

**Minutes of a Regular Meeting of the  
Rent Review Advisory Committee  
Monday, July 1, 2019**

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 6:32 p.m.

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

Absent: Chair Murray, Member Johnson

Program Staff: Grant Eshoo and Bill Chapin

City Attorney Staff: Michael Roush

**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**

None.

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

Angie Watson-Hajjem from Echo Housing provided information about the organization's Tenant/Landlord Services and Fair Housing Program.

Eric Strimling from Alameda Renter's Coalition (ARC) expressed concern about recent cases with binding decisions in excess of 5 percent. He objected to the idea that it is reasonable for tenants to have to negotiate down from a 10 percent increase.

**5. CONSENT CALENDAR**

**5-A. Approval of the minutes May 15, 2019 special meeting**

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

**5-B. Approval of the minutes June 3, 2019 regular meeting**

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

6. UNFINISHED BUSINESS

None.

7. NEW BUSINESS

**7-A: Discussion on RRAC member attendance requirements.**

Vice Chair Sullivan-Cheah expressed concerned about attendance. Currently, there are only three people attending the meetings regularly, which is the minimum for a quorum. It's also the minimum votes needed to pass any kind of motion and it has to be unanimous. Furthermore, there are no owner representatives, and that experience and perspective is missed.

Member Chiu asked if the City Council has been made aware that they might need to appoint a new person. Staff informed the committee they will be conducting interviews with someone to replace Member Johnson in the next few weeks. By August, Chair Murray should be back from out of state work-related activities.

Vice Chair Sullivan-Cheah asked if Member Johnson resigned. Staff replied that she did not apply to have her position be renewed.

Vice Chair Sullivan-Cheah said he doesn't know what the committee will look like going forward, but he thinks that residents have the right to a fully functioning committee.

**7-B. Discussion and vote for Chair and Vice Chair**

Based on his stated concerns about attendance, Vice Chair Sullivan-Cheah recommended the committee vote on a new chair and vice chair. He confirmed that he has been serving as vice chair and Chair Murray as chair, and he previously served as chair. He said they could nominate Chair Murray to be chair again, and she continues to be chair unless voted otherwise. The bylaws call for a yearly vote.

Member Chiu noted the bylaws state that the election should happen at the first meeting after July 1 at which all committee members are present. It could mean that they would never have that vote because they've never had all of their committee members present.

Vice Chair Sullivan-Cheah submitted that Robert's Rules of Order allows meetings to take place under a quorum.

City Attorney staff said the intent of the rule is that, if for some reason not all members are present but would be present fairly quickly, then the vote should be delayed until all are

available. If the committee intent is to move forward in nominating a chair and vice chair and vote tonight, it is within the purview.

Vice Chair Sullivan-Cheah said if Chair Murray returns and would like to have another vote, that's something they can consider. He further noted that the last vote for chair was at a different time of the year only because it was the first meeting with new committee members.

Member Chiu motion to nominate Vice Chair Sullivan-Cheah as the chair of the committee. City Attorney staff clarified that, if Vice Chair Sullivan-Cheah was elected, then he can proceed as chair for the remainder of the meeting.

Motion and second for nominating Vice Chair Sullivan-Cheah as Chair. (Members Sidelnikov and Chiu). Motion passed 3-0.

Member Chiu motion to nominate Chair Murray as vice chair. Vice Chair Sullivan-Cheah hearing no second; motion failed.

Motion and second for nominating Member Chiu as Vice Chair. (Vice Chair Sullivan-Cheah and Member Sidelnikov). Motion passed 3-0.

#### **7-E. Case 1282 – 1861 Poggi St., Unit B318**

Landlord: Andy King

Tenant: Saba Woldentensai

Proposed rent increase: \$131.00 or (9.9%), to a total rent of \$1,450, effective July 1, 2019.

Mr. King said the current ownership purchased the property in October 2017, and the property had extensive deferred maintenance. To date, the ownership has spent more than \$4.6 million on renovations including seismic upgrades, roofing, painting, and improvements to the grounds. The rent increase is intended to recoup some of this investment.

Mr. King said the previous owner did not keep records of the 2015 rent increase, which was \$100.00, or 8.3 percent. The previous owner failed to provide paperwork and notices, which resulted in new ownership rescinding the increase and refunding \$4,000.00 last year. As a result, Mr. King noted the current rent is \$19.00 more than what the tenant paid following the invalid 2015 increase, and the tenant's payments decreased last year. Mr. King noted that one-bedroom comparable units at the property are currently renting at \$2,404.00, \$2454.00 and \$2,354.00.

Ms. Woldentensai said the ownership did a good job with the common areas and improvements. She is currently experiencing financial hardship and medical expenses.

She is a single parent and spends 30 percent of income on rent. She is asking for a 5 percent increase instead. She mentioned that her carpet is very dirty and the landlord offered to replace the carpet if she took the 10 percent increase. However, she would rather have a 5 percent increase without having her carpet replaced.

Chair Sullivan-Cheah reminded participants that this was a public meeting, and participants are not required to justify or disclose anything personal.

Member Chiu asked Ms. Woldentensai how many people are currently occupying the unit. Ms. Woldentensai responded she has two sons under the age of 18. Member Chiu asked about her current job, and Ms. Woldentensai explained it is a salaried position.

Chair Sullivan-Cheah asked Ms. Woldentensai whether the landlord has made any improvements to the inside of her unit. Ms. Woldentensai responded that her refrigerator and window frames were replaced. She said regular rent increases have prompted her to consider moving out of state. Chair Sullivan-Cheah asked about the money that was refunded to her because of the invalid increase from the previous owner. Ms. Woldentensai confirmed that it was decreased immediately after a 10 percent increase, which made her reconsider staying longer.

Chair Sullivan-Cheah asked about her sons and length of tenancy. Ms. Woldentensai responded they attend school in Alameda. She has been residing in this apartment for six years, and living in the west side of Alameda since 2009.

Chair Sullivan-Cheah asked Ms. Woldentensai whether she was asking for a 5 percent increase because it is something she could afford or because of language in Ordinance no. 3148. He clarified that the City Council created different requirements for landlords seeking increases above 5 percent, including mandatory review by the committee.

Ms. Woldentensai said she was previously unaware of the ordinance and simply accepted any increase that was given by the landlord; however, she understands now and is able to afford a 5 percent increase.

Chair Sullivan-Cheah asked if there were additional repairs made when they replaced the windows and balcony. Mr. King responded no.

Chair Sullivan-Cheah asked about the units renting for around \$2400.00, and if they are remodeled units with new carpeting and paint. Mr. King replied that the units have new carpeting, new paint, and some cases have additional renovations. For example, if cabinetry was worn out it was replaced. Mr. King said they replaced all of the toilets in renovated and non-renovated units about 6 months ago. Ms. Woldentensai stated that nothing was replaced or upgraded in her bathroom.

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

Member Sidelnikov reflected on Ms. Woldentensai's tenancy of 6.5 years in the unit, her financial hardship and being a single parent with two kids. He understands the issue with prior increases. Members Sidelnikov and Chiu expressed concern about two 10 percent increases in a row. Member Chiu said a \$66.00 increase (5 percent), is something she could afford to do and he approves of it.

Chair Sullivan-Cheah said the building was not in the best condition under the previous owner. He said that there's a history for allowing rent increases to go forward in this complex. He said he believes a 5 percent increase is fair, however, it's still a large increase.

Motion and second for an increase of \$66 (5 percent), to a total rent of \$1385.00, effective July 1, 2019 (Members Chiu and Sidelnikov). Motion passed 3-0.

#### **7-G. Case 1303 - 781 Central Ave., Unit A**

Tenant: Jeffrey Giordano

Landlords: Andrea Soltero (Property Manager)

Proposed rent increase: \$75.00 (4.9%), to a total rent of \$1610.00, effective July 1, 2019.

Mr. Giordano has been living in Alameda for the past seven years. He is a teacher's aide in special education at a public high school. He's been very involved within the community and runs a film series at the main library. When he moved in, he was living and sharing rent with his partner at the time, but that is no longer the case. He said annual rent increases have been a shock, and that he does not get a 4.9 percent increase in his salary every year. He had to forbear his student loans when he got the most recent rent increase letter.

Ms. Soltero acknowledged that Mr. Giordano first moved in as one of two co-tenants. The owner approved the tenancy based on his partner's income. When she moved out, he experienced hardship to continue as a single tenant. Ms. Soltero said that comparable one-bedroom rent is anywhere from \$1,950.00 to \$2,025.00 . They have increased the rent with a small, steady increases each year. She didn't have any arguments with what he submitted. It's an old building requiring a lot of maintenance.

Mr. Giordano said when there is a maintenance issue, the landlord is helpful with taking care of it.

Chair Sullivan-Cheah asked Ms. Soltero how the 4.9 percent rent increase was determined, while acknowledging that those decisions are made by the owners and not by her. She said she believes it is based on what Chair Sullivan-Cheah discussed earlier regarding requirements for increases greater than 5 percent, although the amount is not always near 5 percent, and that the amount is given across the board to all tenants. Chair

Sullivan-Cheah noted the last three increases on this unit were all just under 5 percent and the committee could therefore not issue a binding decision on them.

Chair Sullivan-Cheah and Member Chiu asked about upgrades, improvements, and housing services. Ms. Soltero explained that the unit has had only standard repairs in the last year. The eight-unit building's roof was replaced about six years ago. In addition, in the 12 years she has worked there, work has included a seismic retrofitting, landscaping, repaving the parking lot, and replacing windows. As things needed repair, they would fix it. Gas, water, and garbage are included in the rent, and tenants pay for electricity. Mr. Giordano said he has received the same standard level of maintenance with no recent upgrades.

Member Sidelnikov asked if the nearly 5 percent rent increases reflect the improvements made to the property or if they are policy and related to the Ordinance no. 3148. Ms. Soltero said she was not qualified to answer.

Chair Sullivan-Cheah asked if it's fair to say rent increases have outpaced the increase in his salary. Mr. Giordano responded yes. He said he limits expenses by cooking at home and not traveling. Having enough for rent, gas, insurance, and medical expenses has been a financial challenge, he said, and he is not able to afford any rent increase.

Chair Sullivan-Cheah asked Mr. Giordano if he still feels the same about no rent increase because it's what he can afford. Mr. Giordano replied yes.

Chair Sullivan-Cheah asked Ms. Soltero if the ownership group is staying firm with 4.9% increase, or is there flexibility based on circumstances.

Ms. Soltero said the ownership may be willing to be flexible on the increase. Chair Sullivan-Cheah asked both parties whether a \$55 increase may be possible. Mr. Giordano said he did not think that would be fair because of the history of increases.

The parties were unable to reach agreement and returned to their seats.

Bill Rowen provided public comment on the agenda item. He said he has known Mr. Giordano ever since Mr. Giordano moved to Alameda. He said Mr. Giordano is considering leaving Alameda if he cannot resolve his rent issues, which Mr. Giordano confirmed. Mr. Rowen said he has had many of his friends leave Alameda because they could not afford rent increases.

The Committee began deliberations.

Member Sidelnikov said he was concerned that this was the third year of increases just under 5 percent, and that it seems like an approach to avoid a binding decision by the committee. He said there are people on limited incomes would be displaced by a policy to increase rent 5 percent every year, and people in the workforce often don't see that type of increase in salary.

Member Chiu noted that, since 2015, Mr. Giordano's rent has gone up almost 24 percent without compounding. This increase will make it nearly 30 percent non-compounding over about five years. Many renters would not be able to stay in their units with increases going up that much in that amount of time, he said. Member Chiu and Chair Sullivan-Chea noted that the history of rent increases seems to reflect changes in Alameda's policy. Mr. Giordano received a 7.1 percent increase right before the ordinance was passed, an increase of 5 percent in 2016 shortly after it passed, and annual increases not subject to binding decisions since then.

Chair Sullivan-Cheah said these increases may not look very large to some, but \$75.00 extra a month can be tough on someone who is already rent burdened. He stated he's not sure he would vote for no increase, but it's not outrageous for a tenant to ask for that.

Member Sidelnikov thanked the landlord's representative for being willing to be able to negotiate. He said he would support an advisory decision of a 0 percent increase given the history of annual rent increases under 5 percent.

Motion and second for a \$0.00 increase (Chair Sullivan-Chea and Member Sidelnikov). Member Chiu opposed. Motion failed 2-1.

Motion and second for an increase of \$30.00, effective July 1, 2019 (Chair Sullivan-Cheah and Member Sidelnikov). Motion passed 3-0.

#### **7-D. Case 1281 - 1861 Poggi St., Unit B306**

No Committee review. The tenant was not present. 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 8:08 p.m.

Respectfully Submitted,

***DRAFT Until Approved***

RRAC Secretary  
Bill Chapin