

**CITY OF EAST PALO ALTO
RENT STABILIZATION BOARD MEETING
WEDNESDAY, SEPTEMBER 22, 2010
REGULAR SESSION
2415 UNIVERSITY AVENUE
City Council Chambers
EAST PALO ALTO, CA
Minutes**

1. CALL TO ORDER

Chair Dorn called the meeting to order at 7:03 p.m.

2. ROLL CALL

Board Members Present: Dorn, Randolph, Webster, Hart, Fremont, Ndegwa
Board Members Absent:
Board Alternates Present: Allen (arrived at 7:13 p.m.)
Board Alternates Absent:
Staff Present: Staff Ford, Deputy City Attorney Neelam Naidu

3. APPROVAL OF AGENDA

Board Member Webster asked that item 12, **COMMUNITY FORUM**, be moved ahead of item 6.

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

4. APPROVAL OF MINUTES

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

Board Member Fremont referred to page 3 and said he asked for clarification as to whether nonprofit housing developers primarily do new construction or to what extent they participate in rehabilitation and whether rehabilitation is being done in East Palo Alto. He believed that Ms. Tan's response was that in East Palo Alto, the nonprofit housing developers have primarily done new construction but she was aware that some nonprofits do rehabilitation. She also explained that some nonprofits do rehabilitation but those were primarily on the East Coast where the opportunity to do new construction is limited. He also wanted the minutes to reflect that he was asking for clarification whether Woodland Park would not qualify for the low income tax credit program because of their recent changes in property ownership. He advised that Ms. Tan confirmed that the change in ownership would disqualify the properties for the low income tax program under the acquisition cost, but rehabilitation would qualify.

Chair Dorn asked whether Woodland Park is a section of East Palo Alto; her understanding was that Woodland Park was the owner of some of the properties.

Board Member Webster explained that the term “Woodland Park” was historically referred to as the Willows. He had not heard the term “Woodland Park” until Page Mill appeared on the scene. He said there was no historical Woodland Park neighborhood on the west side of East Palo Alto.

Chair Dorn suggested that the minutes include a paragraph to say, “Board Member Fremont brought up the question about the properties formally owned by Woodland Park not qualifying for the low income tax...” She suggested that Board Member Fremont provide his written comments to Staff Ford.

Deputy City Attorney Neelam Naidu advised that Board Member Fremont suggest the recommended change to the language and then approve the minutes with the recommended changes.

Chair Dorn pointed out that Ms. Tan’s comments referred to Woodland Park.

Staff Ford commented that Ms. Tan repeatedly used the wording, “Woodland Park” in her comments.

Chair Dorn suggested the sentence on page 3 read, “Ms. Tan distributed a flyer on “National Night Out” in the area she referred to as the Woodland Park neighborhood.”

Board Member Fremont commented that Ms. Tan supplied some details not included in the minutes concerning the regulation of rent as part of qualifying for loans for the tax credit program, including numbers about the median income for a family of four, rent increases, and rules regarding how much a family’s income can exceed the median. He felt that information was germane to the Board as it would relate specifically to the Board’s understanding of the impact of anyone who might try to qualify for the exemption.

Chair Dorn asked that the tape be reviewed to include further comments made by Ms. Tan.

Chair Dorn made a correction on page 4 and 5, during Mr. Hart’s comments where the minutes say “District” which should actually be “Rent Board.”

Board Member Fremont referred to Item 5.5, Election of Board Officers and commented that he thought he abstained from the vote for Vice Chair. (Tape was checked, and the vote was unanimous).

Board Member Dorn made one correction on page 5, “Chair Dorn reported that she directed questions to the Finance Department, asking how much the loans were, what funds did the loans come from ...” She also made a change, “He referred to the

presentation earlier in the meeting from ~~the lady from the nonprofit~~ Ms. Tan, consultant to who is working with Wells Fargo.

Board Member Fremont commented that he would try to summarize his changes for page 3 . “Board Member Fremont inquired about the mission of nonprofit housing developers.” He inquired about whether nonprofit housing developers primarily invested in new construction versus rehabilitation and the extent to which one or the other has taken place in East Palo Alto. Ms. Tan responded that non profit housing developers do both, that in the West, they’ve primarily been investing in new construction and that the nonprofit housing developers that invest in rehabilitation are primarily back east. He raised a question as to whether the former Page Mill portfolio would qualify for the low income tax credit program because of when the property last changed owners. Ms. Tan responded that because of the recent change of ownership, the acquisition cost would not qualify.”

Chair Dorn wants the minutes to include how a tenant qualifies to benefit from the subsidized housing that Ms. Tan gave at the beginning of her presentation.

Motion: It was moved (Randolph) and seconded (Webster) to table the minutes so that corrections can be made prior to approval. Motion passed with on abstention (Allen).

Chair Dorn acknowledged that Board Member Allen was seated in the Vacant seat.

5. AGENDIZED ITEMS FOR POLICY AND ACTION

5.1 Report on and discussion of Rules and Regulations Committee meetings

Chair Dorn thanked Board Member Webster for sending his notes on the Rules and Regulations Committee meetings.

Board Member Webster reported that he had transcribed his notes from the meetings of August 20, August 27, September 10, and September 17. He commented that it was his understanding that Staff Ford sent Mr. Baar the MP-3 files; however, he felt it was imperative that Mr. Baar has a transcription that indicates what was said. The Rules and Regulations Committee will hold a meeting on September 29 with the consultant, Mr. Baar; Jeannie Merino, Community Legal Services; and Professor Juliet Brodie, Stanford Community Law Clinic, so that they can discuss the letter of June 24 to the City Attorney. He will also transcribe his notes for the next Friday’s meeting which will focus on different kinds of petitions and Section 9 of the Rent Stabilization Ordinance (RSO).

Board Member Fremont questioned whether Mr. Baar indicated he would have a draft of Rules and Regulations for the meeting next week.

Board Member Webster advised that Mr. Baar had indicated he would have sections from the proposed draft Rules and Regulations prior to the meeting.

Chair Dorn acknowledged a recent letter from Anthony Clark, YUCA, concerning the certificates which should be discussed at the Committee level.

Deputy City Attorney Naidu advised that an email from Mr. Clark was sent to her and Chair Dorn, and she forwarded the letter to Staff Ford to include it for the Rules and Regulations Committee. She explained that Mr. Clark sent the email which included a letter from Juan Gabriel Lopez.

5.2 Update on progress of drafting Rules and Regulations Committee meeting minutes

Staff Ford reported that the Rent Program would be adding more staff to get the minutes out. He will be sending more tapes out to Ms. Swanson, the transcriber, this week. He explained that Ms. Swanson prepares all the minutes for the Rent Board.

5.3 Discussion of distribution of Rent Stabilization Program brochures

Staff Ford reported that Robert Esparza brought in a quote that was approximately \$50 over the amount in the purchase order. Changes will be made next week to get the purchase order increased for the printing. The quote was \$550 for printing 2,500 copies.

Board Member Fremont asked about the timeframe for completion of printing the brochures.

Staff Ford anticipated one week to ten days to get the Finance Department to transfer the additional funds prior to printing the brochures.

5.(a) COMMUNITY FORUM

There were no comments from the public.

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:
a. Operational Excellence (**Allen** & Fremont)

Board Member Allen reported the Operational Excellence Committee had not met. He questioned whether information regarding the data for the annual registration statement for the properties held by Wells Fargo had been received by the Rent Program Office.

Staff Ford responded that the information had been received and is in the process of being input.

Board Member Fremont questioned whether there was anything the Committee could help with in terms of matching the registration data that was received to the County property data to identify properties which have not registered.

Staff Ford reported that Mr. Smith from the Redwood City IT Department will come to the office on Monday to help him.

Board Member Allen questioned whether the Rent Program Office has received any new tenancy registration forms since September 2009 for the properties owned by Wells Fargo.

Staff Ford responded that he had not received any; he had asked the Receiver who told him to ask Robert Maddox. He thought he had previously asked Mr. Maddox but noted he had not received any responses, so he emailed Mr. Maddox again this week.

Board Member Allen pointed out that the data provided by Mr. Maddox would not have the necessary information for the new tenancies. The new Tenancy Registration form, aka the Vacancy Registration Form, aka the Costa Hawkins Vacancy Registration form, requires certain statements by the owner that all the information submitted on the form is truthful; some information requested is the name of the tenant, the unit number, a contact number, and a phone number or email. The information shows the Rent Program Office can act as a check and balance on the truthfulness of the information provided. A form received only from the landlord that states the rent, needs to be subject to verification by the tenant.

Staff Ford advised that the Rent Program received up-to-date information up to the end of June.

Board Member Allen noted that the annual registration statement does not ask for the identification of the new tenant or tenant contact information. More information is requested on the new Tenancy Registration form than in the annual registration statement.

Board Member Fremont suggested that the Operational Excellence Committee meet and review the new Tenancy Registration form in light of the new Rent Stabilization Ordinance (RSO).

Board Member Allen pointed out that the new Tenancy Registration form asks for a copy of the lease to prove that the amount the landlord claims as the new tenancy rent is correct. He explained that the annual registration packet always included a copy of the Vacancy Registration form with instructions.

Chair Dorn assumed that when landlords were sent information about registering for the year, the letter would include that there needs to be a new Tenancy Registration form filled out at the time of new tenancy.

Staff Ford responded that Chair Dorn was correct.

Board Member Hart left the meeting at 8:10 p.m.

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

Chair Dorn advised that the Outreach/Education Committee decided not to meet until the brochures are finished. The Committee, at that time, will also discuss new brochures for landlords, particularly with regard to discrimination.

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

Board Member Fremont advised that the City Council Liaison Committee has not met but will suggest that a meeting be scheduled in early October to update the City Council on the progress of the RSO Rules and Regulations.

d. Rules and Regulations (**Webster**, Fremont & Randolph)

No additional report from the Rules and Regulations Committee.

Board Member Webster recommended that the Board adjourn the meeting in memory of the late Jeanne Cuffey Tatum who passed away on Sunday. Some of her jobs included Program Manager at the Community Development Institute and Program Officer for the Peninsula Community Foundation, and she was responsible for seeing that millions of dollars over the years came to nonprofit organizations in East Palo Alto.

Staff Ford reported that he and Deputy City Attorney Naidu worked on the letter to go to the owner of 215 E. O'Keefe Street, which should go out next week. The letter will ask the owner to register the units or apply for an exemption.

Ms. Naidu pointed out that the letter does have a deadline for response.

Chair Dorn questioned what would happen if there was no response.

Board Member Allen suggested sending the owner a bill if they do not respond; and if they do not pay the bill, a letter should be sent stating that a lien would be placed on the property.

Staff Ford reported that he and Staff Lee had a phone conference with the Redwood City IT staff to review the process of putting together a scope of services for them to develop an application for the program. Estimates were received from CRW and HDL; however, Redwood City is approximately \$10,000 less than those estimates.

Board Member Allen pointed out that the City of Redwood City is doing all the software for all the City's departments; however, they have no experience with a Rent Stabilization

Program. He noted that HdL has experience of working with the Rent Stabilization Program in West Hollywood, and added that money was added to the City Manager's original estimate of \$25,000.

Chair Dorn questioned whether the Board received information about the money that was given to the Rent Stabilization Program.

Ms. Naidu responded that she was researching the issue.

Chair Dorn reported that earlier in the day, she and Board Member Allen had a meeting with Interim City Manager ML Gordon and the Acting Assistant City Manager Stephanie Osaze.

Board Member Allen reported that Chair Dorn downloaded the job descriptions for Rent Stabilization Program manager from the cities of Santa Monica and West Hollywood. They reviewed the job descriptions and made changes; the changes were submitted to Mr. Gordon and Ms. Osaze. He also sent them his notes from the first meeting in July when he alerted the Board as to certain dates and changes that had to be made in the budgeting process. It is anticipated that the City staff will come back with a job description to move forward for recruitment, hopefully in October.

Board Member Fremont questioned whether there had been any discussion about bringing someone on in a short term position.

Chair Dorn responded that she was aware through other discussions that getting temporary help might be a possibility.

10. ADMINISTRATIVE ITEMS

11. WRITTEN COMMUNICATIONS

13. RECOMMENDATIONS FOR FUTURE ACTIONS AND AGENDA ITEMS

Board Member Webster suggested asking Mr. Peter, General Manager of Woodland Park, to bring an update to the Board regarding the Laramar Group that he represents. He would also like an update on the year-long process of determining a final solution to the Woodland Park portfolio question.

Mr. Peter, who was present at the meeting, advised that he would have to check his schedule to figure out which meeting he can attend.

Board Member Fremont suggested that the Board have a discussion about additional staffing or action that is needed to be taken to implement the new RSO, from a program point of view.

Staff Ford suggested receiving comments from Mr. Baar on his recommendations for staff.

Board Member Webster offered to contact Mr. Baar about his recommendations for staffing and duties that need to be accomplished.

Chair Dorn summarized items for future agendas, which include receiving information on the money that was given or loaned to the Rent Stabilization Program, progress on the computer program, report on vacancy registration forms, and ethics and Brown Act training.

Board Member Webster reported that Dr. Oberle developed a registration form and suggested that he be contacted.

14. ADJOURNMENT

There being no further business, the meeting adjourned at 8:37 p.m. in memory of Jeanne Cuffey Tatum.