

**CITY OF EAST PALO ALTO  
RENT STABILIZATION BOARD MEETING  
WEDNESDAY, OCTOBER 27, 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 7:12 p.m.

**2. ROLL CALL**

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

**3. APPROVAL OF AGENDA**

Board Member Allen asked that item 12, **COMMUNITY FORUM** be moved after item 5.6.

**Motion:** It was moved (Allen) and seconded (Randolph) to move **COMMUNITY FORUM** after item 5.6. Motion passed unanimously.

**Motion:** It was moved (Randolph) and seconded (Allen) to accept the agenda as modified. Motion passed unanimously.

**4. APPROVAL OF MINUTES**

- Minutes for the September 22, 2010, regular RS Board meeting

**Motion:** It was moved (Allen) and seconded (Fremont) to approve the minutes for the September 22, 2010, regular RS Board meeting. Motion passed unanimously.

**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

Chair Dorn introduced Ms. Packard, consultant hired to help get the new Rules and Regulations program in.

Board Member Fremont reported that the Rules and Regulations Committee has not met since the last Regular Board Meeting, but a meeting is scheduled for November 1. Certification will be discussed at that meeting.

Ms. Packard asked whether the meeting could happen on Wednesday or Thursday instead because changes are being made to the draft rules regarding Certification. She will check on Mr. Baar's availability.

Board Member Fremont pointed out that a public hearing has been noticed for the Registration section.

Staff Ford advised that the public hearing has been scheduled for November 10.

Ms. Naidu pointed out that Wednesday, November 3, was a City Council meeting.

Chair Dorn advised that a meeting was held in Mr. Gordon's office regarding the Rules and Regulations.

#### 5.2 Discussion on distribution of Rent Stabilization Program brochures

Staff Ford reported that he has been in contact with the printer and some changes have to be made to the brochure since the Rent Stabilization Program moved to 2415 University Avenue. He needs to talk to the printer about preparing a contract or paying by invoice.

Chair Dorn asked that Staff Ford email Board Members when the brochures are available so that the Board Members can pick them up and start delivering.

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

Ms. Packard explained she is in the process of assessing the needs and will bring something to the Board at its next meeting.

Board Member Allen questioned whether Ms. Packard was aware that the Board had discussed the software program, and his recommendation was to go with the people who did the West Hollywood database. He pointed out that although the Redwood City IT Department would cost less, they had no experience with any rent stabilization program. He added that the County Assessor data did not provide an accurate number of unit counts for multi-family properties in East Palo Alto.

Ms. Packard remarked that she wanted to get an idea of the issues while looking at the needs of the Rent Board.

Board Member Allen reported that he and Board Member Fremont looked at the County Assessor's data and tested the database with properties they were familiar with. The result was that the numbers were not correct. He added that other properties that were not in the program needed to be identified. He advised that 1643 Woodland Avenue and another property on O'Keefe were not registered.

Ms. Packard invited the Board Members to contact her with any questions or to share information. Her email address is [MPackard@cityofepa.org](mailto:MPackard@cityofepa.org). She explained her role as interim Administrator of the Rent Stabilization Division. The Rent Program has been moved under the City Manager's Office, and Staff Ford will report to her. The priorities are to get the registration forms out by December 1, the development of the registration packets, assess the needs of the Rent Board Program to get on an automated system, finalize the certification procedures, develop petition and appeal procedures under the new Rent Stabilization Ordinance (RSO), and develop a public information system.

#### 5.4 Discussion on Vacancy Registration Forms

Board Member Allen advised that he wanted to make sure the Vacancy Registration Forms were updated, based on the new RSO. He explained that he made suggestions for the form to Mr. Baar at a prior Rules and Regulations meeting.

Board Member Fremont suggested that Board Member Allen submit his written suggestions prior to the Public Hearing.

#### 5.5 Update on 215 East O'Keefe Street

Ms. Naidu pointed out that the correct address is 250 East O'Keefe Street. She advised that the attorney for the property requested an extension to November 30, 2010, to obtain documents from the County. Staff granted the request for the extension. She requested that the matter be (1) continued to the December 8, 2010, Rent Stabilization Board meeting and (2) be scheduled for a Closed Session in the event of potential litigation.

Board Member Allen questioned whether Ms. Naidu was aware of the types of information the property owner was trying to get from the County.

Ms. Naidu responded that specific documents were requested from the County but she had no information as to the specifics.

Board Member Allen pointed out that the property in question was a condominium development with units that were not sold but were rented. His suggestion was to contact nonprofits requesting that they register or fill out the exemption form. He advised that under the old ordinance, exempt properties were supposed to file for exemption every year but never did.

Ms. Naidu advised that the current ordinance did not specify any prohibition on requesting property owners to complete exemptions forms. She added that Staff Ford informed her that Mr. Baar was including in the Rules and Regulations language requiring exemption forms.

Board Member Allen suggested that nonprofits should fill out registration statements as well as exemption forms, which would include information on the make up of the units and what is being charged.

Ms. Packard pointed out that the automated system would be very efficient for tracking units where fees are due, vacancy turnovers, and other information.

Board Member Webster remarked that there considerable discussion on the issue at some of the Rules and Regulations Committee meetings. He recalled that the draft Rules and Regulations would provide a way for the Rent Board to request, through the registration process, and explanation from the landlord as to why the units would be exempt.

#### 5.6 Report and discussion on Rent Program receivables

Ms. Naidu recommended the item be continued due to the fact that staff from the City Attorney's Office, Finance Department, and City Manager's Office is analyzing, researching, and verifying information. She added that the item would also have to be scheduled for a Closed Session.

Board Member Allen referred to spreadsheets included in the Board's packet which were provided by Mr. Ford and asked if the item was included to address Chair Dorn's earlier question on whether or not the settlement money from Wells Fargo was put in the Rent Program's coffers.

Chair Dorn noted that at the recent meeting with City staff, a statement was made that, according to California law, the City was required to cover the Rent Program's expenses. Her understanding was that the money from Wells Fargo was to pay for settling the case and cover the water bills.

Ms. Naidu clarified that the Interim Finance Director's comments were from a finance perspective and not with respect to any legal opinion. The City Council is looking into the issue relating to the funds and will get back to the Rent Board.

Board Member Fremont referred to the spreadsheet in the packet and clarified it was a compilation of what was billed and paid for the registration period that began in the summer of 2010.

Staff Ford responded that Board Member Fremont was correct.

Board Member Fremont noted that unpaid amount was \$80,476, and the unit count was 2,526.

Ms. Packard believed the total number of units was at least 2,600. She will get back to the Board on the actual number.

#### **5.7 (formerly item 12) COMMUNITY FORUM**

Juan Gabriel, Youth United for Community Action (YUCA), suggested that the Rent Board begin focusing on maximum allowable rents and exemptions.

#### **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**) – No report
  - b. Outreach/Education (Dorn & **Hart**, Ndegwa)

Chair Dorn reported that she and Board Member Hart had discussed getting together after the brochures come out, possibly on November 10.

- c. City Council Liaison (**Hart & Fremont**) - No report
- d. Rules and Regulations (**Webster**, Fremont & Randolph) – No report

Chair Dorn reported that the ad hoc Budget Committee would meet once budget information is received. She pointed out that more of the Rent Program's budget would go into the City Manager's Office to cover the change in staffing. She remarked that Bella Aguilar was helpful in the past year by providing budget information. Her suggestion was that Bella be involved in the ad hoc Budget Committee meeting.

## **10. ADMINISTRATIVE ITEMS**

## **11. WRITTEN COMMUNICATIONS**

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

Chair Dorn advised that the next meeting is November 10 which should include a public hearing and first reading on the Registration regulations.

Ms. Packard remarked that her intent was to have discussions about the Rules and Regulations with Board Members individually or in small groups prior to the November 10 meeting.

Board Member Allen advised that the Board needs to have the finalized copy of the Registration document in advance of the meeting.

Ms. Packard commented that the document should have already been circulated.

Staff Ford noted that the Board Members were sent the revised document on Monday, October 18.

Ms. Packard will contact Mr. Baar about the final revised draft and will get that to the Board Members as soon as it is available.

Ms. Naidu added an item for the next meeting on a portion of the Brown Act relating to meeting minutes and format of minutes.

## **14. ADJOURNMENT**

There being no further business, the meeting adjourned at 8:20 p.m.