

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, March 20, 2017**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:32 p.m.

Present were: Vice-Chair Landess; Member Griffiths and Friedman

Absent: Chair Sullivan-Sariñana

Vacancy: Housing provider member

RRAC Staff: Jennifer Kauffman

City Attorney Staff: John Le

2. AGENDA CHANGES

- a. Staff noted that the tenant and landlord at 111 Crolls Garden Ct. (7-D) reached an agreement regarding the rent increase.

3. STAFF ANNOUNCEMENTS

- a. Staff explained the schedule for the evening, noting where to find the meeting agenda and procedures for public comment.

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

- a. No public comment.

5. CONSENT CALENDAR

- a. None.

6. UNFINISHED BUSINESS

- a. No unfinished business.

7. NEW BUSINESS

7-A. CASE 758 – 114 Keil Bay

Tenant: Ifthar Awawda

Landlord: Elena Chan, Nelson Cheung

Proposed Rent Increase: \$200.00 (6.9%) effective March 1, 2017

This case was postponed two weeks from the March 6, 2017 RRAC meeting. The tenant was also approved for a reasonable accommodation and attended the RRAC meeting via phone.

The tenant, Ms. Awawda, stated she did not consider any rent increase reasonable because the rent was raised significantly the previous two years. However, she recognized the landlord has expenses and she proposed a rent increase of \$90.00 (3.1%) for a two-year lease. The tenant noted that she pays for all utilities in the unit and has completed repairs and maintenance to the property. The tenant acknowledged that she owes the landlord over \$1,800 and that she plans to reimburse the landlord in the next few months. The tenant stated that the proposed rent increase would be a financial burden because her family has limited income as result of a disability and underemployment. Ms. Awawda explained that she would like to move, but cannot afford to. The tenant also noted she has trouble paying rent by the 5th as she does not receive certain income by that time. In addition, it has been difficult to by the rent by cashiers' check.

The landlord, Ms. Chan, proposed a reduced rent increase of \$145.00 (5.0%). She explained that she has worked with the tenant for the last few years, accepting late rent and noted the tenant owes the landlord around \$1,800. The landlord stated the rent increase is in effort to have a reasonable rate of return and that the unit's rent is below the market rate. Ms. Chan considered market rate for a comparable unit to be about \$3,600. She also noted that the unit is in good condition and that she is responsive to maintenance requests. She stated that the increase will help to cover rising expenses related to taxes, insurance, interest rates, and homeowner association fees. She noted that she would keep the rent due on the 8th rather than the 5th to allow more time for the tenant to pay the rent. In addition, the landlord would create a way for the tenant to pay rent by direct deposit.

The parties were unable to reach an agreement.

- Member Friedman stated that the situation is difficult. He acknowledged that he heard the tenant wished to move out and proposed that the landlord raise the rent less for six months to allow the tenant time to search for housing, with the ability to raise the rent at the end of the six months if the tenant did not vacate. The landlord did not feel comfortable with this option.
- Member Griffiths noted that the tenant was in a difficult situation and that the landlord had put a great deal of effort to accommodate the tenant. He explained that he supports a 5.0% increase to encourage negotiation between parties. He recommended that this reduced rent increase become effective on March 1, 2017.
- Vice Chair Landess acknowledged the efforts of parties to work with each other. She noted that the landlord appears to recognize the tenant's hardship and seems to be accommodating by allowing near \$1,800 to remain as owed rent. She supported a 5.0% increase effective March 1, 2017.

The Committee made the following non-binding decision:

- \$145.00 (5.0%) rent increase from \$2,900.00 to \$3,045.00, effective March 1, 2017. The Committee also recommended that rent be due on the 8th of each month and that the tenant have the option to pay by direct deposit.

Motion and second (Griffiths and Friedman). Unanimous approval.

7-B. Case 692.1 – 101 Crolls Garden Ct.

Tenant: Steve Devaney

Landlord: Kumari Judge and Steve Hofer (property manager)

Proposed Rent Increase: \$82.00 (4.9%), effective March 7, 2017

Ms. Judge expressed concern that the tenant had damaged property while searching for termites. She explained that other tenants pay \$2,600 for comparable units and the rent for this unit has not been raised for over a year. She stated that she considers an increase of 5% is reasonable and noted that she relies on the property's income for her retirement.

Mr. Hofer explained that he has only begun working for the property in the last year and a half. He is currently working on taking care of the maintenance issues raised by the tenant. He stated that all health and safety issues have been addressed. He explained that the property's security gate was updated recently. He agreed to inspect the unit and address maintenance concerns raised by the tenant.

The tenant, Mr. Devaney, explained that he did not damage property to investigate termite and dry rot issues. He explained that there are several outstanding maintenance and safety concerns on the property. He stated that the landlord had committed to address these maintenance issues at a 2015 Committee meeting and many of the issues remain unresolved. He expressed concern for other tenants on the property who are also receiving rent increases without improvement to the property. Mr. Devaney also stated that this increase is a financial burden for his family.

- Vice-Chair Landess clarified that the Committee cannot inspect a unit to address maintenance issues. If there the tenant would like to request an inspection, a request must be sent to Code Enforcement, Building Department.
- Member Friedman suggested that Mr. Hofer and Mr. Devaney make a schedule to address maintenance issues.

Mr. Hofer stated that it would take six to eight months to address all concerns raised by the tenant. However, the issues related to dry rot could be addressed in about two weekends. The tenant stated that if the maintenance issues are addressed on the agreed schedule, he would accept the rent increase. Both parties agreed they would work out a schedule for the repairs.

The Committee made the following non-binding recommendation to recognize the tenant/landlord's oral agreement:

- \$81.50 (4.8%) rent increase from \$1,688.50 to \$1,770.00, effective April 1, 2017 (three-week delay). The Committee also encouraged both parties to communicate and address the maintenance concerns.

Motion and second (Griffiths and Landess). Unanimous approval.

7-C. CASE 696.1 – 107 Crolls Garden Ct.

Tenant: Michael Pacheco

Landlord: Kumari Judge and Steve Hofer (property manager)

Proposed Rent Increase: \$82.00 (4.9%), effective March 7, 2017

Ms. Judge explained that other tenants are paying \$2,500 for comparable units and she believes a 5% is reasonable. She stated that she relies on the property's income for retirement. Mr. Hofer noted that he is committed to the upkeep of the property.

Mr. Pacheco explained that the current state of the property causes him concern for his health and safety as well as health and safety of the tenants. Mr. Pacheco also acknowledged he is aware he can make a complaint to Code Enforcement, but hoped he could resolve the matter without having to go that route. He noted that he has paid for many repairs in the unit. He stated that he has worked with Mr. Hofer to establish a maintenance request system and to diffuse tensions between other tenants and management. Mr. Pacheco noted that there is a price and quality difference between his unit and a unit for a new tenant. He also stated that this increase is a financial burden for his family since he is recently unemployed and much of his time is spent caring for a relative.

Ms. Judge stated that if the tenant has receipts for his repairs in the unit, she would reimburse him the expenses. Mr. Hofer noted that he intends to work with the tenant to address the maintenance concerns. The landlord also agreed to delay the rent increase until April 1, 2017.

The tenant confirmed that he would be accept the increase if maintenance issues are addressed.

The Committee made the following non-binding recommendation to recognize the tenant/landlord's oral agreement:

- \$81.50 (4.8%) rent increase from \$1,688.50 to \$1,770.00, effective April 1, 2017. The Committee also recommended that the landlord address the maintenance concerns raised by the tenant.

Motion and second (Griffiths and Friedman). Unanimous approval.

7-D. Case 697.1 – 111 Crolls Garden Ct.

No Committee review. Prior to the RRAC meeting, the tenant and landlord agreed to a rent increase between 0-5%.

8. PUBLIC COMMENT, NON-AGENDA, NO. 2.

- a. No public comment.

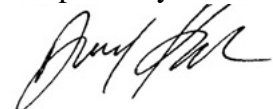
9. MATTERS INITIATED

- a. Member Friedman noted that he will be absent at the April 4th Committee meeting.
- b. Staff stated that Jeff Cambra was nominated on March 7th by the Mayor to fill the vacant Housing Provider position on the Committee. City Council will decide whether to confirm Mr. Cambra at City Council's March 21st meeting.

10. ADJOURNMENT

- a. The meeting was unanimously adjourned at 8:37 p.m.

Respectfully submitted,



RRAC Secretary

Jennifer Kauffman

Approved by the Rent Review Advisory Committee on June 5, 2017.