

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Wednesday, January 11, 2017**

1. CALL TO ORDER AND ROLL CALL

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

Present were: Chair Sullivan-Sariñana; Member Vice-Chair Landess; and Members Griffiths, Friedman, and Schrader.

Absent: None

Vacancy: None

RRAC Staff: Claudia Young

2. AGENDA CHANGES

- a. None.

3. STAFF ANNOUNCEMENTS

- a. Staff announced that there will be a special meeting of the Rent Review Advisory Committee on January 12, 2017 at 6:30pm. Staff clarified that the Committee will not review cases at this meeting. Rather, the special meeting will be held to discuss Ordinance no. 3148 as it relates to the Rent Review Advisory Committee.
- b. Staff explained the schedule for the evening, noting where to find the meeting agenda and explaining procedures for public comment.

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

- a. No public comment.

5. CONSENT CALENDAR

- a. Approval of the Minutes of the December 5, 2016 Regular Meeting.
Motion and second (Schrader and Landess). Approved by unanimous consent.

6. UNFINISHED BUSINESS

- a. No unfinished business.

7. NEW BUSINESS

7-A. Case 582 – 2007 Lincoln Ave., Unit C

Proposed rent increase: \$55.00 (5.0%), effective December 1, 2016

No Committee review. Case postponed one month to the February 6, 2017 RRAC meeting.

7-B. Case 624 – 344 Westline Dr., Unit C205

Proposed rent increases:

12-month lease - \$124.00 (4.9%); No review

Month-to-month agreement - \$676.00 (26.7%); *Under review*

Effective date delayed until Committee Review

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

7-C. Case 629 – 915 Shorepoint Ct., Unit E319

Proposed rent increases:

12-month lease - \$43.00 (2.0%); No review

Month-to-month agreement - \$350.00 (16.2%); *Under review*

Effective date delayed until Committee Review.

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

7-D. Case 640.1 – 1537 Schiller St., Unit D

Proposed rent increase: \$110.00 (10.0%), effective February 1, 2017.

No Committee review. Prior to the RRAC meeting, the tenant and landlord agreed to a rent increase between 5.1-10%.

7-E. Case 651 – 1721 St. Charles St.

Tenant/public speakers: Monica Vehryzka

Landlord/public speakers: Harold Nelson

Proposed rent increase: \$150.00 (12%) effective March 1, 2017

Staff noted that the landlord filed a request to raise the rent in 2016. The rent increase was found invalid as it did not comply with regulations. The landlord rescinded the rent increase. The current Ordinance provides that after a rent increase is found invalid, a landlord may proceed with a rent increase request if a new notice, in compliance with regulations, is served on the tenant.

The tenant, Ms. Vehryzka, stated the reasonable maximum monthly rent increase would be \$62.50 (5.0%). The tenant explained that she has limited income that is not increasing as fast as her rent. She also stated that the landlord did not provide her with documents required by Ordinance no.3148. She explained that she has been a good, long-term tenant and considers Alameda her home.

The landlord, Mr. Nelson, stated that there have only been two rent increases in the past six years and the current rent does not cover maintenance and mortgage costs. The landlord explained that he considers the market rent for comparable units to be \$1,700.00 to \$1,800.00. Mr. Nelson expressed concern about his income as he nears retirement. He explained that the unit was repainted, and received upgraded the flooring as well as new appliances when the tenant moved in.

He explained that the procedures for rent increases were difficult to follow. He stated that the Bay Area is an expensive place to live and that he should not be responsible for the tenant's income. Member Friedman noted that the Committee is concerned about affordability. The landlord stated he did not want to raise the rent by less than 10.0%.

Staff clarified that there is currently no hard cap on rent increases in the City of Alameda.

The Committee unanimously passed a motion to extend time on the case by 10 minutes. Motion and Second (Griffiths and Landess).

Public Comment:

Erick Strimling: Mr. Stimling noted that a rent of \$1,150 in 2014 gave the landlord an adequate rate of return. He questioned the landlord's consideration that an additional \$3,000.00 of rent per year was a reasonable rate of return.

The parties were unable to reach an agreement. The Committee discussed a binding recommendation for the rent increase.

- Member Griffiths recommended an increase of \$62.50 immediately followed by an increase of \$62.50 in six months. He explained that he generally prefers stepped increases since they give the tenant time to adjust to an increase and place only a temporary burden on the landlord. He also noted that the Committee should make a recommendation that has the best chance of being accepted by both parties.
- Member Friedman noted that both sides have valid perspectives. He emphasized the tenant's financial constraints and the landlord's cost constraints after years of not raising rent. He favored a 5.0% increase now, followed by a 5.0% increase in six months. He noted that this has the best chance of being accepted.
- Vice-Chair Landess emphasized that she thought the tenant raised important concerns. She noted that the landlord did not take the opportunity to show more empathy for the tenant's situation. In addition, she noted that the landlord lacked transparency in his documented costs. She stated that a 5.0% increase is fair.
- Member Schrader stated that a 10.0% increase would be reasonable since it averages out to an increase of less than 3.0% per year since the last rent increase. However, he stated he would support a 5.0% increase now, followed by a 5.0% increase in six months.
- Chair Sullivan-Sariñana noted that both parties have reasonable positions. He emphasized that the intent of the Ordinance is to keep Alamedans in their homes. He explained that stepped increases can cause confusion. Thus, he favored an 8.5% increase.

The Committee unanimously recommended a rent increase of \$62.50 to a monthly rent of \$1,312.50, effective March 1, 2017 followed by a \$62.50 increase to a monthly rent of \$1,375.00, effective September 1, 2017. Motion and second (Griffiths and Friedman).

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

- a. No public comment.

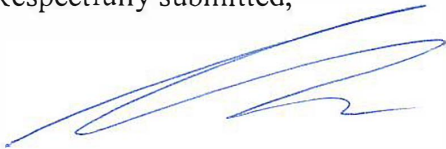
9. MATTERS INITIATED

- a. Member Friedman noted that he will submit a discussion outline to Staff for the Committee's January 12th Special Meeting.

10. ADJOURNMENT

The meeting was unanimously adjourned at 8:12 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'C. Young', written over a horizontal line.

RRAC Secretary

Claudia Young

Approved by the Rent Review Advisory Committee on February 6, 2017.