

**CITY OF OAKLAND
HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD**

**Regular Meeting
October 13, 2016
7:00 p.m.
City Hall, Hearing Room #1
One Frank H. Ogawa Plaza, Oakland, CA**

DRAFT MINUTES

1. CALL TO ORDER

The HRRRB was called to order at 7:05 p.m. by Board Chair, Jessie Warner.

2. ROLL CALL

MEMBER	STATUS	PRESENT	ABSENT	EXCUSED
Beverly Williams	Homeowner	X		
Ramona Chang	Landlord			X
Tyfahra Singleton	Tenant	X		
Jessie Warner	Homeowner	X		
Noah Frigault	Tenant			X
Karen Friedman	Landlord			X
Joanne Karchmer	Homeowner			X
Ubaldo Fernandez	Tenant Alt	X		
Benjamin Scott	Landlord Alt	X		
Edward Lai	Homeowner Alt	X		

Staff Present

Richard Illgen	Deputy City Attorney
Connie Taylor	Rent Adjustment Program Manager

3. CONSENT ITEMS

OPEN FORUM

Brian Geiser

i. Approval of consent items:

J. Warner made motion to approve consent minutes for July 28, 2016. B. Williams seconded. The Board voted as follows:

AYE: J. Warner; B. Williams, U. Fernandez, T. Singleton, E. Lai
NAY: 0
ABSTAINED: B. Scott

The motion carried.

B. Williams made a motion to approve minutes for September 22, 2016. U. Fernandez seconded. The Board voted as follows:

AYE: J. Warner, B. Williams, U. Fernandez, T. Singleton
NAY: 0
ABSTAINED: B. Scott

ii. Approval of Draft decisions is cases:

- a. T14-0238; Geiser v. Chandler
- b. T15-0518; Bowen v. Eubanks
- c. T16-0316; Benitez v. Tang

OPEN FORUM

Brian Geiser

J. Warner made a motion to approve draft decisions with corrections. B. Williams seconded. The Board voted as follows:

AYE: J. Warner, B. Williams, U. Fernandez, T. Singleton, E. Lai
NAY: 0
ABSTAINED: B. Scott

The motion carried.

4. OPEN FORUM

James Vann
Brian Geiser

5. NEW BUSINESS

i. Appeal Hearing in consolidated cases:

- a. T15-0344; Barbalat v. McClain, et al.

Appearances:

Tenant Representative

James Vann

Landlord

Ann McClain

Rebuttal

Both parties offered rebuttal.

Board Discussion

After discussion and questions to both parties, B. Scott made a motion to affirm the Hearing Officer's decision based on Ordinance No. 13266. E. Lai seconded. The Board voted as follows:

AYE: U. Fernandez, B. Williams, J. Warner, E. Lai, T. Singleton, B. Scott

NAY: 0

ABSTAINED:0

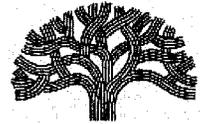
The motion carried by consensus.

6. SCHEDULING AND REPORTS

1. Schedule Discussion of Attendance
2. Report on Appeal backlog (could be presented in Annual Report)
3. Reminder to Board of special meeting on October 20, 2016

7. ADJOURNMENT

J. Warner made a motion to adjourn. B. Williams seconded. The meeting was adjourned by consensus at 8:35 p.m.



CITY OF OAKLAND

P.O. BOX 70243, OAKLAND, CA 94612-2043

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 2383721

FAX(510)238-6181

TDD(510)238-3254

HOUSING, RESIDENTIAL, RENT AND RELOCATION BOARD
DRAFT APPEAL DECISION

CASE NUMBER: T15-0344, Barbalat v. McClain
T15-0345, McKinzie v. McClain
T15-0349, Carthell v. McClain
T15-0350, Schoren v. McClain
T15-0351, King v. McClain
T15-0353, Sweeny v. McClain
T15-0353, Kidolis v. McClain
T15-0354, Schacher v. McClain
T15-0356, Yoan et al. v. McClain
T15-0357, Coleman v. McClain
T15-0358, Kleinjan v. McClain
T15-0359, Taylor v. McClain

APPEAL HEARING: October 13,2016

PROPERTY ADDRESS: 3500 35th Avenue
Oakland, CA

APPEARANCES: James Vann Tenant Appellant
 Representative

 Ann McClain Owner Appellee

The tenants filed petitions contesting a rent increase. The Hearing Decision determined that the owner complied with the enhanced notice requirements for capital improvement increases, and allowed a 100% pass-through on the basis of a grandparent clause for capital improvements which were substantially completed prior to August 1, 2014. A capital improvement for common areas was granted in the amount of \$94.98 and a unit specific capital improvement was granted as follows:

Tenant Schoren \$23.58

Tenant King	\$ 8.55
Tenant Kidolis	\$17.10
Tenant Schacher	\$40.68
Tenant Coleman	\$ 7.51
Tenant Kleinjan	\$16.06

Grounds for Appeal-

The tenants appealed the Hearing Decision on the following grounds:

1. The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations or prior Board decisions;
2. The decision raises a new policy issue that has not been decided by the Board;
3. The decision is not supported by substantial evidence;
4. The Hearing Decision violates the Rent Ordinance as amended in May 2014.

Appeal Decision

After Board discussion and questions to both parties B. Scott moved to affirm the Hearing Officer's decision based on Ordinance No. 13266.

T. Singleton seconded. The Board voted as follows:

Aye: U. Fernandez, T. Singleton, B. Williams, E. Lai, J. Warner, B. Scott
Nay: 0
Abstain: 0

The motion passed by consensus.

NOTICE TO PARTIES

Pursuant to Ordinance No (s). 9510 C.M.S. of 1977 and 10449 C.M.S. of 1984, modified in Article 5 of Chapter 1 of the Municipal Code, the City of Oakland has adopted the ninety (90) day statute of limitations period of Code of Civil Procedure, Section 1094.6.

CONNIE TAYLOR
BOARD DESIGNEE
CITY OF OAKLAND
HOUSING, RESIDENTIAL RENT AND
RELOCATION BOARD

DATE

0 07

CHRONOLOGICAL CASE REPORT

Case No.: T15-0374
Case Name: Didrickson v. Dang
Property Address: 2230 Lakeshore Ave., #7, CA
Parties: Glenda and Carlos Didrickson (Tenants)
Ted Dang (Property Owner)

LANDLORD AND TENANT APPEAL:

<u>Activity</u>	<u>Date</u>
Tenant Petition filed	July 29, 2015
Owner Response filed	September 1, 2015
Hearing Decision Issued	February 2, 2016
Owner and Tenant Appeal filed	February 19, 2016

City of Oakland Residential Rent Adjustment Program 250 Frank Ogawa Plaza, Suite 5313 Oakland, California 94612 (510) 238-3721	2016 FEB 19 PM 12:34 APPEAL
Appellant's Name TED DANG	Landlord <input checked="" type="checkbox"/> Tenant <input type="checkbox"/>
Property Address (Include Unit Number) 2230 Lakeshore Ave #7 Oakland CA 94606	
Appellant's Mailing Address (For receipt of notices) same	Case Number T15-0374 Date of Decision appealed 2/2/16
Name of Representative (if any)	Representative's Mailing Address (For notices)

I appeal the decision issued in the case and on the date written above on the following grounds:
 (Check the applicable ground(s). Additional explanation is required (see below). Please attach additional pages to this form.)

1. **The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations or prior decisions of the Board.** You must identify the Ordinance section, regulation or prior Board decision(s) and specify the inconsistency.
2. **The decision is inconsistent with decisions issued by other hearing officers.** You must identify the prior inconsistent decision and explain how the decision is inconsistent.
3. **The decision raises a new policy issue that has not been decided by the Board.** You must provide a detailed statement of the issue and why the issue should be decided in your favor.
4. **The decision is not supported by substantial evidence.** You must explain why the decision is not supported by substantial evidence found in the case record. The entire case record is available to the Board, but sections of audio recordings must be pre-designated to Rent Adjustment Staff.
5. **I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim.** You must explain how you were denied a sufficient opportunity and what evidence you would have presented. Note that a hearing is not required in every case. Staff may issue a decision without a hearing if sufficient facts to make the decision are not in dispute.
6. **The decision denies me a fair return on my investment.** You must specifically state why you have been denied a fair return and attach the calculations supporting your claim.

7. Other. You must attach a detailed explanation of your grounds for appeal. Submissions to the Board are limited to 25 pages from each party. Number of pages attached . Please number attached pages consecutively.

8. **You must serve a copy of your appeal on the opposing party(ies) or your appeal may be dismissed.** I declare under penalty of perjury under the laws of the State of California that on 2/8, 20016, I placed a copy of this form, and all attached pages, in the United States mail or deposited it with a commercial carrier, using a service at least as expeditious as first class mail, with all postage or charges fully prepaid, addressed to each opposing party as follows:

<u>Name</u>	Carbs & Glenda Didnotson
<u>Address</u>	2230 Lakeshore Ave #7
<u>City, State Zip</u>	Oakland, CA 94606
<u>Name</u>	
<u>Address</u>	
<u>City, State Zip</u>	

	2/18/16.
SIGNATURE of APPELLANT or DESIGNATED REPRESENTATIVE	DATE

IMPORTANT INFORMATION:
This appeal must be received by the Rent Adjustment Program, 250 Frank Ogawa Plaza, Suite 5313, Oakland, California 94612, not later than 5:00 P.M. on the 20th calendar day after the date the decision was mailed to you as shown on the proof of service attached to the decision. If the last day to file is a weekend or holiday, the time to file the document is extended to the next business day.

- Appeals filed late without good cause will be dismissed.
- You must provide all of the information required or your appeal cannot be processed and may be dismissed.
- Anything to be considered by the Board must be received by the Rent Adjustment Program by 3:00 p.m. on the 8th day before the appeal hearing.
- The Board will not consider new claims. All claims, except as to jurisdiction, must have been made in the petition, response, or at the hearing.
- The Board will not consider new evidence at the appeal hearing without specific approval.
- You must sign and date this form or your appeal will not be processed.

APPEAL TO THE 2/2/16 DECISION FOR CASE T15-0402

THE DECISION INVOLVING LOST OF HOUSING SERVICES IS FLAWED. UNDER THE CURRENT RENT ADJUSTMENT PROGRAM, A TENANT CAN ASK FOR A REDUCTION IN RENT DUE TO LOST OF HOUSING SERVICES. HOUSING SERVICES ARE DEFINED AS ALL SERVICES PROVIDED BY THE OWNER RELATED TO THE USE OR OCCUPANCY OF A COVERED UNIT, INCLUDING, BUT NOT LIMITED TO, INSURANCE, REPAIRS, MAINTENANCE, PAINTING, UTILITIES, HEAT, WATER, ELEVATOR, LAUNDRY, JANITORIAL, REFUSE, FURNISHINGS, PARKING, SECURITY, AND EMPLOYEE SERVICES.

THE TENANT MAY ARGUE THAT MAINTENANCE AND REPAIRS ARE PART OF HOUSING SERVICES, BUT THE HEARING OFFICER NEEDS TO BE CAREFUL TO RULE ON ACTUAL SERVICES WHICH AFFECT THE OCCUPANCY OF THE UNIT VERSUS ROUTINE MAINTENANCE AND REPAIRS.

LACK OF REPAIR OR MAINTENANCE WHICH AFFECTS HEALTH OR SAFETY ISSUES SUCH A CONDITIONS THAT CAN CAUSE MOLD OR ENDANGER THE OCCUPANTS CAN BE CONSIDERED POTENTIAL DECREASES IN HOUSING SERVICES.

HOWEVER, ROUTINE MAINTENANCE OR REPAIR ITEMS SUCH AS LEAKY ROOFS, BROKEN LOCKS, AND, UNEVEN FLOOR BOARDS SHOULD NOT RANK AS ITEMS QUALIFYING FOR DECREASED HOUSING SERVICES FOR THE FOLLOWING REASONS:

1. STATE OF CALIFORNIA LAWS AND ALTERNATIVE PROCESSES ALREADY EXIST FOR THE TENANT TO PURSUE ANY RESOLUTION FOR THESE TYPE OF REPAIRS.

IF AFTER GIVING PROPER NOTICE TO THE OWNER AND THIS WORK IS NOT COMPLETED, THE TENANT CAN HIRE QUALIFIED CONTRACTORS TO COMPLETE THE REPAIRS AND DEDUCT THE AMOUNT FROM THE RENT. THE TENANT CAN ALSO HAVE WORK COMPLETED AND ASK THE OWNER FOR REIMBURSEMENT. IF THE OWNER DOES NOT ACCEPT RESPONSIBILITY, THE TENANT CAN FILE A SMALL CLAIMS ACTION.

2. ANY URGENT OR EMERGENCY REPAIRS THAT MAY BE REQUIRED CAN BE REPORTED TO THE CITY OF OAKLAND BUILDING DEPT OR COUNTY OF ALAMEDA HEALTH DEPARTMENT.
3. THE RENT ADJUSTMENT STAFF AND BOARD ARE NOT QUALIFIED TO INSPECT AND/OR RULE ON WHAT REPAIRS CONSTITUTE DECREASES IN HOUSING SERVICES, WHAT TYPE OF REPAIRS ARE NEEDED, WHAT IT WILL COST, AND HOW MUCH OF AN IMPACT THESE REPAIRS SHOULD HAVE ON THE MONTHLY RENT.
4. IF EVERY TENANT WHO HAD REPAIRS NEEDED ON THEIR UNIT APPLIED FOR A DECREASED HOUSING SERVICES REDUCTION IN RENT, THE RENT PROGRAM WOULD BE FLOODED WITH PETITIONS AND UNPREPARED TO HANDLE THEM.

4

IN ADDITION, THE TENANT IS NOT COOPERATING IN ALLOWING US ACCESS TO HIS UNIT TO PERFORM THE REPAIRS ORDERED IN THE 2/2/2016 HEARING DECISION.

PRIOR TO THE DECISION, THE TENANT ALREADY DENIED ACCESS TO MY MAINTENANCE STAFF TO FIX THE PATIO DOOR. MY STAFF IS ON DUTY AT THE SITE REGULARLY AND OFFERED TO MAKE THE REPAIRS BUT HE REFUSED.

ON 2/12/2016, I SENT THE ATTACHED LETTER TO THE TENANT SETTING A FIRM TIME ON 2/16/16 FOR THESE REPAIRS TO BE MADE. ON THAT DATE, MY MAINTENANCE MAN CALLED TO LET THE TENANT KNOW THAT HE WAS COMING AND THE TENANT REFUSED, SAYING THAT IT WAS NOT A GOOD TIME AND THAT HE WOULD RESCHEDULE.

IN ORDER TO AVOID A CONFRONTATION, MY MAINTENANCE MAN DID NOT GO INTO THE APT ON HIS OWN AND ASKED ME TO CONTACT THE TENANT TO RESCHEDULE. I CALLED THE TENANT ON 2/16 AND 2/18 TO RESCHEDULE AND LEFT MESSAGES FOR HIM TO CALL BACK. I BELIEVE THE TENANT HAS CALL MONITORING AND DOES NOT PICK UP THE PHONE WHEN I CALL.

ON 2/19 MY MAINTENANCE MAN WAS ON THE SITE DOING OTHER WORK AND ASKED THE TENANT AGAIN FOR PERMISSION TO COMPLETE THOSE REPAIRS. THE TENANT REFUSED SAYING THAT HE ALSO WANTS THE ELECTRICAL CIRCUIT REPAIRED AND WILL WAIT FOR THE COURT TO PROVIDE A PACKAGED RESOLUTION.

THIS LACK OF COOPERATION TO ALLOW US TO COMPLY WITH THE HEARING DECISION ALSO SAVES THE TENANT MONEY SINCE HIS RENT IS DISCOUNTED UNTIL THE REPAIRS ARE MADE.

I HEREBY REQUEST THAT THE RENT BOARD TAKE THIS INFORMATION INTO CONSIDERATION TO REVERSE THE DECISION AND THE REDUCTIONS IN RENT DUE TO ALLEGED DECREASED HOUSING SERVICES.

5

Commonwealth Companies

- Real Estate-

Brokers License 00442390

1305 Franklin St #500, Oakland, Ca. 94612

Office: (510)832-2628 Fax:(510)834-7660

February 12, 2016

Carlos and Glenda Didrickson
2230 Lakeshore Ave #7
Oakland, Ca. 94606

RE: Maintenance work

Per the City of Oakland Rent Adjustment Hearing decision, we must make the following repairs to your apartment:

1. Repair roof leak in bedroom, paint over damaged area.
2. Reconnect frame for sliding patio
3. Anchor patio boards to eliminate tripping hazard

This work is scheduled for Tuesday, February 16th starting at 10am. Mr. Lum and Mr. Gonzales will show up at your apartment at that time. If you are not home, they have been authorized to use our keys for access.

Very truly yours,



Ted W. Dang, Property Manager

Proof of Service

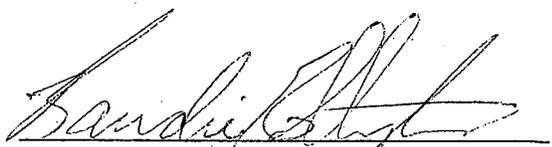
I am a resident of the State of California at least eighteen years of age. I am not a party to the lease involving any of the parties listed on the subject documents. I am employed in Alameda County, California. My business address is 1305 Franklin St #500, Oakland, Ca. 94612

Today, I sent the attached letter by placing a true copy of them in a sealed envelope in a US Postal Service mailbox addressed to:

Carlos and Glenda Didrickson
2230 Lakeshore Ave, Apt 7
Oakland, Ca. 94606

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 12, 2016 in Oakland, Ca.


Randle C. Ellington

2016 FEB 19 PM 1:12

City of Oakland Residential Rent Adjustment Program 250 Frank Ogawa Plaza, Suite 5313 Oakland, California 94612 (510) 238-3721		APPEAL	
Appellant's Name Carlos Didrickson, Glenda Didrickson		Landlord <input type="checkbox"/>	Tenant <input checked="" type="checkbox"/>
Property Address (Include Unit Number) 2230 Lakeshore Av. Oakland Cal 94606 # 7			
Appellant's Mailing Address (For receipt of notices)		Case Number T15-0374	Date of Decision appealed Feb 2, 2016
Name of Representative (if any)		Representative's Mailing Address (For notices)	

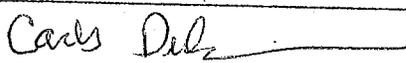
appeal the decision issued in the case and on the date written above on the following grounds:
 (Check the applicable ground(s). Additional explanation is required (see below). Please attach additional pages to this form.)

1. The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations or prior decisions of the Board. You must identify the Ordinance section, regulation or prior Board decision(s) and specify the inconsistency.
2. The decision is inconsistent with decisions issued by other hearing officers. You must identify the prior inconsistent decision and explain how the decision is inconsistent. *Never gave proper notice*
3. The decision raises a new policy issue that has not been decided by the Board. You must provide a detailed statement of the issue and why the issue should be decided in your favor. *APPEAL CAP FOR review*
4. The decision is not supported by substantial evidence. You must explain why the decision is not supported by substantial evidence found in the case record. The entire case record is available to the Board, but sections of audio recordings must be pre-designated to Rent Adjustment Staff.
5. I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim. You must explain how you were denied a sufficient opportunity and what evidence you would have presented. Note that a hearing is not required in every case. Staff may issue a decision without a hearing if sufficient facts to make the decision are not in dispute.
6. The decision denies me a fair return on my investment. You must specifically state why you have been denied a fair return and attach the calculations supporting your claim.

7. Other. You must attach a detailed explanation of your grounds for appeal. Submissions to the Board are limited to 25 pages from each party. Number of pages attached 5. Please number attached pages consecutively.

8. **You must serve a copy of your appeal on the opposing party(ies) or your appeal may be dismissed.** I declare under penalty of perjury under the laws of the State of California that on Feb. 19, 2006, I placed a copy of this form, and all attached pages, in the United States mail or deposited it with a commercial carrier, using a service at least as expeditious as first class mail, with all postage or charges fully prepaid, addressed to each opposing party as follows:

<u>Name</u>	Ted Dang Trustee Commonwealth Inn
<u>Address</u>	1305 Franklin St.
<u>City, State Zip</u>	Oakland Ca 94612
<u>Name</u>	
<u>Address</u>	
<u>City, State Zip</u>	

<p style="text-align: center;">   </p>	<p style="text-align: center;"> <u>2/19/16</u> <u>2-19-16</u> </p>
SIGNATURE of APPELLANT or DESIGNATED REPRESENTATIVE	DATE

IMPORTANT INFORMATION:

This appeal must be received by the Rent Adjustment Program, 250 Frank Ogawa Plaza, Suite 5313, Oakland, California 94612, not later than 5:00 P.M. on the 20th calendar day after the date the decision was mailed to you as shown on the proof of service attached to the decision. If the last day to file is a weekend or holiday, the time to file the document is extended to the next business day.

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- You must provide all of the information required or your appeal cannot be processed and may be dismissed.
- Anything to be considered by the Board must be received by the Rent Adjustment Program by 3:00 p.m. on the 8th day before the appeal hearing.
- The Board will not consider new claims. All claims, except as to jurisdiction, must have been made in the petition, response, or at the hearing.
- The Board will not consider new evidence at the appeal hearing without specific approval.
- You must sign and date this form or your appeal will not be processed.

2016 FEB 19 PM 1:12

Feb 19, 2016
page 1 of 2

We Carlos and Glenda Didridsson :
 Tenants of 2230 Lakeshore Av.
 Oakland Cal 94606 #7
 wish to appeal the hearing decision of
 case no. T15-0374 dated 2-2-16

The reasons we contest are :

- 1) The decision is inconsistent with decisions issued by other hearing officers in case no. T14-0492 Administrative decision stating The rent remains the same at \$2,725. The owner did not respond within a 35 day period.
- 2) Owner alleges the rent should be \$2895.73 after the carpet was stretched. However he never provided proper notice in accordance with civil code section 827 plus the amount \$2895.73 was above the allowable amount increase for that time. This increase equals 12%

Included attachments 1, 2, and 3 (3 pages)

- 1) T13 0296 states that owner may increase the rent After giving proper notice.
- 2) hearing officer inspected the carpet
- 3) = 3 pages Case T14-0492 petition filed Oct 13, 2014. Contesting a rent increase that exceeded CPI 0 17
 Rent Adj notified owener he had 35 days to respond - He did not respond. Petition granted rent remains the same at ~~\$2,725~~. \$2,725.

2016 FEB 19 PM 1:12

2-19-16

page 2 of 2

What we are contesting is the rent increase based on Case No. T13-0296. No proper notice was given as stated in hearing decision T15 0314.

How is the amount of \$2875.93 allowed based on Case No. T13 0296 when no proper notice was given and, the amount exceeds the CPI for that time period.

We are asking for the past hearing decisions to be taken into consideration ~~and that~~ petition T13 0296 was granted for petitioner also T14-0492 was granted for petitioner also we are asking for any increase to be within the CPI for that time period. The rent should not be \$2875.93

Glenn D. Didrikson 2/19/16
Cares Owl 2-19-16

2016 FEB 19 PM 1:12

The tenants have overpaid rent since July 27, 2013. As set forth on the following Table, the tenants overpaid rent in the amount of \$817.50. The overpayment is ordered repaid over a period of 6 months.⁷ The rent is temporarily reduced by \$136.25 per month, to \$2,614.69 per month, beginning with the rent payment in January 2014 and ending with the rent payment in June 2014.

Chimney Flue: This situation has not affected the tenants' use of the deck, and the claim is therefore denied.

Garage: It is unclear from the testimony the extent to which the tenants have lost use of a portion of the garage. However, since there is still enough space in which to park a car, the claim is denied.

VALUE OF LOST SERVICES

Service Lost	From	To	Rent	% Rent Decrease	Decrease /month	No. Months	Overpaid
Uneven Carpet	27-Jul-13	16-Dec-13	\$2,725	5%	\$ 136.25	6	\$ 817.50
TOTAL LOST SERVICES							\$ 817.50

RESTITUTION

MONTHLY RENT	\$2,725
TOTAL TO BE REPAYED TO TENANT	\$ 817.50
TOTAL AS PERCENT OF MONTHLY RENT	30%
AMORTIZED OVER 6 MO. BY REG. IS	\$ 136.25

ORDER

1. Petition T13-0296 is partly granted.
2. The current rent, before reduction due to rent overpayments, is \$2,750.94 per month.
3. Because of rent overpayments, the tenants have overpaid rent in the amount of \$817.50. This overpayment is adjusted by a rent reduction for 6 months.
4. The rent is temporarily reduced by \$136.25 per month. The current rent is \$2,614.69 per month, beginning with the rent payment in January 2014 and ending with the rent payment in June 2014.
5. When all carpeting in the unit lies flat, the owner may increase the rent by \$144.79 per month, after giving proper notice in accordance with Civil Code Section 827.
6. The Anniversary Date for future rent increases is November 1.

\$2,725

289573 - 52

9100P

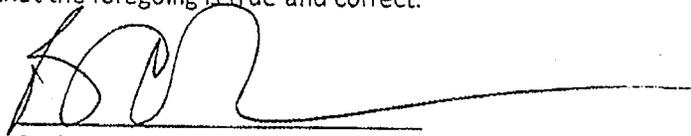
⁷ Regulations, Section 8.22.110(F)

2016 FEB 19 PM 1:12

Declaration of Barbara M. Cohen

1. I am a Hearing Officer for the City of Oakland's Rent Adjustment Program.
2. On December 16, 2013, I performed an inspection at 2230 Lakeshore Ave, Apt 7, in Oakland, CA, in the case Didrickson v. Dang, T13-0296.
3. At the inspection were Carlos and Glenda Didrickson, the tenants.
4. My inspection was limited to looking at the carpet in the den and the area in the garage adjacent to where the Didricksons' park their car.
5. The carpeted area I examined is a large open space that appears to be part of the living room, but is separated from the rest of the living room by a few steps. The carpet has at least 7 large ridges that are at least 2-3 inches in height. These ridges are tripping hazards. The ridges extend almost the full width of the room in some locations; in other places they extend only a few feet. When I touched the carpet next to some of these ridges the carpet felt spongy, as if it wasn't fully attached to the flooring below.
6. The area in the garage adjacent to the Didricksons' car contains a variety of miscellaneous materials including but not limited to construction supplies, a large couch, rope, a large television, bricks and boards, and multiple garbage cans.
7. I declare under penalty of perjury that the foregoing is true and correct.

December 16, 2013



Barbara M. Cohen

attachment 3

Attachment 3 (3 pages)

DECLARATION OF Carlos & Glenda Didrickson
(print your name) Landlord Tenant (circle one) OF OAKLAND RENT ARBITRATION PROGRAM
2230 Lakeshore Av. Oak 94606
(print your address and phone number) FEB 17 2015 PM 3:02

RENT ADJUSTMENT CASE NO. T13-0296 T14-0492

The purpose of this declaration is to inform the City of Oakland Rent Adjustment Program about what I think is a violation of the Rent Adjustment Ordinance.

I, Carlos & Glenda Didrickson an adult, 18 years of age or older, declare the following about:

Ted Dang Commonwealth Co 1305 Franklin St. Suite 500
(print name and address of other party) Oakland Ca 94612

We filed a petition on Oct. 13, 2014 contesting a rent increase that exceeded the consumer price index. Rent Adj. program notified owner he had 35 days to respond. He did NOT respond. Adm. decision granted that the rent remains the same at \$2725. per mo. This decision is the final decision of rent Adjustment staff. On Feb. 15 (Sunday) Ted Dang left an envelope saying we owe back rent for the difference of higher rent (\$3065. mo) \$338 more per mo. for Dec, 2014 & Jan + Feb 2015. This amount exceeds the CPI. and unjustified. He included a 3 day notice. Ted Dang is not abiding by the rent adjustment board order.

(attach extra sheets if necessary)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Oakland, California on Feb 17, 2015 (date).

Carlos Didrickson
Glenda Didrickson

Signature

Revised 1-17-14

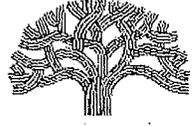
2016 FEB 19 PM 1:12
RENT ARBITRATION PROGRAM

RECEIVED
CITY OF OAKLAND
RENT ARBITRATION PROGRAM
2015 FEB 17 PM 3:02

RENT ADJUSTMENT PROGRAM

Attachment 3

attachment 3



CITY OF OAKLAND

2016 FEB 19 PM 1:12

P. O. BOX 70243, OAKLAND, CALIFORNIA 94612-02434

Housing and Community Development Agency
Residential Rent Adjustment Program

(510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

ADMINISTRATIVE DECISION

CASE NUMBER: (T14-0492, Didrickson v. Dang)
PROPERTY ADDRESS: 2230 Lakeshore Ave., #7, Oakland, CA
PARTIES: Carlos & Glenda Didrickson (Tenants)
Ted Dang, Trustee (Owner)

RECEIVED
CITY OF OAKLAND
RENT ADJUSTMENT PROGRAM
2015 FEB 17 PM 3:02

INTRODUCTION

This matter involves a petition filed by Carlos and Glenda Didrickson, who are contesting a rent increase that they claim exceeds the Consumer Price Index (CPI) authorized rent increase and is unjustified.¹ The petition was filed on October 13, 2014. On October 14, 2014, the Rent Adjustment Program notified the owner of the tenants' petition. The notice informed the owner that a response to the petition must be filed within 35 days. No response has been received from the owner. This decision is based upon the tenant's petition and the documents attached to the petition.²

Reason for Administrative Decision: An Administrative Decision is a decision issued without a hearing. The purpose of a hearing is to allow the parties to present testimony and other evidence to allow resolution of disputes of material fact. However, in this case, sufficient uncontested facts have been presented to issue a decision without a hearing and there are no material facts in dispute. Therefore, an Administrative Decision is being issued.

¹ O.M.C. Section 8.22.070 (C)(1).

² A document was submitted along with the tenants' petition regarding electrical problems. However, no claim of decreased housing services is alleged on either page 1 or page 2 of the petition. Since each party has a legal right to know the claims made by the other party, only the tenants' challenge to the proposed rent increase will be considered in this case.

Attachment 3

attachment 3

Contested Rent Increase: The owner noticed a rent increase from \$2,725 to \$3,065.29 per month, effective November 1, 2014.

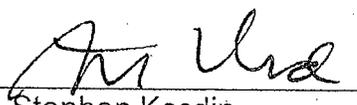
Justification for a Rent Increase: If an owner wants to contest a tenant petition, he or she must file a response, either claiming an exemption or alleging a justification for a rent increase in excess of the CPI Rent Adjustment.³ Since the owner has not filed a response stating such a justification, no rent increase is allowed.

ORDER

1. Petition number T14-0492 is granted. The rent remains \$2,725 per month.
2. The hearing scheduled for February 24, 2015 is cancelled.
3. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of the decision. The date of service is shown on the attached Proof of Service. If the Rent Adjustment Office is closed on the last day to file, the appeal may be filed on the next business day.

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RENT ADJUSTMENT PROGRAM
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Dated: February 2, 2015



Stephen Kasdin
Hearing Officer
Rent Adjustment Program

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³ O.M.C. Section 8.22.070(C)



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
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HEARING DECISION

CASE NUMBERS: T15-0402, Schneck v. Dang
T15-0374, Didrickson v. Dang

PROPERTY ADDRESS: 2230 Lakeshore Ave, Units #6 and #7, Oakland, CA

DATES OF HEARING: November 25, 2015
January 26, 2016

DATE OF INSPECTION: November 25, 2015

DATE OF DECISION: February 2, 2016

APPEARANCES: Jae Schneck (Tenant)
Douglas Atherley (Witness for Tenant)
Carlos Didrickson (Tenant)
Glenda Didrickson (Tenant)
Ted Dang (Owner)

SUMMARY OF DECISION

In Didrickson v. Dang, the tenants' petition is granted in part. In Schneck v. Dang the tenant's petition is denied.

CONTENTIONS OF THE PARTIES

Tenants Carlos and Glenda Didrickson filed a petition which alleges that a current proposed rent increase from \$2,725 to \$2,895, effective August 1, 2015, exceeds the CPI Rent Adjustment and is unjustified or is greater than 10% and that their housing services have decreased. The tenants' claims of decreased housing services include the following: problems with the circuit breaker, the owner refuses to follow court orders to make repairs, the water leaks through the ceiling vent, the patio wood boards are uneven and the patio door handle needs to be replaced.

The owner filed a response to the Didrickson petition, which alleges that the contested rent increase is justified by Increased Housing Service Costs based on the Hearing Decision of January 8, 2014, and denies that the tenants' housing services have decreased. He also claims that the tenants were not current on their rent at the time they filed their petition.

Tenant Jae Schneck filed a petition which alleges that a current proposed rent increase from \$1,272 to \$1,336.87, effective August 1, 2015, exceeds the CPI Rent Adjustment and is unjustified or is greater than 10%; that prior rent increases exceeded the CPI Rent Adjustment and are unjustified, that no written notice of the Rent Program was given to her with the rent increases she is contesting and that her housing services have decreased. The tenant's claims of decreased housing services include the following: broken refrigerator and pest control.

The owner filed a response to the Schneck petition, which alleges that the contested rent increases are justified by Banking and denies that the tenant's housing services have decreased.

THE ISSUES

1. Were the Didricksons current on their rent when they filed their petition?
2. As to the Didricksons, what is the proper rent?
3. As to the Didricksons, is the rent increase notice at issue a rent increase or a restoration of the rent after a reduction for decreased services?
4. Have the Didricksons' housing services been decreased and, if so, by what percentage of the total housing services that are provided by the owner?
5. In Didrickson v. Dang, what restitution is owed between the parties?
6. What rent increases can be contested by tenant Schneck?
7. Is the August 1, 2015, rent increase to tenant Schneck justified by banking?
8. Have Schneck's housing services been decreased and, if so, by what percentage of the total housing services that are provided by the owner?
9. In Schneck v. Dang, what restitution is owed between the parties?

EVIDENCE

Didrickson v. Dang:

The Didrickson case history: The Didricksons testified that they moved into the subject unit in December 2006 at an initial rent of \$2,500. Over the years, there have been many disputes between the tenants and the owner. A portion of the *Stipulation* from a prior eviction action was entered into evidence as Exhibit 2.

Official Notice is taken of the Rent Adjustment Program Case files in Case No. T13-0296 and T14-0492.

The Stipulation: The Didricksons testified that as a result of an eviction action taken against them by the owner in 2013, the parties reached a *Stipulation* in Superior Court in which the rent was set at \$2,725. Page 2 of that *Stipulation* was entered into evidence¹. Paragraph 8 states:

“Plaintiff shall make needed repairs to the following on or by March 17, 2013, including: a) heat vent leaks water; b) electrical circuit breakers fail from normal use, c) broken entry door handle; d) floor boards on patio stick out and protrude; e) uneven and loose floorboards in the house.”

Paragraph 9 of the *Stipulation* states:

“The rent shall remain at \$2,725.00 until August 31, 2013. The rent is acknowledged as \$2,725 from September 1, 2012. Any rent increase after August 31, 2013 shall be pursuant to law.”

Rent Adjustment Case T13-0296: In case T13-0296, the tenants contested a rent increase from \$2,725 to \$2,947.67. A Hearing Decision in that case was issued on January 8, 2014. In the decision the total allowable rent before any reductions due to the conditions or restitution, was set at \$2,895.73. That figure was then reduced by \$144.79 due to the ongoing condition of the carpet. The Order in that case states:

1. “Petition T13-0296 is partly granted.”
2. “The current rent, before reduction due to rent overpayments, is \$2,750.94 per month.”
3. “Because of rent overpayments, the tenants have overpaid rent in the amount of \$817.50. This overpayment is adjusted by a rent reduction for 6 months.”
4. “The rent is temporarily reduced by \$136.25 per month. The current rent is \$2,614.69 per month, beginning with the rent payment in January 2014 and ending with the rent payment in June 2014.”
5. “When all carpeting in the unit lies flat, the owner may increase the rent by \$144.79 per month, after giving proper notice in accordance with Civil Code § 827.”

The owner appealed this Hearing Decision to the *Housing, Residential Rent and Relocation Board (HRRRB)*. An *Appeal Decision* was issued on March 20, 2014, upholding the Hearing Decision.

All parties are in agreement that for the 6 months between February 2014 and July 2014, the tenants paid rent in the amount of \$2,614.69, pursuant to the Order in case

¹ Exhibit 2. This Exhibit and all Exhibits referred to in this Hearing Decision were entered into evidence without objection.

T13-0296.² Tenant Carlos Didrickson testified that they have been paying rent in the amount of \$2,725.00 since August of 2014. The owner agrees.³

Rent Adjustment Case T14-0492: On October 13, 2014, the Didricksons filed another *Tenant Petition* in case T14-0492. In that case they wrote on their *Tenant Petition* that they were contesting a rent increase from \$2,725 to \$3,065.29, effective November 1, 2014. An *Administrative Decision* was issued in that case because no owner response was provided to the RAP. The Order states:

“Petition number T14-0492 is granted. The rent remains \$2,725 per month.”

The owner appealed this *Administrative Decision* to the *HRRRB*. On November 23, 2015, the *HRRRB* upheld the *Administrative Decision*.

The owner testified that after August of 2014, he sent several letters to the tenants, telling them they were underpaying rent. Additionally, he sought to evict the tenants for underpayment of rent. The parties agreed that the eviction proceeding was dismissed by the Court. The Didricksons testified that the reason the case was dismissed is because they provided the *Administrative Decision* to the court in case T14-0492, where the decision states that the rent is \$2,725 per month. Additionally, the Didricksons noted that another reason the case was dismissed in Court was because the notices provided to the tenants were defective.

The RAP Notice: Official Notice is taken that in the Hearing Decision in case T13-0296 it was found that the *RAP Notice* was served on these tenants in 2012.

Decreased Services (Didricksons):

Circuit Breaker: The tenants testified that the circuit breaker that controls their unit “kicks” at least once a month. They have an electric oven in their unit and if they use multiple burners and the oven at once, or multiple appliances at the same time, all the electricity turns off in their unit. They then have to go downstairs to flip the circuit breaker to get the electricity to work again. There is an electric subpanel in their unit, but that subpanel does not “kick”. When there is a problem with the electricity it is the master switch that causes the problem.

Dang testified that since the *Stipulation* was reached in Superior Court in 2013, he has had 2 licensed electricians check the system and he has been told there is nothing wrong with the system. The problem is caused by the load exceeding the capacity of the system. Dang testified that part of the problem might be caused by the microwave oven, which is plugged into the same circuit as the stove. Dang has considered installing a gas stove, but would only do so if he could pass on the costs as a capital improvement.

² Although the Order stated the rent decrease should begin in January of 2014, not February, since the tenants paid the decreased rent for 6 months, the restitution was repaid appropriately.

³ These figures are further substantiated by the Historical Tenant Ledger entered into evidence as Exhibit 1, pp 3-4

At the Inspection by this Hearing Officer, the tenants turned on all the burners to the stove. The breaker did not turn "kick". The Hearing Officer was in the unit for approximately 10 minutes.

The tenant further testified that in the time period between the two Hearings (November 25, 2015-January 26, 2016), the electricity went off on one occasion. They have tried moving the microwave to a different circuit but that hasn't solved the problem.

Water Leaks: Mr. Didrickson testified that there is a heating vent in his bedroom that drips rainwater through it when it rains. He has informed Mr. Dang about the problem. At the Hearing on November 25, 2015, Didrickson testified that the last time this happened significantly was in December of 2014. However, there was a small amount of water entry in November of 2015, when there was a minor rainstorm. There are also brown spots on the ceiling next to this vent from the water entry.

At the Hearing on January 26, 2016, Didrickson further testified that in a heavy rain storm on January 5, 2016, there was dripping water from the heating vent into his bedroom. He did not let Mr. Dang know about this particular water entry. He has complained about it in the past.

Didrickson further testified that when he moved into the unit the ceiling had no signs of leakage.

Dang testified that when he purchased the building in 2012, he inspected the property and there were no stains on the ceiling in the tenant's bedroom. Additionally, his workers repaired this problem after the August 2013 *Stipulation*.

At the Inspection by this Hearing Officer, there were minor discoloration and visible stains on the ceiling of the bedroom next to a heating vent showing signs of water entry. See Inspection Photos, attached to this Hearing Decision as Exhibit 1, photos 9-11.

Patio Door: Mr. Didrickson testified that the door handle on the patio door does not work appropriately. The door handle is loose. The owner has attempted a repair in November of 2015, but the problem has not been resolved. When he moved into the unit there was no problem with the patio door.

Dang testified that the lease imposes responsibility on the tenants to repair any problems in the unit. (The lease was not provided to the RAP or entered into evidence.) He further testified that he sent someone to repair this matter.

At the Hearing on January 26, 2016, Dang testified that when he purchased the building, the patio door was not disconnected from the frame. Additionally, the day after the Inspection on November 25, 2015, he sent his repairperson to fix the patio door but he was denied entry. He did not provide a *24 Hour Notice to Enter*. Dang further

testified he doesn't "post notices" when he does repairs, he just calls to make arrangements to have repairs done.⁴

Didrickson testified that he would allow Dang's repair person to enter his premises to do these repairs provided he is given proper notice.

Dang admitted that he informed the tenants that they do not pay enough rent for him to make repairs.

Didrickson testified that someone who he thinks is Mr. Lum, who works for the owner, did come to his door but this person doesn't speak English well and he did not understand what he wanted. When Mr. Lum came to the door, Lum picked up his phone and said "Mr. Dang, Mr. Dang."

Dang testified that his common procedure with his handyperson Lum, is to have him go to an apartment and if there is any difficulty with the person understanding him, Lum calls Dang on the cell phone and Dang can translate for Lum.

At the Inspection by this Hearing Officer, the patio door glass panel was separated from the patio door frame in a way that makes it difficult for the door to open and close.⁵ See Inspection Photos #1-2.

Patio Boards: Mr. Didrickson testified that there are multiple wooden slats on the patio that are uneven. Dang never repaired the wooden slats on the patio after the *Stipulation* was reached in Court. These boards warp from the rain and have gotten worse over time. When he moved in, the boards were in perfect condition.

Dang testified that when he purchased the property there was no problem with the patio boards. He further testified that the tenants have exclusive use of the patio area and that Mr. Didrickson does work out there that damages the area. He further testified that the City of Oakland has informed him that the patio was illegally expanded and he should not be allowing the tenants access to this area. He has informed the Didricksons not to use it, but they continue to do so. Dang did not provide any written evidence from the City of Oakland in support of this testimony. Dang further testified that the minor maintenance issue associated with this has been repaired.

At the Inspection by this Hearing Officer multiple patio boards were uneven and a tripping hazard. See Inspection Photos, 3-8.

Schneck v. Dang:

Rental History: Tenant Jae Schneck testified that she moved into the subject unit in May of 2010 at an initial rent of \$1,200 a month. She received the *RAP Notice* in August of

⁴ Track 2, January 26, 2016, Recording at 17:20-17:29

⁵ At the Inspection Dang objected to the investigation into the patio door, since the tenant wrote on his petition that the problem was with the "Patio door handle" not the "patio door."

2012. Her petition, which was signed under penalty of perjury, states that she received a rent increase notice on June 30, 2015, purporting to increase her rent from \$1,272 to \$1,336.87, effective August 1, 2015. The owner listed the same information on his *Owner Response*. The tenant testified she has been paying \$1,272 a month for rent, and will continue to do so until she gets a Hearing Decision in this case.

Decreased Services:

Refrigerator: The tenant testified that there were problems with her refrigerator and the owner refused to pay for a replacement. Ultimately, she purchased a used refrigerator for \$250. While initially he argued with her, the owner then allowed her to deduct the cost of the refrigerator from her rent.

Rodents: The tenant testified that in December of 2014, the management sent workers to her apartment and she had to leave before the work was done. The workers then left her patio door open. She believes that the rat she later saw in her unit entered at that time. A few days later, in January of 2015, she saw a big rat in her unit.

She called the owner but the only thing he did was to leave a trap on her door. He did not provide any pest control.

The tenant then hired her own pest control service to catch the rat. They came four times, and caught the rat. She paid them \$275. The owner did not reimburse her for this expense.

Dang testified that he has no problems with rats anywhere in the building. The maintenance person sent out notices after the rat sighting by Ms. Schneck and no one else reported anything. Dang further testified that in the past they put rat poison down in Schneck's apartment but she was not happy with the idea of finding a dead rat, so they didn't do that again. Additionally, the tenant did not want him to allow the maintenance worker in her unit without her being present. That is why he provided a trap for her to use. He was never notified that the tenant intended to hire a rodent professional on her own.

Dang provided an email written by his manager about this problem on January 31, 2015. The email states that:

"I think the rat sightings were more a product of Jay's hysteria, rather than any real rat invasion..... A tree has spread its branches over the roof, clearly a wonderful bridge for any creature wanting access to the building. Rats do climb the trees in the back and this could have been their conduit to Jay's inviting apartment."⁶

Dang also provided a notice that his maintenance person posted a notice on January 28, 2015, to all the tenants. This note says:

⁶ Exhibit 3, page 1

“Someone posted a note on the mirror in the garage regarding rat sightings in the garage. I have been in the garage quite a bit lately and have not seen either a rat or signs of their presence (like droppings.) In the unlikely event you see a rat or droppings, please notify me at once.....”⁷

Dang testified that no further complaints were heard.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Didrickson v. Dang:

Were the tenants current on her rent at the time they filed their petition?

In order to file a petition, a tenant must be current on his or her rent or lawfully withholding rent.⁸ The owner has the burden of proof to establish that the tenants were not current on their rent.

The tenants contend that they were current on their rent based on the Administrative Decision in case T14-0492 where the rent was set at \$2,725.00.

The owner contends that because the Hearing Decision in case T13-0296 stated that the tenant’s rent was \$2,750.74 before consideration of the restitution owed to the tenants, once the tenants had paid \$2,614.94 for 6 months, their rent should have returned to \$2,750.74. However, the tenants returned to paying their prior rent of \$2,725.00.

It is true that in case T14-0492, the Hearing Officer held in an *Administrative Decision*, that the tenant’s rent was \$2,725.00 a month. This case has been upheld on appeal. Since the most recent case discussing this issue set the tenants’ rent at \$2,725.00, and that decision is now final, the tenants are considered to have been current on their rent at the time they filed their petition.

Additionally, even if the tenants had underpaid the rent by \$25.74 a month during the period between August 2014 and October 2014 (the period between the end of the rent reduction in T13-0296 and the beginning of the rent increase the tenants contested in T14-0492), a tenant may exercise the option not to pay rent when a unit’s condition is in breach of the implied warranty of habitability⁹. The statutory authority for rent withholding is Code of Civil Procedure § 1174.2. It provides that a substantial breach of the implied warranty of habitability may be raised as a defense to an unlawful detainer action. To confer standing to file a Rent Adjustment petition, a tenant must show that he or she might prevail in court in a claim for a habitability breach. That is, the tenant must present a prima facie case that he or she is withholding the rent legally. The tenants here have raised a sufficient claim about the conditions of their unit to have allowed them to lawfully withhold rent.

⁷ Exhibit 3, page 2

⁸ O.M.C. & Regulations, § 8.22.090

⁹ See *Green v. Superior Court*, (1974) 10 Cal.3d 616, 635; Code of Civil Procedure §1174.2.

The tenants were either current on their rent when they filed their petition or were lawfully withholding rent. The tenants' petition can be heard by the RAP.

As to the Didricksons, what is the proper rent?

There are two inconsistent decisions with respect to these tenants. In order to determine the respective rights of the parties, it is necessary to reconcile the two inconsistent decisions as much as possible. As noted above, in case T13-0296, the Hearing Officer determined that the tenants' rent, based on a justification of Banking, could be raised to \$2,895.73 per month. However, because of the ongoing problem with the carpet, the allowable rent was \$2,750.94. That rent was further reduced to \$2,614.69, for a period of 6 months, to compensate the tenants for the condition of the carpet in the past.

The owner has repaired the problem with the carpet. The owner contends that because that repair was made, he can restore the rent to \$2,895.73. His rent increase notice specifically notes that the rent increase is based on the carpet repair.

In contrast, the tenants contend that the rent is \$2,725 as set forth in the decision in case T14-0492, and allowing a higher rent would constitute an invalid rent increase. The problem with the tenants' argument is that it is clear that the Hearing Officer in case T14-0492 did not take into consideration the decision in the earlier case, T13-0296.

Because the owner did not file a *Landlord Response* in T14-0492, the Hearing Officer's decision was based solely on the allegations of the tenants who stated in their petition that the rent was \$2,725. While an owner takes the risk that a Hearing Officer will base a decision on uncontested facts when he or she does not file a *Landlord Response*, it would be unfair to the owner in this case to allow the newer *Administrative Decision* to wipe out the allowable rent increase set forth in the earlier *Hearing Decision*.

At the same time, it would be unfair to the tenants to make them pay a higher rent amount than set forth in the *Administrative Decision* for the time period beginning with the contested rent increase in T14-0492, which was November of 2014, and the effective date of the new rent increase set by the owner, which was August of 2015.

Therefore, to balance the rights of the owner and the tenants the following chart sets forth the historic and current rent.

Beginning	Ending	Rent
February 2014	July 2014	\$2,614.69
August 2014	October 2014	\$2,750.94
November 2014	July 2015	\$2,725.00
August 2015	Ongoing	\$2,875.93

Based on the repairs made by the owner to the carpet, the notice he sent to the tenants, the *Hearing Decision* in case T13-0296, and the *Administrative Decision* in case T14-0492, effective August 1, 2015, the rent is \$2,875.93.

Is the August 1, 2015, change to the rent considered a rent increase?

The owner contends that the August 1, 2015, change in the rent is not to be considered a rent increase under the Ordinance that prohibits more than one rent increase in a 12 month period.

The owner is correct. The change in the rent as of August 1, 2015, was based on a restoration of the rent due to a prior decrease in housing services. This change does not count as a rent increase under the RAP Ordinance. The owner may increase the rent providing he does so with the proper notices and pursuant to the Rent Adjustment Ordinance.

Have the Didricksons' housing services been decreased?

Under the Oakland Rent Adjustment Ordinance, a decrease in housing services is considered to be an increase in rent¹⁰ and may be corrected by a rent adjustment.¹¹ However, in order to justify a decrease in rent, a decrease in housing services must be the loss of a service that seriously affects the habitability of a unit or one that was provided at the beginning of the tenancy that is no longer being provided.

In a decreased housing services case a tenant must establish that he has given the owner notice of the problems and the opportunity to fix the problems before he is entitled to relief. Additionally, there is a time limit for claiming decreased housing services. A tenant petition must be filed within 60 days after the date of service of a rent increase notice or change in the terms of a tenancy or the date the tenant first receives the RAP Notice, whichever is later.¹²

However, when a tenant complains of ongoing problems with the unit, the Board has declared that such claims should not be completely denied if the tenant received the *RAP Notice* more than 60 days before the petition was filed. The tenants first received the *RAP Notice* in the year 2012, far more than 60 days before filing their petition on August 4, 2015. Therefore, in accordance with the Regulations and Board decision,¹³ the tenants can be granted relief on their claims for decreased housing services beginning 60 days before the date on which they filed their petition. Allowable claims of decreased housing services therefore begin on June 5, 2015.

The tenants' claims of decreased services are discussed below:

Circuit Breaker: While the tenants occasionally have a problem with the circuit breaker "kicking" in their apartment, the owner was convincing that he has had two electricians look into the problem and there is nothing wrong with the system other than that the load the tenants occasionally put on the system exceeds the capacity of the system. While the owner agreed to "make needed repairs" to the "electrical circuit

¹⁰ O.M.C. § 8.22.070(F)

¹¹ O.M.C. § 8.22.110(E)

¹² O.M.C. § 8.22.090(A)(2)

¹³ Appeal Decision in Case No. T09-0086, Lindsey v. Grimsley, et al.

breakers” the owner is not required to rewire the entire building to ensure that the circuit breakers never trip. Since electricians have investigated and say there is nothing wrong, there is no “repair” that needs to be made. There was no evidence offered by the tenants that this condition has worsened over time or is different from when they moved in. This claim is therefore denied.

Water Leaks: At the Inspection there was evidence of water entry into the tenants’ bedroom ceiling next to the heating vent. It is impossible to tell whether this was a recent water entry, or from a long time ago. The tenants were convincing that this is an occasional ongoing problem that occurred again in a heavy rain storm in January 2016. The tenants are entitled to an ongoing rent decrease of 2% (\$57.51) for this problem until repairs are made to stop the water entry and to fix the water stains on the ceiling from the prior water entry. Additionally, the tenants are entitled to restitution for overpaid rent, as set forth below, for this condition.

Patio Door: It was clear at the Inspection that the patio door is broken. While the owner claimed that the tenants’ listed concern was about the patio door handle and not the patio door, it would have been obvious upon inspection that the problem was with the patio door. Additionally, the broken patio door, makes the patio door handle challenging to use. The slight misnaming in the Tenant Petition is a minor oversight on the tenants’ part. The purpose of providing a list is to make sure that the owner is on notice of the problems in the unit. Any reasonable owner would have known what the problem was in the tenants’ unit by inspecting the patio door.

This broken door is a habitability problem and a changed condition from when the tenants moved into the unit and is a decrease in housing services. The tenants are entitled to an ongoing rent decrease of 3% (\$86.28) for this condition until repairs are made and the problem is fixed. Additionally, the tenants are entitled to restitution for overpaid rent, as set forth below, for this condition.

Patio Boards: The patio boards are uneven and constitute a tripping hazard. This is a habitability issue and a changed condition from when they moved in. The tenants are entitled to an ongoing rent decrease of 4% (\$115.04) for this condition until the repairs are made and the problem is fixed. Additionally, the tenants are entitled to restitution for overpaid rent, as set forth below, for this condition.

General Issues Associated with Repairs: The owner argued that the tenants were not allowing him to enter to make repairs. Absent an emergency, an owner has to provide a tenant 24 hours’ written notice to enter a unit to make repairs. The owner admitted that it is not his practice to do this.

Civil Code § 1954 states, in pertinent part:

A landlord may enter the dwelling unit . . . [t]o make necessary or agreed repairs, decorations, alterations or improvements. . . [T]he landlord shall

give the tenant reasonable notice in writing of his or her intent to enter . . . Twenty-four hours shall be presumed to be reasonable notice in absence of evidence to the contrary.

Therefore, until the tenants ignore a written 24 hour notice to enter, the owner's argument that the tenants are not allowing him reasonable access is denied.

What restitution is owed between the Didricksons and Dang?

The base rent for the unit remains \$2,875.93 a month (effective August 1, 2015). However, until the tenants' bedroom ceiling is repaired, the tenants are entitled to a continued rent decrease of 2% (\$57.51). Until the patio door is repaired, the tenants are entitled to a continued rent decrease of 3% (\$86.27). And until the patio boards are even and not a tripping hazard, the tenants are entitled to a continued rent decrease of 4% (\$115.03). The total ongoing rent decrease is 9%. Therefore, the tenants' current legal rent, effective March 1, 2016, is \$2,617.10 a month (\$2,875.93-\$258.83).

As noted above, based on the reconciling of the two past decisions, the tenants' rent from August 2014-October of 2014 was \$2,750.94. During this time the tenants paid rent in the amount of \$2,725 a month, an underpayment of \$25.94 a month. The tenants owe \$77.82 for this period of time.

The chart below documents the tenants' underpaid rent for this period of time and the overpaid rent because of the decreases in housing services since June 5, 2015. For each condition, the chart documents the appropriate restitution when the rent was \$2,725 and the appropriate restitution when the rent was \$2,875.93. It shows that the tenants have lost services valued at \$2,302.21. Subtracting the underpayment from the overpayment, the tenants have a net overpayment of \$2,224.39. That overpayment is adjusted over a period of 9 months; so the rent decrease is \$247.15 a month.¹⁴

For now this \$247.15 a month is subtracted from the current legal rent of \$2,617.10 for a total of \$2,369.95 a month. From March of 2016 through November of 2016 the rent will be \$2,369.95. The rent will revert to the current legal rent in December of 2016 (unless repairs are made and notices to increase the rent are sent, see below).

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¹⁴ Regulations, Section 8.22.110(F)

VALUE OF LOST SERVICES

Service Lost	From	To	Rent	% Rent Decrease	Decrease /month	No. Months	Overpaid
Bedroom Ceiling	5-Jun-15	31-Jul-15	\$2,725.00	2%	\$ 54.50	2	\$ 109.00
Bedroom Ceiling	1-Aug-15	29-Feb-16	\$2,875.73	2%	\$ 57.51	7	\$ 402.60
Patio Door	5-Jun-15	31-Jul-15	\$2,725.00	3%	\$ 81.75	2	\$ 163.50
Patio Door	1-Aug-15	29-Feb-16	\$2,875.73	3%	\$ 86.27	7	\$ 603.90
Patio Boards	5-Jun-15	31-Jul-15	\$2,725.00	4%	\$109.00	2	\$ 218.00
Patio Boards	1-Aug-15	29-Feb-16	\$2,875.73	4%	\$115.03	7	\$ 805.20
TOTAL LOST SERVICES							\$ 2,302.21

UNDERPAID RENT

From	To	Monthly Rent paid	Max Monthly Rent	Difference per month	No. Months	Sub-total
1-Aug-14	31-Oct-14	\$2,725	\$2,750.94	\$ (25.94)	3	\$ (77.82)
TOTAL OVERPAID RENT						\$ (77.82)

RESTITUTION

MONTHLY RENT	\$2,875.73
TOTAL TO BE REPAID TO TENANT	\$2,224.39
TOTAL AS PERCENT OF MONTHLY RENT	77%
AMORTIZED OVER 9 MO. BY REG. IS	\$ 247.15

However, should the owner make the necessary repairs to the bedroom ceiling, the owner can increase the rent by 2% or \$57.51 a month. Should the owner fix the patio door, the owner can increase the rent by 3%, or \$86.27 a month. Should the owner repair the wood slats on the patio, the owner can increase the rent by 4% or \$115.03 a month. **In order to increase the rent after the repairs the owner must provide the necessary notices pursuant to Civil Code § 827.**

Should the owner wish to, he can pay the restitution owed to the tenants in one lump sum. If the owner pays the restitution, the tenants must stop deducting the \$247.15 per month from their current legal rent.

The owner may otherwise be entitled to a rent increase under the Rent Adjustment Ordinance and California Law.

///

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Schneck v. Dang:

What rent increases can be contested by tenant Schneck?

The RAP Ordinance requires that a tenant who wishes to contest a rent increase file a petition within 60 days of the date of service of the rent increase notice or 60 days after the first time the tenant was served with the *RAP Notice*¹⁵ whichever is later. The tenant testified that she received the *RAP Notice* in August of 2012. While she sought to contest multiple rent increases on her petition, she can only contest those increases that were served within 60 days of the date she filed her petition. Since she filed her petition on August 4, 2015, she can only contest those rent increases that were served on or after June 5, 2015.

The only rent increase listed on the tenant petition that was served on or after June 5, 2015, is the rent increase that was served on June 30, 2015, purporting to increase her rent to \$1,336.87, effective August 1, 2015. The tenant's attempt to bring up any prior rent increase notices now is untimely. The tenant's claims regarding all rent increases prior to the increase served on June 30, 2015, are therefore denied.

As to the rent increase notice served on June 30, 2015, is the owner entitled to a rent increase based on Banking?

If an owner chooses to not increase the rent, or increase it less than the annual CPI adjustments permitted by the Ordinance, the owner is allowed to bank the unused increases, subject to certain limitations.¹⁶ However, the total rent increase imposed in any one rent increase may not exceed a total of three times the then allowable CPI increase.¹⁷ In no event may any banked CPI Rent Adjustments be implemented more than ten years after it accrues.¹⁸

Facts needed to calculate banked increases are: (1) The date of the start of tenancy or eleven years before the effective date of the increase at issue, whichever is later; (2) the lawful base rent in effect on said date; (3) The lawful rent in effect immediately before the effective date of the current proposed rent increase; and (4) the date(s) and amount(s) of any intervening changes to the base rent between dates (1) and (3).

Attached as Exhibit 2 to this Hearing Decision is a *Banking Calculator* for tenant Schneck. The *HRRRB* has approved the use of the Banking calculator. According to the calculator, the owner is entitled to a rent increase based on banking to \$1,336.87. The rent increase is therefore valid and the tenant's claim as to the rent increase is denied.

The tenant's base rent, effective August 1, 2015, is \$1,336.87 per month.

///

¹⁵ O.M.C. § 8.22.090 (A)(2)

¹⁶ O.M.C. § 8.22.070

¹⁷ Regulations Appendix, §10.5.1

¹⁸ Regulations Appendix, §10.5.3

Have tenant Schneck's housing services been decreased?

As noted above, there are time limits that apply to claims of decreased housing services.

When a tenant complains of ongoing problems in her unit, the tenant can be granted relief for those claims going back 60 days before their petition was filed. However, when the tenant's claims have been resolved, any petition must be filed within the 60 day period.

Here, the tenant's two claims relate to the refrigerator and the presence of rodents in her apartment. The claim about the refrigerator is moot because the owner ultimately paid for the used refrigerator purchased by the tenant. As to the rodents, the tenant testified that this matter was resolved by the end of January of 2015. Since there have been no more sightings of rodents, the tenant could only seek compensation for this problem had she filed her claim within 60 days of when she last saw the rodent. Since her petition was filed on August 4, 2015, and she last saw a rodent at the end of January 2015, her petition was filed far too late. The tenant's claim for decreased housing services is therefore denied.

In Schneck v. Dang, what, if any, restitution is owed between the parties?

As noted above, the tenant's current legal rent is \$1,336.87, effective August 1, 2015. Since that date, the tenant has been paying rent in the amount \$1,272 a month. Therefore, she has underpaid rent for 7 months in the amount of \$64.87 a month, for a total underpayment of \$454.09. That underpayment is adjusted over a period of 6 months; so the rent increase is \$75.68 a month.¹⁹ For now this \$75.68 a month is added to the current legal rent of \$1,336.87 for a total of \$1,412.55 a month. From March of 2016 through August of 2016 the rent will be \$1,412.55. The rent will revert to the current legal rent in September of 2016.

ORDER

Didrickson v. Dang:

1. Petition T15-0374 is granted in part and denied in part.
2. Effective August 1, 2015, the base rent for the unit is \$2,875.93 before consideration of the current conditions or restitution.
3. Due to current conditions in the unit, the tenants are entitled to an ongoing rent decrease of 9%. The tenants current legal rent is therefore \$2,617.10 before consideration of restitution.

¹⁹ Regulations, Section 8.22.110(F)

4. The tenants are owed restitution in the amount of \$2,224.39 due to the combination of underpaid rent and past decreased housing services. This overpayment is adjusted by a rent decrease for the next 9 months in the amount of \$247.15 a month.

5. The Didricksons' rent for the months of March 2016 through November of 2016 is \$2,369.95 a month. Unless repairs are completed and proper notices sent (see below), their rent reverts to the current legal rent of \$2,617.00 per month in December of 2016.

6. If the owner repairs the water leak in the bedroom ceiling and the stains on the ceiling from the leaks, the owner may increase the monthly rent by \$57.51 per month. If the owner repairs the patio door, the owner may increase the monthly rent by \$86.27 per month. If the owner repairs the patio boards so that they are flat and are no longer a tripping hazard, the owner may increase the monthly rent by \$115.03. **In order to increase the rent after repairs are made, the owner must provide the necessary notice pursuant to Civil Code § 827. However, rent restoration after repairs are made is not considered a rent increase for the purposes of the Rent Adjustment Ordinance.**

7. Nothing in this Order prevents the owner from increasing the Didricksons' rent according to the laws of the Rent Adjustment Ordinance and the State of California at any time.

8. **Right to Appeal: This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) calendar days after service of the decision. The date of service is shown on the attached Proof of Service. If the Rent Adjustment Office is closed on the last day to file, the appeal may be filed on the next business day.

Schneck v. Dang:

1. Petition T15-0402 is denied.

2. Effective August 1, 2015, the tenant's rent is \$1,336.87 a month.

3. The tenant has underpaid rent in the amount of \$454.09. From March 2016-August 2016, the tenant's rent is \$1,412.55. The rent will revert to the current legal rent of \$1,336.87 per month in September of 2016.

4. **Right to Appeal: This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) calendar days after service of the decision. The date of

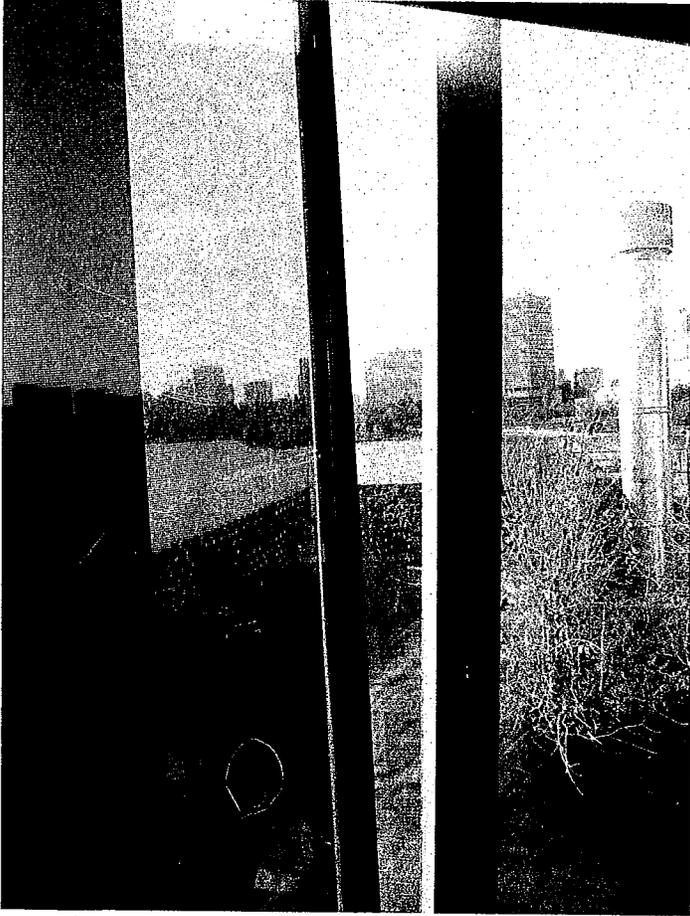
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service is shown on the attached Proof of Service. If the Rent Adjustment Office is closed on the last day to file, the appeal may be filed on the next business day.

Dated: February 2, 2016

A handwritten signature in cursive script, appearing to read "Barbara M. Cohen", written over a horizontal line.

Barbara M. Cohen
Hearing Officer
Rent Adjustment Program



Didrickson v. Dang Photo 1



Didrickson v. Dang Photo 2

Exhibit 1



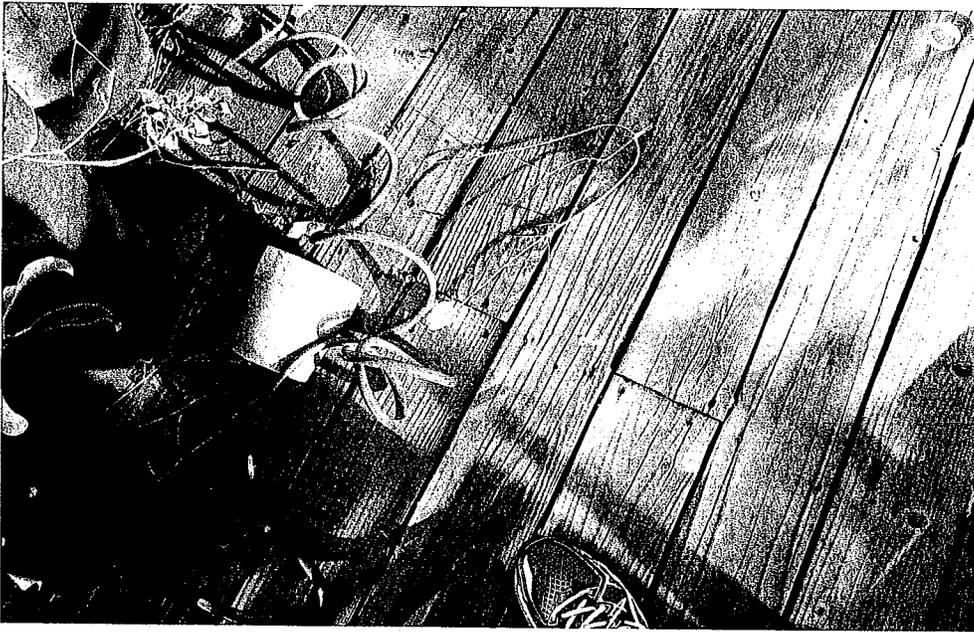
Didrickson v. Dang Photo 3



Didrickson v. Dang Photo 4



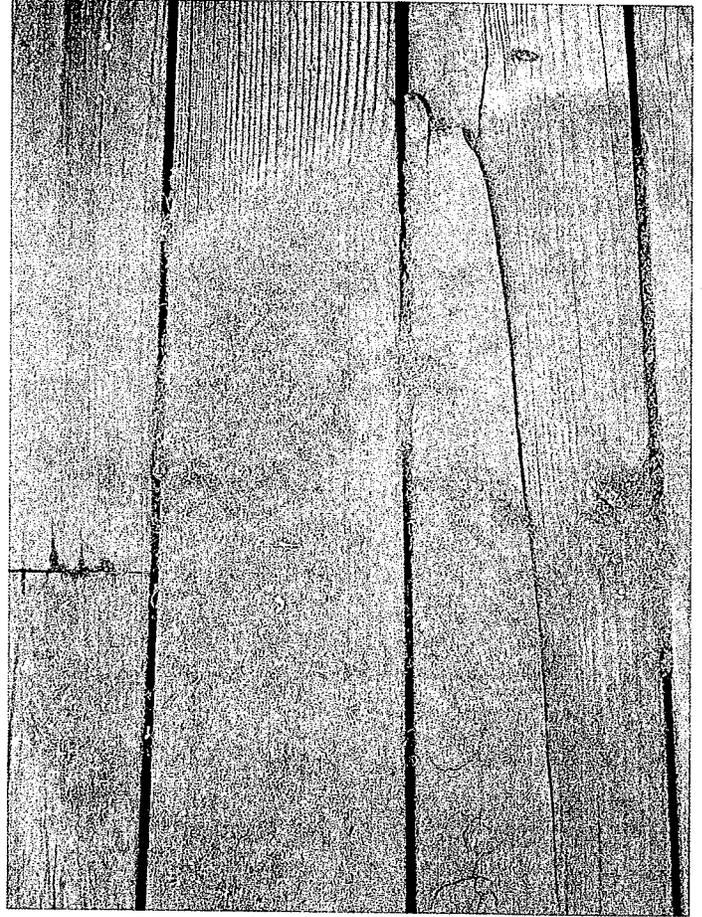
Didrickson v. Dang Photo 5



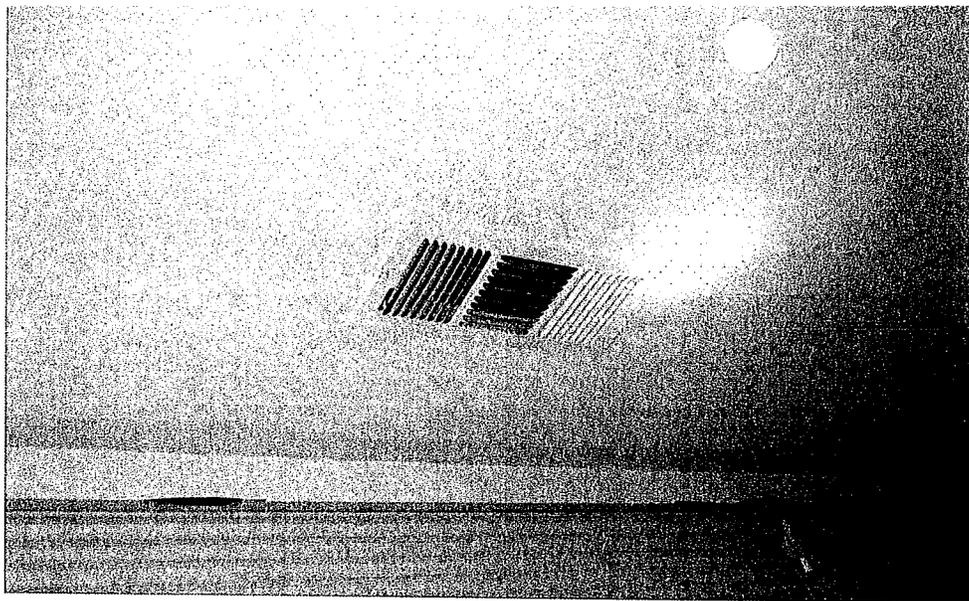
Didrickson v. Dang Photo 6



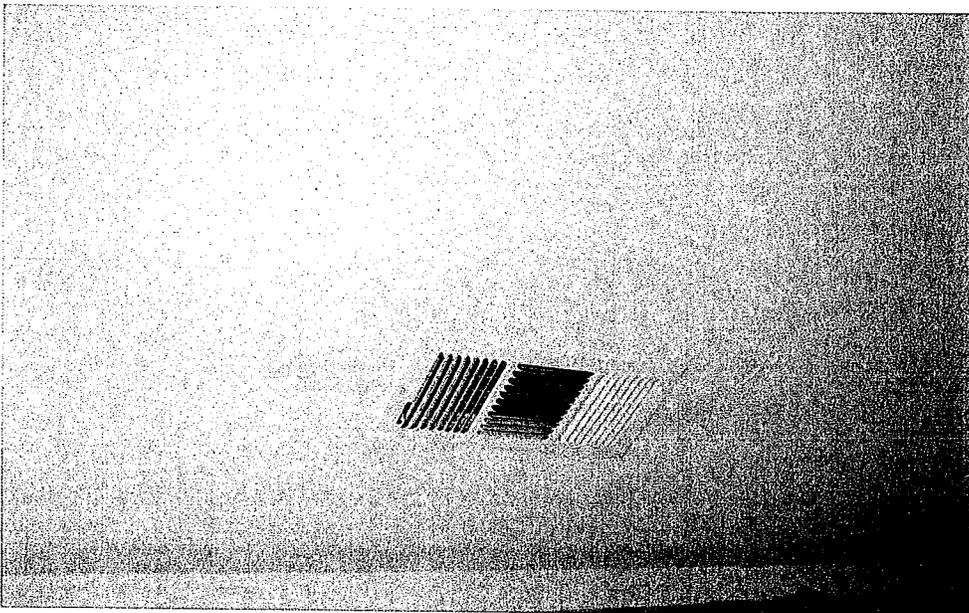
Didrickson v. Dang Photo 7



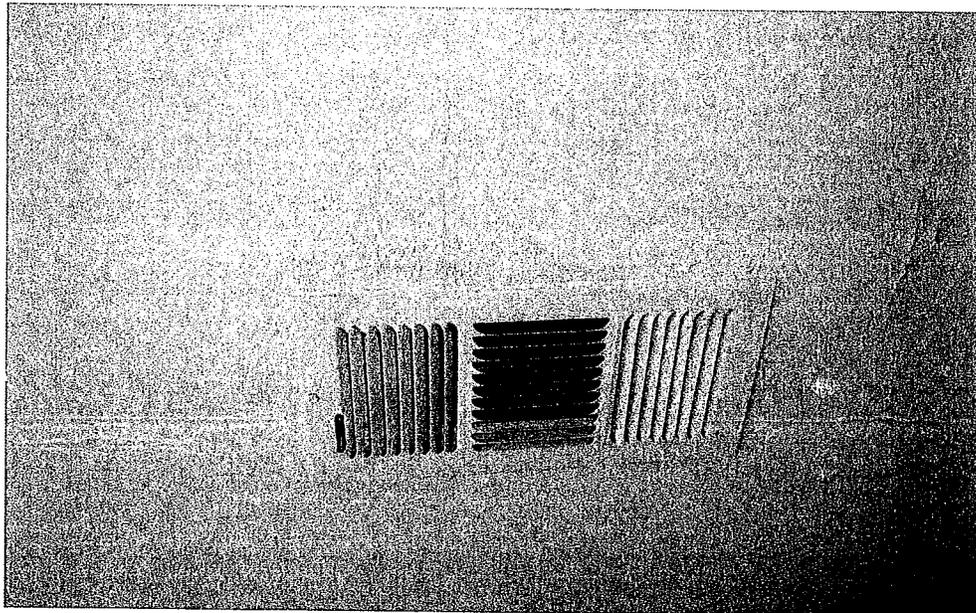
Didrickson v. Dang Photo 8



Didrickson v. Dang Photo 9



Didrickson v. Dang Photo 10



Didrickson v. Dang Photo 11

PROOF OF SERVICE

Case Number(s): T15-0402, T15-0374

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached **Hearing Decision** by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Carlos Didrickson
Glenda Didrickson
2230 Lakeshore Ave, #7
Oakland, CA 94606

Jae Schneck
2230 Lakeshore Ave, #6
Oakland, CA 94606

Ted Dang
Commonwealth Real Estate
1305 Franklin Street, Suite 500
Oakland, CA 94612

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on February 2, 2016, in Oakland, California.



Barbara M. Cohen
Oakland Rent Adjustment Program

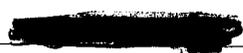
CITY OF OAKLAND RENT ADJUSTMENT PROGRAM P.O. Box 70243 250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612 (510) 238-3721	For filing stamp. CITY OF OAKLAND RENT ADJUSTMENT PROGRAM 2015 SEP - 1 PM 1:17
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Please Fill Out This Form As Completely As You Can. Failure to provide needed information may result in your response being rejected or delayed.

CASE NUMBER T 15- 0314

OWNER RESPONSE

Please print legibly.

Your Name <i>Ted Dang</i>	Complete Address (with zip code) <i>Mr. Ted W. Dang 1305 Franklin St Ste 500 Oakland, CA 94612-3224</i>	Phone:  Email: _____
Your Representative's Name (if any)	Complete Address (with zip code)	Phone: _____ Fax: _____ Email: _____
Tenant(s) name(s) <i>Carlos Delacruz</i>	Complete Address (with zip code) <i>2230 Lakeshore Ave #7 Oakland, CA 94606</i>	

Have you paid for your Oakland Business License? Yes No Number 28035462
 (Provide proof of payment.)

Have you paid the Rent Adjustment Program Service Fee? (\$30 per unit) Yes No
 (Provide proof of payment.)

There are 8 residential units in the subject building. I acquired the building on 8/15/12

Is there more than one street address on the parcel? Yes No

I. RENTAL HISTORY

The tenant moved into the rental unit on 12/06.

The tenant's initial rent including all services provided was \$ 2500 / month.

Have you (or a previous Owner) given the City of Oakland's form entitled **NOTICE TO TENANTS OF RESIDENTIAL RENT ADJUSTMENT PROGRAM ("RAP Notice")** to all of the petitioning tenants?
 Yes No I don't know If yes, on what date was the Notice first given? _____

Is the tenant current on the rent? Yes No

If you believe your unit is exempt from Rent Adjustment you may skip to **Section IV. EXEMPTION.**

If a contested increase was based on **Capital Improvements**, did you provide an **Enhanced Notice to Tenants for Capital Improvements** to the petitioning tenant(s)? Yes No . If yes, on what date was the Enhanced Notice given? _____. Did you submit a copy of the Enhanced Notice to the RAP office within 10 days of serving the tenant? Yes No . Not applicable: there was no capital improvements increase. _____

Begin with the most recent rent increase and work backwards. Attach another sheet if needed.

Date Notice Given (mo/day/year)	Date Increase Effective (mo/day/year)	Amount Rent Increased		Did you provide NOTICE TO TENANTS with the notice of rent increase?
		From	To	
6/30/15	8/1/15	\$ 2750.44	\$ 2895.13	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No

II. JUSTIFICATION FOR RENT INCREASE

You must prove that each contested rent increase greater than the Annual CPI Adjustment is justified and was correctly served. Use the following table and check the applicable justification(s) box for each increase contested by the tenant(s) petition. For a summary of these justifications, please refer to the "Justifications for Increases Greater than the Annual CPI Rate" section in the attached Owner's Guide to Rent Adjustment.

<u>Date of Increase</u>	Banking (deferred annual increases)	Increased Housing Service Costs	Capital Improvements	Uninsured Repair Costs	Fair Return	Debt Service (if purchased before 4/1/14)
8/1/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For each justification checked, you must submit organized documents demonstrating your entitlement to the increase. Please see the "Justifications" section in the attached Owner's Guide for details on the type of documentation required. In the case of Capital Improvement increases, you must include a copy of the "Enhanced Notice to Tenants for Capital Improvements" that was given to tenants. Your supporting documents do not need to be attached here, but are due in the RAP office no later than seven (7) days before the first scheduled Hearing date.

per hearing decision of 1/5/14

III. DECREASED HOUSING SERVICES

If the petition filed by your tenant claims **Decreased Housing Services**, state your position regarding the tenant's claim(s) of decreased housing services on a separate sheet. Submit any documents, photographs or other tangible evidence that supports your position.

IV. EXEMPTION

If you claim that your property is exempt from Rent Adjustment (Oakland Municipal Code Chapter 8.22), please check one or more of the grounds:

_____ The unit is a single family residence or condominium exempted by the **Costa Hawkins Rental Housing Act** (California Civil Code 1954.50, et seq.). **If claiming exemption under Costa-Hawkins, please answer the following questions on a separate sheet:**

1. Did the prior tenant leave after being given a notice to quit (Civil Code Section 1946)?
2. Did the prior tenant leave after being given a notice of rent increase (Civil Code Section 827)?
3. Was the prior tenant evicted for cause?
4. Are there any outstanding violations of building housing, fire or safety codes in the unit or building?
5. Is the unit a single family dwelling or condominium that can be sold separately?
6. Did the petitioning tenant have roommates when he/she moved in?
7. If the unit is a condominium, did you purchase it? If so: 1) from whom? 2) Did you purchase the entire building?

_____ The rent for the unit is **controlled, regulated or subsidized** by a governmental unit, agency or authority other than the City of Oakland Rent Adjustment Ordinance.

_____ The unit was **newly constructed** and a certificate of occupancy was issued for it on or after January 1, 1983.

_____ On the day the petition was filed, the tenant petitioner was a resident of a **motel, hotel, or boarding house** for less than 30 days.

_____ The subject unit is in a building that was **rehabilitated** at a cost of 50% or more of the average basic cost of new construction.

_____ The unit is an accommodation in a **hospital, convent, monastery, extended care facility, convalescent home, non-profit home for aged, or dormitory** owned and operated by an educational institution.

_____ The unit is located in a building with three or fewer units. The owner occupies one of the units continuously as his or her principal residence and has done so for at least one year.

V. IMPORTANT INFORMATION

Time to File. This form **must be received** by the Rent Adjustment Program, P.O. Box 70243, Oakland, CA 94612-0243, within 35 days of the date that a copy of the Tenant Petition was mailed to you. (The date of mailing is shown on the Proof of Service attached to the Tenant Petition and other response documents mailed to you.) A postmark does not suffice. If the RAP office is closed on the last day to file, the time to file is extended to the next day the office is open. If you wish to deliver your completed Owner Response to the Rent Adjustment Program office in person, go to the City of Oakland Housing Assistance Center, 250 Frank H. Ogawa Plaza, 6th Floor, Oakland, where you can date-stamp and drop your Response in the Rent Adjustment drop box. The Housing Assistance Center is open Monday through Friday, except holidays, from 9:00 a.m. to 5:00 p.m. **You cannot get an extension of time to file your Response by telephone.**

NOTE: If you do not file a timely Response, you will not be able to produce evidence at the Hearing, unless you can show good cause for the late filing.

File Review. You should have received a copy of the petition (and claim of decreased services) filed by your tenant with this packet. Other documents provided by the tenant will not be mailed to you. You may review additional documents in the RAP office by appointment. For an appointment to review a file or to request a copy of documents in the file call (510) 238-3721.

VI. VERIFICATION

Owner must sign here:

I declare under penalty of perjury pursuant to the laws of the State of California that all statements made in this Response are true and that all of the documents attached hereto are true copies of the originals.



Owner's Signature

8/16/15

Date

VII. MEDIATION AVAILABLE

Your tenant may have signed the mediation section in the Tenant Petition to request mediation of the disputed issues. Mediation is an entirely voluntary process to assist the parties to reach an agreement on the disputed issues in lieu of a Rent Adjustment hearing.

If the parties reach an agreement during the mediation, a written Agreement will be prepared immediately by the mediator and signed by the parties at that time. If the parties fail to settle the dispute, the case will go to a formal Rent Adjustment Program Hearing, usually the same day. A Rent Adjustment Program staff Hearing Officer serves as mediator unless the parties choose to have the mediation conducted by an outside mediator. If you and the tenant(s) agree to use an outside mediator, please notify the RAP office at (510) 238-3721. Any fees charged by an outside mediator for mediation of rent disputes will be the responsibility of the parties requesting the use of their services. (There is no charge for a RAP Hearing Officer to mediate a RAP case.)

Mediation will be scheduled only if both parties request it – after both the Tenant Petition and the Owner Response have been filed with the Rent Adjustment Program. **The Rent Adjustment Program will not schedule a mediation session if the owner does not file a response to the petition.** (Rent Board Regulation 8.22.100.A.)

If you want to schedule your case for mediation, sign below.

I agree to have my case mediated by a Rent Adjustment Program Staff Hearing Officer (no charge).

Owner's Signature

Date

Commonwealth Companies

- Real Estate-

Brokers License 0442390

1305 Franklin St #500, Oakland, Ca. 94612 * Office: (510)832-2628 Fax:(510)834-7660

June 30, 2015

Carlos and Glenda Didrickson
2230 Lakeshore Ave #7
Oakland, Ca. 94606

RE: Rent at 2230 Lakeshore Ave #7, Oakland, Ca

Whereas the carpeting in your unit was restretched back in January, 2014, per the order of the City of Oakland Rent Adjustment Program hearing officer, your rent shall be increased back to \$2895.73 effective August 1, 2015.

Please note your account still has a balance due per the attached ledger.

Very truly yours,

Ted W. Dang,
Property Manager

T15-0374 RC/UK

CITY OF OAKLAND RENT ADJUSTMENT PROGRAM Mail To: P. O. Box 70243 Oakland, California 94612-0243 (510) 238-3721	For date stamp: RENT ADJUSTMENT PROGRAM 2015 JUL 29 PM 12:42
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Please Fill Out This Form As Completely As You Can. Failure to provide needed information may result in your petition being rejected or delayed.

TENANT PETITION

Please print legibly

Your Name Carlos & Glenda Didrickson	Rental Address (with zip code) 2230 Lakeshore Av. Oakland Ca 94606 #7	Telephone 
Your Representative's Name	Mailing Address (with zip code)	Telephone
Property Owner(s) name(s) Ted Dang Commonwealth	Mailing Address (with zip code) Commonwealth Companies 1305 Franklin St suite Oak Ca 94612 500	Telephone

Number of units on the property: 8

Type of unit you rent (circle one)	House	Condominium	<input checked="" type="radio"/> Apartment, Room, or Live-Work
Are you current on your rent? (circle one)	<input checked="" type="radio"/> Yes	<input type="radio"/> No	Legally Withholding Rent. You must attach an explanation and citation of code violation.

I. GROUNDS FOR PETITION: Check all that apply. You must check at least one box. For all of the grounds for a petition see OMC 8.22.070 and OMC 8.22.090. **I (We) contest one or more rent increases on one or more of the following grounds:**

<input checked="" type="checkbox"/>	(a) The increase(s) exceed(s) the CPI Adjustment and is (are) unjustified or is (are) greater than 10%.
<input type="checkbox"/>	(b) The owner did not give me a summary of the justification(s) for the increase despite my written request.
<input type="checkbox"/>	(c) The rent was raised <u>illegally</u> after the unit was vacated (Costa-Hawkins violation).
<input type="checkbox"/>	(d) No written notice of Rent Program was given to me together with the notice of increase(s) I am contesting. (Only for increases noticed after July 26, 2000.)
<input type="checkbox"/>	(e) A City of Oakland form notice of the existence of the Rent Program was not given to me at least six months before the effective date of the rent increase(s) I am contesting.
<input checked="" type="checkbox"/>	(f1) The housing services I am being provided have decreased. (Complete Section III on following page)
<input type="checkbox"/>	(f2) At present, there exists a health, safety, fire, or building code violation in the unit. <u>If the owner has been cited in an inspection report, please attach a copy of the citation or report.</u>
<input type="checkbox"/>	(g) The contested increase is the second rent increase in a 12-month period.
<input type="checkbox"/>	(h) The notice of rent increase based upon capital improvement costs does not contain the "enhanced notice" requirements of the Rent Adjustment Ordinance or the enhanced notice was not filed with the RAP.
<input type="checkbox"/>	(i) My rent was not reduced after the expiration period of the rent increase based on capital improvements.
<input type="checkbox"/>	(j) The proposed rent increase would exceed an overall increase of 30% in 5 years. (The 5-year period begins with rent increases noticed on or after August 1, 2014).
<input type="checkbox"/>	(k) I wish to contest an exemption from the Rent Adjustment Ordinance (OMC 8.22, Article I)

II. RENTAL HISTORY: (You must complete this section)

Date you moved into the Unit: Dec. 2006 Initial Rent: \$ 2,500⁰⁰ /month

When did the owner first provide you with a written NOTICE TO TENANTS of the existence of the Rent Adjustment Program (RAP NOTICE)? Date: 2013. If never provided, enter "Never."

- Is your rent subsidized or controlled by any government agency, including HUD (Section 8)? Yes No

List all rent increases that you want to challenge. Begin with the most recent and work backwards. If you need additional space, please attach another sheet. You must check "Yes" next to each increase that you are challenging.

Date Notice Served (mo/day/year)	Date Increase Effective (mo/day/year)	Amount Rent Increased		Are you Contesting this Increase in this Petition?*	Did You Receive a Rent Program Notice With the Notice Of Increase?
		From	To		
<u>June 30 '15</u>	<u>Aug. 1, 2015</u>	\$ <u>2725.⁰⁰</u>	\$ <u>2895</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

* You have 60 days from the date of notice of increase or from the first date you received written notice of the existence of the Rent Adjustment program (whichever is later) to contest a rent increase. (O.M.C. 8.22.090 A 2) If you never got the RAP Notice you can contest all past increases.

List case number(s) of all Petition(s) you have ever filed for this rental unit: T140492

III. DESCRIPTION OF DECREASED OR INADEQUATE HOUSING SERVICES:

Decreased or inadequate housing services are considered an increase in rent. If you claim an unlawful rent increase for service problems, you must complete this section.

- Are you being charged for services originally paid by the owner? Yes No
- Have you lost services originally provided by the owner or have the conditions changed? Yes No
- Are you claiming any serious problem(s) with the condition of your rental unit? Yes No

If you answered "Yes" to any of the above, please attach a separate sheet listing a description of the reduced service(s) and problem(s). Be sure to include at least the following: 1) a list of the lost housing service(s) or serious problem(s); 2) the date the loss(es) began or the date you began paying for the service(s); and 3) how you calculate the dollar value of lost problem(s) or service(s). Please attach documentary evidence if available.

To have a unit inspected and code violations cited, contact the City of Oakland, Code Compliance Unit, 250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612. Phone: (510) 238-3381

IV. VERIFICATION: The tenant must sign:

I declare under penalty of perjury pursuant to the laws of the State of California that everything I said in this petition is true and that all of the documents attached to the petition are true copies of the originals.

Carol Debra Glenda Didinksa
Tenant's Signature

7-29-15
Date

V. MEDIATION AVAILABLE: Mediation is an entirely voluntary process to assist you in reaching an agreement with the owner. If both parties agree, you have the option to mediate your complaints before a hearing is held. If the parties do not reach an agreement in mediation, your case will go to a formal hearing before a Rent Adjustment Program Hearing Officer the same day.

You may choose to have the mediation conducted by a Rent Adjustment Program Hearing Officer or select an outside mediator. Rent Adjustment Program Hearing Officers conduct mediation sessions free of charge. If you and the owner agree to an outside mediator, please call (510) 238-3721 to make arrangements. Any fees charged by an outside mediator for mediation of rent disputes will be the responsibility of the parties requesting the use of their services.

Mediation will be scheduled only if both parties agree (after both your petition and the owner's response have been filed with the Rent Adjustment Program). **The Rent Adjustment Program will not schedule a mediation session if the owner does not file a response to the petition.** Rent Board Regulation 8.22.100.A.

If you want to schedule your case for mediation, sign below.

I agree to have my case mediated by a Rent Adjustment Program Staff Hearing Officer (no charge).

~~Carol Debra Glenda Didinksa~~ MSD
Tenant's Signature

~~7-29-15~~
Date

VI. IMPORTANT INFORMATION:

Time to File This form must be received at the offices of the City of Oakland, Rent Adjustment Program, Dalziel Building, 250 Frank H. Ogawa Plaza Suite 5313, Oakland, CA 94612 within the time limit for filing a petition set out in the Rent Adjustment Ordinance, Oakland Municipal Code, Chapter 8.22. Board Staff cannot grant an extension of time to file your petition by phone. For more information, please call: (510) 238-3721.

File Review

The owner is required to file a Response to this petition within 35 days of notification by the Rent Adjustment Program. You will be mailed a copy of the Landlord's Response form. Copies of **documents attached** to the Response form will not be sent to you. However, you may review these in the Rent Program office by appointment. For an appointment to review a file call (510) 238-3721; please allow six weeks from the date of filing before scheduling a file review.

VII. HOW DID YOU LEARN ABOUT THE RENT ADJUSTMENT PROGRAM?

- Printed form provided by the owner
- Pamphlet distributed by the Rent Adjustment Program
- Legal services or community organization
- Sign on bus or bus shelter
- Other (describe): _____

SELF-ADMINISTRATION PROGRAM

2015 JUL 29 PM 12:42

T. DANG
V

Circuit breaker keeps kicking, landlord has refused to comply with court orders to make repairs. not following hearing officers orders.

water leaks through ceiling vent.

uneven patio wood boards, tripping hazard.

patio door handle - needs to be replaced.

SELF-ADMINISTRATION PROGRAM
2015 JUL 29 PM 12:42

Glenda Didriksen
Caryl Decker

2230 Lakeshore Av. #7
Oakland Ca 94606

CHRONOLOGICAL CASE REPORT

Case No.: T16-0175
Case Name: Didrickson v. Dang
Property Address: 2230 Lakeshore Ave., #7, Oakland, CA
Parties: Glenda & Carlos Didrickson (Tenants)
Ted Dang (Property Owner)

LANDLORD APPEAL:

<u>Activity</u>	<u>Date</u>
Tenant Petition filed	April 1, 2016
Landlord Responses filed	April 19, 2016
Hearing Decision Issued	August 10, 2016
Landlord Appeal filed	August 23, 2016

AUG 23 2016

34 FAX TO 238-6181
AND REGULAR MAIL

City of Oakland Residential Rent Adjustment Program 250 Frank Ogawa Plaza, Suite 5313 Oakland, California 94612 (510) 238-3721		<small>OAKLAND RENT ADJUSTMENT</small> <p style="text-align: center;">APPEAL</p>	
Appellant's Name <p style="text-align: center;">TED DANE</p>		Landlord <input checked="" type="checkbox"/> Tenant <input type="checkbox"/>	
Property Address (Include Unit Number) <p style="text-align: center;">2230 LAKESTORE AVE # 7 OAKLAND.</p>			
Appellant's Mailing Address (For receipt of notices) <p style="text-align: center;">1305 FRANKLIN ST # 500 OAKLAND, CA 94612</p>		Case Number <p style="text-align: center;">T16-0175</p>	
		Date of Decision appealed <p style="text-align: center;">8/9/16</p>	
Name of Representative (if any)		Representative's Mailing Address (For notices)	

I appeal the decision issued in the case and on the date written above on the following grounds:
 (Check the applicable ground(s). Additional explanation is required (see below). Please attach additional pages to this form.)

1. The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations or prior decisions of the Board. You must identify the Ordinance section, regulation or prior Board decision(s) and specify the inconsistency.
2. The decision is inconsistent with decisions issued by other hearing officers. You must identify the prior inconsistent decision and explain how the decision is inconsistent.
3. The decision raises a new policy issue that has not been decided by the Board. You must provide a detailed statement of the issue and why the issue should be decided in your favor.
4. The decision is not supported by substantial evidence. You must explain why the decision is not supported by substantial evidence found in the case record. The entire case record is available to the Board, but sections of audio recordings must be pre-designated to Rent Adjustment Staff.
5. I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim. You must explain how you were denied a sufficient opportunity and what evidence you would have presented. Note that a hearing is not required in every case. Staff may issue a decision without a hearing if sufficient facts to make the decision are not in dispute.
6. The decision denies me a fair return on my investment. You must specifically state why you have been denied a fair return and attach the calculations supporting your claim.

APPEAL BRIEF

(1) TYPOGRAPHICAL ERROR

Hearing Decision T16-0175 cites to and repeats a typographical error from the T15-0374 Hearing Decision. The typographical error in the T15-0374 Hearing Decision appears on and after p. 9. In the first full paragraph of the page, the T15-0374 Hearing Decision states that “[I]n case T13-0296, the Hearing Officer determined that the tenants’ rent...could be raised to **\$2895.73** per month.” This citation is correct; the T13-0296 Hearing Decision, on p. 4, states “the maximum rent for the unit ... is **\$2895.73.**”

However, in the T15-0374 Hearing Decision, at the bottom of p. 9, two digits in this number were **transposed and are cited as “2875.93”** (see chart and final paragraph of T15-0374 on p. 9). Thereafter, the decision repeats this typographical error (see T15-0374 pgs. 12 and 15). **Decision T16-0175 cites the T15-0374 case, and repeats this typographical error** (see pgs 2 - 4). This figure affects a number of calculations in the T16-0175 decision.

I request that the Board fix this error, that all figures based on this erroneous Base Rent be recalculated and corrected, and that the corrected Hearing Decision be re-sent to both myself and the tenant.

NOTE: This error was reported to Connie Taylor (RAP Program Manager) on August 17, 2016. We have not received any response as of this date.

(2) NO SUBSTANTIAL EVIDENCE FOR REJECTING LEGAL RENT INCREASE

In the T16-0175 Hearing Decision, the Hearing Officer determined that the Base Rent for the unit in question is \$2924.82 (see p. 3). The landlord requested that the Base Rent be increased to \$3040 (see p. 1), and provided the Hearing Officer with a detailed spreadsheet showing that this figure is justified by banking, and is not in excess of 3x the CPI. **The T16-0175 Hearing Decision provides no evidence or reasoning whatsoever to support its rejection of the \$3040 figure.** Rather, the T16-0175 Hearing Decision (1) provides for only one year of CPI increase (ignoring past banked increases), (2) relies exclusively on the flawed figures in the T15-0374 Hearing Decision (see Sec. 1 above, decision currently under Appeal), and (3) disregards entirely the landlord's valid CPI-based Base Rent spreadsheet and calculations without any justification.

Because there is no substantial evidence - in fact no evidence whatsoever - to support the Hearing Officer's rejection of the \$3040 figure, I request that the Board correct the Base Rent to \$3040, and that all figures in the T16-0175 Hearing Decision be recalculated to reflect this proper Base Rent.

THIS APPEAL SHOULD BE CONSOLIDATED WITH APPEAL FOR CASE T15-0374 WHICH WAS FILED 2/19/16 AND STILL NOT HEARD.



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

HEARING DECISION

CASE NUMBER: T16-0175, Didrickson v. Dang
PROPERTY ADDRESS: 2230 Lakeshore Ave., #7, Oakland, CA
DATE OF HEARING: July 20, 2016
DATE OF DECISION: August 9, 2016
APPEARANCES: Glenda Didrickson (Tenant)
Carlos Didrickson (Tenant)
Ted Dang (Owner)
Collin Dyer (Witness for Owner)

SUMMARY OF DECISION

The tenants' petition is partly granted.

CONTENTIONS OF THE PARTIES

The tenants filed a petition which alleges that a current proposed rent increase from \$2,725 to \$3,040 per month, effective April 1, 2016, and a prior rent increase from \$2,725 to \$2,875.93 per month, effective August 1, 2015, exceed the CPI Adjustment and are unjustified or is greater than 10%; that the owner did not give them a summary of the justification for the proposed rent increase despite their written request; that at present there exists a health, safety, fire or building code violation in their unit; and that their housing services have been decreased, as follows: the heating vent leaks water when it rains; the electrical circuit breaker fails from normal use; broken patio door handle frame; and the patio floor boards are uneven and are a tripping hazard.

The owner filed a response to the petition, which alleges that the current proposed rent increase "is based solely on annual CPI adjustments," and denies that the tenant's housing services have decreased.

THE ISSUES

- (1) Is a rent increase justified by the CPI Annual Adjustment and, if so, in what amount?
- (2) What is the legal rent for the unit?
- (3) Have the tenants' housing services been decreased and, if so, by what percentage of the total housing services that are provided by the owner?

INTRODUCTION

Case No. T15-0374, Didrickson v. Dang, involves the same parties and rental unit as the present case. In that prior case, a Hearing Decision was issued on February 2, 2016. Both parties appealed this Decision, which has not yet been decided by the Board. At the Hearing in the present case, the parties could not agree as to whether they wanted the present Hearing Decision to be delayed until the prior case is resolved on appeal. Therefore, this Decision assumes that the Order in the prior case is in effect.

EVIDENCE

The Prior Case: Official Notice is taken of Case No. T15-0374, referenced above. The Order in that case states, in part:

“2. Effective August 1, 2015, the base rent for the unit is \$2,875.93 before consideration of the current conditions or restitution.

3. Due to current conditions in the unit, the tenants are entitled to an ongoing rent decrease of 9%. The tenants current legal rent is therefore \$2,617.10 before consideration of restitution.

4. The tenants are owed restitution in the amount of \$2,224.39 due to the combination of underpaid rent and past decreased housing services. This overpayment is adjusted by a rent decrease for the next 9 months in the amount of \$247.15 a month.

5. The Didricksons' rent for the months of March 2016 through November of 2016 is \$2,369.95 a month. Unless repairs are completed and proper notices sent (see below) their rent reverts to the current legal rent of \$2,617.00 per month in December of 2016.

6. If the owner repairs the water leak in the bedroom ceiling and the stains on the ceiling from the leaks, the owner may increase the monthly rent by \$57.51 per month. If the owner repairs the patio door, the owner may increase the monthly rent by \$86.27 per month. If the owner repairs the patio boards so that they are flat and are no longer a tripping hazard, the owner may increase the monthly rent by \$115.03. **In order to increase the rent after repairs are made, the owner must provide the necessary notice pursuant to Civil Code Section 827. However, rent restoration after repairs are made is not considered a rent increase for the purposes of the Rent Adjustment Ordinance.** (emphasis in original).

7. Nothing in this Order prevents the owner from increasing the Didricksons' rent according to the laws of the Rent Adjustment Ordinance and the State of California at any time.”

Rent History: The parties agreed that the tenants have paid rent of \$2,725 each month since August 2015.

Decreased Housing Services:

Heating Vent Leak: The tenants testified that water enters around the heating vent in their bedroom ceiling during a heavy rain. They made the identical claim in Case No. T15-0374. The Hearing Officer in that case ordered an ongoing rent reduction until repairs are made, as stated in Paragraph 6 of the Order quoted above. At the Hearing in the present case, the owner did not testify that this condition has been repaired. The tenants cannot make a new claim for an issue that has already been decided and for which there is an ongoing rent reduction; the claim is denied.

Circuit Breaker: This claim was made and denied in the prior case.

Patio Door / Patio Floor Boards: These claims were made, and ongoing rent reductions were ordered, in the prior case. At the Hearing, the owner did not testify that repairs had been made.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Legal Rent: The Order in Case No. T15-0374 is honored. The Base Rent was set at \$2,875.93 per month. The CPI Rent Adjustment of 1.7% is \$48.89, for total Base Rent of \$2,924.82. The Order in the prior case states that the rent for the months March through November 2016 is \$2,369.95 per month, and the rent reverts to \$2,617 per month in December 2016.

The owner is entitled to a rent increase of \$48.89 per month, effective April 1, 2016. Therefore – before considering rent overpayments by the tenants – the rent for the months April through November 2016 is \$2,418.84 per month, and the rent from December 2016 through March 2017 is \$2,665.89 per month. Further, if the owner makes necessary repairs stated in the prior case, rent may be increased in accordance with the Order in that case.

Decreased Housing Services: Since all of the tenants' claims were raised and decided in the prior case, all claims of decreased housing services are denied.

Conclusion / Rent Overpayments: The tenants have been paying monthly rent of \$2,725 since August 2015. As shown on the following Table, the tenants have therefore overpaid rent in the amount of \$4,370. This overpayment is ordered repaid over a period of twelve months, from September 2016 through August 2017.¹

The current rent of \$2,418.84 per month is temporarily decreased by \$364.17 per month, to \$2,054.67 per month, in the months of September through November 2016. In accordance with the Order in the prior case, the rent beginning in December 2016 is increased by \$247.15 per month. Therefore, from December 2016 through March 2017 the rent will be \$2,328.82 per month. The then-current rent from April 2017 (when the owner will be eligible for an annual increase) through August 2017 will be reduced by \$364.17 per month.

¹ Regulations, Section 8.22.110(F)

OVERPAID RENT

From	To	Monthly Rent paid	Max Monthly Rent	Difference per month	No. Months	Sub-total
1-Aug-15	31-Mar-16	\$2,725	\$2,370	\$355	8	\$2,840
1-Apr-16	31-Aug-16	\$ 2,725	\$2,419	\$306	5	\$1,530
TOTAL OVERPAID RENT						\$4,370

RESTITUTION

MONTHLY RENT	\$2,925
TOTAL TO BE REPAID TO TENANT	\$4,370
TOTAL AS PERCENT OF MONTHLY RENT	149%
AMORTIZED OVER 12 MO. BY REG. IS	\$364.17

ORDER

- Petition T16-0175 is partly granted.
- The current rent, before a temporary decrease due to rent overpayments, is \$2,418.84 per month.
- The tenants have overpaid rent in the amount of \$4,370. The overpayment is adjusted by a temporary rent increase for twelve months.
- The rent is temporarily decreased by \$364.17 per month, to \$2,054.67 per month, in the months of September through November 2016.
- The rent from December 2016 through March 2017 will be \$2,328.82 per month.
- The rent from April 2017 through August 2017 will be reduced by \$364.17 per month.
- The owner may increase the rent in accordance with the Order in Case No. T15-0374.
- The Anniversary Date for future rent increases is April 1.
- Right to Appeal:** This decision is the final decision of the Rent Adjustment Program Staff. Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) calendar days after service of the decision. The date of service is shown on the attached Proof of Service. If the Rent Adjustment Office is closed on the last day to file, the appeal may be filed on the next business day.

Dated: August 9, 2016



Stephen Kasdin
Hearing Officer
Rent Adjustment Program

PROOF OF SERVICE

Case Number T16-0175

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in a City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Tenants

Carlos Didrickson
2230 Lakeshore Ave #7
Oakland, CA 94606

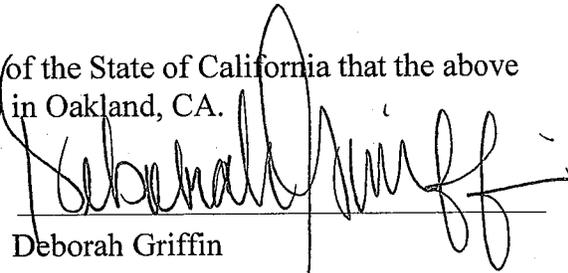
Glenda Didrickson
2230 Lakeshore Ave #7
Oakland, CA 94606

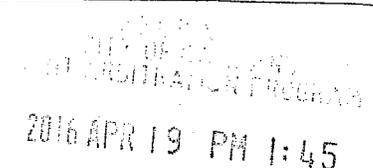
Owner

Ted Dang
1305 Franklin St #500
Oakland, CA 94612

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on August 10, 2016 in Oakland, CA.


Deborah Griffin

CITY OF OAKLAND RENT ADJUSTMENT PROGRAM P.O. Box 70243 250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612 (510) 238-3721	For filing stamp. 
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Please Fill Out This Form As Completely As You Can. Failure to provide needed information may result in your response being rejected or delayed.

CASE NUMBER T16 - 0175

OWNER RESPONSE

Please print legibly.

Your Name <i>TED DANG</i>	Complete Address (with zip code) <i>1305 Franklin St #500 Oakland, CA 94612</i>	Phone:  Email: 
Your Representative's Name (if any)	Complete Address (with zip code)	Phone: _____ Fax: _____ Email: _____
Tenant(s) name(s) <i>CHARLES & GLENDA BURICKSON</i>	Complete Address (with zip code) <i>2236 Lakeshore Ave #7 Oakland, CA 94606</i>	

Have you paid for your Oakland Business License? Yes No Number _____
 (Provide proof of payment.)

Have you paid the Rent Adjustment Program Service Fee? (\$30 per unit) Yes No
 (Provide proof of payment.)

There are 8 residential units in the subject building. I acquired the building on 8/12/12.

Is there more than one street address on the parcel? Yes No .

I. RENTAL HISTORY

The tenant moved into the rental unit on 12/15/06.

The tenant's initial rent including all services provided was \$ 2500 / month.

Have you (or a previous Owner) given the City of Oakland's form entitled **NOTICE TO TENANTS OF RESIDENTIAL RENT ADJUSTMENT PROGRAM ("RAP Notice")** to all of the petitioning tenants?
 Yes No I don't know If yes, on what date was the Notice first given? 9/12/12

Is the tenant current on the rent? Yes No

If you believe your unit is exempt from Rent Adjustment you may skip to **Section IV. EXEMPTION.**

If a contested increase was based on **Capital Improvements**, did you provide an **Enhanced Notice to Tenants for Capital Improvements** to the petitioning tenant(s)? Yes _____ No _____. If yes, on what date was the Enhanced Notice given? _____. Did you submit a copy of the Enhanced Notice to the RAP office within 10 days of serving the tenant? Yes _____ No _____ Not applicable: there was no capital improvements increase.

Begin with the most recent rent increase and work backwards. Attach another sheet if needed.

Date Notice Given (mo/day/year)	Date Increase Effective (mo/day/year)	Amount Rent Increased		Did you provide NOTICE TO TENANTS with the notice of rent increase?
		From	To	
3/8/16	5/1/16	\$ 2895.73	\$ 3043.41	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8/1/13	11/1/13	\$ 2725.00	\$ 2895.73	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Court stipulation	9/1/12	\$ 2500	\$ 2725.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No

II. JUSTIFICATION FOR RENT INCREASE

Increase is based solely on annual CPI adjustments

You must prove that each contested rent increase greater than the Annual CPI Adjustment is justified and was correctly served. Use the following table and check the applicable justification(s) box for each increase contested by the tenant(s) petition. For a summary of these justifications, please refer to the "Justifications for Increases Greater than the Annual CPI Rate" section in the attached Owner's Guide to Rent Adjustment.

<u>Date of Increase</u>	Banking (deferred annual increases)	Increased Housing Service Costs	Capital Improvements	Uninsured Repair Costs	Fair Return	Debt Service (if purchased before 4/1/14)
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For each justification checked, you must submit organized documents demonstrating your entitlement to the increase. Please see the "Justifications" section in the attached Owner's Guide for details on the type of documentation required. In the case of Capital Improvement increases, you must include a copy of the "Enhanced Notice to Tenants for Capital Improvements" that was given to tenants. Your supporting documents do not need to be attached here, but are due in the RAP office no later than seven (7) days before the first scheduled Hearing date.

III. DECREASED HOUSING SERVICES

If the petition filed by your tenant claims **Decreased Housing Services**, state your position regarding the tenant's claim(s) of decreased housing services on a separate sheet. Submit any documents, photographs or other tangible evidence that supports your position.

IV. EXEMPTION

If you claim that your property is exempt from Rent Adjustment (Oakland Municipal Code Chapter 8.22), please check one or more of the grounds:

_____ The unit is a single family residence or condominium exempted by the **Costa Hawkins Rental Housing Act** (California Civil Code 1954.50, et seq.). **If claiming exemption under Costa-Hawkins, please answer the following questions on a separate sheet:**

1. Did the prior tenant leave after being given a notice to quit (Civil Code Section 1946)?
2. Did the prior tenant leave after being given a notice of rent increase (Civil Code Section 827)?
3. Was the prior tenant evicted for cause?
4. Are there any outstanding violations of building housing, fire or safety codes in the unit or building?
5. Is the unit a single family dwelling or condominium that can be sold separately?
6. Did the petitioning tenant have roommates when he/she moved in?
7. If the unit is a condominium, did you purchase it? If so: 1) from whom? 2) Did you purchase the entire building?

_____ The rent for the unit is **controlled, regulated or subsidized** by a governmental unit, agency or authority other than the City of Oakland Rent Adjustment Ordinance.

_____ The unit was **newly constructed** and a certificate of occupancy was issued for it on or after January 1, 1983.

_____ On the day the petition was filed, the tenant petitioner was a resident of a **motel, hotel, or boarding house** for less than 30 days.

_____ The subject unit is in a building that was **rehabilitated** at a cost of 50% or more of the average basic cost of new construction.

_____ The unit is an accommodation in a **hospital, convent, monastery, extended care facility, convalescent home, non-profit home for aged, or dormitory** owned and operated by an educational institution.

_____ The unit is located in a building with three or fewer units. The owner occupies one of the units continuously as his or her principal residence and has done so for at least one year.

V. IMPORTANT INFORMATION

Time to File. This form **must be received** by the Rent Adjustment Program, P.O. Box 70243, Oakland, CA 94612-0243, within 35 days of the date that a copy of the Tenant Petition was mailed to you. (The date of mailing is shown on the Proof of Service attached to the Tenant Petition and other response documents mailed to you.) A postmark does not suffice. If the RAP office is closed on the last day to file, the time to file is extended to the next day the office is open. If you wish to deliver your completed Owner Response to the Rent Adjustment Program office in person, go to the City of Oakland Housing Assistance Center, 250 Frank H. Ogawa Plaza, 6th Floor, Oakland, where you can date-stamp and drop your Response in the Rent Adjustment drop box. The Housing Assistance Center is open Monday through Friday, except holidays, from 9:00 a.m. to 5:00 p.m. **You cannot get an extension of time to file your Response by telephone.**

NOTE: If you do not file a timely Response, you will not be able to produce evidence at the Hearing, unless you can show good cause for the late filing.

File Review. You should have received a copy of the petition (and claim of decreased services) filed by your tenant with this packet. Other documents provided by the tenant will not be mailed to you. You may review additional documents in the RAP office by appointment. For an appointment to review a file or to request a copy of documents in the file call (510) 238-3721.

T16-0175 RC/BBB

<p>CITY OF OAKLAND RENT ADJUSTMENT PROGRAM Mail To: P. O. Box 70243 Oakland, California 94612-0243 (510) 238-3721</p>	<p>For date stamp: 2016 APR -1 AM 11:55</p>
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Please Fill Out This Form As Completely As You Can. Failure to provide needed information may result in your petition being rejected or delayed.

TENANT PETITION

Please print legibly

Your Name Carlos & Glenda Didrickson	Rental Address (with zip code) 2230 Lakeshore Av #7 Oak, Ca 94606	Telephone [REDACTED]
Your Representative's Name	Mailing Address (with zip code)	Telephone
Property Owner(s) name(s) Ted Dang Commonwealth	Mailing Address (with zip code) 1305 Franklin St. Oak Ca 94612 suite 500	Telephone [REDACTED]

Number of units on the property: 8

Type of unit you rent (circle one)	House	Condominium	<input checked="" type="radio"/> Apartment, Room, or Live-Work
Are you current on your rent? (circle one)	<input checked="" type="radio"/> Yes	No	Legally Withholding Rent. You must attach an explanation and citation of code violation.

I. GROUNDS FOR PETITION: Check all that apply. You must check at least one box. For all of the grounds for a petition see OMC 8.22.070 and OMC 8.22.090. **I (We) contest one or more rent increases on one or more of the following grounds:**

<input checked="" type="checkbox"/> (a) The increase(s) exceed(s) the CPI Adjustment and is (are) unjustified or is (are) greater than 10%.
<input checked="" type="checkbox"/> (b) The owner did not give me a summary of the justification(s) for the increase despite my written request.
<input type="checkbox"/> (c) The rent was raised <u>illegally</u> after the unit was vacated (Costa-Hawkins violation).
<input checked="" type="checkbox"/> (d) No written notice of Rent Program was given to me together with the notice of increase(s) I am contesting. (Only for increases noticed after July 26, 2000.)
<input type="checkbox"/> (e) A City of Oakland form notice of the existence of the Rent Program was not given to me at least six months before the effective date of the rent increase(s) I am contesting.
<input checked="" type="checkbox"/> (f1) The housing services I am being provided have decreased. (Complete Section III on following page)
<input checked="" type="checkbox"/> (f2) At present, there exists a health, safety, fire, or building code violation in the unit. <u>If the owner has been cited in an inspection report, please attach a copy of the citation or report.</u>
<input type="checkbox"/> (g) The contested increase is the second rent increase in a 12-month period.
<input type="checkbox"/> (h) The notice of rent increase based upon capital improvement costs does not contain the "enhanced notice" requirements of the Rent Adjustment Ordinance or the enhanced notice was not filed with the RAP.
<input type="checkbox"/> (i) My rent was not reduced after the expiration period of the rent increase based on capital improvements.
<input type="checkbox"/> (j) The proposed rent increase would exceed an overall increase of 30% in 5 years. (The 5-year period begins with rent increases noticed on or after August 1, 2014).
<input type="checkbox"/> (k) I wish to contest an exemption from the Rent Adjustment Ordinance (OMC 8.22, Article I)

II. RENTAL HISTORY: (You must complete this section)

Date you moved into the Unit: Dec 2006 Initial Rent: \$ 2,500⁰⁰ /month

When did the owner first provide you with a written NOTICE TO TENANTS of the existence of the Rent Adjustment Program (RAP NOTICE)? Date: 2012 If never provided, enter "Never."

- Is your rent subsidized or controlled by any government agency, including HUD (Section 8)? Yes No

List all rent increases that you want to challenge. Begin with the most recent and work backwards. If you need additional space, please attach another sheet. You must check "Yes" next to each increase that you are challenging.

Date Notice Served (mo/day/year)	Date Increase Effective (mo/day/year)	Amount Rent Increased		Are you Contesting this Increase in this Petition?*	Did You Receive a Rent Program Notice With the Notice Of Increase?
		From	To		
<u>2/26/16</u>	<u>4/1/16</u>	\$ <u>2,725.</u>	\$ <u>3,043.</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<u>2-2-2016</u>	<u>Aug 2015</u>	\$ <u>2725</u>	\$ <u>2875⁹³</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<u>we appealed Ted Dany Appaled decision</u>	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

* You have 60 days from the date of notice of increase or from the first date you received written notice of the existence of the Rent Adjustment program (whichever is later) to contest a rent increase. (O.M.C. 8.22.090 A 2) If you never got the RAP Notice you can contest all past increases.

List case number(s) of all Petition(s) you have ever filed for this rental unit: T130296 T15-0374 T14-0492

III. DESCRIPTION OF DECREASED OR INADEQUATE HOUSING SERVICES:

Decreased or inadequate housing services are considered an increase in rent. If you claim an unlawful rent increase for service problems, you must complete this section.

- Are you being charged for services originally paid by the owner? Yes No
- Have you lost services originally provided by the owner or have the conditions changed? Yes No
- Are you claiming any serious problem(s) with the condition of your rental unit? Yes No

If you answered "Yes" to any of the above, please attach a separate sheet listing a description of the reduced service(s) and problem(s). Be sure to include at least the following: 1) a list of the lost housing service(s) or serious problem(s); 2) the date the loss(es) began or the date you began paying for the service(s); and 3) how you calculate the dollar value of lost problem(s) or service(s). Please attach documentary evidence if available.

To have a unit inspected and code violations cited, contact the City of Oakland, Code Compliance Unit, 250 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612. Phone: (510) 238-3381

IV. VERIFICATION: The tenant must sign:

I declare under penalty of perjury pursuant to the laws of the State of California that everything I said in this petition is true and that all of the documents attached to the petition are true copies of the originals.

Carlo P. [Signature] Mendel [Signature]
Tenant's Signature

4-1-2016
Date

V. MEDIATION AVAILABLE: Mediation is an entirely voluntary process to assist you in reaching an agreement with the owner. If both parties agree, you have the option to mediate your complaints before a hearing is held. If the parties do not reach an agreement in mediation, your case will go to a formal hearing before a Rent Adjustment Program Hearing Officer the same day.

You may choose to have the mediation conducted by a Rent Adjustment Program Hearing Officer or select an outside mediator. Rent Adjustment Program Hearing Officers conduct mediation sessions free of charge. If you and the owner agree to an outside mediator, please call (510) 238-3721 to make arrangements. Any fees charged by an outside mediator for mediation of rent disputes will be the responsibility of the parties requesting the use of their services.

Mediation will be scheduled only if both parties agree (after both your petition and the owner's response have been filed with the Rent Adjustment Program). **The Rent Adjustment Program will not schedule a mediation session if the owner does not file a response to the petition.** Rent Board Regulation 8.22.100.A.

If you want to schedule your case for mediation, sign below.

I agree to have my case mediated by a Rent Adjustment Program Staff Hearing Officer (no charge).

Tenant's Signature

Date

VI. IMPORTANT INFORMATION:

Time to File This form must be **received** at the offices of the City of Oakland, Rent Adjustment Program, Dalziel Building, 250 Frank H. Ogawa Plaza Suite 5313, Oakland, CA 94612 within the time limit for filing a petition set out in the Rent Adjustment Ordinance, Oakland Municipal Code, Chapter 8.22. Board Staff cannot grant an extension of time to file your petition by phone. For more information, please call: (510) 238-3721.

File Review

The owner is required to file a Response to this petition within 35 days of notification by the Rent Adjustment Program. You will be mailed a copy of the Landlord's Response form. Copies of **documents attached** to the Response form will not be sent to you. However, you may review these in the Rent Program office by appointment. For an appointment to review a file call (510) 238-3721; please allow six weeks from the date of filing before scheduling a file review.

VII. HOW DID YOU LEARN ABOUT THE RENT ADJUSTMENT PROGRAM?

- _____ Printed form provided by the owner
- _____ Pamphlet distributed by the Rent Adjustment Program
- _____ Legal services or community organization
- _____ Sign on bus or bus shelter
- _____ Other (describe): _____

Decreased or Inadequate housing Services
in Unit 7 at 2230 Lakeshore Av, Oak 94606

on Feb 15, 2013 Ted Dang signed Superior Court papers saying he would make these repairs upon increase of rent. Our rent was increased from 2500 to 2725. Starting Feb. 2013. Repairs were to be made by March 17 2013 as follows.

- A) heating vent leaks water when it rains
- B) Electrical circuit breaker fails from normal use
- C) Broken Patio door handle frame
- D) Patio floor boards uneven, tripping hazard

copy of signed Superior Court Papers attached

2/4/16 Repair guys came to fix patio door, uneven floor boards and heating vent water leak. As of this date the patio door frame separates from the glass. Patio floor boards are cracked & splitting, wood needs to be replaced according to his repairman, heating vent leaks water with heavy rain, water stains and cracks, rippling or bubbling paint on the ceiling around the vent, has gotten worse over the years.

also there is paint peeling and mold in bedroom/bathroom - pictures attached

AMENDED COPY 4-8-16 with Attachments Pictures

Decreased or Inadequate housing services in Unit 7 at 2230 Lakeshore Av, Oak 94606

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- D) Patio floor boards uneven, tripping hazard

copy of signed Superior Court Papers attached

2/4/16 Repair guys came to fix patio door, uneven floorboards and heating vent, water leak. As of this date the Patio door frame separates from the glass. Patio floor boards are cracked & splitting, wood needs to be replaced according to his repairman, heating vent leaks water with heavy rain, water stains and cracks, rippling or bubbling paint on the ceiling around the vent, has gotten worse over the years, one inch strip of caulking put on various spots of vent to stop leaking rain water also there is paint peeling and mold in bedroom/bathroom - pictures attached Electrical switch cover missing = SAFETY HAZARD INADEQUIT REPAIRS MADE OR NOT REPLACED

CHRONOLOGICAL CASE REPORT

Case No.: T15-0360
Case Name: Harrison v. Solares
Property Address: 275 Vernon Street, Unit 11, Oakland, CA
Parties: Clifton and Mercedes Harrison (Tenants)
Kathleen Solares (Property Owner)

LANDLORD AND TENANT APPEAL:

<u>Activity</u>	<u>Date</u>
Tenant Petition filed	July 17, 2015
Landlord Response filed	September 3, 2015
Hearing Decision issued	March 4, 2016
Tenant Appeal filed	March 23, 2016
Landlord Appeal filed	March 24, 2016

City of Oakland Residential Rent Adjustment Program 250 Frank Ogawa Plaza, Suite 5313 Oakland, California 94612 (510) 238-3721		2016 MAR 24 AM 11:41 APPEAL	
Appellant's Name Kathleen Solares		Landlord <input checked="" type="checkbox"/> Tenant <input type="checkbox"/>	
Property Address (Include Unit Number) 275 Vernon Street, Unit 11 Oakland, CA 94610			
Appellant's Mailing Address (For receipt of notices) 279 Vernon Street, #1 Oakland, CA 94610		Case Number T15-0360 Date of Decision appealed March 4, 2016	
Name of Representative (if any) Stephen M. Judson Ramsey Law Group		Representative's Mailing Address (For notices) 3736 Mount Diablo Blvd., Suite 300 Lafayette, CA 94549	

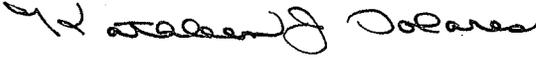
I appeal the decision issued in the case and on the date written above on the following grounds:
(Check the applicable ground(s). Additional explanation is required (see below). Please attach additional pages to this form.)

1. **The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations or prior decisions of the Board.** *You must identify the Ordinance section, regulation or prior Board decision(s) and specify the inconsistency.*
2. **The decision is inconsistent with decisions issued by other hearing officers.** *You must identify the prior inconsistent decision and explain how the decision is inconsistent.*
3. **The decision raises a new policy issue that has not been decided by the Board.** *You must provide a detailed statement of the issue and why the issue should be decided in your favor.*
4. **The decision is not supported by substantial evidence.** *You must explain why the decision is not supported by substantial evidence found in the case record. The entire case record is available to the Board, but sections of audio recordings must be pre-designated to Rent Adjustment Staff.*
5. **I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim.** *You must explain how you were denied a sufficient opportunity and what evidence you would have presented. Note that a hearing is not required in every case. Staff may issue a decision without a hearing if sufficient facts to make the decision are not in dispute.*
6. **The decision denies me a fair return on my investment.** *You must specifically state why you have been denied a fair return and attach the calculations supporting your claim.*

7. Other. You must attach a detailed explanation of your grounds for appeal. Submissions to the Board are limited to 25 pages from each party. Number of pages attached 13. Please number attached pages consecutively.

8. You must serve a copy of your appeal on the opposing party(ies) or your appeal may be dismissed. I declare under penalty of perjury under the laws of the State of California that on March 24, 2016, I placed a copy of this form, and all attached pages, in the United States mail or deposited it with a commercial carrier, using a service at least as expeditious as first class mail, with all postage or charges fully prepaid, addressed to each opposing party as follows:

<u>Name</u>	Clifton Harrison
<u>Address</u>	275 Vernon Street, #11
<u>City, State Zip</u>	Oakland, CA 94610
<u>Name</u>	Mercedes Harrison
<u>Address</u>	275 Vernon Street, #11
<u>City, State Zip</u>	Oakland, CA 94610

	
SIGNATURE of APPELLANT or DESIGNATED REPRESENTATIVE	DATE March 24, 2016

IMPORTANT INFORMATION:

This appeal must be received by the Rent Adjustment Program, 250 Frank Ogawa Plaza, Suite 5313, Oakland, California 94612, not later than 5:00 P.M. on the 20th calendar day after the date the decision was mailed to you as shown on the proof of service attached to the decision. If the last day to file is a weekend or holiday, the time to file the document is extended to the next business day.

- Appeals filed late without good cause will be dismissed.
- You must provide all of the information required or your appeal cannot be processed and may be dismissed.
- Anything to be considered by the Board must be received by the Rent Adjustment Program by 3:00 p.m. on the 8th day before the appeal hearing.
- The Board will not consider new claims. All claims, except as to jurisdiction, must have been made in the petition, response, or at the hearing.
- The Board will not consider new evidence at the appeal hearing without specific approval.
- You must sign and date this form or your appeal will not be processed.

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4. The decision is not supported by substantial evidence

The Hearing Decision conclusion to disallow the sum of \$15,380.11 of the requested capital improvement pass through is not supported by substantial evidence. The Landlord did submit substantial evidence of the itemization of the final payment to the contractor to qualify as a recoverable capital improvement pass through. The Decision contains error on page 10, where the Hearing Officer writes "The costs paid on June 4, 2014, totaling \$15,380.11 are disallowed because the check was made payable to the owner's attorney and the amount payable to the contractor was not itemized." (underline added). The payment was made to the contractor's attorney, not the owner's attorney. This is possibly a typographical error by the Hearing Officer (although it appears twice at the bottom of page 10), since the testimony was clear to whom the payment was made, and what the payment was for.

The final payment to the contractor was made in the context of a settlement of a lawsuit by the contractor for payment. The contractor had placed a lien on the property that contains the Tenant's unit (as but one of the eleven units). The settlement of the lawsuit allowed the Landlord to make the final payment to the contractor which included those invoices for the capital improvement work to Tenants' unit.

Tenants submitted the lawsuit documents into evidence at the hearing. The Complaint is at Tenants' Ex. G, pgs. 126-132. The contractor is listed as Jon Vianu, First Choice Construction, and his attorneys are listed as Wood, Smith, Henning & Berman LLP. (Tenant pg. 126) The check from Landlord to contractor's attorney is in evidence as Landlord's Ex. 11, pg. 359. This is a payment by the Landlord for the benefit of the contractor, and was payable to the contractor's attorney trust account as explained more fully below.

The Landlord has the burden to establish the eligibility of a cost as a capital improvement. Here, the substantial evidence in the record is as follows:

a. Tenants' Ex. G, pgs. 126-132 – collection lawsuit filed by contractor First Choice Construction seeking \$26,587.66 for work done on 275 and 279 Vernon. Tenants' unit is in 275 Vernon. The case is identified as Alameda County Superior Court Case No. RG14709656

b. Landlord's Ex. 11, pgs. 358-381 – establishes the payment (check no. 5389) to the contractor through his attorney trust account in the amount of \$27,000. The check is for settlement of the contractor's invoices in Alameda County Superior Court Case No. RG14709656. Some of those invoices (\$15,380.11 worth) were for work done on Tenants' unit.

c. Landlord's Ex. 11, pg. 359 – summarizes and itemizes the specific contractor invoices for the Tenants' unit (Unit 11) which were paid by the Landlord check.

d. Landlord's Ex. 11, pgs. 360 – 381 – itemizes and attaches all of the contractor invoices and receipts for the portion of the capital improvement work on Unit 11 totaling \$15,380.11 that was paid from check no. 5389. No amount of the final payment check of \$27,000 was allocated by the

Landlord to the capital improvement, except for the amount necessary to pay the final contractor invoices solely for Tenants' Unit 11.

There is extensive, detailed testimony in the taped Hearing Record, at Day 1, 11/17/15, commencing at **1:35:00** and continuing to **1:48:00**, which precisely connects the final payment to the contractor to the capital improvement expenses incurred at Unit 11. Landlord witness Elvera Bordessa at two locations in the Hearing Record, Day 1, (at **1:38:55ff** and **1:44:22ff**) expressly ties and substantiates with documentation the \$15,380.11 of the final payment to the contractor for the capital improvement of Tenants' unit. Substantial evidence is in the record to support this, and there can be no dispute.

None of the \$15,380.11 allocated to the capital improvement went to pay the contractor's attorney's fees, or to anything other than the work and materials used on the capital improvement. It is all tied directly to the contractor invoices which appear in the record as Landlord' Ex. 11, pgs. 359-381. To put the allocation argument regarding attorney's fees entirely to rest, the Board is requested to take into evidence the attached Settlement Agreement and Mutual Release between the Landlord and her contractor. (Landlord's Ex. 1A) landlord did not submit this evidence (Ex. 1A) at the hearing since she received no notice that Tenants intended to raise an issue about the final payment to the contractor. Tenants' Ex. G does not disclose this as a challenge to the capital improvement pass through. The settlement agreement (Ex. 1A) clearly shows at Section 2 on page one under the heading "Agreement" that each side in the case bore their own attorney's fees and costs. So, no amount of the \$27,000 payment by Landlord is allocated to contractor's attorney fees – the \$15,380.11 portion of it went to retire the contractor's final invoices for work done on the Tenants' unit.

The settlement agreement itself makes clear that no amount of the payment is allocated to attorney fees. The Settlement Agreement and Mutual Release attached hereto as Landlord's Ex. 1A provides in part as follows:

Settlement Agreement and Mutual Release

This Settlement Agreement and Mutual Release ("Agreement") is entered into on this 21st day of May 2014 by and between Jon Vianu dba First Choice Construction ("Vianu") and Solares Properties – Vernon Street Apartment, LLC and Kathleen Solares (collectively referred to herein as "Solares".) The parties are referred to herein individually as "Party" or collectively as "Parties."

[...]

Agreement

NOW, THEREFORE, the Parties hereto agree as follows:

1. Terms: Solares shall pay Vianu the sum of **twenty-seven thousand dollars and 00/100 (\$27,000)** in full and complete satisfaction of the Claim, which shall be paid by draft made payable to the "Wood, Smith, Henning & Berman LLP Client Trust Account," Tax ID number 95-4608xxx.

[...]

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2. Fees and Costs: Each Party hereto shall bear its own costs, including attorney's fees, except as otherwise provided herein.

Furthermore, as outlined above, there is substantial evidence in the record that the Landlord has carried her burden to establish the amount of \$15,380.11 as a proper capital improvement pass through cost. Tenants have not rebutted that burden by adducing evidence to dispute that. They have merely opined in argument that maybe we do not know for sure how it was allocated. That is not a successful rebuttal of Landlord's evidentiary proof.

Finally, it is clearly not the Landlord's burden to establish how a third party, the contractor, may have allocated Landlord's payment to him. For all we know, once Landlord paid the contractor for the capital improvement work, the contractor could have paid subcontractors, vendors, his attorneys, or he could have kept all the payment himself. All Landlord is required to do is to establish that her contractor was paid by her for the capital improvement work at the subject unit. Landlord Solares has done so, and the evidence in the record supports that conclusion and no other.

Landlord Appeal
Case No. T-15-0360 (Harrison v. Solares)
Date of Decision: March 4, 2016

3. The decision raises a new policy issue that has not been decided by the Board

The application of the provision of the Ordinance (10.2.1, Capital Improvement Costs) is inconsistent in its application to this appealing Landlord in that the capital improvement in this instance ran over the 24-month period for recovery of payments through no fault of the Landlord.

The Hearing Officer disallowed \$21,150.39 of the capital improvement pass through because it fell outside the 24 month period prior to the date of the proposed rent increase. The Rent Adjustment Board Regulations Appendix A in effect at the time of this increase (revision 11/18/11), Section 10.2.1, provided as follows:

10.2.1 Credit for capital improvements will only be given for those improvements which have been completed and paid for within the twenty-four (24) month period prior to the date of the proposed rent increase. However, no more than twelve months of capital improvement costs may be passed on to a tenant in any twelve (12) month period. For example: in year one the landlord makes a capital improvement by replacing the roof. In year two the landlord makes another capital improvement by painting the exterior of the building. The landlord would not be able to pass on the roof and exterior painting capital improvement costs during the same year, but would have to pass then (sic) on in separate years, subject to the twenty-four (24) month time limitations.

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This project was a singular capital improvement, and cannot be arbitrarily squeezed into a hypothetical 24-month period. This work was done pursuant to a single contract with a single

contractor. Progress payments were made, but it was all part of a single capital improvement project. The project did not "become" a capital improvement until it was completed and paid for. At that time, it matured into a single capital improvement.

The permit was paid for on November 7, 2012. (Landlord's Ex. 2A, originally filled with the Hearing Officer on December 21, 2015.) Due to the Tenants' refusal to vacate, the Owner had to pay for a permit extension in June 2013. Due to the Tenants' delay, and refusal to temporarily vacate, the actual work could not start for 7 ½ months. Work then commenced pursuant to a single contract which was "completed and paid for" on June 4, 2014.

In a prior RAP proceeding filed April 23, 2014, T14-0117, the Tenants objected to this same capital improvement pass through by the Landlord, and the Owner rescinded her notice on technical grounds. Tenants then appealed the rescission of the rent increase, and after many continuances granted by the RAP to accommodate these Tenants' stated needs (see, attached Exhibit 2A), the Harrisons dropped their appeal and the RAP dismissed the appeal as moot on August 10, 2015. Tenants' actions, (and the RAP scheduling shortcomings), caused an additional 16 months of delays. The Landlord could not have possibly put through another capital improvement pass through while proceeding T14-0117 was still pending. This current proceeding (T15-0360) then followed.

The RAP Regulations do not state that a single capital improvement must be *completed* within a 24 month period. The illustration in Regulation 10.2.1 is vague, and cannot apply to this capital improvement. Other, *separate*, capital improvement project costs cannot be passed on to a tenant if they are older than 24 months, but this is a *single* capital improvement project. It is not divisible. It is not the subject of separate contracts such as the Ordinance's own example illustrates. That makes all the difference. Clearly the Rent Adjustment Program does not intend to force owners to pass through costs on a piecemeal basis for a single capital improvement project. Indeed, the owner would be prevented from doing so because the capital improvement would not come into existence until the work is "completed and paid for." That would be nonsensical, and is not in the policy or terms of the Ordinance or the Regulations.

The Tenants cannot be allowed to subvert the policy and intent and purpose of the Rent Adjustment Program through their own actions and conduct and delay. Nor, can the Rent Adjustment Program be complicit in allowing any tenants to do so. If so allowed, the Ordinance, and its protections, would be rendered ineffectual and subject to utter gamesmanship.

The delaying conduct of these Tenants is well illustrated by the timeline of RAP proceeding T14-0117, which the Hearing Officer was requested to take judicial notice of. The Tenant timeline is attached hereto as Exhibit 2A, and incorporated herein. The timeline speaks for itself, and cannot be used by Tenants to avoid a valid and proven Capital Improvement pass through.

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6.

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Landlord Exhibit 1A

7.

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Agreement") is entered into on this 21st day of May 2014 by and between Jon Vianu dba First Choice Construction ("Vianu") and Solares Properties – Vernon Street Apartment, LLC and Kathleen Solares (collectively referred to herein as "Solares"). The parties are referred to herein individually as "Party" or collectively as "Parties."

RECITALS

1. **WHEREAS**, Vianu entered into several written construction agreements with Solares, which provided that Vianu would furnish certain labor and materials for remodeling of several condominium units located at 275 and 279 Vernon Street, Oakland, California (the "Project").

2. **WHEREAS**, Vianu filed a Complaint in Alameda County Superior Court, case number RG14709656 ("Complaint"), to foreclose on Vianu's asserted and recorded mechanic's lien related to the Project (the "Claim").

3. **WHEREAS**, in order to avoid the costs of litigation and to resolve the claims and issues recited above, by and between Vianu and Solares only, the Parties hereby agree that this matter is settled pursuant to the following terms and conditions.

AGREEMENT

NOW, THEREFORE, the Parties hereto agree as follows:

1. **Terms:** Solares shall pay Vianu the sum of **twenty-seven thousand dollars and 00/100 (\$27,000)** in full and complete satisfaction of the Claim, which shall be paid by draft made payable to the "Wood, Smith, Henning & Berman LLP Client Trust Account", Tax ID number 95-4608126. The draft shall be mailed Vianu's counsel, David E. Young, Esq, c/o Wood, Smith, Henning & Berman LLP, 1401 Willow Pass Rd, Suite 700, Concord, CA 94520. Such payment shall be issued within five (5) days of receipt of the fully executed Agreement.

Upon receipt of the fully executed Agreement and the payment, as described above, Vianu will immediately complete and record a release of the lien and the Lis Pendens and dismiss the Complaint with prejudice.

2. **Fees and Costs:** Each Party hereto shall bear its own costs, including attorney's fees, except as otherwise provided herein.

3. **Mutual Releases:** Except for the obligations and terms set forth in this Agreement, Vianu and Solares, including their former and present corporate affiliates, heirs, assigns, partners, predecessors, successors, officers, directors, board members, shareholders, assigns, individual members, homeowners, employees, attorneys,

agents, consultants, and representatives will forever discharge and release each other, including their respective former and present corporate affiliates, heirs, partners, predecessors, successors, officers, board members, directors, shareholders, assigns, employees, ex-employees, former and present attorneys, agents, consultants, sureties, insurance carriers, subcontractors, suppliers, and/or representatives, from any and all claims, demands, expenses, actions, torts, obligations, duties, damages, credits, offsets, liabilities and causes of action of any nature, whether or not now known, anticipated, suspected or claimed, whether contractual, equitable or of any other nature, arising out of, or in any way connected with the Claim and Project, *OR ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY OR ALL OTHER CLAIMS THAT MAY EXIST BETWEEN THE PARTIES*

4. Section 1542 Waiver. As to the releases provided in Section 3, above, and obligations created herein, the Parties recognize that they may not now fully know the number and magnitude of all claims they now have or in the future may have against the other Parties, but nevertheless, intends to assume the risk that they are releasing such unknown claims. The Parties agree that this Agreement is a full and final release of all such claims and as a further consideration and inducement for this settlement, agree to waive the provisions of California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Parties acknowledge that a material part of this Agreement is the deliberate extinguishing of any claims, which currently are unknown or which may not yet exist, so that there is no possibility of future claims among these Parties concerning the Contract (and all addendums and modifications thereto), the Project and the Claim..

5. Covenant Not to Sue: Except as to the rights duties created by this agreement, each Party hereby covenants and agrees never to commence, prosecute or cause, permit or advise to be commenced or prosecuted against any Party herein released, any action in any form at law or equity, or other proceedings, based upon any of the claims released herein. If such prohibited action or proceeding is instituted, this Agreement may be pleaded as a full and complete defense thereto.

6. Authority: Each person executing this Agreement represents and warrants that they are duly authorized to execute this Agreement on behalf of and bind the Party they purport to represent. The Parties to this Settlement Agreement and Mutual Release each warrant that they have not made any assignment of any claims or causes of action that they have or may have in the future against any other Party hereto, and further agree to defend, indemnify and hold harmless those Parties hereto from all costs, loss, damages or liability incurred or imposed by reason of any person or entity claiming to have an interest in any claim they have released herein.

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to make a press release or take a public position disparaging or make unfavorable statements to third parties concerning the other Party.

13. **Successors and Assigns:** All covenants and agreements herein shall bind and inure to the benefit of the parties' respective successors, assigns, heirs, representatives, board members, agents, employees, transferees, directors, officers, attorneys, principals, parent companies, affiliates, partners, members and joint ventures of the parties hereto.

14. **Neutral Construction:** The Parties hereto agree that this Agreement will be interpreted neutrally, and that it should not be construed for or against any Party deemed to be the drafter thereof. The Parties specifically agree that no prior versions or drafts of this Agreement shall be relevant or admissible to interpret or construe the scope of the Agreement.

15. **California Law Applies:** This Agreement shall be deemed to have been entered into in the State of California, and all questions concerning the validity, interpretation, or performance of any of its terms or provisions, or of any rights or obligations related to this Agreement of the Parties hereto, shall be governed and resolved in accordance with the laws of the State of California.

16. **Severability:** In the event that, at any time after the execution of this Agreement, any portion or provision of it is found to be illegal, invalid, unenforceable, non-binding, or otherwise without legal force or effect, the remaining portion(s) will remain in force and be fully binding.

17. **Execution:** This Agreement may be executed in counterparts by the Parties, each of which shall be deemed an original, and shall be valid and binding on each Party as if fully executed in one copy. Facsimile or .pdf signatures are sufficient to bind the Parties hereto until receipt of original signatures.

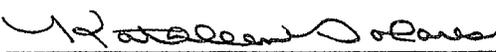
Dated: May 22, 2014

Jon Vianu dba First Choice Construction

By: 
Jon Vianu, Owner

Dated: May 28, 2014

Solares Properties - Vernon Street Apartment, LLC

By: 
Kathleen Solares, Member

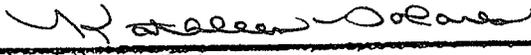
2015 MAR 24 AM 11:42

MORE SIGNATURES FOLLOWING PAGE

11.

Dated: May 28, 2014

Kathleen Solares

By: 
Kathleen Solares

END OF AGREEMENT

2014 MAR 24 AM 11:42

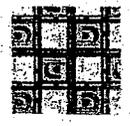
5389
KS

90-7118-3211

DATE 6/4/2014

\$ 27,000.00

DOLLARS



SOLARES PROPERTIES
VERNON ST. APTS. LLC

279 VERNON ST. #1
OAKLAND, CA 94610
PH: (510) 893-2224

PAY TO THE ORDER OF

Wood, Smith, Henning & Berman

Twenty-seven thousand & 00/100

citibank
CITIBANK N.A. BR. #16
REGIONS C&S AVE
REDWOOD CITY, CA 94061

FOR CASE NO. ASCJ RG 14709656

Notarized Deed



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0 93

2010 MAR 24 AM 11:42

2018 MAR 24 AM 11:42

Landlord Exhibit 2A

14.

Owners' Exhibit 1

1
2 March 13, 2014 60 Day Notice of Rent Increase to tenants
3 April 23, 2014 M. Harrison files Tenant Petition
4 May 15, 2014 Start of new rent (capital improvement pass through)
5 May 30, 2014 Landlord response to tenant petition
6 July 29, 2014 Hearing date for Harrison vs. Solares scheduled
7 Harrison's request new hearing date, Solares consented
8 August 13, 2014 New Hearing date
9 August 27, 2014 Landlord files Post Hearing Brief
10 October 1, 2014 Hearing Decision in favor of Solares (TP denied because Solares
11 rescinded the rent increase)
12 October 22, 2014 Harrison's file Appeal
13 April 9, 2015 Harrison's Appeal Hearing cancelled (due to time date and place not
14 being posted as required by the Brown Act).
15 May 14, 2015 Harrison's Appeal Hearing. Tenant Clifton Harrison states there is a
16 "new document" entered into the file he has never seen or read. Board
17 allows continuance
18 June 11, 2015 Harrison's Appeal Hearing date, Mr. Harrison is not available
19 July 9, 2015 Harrison's Appeal Hearing date is cancelled by Mr. Harrison due to a
20 claimed emergency. New Appeal Hearing date set for September 10,
21 August 6, 2015 Harrison's drop their Appeal
22 August 10, 2015 Rent Adjustment Board sends notice Tenant Petition T14-0117 is being
23 dismissed by the Harrison's
24 August 13, 2015 Solares receives letter from the Rent Adjustment Board that the
25 Harrison's have dismissed their petition
26 Hearing Officer Barbara Cohen's decision stands in favor of Solares
27 September 10, 2015 Harrison Appeal Hearing is dismissed as moot
28

15.

2014 MAR 24 AM 11:42

City of Oakland Residential Rent Adjustment Program 250 Frank Ogawa Plaza, Suite 5313 Oakland, California 94612 (510) 238-3721		2016 MAR 23 PM 3:46 <p style="text-align: center;">APPEAL</p>
Appellant's Name Mercedes & Clifton Harrison		Landlord <input type="checkbox"/> Tenant <input checked="" type="checkbox"/>
Property Address (Include Unit Number) 275 Vernon Street, Apt 11, Oakland CA 94610		
Appellant's Mailing Address (For receipt of notices) 275 Vernon Street, Apt 11, Oakland CA 94610		Case Number T15-0360 Date of Decision appealed March 4, 2016
Name of Representative (if any) N/A	Representative's Mailing Address (For notices)	

I appeal the decision issued in the case and on the date written above on the following grounds:
(Check the applicable ground(s). Additional explanation is required (see below). Please attach additional pages to this form.)

1. **The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations or prior decisions of the Board. You must identify the Ordinance section, regulation or prior Board decision(s) and specify the inconsistency.**
2. **The decision is inconsistent with decisions issued by other hearing officers. You must identify the prior inconsistent decision and explain how the decision is inconsistent.**
3. **The decision raises a new policy issue that has not been decided by the Board. You must provide a detailed statement of the issue and why the issue should be decided in your favor.**
4. **The decision is not supported by substantial evidence. You must explain why the decision is not supported by substantial evidence found in the case record. The entire case record is available to the Board, but sections of audio recordings must be pre-designated to Rent Adjustment Staff.**
5. **I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim. You must explain how you were denied a sufficient opportunity and what evidence you would have presented. Note that a hearing is not required in every case. Staff may issue a decision without a hearing if sufficient facts to make the decision are not in dispute.**
6. **The decision denies me a fair return on my investment. You must specifically state why you have been denied a fair return and attach the calculations supporting your claim.**

REGISTRATION
 2016 MAR 23 PM 3:48
 2

7. Other. You must attach a detailed explanation of your grounds for appeal. Submissions to the Board are limited to 25 pages from each party. Number of pages attached 2 Please number attached pages consecutively.

8. **You must serve a copy of your appeal on the opposing party(ies) or your appeal may be dismissed.** I declare under penalty of perjury under the laws of the State of California that on March 23, 2016, I placed a copy of this form, and all attached pages, in the United States mail or deposited it with a commercial carrier, using a service at least as expeditious as first class mail, with all postage or charges fully prepaid, addressed to each opposing party as follows:

Name	^① Kathleen Solares	^② Alan Beale
Address	Solares Properties LLC, 279 Vernon Street, Apt 1	6114 LaSalle Ave #354
City, State Zip	Oakland, CA 94610	Oakland, Ca 94611
Name	^③ Stephen Judson Ramsey Law Group	
Address	3736 Mt Diablo Blvd Suite 200	
City, State Zip	Lafayette, Ca 94549	

<i>Marcos Harris</i> SIGNATURE of APPELLANT or DESIGNATED REPRESENTATIVE	3/23/2016 DATE
---	-------------------

IMPORTANT INFORMATION:

This appeal must be received by the Rent Adjustment Program, 250 Frank Ogawa Plaza, Suite 5313, Oakland, California 94612, not later than 5:00 P.M. on the 20th calendar day after the date the decision was mailed to you as shown on the proof of service attached to the decision. If the last day to file is a weekend or holiday, the time to file the document is extended to the next business day.

- Appeals filed late without good cause will be dismissed.
- You must provide all of the information required or your appeal cannot be processed and may be dismissed.
- Anything to be considered by the Board must be received by the Rent Adjustment Program by 3:00 p.m. on the 8th day before the appeal hearing.
- The Board will not consider new claims. All claims, except as to jurisdiction, must have been made in the petition, response, or at the hearing.
- The Board will not consider new evidence at the appeal hearing without specific approval.
- You must sign and date this form or your appeal will not be processed.

017

2016 MAR 23 PM 3:46

Mercedes & Clifton Harrison
275 Vernon, Unit 11
Oakland, CA 94610

City of Oakland
Rent Adjustment Program
250 Frank H. Ogawa Plaza
Oakland CA, 94612

March 23, 2016

RE: Appeal of Case No. T15-0360

To Whom It May Concern:

We have attached our appeal regarding Case No. T15-0360. Please feel free to contact us if you have any questions or concerns about the appeal form. We may be reached at (510) 835-2919.

Sincerely,

Mercedes Harrison
Mercedes Harrison

Clifton Harrison
Clifton Harrison

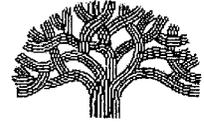
The tenants are appealing this decision on the grounds that: (1) specific aspects of the decision are inconsistent with the Oakland Rent Adjustment Ordinance, Rent Board Regulations, and prior decisions of the Board; (2) a section of the decision is inconsistent with decisions issued by other hearing officers; and (3) one element of the decision is not supported by substantial facts because there are factual errors in the opinion.

- The Ordinance states that all capital improvements must have been completed and paid for within the 24-month period prior to the proposed rent increase. *See* Appendix A of the Rent Adjustment Program Regulations § 10.2.1. The decision erroneously omits \$12,797.97 of untimely costs, which are listed in the table included in the decision. As the proposed rent increase was for August 1, 2015, all capital improvements paid for prior to August 1, 2013 may not be passed down to the tenants. The decision states that \$21,150.39 of costs are untimely because they fall outside of the 24 month period. However, the table on pages 6-7 of the decision indicate that there are additional costs in the amount of \$12,797.97 that also fall outside of the 24 month period and cannot be passed down. These costs include those made to:
 - City of Oakland: paid for on 11/7/12 (\$1,123.57), paid for on 6/21/13 (\$162.95);
 - GMS Sales: paid for on 2/23/13 (\$437);
 - Stone Trading: paid for on 6/18/13 (\$1,639.75);
 - Pacific Sales: paid for on 6/25/13 (\$1,382.10), paid for on 7/23/13 (\$119.90, \$2,366.28);
 - Import Tile Co: paid for on 7/30/13 (\$774.54);
 - Walnut Creek Lighting: paid for on 7/17/13 (\$390.60);
 - Martinelli's Cabinet: paid for on 7/3/13 (\$4,300);
 - Glenview Key and Lock: paid for on 6/18/12 (\$102.26);
- There is a clerical error in the table on page 7 in the decision, and the allowable pass-through should consequently be reduced. Page 7 of the decision should read that "American Blinds and Draperies Inc" is the vendor for the "drapes – living room and dining room" on check # "5323 (other apts included in this check)" for \$635.83, and there should be an additional row which reads "American Blinds and Draperies Inc" as the vendor for "drapes – bedrooms, blinds – kitchen" on check # "5323 (other apts included in this check)" for \$685.69. However, Owner attempted to introduce check # 5323 into evidence at the hearing, which was for \$2,137.09. Of this amount, \$1,321.52 was intended to be passed down to the Tenants. Tenants' representatives objected to the attempt to submit this evidence at the hearing, and this amount should be subtracted from the allowable pass-through as the proof of payment was untimely.
- The statement that deferred maintenance cannot be considered because the amendment had not passed yet is inconsistent with prior decisions of the Board and hearing decisions by other hearing officers. Tenants drew the Hearing Officer's attention to a Memo from

Connie Taylor that indicated that it was the practice of the Rent Adjustment Program to consider deferred maintenance in capital improvement cases prior to the incorporation of the amendment. The memo cites T13-0175, Schneck v. Dang where the Hearing Officer considered deferred maintenance in making a decision about capital improvements, which the Board affirmed. Furthermore, the decision states that the amendment was not in effect prior to December 9, 2014. The notice of rent increase was served on the tenants in May 2015, when this amendment was in effect, as there is no grandfathering provision that applies to the deferred maintenance amendment. Therefore, consideration of the tenants' deferred maintenance arguments is proper.

- The tenants are challenging factual errors in the decision related to their deferred maintenance claim. For example, on page 4 the decision states "There was no leak and no water stain. The tenants claimed there was a leak. There was no leak." This is incorrect, as the Owner testified there was a "drip" and the Tenants testified to the leak and submitted evidence regarding the leak. The testimony was clear and uncontroverted.

CITY OF OAKLAND



P.O. BOX 70243, OAKLAND, CA 94612-2043

Department of Housing and Community Development
Rent Adjustment Program

TEL(510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

HEARING DECISION

CASE NUMBER: T15-0360, Harrison v. Solares
PROPERTY ADDRESS: 275 Vernon Street, No. 11
Oakland, CA
DATES OF HEARING: November 17, 2015
November 24, 2015
DATE OF LAST POST-HEARING BRIEF: January 8, 2016
DATE OF DECISION: March 4, 2016

APPEARANCES	November 17	November 24
Tenant		
Clifton Harrison	X	X
Mercedes Harrison	X	X
Laura Shoaps, Esq.	X	X
Derek Schoonmacher, Esq.	X	X
Owner		
Kathleen Solares	X	X
Elvera Bordessa	X	X
Stephen Judson, Esq.	X	X
Observer		
Etha Jones	X	
Rebecca Hom	X	
Alma Blackwell	X	
Charles Brooks III	X	
James Vann	X	X
Court Reporter		
Cathy Meuter	X	
	(a.m. only)	

SUMMARY OF DECISION

The tenants' petition is granted in part. The rent increase based on capital improvements is granted in the amount of \$33,492.69, or \$ 558.21 monthly.

INTRODUCTION

Tenants Clifton Harrison and Mercedes Harrison filed a petition on July 17, 2015, which alleged the following:

1. The rent increase exceeds the CPI Adjustment and is unjustified or is greater than 10%;
2. The notice of rent increase based upon capital improvement costs does not contain the "enhanced notice" requirements of the Rent Adjustment Ordinance or the notice was not filed with the Rent Adjustment Program (effective August 1, 2014);
3. The proposed rent increase would exceed an overall increase of 30% in 5 years. (The 5-year period begins with rent increases noticed on or after August 1, 2014).

The tenant petition also claimed a decreased housing service regarding removal of a door from the hallway into the tenants' living room. They dismissed this claim at the Hearing.

The owner filed a timely response and states the following:

1. The costs exceeded 10% and the owner provided the enhanced notice to the tenants as well as a summary of the vendors, expenses, and payments;
2. The enhanced notice was included with the expense list and 60 day notice of change of monthly rent;
3. The capital improvements were performed on the tenants' unit prior to the August 1, 2014, change in the ordinance regarding capital improvements and the amended ordinance does not apply to this pass-through.

The Hearing adjourned on November 24, 2015. The last post-hearing brief was received on January 8, 2016.

CONTENTIONS

The tenants contend that the rent increase exceeds 100% of their monthly rent , and the owners' motive is to displace them. Even if the capital improvements benefit the tenants the costs are impermissible. The tenants contend that \$33,948.00 of the capital improvement costs are untimely because they were paid outside the 24 month window; there was deferred maintenance regarding the roof leak and mold in the bathroom, and

there were priority 1 and 2 code violations; the costs are not supported; the last \$27,000 payment to the contractor was paid to the contractor's attorney and there is no documentation of how the fees were apportioned; there is no enhanced notice regarding the capital improvements, and the increase exceeds 30% in five years. The tenants also question the \$5,000 credit for the bathroom repair which they contend is not documented.

The tenants also contend that the capital improvement rent increase is invalid because the owner's motive was to displace them.

The owner contends that the tenants' petition does not allege mold as a decreased housing service and any evidence regarding this issue should be disregarded because the owners were not apprised of this issue in the tenants' petition and given an opportunity to respond to this issue.

Additionally, the issue of mold is not relevant to the issues presented in this case and was also decided in a prior hearing decision in T12-0333. The tenants sought to submit a mold test report which was denied by the hearing officer; the bathroom condition has been cleared by the city inspector and the rent reduction for this item was removed and has long since expired.

The owner also contends that it was not her motive to displace the tenants and that her attorney sent a notice advising the tenants' of their right to move back to the unit upon completion of repairs.

ISSUES PRESENTED

1. Is the owner entitled to increase the tenants' rents on the basis of Capital Improvements? If so, in what amount?
2. Is the amendment to the capital Improvement regulations regarding deferred maintenance applicable in this case?

EVIDENCE

Rent History

The tenants moved into the subject unit in 1988 at an initial monthly rent of \$750.00 and are currently paying a monthly rent of \$1,147.00. They received notice of a rent increase on May 23, 2015, increasing their rent from \$1,147.00 to \$2,326.20. They are currently paying \$1,147.00 monthly.

The owner filed a timely response and states that the rent increase is justified on the basis of capital improvements.