

**Minutes of a Regular Meeting of the
Rent Review Advisory Committee
Wednesday, May 1, 2019**

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:30 p.m.

Present: Vice Chair Sullivan-Cheah; Members Chiu, Johnson, and
Sidelnikov

Absent: Chair Murray

Program staff: Grant Eshoo; Gregory Kats

City Attorney staff: John Le

2. AGENDA CHANGES

Staff informed the Committee that Agenda Items 7-C and 7-F had resolved prior to the meeting.

Staff called roll of case participants. The tenants for Agenda Item 7-D were not present and the item was moved to the end of the agenda.

3. STAFF ANNOUNCEMENTS

Staff confirmed with the members that they would be available for a training on the evening of Friday, June 21, 2019.

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

None.

5. CONSENT CALENDAR

5-A. Approval of the minutes of the February 25, 2019 regular meeting

Motion and second to approve the minutes (Member Chiu and Vice Chair Sullivan Cheah). Motion passed 3-0, with Member Sidelnikov abstaining.

6. UNFINISHED BUSINESS

6-A. Continuation of discussion of memo from CAO to RRAC concerning confidentiality of information on agenda materials provided to the Committee and the public

Vice Chair Sullivan-Cheah re-introduced the item and confirmed the Committee was not required to take action. He asked if anyone had anything further they wanted to

discuss. Other members indicated they did not have anything further to discuss. Vice Chair Sullivan-Cheah asked staff when the confidentiality procedures would be implemented. Staff replied that an implementation date had not yet been considered.

Vice Chair Sullivan-Cheah asked about how the Committee would be able to reference previous cases under the proposed confidentiality rules. Staff replied that staff would call each RRAC member prior to the meeting to inform them if they had heard a submission dealing with the same parties and subject property before so they could go back to review the minutes or audio to refresh their recollection prior to the meeting.

Vice Chair Sullivan-Cheah asked about the Committee's concerns regarding knowing who the parties were so they could recuse themselves if there were a conflict of interest. Staff replied that staff would provide the names and addresses of the parties during the aforementioned phone calls so that Committee members would know in advance who the parties were and if they might need to recuse themselves from reviewing a case.

City Attorney staff spoke on the importance of balancing the tenant's privacy concerns with their ability to present enough information to demonstrate their perspective on the increase, such as if the requested increase would pose a financial hardship. Vice Chair Sullivan-Cheah commented that parties are not required to disclose information and City Attorney staff replied that the new confidentiality rules may allow tenants to feel more comfortable disclosing a larger amount of information, especially sensitive information.

7. NEW BUSINESS

7-A. Case 1207 – 1825 Poggi St., Apt. A103

Tenant: Clark Parker

Landlord: Andy King

Proposed rent increase: \$189.00 (10.0%), to a total rent of \$2,079.00, effective March 1, 2019

Mr. King said the owner purchased the property in 2017 with the intention of upgrading it. To date, he said, the owner had invested more than \$3 million in improvements, which include an improved roof, seismic upgrades, new amenities, new paint, and new carpet in the hallways. He said that comparable two-bedroom units were currently on the market for about \$2,600 per month.

Mr. Parker said the landlord had made cosmetic improvements to the outside of the building, but had not improved the interiors of the units, including his. He said he has had to improve his apartment himself, including repainting it and mending the carpet.

He shared that there were ongoing problems in the unit relating to mold. He said his income was stagnating and the requested increase amount presented a hardship as it outpaced increases in his pay. He said a smaller increase around 3% might be reasonable, but the 10% requested was not.

Mr. King said he would like to have the management take care of the mold problem, and added that a new kids' play area would be available for residents in the next few weeks.

Member Johnson asked Mr. Parker if this was his first rent increase and he said it was. She asked how he took care of the mold and he said he painted over it but it came back.

Member Chiu asked if he lived with anyone and Mr. Parker said he lived in the unit with his three sons, who were all in school.

Member Johnson asked if Mr. King was able to rent the other two-bedroom units for the asking rate of \$2,600 and he said he was able to rent them for that much or more.

Vice Chair Sullivan-Cheah asked Mr. Parker how long he had been living in the unit and he said since 2014 with another person's name on the lease, and since 2017 with his name on the lease.

Member Johnson asked Mr. King how the landlord remedies mold in the units. Mr. King shared that another tenant experiencing mold was transferred to another unit during the duration of the mold remediation, and they replaced his windows to ensure they were waterproof. Member Johnson asked how many units were assessed for mold problems and Mr. King said he did not know as he was not part of the team involved in that. He said the management did periodic, usually annual, inspections.

Vice Chair Sullivan-Cheah asked Mr. King how tenant could report maintenance issues and Mr. King explained the process.

Vice Chair Sullivan-Cheah asked Mr. Parker what dollar amount he thought a reasonable increase would be, and Mr. Parker replied that he thought \$80-\$90 would be reasonable, but he would have to stretch his budget to pay it. Vice Chair Sullivan-Cheah explained that an increase of 5% is a trigger for mandatory review but that it was not to be construed as a default assumption that 5% was always reasonable. Mr. Parker said the location of the unit was good for him because it is close to his kids' school.

Mr. King offered a revised increase of \$85 and Mr. Parker said he would agree. The parties clarified there would be no increase in March, April, and May, with the \$85 to go into effect June 1, 2019 through the end of February 2020.

7-B. Case RI1248.1 – 1825 Poggi St., Apt. A211

Tenant: Abeba Woldermariam
Landlord: Andy King
Proposed rent increase: \$127.00 (10.0%), to a total rent of \$1,402.00,
effective June 1, 2019

Mr. King noted that this unit was one-bedroom and said that one-bedroom units were renting at market rate between \$2,100 and \$2,300.

Ms. Woldenmariam said the requested increase would cause a hardship for her family. She said they only spent money on necessities and an increase would mean cutting essential costs like food. She told the Committee that nothing had been changed in her unit in her 17 years of tenancy - the carpet was damaged, there were nails sticking out of the floor, the closet door did not shut correctly, the walls needed to be repainted as the paint was peeling off, and the balcony screen was torn. She said she could not work a second job to pay high rent increases because she has two small children to look after. She added that the location of her apartment was good for her.

Member Chiu confirmed the unit's occupants included Ms. Woldenmariam, her husband, and their two children, and that both parents work.

Vice Chair Sullivan-Cheah asked if she had photos of the unit to share and she passed photos on her phone around to the members and Mr. King.

Member Sidelnikov asked Mr. King about the landlord's offering of incentives including carpet replacements, repainting, or new appliances in exchange for agreeing to rent increases outside of the RRAC review process. Member Sidelnikov pointed out that there had been two tenants at this meeting with nails sticking out of carpets, which seemed to be a health and safety concern. Mr. King replied that the landlord complies with applicable habitability laws.

Member Johnson clarified that the mentioned incentives were only offered to tenants who waived their right to RRAC review of a rent increase, and Mr. King confirmed that was correct.

Vice Chair Sullivan-Cheah asked about Ms. Woldenmariam's husband's job and she said that his job was full-time, 40 hours per week, that he was paid hourly, and that he made about minimum wage with only a few cents wage increases each year. Vice Chair Sullivan-Cheah asked what other items she would have to cut costs for, and she said all necessities including food and clothing.

Vice Chair Sullivan-Cheah stated that he had heard Mr. King tell tenants in previous cases that he would fix habitability issues when tenants brought them up.

Mr. King proposed a revised increase amount of \$60. Ms. Woldenmariam asked Mr. King if he could take care of the carpet and he said he could not promise to replace it

because he would have to check with management. She said she would be happy if it were repaired. She also asked if she could have a fridge that did not make noise and he said he would get them a replacement fridge that did not make noise. She said she thinks she is making reasonable requests as her tenancy was long-term. She added that there was a gap or hole in the balcony that she did not feel was safe and shared another photo on her phone.

Vice Chair Sullivan-Cheah explained the RRAC did not have the authority to enforce promises relating to repairs and maintenance.

The parties agreed to a rent increase of \$50 to a total rent of \$1,325 (effective June 1, 2019). The parties also agreed that the tenant's fridge would be replaced, and several other maintenance concerns would be looked into or addressed.

7-E. Case 1265.1 – 1845 Poggi St., Apt. D220

Tenant: Amarjit Kaur

Landlord: Andy King

Proposed rent increase: \$153.02 (9.9%), to a total rent of \$1,691.00, effective June 1, 2019

Ms. Kaur said her husband had signed an agreement form without realizing what he was signing, but they could not afford to pay the requested increase. She said she had been living in the unit since 2013, some of her windows were old and shake, the paint was peeling, and the stove was replaced in the past but still did not work. She said there was rust around the sink and toilet, and the bathtub had mold in it. She said she would have to cut back on expenses relating to their children's education if the increase went into effect.

Member Johnson confirmed that the unit was one-bedroom, and that Ms. Kaur, her husband, and their two small children all lived in the apartment. Ms. Kaur said that she and her husband worked.

Member Sidelnikov noted the rent increased 4.9% in 2018 and the landlord was now requesting an additional 9.9% increase, and Mr. King confirmed that was accurate.

Vice Chair Sullivan-Cheah asked what additional hardship the increase would have and Ms. Kaur said they would have to cut back on clothing, sports, and educational opportunities for the kids. Vice Chair Sullivan-Cheah asked Ms. Kaur how much of an increase she thought was reasonable, and how much she could afford. She replied \$40. Mr. King agreed to a revised increase of \$40, to a total rent of \$1,577.98, effective June 1, 2019.

7-F. Case RI1240.2 – 1740 Pearl St., Apt. B

No Committee review. The parties reached an agreement prior to the hearing.

7-G. Case RI1274.1 – 1415 Broadway, Apt. 311

No Committee review. The case was removed from the agenda for further administrative review.

7-D. Case RI1261.1 – 1845 Poggi St., Apt. D119

No Committee review. The tenant was not present after a second roll call. The landlord may impose the rent increase as noticed or as otherwise agreed upon by the parties.

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

None.

9. MATTERS INITIATED

None.

10. ADJOURNMENT

The meeting adjourned at 8:18 p.m.

Respectfully Submitted,

Draft Until Approved

RRAC Secretary
Grant Eshoo