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Tenants Criticize Landlord Practices - Again

By Cathy Tyson



Photo Cathy Tyson

Calmly and politely, tenant representative Nick VanHole thanked the city council for stepping in to deal with spiraling rent increases earlier this year, and asked for their help once again in dealing with their landlord at the 1038 on Second apartment complex.

San Francisco-based owner, Sack Properties, purchased the older complex at the end Second Avenue, and proceeded to address long-deferred maintenance issues, while also significantly raising the rental rates. Tenants were so infuriated at the shocking increases, they brought their case to the city council to ask for help in May, 2015. Ultimately a 10 percent rental cap was promised by Sack Properties, only after the city considered a rent increase moratorium.

Now, while the rent may only have increased by 10 percent, a slew of other charges and fees have been tacked on to the rent that result in an actual 25 to 35 percent increase, according to VanHole.

He outlined the many charges and fees: water charges, marked-up garbage costs, pet rent,

parking rent, mandatory renters insurance, questionable language in new leases that give the landlord the right to evict tenants for anything deemed to be an excessive mess, and a \$3,000 charge for an early break of the lease.

A parade of concerned tenants spoke to the council about all of these issues, emphasizing the serious inconsistencies in utility charges, and lack of transparency.

"Our community has been decimated," said resident Karen Kern who called the complex a "no play zone" and unfriendly to children.

Complaints regarding new 20-plus-page leases cite such unusual items as a "moisture control policy" regarding plants in apartments, \$70 trash fee per month, and a requirement to clean toilets once per week. Kern said she would love to talk to Sack staff, but they have gone through three property managers in the past year and are unresponsive.

One tenant with a background in forensic accounting went to the trouble of researching the inequity of water and trash charges, which are the same for a one-bedroom unit as a three-bedroom unit. She found the actual costs that the complex is paying and did the math: according to her calculations, actual garbage collection cost for each unit is \$43.33 per unit, per month, however Sack charges \$76.11.

Lafayette resident Matt Siegel, who is an attorney for the Berkeley Rent Stabilization Program, described the "lease breaking fee" as "absolutely illegal." He describes the organization as "incredibly mismanaged" and "totally tone deaf." He explained that all tenants want is stability, but called the 27-page lease with onerous terms "despicable."

No one from Sack Properties attended the meeting. Theresa Karr of the California Apartment Association made it clear that she was not representing Sack Properties, but noted she is in touch with Kirby Sack. Although unable to comment on the renters' complaints, she did say, "I guarantee that you'll get something from Sack Properties explaining all this."

Pointing out that they are not doing themselves any favors by not being here, Mayor Brandt

Andersson called the situation astonishing: "There is abuse going on here."

"This appears to be a bad actor that we need to deal with," said Andersson, adding, "This is not acceptable in our town."

"The hope was we had an owner that was ethical, fair and reasonable; this is not reasonable," said Council Member Mike Anderson. He agreed with that this is an abusive situation that needs to be looked at by the owner, acknowledging that she may be unaware of what is going on.

The Mayor wrote a blistering letter to complex owner Kirby Sack calling the new and excessive charges an "orchestrated work-around that delivers maximum revenues to the company at the expense of long-term tenants." The letter, sent days after the Nov. 23 city council meeting, requests Sack personally attend the next meeting in January to respond to the charges.

"Without counterbalancing testimony from you, the City Council was left to conclude that many or most of these allegations have merit," concluded Andersson.

The meeting wrapped up with the council directing the city manager to review with the city attorney what all of the legal options are, including a potential rent moratorium to be discussed at the Jan. 25 City Council meeting. Several messages were left with Sack Properties along with an in-person visit. As of press time, they had no comment.

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