



City of San Leandro

Civic Center
835 East 14th Street
San Leandro, California

Minutes Rent Review Board

Robert Schwartz, Non-Resident Landlord, Chair
Mia Ousley, Homeowner, Vice-Chair
Lizzie Brown, Tenant
Karyl Lee-Figueroa, Tenant
Vacant, Resident Landlord

Tuesday, February 24, 2015

7:00 PM

Sister Cities Gallery - City Hall

1. ROLL CALL

Meeting called to order at 7:00 p.m.

Present 4 - Schwartz, Ousley, Lee-Figueroa, and Brown. Absent 0. Resident Landlord seat is vacant.

2. PUBLIC COMMENTS

None.

3. MINUTES

3.A. Minutes of meeting of January 27, 2015

Motion to approve Minutes of January 27, 2015 Rent Review Board Meeting. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Minutes approved with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

4. CORRESPONDENCE

None.

5. HEARINGS

5.A. Continuance of Rent Review Case 2014-22 for 14365 Bancroft Avenue #33

Mr. Jose Gonzalez, the tenant at 14365 Bancroft Avenue #33, stated that he has no new statements from the January 27, 2015 Rent Review Board Hearing.

Mr. Matt Guelfi, the owner of Parklane Apartments, stated that he made an offer that Mr. Gonzalez refused. He eventually clarified that the offer is a \$50 rent increase, instead of \$150 rent increase, for the first 4 months (a total of \$400 savings) with the \$150 rent increase taking effect in the 5th month.

There were 2 public comments. Malcolm Jones asked how management took care of the mold. Mr. Guelfi answered that the mold was remediated. John Sullivan stated that he could mediate if both parties agreed.

Motion to close public comments. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion passed with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

Board members began discussion.

Mr. Guelfi stated that he recently rented 2 similar units to Mr. Gonzalez's unit for \$1,295 and Mr. Gonzalez's new increased rent is only \$1,075. Board Chair Schwartz stated that Mr. Guelfi is being a good landlord by considering that Mr. Gonzalez is a good tenant and increasing his rent below market.

Mr. Gonzalez stated that his unit has mold and is not insulated. Board Chair Schwartz stated that habitability issues are not appropriate for the hearing.

Board Member Lee-Figueroa asked why raise the rent for a small unit with issues.

Board Vice Chair Ousley stated that a 25% increase in 9 years isn't fair. She asked Mr. Guelfi whether he can accommodate 1 out of the 60 units. Mr. Guelfi responded that they have considered and factored in all of this already.

Board Member Brown recommended to send the case to City Council to bring awareness to Council.

Board Vice Chair Ousley asked Deputy City Attorney Kris Kokotaylo what happens if the case is in fact forwarded to City Council. Deputy City Attorney Kokotaylo responded that it is unclear what happens as the Rent Review Ordinance is unclear. City Council has no more authority than the Rent Review Board.

Board Member Lee-Figueroa asked Mr. Gonzalez whether he understands that he has to pay the rent increase. Mr. Gonzalez responded yes.

Motion to forward the case to City Council. A motion was made by Board Member Lee-Figueroa, seconded by Board Member Brown. Motion passed with 3 ayes (Ousley, Lee-Figueroa, and Brown), 0 nay, 1 abstain (Schwartz).

City considers Mr. Gonzalez's case closed without resolution.

5.B. Rent Review Board Cases for 235 Haas Avenue:

- 2014-23 - 237 Haas Avenue #324
- 2014-24 - 237 Haas Avenue #425
- 2014-25 - 235 Haas Avenue #405
- 2014-26 - 235 Haas Avenue #403
- 2014-30 - 235 Haas Avenue #310

Mr. Emel Stubbs, the tenant at 235 Haas Avenue #324, stated that he received a \$150 rent increase last year, and now he is receiving a \$250 rent increase. His father stated that is a \$400 rent increase in 2 years.

Diana Fox, the representative for Woodside Apartments, provided handouts on the 10-year rental increase history for all tenants presents. She stated that there were years when the tenants did not receive a rent increase. She also stated that the owner is paying into a charitable annuity, and the payments are currently in arrears. She also described that management has put in new elevators, new carpets, and new paint, while tenants can request to have their carpets replaced, appliances

replaced, or paint touched-up. She also commented that the Rent Review Ordinance and it's 10% rent increase cap hasn't changed since 2002. Lastly, she also commented that the property is 100% occupied, and that there is a waitlist for those who want to move in.

Board Member Brown asked Ms. Fox if she is here to negotiate. Ms. Fox answered yes, but also stated that the owner is not lowering the rent increase. If the tenants want new carpets, they can request it and they will be put in.

Deputy City Attorney Kokotaylo clarified that "negotiate" is not in the Rent Review Ordinance; therefore, tenants and landlords are not required to negotiate.

Board Member Lee-Figueroa asked Ms. Fox whether payments to the charitable annuity can be stopped. Ms. Fox responded no and added that there is currently a \$500,000 annuity deficit.

There were 3 public comments. Malcolm Jones (RRB2014-26 - 235 Haas Avenue #403) described how Woodside tried to convert to condos, but couldn't because the property lacked amenities. Pheleta Santos (RRB2014-25 - 235 Haas Avenue #405) stated that the Rent Review hearings were pushed back from January to February because Ms. Fox was not available for a January hearing. Mr. Gregory Banks (RRB2014-30 - 235 Haas Avenue #310) described that the property has problems including cat infestation, dogs waste, and the gate being propped open.

Motion to closed public hearing. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion passed with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

Board members began discussion.

Board Chair Schwartz argued for a 10% rent increase as the baseline.

Board Vice Chair Ousley stated that Ms. Stubbs has been there only 2 years, yet he would have a 25% rent increase.

Board Member Lee-Figueroa stated that she doesn't like the 10%. She also stated that the rent increases are large for the committed, long-term tenants. She also added that Woodside made a poor judgement (relating to the charitable annuity), and it is unfair to put that on the backs of the tenants.

Board Member Brown stated that she is only agreeable to a \$75 rent increase.

Board Chair Schwartz countered that the \$75 rent increase is outdated, and that the Board needed to establish a principle or guideline which is why he is proposing the 10% rent increase.

Board Vice Chair Ousley agreed with the 10% rent increase guideline.

Motion for a \$135 rent increase (instead of \$250) for Mr. Stubbs. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion passed with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

Mr. Stubbs accepted the Board recommendation of a \$135 rent increase, but Ms. Fox rejected it.

Board members discussed whether to recommend a Continuance Hearing for the

case or forward the case to City Council.

Motion to forward case to City Council for their review. A motion was made by Board Member Brown, seconded by Board Member Lee-Figueroa. Motion passed with 3 ayes (Ousley, Lee-Figueroa, and Brown), 0 nay, 1 abstain (Schwartz).

Hearing recessed for 2 minutes.

The Rent Review Board heard the following 4 Woodside cases all at the same time.

Ms. Pheleta Santos, tenant in 235 Haas Avenue #405, has been a tenant at Woodside Apartments for 18 years. In the last 3 years, her rent has increased to over 40%. The \$255 rent increase is a 22% increase. She also researched that the rent increases far exceeds the CIP (Consumer Price Index for 2014 is only 1.6%). All the 1-bedroom units at Woodside Apartments are 609 sqft. \$1,412 is the averaged rent for 11 apartment complexes with better amenities for similar 1-bedroom comparable, and even larger, units. Her rent will increase from \$1,350 to \$1,605 (\$255 rent increase).

Mr. Gregory Banks, tenant at 235 Haas Avenue #310 for more than 11 years, described that they are not getting the quietest enjoyment of their units. The cat infestation, the dog waste problems, security issues (management has refused to install security cameras). Management has given him the option of installing new carpets in his unit, but only if he signs a new lease, but Mr. Banks refused this. His rent will increase from \$1,300 to \$1,555 (\$255) rent increase.

Mr. Robert Heron, tenant at 237 Haas Avenue #425 for than 10 years, stated that in the last 10 years, his rent has gone up by 70%, but it is spread out over a 10-year period (average of about 7% rent increase every year). He described that security has been a main issue, and stated that he believes that security cameras will go a long way. He also described that tenants need video evidence otherwise their complaints are not addressed. His rent will increase from \$1,345 to \$1,615 (\$270 rent increase).

Mr. Malcolm Jones, tenant at 235 Haas Avenue #403 for 14 years, will see his rent increase from \$1,310 to \$1565 (\$255 rent increase).

Board Vice Chair Ousley clarified with all 4 tenants that they like living at Woodside Apartments, but the rent increases are making to expensive for them to stay there. All 4 tenants agreed.

Ms. Santos stated then that since Ms. Fox is not willing to compromise, then she requested the cases be forwarded to City Council.

Ms. Santos also stated that the delay of the hearing (originally scheduled in January 27th, but delayed to a February 24th hearing because Ms. Fox was unavailable for the January 27th hearing) did not allow the tenants the opportunity to go to a hearing, and if their rent increase was determined to take effect on March 1st, provide Woodside Apartments a 30-day notice to move out and find a new place.

Ms. Fox, upon Board Vice Chair Ousley's request, described the security at Woodside Apartments. The security walking around the property varies in shifts, time, and day in order to ensure that there is no pattern that can be detected.

Motion to closed public hearing. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa. Motion passed with 4 ayes (Schwartz,

Ousley, Lee-Figueroa, and Brown), 0 nay.

Board members began discussion.

Board members agreed that no discussion was needed.

Motion to forwarded cases to City Council for their review. A motion was made by Board Vice Chair Ousley, seconded by Board Member Lee-Figueroa.

Deputy City Attorney Kokotaylo advised the Board that the Ordinance requires them to provide a resolution to each case, which would be part of the repor that would be forwarded to City Council.

Motion for a 8.3% rent increase for all 4 cases. A motion was made by Board Chair Schwartz, seconded by Board Vice Chair Ousley. Motion passed with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

All 4 tenants stated that they are agreeable to the 8.3% rent increase.

Ms. Fox requested that the Board deny the tenants' appeals and allow the rent increases to take effect.

Board members asked Deputy City Attorney Kokotaylo the logistics of a Rent Review Board forwarding the cases to the City Council for their review.

Motion to forwarded cases to City Council for their review. Motion passed with 3 ayes (Ousley, Lee-Figueroa, and Brown), 0 nay, 1 abstain (Schwartz).

City considers all 5 Woodside cases closed without resolution.

Ms. Fox clarified that the tenants can request for new carpets without having to sign a long-term lease.

6. MISCELLANEOUS

6.A. Rent Review Ordinance & Data Collection Discussion

Board Vice Chair Ousley asked what happens if a tenant received a rent increase without the required notice relating to the Rent Review Ordinance and ended up paying the rent increase. Deputy City Attorney Kokotaylo explained that the ordinance allows a tenant to recover payments through civil court, but of course, the burden is on the tenant to show that the landlord violated the law.

Board Vice Chair Ousley also asked whether it was possible to collect data on the number of tenants, whose rent increase has been reviewed by the Rent Review Board, who vacated their units due to the rent increase. She asked whether ECHO Housing can perhaps obtain this data. Rent Review Board Secretary Steve Hernandez commented that possible obstacles in obtaining this information is privacy concerns, tenants unwilling to provide information, and/or the inability to contact the tenant. He stated that he would ask ECHO Housing for their thoughts. Deputy City Attorney Kokotaylo also suggested that once the data is gathered, it can be included in the annual review to City Council.

7. BOARD MEMBER COMMENTS

None.

8. STAFF COMMENTS

Rent Review Board Secretary Hernandez stated that there are already 6 cases lined up for the March 24th Rent Review Board hearing.

9. ADJOURN

Motion to adjourn by Board Member Brown, seconded by Board Member Lee-Figueroa. Motion approved with 4 ayes (Schwartz, Ousley, Lee-Figueroa, and Brown), 0 nay.

Meeting adjourned at 10:09 p.m.