

**Minutes of a Regular Meeting of the
Rent Review Advisory Committee
Monday, August 5, 2019**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:40 p.m.

Present: Chair Sullivan-Cheah; Members Chiu and Sidelnikov

Absent: Member Murray

Program staff: Grant Eshoo and Bill Chapin

City Attorney staff: Michael Roush

2. AGENDA CHANGES

Staff informed the Committee that Agenda Items 7-A, 7-B, and 7-D had resolved prior to the meeting.

3. STAFF ANNOUNCEMENTS

None.

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

None.

5. CONSENT CALENDAR

5-A. Approval of the minutes of the July 1, 2019 regular meeting

Motion and second to approve the minutes (Chair Sullivan-Cheah and Vice Chair Chiu).
Motion passed 3-0.

6. UNFINISHED BUSINESS

None.

7. NEW BUSINESS

7-C. Case 1320 - 1821 Encinal Ave., Unit C

Tenant: Sabrina Wiley

Landlord: Jose Cerda-Zein (Property Manager)

Proposed rent increase: \$47.74 (3.0%), to a total rent of \$1,639.09, effective August 1, 2019

Ms. Wiley said the unit was listed for \$1,500 when she moved in 3 years ago. She has received annual increases since then. Throughout she has been paying a bit more than the monthly rent and building up credit with the landlord. She lives by herself and earns about \$1,500 every other week after taxes. She said the apartment is like a studio and she feels the latest increase makes the rent more than the space is worth. She is concerned about future increases and said that if rent approaches \$1,700 it will become an issue for her.

Mr. Cerda-Zein said the unit is a rear cottage and considers it a "studio plus." All the rent increases have been 3.0 percent, and he said he anticipates that there will be a 2.8 percent in one year in compliance with the new Annual General Adjustment (AGA).

Member Sidelnikov asked how much Ms. Wiley has been paying in excess of her rent. She responded \$1,595.00, which is \$3.65 more than what was owed.

Vice Chair Chiu asked for clarification on the AGA. City Attorney Office staff explained the new ordinance.

Chair Sullivan-Cheah clarified that, under current legislation, the City Council created different requirements for landlords seeking increases above 5 percent, including mandatory review by the committee.

Chair Sullivan-Cheah asked Ms. Wiley to clarify her income and whether there have been any modifications or improvements to the unit. Ms. Wiley and Mr. Cerda-Zein verified that there has been only standard maintenance.

Mr. Cerda-Zein said that he was not authorized to accept an increase of less than 3 percent.

As the parties were unable to reach an agreement, they took their seats, and the Committee began deliberations.

Member Sidelnikov and Chair Sullivan-Cheah stated that, while the rent represents a more than half of Ms. Wiley's after-tax income, the requested increase seems reasonable, especially given impending AGA cap. Chair Sullivan-Cheah said tenants are not obligated to accept a rent increase just because it is less than the change in the Consumer Price Index, but he did not think it would not be useful for the committee to advise an increase less than 3 percent.

Motion and second for an increase of \$47.74 (3 percent), to a total rent of \$1,639.09, effective August 1, 2019 (Chair Sullivan-Cheah and Member Sidelnikov). Motion passed 3-0.

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

9. MATTERS INITIATED

Chair Sullivan-Cheah asked staff to clarify what is happening to the Committee once Ordinance no. 3246 goes into effect, and the status of Committee members' re-appointments. City Attorney Staff explained that the Committee will continue to make non-binding decisions on rent increases for single-family homes, condominiums, and multi-family properties built after 1995 unless the City Council enacts legislation that takes away that authority, and unless Committee members resign, they will continue to serve even if their term expires. Chair Sullivan-Cheah noted it has been difficult to keep his schedule free in case City Council decides to review his application for a new term.

10. ADJOURNMENT

The meeting adjourned at 7:07 p.m.

Respectfully Submitted,

RRAC Secretary
Bill Chapin

Approved by the Rent Review Advisory Committee on August 14, 2019