

**Minutes of a Regular Meeting of the
Rent Review Advisory Committee
Wednesday, November 7, 2018**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:45 p.m.

Present were: Vice Chair Murray; Members Griffiths and Sullivan-Cheah

Absent: None

Program staff: Grant Eshoo, Gregory Kats

City Attorney staff: None

2. AGENDA CHANGES

Motion and second to move Agenda Item 7-H to the beginning of New Business (Vice Chair Murray and Member Griffiths). Motion passed 3-0.

3. STAFF ANNOUNCEMENTS

Program staff requested Committee members provide their availability for future special meetings to hear additional cases. Members indicated their availability for special meetings on November 19, November 27, December 12, and December 17, 2018.

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

Alameda resident Regis Paul Marcelin expressed thanks to program staff for their assistance and services. He mentioned that he had previously made a public comment regarding his positive relationship with his previous landlord and is looking to developing a positive relationship with his new landlord.

5. CONSENT CALENDAR

5-A. Approval of the Minutes of the August 20, 2018 Special Meeting.

Motion and second to approve of the minutes (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

5-B. Approval of the Minutes of the August 29, 2018 Special Meeting.

Vice Chair Murray requested staff add additional comments she made during the meeting to Agenda Item 6 of the minutes. Motion and second to approve of the minutes after amendment is made (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

5-C. Approval of the Minutes of the August 30, 2018 Special Meeting.

Motion and second to approve of the minutes (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

5-D. Approval of the Minutes of the September 5, 2018 Regular Meeting.

Motion and second to approve of the minutes (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

5-E. Approval of the Minutes of the September 17, 2018 Special Meeting.

Motion and second to approve of the minutes (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

5-F. Approval of the Minutes of the September 19, 2018 Special Meeting.

Motion and second to approve of the minutes (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

5-G. Approval of the Minutes of the October 1, 2018 Regular Meeting.

Motion and second to approve of the minutes (Members Sullivan-Cheah and Griffiths). Motion passed 3-0.

6. UNFINISHED BUSINESS

None.

7. NEW BUSINESS

7-H. Review and approve amendments to the Rent Review Committee's Rules and Procedures addressing various issues including, RRAC hearing time limits, participant's attendance or failure to appear under section 6-58.90, annual elections, and other appropriate amendments

Motion and second to adopt amended Rules and Procedures (Members Griffiths and Sullivan-Cheah). Motion passed 3-0.

Program staff called roll of the participants present. The tenants in Agenda Items 7-C and 7-F were not present. The Committee approved moving these agenda items to the end of New Business.

7-A. CASE 1145 – 755 Lincoln Ave., Apt. E

Tenant: Victor Rodriguez, assisted by staff-provided translator

Landlords: Heidi Hausauer, Cassie Hausauer, owners, and Albert Pena, manager

Proposed rent increase: \$100.00 (8.3%), effective November 1, 2018

The landlords stated that they were requesting an increase to keep up with the property's expenses and improvements, including new fences, yard work, and earthquake preparedness improvements. They said that they paid for gas, water, electric, and gardening, and had put new carpets and fridges in some units.

Mr. Rodriguez said he has lived there 18 years and his carpeting was only changed once. He added that his kitchen needed repainting and his unit needed a new front door

because the current one is drafty. He said the gardener came infrequently and the grounds were always dirty. He said that the landlords gave him paint to repaint his unit himself. He added that the windows do not open or close, and the tenants are not allowed to use the outside hose.

Mr. Pena responded that the owner pays the water and did not want the tenants using the hose irresponsibly. He added that Mr. Rodriguez has unauthorized persons living in his unit.

Member Griffiths asked staff to clarify the prior increases. Staff informed the Committee that the base rent was currently \$1,200 because a prior increase from \$1,200 to \$1300 was found to be invalid and the landlords were required to reimburse the tenants amounts collected under that increase, which they did. Staff clarified that the landlords were currently requesting a \$100 increase from \$1,200 to \$1,300.

Committee members asked clarifying questions as to what the landlords were willing to do to address the tenant's stated needs.

The parties came to an agreement for a \$100 increase effective December 1, 2018 and the landlords made a commitment to address a number of the concerns the tenant raised.

7-B. CASE 1147 – 755 Lincoln Ave., Apt. B

Tenant: Florencio Reyna & Catherine Reyna, assisted by staff-provided translator
Landlords: Heidi Hausauer, Cassie Hausauer, owners, and Albert Pena, manager
Proposed rent increase: \$100.00 (8.3%), effective November 1, 2018

Mr. Pena said the tenants were wonderful tenants, and he and his daughter Catherine were the sole occupants.

The tenants expressed concern that they are not able to use the hose, should they need it in an emergency, such as a fire. They said some of the windows on the property are broken, their front door is drafty, and they have a hole in their bathroom wall. They said that they have always had to paint their own unit and their carpet had never been replaced in their 14 years of tenancy. They said they've informed the landlord about the needed repairs, but the landlord had not addressed them.

The parties came to an agreement for a \$100 increase effective December 1, 2018, and the landlords made a commitment to address a number of the concerns the tenants raised.

7-D. CASE 1143 – 755 Lincoln Ave., Apt. F

Tenant: Kimberly Perez
Landlords: Heidi Hausauer, Cassie Hausauer, owners, and Albert Pena, manager
Proposed rent increase: \$100.00 (8.3%), effective November 1, 2018

Mr. Pena said the tenant has lived in the unit for seven years. He said that he wanted to clean the tenant's carpets but the tenant's dog would relieve itself on the carpet making that difficult, so the tenant replaced the carpet with flooring, and the owner offered to pay for the flooring materials, but not the labor. Mr. Pena said he would like Ms. Perez to keep the apartment cleaner. He added that her oven is out of order, and he's planning to get it fixed.

Ms. Perez stated that her front door is drafty, her bathtub faucet leaks water and won't shut off completely. She said she is currently recovering from an operation and it takes her longer to clean right now, but she does clean. She said only two burners on her stove are working and mentioned a dispute over a parking space. She said she was amenable to the \$100 increase from \$1,200 to \$1,300 as long as her repair concerns are addressed.

The parties came to an agreement for a \$100 increase effective December 1, 2018 and the landlords made a commitment to address a number of the concerns the tenant raised.

7-E. CASE 1144 – 755 Lincoln Ave., Apt. G

Tenant: Samuel Johnson

Landlords: Heidi Hausauer, Cassie Hausauer, owners, and Albert Pena, manager

Proposed rent increase: \$100.00 (8.3%), effective November 1, 2018

Mr. Pena said Mr. Johnson moved in about nine years ago, and lives by himself, although his family moved in at one point but are not currently there. He said Mr. Johnson requested laminated wood floors instead of carpet, which the owners have agreed to provide. He said there's an ongoing issue with parking with all of the residents.

Mr. Johnson said he didn't mind an increase to \$1,300 if the landlords would address some of his concerns. He said there are stray dogs that defecate on the property, and his neighbors cause vandalism and nuisance problems. He said he has had to call the police on his neighbors and fears he may have to use physical force to defend himself from them. He said he would like more security at the property and would like the tenants below him to not make so much noise. He added that he would like to be able to use the outside hose again, and he has had things stolen from his car, which is parked in the carport. He said that this evening was the first time he had heard that the landlords were willing to replace his carpet with flooring, and he was even willing to pay part of the cost to install it. He said that his neighbor's friend's car is parked on the property but the manager won't get it towed. He said he would like more lighting on the property because it's very dark.

The parties came to an agreement for a \$100 increase effective December 1, 2018 and the landlords made a commitment to address a number of the concerns the tenant raised.

Motion and second to hear one additional case after 9:00 p.m. (Members Griffiths and Sullivan-Cheah). Motion passed 3-0.

7-G. CASE 1152 – 467 Santa Clara Ave.

Tenants: Michele Santorio and Heidi Ohrtman

Landlords: Greta Jenkins and Gary Jenkins

Proposed rent increase: \$1,400.00 (93.3%), effective November 23, 2018

Ms. Jenkins said the property is owned by a trust that is set up to provide income to Mr. Jenkins' mother, Sarah Moll, and as a trustee of the trust, she has a fiduciary duty to obtain as much money from the trust assets as possible. She said the current income is insufficient to provide Ms. Moll the income she needs, which is why they are asking for a rent increase.

Mr. Santoro said that the tenants have had to take care of everything on the property. He said that the house leaks water and the heater is ineffective because the house is so drafty. He and Ms. Ohrtman said they believe the current rent of \$1,500 is a fair market rate considering the poor condition of the property. They said they would not be able to afford to stay in the home if the rent were raised to the \$2,900 as the landlords are requesting. Mr. Santorio said he has run a deli in the community for nine years and if the rent were greatly increased, he would have to move out of Alameda and close his business.

Mr. Jenkins said that the work the tenants put into the property was part of the agreement they had when they moved in, in exchange for rent credits. He said that he has informed the tenants at various times that he would have to raise the rent to market rate at some point as it was his mother's only source of income.

Chair Murray asked what the tenants thought was a reasonable amount of an increase and the tenants said they thought that a 5% increase was reasonable because of the condition of the house.

Motion and second to extend the time of the agenda item an extra 15 minutes (Member Griffiths and Vice Chair Murray). Motion passed 3-0.

Member Sullivan-Cheah clarified that the subject unit, a single family residence, was exempt from a binding decision under state law. He discussed how this impacted the Committee's decision-making authority – that the Committee can only make a nonbinding decision regarding the increase amount. He also explained the appeals process that was available to either party if they were not satisfied with the Committee's decision.

Vice Chair Murray impressed upon the parties the value of coming to a mutual agreement.

The landlords said they could lower their requested rent from \$2,900 to \$2,700. Mr. Santorio said he was willing to pay a 10% increase but they would not be able to afford \$2,700, saying they could pay \$1,800 at most. The landlords stated that that was insufficient.

Motion and second to extend the time of the agenda item an additional 10 minutes (Member Griffiths and Vice Chair Murray). Motion passed 3-0.

Member Griffiths asked the landlords if they would consider a smaller increase this year, and stretch out the requested increase over multiple years, or alternately, give the tenants a stepped increase with a lower amount for the first part of the year, followed by a larger amount later in the year.

Mr. Santorio said that he was not amenable to large incremental increases and would fight any increase.

Member Sullivan-Cheah stated that the home is exempt from a binding decision and the owners have made clear they're going to raise the rent beyond what the tenants can afford. Therefore, the Committee was trying to buy Mr. Santorio and his family time to make arrangements for other housing options.

Motion and second to extend the time of the agenda item an additional 10 minutes (Vice Chair Murray and Member Sullivan-Cheah). Motion passed 3-0.

Motion and second for an increase to \$1,800 for the first nine months of the next year, followed by an increase to \$2,700 for the remaining three months of the year, effective 11/23/18 (Member Griffiths and Vice Chair Murray). Motion passed 3-0.

7-C. CASE 1148 – 755 Lincoln Ave., Apt. A

No Committee review. The tenant was not present at the hearing. The rent increase will go into effect as noticed.

7-F. CASE 1146 – 755 Lincoln Ave., Apt. C

No Committee review. The tenant was not present at the hearing. The rent increase will go into effect as noticed.

8. PUBLIC COMMENT, NON-AGENDA ITEMS, NO. 2.
None.

9. MATTERS INITIATED
None.

10. ADJOURNMENT

- a. The meeting adjourned at 10:05 p.m.

Respectfully Submitted,

RRAC Secretary
Grant Eshoo

Approved by the Rent Review Advisory Committee on February 4, 2019