

**CITY OF EAST PALO ALTO  
RENT STABILIZATION BOARD MEETING  
WEDNESDAY, MARCH 24, 2010  
REGULAR SESSION  
2415 UNIVERSITY AVENUE  
City Council Chambers  
EAST PALO ALTO, CA  
Minutes**

**1. CALL TO ORDER**

The meeting was called to order at 7:09 p.m. by Chair Dorn.

**2. ROLL CALL**

Board Members Present: Dorn, Randolph, Hart, Mitchell, Webster  
Board Members Absent:  
Board Alternates Present: Allen  
Board Alternates Absent:  
Staff Present: Ford, Lee, Ewing

**3. APPROVAL OF AGENDA**

**Motion:** It was moved (Allen) and seconded (Webster) to move item 12, Community Forum after item 6. Motion passed unanimously.

**4. APPROVAL OF MINUTES**

- Minutes for the January 27, 2010, regular RS Board meeting

Chair Dorn indicated she was unclear with the point Ms. Osaze was trying to make with regard to the Rent Program funds on page 1 but made no changes to the minutes.

Correction was made to show that Board Member Hernandez was Present.

**Motion:** It was moved (Hart) and seconded (Randolph) to approve the minutes for the January 27, 2010, regular RS Board meeting, as amended. Motion passed with one abstention (Allen).

- Minutes for the February 24, 2010, regular RS Board meeting

Chair Dorn made a change to the top of page 2, "Concern was expressed about the fact that more explanation was needed from Mr. Lee to the City Manager for why the Board was asking for more money in the next year's budget." On page 5, item 5.5, correction was made, "Chair Dorn asked staff to request that when the City Attorney is unable to attend a meeting, his reports or that information be presented given to staff to present to the Rent Board." On page 6, item 9.1, "Staff Lee asked whether the Board wanted staff to schedule another Outreach and Education Committee meeting."

**Motion:** It was moved (Allen) and seconded (Randolph) to approve the minutes for the February 24, 2010, regular RS Board meeting, as amended. Motion passed with one abstention (Hart).

## 5. AGENDIZED ITEMS FOR POLICY AND ACTION

### 5.1 Development of Board Mission, Values, Norms

Board Member Mitchell reported that the draft document presented to the Board was the result of what was articulated by the Board at a prior meeting.

Board Member Allen suggested a change from “human beings” to “people.”

Discussion among Board Members about difference between sympathy and empathy.

Chair Dorn pointed out that the Rent Board also represents landlords. Board Member Mitchell agreed that item 4 include, “give landlords a reasonable return from their investment.” Chair Dorn suggested, “respect, service, universal dignity and empathy with our community, our staff, and fellow Board Members.”

City Attorney Ewing gave an example of not recognizing the chair and speaking out of turn as not recognizing a Board Member’s role.

Board Member Mitchell suggested changing item 2 to reflect that Board Members need to respect each other, and remove “roles.” Chair Dorn suggested, “respecting, give your support to all Board Members.” Another suggestion was to “provide clear policy direction to staff.”

Board Member Mitchell said that all of the Sanitary District agendas have the Norms, and Values statement printed on their agenda. Board Member Mitchell recommended that he incorporate the changes and resubmit the document to the Board at its next meeting for approval.

### 5.2 Status update and possible action on tenant/landlord outreach and education-related materials – brochures

Board Member Hart reported receiving two bids from Lilliana Hense and Robert Esparza. The Outreach Committee formally recommended that Robert Esparza be selected to prepare the brochure and recommended that 1,000 copies be printed at an 11” by 8-1/2” size that would be folded in thirds, with 500 in English and 500 in Spanish. The estimated cost is \$250 for the design of the English brochure and \$50 to convert it to Spanish; color printing is \$350 for 1,000 brochures.

**Motion:** It was moved (Webster) and seconded (Hart) to approve the bid from Robert Esparza to prepare 1,000 brochures. Motion passed unanimously.

### 5.3 Status update on negotiations with Page Mill receiver

Mr. Ewing reported that there have been no negotiations since the last Board meeting.

Board Member Allen asked about action that could be taken to get the late fees paid.

Mr. Ewing responded that steps for taking action would be getting direction from the Board to initiate the process, and it might create some pressure during the negotiations.

Board Member Allen questioned whether Mr. Ewing could indicate that the Board would be pleased to see the payment of the registration fees as soon as possible and that the Board was considering giving authority to the City Attorney to proceed with the lien.

Mr. Ewing noted Board Member Allen's comments but cautioned that this item is only a status report.

Jessica Kirtin, 5 Newell Court, referred to a letter she wrote with regard to the rules and regulations and voiced agreement with the Board's process.

Matthew Fremont, 1986 Euclid, reported that Bridge Housing, on behalf of Wells Fargo, has conducted a series of community meetings. He attended one of the meetings last night where it was mentioned that the Bank fully intends to comply with the Rent Stabilization Ordinance (RSO). He raised the issue of the registration and said if the Bank wants to demonstrate to the community that they mean what they say "comply with the RSO," they can do so by registering the properties promptly.

Board Member Allen requested that Mr. Fremont update his letter and send it to Mr. Ford with copies to the Board so the Operational Excellence Committee can make sure it is followed up on.

#### 5.4 Discussion of attendance at Housing California Conference 2010

Staff Lee reported that only Board Member Hart has expressed interest in attending the Conference.

Chair Dorn noted that had offered not to go in order to give new Board Members an opportunity to attend. Board Member Allen indicated the same thought.

Board Member Mitchell indicated he would like to attend. Board Member Allen commented that he would let Bella know tomorrow whether or not he would attend.

#### 5.5 Discussion of April 2010 Board meeting dates

Staff Lee explained that there were no rooms available on April 29 and Board Members would be returning from the conference on April 28. The Board agreed to meet on April 21 after the next regular meeting on April 14.

#### 5.6 Status update on Rent Stabilization Program software

Chair Dorn reported meeting with the City Manager in October, and he informed her that the City purchased a new software program for the City that would be used by all departments and would greatly help the Rent Stabilization Board in keeping track of rents and owners.

Staff Lee commented that staff talked to the representative from CRW, and Staff Ford walked him through the entire program. The representative gave the Rent Board staff a quote on customizing a program for the Rent Program, which has been discussed with the City Manager. A subsequent quote from the City of Redwood City's IT Department to provide IT services was received; that figure was considerably less than that received from CRW. More discussion is necessary with the City Manager in terms of proceeding. He explained that the City Manager had concerns about the cost estimate from that if something were to happen to the CRW program that the Rent program would be shut down.

Dorn asked if other departments using the CRW Services.

Lee said that the CRW program was linked to all departments in the City.

Dorn asked if the City were using services from the County (sic) or CRW.

Lee said that the County (sic) provides services to the City already. It's just that this particular software was being looked at to provide something to the City as a whole that we currently do not have. He said the staff wanted to look at it to specialize some aspect of it for the Rent Program and that's where the CM had some concerns: one, about the cost and two, if something were to happen to that program it would shut down the RS program. So he wanted to explore some other options.

Dorn asked are other departments going to be in the same situation with the possibility of being shut down in something should go wrong with the system.

Mr. Lee said that other departments don't have the uniqueness that is present in the RS program. He said that's one issue and the other issue is that with a new Rent Ordinance proposed the staff doesn't know exactly what the operational requirements of the new software program would be.

Hart asked if this was the same system that we were talking about a year ago.

Lee said no that the City Manager got authorization from the Council to look at a software system that would link many functions with all departments of the City. Permits could be tracked, information on liens would be available, and complaints on rent control properties would be available. The City does not have that capacity to link everything.

Hart asked if that means that the RS program and the Building program or Housing program would be linked.

Lee said that was correct.

Hart asked if both departments would share the costs.

Lee said the costs would be shared with all departments in the city. That was how it was presented to the City Council and what the Council approved.

Dorn said that one of the big advantages would be that if someone came in with a problem in their apartment that they would be able to see if there was no building permit.

Staff Lee said that was right. He said that the way the RS program is set up that it's different from other departments. He said the RS program has some unique requirements that are not connected to anything other departments are doing.

Dorn said that we would also have the history on each apartment about who moved in and who moved out. But that right now because of the pending passage the RSO whichever way it goes then we'll know what the specifics of the software program would entail. Lee said that once we know what the new RS ordinance would require then we'd staff would know how to move forward. He said that the Rent Board's objectives would be achieved. It's a matter of whether the CRW system would be used or another system.

## **6. CONSENT CALENDAR**

## **12. COMMUNITY FORUM**

There were no comments from the community.

## **7. PUBLIC HEARING**

### **7.1 Public Hearing and possible action on proposed revisions to Section 1000 and proposed addition of Section 1002 of the Rent Stabilization Program Rules and Regulations**

Staff Ford reported that the recommendation for Section 1000 is that the Rent Stabilization Board hold a public hearing and consider introducing for first reading amendments to Rules and Regulations Section 1000(k) and (d) and adding Sections 1002(a), (a)(1) and (a)(2). He explained that Section 1000 was broken up into (a) and (b) to clarify how units would be treated once they lose their exempt status. If a unit lost its exempt status and the exemption status occurred prior to January 1, 1999, the lawful base rent would be calculated under the current section (10)(a) of the ordinance. Section 1002 specified, "Each time a new tenant moves in, it establishes a new base rent," which was the City's position for the prior ten years. Section 1002 puts that into the Rules and Regulations.

Board Member Allen thanked Mr. Ford for his analysis. His suggestion was to add "previously called Vacancy Registration Form" next to "New Tenancy Registration Form" for historical perspective.

Chair Dorn opened the Public Hearing.

Matthew Fremont, 1986 Euclid, commented that Mr. Ford's staff report did an excellent job in describing the context of the proposal, the history, and the impact. He felt there

might be some confusion in terms of the January 1, 1999, date which was the date Costa-Hawkins became fully effective. The idea was that when the tenancy predated that, the old formula for calculating base rent that went back to 1985 applied. He noted that last year, Judge Freeman disagreed with Christine Griffith from Elman Burke on the idea that the old base rent from 1985 applied. The idea was that when there is a new tenancy, there is a new certificate based on the initial rent at the time. He added that the proposal before the Board is in line with what Judge Freeman was advocating and would work well with the new Rent Stabilization Ordinance.

There were no further comments from the public, and the Public Hearing was closed.

**Motion:** It was moved (Allen) and seconded (Webster) that the Board accept the first reading of the proposed revisions to Section 1000 and proposed addition of Section 1002 of the Rent Stabilization Program Rules and Regulations. Motion passed unanimously.

#### 7.2 Public Hearing and possible action on proposed revisions and additions to Section 1600 of the Rent Stabilization Program Rules and Regulations

Staff Ford reported that Section 1600(a) and (b) covers the requirements for registering new tenancies along with their rents within 30 days and an annual registration form; Section 1600(c) covers registration compliance requirements and includes guidance as to what does and does not constitute proper registration; Section 1600(d) covers process for appeal of certificates; Section 1600(e) covers required notice on certificates; and Section 1600(f) covers the requirement that the certificates be filed in the Office.

Chair Dorn opened the Public Hearing.

Matthew Fremont, 1986 Euclid, thanked Mr. Ford for the excellent job he did in his staff report which shows differences between the proposed Rent Stabilization Ordinance (RSO) and the current RSO.

There were no further comments from the public, and the Public Hearing was closed.

**Motion** It was moved (Webster) and seconded (Randolph) to adopt the proposed revisions to Section 1600(a), (b), (c), (d), (e), and (f) of the Rent Stabilization Program Rules and Regulations and waive reading of the text. Motion passed unanimously.

### 8. RESOLUTIONS or RULES

### 9. REPORTS OF COMMITTEES AND STAFF

Board Member Allen announced that Bridge Housing will hold two community meetings; on March 27, 10 a.m. to noon and on March 29, 7 to 9 p.m.

Board Member Hart reported that Community Legal Service (CLS) started their tenants' outreach contract. He distributed a "check in/check out" list for tenants to complete when they move in or move out of an apartment. The form was developed by Staff Lee and

Chair Dorn. He suggested that the form be provided to CLS for their presentations. He announced that the City of East Palo Alto, in conjunction with the YMCA and other community agencies will hold a Healthy Family Event on Saturday at the YMCA from 10 a.m. to 1 p.m.

Board Member Mitchell announced that he went to Harlem, New York, last month and learned about the Harlem Children's Home that works with 8,500 children; several other representatives from the East Palo Alto area attended; and a report will be provided at the Apostolic Church on Donohue Street on Monday evening.

Board Member Allen reported receiving an email from EPA-Tenants.org that was sent to Sharon Simonsen about a recent development with Page Mill Properties.

- 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**)

## **10. ADMINISTRATIVE ITEMS**

## **11. WRITTEN COMMUNICATIONS**

## **13. RECOMMENDATIONS FOR FUTURE ACTIONS AND AGENDA ITEMS**

Board Member Webster asked that the Board consider agendaing writing a letter to nonprofit housing developers to inform them that "what goes up may come down," referring to the exemption from the registration fees. He reported that Council Member Romero told Mrs. Jackson that he would consider a modification of the blanket exemption from the registration fees that was not vetted by anyone he knows. His belief is that the provision will be revisited, especially if the nonprofits pick up a significant number of units in the Rent Stabilization Program (RSP); and the RSP will be unsustainable without appealing to the City Council for general funds or other special funds in the future. He suggested commencing the "paper trail" by sending a notice to the nonprofits to put them on notice of the possibility that the new Rent Stabilization Ordinance could be subject to modification.

Chair Dorn commented that people dealing with the City would know that the requirements of the Ordinance could change over time.

Board Member Allen asked City Attorney Ewing whether minor changes could be made to the ordinance and whether the City Council could amend the Ordinance.

City Attorney Ewing responded that changes can only be made by the voters by an initiative to avoid California Environmental Quality Act (CEQA) requirements.

Board Member Mitchell suggested that the Rent Board agendaize an item to discuss and possibly recommend items for the Council Liaison Committee to bring up with the Council.

Board Member Hart mentioned the need to get new members for the Rent Board.

Staff Ford asked whether the Chair or Board Members wanted to inform the City Council that more people are needed on the Rent Board.

Board Member Hart commented that he had a conversation with City Clerk Minnie Warren earlier in the week who mentioned that several people have applied for membership on the Board, but the Council has delayed action waiting for more candidates for other commissions and boards.

Chair Dorn indicated that she could contact the City Council or the City Clerk.

#### **14. ADJOURNMENT**

Upon motion (Mitchell) and seconded (Webster), the meeting adjourned at 9:09 p.m. Motion passed unanimously.