

**CITY OF EAST PALO ALTO  
RENT STABILIZATION BOARD MEETING  
WEDNESDAY, OCTOBER 13, 2010  
REGULAR SESSION – 7:00 PM  
2415 UNIVERSITY AVENUE  
City Council Chambers  
EAST PALO ALTO, CA  
Minutes**

**1. CALL TO ORDER**

Chair Dorn called the meeting at 7:16 p.m.

**2. ROLL CALL**

Board Members Present: Dorn, Randolph, Webster, Fremont, Ndegwa  
Board Members Absent: Hart  
Board Alternates Present: Allen  
Board Alternates Absent:  
Staff Present: Staff: Housing Specialist II, Ford, Deputy City Attorney Naidu

Board Member Allen acknowledged that he was seated in the vacant seat at this meeting.

**3. APPROVAL OF AGENDA**

Chair Dorn advised that the Board would not be having the Ethics and Brown Act Training (item 5.9); it will be tabled to a future meeting.

Board Member Allen recommended moving item 12, Community Forum, after item 4, to become 4.a.

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

**4. APPROVAL OF MINUTES**

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

Board Member Allen made a correction to page 2, “Board Member Allen noted that the County Assessor’s data includes parcel number and the address of the owner; it does not include an accurate number of units.” He explained that on July 27, he, Board Member Fremont, Staff Ford and Staff Lee met with the IT Department in Redwood City and saw the implementation of the Assessor’s database. He and Board Member Fremont tested the database on four properties and found that all four addresses were incorrect.

**Motion:** It was moved (Allen) and seconded (Fremont) to approve the minutes for the July 28, 2010, regular RS Board Meeting, as amended. Motion passed with two abstentions (Webster, Ndegwa).

- Minutes for the September 8, 2010, regular RS Board meeting

Board Member Fremont made a change on page 8: “The Judge declared the settlement to be a ‘thing payment of beauty.”

Board Member Allen made a correction on page 9: 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 form that has not yet been input.

**Motion:** It was moved (Allen) and seconded (Fremont) to approve the minutes for the September 8, 2010, regular RS Board Meeting, as amended. Motion passed with two abstentions (Webster, Ndegwa).

#### 4.a. **COMMUNITY FORUM**

There were no comments from the public.

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

- 5.1 Report on and discussion of Rules and Regulations Committee meetings and update on progress of drafting Rules and Regulations Committee meeting minutes

Board Member Webster reported that the Rules and Regulations Committee met on September 29, which included the participation of Jeannie Merino (Community Legal Services) and Juliet Brodie (Stanford Community Law Clinic); October 6, and October 13. He advised that the subject of the three meetings was the Registration section of the Rules and Regulations. The Committee made a recommendation to the full Board to agendize a public hearing on the passage of the Registration section of the Rules and Regulations at a regular meeting of the Rent Stabilization Board (RSB) and then schedule a second hearing, after which the Registration section would go into effect. He advised that Ms. Naidu confirmed that the Committee did not have to agendize asking staff to begin the process of noticing the first hearing. The Committee has not set a date for another meeting. He will contact the consultant, Kenneth Baar, about a meeting date.

Chair Dorn questioned when the RSB would have the opportunity to review the Registration section.

Board Member Webster responded that the RSB would review the Registration section at the public hearing.

Ms. Naidu explained that when the notice is published, the document has to be made available to the public and would be circulated to the RSB. She asked whether Mr. Baar would be including the section on Exemptions.

Board Member Webster advised that Mr. Baar would add a section on Exemptions.

Board Member Allen questioned how a first reading could be scheduled without the RSB having an opportunity to give input on the document.

Ms. Naidu explained that the current Rules and Regulations specify that a notice must be published 20 days in advance of the first reading; the RSB would have the opportunity to make changes at the first reading.

Discussion followed about scheduling the public hearing. Board Member Fremont pointed out that Mr. Baar was concerned about the time frame with getting the sections approved in time for the December 1 deadline for sending out the registration forms. The RSB will schedule the first hearing for November 10 and the second reading on November 24.

Chair Dorn directed staff to prepare the notices for the first and second readings.

Board Member Webster advised that the Rules and Regulations Committee will review the certification section at its next meeting; however, the meeting date has not been selected. The Committee will contact Mr. Baar for his availability.

## 5.2 Report from YUCA staff on YUCA survey results and discussion

Anthony Clark, Youth United for Community Action (YUCA), provided a presentation with regard to Woodland Park Apartments.

Juan Gabriel, YUCA, described the purpose of YUCA and explained why a questionnaire was prepared for the Woodland Park tenants. The purpose of the questionnaire was to find out the concerns of the tenants and let them know what their rights; the response was from about 200 households.

YUCA staff summarized the answers to the survey. The first question asked was whether Woodland Park Apartments should remain as apartments. The majority of the tenants felt that the Woodland Park Apartments should remain as apartments. The second question was whether duplexes and single-family homes should be available for purchase. The majority of tenants felt that the duplexes and single-family homes should not be available for purchase. The third question was whether the buyers of duplexes and single-family homes should live in the units or rent the units to the general public. The majority of the tenants believed that the buyer of the duplexes and single-family homes should be able to live in them and rent to others. The fourth question asked whether the area should be torn down for redevelopment. The majority of the tenants believed that Woodland Park Apartments should not be torn down for redevelopment. The fifth question was whether tenants should, with training, be able to own and run their own apartment buildings. The majority of tenants believed that a tenant should be able to run and

own their own building. The sixth question was whether Woodland Park Apartments should be turned into condominiums. The majority of tenants did not want Woodland Park Apartments converted into condominiums. The last question was whether there should be a community park or facility in the Woodland Park Apartments. The majority of the tenants believed there should be a community park or facility.

Board Member Allen thanked YUCA for undertaking the survey. He felt the data would have more meaning if a list of property addresses was included. He acknowledged that he was very shocked that 33 percent of the residents surveyed believed that Woodland Park Apartments should be torn down for redevelopment.

Chair Dorn questioned what the responders thought was the meaning of “redevelopment.”

Mr. Clark responded that the tenants at 30 Newell felt that redevelopment meant their apartments would be remodeled and improved. He explained that a meeting was held during a Measure H meeting where Ms. Tan and nonprofit housing developers presented a chart that listed plans for some of the properties.

Board Member Webster recalled that the discussion with Ms. Tan and the nonprofit housing developers and pointed out that the area is not listed as a redevelopment area.

Board Member Allen commented that people seem to be buying into the concept that Woodland Park was a unified, contiguous property. He explained that Woodland Park was acquired from many property owners and was an invention of David Taran who used the name Woodland Park to describe his holdings.

Board Member Webster asked Mr. Clark who else he was making his presentations to.

Mr. Clark responded that the information was being presented to Mr. Maddox and the City Council.

Board Member Webster expressed concern that people do not understand the meaning of redevelopment, which actually means new condominiums as opposed to apartments.

Board Member Allen suggested that a PowerPoint slide be added that includes the fact there are 1,800 units in the Page Mill portfolio. This list of properties can be obtained from the EPA-Tenants.org website. He suggested adding a paragraph to the presentation that focuses on the fact that only 200 households were surveyed out of 1,800. He also suggested breaking down the number of people in the survey by address.

Chair Dorn commented that “redevelopment” is a legal term, and she did not believe that the respondents of the survey understood what they were being asked. She added that the information should not be presented in the survey results.

Board Member Webster suggested a clarification was needed that tenants responding to the question had different understandings of what redevelopment meant, and some of the understandings might be better described as rehabilitation.

Board Member Allen recommended that the “redevelopment” slide be removed from the presentation.

Chair Dorn questioned whether there were any suggestions as to where a park could be located.

Mr. Clark responded that suggestions were made to add a park near “Three Brothers” restaurant.

Board Member Allen pointed out that the property mentioned was not part of the Woodland Park portfolio.

Chair Dorn remarked that the property could be purchased by the City and turned into a park. She added that a small park could be placed at the end of Donohoe.

Juan Gabriel raised a question about money given to people when they are kicked out of their apartments when their units are converted to condominiums.

Board Member Webster explained that if an area was turned into a redevelopment project area, under California law, tenants have to be given a settlement to help them locate elsewhere. He added that the Woodland Park area was not a redevelopment area.

Board Member Allen pointed out that if an owner were to redevelop on his own, he could “Ellis Act out” the people living on the property to be redeveloped. He explained that the RSB was responsible for getting the City Council to pass the Ellis Act Financial Mitigation Ordinance which was not as generous as the Redevelopment Agency’s Relocation Plan. His understanding was that a family of five would be given up to \$14,000 in relocation expense, should a property owner “Ellis Act Out” and evict tenants.

Board Member Webster remarked that the City’s laws say a landlord would not be able to benefit from the process for about 10 years. He agreed Board Member Allen about not sending the presentation to Mr. Maddox in its current form.

### 5.3 Discussion of distribution of Rent Stabilization Program brochures

Staff Ford reported receiving a phone call from Mr. Esparza the prior day stating he would not be able to print the brochures and referred staff to a printer. Staff will have to contact directly with the printer to get the brochures printed.

The Board concurred that staff should proceed with getting the brochures printed.

### 5.4 Update on development of Rent Stabilization Program software

Staff Ford reported that staff received two written quotes and one verbal quote. He expects to receive the written quote from Redwood City during the week.

Staff Ford advised that staff will meet with ML Gordon to review the quotes and get his feedback on how to proceed.

Board Member Allen asked for information on the quotes received.

Staff Ford responded that written quotes were received from CRW (who did the City's land tracking system) and HdL (who did the Rent Stabilization system for West Hollywood).

Board Member Allen spoke in favor of going with HdL because they had written an application directly for a rent stabilization program. He commented that although the IT Department at the City of Redwood City was experienced with the development software, they were not that familiar with what a rent stabilization program does.

Board Member Fremont asked whether it would be helpful to have an ad hoc Technology Committee meeting at some time in the future to look at the quotes.

Staff Ford agreed that would be a good idea.

#### 5.5 Discussion on Vacancy Registration Forms

Staff Ford reported that this item was on the agenda as a placeholder but he was unsure there was anything to discuss at this point.

Board Member Allen recalled making comments at one of the Rules and Regulations Committee meeting suggesting that the form and some other items be added to the agenda. His suggestion was that all the information in the current Vacancy Registration form be called out in the Rules and Regulations, with the addition of including the initial rent amount and a request for information on any move-in bonus amount or any reduction in rents.

Board Member Fremont pointed out that the request for additional information such as move-in bonus was discussed by the Rules and Regulations Committee at a prior meeting and also at the meeting held prior to tonight's regular Board meeting.

#### 5.6 Update on funds from City Council in 2009 – 2010 fiscal year

Ms. Naidu reported that at the September 8, 2010, Rent Stabilization Board meeting, Chair Dorn requested a legal opinion of "how the money the City Council gave to the Rent Board to continue to operate the Rent Board when it did not get registration fees..." She summarized that what was being asked was: (1) Does the Rent Board have to repay the funds the City Council gave to the Board in fy 2009-10 when the Rent Board did not receive registration fees; and (2) Does the Rent Stabilization Board have any control or access to the funds paid in settlement by Wells Fargo over the Page Mill litigation. She advised that there was no applicable law or ordinance that addressed the questions. She referred to Section M of the Rent

Stabilization Ordinance (RSO) which provided that, “The Board shall finance the reasonable and necessary expenses for its operation by charging landlords an annual registration fee. The Board has the power to request and receive funding when and if necessary, from any available source, including the City’s General Fund, if approved by a four fifths vote of the City Council for reasonable and necessary expenses. In the absence of applicable statutory language, policy, practice, or other City Council action will dictate.” She added that she discussed the issue with the City Manager who will seek direction from the City Council. The City Manager has requested that the RSB direct the questions to him.

Chair Dorn will send an email to Mr. Gordon.

#### 5.7 Update on 215 East O’Keefe Street

Staff Ford reported that questions had been asked about the registration status of the multi-unit property at 215 East O’Keefe Street at a prior meeting. He advised that he sent a letter to the property owner on September 29 asking about the status of the property, whether it is subject to registration or an exemption. The letter requested a response by October 20, 2010.

Ms. Naidu pointed out that the property owner would pay in January for the 2010-11 year but the previous year was still an issue.

Staff Ford referred to Section 7 which indicates that the Board has the power to lien the properties. Staff does not believe the property owner has registered in the past.

Board Member Allen explained that, based on the old ordinance, the property owner was not in compliance because they should have been registered. He suggested taking action against the property owner.

Chair Dorn would like to see bills sent with letters in other similar cases and suggested that the property owner at 215 East O’Keefe be sent a bill if they do not respond by October 20.

Board Member Allen agreed and added that if the registration is not paid, the lien process should be started.

Staff Ford pointed out that there are certain parameters with regard to what the bill would look like, and he would have to meet with Legal staff to prepare the bill.

Chair Dorn summarized the direction to staff is to send a bill for the 2010-11 year as soon as possible, if no response is received by October 20.

#### 5.8 Discussion and possible decision on November 2010, RSB meeting dates

Chair Dorn remarked that the regular meeting dates for November are the 10<sup>th</sup> and 24<sup>th</sup>, which have been set as hearings for the Registration regulations.

#### 5.9 Ethics and Brown Act Training

Item tabled to a future meeting.

## 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:

Chair Dorn asked if Board Member Ndegwa which Committee she would like to be on. Board Member Ndegwa expressed interest in the Outreach/Education Committee. Chair Dorn will let her know when the next meeting is.

Board Member Allen commented that the ad hoc Budget Committee will meet soon and requested that staff provide the Committee with budget materials from the prior year's budget and an estimate from Human Resources on costs for salaries and benefits.

Chair Dorn advised that she has already asked Ms. Osaze for the information and expects to receive it within the next week.

- a. Operational Excellence (**Allen & Fremont**) – Committee did not meet.
- b. Outreach/Education (Dorn & **Hart**) – Committee did not meet.
- c. City Council Liaison (**Hart & Fremont**) – Committee did not meet,
- d. Rules and Regulations (**Webster, Fremont & Randolph**) – No additional report.

Chair Dorn announced that she, Board Member Fremont, Council Member Romero, and Acting City Manager ML Gordon had a meeting with a perspective staff member who would come in short term as Administrator. She added that the person could come on board quickly if there is agreement on the scope of the job.

Board Member Fremont announced that tenants who were due damages payments under the Oberle Settlement had started receiving checks in the past week.

Ms. Naidu informed the Board that she had not yet looked into the condominium research issue due to job priorities and backlog.

Board Member Webster announced that Albert Mitchell, who was involved in housing issues in East Palo Alto, passed on recently and recommended adjourning the meeting in his memory. Mr. Mitchell was the father of former Board Member Goro Mitchell.

Chair Dorn advised that she would send a condolence card on behalf of the Board.

#### **10. ADMINISTRATIVE ITEMS**

#### **11. WRITTEN COMMUNICATIONS**

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

Chair Dorn advised that items for the next agenda include printing of the brochure and Brown Act training; first reading and public hearing at the November meeting.

Board Member Fremont remarked that he would be unable to attend the October 27 meeting.

#### **14. ADJOURNMENT**

Board Member Webster moved, seconded by Board Member Fremont, to adjourn the meeting at 9:26 p.m. in memory of Albert Mitchell. Motion passed unanimously.