



**City/UCD Student Liaison Commission Minutes
Community Chambers Conference Room
23 Russell Boulevard
Wednesday, January 13, 2010
4:30 p.m.**

Voting Commissioners Present: C. Dietrich (Chairperson), D. Gibson, K. Hill, M. Lachowicz, B. Little, R. Sharp, S. Worker arrived @5:15p, J. Youmans left @5:00p, A. Zike

Non-Voting Commissioners Present: A. Ercia, G. Sandy, S. Winton

Commissioners Absent: R. Achterberg, C. Simvoulakis, M. Carmichael, J. Evans

Council Liaison Present: L. Heystek

Others Present: Bob Aaronson, Janna Buccieri, Kevin Pasquale, Bill Shaffer, Fred Costello, Tom Cross, Norbie Kumagai

Roll Call and Introductions: Meeting called to order at 4:30 p.m.

- 1. Agenda** – The agenda was approved unanimously by consensus.
- 2. Minutes** – The minutes of December 9, 2009, were approved unanimously by consensus.
- 3. Commissioner Communications** – None
- 4. City Council Communications** - None
- 5. Public Communications** – N. Kumagai stated he is working for the Yolo County Elections Office. The June 2010 election is during UC Davis Finals Week. They are investigating an early polling place on campus to accommodate this scheduling conflict.
- 6. Introduction/Oath of Office for New Public-at-Large Commissioner, John Youmans**
Commissioner Youmans was sworn in and signed the Oath of Office
- 7. Student Friendly Business Report**
Item was postponed to the March Meeting
- 8. City-ASUCD Entertainment Partnership Report**
C. Dietrich stated they are planning a Music in the Green event in spring 2010. The event will have a sustainability emphasis. The planning group includes the ASUCD External Affairs Committee, Entertainment Council and Campus Center for the Environment.
- 9. Renter Issues Follow-up**

Model Lease - Fred Costello, previous UC Davis Community Housing Director, addressed the Commission to offer some historical information on the development of the Model Lease. Mr. Costello started in 1967 as the Student Housing Resident Director. He stated the Student Housing Director, at the time, was very interested in rents being charged, how they are established and other renting issues for off campus housing. Mr. Costello talked to students, non-students and property managers to get their views and opinions. This discussion led to the creation of the Community Housing Office and Mr. Costello was named the Director.

An initial and essential component of improving relationships was to have a practical and acceptable lease for renters and landlords. The office researched other cities and similar leases. Most other standard leases did not work, as the landlords were not consulted and did not use it. The office first drafted the Davis Model Lease with the assistance of the Fair Housing Committee, two law students and the Davis Apartment Managers Association. ASUCD had legal counsel, as well as the Davis Apartment Managers Association. At the end of the process, they held a document that had buy-in from ASUCD, UC Davis and landlords.

The Community Housing Office oversaw the implementation of the Model Lease. The office also had mediation, grievance counseling and a roommate referral service at the time.

The Model Lease was revised as new laws went into effect. When changes were needed, they brought the original group back together.

The Community Housing Office was funded in part by student registration fees. During budget reductions in 1993, the listing and referral service was moved to ASUCD, the Model Lease was assigned to the Graduate Student Association, and the Vacancy Rate Report transferred to Student Housing. M. Lachowicz stated she has never heard that the GSA had responsibility for the Model Lease. She will look into and report back to the Commission.

The Davis Model Lease became a model for the State Department of Community Development and they adopted many of its provisions.

C. Dietrich asked if Tandem used the Model Lease. B. Little stated they do, however, they have added 25 addendums to the lease due to changes in laws.

Mr. Costello stated at the high point it was used by 90% of rentals in Davis. G. Sandy suggested adding a question to the vacancy rate report regarding if the landlords use the Davis Model Lease.

C. Dietrich stated the issue is so large and the need for broad representation so is great, he feels it is bigger than this Commission can handle. Mr. Costello suggested talking with Emily Galindo, current Director of Student Housing, regarding her thoughts on updating the document. B. Little would like the Model Lease on-line also.

R. Sharp motioned, seconded by D. Gibson, to establish an exploratory sub-committee to meet with Student Housing and report back to the Commission. The sub-committee will include M. Lachowicz, B. Little, C. Dietrich and G. Sandy. The motion passed unanimously.

Interest on Security Deposits – C. Dietrich and B. Little distributed some background information on security deposits.

Submitted by C. Dietrich:

City-UCD Student Liaison Commission
Draft Recommendation to the City Council- January 13, 2009
Re: Ordinance Requiring the Return of Interest Earned on Security Deposits

Findings: The City-UCD Student Liaison Commission finds that security deposits represent a substantial expense for those who are renting apartments or homes in the city of Davis. These funds are surrendered to the landlords and are unavailable for use for other purposes during their lease period. This deprives tenants of the ability to invest this money and earn interest for themselves. The sole purpose of security deposits is to provide a way of covering damages done to a rental property by a tenant, and is returned to the tenant if no damages are incurred. Ultimately, this money is the tenant's and it is therefore proper to require the return of interest earned on security deposits in the city of Davis.

Recommendation: We recommend that the City Council move to adopt an ordinance in the city of Davis that would require the return of interest earned on security deposits during the rental period. This ordinance should provide for the adoption of a rate of return for interest earned on security deposits on an annual basis by the City Council and under the advisement of City Staff This ordinance should be structured in such a way that would allow landlords to use this interest towards any debt owed by the tenants at the end of the lease period.

Additional Information:

The California case Action Apartment Association v. 'Santa Monica Rent Control Board, 94. Cal.App.4th 587 (2002) requires that landlords do not have to pay interest rates to tenants at rates higher than what a bank pays, regardless of any city ordinance.

Submitted by B. Little:

Q. from an accounting standpoint, what is involved in tracking interest earned on security deposits?

A. At. Tandem Properties our accounting computers are set to track interest for residency that is 12months or longer. The interest is tracked only on security deposits and does not include pet deposits. We pay interest out based on the amount we earn from our lending institution. This amount is based on the size of our portfolio and our long term relationship with our lenders. We accrue interest in the amount of 2.75% per annum. A landlord with a smaller portfolio may be receiving interest in the range of .5%.

The IRS requires us to file a 1099 for every deposit that is paid \$10 or more in interest. Since we process more than 250 1099's annually, the IRS requires us to file the 1099's through electronic format. We hire an independent service (1099EZ.com) to do that for us and the cost is \$300 per year. A landlord filing less than 250 forms would not be required to file electronically and would then need to purchase specialized software to process the 1099's, or hire a firm to do it for them. Last year, we processed 687-1099 interest statements. Our staff puts in approximately 2 hours of time to coordinate the processing with the independent service. Once the service generates the hard copy 1099's back to Tandem, our staff spends 12-16 hours pulling apart statements, inserting them into special envelopes for 1099 forms and then mailing them. This process requires the use of a resident's social security Once all have been processed, typically we receive about 15-20 calls per year from parents and students regarding the statements. They are inquiring what is it and why are we paying this to them (even though the process has been discussed at move in and move out and addendums to the lease signed). Often, parents dislike This because any additional income has to be reported because of grants and student loans and parents are typically caught off guard by this.

M. Lachowicz asked on average how much is the interest check from Tandem. B. Little stated most are \$6-8, with a maximum of \$50.

B. Aaronson stated as an attorney, when he collects a retainer; he is required to set-up an account to accrue interest. He does not get the interest; it goes directly into the Ca State Bar Association to fund legal assistance. This concept may work well for this issue as well.

B. Little feels this issue may be less cumbersome to address in the Model Lease revisions. Once the Lease is up to date, it will be advertised and landlords encouraged to use it. R. Sharp agrees, getting the perspectives of the Model Lease is a great opportunity to address both issues. C. Dietrich agrees that if it is included in the Model Lease and applied across the board that is the best option. He does not feel that a renter would choose a unit based on if they get interest or not. M. Lachowicz feels that pushing for an Ordinance while working on the Model Lease is redundant; the Model Lease should take precedence. K. Hill agrees that the Commission should address one issue at a time and move forward with Model Lease revisions. C. Dietrich stated the majority of the Commission wants to proceed with the Model Lease process.

10. Status Reports

UC Davis West Village project – G. Sandy stated that the Los Rios Community College ground breaking ceremony will be in March. S. Winton stated the City's report on annexation feasibility will be heard by City Council on January 26th.

Safe Party Initiative – A. Ercia stated the E-chug survey is out to evaluate drinking behavior. The Student Health website has information for students to evaluate how drinking affect health and school work.

2010 Picnic Day-G. Sandy stated the University, City, student representatives, and Downtown Business Association met to discuss means to improve the event.

11. Items for Next Agenda –

February 10, 2010 – Commission Sustainability Sub-committee Report,
UCD Travel Survey Report

March 10, 2010 – Student Friendly Business Report, Police/Student Issues,
Political Representation

12. Adjournment – The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Stacey Winton
Administrative Analyst II