staff might provide resources to tenants facing those issues, such as by adding resources and information to the Rent Program's FAQ.

10. ADJOURNMENT

The meeting adjourned at 8:36 PM.

Respectfully submitted,

RRAC Secretary
Grant Eshoo

Approved by the Rent Review Advisory Committee on March 5, 2018