

**CITY OF EAST PALO ALTO
RENT STABILIZATION BOARD MEETING
WEDNESDAY, MAY 12, 2010
2415 UNIVERSITY AVENUE
City Council Chambers
EAST PALO ALTO, CA
Minutes**

1. CALL TO ORDER

The meeting was called to order at 7:13 p.m. by Chair Dorn.

2. ROLL CALL

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

Board Member Allen announced that he would be seated in the regular Tenant's seat for this meeting.

3. APPROVAL OF AGENDA

Board Member Allen requested that item 12, **Community Forum**, be moved after item 4.

Motion: It was moved (Hart) and seconded (Webster) to approve the agenda, as amended. Motion passed unanimously.

4. APPROVAL OF MINUTES

- Minutes for the January 27, 2010, regular RS Board meeting (correction to Roll Call)

Chair Dorn commented that she had contacted Stephanie Osaze and asked for clarification on the last paragraph on page 1 because she had not understood that \$483,000 of the Reserves was used to make up the \$780,000 Expenditures. She added that no change to the minutes was necessary.

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

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

Chair Dorn made a change to the top of page 4, "A subsequent quote from the City of Redwood City's IT Department to provide IT services was received; that figure was ~~considerable~~ considerably less ..." Also on page 4, she made a correction and asked for a

clarification in the sentence, “Staff Lee explained that the Rent Stabilization Program was set up ~~different~~ differently than other departments and has some unique requirements that are not connected to anything that other departments were doing.” She commented that she was told by the City Manager that there would be a coordination of the programs of all the departments through the new computer program but her understanding of the sentence was that departments would not be connected.

Staff Lee responded that all departments are connected but there are some special functions that will be needed specifically for the Rent Stabilization Program.

Staff Ford recalled that Staff Lee did say what was indicated in the minutes.

Chair Dorn made a correction near the bottom of page 4, “Section ~~102~~ 1002 puts that into the Rules and Regulations.”

Board Member Allen made a correction on the top of page 5, “The idea was that when there is a new tenancy, there is would be a new certificate based on the initial rent at the time...”

Motion: Board Member Allen moved, seconded by Board Member Webster, to approve the minutes for the March 24, 2010, regular RS Board meeting, as amended. Motion passed with one abstention (Hart).

Board Member Hart stated his reason for abstaining was due to the lack of clarity in the first paragraph on page 4.

- Minutes for the April 21, 2010, special RS Board meeting

Board Member Allen referred to the bottom of page 2 which he felt he may have asked as a question at the meeting rather than making the statement, “The idea was that when there is a new tenancy, there is a new certificate based on the initial rent at the time.”

Staff Ford responded that he would add a question mark to make the statement rhetorical.

Board Member Allen made a change to page 4, “The Committee had a question as to whether the program was a stand ~~along~~ alone system or an integrated system.” On page 5, he made the following correction, “Board Member Allen commented that the City should ~~build~~ bill the units (66) on the list provided by Matthew Fremont.” Under item 13, on page 5, he made a correction, “Board Member Allen suggested adding an item to the agenda about billing Wells Fargo for two to four units.”

Motion: Board Member Allen moved, seconded by Board Member Webster, to approve the minutes for the April 21, 2010, special RS Board meeting, as amended. Motion passed with Randolph abstaining because of having been absent.

4.a. **COMMUNITY FORUM**

Gabby Gonzalez, of YUCA 2135 Clarke Ave. spoke about rent roll backs for tenants, the update on the 136 tenant petitions and West Park condo map and asked for updates.

Chair Dorn explained that the Board was unable to take action under Community Forum.

5. AGENDIZED ITEMS FOR POLICY AND ACTION

5.1 Discussion of Rent Stabilization status of residential units following demolition and reconstruction

Staff Lee reported receiving a request that this item come back at the Board's next meeting.

Item tabled.

5.2 Discussion of City investment practices

Staff Ford explained that Stephanie Osaze asked that the City's investment policy be distributed to the Board.

Board Member Allen mentioned the special fund of the Rent Board which is raised by tenants and landlords as a special tax, and he questioned whether the City put the funds in a specific account or put in a San Mateo County pool fund. He asked what type of interest the Rent Program was receiving on the special fund money.

Staff Lee reported having a conversation with the City Manager and Finance Director, and Ms. Osaze was directed to provide a report to the Board. He responded that he would have to bring information back to the Board.

Staff Ford pointed out that Ms. Osaze's email to Chair Dorn indicated that the money was invested in the County pool.

Board Member Allen voiced concern that the Board asks specific questions but only gets general answers and information that is not pertinent.

Board Member Webster commented that when he started to attend meetings of the Rent Stabilization Board as by January 24, 1989, the issue as to where funds for Rent Stabilization were being housed was brought up at that time. He did not recall the Rent Board ever receiving straight answers from the Chief Financial Officer.

Board Member Randolph pointed out that the information received was a general overview, but the question was answered.

Board Member Hart agreed that the question had been answered in a general fashion but suggested that more specific questions be asked. He asked the City Attorney about the legality of the CM taking Rent Stabilization Funds, a program voted in by the people, a fund that is supposed to be separate and comingling those funds with the general funding of the City. He said he wasn't saying anything was being done illegally. He asked what are the legal standards that allows the Rent Board funds to be invested like the rest of the funds in the City

City Attorney Ewing responded that he would look into this and follow up on Board Member Hart's question.

Chair Dorn questioned when the decision was made to pool Rent Board funds and whether there is a line item in the budget for interest and dividends earned.

Staff Lee responded that he will see if there is an item in the budget.

5.3 Update and discussion on annual RSP budgeting and invoicing process

Staff Ford reported meeting with the Operations and Excellence Committee and pointed out that staff will use the same procedure that has been used in the past. The deadline for invoicing is June 1, which staff will take care of.

Board Member Allen pointed out that the consumer price index (cpi) would be released by the Bureau of Labor Statistics on May 14, and he assumed a report would be brought to the next Board Meeting

5.4 Update on negotiations with Page Mill receiver and Wells Fargo

City Attorney Ewing reported that the City has reached a tentative settlement with Wells Fargo/Wachovia, and the agreement will be discussed by the City Council in closed session.

Chair Dorn asked whether there was any information about the rent rollbacks.

Board Member Allen commented that he spoke with several residents who received substantial rollbacks of \$200-\$300, and those were units that he had identified that had mismatched certificates with their initial lease rate. He asked whether the City Attorney's office could provide any assistance in providing materials with regard to Small Claims Court against Wells Fargo for perceived overpayments based on rent reductions.

Mr. Ewing commented that the City's position on rollbacks was not something it was advocating for or against during the negotiation sessions. He added that information on Small Claims Court is available at the San Mateo County Courthouse.

Following discussion about providing information on topics such as Small Claims Court, Chair Dorn suggested that it was not inappropriate for the Rent Program to maintain information on agencies that landlords or tenants could contact when they have issues.

Staff Ford responded that the information is currently provided; Staff copies pages from the handbook and presents that to tenants and landlords.

5.5 Status update on petitions filed by Stanford Community Law Clinic on behalf of 136 Tenants.

Chair Dorn referenced a letter from Stanford Community Law Clinic indicating it is negotiating on behalf of the 136 tenants.

5.6 Update on meeting with Community Legal Services about upcoming community workshops

Staff Lee reported that he had a meeting on Friday with Community Legal Services (CLS) regarding the workshop on May 20; the subject will be code compliance. His understanding was that the Building Inspector or Building Official would be at the workshop to respond to questions the public might have.

5.7 Status update on Rent Stabilization Program software

Staff Ford indicated he was still waiting to get additional questions from Matthew Fremont to ask the vendor.

5.8 Status update of condominium map approval of WestPark Apartments

City Attorney Ewing reported that he is still searching through the archives in an attempt to locate the conditions and the map.

Board Member Webster questioned whether the City Attorney had contacted Senator Simitian because he was the attorney who handled the case at the time.

Mr. Ewing responded that he had not contacted him. After his research, he will come back to the Board with a report.

5.9 Discussion and possible action on RSB providing funding to Tenants Together

Chair Dorn said the request was for the Board to make a small donation to Tenants Together because they have been helping with Assembly Bill 2337.

Board Member Webster discussed the lobbying efforts of members to Tenants Together and people who have protested against Assembly Bill 2337.

Board Member Allen explained that the Board was seeking direction from the City Attorney because the Board discussed the issue of making donations to another agency at the last meeting.

Mr. Ewing responded that he will have to come back with an answer.

6. CONSENT CALENDAR

7. PUBLIC HEARING

8. RESOLUTIONS or RULES

9. REPORTS OF COMMITTEES AND STAFF

9.1 Report out from RS Board Members and Committees:

Board Member Webster questioned whether there was a possibility of getting a variety in the menu for the food that is provided at the meetings. He also passed on greetings from

Sister T who is currently living in San Jose and commutes to East Palo Alto during the week. He acknowledged Affordable Housing Week, sponsored by the Housing Leadership Council of San Mateo County. A grand opening for a Bridge Housing development will be held tomorrow between 11 a.m. and 1 p.m. in Colma. A session sponsored by Housing Leadership will be held on Friday, at 7:30 a.m. at the Crowne Plaza in Burlingame, and a Foreclosure Workshop will be held Saturday in Daly City.

Board Member Hart reported that he expected a rough draft of the brochure within the next two weeks from the person contracted to do the work. He added that there were 165 participants in the Al Julien Track Meet, and several participants were eligible for the Regional Meet in San Jose on June 19. He shared a flyer with regard to a housing workshop taking place on May 13 from 3-6 p.m. in Berkeley.

a. Operational Excellence (**Allen**, Mitchell)

Board Member Allen reported that the Operational Excellence Committee met after the last Board Meeting and discussed whether or not the Rent Board would send out bills on June 1 under the old ordinance or wait until the new ordinance. Staff agreed with the Committee that it would be best to send out the bills on June 1. The Board, at its meeting on May 26, would set the registration fee. He added that a letter from the Chair explaining what the Rent Board has done during the prior year is normally included with the billing, along with the registration statement.

Chair Dorn suggested including a brochure with a notation that more can be requested.

b. Outreach/Education (**Dorn & Hart**) – No report

c. City Council Liaison (**Hart & Mitchell**) – No report

d. Rules and Regulations (**Webster**, Allen & Randolph) – No report

9.2 Reports from Attendees to Housing California Conference

Workshops chair Dorn attended included topics such as foreclosed property and just cause for eviction, and screening tenants.

Chair Dorn gave a report on the Housing California Conference and information she received with regard to tenants' incomes and subsidized housing. She said that previously when a tenant's income went over the limit they had to move within one year. Now HUD will change this to two years. Tax Credit Projects have Good Cause for Eviction clauses in their rental contracts. There is a new California Tax Credit for new home buyers. On preventing housing discrimination complaints, Chair Dorn described anti-discrimination laws and best practices to guard against discriminating against tenants and applicants. Providers were advised to treat everyone equally. Overnight guest could be limited to 14 nights. Chair Dorn described the rights that tenants have in properties that are being foreclosed on. . Chair Dorn described how eviction attempts affect credit reports. She said that there is proposed State legislation that would allow credit reports to be negatively affected only after a court ordered eviction. Chair Dorn described Creditreport.com where people can get a form to mail or file to get their credit reports. She said that people could dispute incorrect information on their credit reports and that following cleared errors the

reporting agency had to issue a new credit report. And that items greater than seven years old had to be removed by the reporting agencies.

Board member Hart reported that attended a workshop on the changes being made at the U.S. Dept. of Housing and Urban Development (HUD) making the transformation to a new HUD. He said HUD is moving toward incorporating partnerships with non-profit developers and with private developers to build more affordable housing. He said he had concerns about non-profits and private companies taking over affordable housing. He said that the safeguards still needed to be in place. He said he and others brought that up in the workshop. He said that HUD was looking at evaluating tenants on an individual basis in terms of HUD's rules and regulations, rather than a tenant being kicked out because a relative had brought drugs onto the property or had done some other violation. He expressed concern that non-profit developers might not have as stringent eviction controls as there are in the good cause for eviction ordinances. He said he also attended a residents organizing workshop that dealt with tenant organizing in Southern California and in Sacramento. He described a workshop on Too Big to Ignore, about the new homeless in California that dealt with the homeless situation that's happening in the bay area that involves homeless youth and emancipated youth who are becoming homeless. There is funding proposed to provide homeless youth housing and health care. He described a workshop called Getting Real Affordable Housing that dealt with combining affordable housing with smart growth in Contra Costa County. He described the case study of how the conversion of the Naval Weapons Station in Concord has incorporated affordable housing.

Staff Lee reported on the workshops he attended at the Housing California conference: He said he attended a workshop called Shifting the Frame where the discussion focused on the need for a regional framework for a jobs and housing balance. He said that the workshop pointed out that there a need for planning for transit oriented development was emphasized. He said that affordable housing development could be used as a tool for economic development. Staff Lee said that he attended a workshop on housing for seniors. He said the workshop focused on the increasing need for housing for California's increasing senior population. He said that HUD was considering placing the development of HUD Section 202 (senior) housing on hold for a year pending a program evaluation of that type of housing. Staff Lee said he attended a workshop about housing and parking. . He said the discussion focused on land use requirements for parking for different types of housing developments. He said that parking requirements could be reduced where development was linked to public transit. He also said that he attended an inclusionary housing workshop. The workshop reviewed the implications of the Palmer v. the City of Los Angeles decision. Under that decision there are no inclusionary requirements for rental housing except where cities provide financial assistance to developers. He said that he attended a workshop about assisting homeless clients to obtain mainstream benefits. He said the discussion focused on different ways that homeless people could get services such as food stamps and medical care. He described the use of one-stop facilities and mobile health vans in communities. Mr. Lee said that he attended a workshop on combining solar technology with affordable housing. He said the discussion covered the need to include solar technology early in the housing design process and the importance of assessing what additional costs there might be for other trades where solar technologies are incorporated. Also, he said that solar energy could serve to reduce the energy costs for maintaining common areas in multi-family housing developments.

Staff Ford reported attending workshops on sustainable development where emphasis was placed on making sure that housing plans were part of an overall plan for reducing greenhouse gasses in the region. Staff Ford reported on a workshop he attended that provided guidance for housing providers and managers on reducing liability for discrimination complaints from project employees. Staff ford also reported on the workshop he attended for protections for tenants in foreclosed properties.

Staff Lee reported that the City Council would be holding its first budget study session on May 26, at 6:30 p.m.

Board Member Hart questioned whether a draft budget was available.

Staff Lee responded that the budget was still in production and not yet available.

Board Member Allen suggested that the Board hold a special meeting on May 19 to discuss the budget and registration fee.

10. ADMINISTRATIVE ITEMS

11. WRITTEN COMMUNICATIONS

12. COMMUNITY FORUM

13. RECOMMENDATIONS FOR FUTURE ACTIONS AND AGENDA ITEMS

Chair Dorn summarized that items for future agendas include a report about the Rent Stabilization Board funds, Consumer Price Index, and Rent Board software.

14. ADJOURNMENT

There being no further business, the meeting adjourned at 9:32 p.m.