

**CITY OF EAST PALO ALTO
RENT STABILIZATION BOARD MEETING
WEDNESDAY, SEPTEMBER 9, 2009
REGULAR SESSION – 7:00 PM
2415 UNIVERSITY AVENUE
City Council Chambers
EAST PALO ALTO, CA
Minutes**

1. CALL TO ORDER

The meeting was called to order at 7:10 p.m.

2. ROLL CALL

| | |
|---------------------------|---|
| Board Members Present: | Dorn, Randolph, Webster, Hart, Mitchell, Hernandez |
| Board Members Absent: | |
| Board Members Tardy: | |
| Board Alternates Present: | Allen |
| Board Alternates Absent: | |
| Board Alternates Tardy: | |
| Staff Present: | Lee, Ford |

Chair Dorn announced that there would be no legal representation at the meeting; however, she felt that legal representation was important at all meetings, particularly when the City is involved with lawsuits.

3. APPROVAL OF AGENDA

Motion: It was moved (Randolph) and seconded (Hernandez) to approve the agenda. Motion passed, with Allen abstaining.

4. APPROVAL OF MINUTES

- Minutes for the July 22, 2009, RS Board meeting

Board Member Webster made a correction to page 1, “Board Member Dorn: Referred to Action 6.5: Discourage removal or relocation of conforming mobile home ~~h~~parks by enforcing the State mobile home park closure and relocation requirements.” On page 7, the name “Huff” was corrected to “Hauff.” Also on that page, a correction was made, “Board Member Webster pointed out that at the present time, mobile homes parks are not subject to Costa-Hawkins but are under vacancy ~~de~~-control.”

Chair Dorn made a correction to page 3, last paragraph, changing “short-sided” to “short-sited.”

Board Member Allen made a correction on page 6, “His recommendation is that the Board consider developing a policy which empowers tenants to file a registration form to register their new tenancy ~~with~~ under the current law.”

Chair Dorn asked if the tape could be checked to see if Mr. Alvarado made some comment about the fact that the Rent Stabilization Ordinance (RSO) mentions a tenant's requirement to file a registration form (page 6).

Motion: It was moved (Hernandez) and seconded (Webster) to approve the July 22, 2009, minutes as corrected. Motion approved, with Randolph abstaining.

5. **AGENDIZED ITEMS FOR POLICY AND ACTION**

- 5.1 Review and discussion of Rent Stabilization and Good Cause for Eviction Ordinance approved by City Council and submitted to San Mateo County Office of Elections
Action: Possible referral to Ad Hoc Committee

Staff Ford reported that this item was being considered prior to finding out that it would not be on the November ballot.

Board Member Allen pointed out that the earliest this would go on the ballot is in June.

Chair Dorn commented this item is currently tabled but that the Ad Hoc Committee is looking at Rules and Regulations in light of the ordinance.

Staff Lee suggested asking the City Attorney to provide comment with respect to the ordinance.

Board Member Hart recommended that the ad hoc committee look at the proposed RSO.

Staff Lee recalled that the City Council had two or three public hearings on the ordinance.

Board Member Randolph asked whether there would be any changes to what is on the ballot in June compared to what would have been on the November ballot.

Board Member Allen described the input that he gave to Council on possible changes to the RSO that were not adopted by the Council; other Board Members and members of the community provided their opinions to the City Council. He cited sections in the new ordinance that would require the Rent Board's adoption of regulations of implementation, such as security deposit, interest, and banking.

Board Member Hart commented that new regulations will need to be adopted to correspond to a new Ordinance. It was pointed out in Board discussion that Council Member Romero had sought Board input at a previous meeting.

Chair Dorn requested that the City Attorney tell the Board what the process of reviewing and adopting a new RSO would be.

Board Member Allen asked for guidance from the City Attorney on what actions the Board can and cannot take with regard to promoting a new Ordinance on the ballot.

5.2 Discussion of Rent Stabilization Board projects

Staff Ford reported that he and Chair Dorn met to discuss this item. The RSO had timing in it which is no longer relevant since the Ordinance will not be on November ballot. He will confer with the City Attorney about when the next election will be scheduled.

Chair Dorn suggested adding the budget cycle on the tracking sheet.

Board Member Allen asked that development of rules of attendance be added on the tracking sheet. He also asked for discussion on the project list regarding Section 885 of the Rules and Regulations as to who makes decisions regarding non payment and late payment of registration fees; his intent was to take the power away from the Rent Stabilization Program Administrator for late fees over \$1,000 and bring it to the Board for a full hearing.

Board Member Hart pointed out that the prior minutes asked staff to prepare a report in September with the status of invoicing and delinquent fees.

Chair Dorn asked for a quarterly review of the tracking sheet.

Board Member Hart asked that beginning and ending project dates be included.

Chair Dorn understood from the City Manager that a new computer program will be coming in for the Building Department to track properties and could also be appropriate to track rental units.

Staff Lee explained that the City Manager received authorization from the City Council in July to execute the contract with the vendor but approximately six months is anticipated to get the system in place.

5.3 Discussion of Board retreat

Board Member Allen reported that he met with Board Member Hernandez, Staff Lee, Staff Ford, and Board Member Mitchell (by phone), to discuss dates for the retreat and the agenda. The start time would be 9 a.m., with continental breakfast and lunch; agenda items include the mission, purpose of RSO, powers of the Board, Costa-Hawkins, Brown Act, Board Member conduct during the RSO campaign and ballot activities, Hearing Examiner's role, petition and appeal process, and the Board's relationship to the City's governance structure. .

October 3 was suggested as the Board retreat; however, several Board Members are not available. The Board decided on October 24 or November 7 and will try to get at least two Hearing Examiners to attend.

Board Member Allen pointed out that Hearing Examiners are paid for their attendance and transportation when attending Board meetings or retreats.

6. CONSENT CALENDAR

7. PUBLIC HEARING

8. RESOLUTIONS or RULES

9. REPORTS OF COMMITTEES AND STAFF

Board Member Allen spoke on behalf of Bernardo Huerta who wanted the Rent Stabilization Program to know about 1902 Capital Avenue at the corner of Scofield; the house was renovated in 2002 into five units; and staff and the City Attorney should look at the property.

Staff Lee indicated that staff will contact the Building Department to see what permits were pulled for the property.

Board Member Allen recommended that in the future, discussion of retreats should be handled through an ad hoc committee, and the Technology Committee should also be considered as an ad hoc committee.

Board Member Webster mentioned an article in Saturday's Daily News with a picture of WestPark which he then visited on Sunday. He found the office abandoned with a note telling people to leave their rents in a drop box. He found the property at Newell Court to be in disrepair with many code violations.

Staff Lee reported that earlier in the day Department Heads, Menlo Park Fire Department, and San Mateo County Health Department were involved in looking at the situation with Page Mill Properties.

Board Member Allen spoke, as a resident of Page Mill Properties, that tenants received notice that the apartment staff who had been furloughed were rehired.

Board Member Hart asked whether sanctions or fines were put against Page Mill Properties from the Health Department. He asked that a report be brought back on another agenda. He announced that he received a flyer for a demonstration that will take place at Wells Fargo Bank on Hamilton Avenue in Palo Alto on Friday from noon to 4 p.m. and added that Wells Fargo Bank is the financial backer for Page Mill. His understanding is that Wells Fargo has agreed to extend Page Mill additional funds for the next three weeks to get their staff up and running to collect rent monies. The demonstration is against Wells Fargo for supporting predator landlords.

Chair Dorn reported that there are two ad hoc committees to look at the new Rules and Regulations re per the new RSO and also to come up with a job description for the position the Board hopes there is money to get. Members were asked to notify her if they are interested in either ad hoc committee. Meetings have been held with staff to come up with a coordinated system for the Rent Board and Building Department Code Enforcement to keep track of what is happening in buildings.

Staff Lee explained that several meetings have been held to look at the issue of business licenses for property owners; a checklist, in English and Spanish, has been developed for

tenants of rental properties. The checklist could be used to identify the condition of the property when tenants move in and when they move out.

Board Member Allen asked that the Board review the rule regarding the process where the Administrator contacts landlords for not paying their registration fees and penalties, with more pressure put on the City Attorney to take action. He will look up the specific rule and email it to staff.

Staff Ford explained that staff has been meeting monthly with the Housing Department and Code Enforcement to review properties. They will talk about 1902 Capital at their next meeting.

Board Member Hart mentioned that in the past, the Outreach/Education Committee contracted with Community Legal Service (CLS) to do outreach and asked whether that would occur.

Chair Dorn responded that an Outreach/Education Committee meeting can be scheduled to discuss the outreach issue.

Staff Lee pointed out that in the past, CLS submitted a proposal to do outreach and education; however, they have been dealing heavily with tenants' rent increases and have been unable to submit something to the Board.

Chair Dorn announced that the Budget and Technology Committees will become ad hoc committees.

Board Member Allen pointed out that Page Mill Properties/Woodland Park Management has not paid registration fees to date and questioned whether staff sent out a 30-day or 60-day notice/demand for payment.

Staff Ford responded that he was not familiar with a 30-day or 60-day notice demand for payment but will be sending out warning letters next week.

Board Member Allen asked that staff and Legal Counsel follow up with the question of what steps does the program need to take to legitimately pursue an action in court to demand payment and file a lien on the property should payment not be received.

- 9.1 Report out from RS Board Members and Committees:
 - a. Operational Excellence (**Allen**, Mitchell & Hernandez)
 - b. Outreach/Education (Dorn & Hart)
 - c. City Council Liaison (Hart & Mitchell)
 - d. Rules and Regulations (**Webster**, Allen & Randolph)
 - e. Budget Committee (Dorn & Allen)
 - f. Technology Committee (**Mitchell**, Allen & Randolph)

10. ADMINISTRATIVE ITEMS

11. WRITTEN COMMUNICATIONS

12. COMMUNITY FORUM

There were no comments.

13. RECOMMENDATIONS FOR FUTURE ACTIONS AND AGENDA ITEMS

Items include an update on landlords and registration, policy on a possible tenant registration form, steps that can be taken to get payment for late fees and registration, what can be done with regard to the RSO, report on 1902 Capital Avenue, Page Mill Properties violations, noncompliant landlords, retreat, update, tracking form, and tenant checklist.

Board Member Webster suggested that the Rent Board take formal action and draft a letter to Wells Fargo Bank regarding the Rent Board's concerns about Page Mill properties.

Board Member Mitchell suggested encouraging the Planning Commission to look at strengthening the condo conversion law; noting that much work was done in 2004-2005 to come up with elements for an ordinance.

Board Member Allen recommended that some members of the Board should approach the Community Relations Managers at Wells Fargo to let them know about the Rent Stabilization Program's concern regarding the Page Mill Properties.

Board Member Webster volunteered to join Board Member Allen with meeting with Wells Fargo.

Chair Dorn explained that the Board needs to send the City Council's its opinion on things that affect the Rent Board such as zoning.

14. ADJOURNMENT

There being no further business, the meeting adjourned at 8:55 p.m.