

**CITY OF EAST PALO ALTO
RENT STABILIZATION BOARD MEETING
WEDNESDAY, September 8, 2010
CLOSED SESSION – 7:00 PM
REGULAR SESSION – 7:30 PM
2415 UNIVERSITY AVENUE
City Council Chambers
EAST PALO ALTO, CA
Minutes**

RENT STABILIZATION BOARD CLOSED SESSION

1. CALL TO ORDER

Chair Dorn called the meeting to order at 7:12 p.m.

2. ROLL CALL

Board Members Present: Dorn, Randolph, Webster, Hart, Fremont
Board Members Absent:
Board Alternates Present: Allen
Board Alternates Absent:
Staff Present: Ford, Deputy City Attorney Neelam Naidu

3. APPROVAL OF CLOSED SESSION AGENDA

Motion: It was moved (Fremont) and seconded (Webster) to approve the Closed Session Agenda. Motion passed unanimously.

4. CLOSED SESSION COMMUNITY FORUM

There were no members from the community.

The meeting adjourned to closed session.

5. CLOSED SESSION

5.1 Drafting Rent Stabilization Ordinance Regulations

6. ADJOURNMENT

The Closed Session was adjourned at 7:31 p.m.

REGULAR RENT STABILIZATION BOARD MEETING

1. CALL TO ORDER

Chair Dorn called the meeting to order 7:31 p.m.

2. ROLL CALL

Board Members Present: Dorn, Randolph, Webster, Hart, Fremont
Board Members Absent:
Board Alternates Present: Allen
Board Alternates Absent:
Staff Present: Ford, Lee, Ewing, Deputy City Attorney Neelam Naidu

3. APPROVAL OF AGENDA

Board Member Allen requested that item 12, **Community Forum**, be moved ahead of item 4, to become 5(a).

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

4. REPORT OUT FROM CLOSED SESSION

Deputy City Attorney reported that no action was taken during the Closed Session.

5. APPROVAL OF MINUTES

- Minutes for the July 14, 2010, regular RS Board meeting

Board Member Hart made a correction on page 5, “Board Member Allen noted that it appeared that the \$385,000 covered the registration fees that were due during the previous year. He was unsure how much the ~~District~~ Rent Stabilization Board borrowed from the City.”

Board Member Webster corrected the name of Eric Oberly to Oberle on page 5.

Board Member Hart referred to the comment on the top of page 3, “Chair Dorn recalled that she and Board Member Hart felt that late members should participate in the discussion at the table but not vote.” He noted that there was no clarification on the status of the alternate sitting in.

Chair Dorn advised that there is an item on the agenda from the Rules and Regulations Committee where that issue could be discussed.

Board Member Allen clarified that when a regular member is not on time, the alternate is seated in the regular seat; the regular member could participate but could not vote.

Board Member Fremont: Page 5 changed District to RSB. And on page 11. Capitalize "A" in Board Member Allen.

Motion: It was moved (Hart) and seconded (Fremont) to approve the minutes for the July 12, 2010, regular RS Board meeting, as amended. Motion passed unanimously.

- Minutes for the July 28, 2010, regular RS Board meeting

The minutes for the July 28, 2010, regular RS Board meeting were not available for approval.

5.(a) **COMMUNITY FORUM**

Diquanna Richard, 1820 West Bayshore, YUCA, spoke about the subdivision map for the Westpark Apartments and questioned why the examining process was taking so long.

City Attorney Ewing reported that the City Attorney's Office is currently analyzing the issue and conducting research on the record.

Board Chair Dorn noted that the minutes for 07/28/2010 were not available for review at this meeting.

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

- 6.1 Discussion and possible action on developing the RS Program Rules and Regulations

Board Member Webster reviewed a report that he prepared with regard to the Rules and Regulations Committee's development of the Rules and Regulations. He pointed out that the Committee had not received transcribed minutes of any of the meetings except for the July 7 meeting. He advised that he made requests at the August 20 meeting with regard to the slowness of the transcription of the meetings. He said that he had requested that the minutes of August 13th and August 27th be prioritized in that order. He said that he has been transcribing his own notes to forward to Mr. Baar. He added that he has been sending Mr. Baar communications that he received thus far. He explained that the Committee has been addressing issues that have been raised at the meetings. He believed that Mr. Baar has received an adequate volume of documentation through the Committee to address the issues that the Committee has been most concerned about.

Board Member Fremont advised that the Committee had not taken any formal votes; the action was the consensus of the Committee. He added that at the last meeting, YUCA had a detailed list of suggestions which the Committee discussed, considered, and made

suggestions. Mr. Fremont said in some cases he developed a memo that he gave to Webster who in turn forwarded it on to Mr. Baar.

Chair Dorn pointed out that the Board had to wait until it received the minutes from the Committee meetings or the proposed Rules and Regulations from Mr. Baar.

Board Member Fremont suggested that it would be best to wait for the actual drafted Rules and Regulations that will be coming from Mr. Baar.

Board Member Hart commented that the Board needs a clear cut direction on the action that takes place at the Committee meetings and the recommendations made by the Committee.

Chair Dorn questioned when the Board would be receiving minutes from the Rules and Regulations Committee.

Staff Ford was unable to guarantee an approximation of when the minutes would be available.

Staff Lee explained that the person who transcribes all the minutes for the Rent Stabilization Program also prepares the minutes for the Committees. He pointed out that the Committee has been meeting every Friday.

Chair Dorn asked staff can look at the work that needs to be done, go to the Interim City Manager, Mr. Gordon, and find out if there is someone who can help Staff Ford. She suggested that staff talk to Ms. Osaze, the Acting Assistant City Manager, to see if things can get moving.

Board Member Hart concurred that the Board needs to get the minutes in order to know what is being recommended to Mr. Baar.

Board Member Webster stated that he would transcribe his sketchy notes of the important meetings since it appeared that the Board would not receive the Committee minutes in a timely manner.

Board Member Hart appreciated receiving the summary report from Board Member Webster but noted that the Rent Board wants to see the action that was taken and the recommendations that were passed on to Mr. Baar.

Board Member Webster advised that the Committee was hoping that Mr. Baar would be able to attend the Committee's meeting on Friday to give an update as to his progress.

Board Member Allen thanked the Committee for the work it started in July and is continuing to do. He noted that if the Rent Program had appropriate staffing, minutes could have been taken and published and then given to staff to prepare a report.

Chair Dorn commented that the Committee had not anticipated that it would not have minutes to refer to. She said that this was a unique committee to her understanding.

Board Member Fremont advised that the purpose of the Rules and Regulations Committee is to get the rules and regulations drafted and provided a recommended set of rules and regulations back to the Board but not necessarily to report on the detail on every rule that was discussed. He asked if it was reasonable to ask staff for a plan by the next Regular Board meeting to show how the Board will receive the minutes in a reasonable amount of time, given the limited duration of Mr. Baar's contract.

Board Member Webster suggested that he could send Board Member Fremont his notes to review which then could go to Staff Ford to pass on to the Board.

Board Member Fremont advised that at the meetings where ML Gordon was present, his impression is that Mr. Gordon wants to do everything possible to support the process. He added that the staffing issue getting minutes completed should be brought to the attention of Mr. Gordon.

Board Member Webster reported that at yesterday's City Council, during the Community Forum, he explained to the City Council the urgency of getting the minutes completed on a timely manner.

6.2 Discussion of distribution of Rent Stabilization Program brochures

Staff Ford reported that the translated brochure has been sent out to another contractor. He explained that he had to wait a longer time than was anticipated to get the brochure from Mr. Esparsa and then had to wait to get the translated copy. He believes the next step is for Mr. Esparsa to get the brochure read for layout and printing. He will find out from Mr. Esparsa the cost for printing.

The Board discussed locations to take the brochures to. Board Member Hart suggested EHP, the Ravenswood Clinic, the Library, the Senior Center, the California Community Bank and Trust, Bayshore Christian Ministry, and the Credit Union. Chair Dorn suggested small markets such as 7-11 and Mi Pueblo. Board Member Webster said he'd take them to Community Legal Services. Board Chair Dorn suggested churches. Hart suggested Bayshore Christian Ministries. Mr. Hart suggest Job Train. Mr. Fremont said he would ask Stuart Highland as to where the brochures could be placed. The Board chose places that they would contact. Mr. Fremont suggested giving brochures to YUCA.

6.3 Introduction of Neelam Naidu

Neelam Naidu, Deputy City Attorney, explained that her job will primarily be to advise the Rent Stabilization Board and its committee. She provided information on her education and experience. She will also be advising the Planning Commission and Transportation Advisory Committee. She advised the Board that she would like to make a presentation on the Brown Act and ethics at a subsequent meeting.

6.4 Discussion of June 24, 2010, letter from Jeannie Merino and Juliet Brodie. Oral staff report.

Deputy City Attorney Naidu reported that at the August 13 Rules and Regulations Committee, Ms. Merino and Ms. Brodie summarized their letter of June 24, 2010. The letter indicated that the maximum allowable rent should be calculated based on their opinion that the March 30, 2010, decision (Woodland Park Management vs. City of East Palo) was not valid. Under their interpretation, most tenancies that began on or after January 1, 1996, the 2020-11 maximum allowable rents should be calculated based on actual or contracted rent rather than the certificates. She summarized the chart that was included with the letter. She summarized that the letter opines that the maximum allowable rents should be calculated based on actual rent for the majority of tenancies rather than the maximum rent in the certificates that were calculated under the 1988 Rule 1601.

Juan Gabriel Lopez, 2135 Clarke Avenue, YUCA, spoke about the Rent Board's authority to regulate rents and the Costa Hawkins regulations. He questioned whether it was possible to invalidate certificates and how tenants would be affected.

Chair Dorn explained that the attorneys were looking at the issues and had not come to a determination.

Mr. Gabriel Lopez asked whether there was a timeline for getting answers from the attorneys.

Chair Dorn responded that there was no timeline.

Board Member Fremont suggested that the Rules and Regulations Committee was currently the best source for information.

Deputy City Attorney Naidu suggested that it would be helpful for her office to receive written comments with regard to YUCA's position.

Board Member Webster recommended that YUCA send their communication to the Rules and Regulations Committee, noting that Ms. Naidu would be advising the Committee.

6.5 Report on and discussion of Rules and Regulations Committee meetings

Board Member Hart asked whether this was the point in the meeting where Board Members could bring up issues pertaining to clarifications on the alternate's sitting in on meetings.

Board Member Webster responded that recommendations were sent to Mr. Baar several months ago.

Chair Dorn questioned what the recommendations were.

Board Member Webster responded that the Committee has not heard back yet from Mr. Baar about his recommendations.

6.6 215 E. O'Keefe

Chair Dorn reported that she asked Staff Ford about the property at 215 E. O'Keefe because she did not believe the property was registered.

Staff Ford advised that he visited the site, which was gated, and he was unable to get in; he did notice 13 units listed on the call intercom box. The County property records indicate the property is owned by the Ascani Trust. He will work with the City Attorney's Office has to how a letter should be worded and will try to find out when the property was built.

Board Member Allen noted that most of the properties on O'Keefe were built in the 1960s.

Board Member Webster reported that 215 E. O'Keefe was one of the properties that was brought to the attention of the Board in the late 1990s. He added that City Attorney Thompson reported to the Board in Closed Session, years ago,

City Attorney Naidu warned the Board that items discussed in Closed Session are confidential and not public matters to be discussed at a public meeting.

Staff Ford asked whether Board Member Webster could discuss with the City Attorney what went on in Closed Session.

City Attorney Naidu responded in the affirmative.

7. CONSENT CALENDAR

8. PUBLIC HEARING

9. RESOLUTIONS or RULES

10. REPORTS OF COMMITTEES AND STAFF

- 10.1 Report out from RS Board Members and Committees:
 - a. Operational Excellence (**Allen** & Fremont)

Board Member Allen reported that the Committee had not met since the July meeting.

- b. Outreach/Education (**Hart** & Dorn)

Chair Dorn questioned whether the Outreach/Education Committee will have a meeting prior to the next Board meeting.

Board Member Hart responded that he would like to schedule a meeting if the Committee can be assured it will have the brochures.

Staff Ford will let the Committee know if the brochure will be available prior to the next Board meeting.

c. City Council Liaison (**Hart & Fremont**)

Board Member Hart reported that the Committee met with the Mayor and Council Member Abrica and discussed issues that were submitted to the general body, including the \$389,000 that was received from Wells Fargo in the settlement. The Committee did not receive an answer as to where the money would go. The Committee expressed that it wanted to start out the new year with an open dialogue with the City Council and wanted to schedule a meeting each month to discuss issues concerning the Rent Board and the City Council.

Board Member Allen questioned whether the Mayor or Council Member Abrica indicated they would ask the Finance Director about the money and whether some of it would be used to pay the water bill.

Board Member Hart responded that the Committee asked for clarity on whether the money was going into the general fund or Rent Board budget, and the Mayor indicated that a response would be forthcoming within the next week.

Board Member Allen requested that Board Member Hart ask the Mayor if he could request that the Finance Department provide the Rent Board with a paper trail of the movement of Rent Stabilization money.

Board Member Fremont commented that the Committee discussed at the last meeting that the Board would like to get a better understanding of the actual approved budget.

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

Board Member Hart announced that at the last meeting he reported on the Dad and Me @ the YMCA Pool for fathers and their children. Fifty people were registered for the event; 33 showed up, and it was a very successful event.

Board Member Fremont reported that Eric Oberle and Christine Holbo welcomed their first child, Alexander, a few weeks ago. He added that Judge Weiner granted final approval to the settlement in the Oberle vs. Page Mill case and issued an order that there was no opposition, no objections, and not interveners in the settlement on behalf of tenants or others. The Judge declared the settlement to be a “thing of beauty.” The damage award that would go to tenants totaled approximately \$50,000. The Court also granted the plaintiff’s attorneys request for fees in the amount of \$400,000; the order included a permanent injunction such that if Page Mill ever owned the properties again, they would register the properties and abide by the Rent Stabilization Ordinance.

Chair Dorn asked the Liaison Committee to try to get information on how the loans from the City Council to operate the Rent Program would be handled.

Staff Ford reported that there was a meeting with some members of the City Management staff, including Interim City Manager Gordon, Board Member Fremont, Ms. Naidu, and Mr. Baar (by phone); after that meeting, Board Member Fremont and Ms. Naidu came to the office to transfer some information from his computer to Ms. Naidu which will eventually go to Mr. Baar.

Staff Ford reported that he and Mr. Lee sat through a walk-through of the West Hollywood software system by the people who developed the system for West Hollywood. An estimate of about \$45,000 was received. Staff may have to hire someone to develop the specifications for the contract to develop a system.

Board Member Fremont agreed that the City needs help in developing a detailed requirements specification.

Board Member Allen noted that Staff Ford had mentioned having Board Member Fremont help him get data from three different years from three different formats. He asked for more specific information on where the data came from.

Staff Ford responded that some of the information was extracted from the OMNI form certificate database and some was based on data that had been input from the registration material, some from information from registration forms that has not yet been input. He is still working on registrations and trying to collect fees. He hopes to have a report ready for the Board by the end of November.

11. ADMINISTRATIVE ITEMS

12. WRITTEN COMMUNICATIONS

14. RECOMMENDATIONS FOR FUTURE ACTIONS AND AGENDA ITEMS

Chair Dorn advised that the Board wants to be kept up-to-date on the progress of the computer program.

Board Member Hart asked that the Board receive a written report from the City Attorney on the condo maps for Westpark Apartments. He noted that discussion of the brochures will come back on the next agenda as well as a report on 215 E. O'Keefe.

Chair Dorn noted that the minutes have included discussion on information on forms of communication from the Board that are appropriate for the landlords. She believed that would come in the future after the Rules and Regulations are completed.

Board Member Fremont suggested that the Board develop a form that landlords provide to new tenants as a notice that there is a Rent Stabilization Ordinance.

Chair Dorn recommended that the Outreach/Education Committee look at the form for landlords.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 9:56 p.m.