

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, October 3, 2016**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:36 p.m.

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

Absent: Member Friedman

Vacancy: None

RRAC Staff: Jennifer Kaufman

2. AGENDA CHANGES

- a. Staff recommended that items 7-E (Case 528), 7-B (Case 463), 7-C (Case 524), 7-D (Case 525), and 7-F (Case 529) be addressed next because tenants for the listed cases were not present.

3. STAFF ANNOUNCEMENTS

- a. The Program Administrator and ECHO Housing are co-hosting Fair Housing trainings in the coming months. Registration for trainings can be found on the Rent Program's website www.alamedarentprogram.org.
- b. Staff has developed an information brochure for tenants and landlords regarding new regulations and protections under Rent Stabilization Ordinance no. 3148. Landlords must provide the brochure to tenants by October 15th.

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

- a. Angie Watson-Hajjem of ECHO Housing spoke about ECHO's Fair Housing and tenant/landlord mediation services.
- b. No additional public comment.

5. CONSENT CALENDAR

- a. Approval of the Minutes of the September 7, 2016 Regular Meeting.
Approved by unanimous consent. Motion and second (Griffiths and Schrader).

6. UNFINISHED BUSINESS (None)

7. NEW BUSINESS

7-B. Case 463 – 909 Shorepoint Ct #D322

No review. Prior to the RRAC meeting, the tenant submitted paperwork to vacate the unit.

7-C. Case 524 – 909 Shorepoint Ct #D323

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

7-D. Case 525 – 909 Shorepoint Ct #D325

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

7-E. Case 528 – 941 Shorepoint Ct. #F225

No review. Prior to the RRAC meeting, the landlord and some, but not all, of the tenants agreed to a rent increase between 0-5%. The landlord attended the meeting, however, the tenant who had not yet signed an agreement was not in attendance. Hence, the Committee took no action and both options on the rent increase notice are valid.

7-F. Case 529 – 941 Shorepoint Ct #F313

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

7-A. Case 499 – 1429 Bay Street #A

Tenant/public speaker: Ryan B. Fanene

Landlord/public speaker: Daniel Barber

Proposed rent increase: \$307 (15%), effective date delayed until RRAC review

Mr. Fanene explained that the rent increase review was postponed one month due to personal health circumstances. He stated that he pays separate additional bills for utilities and this rent increase would be a financial hardship because his income increases around 2 – 3% annually. Therefore, at most he would be able to pay an increase between 5 – 6%.

Mr. Barber clarified that he pays for exterior lights, gas, and water for all the units and the tenant pays for the unit's electricity and gas. He stated that he is nervous about not being able to increase the rent under future City regulations. Moreover, he is near retirement and will be relying more directly on the income. Additionally, he is anticipating costly repairs because the building is aging. He also noted that the current rent is below market value.

Member Schrader noted the unit has 3-bedrooms and two occupants. Schrader asked about the possibility of adding another tenant to the unit to share rent costs. Mr. Barber responded that he would want to raise rent if there are more tenants. A representative from ECHO Housing explained there are fair housing guidelines around occupancy standards. Mr. Fanene explained that he is open to finding another tenant to share costs. Regardless if

there is an additional roommate, Mr. Fanene stated he believes an increase of 5% is reasonable for the unit.

Member Griffiths acknowledged the frequency of previous rent increases, noting there was an 8% rent increase in October 2015. Mr. Barber explained there have been improvements on the property and future repairs are still needed. Mr. Barber also expressed concern that future local regulations may make it difficult for him to raise rent. Moreover, he does not intend to raise the rent by a large amount next year.

After some discussion, the parties reached an agreement of \$150 (7.3%) rent increase, effective November 1st, 2016. The Committee confirmed that Mr. Barber and Mr. Fanene were agreeable to the arrangement. The Committee unanimously passed a recommendation upholding the parties' agreement. Motion and second (Sullivan-Sariñana and Griffiths).

7-G. Case 535 – 867 Oak St

Tenant/public speaker: Kelli Martin

Landlord/public speaker: Carl Babcock

Proposed rent increase: \$400 (33.3%) effective on November 1st, 2016

Ms. Martin stated the proposed rent increase felt excessive. In addition to the large amount proposed this year, the tenant explained that she received two rent increases last year in 2015. She noted that for 7 years she has lived in the unit, paying rent on time or early each month and believes she is a good tenant. Ms. Martin also explained that her fiancé now lives in the unit, though his income is irregular. She shared that her goal is to eventually move-out and live in a larger space. In addition, Ms. Martin stated she did not believe many of the units the landlord researched to estimate market-rent are comparable to hers.

Mr. Babcock stated that he is retired and the unit accounts for a large portion of his income. He explained that he feels he should have a fair return on the unit and the market rate for a comparable unit averages about \$400 above the current rent. In addition, Mr. Babcock noted that in previous years he did not raise the rent because the tenant informed him that she planned to move-out soon.

Member Schrader acknowledged that an increase of 33% is significant. He also noted that the landlord did not raise the rent for around five years, prior to 2015. Vice-chair Landess asked Mr. Babcock and Ms. Martin about options for the tenant to pay utilities and lowering the amount of the rent increase.

There was discussion around costs associated with a new tenant and clarification on the difference between market rent for new tenants and current tenants. Mr. Babcock proposed

that he would continue paying utilities and offered a rent increase of \$200. Ms. Martin agreed with the arrangement.

The Committee unanimously passed a recommendation upholding the parties' agreement of a rent increase of \$200 (16.7%) effective November 1st. Motion and second (Griffiths, Schrader).

7-H. Case 536 – 725 Santa Clara

Tenant/public speaker: Michael Jak

Landlord/public speaker: Alice Descovich

Proposed rent increase: \$236.50 (10.0%), effective on October 7, 2016

Mr. Jak stated the proposed rent increase would be a financial burden for his family. He explained that the previous year the rent was raised 10%. Consequently, a 10% rent increase again in 2016 would be unsustainable. In addition, the tenant stated his family's income may decrease while living expenses continue to rise. He feels 0% rent increase is appropriate after the 10% increase last year, though he already made an offer to the landlord of 5%, which the landlord refused.

Ms. Descovich explained that she is retired and relies on rent from this unit for her income. She explained she is responsive to maintenance issues and believes the downtown location adds value to the unit. She also explained she spent significant amount of money to repair the unit before the current tenants moved-in.

Mr. Jak responded to Ms. Descovich that the previous tenants' damages and costs to repair the unit before he moved-in are not his responsibility. Moreover, he did not believe repairs to the unit were major capital improvements. Mr. Jak stated that the most he could afford would be a 5% increase.

Parties discussed various rent increase options between 5% and 8.8%. Ms. Descovich and Mr. Jak reached an agreement of a rent increase of \$175 (7.4%) on a month to month basis effective November 7th. The Committee unanimously passed a recommendation upholding the parties' agreement. Motion and second (Sullivan-Sariñana, Landess).

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

No additional public comment.

9. MATTERS INITIATED

- a. Staff clarified the purpose of this item.
- b. Member Schrader commended the efforts of staff.

10. ADJOURNMENT

The meeting was unanimously adjourned at 8:26 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jennifer Kauffman", written in a cursive style.

RRAC Secretary

Jennifer Kauffman

Approved by the Rent Review Advisory Committee on November 9, 2016.