

**HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD  
FULL BOARD SPECIAL MEETING**

**January 14, 2021**

**5:00 P.M.**

**Meeting Will Be Conducted Via Zoom Conference**

**AGENDA**

**PUBLIC PARTICIPATION**

The public may observe and/or participate in this meeting in many ways.

**OBSERVE:**

- To observe, the public may view the televised video conference by viewing KTOP channel 10 on Xfinity (Comcast) or ATT Channel 99 and locating City of Oakland KTOP – Channel 10
- To observe the meeting by video conference, please click on this link: You are invited to a Zoom webinar.

Please click the link below to join the webinar:

**Topic: HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD MEETING  
Jan 14, 2021**

Please click the link below to join the webinar:

<https://zoom.us/j/93230927048>

Or iPhone one-tap:

US: +16699006833,,93230927048# or +19292056099,,93230927048#

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US: +1 669 900 6833 or +1 929 205 6099 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 346 248 7799

Webinar ID: 932 3092 7048

International numbers available: <https://zoom.us/u/adRP4aQ3BI>

**COMMENT:**

There are two ways to submit public comments.

- To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Instructions on how to “Raise Your Hand” is available at:

<https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>

- To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing “\*9” to speak when Public Comment is taken. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Please unmute yourself by pressing \*6.

If you have any questions, please email [Bkong-brown@oaklandca.gov](mailto:Bkong-brown@oaklandca.gov).

## HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD

1. CALL TO ORDER
2. ROLL CALL
3. CONSENT ITEMS
  - a) Approval of Board minutes from November 12, 2020, and December 10, 2020
  - b) Review of Board panel minutes from November 5, 2020 and December 3, 2020
4. PUBLIC COMMENTS (Rent/Just Cause Regulations: 2 mins per comment)
5. COMMITTEE REPORTS AND SCHEDULING
  - a. Ad Hoc Committee Updates
    - Amendments to Just Cause for Eviction Ordinance
    - Rent Adjustment Program Regulations
    - Appendix A to Rent Adjustment Regulations
6. OPEN FORUM (1 min per comment)
7. ADJOURNMENT

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As a reminder, alternates in attendance (other than those replacing an absent board member) will not be able to take any action, such as with regard to the consent calendar.

**Accessibility.** Contact us to request disability-related accommodations, American Sign Language (ASL), Cantonese, Mandarin, or another language interpreter at least five (5) business days before the event. Rent Adjustment Program staff can be contacted via email at [RAP@oaklandca.gov](mailto:RAP@oaklandca.gov) or via phone at (510) 238-3721. California relay service at 711 can also be used for disability-related accommodations. To listen to this meeting in Spanish, from the Zoom controls in the desktop or mobile app, switch your language from English to Spanish. Instructions on how to "Listen to Language Interpretation" is available at: [https://support.zoom.us/hc/en-us/articles/360034919791-Language-interpretation-in-meetings-and-webinars#h\\_6802bbbc-2ec9-47cb-a04c-6aac35914d82](https://support.zoom.us/hc/en-us/articles/360034919791-Language-interpretation-in-meetings-and-webinars#h_6802bbbc-2ec9-47cb-a04c-6aac35914d82)

\*Staff appeal summaries will be available at the Rent Program website and the Clerk's office at least 72 hours prior to the meeting pursuant to O.M.C. 2.20.080.C and 2.20.090

Para escuchar esta reunión en Español, desde los controles de Zoom en la aplicación, cambie su idioma de Inglés a Español. Las instrucciones sobre cómo "escuchar la interpretación de idiomas" están disponibles en: [https://support.zoom.us/hc/en-us/articles/360034919791-Language-interpretation-in-meetings-and-webinars#h\\_6802bbbc-2ec9-47cb-a04c-6aac35914d82](https://support.zoom.us/hc/en-us/articles/360034919791-Language-interpretation-in-meetings-and-webinars#h_6802bbbc-2ec9-47cb-a04c-6aac35914d82)

Si desea solicitar adaptaciones relacionadas con discapacidades, o para pedir un intérprete de en Español, Cantonés, Mandarín o de lenguaje de señas (ASL) por favor envíe un correo electrónico a [RAP@oaklandca.gov](mailto:RAP@oaklandca.gov) o llame al (510) 238-3721 o 711 por lo menos cinco días hábiles antes de la reunión.

需要殘障輔助設施, 手語, 西班牙語,

粵語或國語翻譯服務, 請在會議前五個工作天電郵 [RAP@oaklandca.gov](mailto:RAP@oaklandca.gov)  
或致電 (510) 238-3721 或 711 California relay service.

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**HOUSING, RESIDENTIAL RENT AND RELOCATION  
BOARD FULL BOARD SPECIAL MEETING**

**November 12, 2020**

**5:00 P.M.**

**VIA ZOOM CONFERENCE  
OAKLAND, CA**

**MINUTES**

**1. CALL TO ORDER**

The Board meeting was administered via Zoom by H. Grewal, Housing and Community Development Department. He explained the procedure for conducting the meeting. The HRRRB meeting was called to order at 5:00 p.m. by Chair R. Stone.

**2. ROLL CALL**

<b>MEMBER</b>	<b>STATUS</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>EXCUSED</b>
T. HALL	Tenant	X		
R. AUGUSTE	Tenant	X		
H. FLANERY	Tenant Alt.			
Vacant	Tenant Alt.			X
R. STONE	Homeowner	X		
A. GRAHAM	Homeowner	X		
S. DEVUONO- POWELL	Homeowner	X		
E. LAI	Homeowner Alt.			X
J. MA POWERS	Homeowner Alt.			X
K. FRIEDMAN	Landlord			X
T. WILLIAMS	Landlord	X		
B. SCOTT	Landlord Alt.			X
K. SIMS	Landlord Alt.			X

**Staff Present**

Kent Qian  
Oliver Luby  
Barbara Kong-Brown

Deputy City Attorney  
Deputy City Attorney  
Senior Hearing Officer  
Rent Adjustment Program

### 3. CONSENT ITEMS

- a) Approval of Board Minutes from October 22, 2020, Full Board Special Meeting

T. Hall moved to approve the Rent Board minutes from October 22, 2020, with correction of extra words on Bate stamp 7, "if the." S. Devuono-Powell seconded.

The Board voted as follows:

**Aye:** T. Hall, R. Auguste, R. Stone, A. Graham, S. Devuono-Powell, T. Williams

**Nay:** None

**Abstain:**

The motion was approved by consensus.

### 4. OPEN FORUM

James Vann

- Said he would speak on Item 7a.

William Chorneau

- Is with property owners for fair and affordable housing. He has been a small landlord for 25 years. He supports all the proposals by tenant rights groups and values a diverse vibrant community. He is not represented by property owner associations and is concerned about the impact on low income people, elders, and long-term residents. In this housing crisis and Co-Vid pandemic tenants need stronger protection.

Gregory McConnell

- Requests clarification regarding settlement agreements and is concerned with the procedure for settlement agreements reached during a settlement conference hearing. After agreement is reached, the document is sent to parties for signatures. The written agreement is merely to confirm what has already been agreed to, not to re-litigate and restate arguments. Otherwise, people will not participate in settlement conferences. The purpose of review of the settlement

agreement is ensure that it complies with the agreement.

Xavier Johnson

- Supports all the tenant proposals regarding the amendments and changes to the regulations. Due to the changed nature of rents in Oakland, he wants to ensure that people of color can remain in the community.

Jesus Alvarez

- Spoke in Spanish
- Board member Devuono-Powell interpreted, stating that Mr. Alvarez supports the amendments to the regulations, that these are difficult financial times and there is an economic crisis.
- Chair Stone asked if a Spanish interpretation could be provided. Staff will look into this.

Marlene Hurd, Oakland Tenants Union

- Is an Oakland resident and member of the Oakland Tenants Union. She was once homeless, and sees the encampments traveling on the bus. She supports the tenant proposals to the amendments to the regulations.

Michael Gabriel, In It Together

- He represents a group of small landlords and made comments on the definition of master tenant and requested that a non-paying tenant be required to notify the landlord within 15 days of additional tenants, which is reciprocal of landlord requirements. The landlord does not know who is living there unless the tenant tells them. He referred to an email from Lucky Thomas.

Maria Montes

- Spoke in Spanish.
- Chair Stone requested a Spanish interpretation.

Serena Deberich

- Is a medical practitioner at U.C.S.F. She volunteers for Operation Safer Ground which houses 450 residents. This

operation will close in December without permanent housing plans for the residents and she asks what is being done for these residents as this presents a public health crisis.

Jackie Zaneri, ACCE

- Commented on settlement agreements reached during hearing, that parties who enter into the settlement agreements should have an opportunity to review what they agreed to, and it should be in writing.
- There is a letter requesting specific changes to the proposed regulations which was sent to Chanee Franklin Minor.

Nick Kaelin, ACCE

- He is in District 3 and supports all the amendments by the tenants. The pandemic has resulted in economic instability for marginalized people and there is a disproportionate impact on the black community.

Lucky Thomas, In it Together

- They have worked hard for their properties, trying to make a legacy for their children. They have met with Chanee Franklin Minor and Shola Olatoye, reviewed the regulations, and edited the amendments and request that the Board consider their recommendations.

Norma Sanchez

- Spoke in Spanish.
- Chair Stone requested a Spanish interpretation.

Jeannie Llewellyn, In It Together

- Her group consists of mom and pop landlords who have owner occupied properties. She has been a landlord for 30 years and they barely make any money. She had a tenant pre-Co-Vid who did not pay rent for 9 months. She had to spend \$30,000, including a payment of \$10,000 to the tenant. Her rents are below market and it will take three to five years for her to make this up, and she is running in the negative. She requests the Board to consider In It Together's recommendations.

Ambrocio Carrera

- Spoke in Spanish.
- Chair Stone requested a Spanish interpretation.

Vanessa Bulnes, ACCE

- She has seen thousands of people in tents, R-Vs, doorways and in their cars. This is terrifying and it could be her. Her landlord tried to increase her rent by \$225, which is against the moratorium. She supports the tenant amendments to the regulations.

## 5. APPEALS

a) T19-0327, Williams v. Crane Management

Appearances:	Jill Broadhurst, Big City Property Group	Owner Representative
	Phala Williams	Tenant

The owner appealed a hearing decision granting restitution for decreased housing services going back to June 2018 on the grounds that the owner did not provide the RAP notice to the tenant. A 25% rent reduction was granted from June 18 to December 2019, and a 12.54% reduction was granted from January to April 2020.

The owner representative stated that in a prior case, T14-0413, the tenant said she received the RAP notice. This was discussed in the hearing and was not reflected in the hearing decision. Additionally, the building is serviced regularly by a pest control company and they have received no current request from the tenant regarding roaches. The owner representative further stated that there is confusion about the reductions and the accounting needs to be clarified.

The tenant stated that Alameda County pest control came to her unit and Crane Management did not respond. Two years later, with the new management, she still has roaches in her apartment, they are not spraying once a week, and she has received harassing emails about not paying the rent.

After arguments and rebuttal made by both parties, Board questions to the parties and Board discussion, T. Hall moved to affirm the hearing decision. R. Auguste seconded the motion.

The Board voted as follows:

**Aye:** T. Hall, R. Auguste, A. Graham  
**Nay:** R. Stone, Devuono-Powell, T. Williams  
**Abstain:** None

The motion failed.

T. Williams moved to review the evidence regarding the RAP notice and the charges.  
R. Stone seconded.

The Board voted as follows:

**Aye:** R. Stone, Devuono-Powell, T. Williams, A. Graham  
**Nay:** T. Hall, R. Auguste  
**Abstain:** None

The motion carried.

b) T19-0186, T19-0235, Didrickson v. Commonwealth  
Company

Appearances:	Carlos Didrickson	Tenant
	Glenda Didrickson	Tenant
	Eric Wright	Tenant Representative
	Ted Dang	Commonwealth Companies

The tenant representative stated that he filed an appeal on February 27, 2020, which was timely filed, and the appeal is not contained in the board packet for this meeting. This case was also scheduled for October 22, 2020, and the appeal was omitted. Chair Stone advised the tenant representative to re-submit the appeal. S. Devuono-Powell moved to postpone the hearing on this case. R. Auguste seconded.

The Board voted as follows:

**Aye:** R. Stone, Devuono-Powell, T. Williams, T. Hall, R. Auguste  
**Nay:** None  
**Abstain:** A. Graham

c) T17-0590, Bradley v. Brooks

Appearances: No appearance by owner

A. Graham moved to dismiss the tenant appeal pending a showing of good cause. T. Williams seconded.

The Board voted as follows:

**Aye:** A. Graham, R. Stone, S. Devuono-Powell, T. Williams, T. Hall, R. Auguste  
**Nay:** None  
**Abstain:** None

The motion was approved by consensus

## 6. ACTION ITEMS

None

## 7. INFORMATION AND ANNOUNCEMENT

### a) Legislative Updates

Deputy City Attorney Luby reported that the City Council adopted the amendments to the Just Cause for Eviction Ordinance, Rent Ordinance Regulations and Appendix A to the Rent Adjustment Regulations, and directed the City Attorney's office to work with the Board to develop conforming regulations.

- Clarifies additional occupants and rent increase for addition to existing tenancy.
- Maximum occupancy.
- Adds refusal of tenant's written request to sublet or add additional tenants.
- Defines primary residence, base occupancy level and additional occupant.
- Adds definition for master tenant and sub tenant.
- Sets maximum rent for subtenant and allows petition for overcharges by master tenant.
- Allows rent increase of 5% for additional occupant.
- Cleans up regulations regarding capital improvements.
- Allow tenants to waive hearings regarding petitions for rent increases based on additional occupant.

### b) Public Comment

James Vann, Oakland Tenants Union

- OTU submitted written comments and would like to submit other written comments. Requests deadline for submission of written comments and wants the Board to have time to review their comments. He also referenced a letter signed by various organizations about the amendments.

Emily Wheeler, Oakland Tenants' Union

- Supports the tenant amendments. People have to move in with family to survive and living on the streets is not good. The Rent Board has a responsibility to protect tenants and opposes a new petition process for the landlords to get a rent increase when the original tenant leaves the unit.

Regina Lare, Oakland Tenants' Union

- She lost her job as it is illegal for her to work as a body worker. Most of her household had to organize and she wants to make sure they are not retaliated against for asserting their rights. She wants support for helping to find new roommates.

Jackie Zaneri, ACCE

- She has some proposed edits to the amendments and referred the Board to a letter sent by a 9 member group, which includes one for one replacement, tenants cannot be retaliated against for filing a petition or a lawsuit, a tenant cannot be denied due to transgender, Spanish last name, etc., landlords cannot use more stringent criteria than that used during tenancy, narrow reasons for denial so there is no discrimination, regarding landlord dispute of primary residence it is not the Board's job to create a process to raise rent-this creates more surveillance on tenants.

Terry Thomas, Oakland Tenants Union

- Supports the tenants' rights letter, Rent Board has a responsibility to protect tenants for asserting rights, and landlords will take advantage of loopholes to harass and abuse Oakland tenants.

Sabena Shaw, Oakland Tenants Union

- Thousands of people are on the streets and 70% are Black. She supports the tenant amendments to the regulations. Corporate landlords will use the Ordinance to displace tenants with multiple buyout

offers. There is a right to have family members move in with tenants.

Hannah Flanery, Tenant Alternate, Oakland Rent Board

- San Francisco has language about the principal residence. If a landlord can claim that the tenant is not using the residence as prime residence, in her experience, these petitions are terrifying. Petitions can be filed while the tenant is away. This encourages landlords to monitor tenants and their privacy.

Ryan Furcamp

- Supports the tenant amendments. This prevents bad actors from exploiting weaknesses.

Tia Diamond, Oakland Tenants Union

- Supports tenant amendments. Mosser Corporation takes advantage of loopholes to displace tenants. They refused her rent because she shares a bank account with her mother. There was an unnecessary construction project in her building. She lost 2 different jobs and her new job was delayed for two months. People of color are disproportionately displaced.

Melanie Latendra, Oakland Tenants Union

- She requested a meeting with landlord Justin Wallway, which he ignored. He started to build new property on union organizers' homes and demolished an art studio with no notice. He built a wall to block access to the backyard, and there are maintenance and repair issues. He is intentionally negligent to get tenants who do not pay market rates to move out. This is retaliation.

Minrot Omer

- Supports the tenant amendments to the regulations. He is a property owner and the landlord groups do not speak for him. He values a

diverse stable community and is concerned about the impact on people of color and elders.

Jane Thomasen

- Supports the tenant amendments. She has new roommates. Her landlord, JDW, does not consider them as tenants. She is the only who has access online. She does not get unemployment until October, and the landlord is not willing to renegotiate. She wants to repay the tent.

Ben Sigurest

- Supports the tenant amendments. He is a JDW tenant, and they refusal to accept new tenants, do not respond to habitability concerns, and he is concerned about tenant displacement. The landlord does not care who he displaces.

Nicole Diande, Tenant Organizer

- She protects tenants' right to organize and stated monolingual tenants are targeted.

Board Chair R. Stone moved to extend the Board Meeting to 8:15 p.m.

A. Graham seconded. The motion was approved by consensus.

Grant Rich

- Is a JDW tenant. He supports the tenant groups' amendments. The strain of the pandemic is worsening. Landlords are notorious for exploiting loopholes. Tenants need protections to stay in their homes. How can they shelter in place if they do not have a home?

Laura Everly

- JDW is notorious for tenants who want to enforce their rights. Entire households are afraid to enforce their rights. She is against making additional occupancy another road for landlords

Camille Via

- She is a master tenant and subsequent occupant. She is concerned about surveillance of guests. The requirement for notifying landlords of guests within 14 days is implausible especially during a 14-day quarantine.

Mina Salek

- Supports the tenant amendments. She is a subsequent tenant and the landlord refuses to acknowledge the rules. They have rat infestation and her housemates are afraid of retaliation and the landlord will say “We didn’t say you could live here.” She does not want to fight to live where she lives.

Kelly Phillip

- Supports the tenant amendments. The landlord wants a credit report. He knows that she has been living there for years. Asking for her to prove her tenancy with a credit report and references is a big issue.

Lucky Thomas, In It Together

- It is disgusting to hear about these experiences. They are discussing corporate landlords. His group consists of small property owners and it is insulting to hearing willingness to displace small owners’ legacy. His group is in favor of the TPO amendments and gave their comments to the Board.

Michael Gabriel, In It Together

- The small landlords consist of the elderly and minorities who add a little to their income and provide service to the community. They want to keep the building safe and protect their housing asset. They need to know who is in the building as it is a safety issue. The landlord cannot be the only safety gap. The City needs to be involved,

and landlords need to be notified as many of them are not dialed into Zoom.

#### Chair Stone

- Asked how written public comments could be submitted. C. Franklin Minor stated the comments could be directed to [Bmcgowan@oaklandca.gov](mailto:Bmcgowan@oaklandca.gov) and she will forward the comments to the Board. She has received the comments from ACCE and In It Together and will forward them to Briana McGowan who will forward them to the Board. Public comments should be completed by November 27, 2020, for consideration by the Board.

### COMMITTEE REPORTS AND SCHEDULING

#### 8. Committee Reports and Scheduling

##### a) Ad Hoc Committee

Ad Hoc Committee Chair A. Graham stated that the committee met three times to review the draft language for revisions to the Regulations and looks forward to public comments.

R. Auguste stated she cannot attend all the committee meetings., and that it is important for a tenant representative to participate in the meetings. There was discussion about replacing her and O. Luby stated that this would present a Brown Act problem. Ad Hoc Chair A. Graham stated they could communicate regarding suggested language. O. Luby stated that edits regarding the suggested language have to be unanimous and cannot be done via email. A. Graham stated he would coordinate and work with the committee members.

b) The next Full Board meeting for discussion of the amendments to the Just Cause for Eviction Ordinance, Rent Ordinance Regulations and Appendix A to the Rent Adjustment Regulations is scheduled for December 10, 2020, if notices of appeal hearings has not been sent out, and no appeal cases will be heard at this meeting.

#### 9. ADJOURNMENT

The HRRRB meeting was adjourned at 8:28 p.m. by consensus.

**HOUSING, RESIDENTIAL RENT AND RELOCATION  
BOARD FULL BOARD SPECIAL MEETING**

**December 10, 2020**

**5:00 P.M.**

**VIA ZOOM CONFERENCE  
OAKLAND, CA**

**MINUTES**

**1. CALL TO ORDER**

The Board meeting was administered via Zoom by H. Grewal, Housing and Community Development Department. He explained the procedure for conducting the meeting. The HRRRB meeting was called to order at 5:00 p.m. by Chair R. Stone.

**2. ROLL CALL**

<b>MEMBER</b>	<b>STATUS</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>EXCUSED</b>
T. HALL	Tenant	X		
R. AUGUSTE	Tenant	X		
H. FLANERY	Tenant Alt.			X
Vacant	Tenant Alt.			
R. STONE	Homeowner	X		
A. GRAHAM	Homeowner	X		
S. DEVUONO- POWELL	Homeowner	X		
E. LAI	Homeowner Alt.			X
J. MA POWERS	Homeowner Alt.			X
K. FRIEDMAN	Landlord			X
T. WILLIAMS	Landlord	X		
B. SCOTT	Landlord Alt.	X		
K. SIMS	Landlord Alt.			X

**Staff Present**

Kent Qian	Deputy City Attorney
Oliver Luby	Deputy City Attorney
Chanee Franklin Minor	Program Manager, Rent Adjustment Program
Barbara Kong-Brown	Senior Hearing Officer Rent Adjustment Program
Harman Grewal	Business Analyst III

### 3. OPEN FORUM

Chair Stone explained the procedure for public comment and requested that comments pertaining to item 5 of the Agenda be heard at that time. After discussion, the Board proceeded to hear comments from the public.

An asterisk \* denotes interpretation by Abigail Romero, Spanish Interpreter.

- Lucky Thomas -In It Together  
They are a small group of property owners, and many of them are seniors and retired owners. Many properties are owned by women and long-time Oakland residents. They are essential workers in Oakland. The impact on small owners versus corporate owners is different. A corporation reports to shareholders. They need the income to pay operating expenses.
- Ilona Clark – In It Together, EBRA  
Her father had a stroke and she depends on the rental income for medical care. They need protection for both sides, renters, and owners, who are also vulnerable.
- William Chorneau, Property Owners for Fair and Affordable Housing.  
He is an owner in Oakland and a long-time resident. He values a diverse stable community. West Oakland has been affected by foreclosures and rising rents and he is concerned about the impact of the CO-VID pandemic on low income residents, people of color and elderly residents. He supports the changes by the tenants' rights groups, and requests that the Board adopt all the tenants' changes.
- Alicia Rios\*  
She lives in Oakland and supports all the changes in the housing letter for tenants' rights in the middle of pandemic. Many people are losing their jobs and need to move in with family members to have somewhere to live. Thousands of people are living on the street and it is a problem of human rights and racial justice. She insists that the Board adopt the changes proposed by the tenants' rights groups. Their communities need the protection & the possibilities being afforded at this time.
- Catherine De Heer  
She owns a duplex and is a small landlord. Small landlords are being regulated like corporate owners. She a former Oakland renter and is familiar with the disadvantage of being a tenant. She bought a

duplex six years ago. She does not have deep pockets and asks the Board to pay attention to the impact of its decision on people like her.

- Lynn Batte-Will defer comments to discussion on item 5.
- Jeannie Llewellyn

She is a long-time renter and owns a 4 plex. She works with her tenants and is a good landlord. There are bad landlords and they need to call them out. She had a bad tenant who cost her so much money that it will take 5 years to recoup, especially with the minor increases available with long term tenants, of which she has two. There are good and bad landlords and the majority are good landlords. She hopes the Board will consider this.

- Lauren Blanchard

She is a nurse practitioner who bought a home which she rents to traveling nurses working in local hospitals. She does not want to be a full-time landlord but because of the eviction moratorium she is considered as such. Someone stayed for several months, not paying anything, causing her stress and she was unable to accept any other guests. She requests that the Board exclude single family residences and in-law units on single family residences from the eviction moratorium.

- Zoya Rental Property, In It Together

Soya Lieu owns a building with roommates, and is working temporarily in Austin, Texas. Every tenant has single lease and can bring in roommates without her consent or other renters' consent. She wants to keep her home together and wants to move back into her house.

- Carol Wyatt

She owns a single-family home and is concerned with some of the measures taken by the City which treated everyone in one lump sum. The 2007-2008-foreclosure occurred without city intervention to keep people from being harmed from banks and land speculators. Corporate landlords are different from small landlords and the Board should consider that in its discussions.

- Dennis Juarez Rios

He is Mexican, a retired senior, and was born in Oakland. He owns an owner-occupied duplex and has been a landlord for sixteen years.

When he began his building was exempt. They are small potatoes. It is beyond him why the Board is going after them. Blanket laws passed do not consider differences between an owner-occupied landlord and a corporate landlord. He fixes things right away and maintains his property. He thinks of himself as one of the good guys and they are not being protected. If you have a bad roommate, double it if you have a bad tenant. If these laws do not go into effect, this will discourage people from being a property owner.

- Luke Blacklidge, EBRA

He likes the language about “principal residence”. Regarding the sublease law requirement to notify the landlord within 15 days, he wants notice before the roommate moves in, and does not want to provide incentive for the tenant to sneak someone in. There should also be a lease addendum between the incoming and existing tenant, detailing the pro-rated amount. Otherwise, the incoming tenant has no way of knowing the amount.

- Melanie Latende, Oakland Tenants Union

The additional changes are to protect tenants. Justin Wallway will try to evict her. She was unable to pay rent. He pretends she is not a tenant. The master tenant moved out. Wallway said there was no record of them. She wants to legalize their tenancy.

- Craig

He is pleased to see some changes and wants the Board to follow the additional changes. Tenants need protection and are suffering and do not want to worry about homelessness.

- Marisa

She is a tenant who rents from a large corporate landlord. She requests the Board to adopt all the changes in the tenants’ rights letter.

- Jackie Zaneri

She requests a Spanish line for interpreting. Not every small landlord is a good landlord. A small local landlord sent her a letter asking her to back off from representing a tenant.

- Michael Gabriel

Has been a landlord for 40 years and is African American. He is retired from a housing non-profit organization. Changes have

unintended consequences. He has problems with the roommate concept. There is pressure to force small mom and pop landlords out of business. A Texas corporation purchased 255 units. The Board needs to pay attention to ways to protect small mom and pop landlords, He recommends evaluation impact by the Office of Race and Equity.

- Jesus\*

He wants protection for all the tenants. They are organizing and fighting for their rights. In the future, they will not be evicted. They are living in difficult times due to current conditions. This pandemic makes things much more difficult with the high cost of living. Just having a roof over their heads is a human right.

- Maria Montes\*

She lives in Oakland and is a tenant who has joined an organization in support of tenants. As a result of the pandemic her husband's job ended in March 2020. The Board has a responsibility to protect tenants, and to support their legal rights. She requests that the Board adopt all the changes, including the tenants' rights letter. Having a home is a human right.

- Marlene Hurd, Oakland Tenants Union

She supports all the changes by the tenants' rights group. People are losing their jobs, trying to make the rent and survive. There are thousands of people living on the street and 7 of 10 are Black. This is a human rights and racial justice issue. They need strong housing protection.

- Tuan

He stated protection of both tenants and landlords is needed from bad actors. Not every landlord or tenant is a good landlord or good tenant., Small owners who occupy duplexes and triplexes are not large corporate speculators. A lot of laws affect them, and the Board should consider protection from bad actors on both sides.

- Michele Haley

She is a Black woman who owns a triplex and feels under assault. You cannot legislative bad policy on the backs of small Black seniors on fixed income. While understanding that tenants can't pay rent, owners cannot pay their mortgage. There is no bailout for people with mortgages, only a forbearance plan for landlords. More black people

like her will end up losing their property. These draconian laws will end up with more people taking affordable units off the market.. These laws force Black people and minorities out of Oakland. Apply some common sense to these policies as the Board moves forward.

- Lucy

Supports the changes in the tenants' rights group letter. People are losing jobs and moving into housing with family. She hopes the Board will consider the tenants' position.

- Hilary Davis

She has an owner-occupied building for 16 years in West Oakland. When she first bought her property, it was hard to find a tenant due to the neighborhood. Due to policies in Oakland she does not care to be a landlord. She only has one unit. She lost her job in the entertainment industry as a Union stage man. Policies are one sided, vilifying all landlords, small time housing providers with 1 or 2, units, and she requests the Board's help.

- Grant Rich

He is an Oakland tenant and echoes the sentiments of other tenants. He urges the Board to adopt the proposals outlined in the letter from the tenant rights groups due to CO-VID in perilous circumstances. The tenants need this to keep them in their homes. Without additional safeguards, there could be a massive exodus due to evictions.

- Alice Cox, In it Together

Oakland continues to crackdown on small landlords, allows corporate landlords to evict tenants with impunity. They threatened a tenant and did not cash her check. If he lived on the small owner's property, this would never have happened. There are differences.

- Xavier Johnson

He is a Central Legal attorney and supports the tenants' rights groups. Often the small landlord ends up violating the Ordinance. They are trying to protect the tenants' rights to housing.

- Rachel Romero\*

She is a tenant and wants the Board to vote in favor of the tenant rights group. She urges small landlords to continue pressure to focus on large landlords and their predatory practices.

- Nicky Duesberg

She works for the City of Oakland and wants to support a more balanced view and protect small property owners. They have put their life savings into acquiring their homes and they need a voice. A pathway to ownership is a good way to allow people to stay in Oakland and the voice of the small property owner needs to be heard.

- Constance Thomason

She is an Oakland resident, senior citizen, and in an owner - occupied duplex for 20 years. It is difficult to do business. Her tenants never move. She is a good provider and spends thousands of dollars on her property. She has a 30-year mortgage on her property and is concerned that a tenant can just move in. It is unfair that a tenant can move someone into the property.

#### 4. Information and Announcements

##### a. Member Updates

R. Auguste send a board letter to the Mayor, stating that at the October 8, 2020, meeting, the Board discontinued the practice of referring to members who were not tenants or landlord representatives, as "Neutrals." The Mayor's office acknowledged receipt of the letter. She has not heard from the Mayor's office and it has been almost 2 months. She wanted to share a copy of the letter with the public.

b. Program updates-C. Franklin Minor reported on the recent activities of the RAP, including the following:

- A moratorium postcard sent to 22,000 property owners, including 8,000 cards to high risk neighborhoods. They targeted the highest need communities.

Conducted a landlord/tenant survey to examine the pulse of the community on how CO-VID affects tenants and landlords and gauge the effectiveness of RAP's outreach efforts.

- Will increase outreach in Asian Community, e.g. Farmers' market in Chinatown.
- Largest underserved community is the African American community-Campaign to be launched with KBLX, social

media, targeted outreach, emails, “Ask Before you Act” campaign to educate the community to know their rights. Focus on small property owners and communities with largest rate of displacement..

5. Committee reports

a. Ad Hoc Committee Updates

Committee Chair A. Graham explained the process of the Ad Hoc Committee regarding the TPO regulations. The committee met several times with the City Attorney’s office. They reviewed and discussed the public comments, and the committee recommended changes. Changes on which there was no consensus were not incorporated into their recommendations. Changes by the committee were made in red. Chair A. Graham and R. Auguste asked the City Attorney to walk through the regulations as they could not agree on several items.

The Board discussed the procedure for review of the Regulations. Deputy Oliver Luby was asked to review the Regulations with the Board, who discussed the changes. The Board discussed the changes. C. Franklin Minor stated she would work with the City Attorney to highlight the issues addressed by the Board. The changes to the Regulations include the following:

- 8.22.020-Definitions
  - Elimination of Duplicate Definitions
  - Clarify base occupant level
  - Eliminate debt service
  - New definitions
    - Master tenant
    - Principal residence
    - Subtenant
- 8.22.025 - Subleases
  - A. Maximum rent for subtenant by master tenant
  - B. Subtenant petitions against master tenant
- 8.22.090 - Owner Petition and Response Requirements

- Requires proof of service on parties with 25-page limit on documents served
- Also applies to master tenants
- 8.22.110 - Hearing Procedure
  - Administrative decision can be issued without hearing if no material issues of fact
- Appendix A
  - 10.6 - Additional Occupants-Allows owner to charge up to 5% for each additional occupant
  - 10.7 – Rent Increase on Tenants Not Residing in Unit as Principal Residence

b. Public Comment

- Lucky Thomas, In It Together

Wants to eliminate “landlord” in definition of master tenant in accordance with state and local ordinance and TPO regulations. Likes the language re “principal residence.”

- Jackie Zaneri, ACCE

Expressed disappointment on the comment process, that tenants waited a long time to speak, and only after Board discussion. Reiterated the letter from the tenants’ right group and does not want landlords to spy on them. You cannot use evidence in violation of the TPO ordinance or otherwise unlawfully obtained. She hopes they do not have to go to the City Council to overrule the regulations.

- Michael Gabriel

There are broad implications regarding the master tenant. This does not relieve the landlord of their obligations. He wants the tenants to notify the landlord in advance to ensure that occupancy standards are being met. When a master tenant wants to get rid of a roommate, the landlord needs to be held harmless if there is a dispute. Utilities are an extra cost for the landlord.

- Jeannie Llewellyn

Her garbage bill increased by 10% but she cannot raise the rent this much. She requests clarification regarding how long a tenant can be

gone before they are no longer a principal resident. She likes the idea of electronic service, especially for a large volume of documents.

- Lynn Batte

She made written comments and is disappointed with the imbalance shown to landlords, and some of these things are unjust and unbalanced.

- Tuan

He wants the changes to be fair to everyone. Owners in the 80s had to sell because the tenants were abusive. He bought the property. They damaged the property, broke appliances, and accused him of spying. It was very costly and traumatic. Consider that landlords also need protection.

- Constance Thomason

She owns an owner-occupied duplex, is a senior citizen, and appreciates the effort to make the ordinance fairer. It is hard to know that tenants can bring in new people and do not have to tell the owner. The owner needs to know who is there. If an emergency arises, like Ghost Ship. The City is too much in favor of tenants and needs to be fair. She is offended by speakers who threaten to go back to the City Council because they don't like the work you have done.

- Hilary

Owner occupied providers are 1/2 percent of the housing allotment in Oakland and are no longer exempt from the Ordinance. They are beholden to banks, have to pay mortgage, property tax, and insurance. They are 100% liable. To be bullied with a cannon to their heads is insulting. The City and RAP need to work with owners for fair housing for all. People who are renting their homes are treated fairly.

- Olona Clark

Renters hold landlords responsible for sub letters. If owners cannot choose who lives on their properties they are put in an impossible situation. If the Board is concerned about unintended consequence, make plans to get the data. Do not get mired in anecdotes.

- Gary Collins

Is concerned about the master tenant. What will the Board do for the senior citizens? There is a domino effect. You are stripping property owner rights to of their power to manage their properties. He is opposed

to a 5% ceiling for additional occupants. It should start at 5%-not be a ceiling.

- James Vann, Oakland Tenants Union

Urges the Board to adopt the tenants' rights group's letter. He will hold comments regarding the changes tonight and wants the documents to be posted as soon as possible so they can review and prepare.

- Ryan Urlkcamp

Is frustrated with the procedure for tonight, and the delayed public comment. He is concerned about the principal residence rule and wants a fairer commenting policy.

- Phyllis Horneman

The 7 factors for primary residence are kind of elusive and asks if master tenants are subject to just cause?

- Camille Villa

She is a renter and is concerned about the definition of principal residence, that landlords talk about safety of tenants without discussing what it means. When a house member tests positive for CO-VID, they need to isolate at home for 14 days. Do not penalize essential workers as they navigate the crisis

- Emily Wheeler

She was born in Oakland and feels punished for the delay until after the Board deliberated. 8 landlords spoke at the beginning and at this item, taking up space. She hopes for clarity to the process and that landlords are not allowed to game the system. They talk about persecution. Support of landlords should not come at the expense of the tenants. This is disingenuous. The definition of primary residence can be an incentive for landlords to spy on tenants.

- Tara

She is a tenant and seconds Ryan and Emily's comments regarding the public comment process. It is hard to listen to the landlord comments. Landlords choose to become landlords, to turn a profit, whether small or big. It is about money, or annoyance to get rid of a bad tenant. For a tenant, it is about having a safe and dignified place to live, with privacy, if you are a good landlord these regulations should not bother you.

- Kelly Phillips

She is a tenant in Oakland-. They are in the middle of a pandemic and there was a housing crisis before the pandemic. There is a power imbalance. Landlords are here to make money. Tenants want a roof over their heads. She asked the Board to consider the changes in the tenants' rights group letter.

- Laurel Chun

She criticized the public comments process, mentioned Justin Wallway, and supports the changes outlined by the tenants' rights groups letter. People have to house with other family members, including people of color.

- Sabina Shah

She is a special ed teacher and urges the Board to pass the letter sent by the tenants' rights group letter. Oakland is plagued with large corporate landlords. They harass them, refuse to make safety repairs, there is black mold, and broken mailboxes. Landlords ignore the power differential. Housing is a human right and tenants need more protection and need to be able to take in family members to help loved ones.

- Ben Sigrist

Is disappointed in the public comment for respecting the request to reserve comment until last. This is a post-petition process for landlords to raise rents and mentioned Justin Wallway and the substantial rehabilitation exemption.

- Frankie

Three of five tenants lost income during CO-VID so there is only 2/5 of pre-CO-VID income. The landlord is trying to evict them. Tenants are working immigrants. So many landlords are out of touch. He supports the tenants' rights group letter.

- Andrew Yen

Discussed tenant rights and social responsibility.

- Ethan Silverstein-ACCE

He appreciates the small landlord but not when they attack tenants in the pandemic. The majority of the landlord comments do not have anything to do with the agenda. They made general objections and anecdotes about bad tenant and what good landlords they are. The landlords took

two opportunities. The tenants were following the rules and were pushed out of the narrative, channeling tenants into a process. He has seen clauses in leases that landlords can use surveillance to spy on tenants. He urges adoption of the tenants' proposals.

- Lauren Blanchard

She runs an air bnb to host travel nurses. She is afflicted with someone who is hiding under tenant protections. She is not a tenant; she is a squatter. It is difficult when this person is misbehaving, and she cannot do anything There is a lot at stake. She likes the change to second "shall" in the definition of "primary residence."

- Melanie Letendre

She is a tenant. States it is the landlord's choice to be a landlord. Tenants losing their home during the pandemic is not the same as a landlord losing money. She does not understand how they are scared and terrified. She is scared to be on the street.

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Chair Stone made closing remarks about the public comment procedure, stating there were 2 hours for public comment. He heard the frustration of those who spoke during the second comment period and stated the Board cannot control what people speak about. He asked people to hold off so the Board could discuss the substance of the regulations, and there no intent to slight anyone. The number of people who speak does not determine the outcome. There was further Board discussion about the public comment process, and Chair Stone stated the Board would come up with a process for the next Board meeting that is less controversial and more transparent. He stated the Board needs to be able to move through the documents. He stated that the written comments have been helpful and thanked the public for them.

## 6. Adjournment

Adjourned at 8:37 p.m. by consensus.

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

**BOARD PANEL MEETING  
November 5, 2020  
5:00 p.m.  
Remote Audio Hearing Conducted Via ZOOM**

**MINUTES**

**1. CALL TO ORDER**

The HRRRB Panel was called to order at 5:00 p.m. by Panel Chair, Robert Stone

**2. ROLL CALL**

<b>MEMBER</b>	<b>STATUS</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>EXCUSED</b>
T. HALL	Tenant			X
R. AUGUSTE	Tenant			X
H. FLANERY	Tenant Alt.	X		
Vacant	Tenant Alt.			
R. STONE	Homeowner	X		
A. GRAHAM	Homeowner			
S. DEVUONO- POWELL	Homeowner			X
E. LAI	Homeowner Alt.			X
J. MA POWERS	Homeowner Alt.			X
K. FRIEDMAN	Landlord			X
T. WILLIAMS	Landlord	X		
B. SCOTT	Landlord Alt.			X
K. SIMS	Landlord Alt.			X

**Staff Present**

Kent Qian  
Barbara Kong-Brown

Deputy City Attorney  
Senior Hearing Officer, Rent Adjustment  
Program

### 3. OPEN FORUM

Aseta Olafola

- Raised concern about participating in Open Forum and stated that there should be a process for people to understand the steps. She was observing this meeting to see how well people participate.

### 4. NEW BUSINESS

i. Appeal Hearing in cases

#### a. T19-0307 Edwards v. Lam

Appearances	Mary Kim Lan	Owner
	Elyssa Lam	Owner Representative
	Arlinda Edwards	Tenant
	Xavier Johnson	Tenant Representative
	Wei Kuen	Cantonese Interpreter

The owner appealed a hearing decision granting the tenant restitution of \$9,141.18 for rent overpayments for past rent increases on the grounds that the owner never provided the RAP notice to the tenant. The owner did not file a response to the tenant petition and did not appear at the hearing

#### Grounds for Appeal

The owner appealed the hearing decision on the following grounds:

- The owner was denied a sufficient opportunity to present his claim or respond to the petitioner's claim.
- The owner does not read or write English.

The owner appellant stated that the tenant is responsible for the garbage bill. Chair Stone stated that the issue was whether the owner was denied the opportunity to present her case, not for her to present her case that should be presented to the hearing officer.

The owner's daughter who was her representative, stated that she saw the hearing decision that was sent to her mother. She brought her mother to the RAP office for assistance in order to understand the issues. Her mother does not understand English and said she did not receive anything. The owner representative stated that her mother lives alone and the owner representative will not know about any documents if her mother does not pass them on to her. She stated her mother should not be penalized due to the language barrier and deserves a chance to be heard. Her mother wants the tenant to pay the garbage fee.

The tenant representative stated that there is board precedent regarding notice, that if the mail is not returned, and was mailed with a proof of service, the presumption is that the notice was received by the recipient. He commented that the tougher question is what to do when the owner does not understand the notice. He stated that there was a history of written communication between the owner and the tenant. While the owner did not receive the specific RAP document there was a pattern and practice of someone communicating in English. There was communication in December 2017, March 2018, and March 2019 with the owner's son on the internet. The facts in this case do not constitute good cause and if the owner did not provide the RAP notice a hearing would be moot. He stated that the issue about the garbage fee is not relevant in this case, and can be addressed separately as an increased housing cost.

### Appeal Decision

After arguments and rebuttal by the parties, questions to the parties and Board discussion, T. Williams moved to remand the hearing decision to examine the issue of good cause for failure to file an owner response to the tenant petition and for failure to appear at the hearing. Chair Stone clarified that if the hearing officer finds good cause, to hearing the case on its merits, that the hearing officer may consider prior communication between the parties in making that determination and seconded the motion. H. Flanery added a friendly amendment to allow new evidence on the issue of good cause.

The Board panel voted as follows:

Aye: T. Williams, R. Stone, H. Flanery  
Nay:  
Abstain: 0

The motion was approved by consensus.

### **b. T19-0301 Burnett v. Joyce**

Appearances	Diane Burnett	Tenant
	Theresa Joyce	Owner
	Tara Dudum	Owner Representative

The owner appealed the hearing decision invalidating a rent increase due to failure to provide the RAP notice and granting restitution of \$5,001.91, for sharing the cost of utilities with another unit.

The owner representative stated that the owner was not available to attend the hearing and tried to coordinate an alternate hearing date with the tenant. The property is a single-family residence. The board asked whether an exemption may be raised for the first time on appeal. The owner representative contended that the subject property is exempt from the Rent Adjustment Program, and there is nothing in the Rent Ordinance

that states that the exemption issue is waived. She cited board cases that found a residence containing a bathroom, a refrigerator and a hotplate was not a residential unit. She also contended that parties may share utilities if this is designated in a contract. California Civil Code §1940.9 allows the owner to split utility charges between tenants if it is in writing. She also argued that the utilities award is not supported by substantial evidence and there is no basis to refund the entire cost of the utilities to the tenant. She stated that there is no decreased housing services as the parties have shared the cost of the utilities since the beginning and this does not affect habitability. If the Board remands this case there should be an analysis to reallocate the cost of the utilities, and if there is a decreased housing service, a determination of the value. The owner is a long time immigrant and cannot recoup the cost of the utilities through the rent and P.G.E. will not install a separate meter for single family residences.

### Appeal Decision

E. Lai moved to dismiss the owner appeal subject to a showing of good cause. K. Friedman seconded.

The Board panel voted as follows:

Aye: H. Flanery, E. Lai, K. Friedman

Nay:

Abstain: 0

### 5. ADJOURNMENT

The meeting was adjourned at 8:03 p.m.

**HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD**  
**PANEL SPECIAL MEETING**  
**December 3, 2020**  
**5:00 P.M.**  
**VIA ZOOM AUDIO CONFERENCE**  
**OAKLAND, CA**

**MINUTES**

1. CALL TO ORDER

The Board Panel meeting was administered via Zoom by H. Grewal, Housing and Community Development Department. He explained the procedure for conducting the meeting. The HRRRB meeting was called to order at 5:00 p.m. by Chair, R. Stone.

2. ROLL CALL

<b>MEMBER</b>	<b>STATUS</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>EXCUSED</b>
T. HALL	Tenant			X
R. AUGUSTE	Tenant			X
H. Flanery	Tenant Alt.	X		
Vacant	Tenant Alt.			
R. STONE	Homeowner	X		
A. GRAHAM	Homeowner			X
S. DEVUONO- POWELL	Homeowner			X
E. LAI	Homeowner Alt.			X
J. MA POWERS	Homeowner Alt.			X
K. FRIEDMAN	Landlord			X
T. WILLIAMS	Landlord	X		
B. SCOTT	Landlord Alt.			X
K. SIMS	Landlord Alt.			X

**Staff Present**

Kent Qian	Deputy City Attorney
Braz Shabrell	Deputy City Attorney
Barbara Cohen	Acting Senior Hearing Officer, Rent Adjustment Program
Harman Grewel	Business Analyst III, Housing and Community Development

3. OPEN FORUM

Lauren Blanchard

- Expressed concern about how the eviction moratorium was impacting herself and other homeowner's who rent out rooms in their homes or on their property through Airbnb because it prevents them from removing guests who refuse to leave.

Lynn Batte

- Asked the RAP Board to add more property owners into the loop when policy is made.

4. APPEALS

a. T19-0412, Aziz v. Maniar

Appearances:

David Solis

Owner Representative

The owner informed the Board that he informed the tenant not to appear because he was dismissing his appeal.

b. T19-0423, Wang v. Yin

Appearances:

Lynn Phan

Tenant Representative

Jill Broadhurst

Owner Representative

**PROCEDURAL BACKGROUND**

On September 10, 2019, tenant Michelle Wang filed a petition contesting a rent increases from \$1,100.00 to \$1,210.00 on multiple grounds and alleging multiple decreased housing services. The tenant petition also stated that she had received a 3-day notice to quit based on subletting and unauthorized access to



## PROCEDURAL BACKGROUND

On July 9, 2018, the owner filed a petition for approval of a capital improvement rent increase for a new roof costing \$16,400.00 plus additional financing interest. Tenant Shavonnee Clark, in Unit C, filed a timely response to the owner's petition and appeared at the hearing.

A Hearing Decision was issued on March 21, 2019, denying the owner's petition on the grounds that the replacement of the roof was found to be deferred maintenance and the owner did not meet his burden of proof.

On April 22, 2019, the owner filed an appeal of the initial Hearing Decision. At the appeal the case was remanded to the hearing officer with instructions to approve the capital improvement and consider the evidence submitted as to whether there was substantial evidence to support the capital improvement pass-through.

The Hearing Officer issued a Remand Hearing Decision denying the property owner's petition on the grounds of deferred maintenance and due to the fact that the owner did not produce a permit for the roof work.

## GROUND FOR APPEAL

The owner filed an appeal of the Remand Hearing Decision on March 24, 2020, alleging that the Hearing Officer exceeded the scope of the Board's remand and that the Board had previously decided it was a capital improvement. Additionally, he objected to the finding that the owner did not act diligently in repairing the roof. The owner also objected to the Remand Hearing Decision's finding that a permit was required for the new roof.

## BOARD APPEAL DECISION

After presentation of party arguments, rebuttal, questions to the party, and Board discussion, R. Stone moved to remand the case to the Hearing Officer with instructions that the reroofing is a capital improvement and that the Hearing Officer should determine the amount of the pass through including any imputed financing. Then the Hearing Officer should calculate the value of the pass through and the amortization period. T. Williams seconded.

The Board Panel voted as follows:

**Aye:** H. Flanery, R. Stone, T. Williams

**Nay:** None

**Abstain:** None

The motion carried by consensus.

5. ADJOURNMENT

The meeting was adjourned by consensus at 6:25 p.m.

**Amendments to Just Cause for Eviction Regulations (MEASURE EE, CODIFIED IN THE OAKLAND MUNICIPAL CODE at 8.22.300, et seq.)**

**8.22.360 - Good Cause Required for Eviction.**

**8.22.360.A.2.**

- a. A “material term of the tenancy” of the lease includes obligations that are implied by law into a residential tenancy or rental agreement and are an obligation of the Tenant. Such obligations that are material terms of the tenancy include, but are not limited to:
  - i. Nuisance. The obligation not to commit a nuisance. A nuisance, as used in these regulations, is any conduct that constitutes a nuisance under Code of Civil Procedure § 1161 (4). Provided that a termination of tenancy for any conduct that might be included under O.M.C. 8.22.360 A4 (causing substantial damage), A5 (disorderly conduct), or A6 (using premises for illegal purpose) and which also be considered a nuisance, can follow the requirements of those sections in lieu of this section (O.M.C 8.22.360 A2). Nuisance also includes conduct by the Tenant occurring on the property that substantially interferes with the use and enjoyment of neighboring properties that rises to the level of a nuisance under Code of Civil Procedures § 1161 (4).
  - ii. Waste. The obligation not to commit waste, as the term waste may be applicable to a residential tenancy under California Code of Civil Procedure § 1161. Waste, as used in these regulations, is any conduct that constitutes waste under Code of Civil Procedure § 1161 (4). Provided that a termination of tenancy for any conduct that falls under O.M.C 8.22.360 A4 (causing substantial damage) and might also be considered waste can follow the requirements of that section in lieu of this section (O.M.C 8.22360 A2).
- b. Repeated Violations for Nuisance, Waste or Dangerous Conduct.
  - i. Repeating the Same Nuisance, Waste, or Dangerous Conduct within 12 Months. The first time a Tenant engages in conduct that constitutes nuisance, waste or is dangerous to persons or property within any 12 month period, the Landlord must give the Tenant a warning notice to cease and not repeat the conduct. If the Tenant repeats the same or substantially similar nuisance, waste or dangerous conduct within 12 months after the Landlord served the prior notice to cease, the Landlord need not serve a further notice to cease, but may give a notice pursuant to Code of Civil Procedure § 1161 for the repeated conduct.
  - ii. Repeating Different Nuisance or Waste Conduct within 24 Months. The first two times a Tenant engages in different conduct that constitutes waste or a nuisance that interferes with the right of quiet enjoyment of other Tenants at the property, the Landlord must give the Tenant a warning notice to cease and not repeat the conduct. If within 24 months after the Landlord served the first of the two notices

to cease for the waste or nuisance conduct, the Tenant again engages conduct that constitutes waste or a nuisance that interferes with the right of quiet enjoyment of other Tenants at the property, the Landlord need not serve a further notice to cease, but may give a notice pursuant to Code of Civil Procedure § 1161 for the third incident of waste or nuisance conduct.

c. By giving a Tenant a notice that the Tenant has violated a material term of tenancy, the Landlord is not precluded from also noticing a possible eviction for the same conduct under a separate subsection of O.M.C. 8.22.360 so long as the notices are not contradictory or conflicting.

d. Reasonable and Unreasonable Refusal of Tenant's Written Request to Sublet or Add Additional Occupants

i. A Landlord may reasonably deny a Tenant's request to sublease, to replace a departing tenant, or to add an additional occupant in some circumstances including but not limited to:

(1) where the Landlord resides in the same rental unit as the Tenant;

(2) where the unit is restricted as affordable housing as defined by O.M.C. Section 15.72.030 and the request to add an occupant is deemed incomplete and inadequate due to failure to provide all documentation required for qualification of such occupant and the household, after the occupant's addition, under the rules restricting the housing;

(3) where the total number of occupants in the unit exceeds (or with the proposed additional occupant(s) would exceed) the lesser of:

(i) two persons in a studio unit, three persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four-bedroom unit; or

(ii) the maximum number permitted in the unit under state law and/or other local codes as the Building, Fire, Housing and Planning Codes;

(4) where the proposed occupant will be legally obligated to pay some or all of the rent to the Landlord and the Landlord can establish the proposed additional occupant's lack of creditworthiness, so long as the Landlord does not use more stringent criteria or processes with the proposed occupant that they or their predecessor used with any of the original or subsequent occupants;

(5) where the Landlord has made a written request, which is within five (5) days of receipt of the Tenant's request, for the proposed occupant does not comply within five (5) days of receipt of a written request by the Landlord to complete the

Landlord's standard form application or provide sufficient information to allow the Landlord to conduct a typical background check, if the Landlord's written request was made within five (5) days of receipt of the Tenant's request to add the proposed occupant and the proposed occupant does not comply within five (5) days of receipt of the Landlord's request;

(6) where the Landlord can establish that the proposed occupant has intentionally misrepresented significant facts on the Landlord's standard form application or provided significant misinformation that interferes with the Landlord's ability to conduct a background check. Such misrepresentation or misinformation does include minor discrepancies on credit reports or tenant screening reports or where the proposed occupant's background check returns other names that were not disclosed by the proposed occupant;

(7) where the Landlord can establish that the proposed occupant presents a direct threat to the health, safety or security of other residents of the property, or to the property itself;

(8) where the tenant refuses to identify the proposed occupant.

ii. A Landlord's denial of a Tenant's written request to replace a departing tenant or add an additional occupant shall be considered unreasonable in some circumstances, including but not limited to the following:

(1) denial based on the criminal history of the proposed occupant, if the tenancy is not exempt from as prohibited by the Fair Chance Access to Housing Ordinance (O.M.C. 8.25.010 et seq or successor provisions)., including for This subsection shall also apply to proposed occupants who do not qualify as Applicants under the Fair Chance Access to Housing Ordinance, who also may not be denied on the basis of criminal history;

(2) denial based on requirements that are more stringent than those imposed by the Landlord on other applicants, including on the existing Tenant at the inception of the tenancy;

(3) denial based on the Tenant's refusal to agree to an extended lease term or other changes in the terms of tenancy;

(4) denial based on the proposed occupant's lack of creditworthiness, if the occupant will not be legally obligated to pay some or all of the rent to the Landlord;

(5) denial based on the Tenant's refusal to provide a copy of the subtenancy agreement to the Landlord;

(6) denial based on the Tenant's or proposed occupant's refusal to provide information or participate in processes that are outside of the reasonable scope of the application process;

(7) denial based on the Tenant's or proposed occupant's prior acts of tenant organizing, participating in or belonging to a tenant rights organization, requesting repairs, contesting rent increases, filing a complaint with a government agency, or other exercise of legal rights under the law as a tenant.

iii. When a request to add an occupant who will be legally obligated to pay some or all of the rent to the Landlord is denied based on the proposed occupant's lack of creditworthiness, a new request to add the same occupant as a subtenant may be submitted. Such new requests made for individuals without legal obligation to pay some or all of the rent to the Landlord may not be reasonably denied based on the proposed individual's lack of creditworthiness.

## Amendments to Rent Adjustment Program Regulations

### 8.22.020 DEFINITIONS.

~~"1946 Notice" means any notice of termination of tenancy served pursuant to California Civil Code §1946. This notice is commonly referred to as a 30-day notice of termination of tenancy, but the notice period may actually be for a longer or shorter period, depending on the circumstances.~~

~~"1946 Termination of Tenancy" means any termination of tenancy pursuant to California Civil Code § 1946.~~

~~"Anniversary Date" is the date falling one year after the day the Tenant was provided with possession of the Covered Unit or one year after the day the most recent rent adjustment took effect, whichever is later. Following certain vacancies, a subsequent Tenant will assume the Anniversary Date of the previous Tenant (OMC 8.22.080).~~

~~"Appeal Panel" means a three-member panel of board members authorized to hear appeals of Hearing Officer decisions. Appeal Panels must be comprised of one residential rental property owner, one tenant, and one person who is neither a tenant nor a residential rental property owner. Appeal Panels may be made up of all regular board members, all alternates, or a combination of regular board members and alternates.~~

~~"Banking" means any CPI Rent Adjustment (or any rent adjustment formerly known as the Annual Permissible Rent Increase) the Owner chooses to delay imposing in part or in full, and which may be imposed at a later date, subject to the restrictions in the Regulations.~~

~~"Base occupancy level" means the number of tenants occupying the covered unit as principal residence as of June 16, 2020, with the owner's knowledge, or allowed by the lease or rental agreement effective as of June 16, 2020, whichever is greater, except that, for units that had an initial rent established on or after June 17, 2020, "base occupancy level" means the number of tenants allowed by the lease or rental agreement entered into at the beginning of the current tenancy. When there is a new lease or rental agreement solely as a result of adding one or more additional occupants to the lease or rental agreement, the "beginning of the current tenancy" refers to the tenancy existing prior to the new lease or rental agreement regarding the additional occupant(s).~~

~~"Board" and "Residential Rent Adjustment Board" means the Housing, Residential Rent and Relocation Board.~~

~~"Capital Improvements" means those improvements to a Covered Unit or common areas that materially add to the value of the property and appreciably prolong its useful life or adapt it to new building codes. Those improvements must primarily benefit the Tenant rather than the Owner. Capital improvement costs that may be passed through to tenants include seventy percent (70%) of actual costs, plus imputed financing. Capital improvement costs shall be amortized over the useful life of the~~

~~improvement as set forth in an amortization schedule developed by the Rent Board. Capital improvements do not include the following as set forth in the regulations: correction of serious code violations not created by the tenant; improvements or repairs required because of deferred maintenance; or improvements that are greater in character or quality than existing improvements (“gold plating” “over improving”) excluding improvements approved in writing by the tenant, improvements that bring the unit up to current building or housing codes, or the cost of a substantially equivalent replacement.~~

~~“CPI—All Items” means the Consumer Price Index—all items for all urban consumers for the San Francisco—Oakland—San Jose area as published by the U.S. Department of Labor Statistics for the 12 month period ending on the last day of February of each year.~~

~~“CPI—Less Shelter” means the Consumer Price Index—all items less shelter for all urban consumers for the San Francisco—Oakland—San Jose area as published by the U.S. Department of Labor Statistics for the 12 month period ending on the last day of February of each year.~~

~~“CPI Rent Adjustment” means the maximum Rent adjustment (calculated annually according to a formula pursuant to OMC 8.22.070 B. 3) that an Owner may impose within a twelve (12) month period without the Tenant being allowed to contest the Rent increase, except as provided in OMC 8.22.070 B. 2 (failure of the Owner to give proper notices, decreased Housing Services, and un cured code violations).~~

~~“Costa—Hawkins” means the California state law known as the Costa—Hawkins Rental Housing Act codified at California Civil Code § 1954.50, et seq. (Appendix A to this Chapter contains the text of Costa—Hawkins).~~

~~“Covered Unit” means any dwelling unit, including joint living and work quarters, and all Housing Services located in Oakland and used or occupied in consideration of payment of Rent with the exception of those units designated in OMC 8.22.030 A as exempt.~~

~~“Debt Service” means the monthly principal and interest payments on one or more promissory notes secured by deed(s) of trust on the property on which the Covered Units are located. NOTE: Debt Service for newly acquired units has been eliminated as a justification for new rent increases in excess of the CPI pursuant to Ordinance No. 13221 C.M.S., adopted by the Oakland City Council on April 1, 2014.~~

~~“Housing Services” means 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 service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service, and employee services.~~

~~“Imputed interest” means the average of the 10 year United States treasury bill rate and the 10 year LIBOR swap rate for the quarter prior to the date the permits for the~~

improvements were obtained plus an additional one and one-half percent, to be taken as simple interest. The Rent Program will post the quarterly interest rates allowable.

“Master tenant” means a tenant who resides in a covered unit ~~and, as a landlord who is not an owner of record of the property, and charges rent to or receives rent from one or more subtenants in the covered unit.~~

“Owner” means any owner, lessor or landlord, as defined by state law, of a Covered Unit that is leased or rented to another, and the representative, agent, or successor of such owner, lessor or landlord.

“Principal Residence” means the one dwelling place where an individual primarily resides. Such occupancy does not require that the individual be physically present in the dwelling place at all times or continuously, but the dwelling place must be the individual’s usual ~~or intended~~ place of return. A Principal Residence is distinguishable from one kept primarily for secondary residential occupancy, such as a pied-a-terre or vacation home, or non-residential use, such as storage or commercial use. A determination of Principal Residence shall be based on the totality of circumstances, which ~~shall~~ ~~may~~ include, but are not limited to, the following factors: (1) whether the individual carries on basic living activities at the subject premises; (2) whether the individual maintains another dwelling and, if so, the amount of time that the individual spends at each dwelling place and indications, if any, that residence in one dwelling is temporary; (3) the subject premises are listed as the individual’s place of residence on any motor vehicle registration, driver’s license, voter registration, or with any other public agency, including Federal, State and local taxing authorities; (4) utilities are billed to and paid by the individual at the subject premises; (5) all or most of the individual’s personal possessions have been moved into the subject premises; (6) a homeowner’s tax exemption for the individual has not been filed for a different property; (7) the subject premises are the place the individual normally returns to as his/her home, exclusive of military service, hospitalization, vacation, family emergency, travel necessitated by employment or education, incarceration, or other reasonable temporary periods of absence.

“Rent” means the total consideration charged or received by an Owner in exchange for the use or occupancy of a Covered Unit including all Housing Services provided to the Tenant.

“Rent Adjustment Program” means the department in the City of Oakland that administers this Ordinance and also includes the Board.

“Regulations” means the regulations adopted by the Board and approved by the City Council for implementation of this Chapter (formerly known as “Rules and Procedures”) (After Regulations that conform with this Chapter are approved they will be attached to this Chapter as Appendix B).

“Security Deposit” means any payment, fee, deposit, or charge, including but not limited to, an advance payment of Rent, used or to be used for any purpose, including

~~but not limited to the compensation of an Owner for a Tenant's default in payment of Rent, the repair of damages to the premises caused by the Tenant, or the cleaning of the premises upon termination of the tenancy exclusive of normal wear and tear.~~

“Staff” means the staff appointed by City Administrator to administer the Rent Adjustment Program.

“Subtenant,” for purposes of Regulation 8.22.025, means a tenant who resides with and pays rent to one or more master tenants, rather than directly to the owner to whom the master tenant(s) pay rent, for the housing services provided to the subtenant.

~~“Tenant” means a person entitled, by written or oral agreement to the use or occupancy of any Covered Unit.~~

~~“Uninsured Repairs” means that work done by an Owner or Tenant to a Covered Unit or to the common area of the property or structure containing a Covered Unit which is performed to secure compliance with any state or local law as to repair damage resulting from fire, earthquake, or other casualty or natural disaster, to the extent such repair is not reimbursed by insurance proceeds.~~

## **8.22.025 SUBLEASES.**

### **A. Maximum rent for subtenants**

Where one or more master tenants reside with one or more subtenants in a covered unit, the maximum rent that a master tenant may charge a subtenant is no more than the proportional share of the total current rent paid to the owner by the tenants for the housing and housing services to which the subtenant is entitled under the sublease. The allowable proportional share of total rent may be calculated based upon the square footage shared with and/or occupied exclusively by the subtenant; or an amount substantially proportional to the space occupied by and/or shared with the subtenant (e.g. three persons splitting the entire rent in thirds) or any other method that allocates the rent such that the subtenant pays no more to the master tenant than the master tenant pays to the Owner for the housing and housing services to which the subtenant is entitled under the sublease. In establishing the proper initial base rent that the subtenant is charged, additional housing services (such as utilities) provided by, or any special obligations of, the master tenant, or evidence of the relative amenities or value of rooms, may be considered by the parties or the Rent Adjustment Program when deemed appropriate. Any methodology that shifts the rental burden such that the subtenant(s) pays substantially more than their square footage portion, or substantially more than the proportional share of the total rent paid to the Owner, shall be rebuttably presumed to be in excess of the lawful limitation.

### **B. Petitions**

Subtenants in covered units may petition the Rent Adjustment Program to contest overcharges in violation of this section, as if the master tenant were the Owner. Such

petitions are not subject to the timing requirements of OMC 8.22.090.A.2. Any restitution awards for subtenant overcharges are limited to the period of three years preceding the the filing of the subtenant’s petition, except that no restitution shall be awarded for any period prior to [effective date – when approved by City Council]. This section shall not apply to agreements between master tenants and subtenants that terminated prior to [effective date – when approved by City Council].

\* \* \*

**8.22.070 RENT ADJUSTMENTS FOR OCCUPIED COVERED UNITS.**

**A. Purpose**

This section sets forth the Regulations for a Rent adjustment exceeding the CPI Rent Adjustment and that is not authorized as an allowable increase following certain vacancies.

**B. Justifications for a Rent Increase in Excess of the CPI Rent Adjustment**

Regulations regarding the justifications for a Rent increase in excess of the CPI Rent Adjustment are attached as Appendix A to these Regulations. The justifications are: banking; capital improvement costs; uninsured repair costs; increased housing service costs; additional occupant as defined by OMC 8.22.020; Tenant does not reside in the unit as their principal residence; and the rent increase is necessary to meet constitutional or fair return requirements.

\* \* \*

**8.22.090 PETITION AND RESPONSE FILING PROCEDURES.**

**A. Filing Deadlines**

In order for a document to meet the filing deadlines prescribed by OMC Chapter 8.22.090, documents must be received by the Rent Adjustment Program offices no later than 5 PM on the date the document is due. A postmark is not sufficient to meet the requirements of OMC Chapter 8.22.090. Additional Regulations regarding electronic and facsimile filing will be developed when these filing methods become available at the Rent Adjustment Program.

**B. Tenant Petition and Response Requirements**

1. A Tenant petition or response to an Owner petition is not considered filed until the following has been submitted:

a. Evidence that the Tenant is current on his or her Rent or is lawfully withholding Rent. For purposes of filing a petition or response, a statement under oath

that a Tenant is current in his or her Rent or is lawfully withholding Rent is sufficient, but is subject to challenge at the hearing;

b. A substantially completed petition or response on the form prescribed by the Rent Adjustment Program, signed under oath; ~~and~~

c. For Decreased Housing Services claims, organized documentation clearly showing the Housing Service decreases claimed and the claimed value of the services, and detailing the calculations to which the documentation pertains. Copies of documents should be submitted rather than originals. All documents submitted to the Rent Adjustment Program become permanent additions to the file-; and

d. Proof of service by first-class mail or in person of the tenant petition or response and any supporting documents on the owner.

2. Subtenant petitions described by Regulation 8.22.025 and Master Tenant responses to them are subject to the tenant petition and response requirements in this section. ~~Staff shall serve on respondents copies of the completed petition forms accepted for filing with notification that the petition has been filed. Staff shall serve on petitioners completed response forms accepted for filing. Attachments to petitions and responses shall not be included but will be available to review upon request of either party.~~

### **C. Owner Petition and Response Requirements**

1. An Owner's petition or response to a petition is not considered filed until the following has been submitted:

a. Evidence that the Owner has paid his or her City of Oakland Business License Tax;

b. Evidence that the Owner has paid his or her Rent Program Service Fee;

c. Evidence that the Owner has provided written notice, to all Tenants affected by the petition or response, of the existence and scope of the Rent Adjustment Program as required by OMC 8.22.060. For purposes of filing a petition or response, a statement that the Owner has provided the required notices is sufficient, but is subject to challenge at the hearing;

d. A substantially completed petition or response on the form prescribed by the Rent Adjustment Program, signed under oath;

e. Organized documentation clearly showing the Rent increase justification and detailing the calculations to which the documentation pertains. Copies of documents should be submitted rather than originals. All documents submitted to the Rent Adjustment Program become permanent additions to the file-; and

f. Proof of service by first-class mail or in person of the owner petition or response and any supporting documents on the tenants of all units affected by the

petition. Supporting documents that exceed twenty-five (25) pages are exempt from the service requirement, provided that: (1) the owner petition form must be served by first-class mail or in person; (2) the petition or attachment to the petition must indicate that additional documents are or will be available at the Rent Adjustment Program; and (3) the owner must provide a paper copy of supporting documents to the tenant or the tenant's representative within ten (10) days if a tenant requests a paper copy in the tenant's response.

2. Master tenant responses to subtenant petitions described by Regulation 8.22.025 are not subject to the Owner response requirements in this section. Staff shall serve on respondents copies of the completed petition forms accepted for filing with notification that the petition has been filed. Staff shall serve on petitioners completed response forms accepted for filing. Attachments to petitions and responses shall not be included but will be available to review upon request of either party.

#### **D. Time of Hearing and Decision**

1. The time frames for hearings and decisions set out below are repeated from OMC 8.22.110 D.
2. The Hearing Officer shall have the goal of hearing the matter within sixty (60) days of the original petition's filing date.
3. The Hearing Officer shall have a goal of rendering a decision within sixty (60) days after the conclusion of the hearing or the close of the record, whichever is later.

#### **E. Designation of Representative**

Parties have the right to be represented by the person of their choice. A Representative does not have to be a licensed attorney. Representatives must be designated in writing by the party. Notices and correspondence from the Rent Adjustment Program will be sent to representatives as well as parties so long as a written Designation of Representative has been received by the Rent Adjustment Program at least ten (10) days prior to the mailing of the notice or correspondence. Parties are encouraged to designate their representatives at the time of filing their petition or response whenever possible.

\* \* \*

### **8.22.110 HEARING PROCEDURE.**

#### **A. Postponements**

1. A Hearing Officer or designated Staff member may grant a postponement of the hearing only for good cause shown and in the interests of justice. A party may be granted only one postponement for good cause, unless the party shows extraordinary circumstances.

2. "Good cause" includes but is not limited to: a. Verified illness of a party an attorney or other authorized representative of a party or material witness of the party; b. Verified travel plans scheduled before the receipt of notice of hearing; c. Any other reason that makes it impractical to appear at the scheduled date due to unforeseen circumstances or verified prearranged plans that cannot be changed. Mere inconvenience or difficulty in appearing shall not constitute "good cause".

3. A request for a postponement of a hearing must be made in writing at the earliest date possible after receipt of the notice of hearing with supporting documentation attached.

4. Parties may mutually agree to a postponement at any time. When the parties have agreed to a postponement, the Rent Adjustment Program office must be notified in writing at the earliest date possible prior to the date set for the hearing.

#### **B. Absence Of Parties**

1. If a petitioner fails to appear at a properly noticed hearing, the Hearing Officer may, in the Hearing Officer's discretion, dismiss the case.

2. If a respondent fails to appear, the Hearing Officer may rule against the respondent, or proceed to a hearing on the evidence.

#### **C. Record Of Proceedings**

1. All proceedings before a Hearing Officer or the Rent Board, except mediation sessions, shall be recorded by tape or other mechanical means. A party may order a duplicate or transcript of the tape recording of any hearing provided that the party ordering the duplicate or transcript pays for the expense of duplicating or transcribing the tape.

2. Any party desiring to employ a court reporter to create a record of a proceeding, except a mediation session, is free to do so at their own expense, provided that the opportunity to obtain copies of any transcript are offered to the Rent Adjustment Program and to the opposing party.

#### **D. Translation**

Translation services for documents, procedures, hearings and mediations in languages other than English pursuant to the Equal Access to Services ordinance (O.M.C. Chapter 2.3) shall be made available to persons requesting such services subject to the City's ability to provide such services. In the event that the City is unable to provide such services, petitioners and respondents who do not speak or are not comfortable with English must provide their own translators. The translators will be required to take an oath that they are fluent in both English and the relevant foreign language and that they will fully and to the best of their ability translate the proceedings.

#### **E. Conduct Of Hearings Before Hearing Officers**

1. Each party, attorney, other representative of a party or witness appearing at the hearing shall complete a written Notice of Appearance and oath, as appropriate, that will be submitted to the Hearing Officer at the commencement of the hearing. All Notices of Appearance shall become part of the record.
2. All oral testimony must be given under oath or affirmation to be admissible.
3. Each party shall have these rights:
  - a. To call and examine witnesses;
  - b. To introduce exhibits;
  - c. To cross-examine opposing witnesses on any matter relevant to the issues even if that issue was not raised on direct examination;
  - d. To impeach any witness regardless of which party called first called him or her to testify;
  - e. To rebut the evidence against him or her;
  - f. To cross-examine an opposing party or their agent even if that party did not testify on his or her own behalf or on behalf of their principal.
4. Unless otherwise specified in these Regulations or OMC Chapter 8.22, the rules of evidence applicable to administrative hearings contained in the California Administrative Procedures Act (California Government Code Section 11513) shall apply.

**F. Decisions Of The Hearing Officer**

1. The Hearing Officer shall make written findings of fact and issue a written decision on petitions filed.
2. If an increase in Rent is granted, the Hearing Officer shall state the amount of increase that is justified, and the effective date of the increase.
3. If a decrease in Rent is granted, the Hearing Officer shall state when the decrease commenced, the nature of the service decrease, the value of the decrease in services, and the amount to which the rent may be increased when the service is restored. When the service is restored, any Rent increase based on the restoration of service may only be taken following a valid change of terms of tenancy notice pursuant to California Civil Code Section 827. A Rent increase for restoration of decreased Housing Services is not considered a Rent increase for purposes of the limitation on one Rent increase in twelve (12) months pursuant to OMC 8.22.070 A. (One Rent Increase Each Twelve Months).
4. The Hearing Officer may order Rent adjustment for overpayments or underpayments over a period of months, however, such adjustments shall not span more than a twelve (12) month period, unless longer period is warranted for extraordinary circumstances.

The following is a schedule of adjustments for underpayment and overpayments that Hearing Officers must follow unless the parties otherwise agree or good cause is shown:

- a. If the underpayment or overpayment is 25% of the Rent or less, the Rent will be adjusted over 3 months;
- b. If the underpayment or overpayment is 50% of the Rent or less, the Rent will be adjusted over 6 months;
- c. If the underpayment or overpayment is 75% of the Rent or less, the Rent will be adjusted over 9 months;
- d. If the underpayment or overpayment is 100% of the Rent or more, the Rent will be adjusted over 12 months.

5. For Rent overpayments based on an Owner's failure to reduce Rent after the expiration of the amortization period for a Capital Improvement, the decision shall also include a calculation of any interest that may be due pursuant to Reg. 10.2.5 (see Appendix A).

6. If the Landlord has petitioned for multiple capital improvements covering the same unit or building, the Hearing Officer may consolidate the capital improvements into a single amortization period and, in the Hearing Officer's discretion, determine the length for that amortization period in the Decision.

#### **G. Administrative Decisions**

For rent increase petitions based on one or more additional occupants, if there is no genuine dispute regarding any material fact, the petition may be decided as a matter of law, and the tenant waives their right to a hearing in writing on a form provided by the Rent Adjustment Program, the Hearing Officer shall issue a decision without a hearing.

**RENT ADJUSTMENT BOARD REGULATIONS**

**APPENDIX A**

EXCERPTS FROM OAKLAND CITY COUNCIL RESOLUTION NO. 71518  
(SUPERSEDED)

RESIDENTIAL RENT ARBITRATION BOARD RULES AND REGULATIONS SECTIONS  
2.0 AND 10.0 (all other section omitted, pages 1, 5-13, 21 omitted)

**2.0 DEFINITIONS**

**2.1 Additional Occupancy Level:** A number equal to the total number of occupants minus the base occupancy level, as defined by O.M.C 8.22.020 and Regulation 8.22.020.

**2.2 Base Rent:** The monthly rental rate before the latest proposed increase

**2.32 Current Rent:** To keep current means that the tenant is paid up to date on rental payments at the base rental rate.

**2.43 Landlord:** For the purpose of these rules, the term "landlord" will be synonymous with owner or lessor of real property that is leased or rented to another and the representative, agent, or successor of such owner or lessor.

**2.54 Manager:** A manager is a paid (either salary or a reduced rental rate) representative of the landlord.

**2.65 Petitioner:** A petitioner is the party (landlord or tenant) who first files an action under the ordinance.

**2.76 Respondent:** A respondent is the party (landlord or tenant) who responds to the petitioner.

**2.87 Priority 1 Condition:** The City of Oakland Housing Code Enforcement Inspectors determine housing condition(s)/repair(s) as a "Priority 1" condition when housing condition (s)/repair(s) are identified as a major hazardous or inhabitable condition(s). A "Priority 1" condition must be abated immediately by correction, removal or disconnection. A Notice to Abate will always be issued.

**2.98 Priority 2 Condition:** The City of Oakland Housing Code Enforcement Inspectors determine housing condition(s)/repair(s) as a Priority condition when housing condition (s)/repair(s) are identified as major hazardous or inhabitable condition(s) that may be deferred by an agreement with the Housing Code enforcement Section.

**2.109** The following describe five major hazard conditions classified as Priorities 1 & 2:

I. **MECHANICAL**

**Priority 1**

- A. Unvented heaters
- B. No combustion chamber, fire or vent hazard
- C. Water heaters in sleeping rooms, bathrooms
- D. Open gas lines, open flame heaters

**Priority 2**

- A. Damaged gas appliance
- B. Flame impingement, soot
- C. Crimped gas line, rubber gas connections
- D. Dampers in gas heater vent pipes, no separation or clearance, through or near combustible surfaces
- E. Water heater on garage floor

II. **PLUMBING**

**Priority 1**

- A. Sewage overflow on surface

Priority 2

- A. Open sewers or waste lines
- B. Unsanitary, inoperative fixtures; leaking toilets

- C. T & P systems, newly or improperly installed

III. ELECTRICAL

Priority 1

- A. Bare wiring, open splices, unprotected knife switches, exposed energized electrical parts
- B. Evidence of overheated conductors including extension cords
- C. Extension cords under rugs

Priority 2

- A. Stapled cord wiring; extension cords
- B. Open junction boxes, switches, outlets
- C. Over-fused circuits
- D. Improperly added wiring

IV. STRUCTURAL

Priority 1

- A. Absence of handrail, loose, weakly-supported handrail
- B. Broken glass, posing potential immediate injury
- C. Hazardous stairs
- D. Collapsing structural members

Priority 2

- A. Garage wall separation
- B. Uneven walks, floors, tripping hazards
- C. Loose or insufficient supporting structural members
- D. Cracked glass, leaky roofs, missing doors (exterior) and windows
- E. Exit, egress requirements; fire safety

Note: Floor separation and stairway enclosures in multi-story handled on a case basis.

V. OTHER

Priority 1

- A. Wet garbage
- B. Open wells or unattended swimming pools
- C. Abandoned refrigerators
- D. Items considered by field person to be immediate hazards

Priority 2

- A. Broken-down fences or retaining walls
- B. High, dry weeds, next to combustible surfaces
- C. Significant quantity of debris
- D. Abandoned vehicles

Questions concerning permits, repairs and compliance schedules should be referred to code enforcement office of the City of Oakland -- (510) 238-3381.

**10.0 JUSTIFICATION FOR ADDITIONAL RENT INCREASES**

**10.1 Increased Housing Service Costs:** Increased Housing Service Costs are services provided by the landlord related to the use or occupancy of a rental unit, including, but not limited to, insurance, repairs, replacement maintenance, painting, lighting, heat, water, elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service and employee services. Any repair cost

that is the result of deferred maintenance, as defined in Appendix A, Section 10.2.2, cannot be considered a repair for calculation of Increased Housing Service Costs.

10.1.1 In determining whether there has been an increase in housing service costs, consider the annual operating expenses for the previous two years. (For example: if the rent increase is proposed in 1993, the difference in housing service costs between 1991 and 1992 will be considered.) The average housing service cost percentage (%) increase per month per unit shall be derived by dividing this difference by twelve (12) months, then by the number of units in the building and finally by the average gross operating income per month per unit (which is determined by dividing the gross monthly operating income by the number of units). Once the percentage increase is determined the percentage amount must exceed the allowable rental increase deemed by City Council. The total determined percentage amount is the actual percentage amount allowed for a rental increase.

10.1.2 Any major or unusual housing service costs (i.e., a major repair which does not occur every year) shall be considered a capital improvement. However, any repair cost that is not eligible as a capital improvement because it is deferred maintenance pursuant to Appendix A, Section 10.2.2, may not be considered a repair for purposes of calculating Increased Housing Service Costs.

10.1.3 Any item which has a useful life of one year or less, or which is not considered to be a capital improvement, will be considered a housing service cost (i.e., maintenance and repair).

10.1.4 Individual housing service cost items will not be considered for special consideration. For example, PG&E increased costs will not be considered separately from other housing service costs.

10.1.5 Documentation (i.e., bills, receipts, and/or canceled checks) must be presented for all costs which are being used for justification of the proposed rent increase.

10.1.6 Landlords are allowed up to 8% of the gross operating income of unspecified expenses (i.e., maintenance, repairs, legal and management fees, etc.) under housing service costs unless verified documentation in the form of receipts and/or canceled checks justify a greater percentage.

10.1.7 If a landlord chooses to use 8% of his/her income for unspecified expenses, it must be applied to both years being considered under housing service cost (for example, 8% cannot be applied to 1980 and not 1981).

10.1.8 A decrease in housing service costs (i.e., any items originally included as housing service costs such as water, garbage, etc.) is considered to be an increase in rent and will be calculated as such (i.e., the average cost of the service eliminated will be considered as a percentage of the rent). If a landlord adds service (i.e., cable TV, etc.) without increasing rent or covers costs previously paid by a tenant, this is considered to be a rent decrease and will be calculated as such.

10.1.9 The transfer of utility costs to the tenant by the landlord is not considered as part of the rent increase unless the landlord is designated in the original rental agreement to be the party responsible for such costs.

10.1.10 When more than one rental unit shares any type of utility bill with another rental unit, it is illegal to divide up the bill between units. Splitting the costs of utilities among tenants who live in separate units is prohibited by the Public Utilities Commission Code and Rule 18 of PG&E. The best way

to remedy the bill is to install individual meters. If this is too expensive, then the property owner should pay the utility bill himself/herself and build the cost into the rent.

**10.2 Capital Improvement Costs:** Capital Improvement Costs are those improvements which materially add to the value of the property and appreciably prolong its useful life or adapt it to new building codes. Those improvements primarily must benefit the tenant rather than the landlord.

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 the petition for a rent increase based on the improvements is filed.

10.2.2 Eligible capital improvements include, but are not limited to, the following items:

1. Those improvements which primarily benefit the tenant rather than the landlord. (For example, the remodeling of a lobby would be eligible as a capital improvement, while the construction of a sign advertising the rental complex would not be eligible). However, the complete painting of the exterior of a building, and the complete interior painting of internal dwelling units are eligible capital improvement costs.

2. In order for equipment to be eligible as a capital improvement cost, such equipment must be permanently fixed in place or relatively immobile (for example, draperies, blinds, carpet, sinks, bathtubs, stoves, refrigerators, and kitchen cabinets are eligible capital improvements. Hot plates, toasters, throw rugs, and hibachis would not be eligible as capital improvements).

3. Except as set forth in subsection 4, repairs completed in order to comply with the Oakland Housing Code may be considered capital improvements.

4. The following may not be considered as capital improvements:

a. Repairs for code violations may not be considered capital improvements if the Tenant proves the following:

i. That a repair was performed to correct a Priority 1 or 2 Condition that was not created by the Tenant, which may be demonstrated by any of the following:

(a) the condition was cited by a City Building Services Inspector as a Priority 1 or 2 Condition;

(b) the Tenant produces factual evidence to show that had the property or unit been inspected by a City Building Services Inspector, the Inspector would have determined the condition to be a Priority 1 or 2 Condition, but the Hearing Officer may determine that in order to decide if a condition is a Priority 1 or 2 Condition expert testimony is required, in which case the Hearing Officer may require such testimony.

ii. That the tenant

(a) informed the Owner of the condition in writing;

(b) otherwise proves that the landlord knew of the conditions, or

(c) proves that there were exceptional circumstances that prohibited the tenant from submitting needed repairs in writing; and

iii. That the Owner failed to repair the condition within a reasonable time after the Tenant informed Owner of the condition or the Owner otherwise knew of the condition.

iv. A reasonable time is determined as follows:

(a) If the condition was cited by a City Building Services Inspector and the Inspector required the repairs to be performed within a particular

time frame, or any extension thereof, the time frame set out by the Inspector is deemed a reasonable time; or

(b) Ninety (90) days after the Owner received notice of the condition or otherwise learned of the condition is presumed a reasonable time unless either of the following apply:

(1) the violation remained unabated for ninety (90) days after the date of notice to the Owner and the Owner demonstrates timely, good faith efforts to correct the violation within the ninety the (90) days but such efforts were unsuccessful due to the nature of the work or circumstances beyond the Owner's control, or the delay was attributable to other good cause; or

(2) the Tenant demonstrated that the violation was an immediate threat to the health and safety of occupants of the property, [in which case] fifteen (15) business days is presumed a reasonable time unless:

(i) the Tenant proves a shorter time is reasonable based on the hazardous nature of the condition, and the ease of correction, or

(ii) the Owner demonstrates timely, good faith efforts to correct the violation within the fifteen (15) business days after notice but such efforts were unsuccessful due to the nature of the work or circumstances beyond the Owner's control, or the delay was attributable to other good cause.

(c) If an Owner is required to get a building or other City permit to perform the work, or is required to get approval from a government agency before commencing work on the premises, the Owner's attempt to get the required permit or approval within the timelines set out in (i) and (ii) above shall be deemed evidence of good faith and the Owner shall not be penalized for delays attributable to the action of the approving government agency.

b. Costs for work or portion of work that could have been avoided by the landlord's exercise of reasonable diligence in making timely repairs after the landlord knew or should reasonably have known of the problem that caused the damage leading to the repair claimed as a capital improvement.

i. Among the factors that may be considered in determining if the landlord knew or should reasonably have known of the problem that caused the damage:

(a) Was the condition leading to the repairs outside the tenant's unit or inside the tenant's unit?

(b) Did the tenant notify the landlord in writing or use the landlord's procedures for notifying the landlord of conditions that might need repairs?

(c) Did the landlord conduct routine inspections of the property?

(d) Did the tenant permit the landlord to inspect the interior of the unit?

ii. Examples:

(a) A roof leaks and, after the landlord knew of the leak, did not timely repair the problem and leak causes ceiling or wall damage to units that could have been avoided had the landlord acted timely to make the

repair. In this case, replacement of the roof would be a capital improvement, but the repairs to the ceiling or wall would not be.

(b) A problem has existed for an extended period of time visible outside tenants' units and could be seen from a reasonable inspection of the property, but the landlord or landlord's agents either had not inspected the property for an unreasonable period of time, or did not exercise due diligence in making such inspections. In such a case, the landlord should have reasonably known of the problem. Annual inspections may be considered a reasonable time period for inspections depending on the facts and circumstances of the property such as age, condition, and tenant complaints.

iii. Burden of Proof

(a) The tenant has the initial burden to prove that the landlord knew or should have reasonably known of the problem that caused the repair.

(b) Once a tenant meets the burden to prove the landlord knew or should have reasonably known, the burden shifts to the landlord to prove that the landlord exercised reasonable diligence in making timely repairs after the landlord knew or should have known of the problem.

c. "Gold-plating" or "Over-improvements"

i. Examples:

(a) A landlord replaces a Kenmore stove with a Wolf range. In such a case, the landlord may only pass on the cost of the substantially equivalent replacement.

(b) A landlord replaces a standard bathtub with a jacuzzi bathtub. In such a case, the landlord may only pass on the cost of the substantially equivalent replacement.

ii. Burden of Proof

(a) The tenant has the initial burden to prove that the improvement is greater in character or quality than existing improvements.

(b) Once a tenant meets the burden to prove that the improvement is greater in character or quality than existing improvements, the burden shifts to the landlord to prove that the tenant approved the improvement in writing, the improvement brought the unit up to current building or housing codes, or the improvement did not cost more than a substantially equivalent replacement.

d. Use of a landlord's personal appliances, furniture, etc., or those items inherited or borrowed are not eligible for consideration as capital improvements.

e. Normal routine maintenance and repair of the rental until and the building is not a capital improvement cost, but a housing service cost. (For example: while the replacement of old screens with new screens would be a capital improvement).

f. Costs for which an Owner is reimbursed (e.g., insurance, court awarded damages, subsidies, tax credits, and grants) are not capital improvement costs.

10.2.3 Rent Increases for Capital Improvement costs are calculated according to the following rules:

1. For mixed-use structures, only the percent of residential square footage will be applied in the calculations. The same principle shall apply to landlord-occupied dwellings (i.e., exclusion of landlord's unit).

2. Items determined to be capital improvements pursuant to Section 10.2.2. shall be amortized over the useful life of the improvement as set out in the Amortization Schedule attached as Exhibit 1 to these regulations and the total costs shall be amortized over that time period, unless the Rent increase using this amortization would exceed the Rent increase limits provided by O.M.C. 8.22.070 A2 or 3 ten percent (10%) of the existing Rent for a particular unit. Whenever a Capital Improvement Rent increase alone or with any other Rent increases noticed at the same time for a particular Unit exceeds the limits set by O.M.C. 8.22.070 A2 or 3 ten percent (10%) in a 12-month period or thirty percent (30%) in five years, if the Owner elects to recover the portion of the Capital Improvement that causes the Rent Increase to exceed the limits set by O.M.C. 8.22.070 A2 or 3 ten percent (10%) or thirty percent (30%), the excess can only be recovered by extending the Capital Improvement's amortization period in yearly increments sufficient to cover the excess, and complying with any requirements to notice the Tenant of the extended amortization period with the initial Capital Improvement increase. The dollar amount of the rent increase justified by Capital Improvements shall be removed from the allowable rent at the end of the amortization period.

3. A monthly Rent increase for a Capital Improvement is determined as follows:

- a. A maximum of seventy percent (70%) of the total cost for the Capital Improvement (plus imputed interest calculated pursuant to the formula set forth in Regulation 8.22.020) may be passed through to the Tenant;
- b. The amount of the Capital Improvement calculated in a. above is then divided equally among the Units that benefit from the Capital Improvement;
- c. The monthly Rent increase is the amount of the Capital Improvement that may be passed through as determined above, divided by the number of months the Capital Improvement is amortized over for the particular Unit.

4. If a unit is occupied by an agent of the landlord, this unit must be included when determining the average cost per unit. (For example, if a building has ten (10) units, and one is occupied by a nonpaying manager, any capital improvement would have to be divided by ten (10), not nine (9), in determining the average rent increase). This policy applies to all calculations in the financial statement which involve average per unit figures.

5. Undocumented labor costs provided by the landlord cannot exceed 25% of the cost of materials.

6. Equipment otherwise eligible as a Capital Improvement will not be considered if a "use fee" is charged (i.e., coin-operated washers and dryers).

7. Where a landlord is reimbursed for Capital Improvements (i.e., insurance, court-awarded damages, subsidies, etc.), this reimbursement must be deducted from such Capital Improvements before costs are amortized and allocated among the units.

10.2.4 In some cases, it is difficult to separate costs between rental units; common vs. rental areas; commercial vs. residential areas; or housing service costs vs. Capital Improvements. In these cases, the Hearing Officer will make a determination on a case-by-case basis.

10.2.5 Interest on Failure to Reduce Capital Improvement Increase After End of Amortization Period.

1. If an Owner fails to reduce a Capital Improvement Rent increase in the month following the end of the amortization period for such improvement and the Tenant pays any portion of such Rent increase after the end of the amortization period, the Tenant may recover interest on the amount overpaid.

2. The applicable rate of interest for overpaid Capital Improvements shall be the rate specified by law for judgments pursuant to California Constitution, Article XV and any legislation adopted thereto and shall be calculated at simple interest.

**10.3 Uninsured Repair Costs:** Uninsured Repair Costs are costs for work done by a landlord or tenant to a rental unit or to the common area of the property or structure containing a rental unit which is performed to secure compliance with any state or local law as to repair damage resulting from, fire, earthquake, or other casualty or natural disaster, to the extent such repair is not reimbursed by insurance proceeds

10.3.1 Uninsured Repair Costs are those costs incurred as a result of natural causes and casualty claims; it does not include improvement work or code correction work. Improvements work or code correction work will be considered either capital improvements or housing services, depending on the nature of the improvement.

10.3.2 Increases justified by Uninsured Repair Costs will be calculated as Capital Improvement costs.

~~10.4 Debt Service Costs: Debt Service Costs are the monthly principal and interest payments on the deed(s) of trust secured by the property.~~

~~Debt Service for newly acquired units has been eliminated as a justification for new rent increases in excess of the CPI, effective April 1, 2014. This restriction will not apply to any property on which the rental property owner can demonstrate that the owner made a bona fide, arms-length offer to purchase on or before April 1, 2014, the effective date of this amendment. The regulations previously in effect regarding debt service are attached to these Regulations as Exhibit 2.~~

#### **10.45 Rent History/"Banking"**

10.45.1 If a landlord chooses to increase rents less than the annual CPI Adjustment [formerly Annual Permissible Increase] permitted by the Ordinance, any remaining CPI Rent Adjustment may be carried over to succeeding twelve (12) month periods ("Banked"). However, the total of CPI Adjustments imposed in any one Rent increase, including the current CPI Rent Adjustment, may not exceed three times the allowable CPI Rent Adjustment on the effective date of the Rent Increase notice.

10.45.2 Banked CPI Rent Adjustments may be used together with other Rent justifications, except Increased Housing Service Costs and Fair Return, because these justifications replace the current year's CPI increase.

10.45.3 In no event may any banked CPI Rent Adjustment be implemented more than ten years after it accrues.

#### **10.56 "Fair Return"**

10.56.1 Owners are entitled to the opportunity to receive a fair return. Ordinarily, a fair return will be measured by maintaining the net operating income (NOI) produced by the property in a base year, subject to CPI related adjustments. Permissible rent increases will be adjusted upon a showing that the NOI in the comparison year is not equal to the base year NOI.

## 10.56.2 Maintenance of Net Operating Income (MNOI) Calculations

1. The base year shall be the calendar year 2014.
  - a. New owners are expected to obtain relevant records from prior owners.
  - b. Hearing officers are authorized to use a different base date, however, if an owner can demonstrate that relevant records were unavailable (e.g., in a foreclosure sale) or that use of base year 2014 will otherwise result in injustice.
2. The NOI for a property shall be the gross income less the following: property taxes, housing service costs, and the amortized cost of capital improvements. Gross income shall be the total of gross rents lawfully collectible from a property at 100% occupancy, plus any other consideration received or receivable for, or in connection with, the use or occupancy of rental units and housing services. Gross rents collectible shall include the imputed rental value of owner-occupied units.
3. When an expense amount for a particular year is not a reasonable projection of ongoing or future expenditures for that item, said expense shall be averaged with the expense level for that item for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of base year and current year expenses.

10.56.3 Owners may present methodologies alternative to MNOI for assessing their fair return if they believe that an MNOI analysis will not adequately address the fair return considerations in their case. To pursue an alternative methodology, owners must first show that they cannot get a fair return under an MNOI analysis. They must specifically state in the petition the factual and legal bases for the claim, including any calculations.

## **10.67 Additional Occupants**

As provided by O.M.C. 8.22.020, "Additional occupant," the addition of occupants above the base occupancy level, as defined by the Rent Adjustment Ordinance, allows an owner to petition to increase the rent by an amount up to 5% for each occupant above the base occupancy level. Such petitions must be filed within ninety (90) days of approval, or deemed approval as provided by O.M.C. 8.22.360.A.2.b, of the tenant's written request to add the occupant. No rent increase shall be granted for an additional occupant who is the spouse, registered domestic partner, parent, grandparent, child, adopted child, foster child, or grandchild of an existing tenant, or the legal guardian of an existing tenant's child or grandchild who resides in the unit, or a caretaker/attendant as required for a reasonable accommodation for an occupant with a disability.

Such rent increases must be reversed by the Owner if the additional occupancy level decreases, beginning with the most recently granted increase. Once a tenant provides written notice to the Owner of a decrease in the additional occupancy level and lists all current occupants, the Owner must provide written notice within fifteen (15) days to the tenant of the applicable reduced rent, effective as of the next regular rent due date occurring no sooner than thirty (30) days after the tenant's written notice.

If there are changes in occupancy following a tenant's request to add an occupant and, prior to the Owner's 15-day rent reduction notice deadline and the Owner issuing the notice, the additional occupancy level remains the same (e.g., a departing occupant is replaced), the Owner need not issue the rent reduction notice and the rent increase granted due to the prior additional occupant shall remain in effect, until and unless the additional occupancy level decreases. When the additional occupancy level remains the same following a change in occupancy, the Owner may not be granted a new additional occupant rent increase for any additional occupant that is added. The number of rent increases for additional occupants that currently apply to the rent may not exceed the additional occupancy level.

**10.78 Tenant Not Residing in Unit as Principal Residence**

An Owner who seeks to impose a rent increase without limitation because the Tenant is not residing in the unit as their principal residence must petition for approval of the unrestricted rent increase based on a determination made pursuant to a hearing that the Tenant does not reside in the unit as their principal residence as of the date the petition is filed.

Exhibit 1  
Amortization Schedule

<u>Improvement</u>	<u>Years</u>	<u>Improvement</u>	<u>Years</u>
<u>Air Conditioners</u>	10	<u>Heating</u>	
<u>Appliances</u>		Central	10
Refrigerator	5	Gas	10
Stove	5	Electric	10
Garbage Disposal	5	Solar	10
Water Heater	5	<u>Insulation</u>	10
Dishwasher	5	<u>Landscaping</u>	
Microwave Oven	5	Planting	10
Washer/Dryer	5	Sprinklers	10
Fans	5	Tree Replacement	10
<u>Cabinets</u>	10	<u>Lighting</u>	
<u>Carpentry</u>	10	Interior	10
<u>Counters</u>	10	Exterior	10
<u>Doors</u>	10	<u>Locks</u>	5
Knobs	5	<u>Mailboxes</u>	10
Screen Doors	5	<u>Meters</u>	10
<u>Earthquake Expenses</u>		<u>Plumbing</u>	
Architectural and Engineering Fees	5	Fixtures	10
Emergency Services		Pipe Replacement	10
Clean Up	5	Re-Pipe Entire Building	20
Fencing and Security	5	Shower Doors	5
Management	5	<u>Painting</u>	

Tenant Assistance	5	Interior	5
<u>Structural Repair and Retrofitting</u>		Exterior	5
Foundation Repair	10	<u>Paving</u>	
Foundation Replacement	20	Asphalt	10
Foundation Bolting	20	Cement	10
Iron or Steel Work	20	Decking	10
Masonry-Chimney Repair	20	<u>Plastering</u>	10
Shear Wall Installation	10	<u>Pumps</u>	
<u>Electrical Wiring</u>	10	Sump	10
<u>Elevator</u>	20	<u>Railing</u>	10
<u>Fencing and Security</u>		<u>Roofing</u>	
Chain	10	Shingle/Asphalt	10
Block	10	Built-Up, Tar and Gravel	10
Wood	10	Tile and Linoleum	10
<u>Fire Alarm System</u>	10	Gutters/Downspots	10
<u>Fire Sprinkler System</u>	20	<u>Security</u>	
<u>Fire Escape</u>	10	Entry Telephone Intercom	10
<u>Flooring/Floor Covering</u>		Gates/Doors	10
Hardwood	10	Fencing	10
Tile and Linoleum	5	Alarms	10
Carpet	5	<u>Sidewalks/Walkways</u>	10
Carpet Pad	5	<u>Stairs</u>	10
Subfloor	10	<u>Stucco</u>	10
<u>Fumigation</u>		<u>Tilework</u>	10
Tenting	5	<u>Wallpaper</u>	5
<u>Furniture</u>	5	<u>Window Coverings</u>	5

<u>Automatic Garage Door Openers</u>	10	Drapes	5
<u>Gates</u>		Shades	5
Chain Link	10	Screens	5
Wrought Iron	10	Awnings	5
Wood	10	Blinds/Miniblinds	5
<u>Glass</u>		Shutters	5
Windows	5		
Doors	5		
Mirrors	5		

Exhibit 2  
Debt Service: Old Regulations

~~**10.4 Debt Service Costs:** Debt Service Costs are the monthly principal and interest payments on the deed(s) of trust secured by the property.~~

~~10.4.1 An increase in rent based on debt service costs will only be considered in those cases where the total income is insufficient to cover the combined housing service and debt service costs after a rental increase as specified in Section 5 of the Ordinance. The maximum increase allowed under this formula shall be that increase that results in a rental income equal to the total housing service costs plus the allowable debt service costs.~~

~~10.4.2 No more than 95% of the eligible debt service can be passed on to tenants. The eligible debt service is the actual principal and interest.~~

~~10.4.3 If the property has been owned by the current landlord and the immediate previous landlord for a combined period of less than twelve (12) months, no consideration will be given for debt service.~~

~~10.4.4 If a property has changed title through probate and has been sold to a new owner, debt service will be allowed. However, if the property has changed title and is inherited by a family member, there will be no consideration for debt service unless due to hardship.~~

~~10.4.5 If the rents have been raised prior to a new landlord taking title, or if rents have been raised in excess of the percentage allowed by the Ordinance in previous 12-month periods without tenants having been notified pursuant to Section 5(d) of the Ordinance, the debt service will be calculated as follows:~~

~~1. Base rents will be considered as the rents in effect prior to the first rent increase in the immediate previous 12-month period.~~

~~2. The new landlord's housing service costs and debt service will be considered. The negative cash flow will be calculated by deducting the sum of the housing service costs plus 95% of the debt service from the adjusted operating income amount.~~

~~3. The percentage of rent increase justified will then be applied to the base rents (i.e., the rent prior to the first rent increase in the 12-month period, as allowed by Section 5 of the Ordinance).~~

~~10.4.6 Refinancing and second mortgages, except those second mortgages obtained in connection with the acquisition of the property, will not be considered as a basis for a rent increase under the debt service category. Notwithstanding this provision, such refinancing or second mortgage will be considered as basis for a rent increase when the equity derived from such refinancing or second mortgage is invested in the building under consideration in a manner which directly benefits the tenant (i.e., capital improvements or housing services such as maintenance and repairs) or if the refinancing was a requirement of the original purchase.~~

~~10.4.7 As in housing service costs, a new landlord is allowed up to 8% of the gross operating income for unspecified expenses.~~