HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD PANEL SPECIAL MEETING November 19, 2024 6:00 P.M. CITY HALL, HEARING ROOM # 2 ONE FRANK H. OGAWA PLAZA

AGENDA

OAKLAND, CA 94612

PUBLIC PARTICIPATION

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

OBSERVE:

• To observe the meeting by video conference, please click on the link below:

When: November 19, 2024 06:00 PM Pacific Time (US and Canada)

Please click the link below to join the webinar:

https://us02web.zoom.us/j/83090185332

One tap mobile: +16694449171,83090185332# US, +16699009128,83090185332# US (San Jose)

Or by telephone: • +1 669 444 9171 US, +1 669 900 9128 US (San Jose), +1 253 205 0468 US, +1 253 215 8782 US (Tacoma), +1 346 248 7799 US (Houston), +1 719 359 4580 US, +1 301 715 8592 US (Washington DC), +1 305 224 1968 US, +1 309 205 3325 US, +1 312 626 6799 US (Chicago), +1 360 209 5623 US, +1 386 347 5053 US, 507 473 4847 US, +1 564 217 2000 US, +1 646 558 8656 US (New York), +1 646 931 3860 US, +1 689 278 1000 US

Webinar ID: 830 9018 5332

International Numbers Available: https://us02web.zoom.us/j/83090185332

The Zoom link is to view/listen to the meeting only, not for participation.

PARTICIPATION/COMMENT:

There is one way to submit public comments:

• To participate/comment during the meeting, you must attend in-person. Comments on all agenda items will be taken during public comment at the beginning of the meeting. Comments for items not on the agenda will be taken during open forum towards the end of the meeting.

If you have any questions, please email hearingsunit@oaklandca.gov

HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD PANEL MEETING

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

a. Comments on all agenda items will be taken at this time. Comments for items not on the agenda will be taken during open forum.

4. APPEALS*

a. T23-0058, Brooks v. Campbell (pp.3-98)

5. **OPEN FORUM**

a. Comments from the public on all items will be taken at this time.

6. ADJOURNMENT

*Staff appeal summaries will be available to review at the end of the packet. The Rent Adjustment Program and the Clerk's office has at least 72 hours prior to the meeting to post all meeting materials pursuant to O.M.C. 2.20.080.C and 2.20.090

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.

<u>Accessibility:</u> Contact us to request disability-related accommodations, American Sign Language (ASL), Spanish, Cantonese, Mandarin, or another language interpreter at least five (5) business days before the event. Rent Adjustment Program (RAP) staff can be contacted via email at RAP@oaklandca.gov or via phone at (510) 238-3721. California relay service at 711 can also be used for disability-related accommodations.

Si desea solicitar adaptaciones relacionadas con discapacidades, o para pedir un intérprete de en Español, Cantones, Mandarín o de lenguaje de señas (ASL) por favor envié un correo electrónico a 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 或致電 (510) 238-3721 或711 California relay service.

CHRONOLOGICAL CASE REPORT

Case No.: T23-0058

Case Name: Brooks v. Campbell

Property Address: 200 Frisbie Street, Berkeley, CA 94702

Parties: Cheri Brooks (Tenant)

David Hall (Tenant Representative)

Severin Campbell (Owner)

TENANT APPEAL:

<u>Activity</u> <u>Date</u>

Petition Filed(Tenant) May 1, 2023

Response Filed(Owner) June 27, 2023

Tenant's Submissions August 10, 2023

Administrative Decision August 22, 2023

Appeal Filed(Owner) August 29, 2023

Appeal Hearing October 12, 2023

Appeal Decision November 7, 2023

Hearing Decision Mailed April 17, 2024

Appeal Filed April 26, 2024

Lawyaw Package ID: cb558e31-d40f-41f9-8ab5-9bb8ce60af70

TA3.0058 SM/AS



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP



MAY -1 2023

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TENANT PETITION

Please fill out this form as completely as you can. Use this form to contest a rent increase, seek a rent decrease, and/or contest an owner exemption from the Rent Adjustment Program. Failure to provide the required information may result in your petition being rejected or delayed. See the last pages of this petition packet ("Important Information Regarding Filing Your Petition") or the RAP website for more information. CONTACT A HOUSING COUNSELOR TO REVIEW YOUR PETITION BEFORE SUBMITTING. To make an appointment email RAP@oaklandca.gov.

Rental Unit In	formation				
200	Frisbie Street			#200	Oakland, CA 94611
Street Number	Street Name			Unit Number	Zip Code
Move-in Date: Ju	ıly 1 2010 Initial	Rent at Move-In: \$ 10	045	Current	Rent: \$ 1352.70
	fized or controlled by a g at Adjustment Program?				ther Yes No Not sure
Are you current or	☐ No* Ch	Note: You must be current ecking "No" without provinssed.)	nt on your ren viding an adeq	t or lawfully withho quate explanation r	lding rent in order to file a petition. nay result in your petition being
If not current on re	ent, explain why:				
the City form, NOT	the property owner first ICE TO TENANTS OF THE T PROGRAM ("RAP Noti	RESIDENTIAL	I was nev	er provided with	otice on: March 2015 the RAP Notice
Case number(s) of	f any relevant prior Rent	Adjustment case(s): L	_17-0191,	L19-0036	
Tenant Inform	ation (List each tenar	nt petitioner in unit. If y	ou need mo	re space, attach	additional sheet.)
Cheri	,	Broo	oks		
First Name		Last	Name		
Mailing Address (in	f different from above): _				
Primary Telephone	e: 510-292-0644	Other Telephone:		En	nail: qkcam45@att.net
First Name		Last N	Vame		
Mailing Address (<i>if</i>	different from above):			-	
Primary Telephone):	_ Other Telephone: _		Ema	ail:
Tenant Repres	entative (Check one): 🛘 No Representati	ive 🕱 Attor	ney 🛭 Non-Atto	orney
Gregory		Ching			ntro Legal de la Raza
First Name		ast Name		Firm/	Organization (if any)
	3400 E 12th, Oakla				
Phone Number: 5	10-437-1554	Email:	gching@	centrolegal.or	g
		Done 1			

Pro	perty Owner Informati	on .	
Prop	erty Owner		
Sev	verin		Campbell
	Name	*	Last Name
1	oany/LLC/LP (if applicable):		
ł	ng Address: 1315 Stanna		
Phon	e Number: <u>(510) 417-00</u>)22	Email: frisbieoakland@gmail.com
Prope	erty Manager (if applicable)		
First I	Name	Last Name	Name of Management Company
Mailir	ng Address:		
Phone	e Number:		Email:
Selec	et the grounds for this petit	ion from the list belo	S FOR PETITION w. Check all that apply. You must check at least one box. To contest a experienced a decrease in housing services and/or have issues with
the co inform Ordin	ondition of your unit, or are b nation on each of the ground ance) and the corresponding	eing charged for utilitie 's, see Oakland Munici _l g Regulations. A copy o	is in violation of the law, select item(s) from Category B. For more pal Code (O.M.C.) Sections 8.22.070 and 8.22.090 (Rent Adjustment of the Ordinance and Regulations are available here: justment-program-ordinance.
		(A1) I received	a rent increase above the allowable amount.
A.	Unlawful Rent Increase(s) (Complete section A	proper notice,	a rent increase that I believe is unlawful because I was not given was not properly served, and/or was not provided with the required lotice to Tenants of the Residential Rent Adjustment Program").
	on page 3)	because a gov	a rent increase and do not believe I should be required to pay it ernment agency has cited my unit for serious health, safety, fire, or riolations. (You must attach a copy of the citation to your petition.)
В.	Decreased Housing Services	previously rece	erty owner is providing me with fewer housing services than I sived and/or I am being charged for services originally paid for by the this box for petitions based on bad conditions/failure to repair.)
	(Complete section B on page 3)	(B2) I am being	unlawfully charged for utilities.
		improvements	as not reduced after a prior rent increase period for capital or after an additional tenant for whom the owner was allowed an ed from the premises.
C.	Other		ontest an exemption from the Rent Adjustment Ordinance because the based on fraud or mistake.
		(C3) The initial owner was not	rent amount when I first moved in was unlawful because the property permitted to set the initial rent without limitation. O.M.C. § 8.22.080 (C).

Α.

Unlawful Rent Increase(s)

(Complete this section if any of the grounds for petition fall under category A, above)

<u>List all rent increases you wish to contest</u>. Begin with the most recent increase and work backwards. If you never received the RAP Notice, you can contest all past increases. See the "Important Information" page at the end of this petition packet for more information on time limits for contesting rent increases. If you need additional space, attach a separate sheet or an additional copy of this form.

 For petitions contesting a rent increase on the grounds that the unit has been cited by a government agency for serious health, safety, fire, or building code violations, <u>you must attach a copy of the citation</u> to your petition.
 Failure to attach a copy of the citation may result in your petition being dismissed.

Date received rent increase notice:	Date rent increase went into effect:	Amount of increase:		Received RAP Notice with notice of rent increase?		
(Month/Day/Year)	(Month/Day/Year)	FROM	TO	YES	NO	
1/2/2023	2/1/2023	\$1337.05	\$1352.70		X	
9/1/2016	10/1/2016	\$1215	\$1337.05	Ø		
8/29/2015	10/1/2015	\$1105	\$ 1215.50	×		
		\$	\$		— <u>Б</u>	
	· ·	\$	\$			

В.

Decreased Housing Services

(Complete this section if any of the grounds for petition fall under category B, above)

<u>List all the conditions that you believe entitle you to a rent decrease</u>. If your petition is based on problems related to your unit, or because the owner has taken away service(s) or is charging for services originally provided by the owner, you must complete this section. If you need more space, attach a separate sheet or an additional copy of this form.

- You are strongly encouraged to submit documentary evidence (photographs, inspection reports, correspondence with your landlord, etc.) together with your petition. Evidence may be submitted up to seven calendar days prior to your hearing.
- You may wish to have a City inspector come inspect your unit for possible code violations in advance of your hearing. Copies of any inspection report(s) may be submitted in support of your petition. To schedule an inspection, contact the City of Oakland Code Enforcement Unit at (510) 238-3381, or file a complaint online at https://www.oaklandca.gov/services/file-a-complaint-with-code-enforcement. Note: if additional items are cited in an inspection report that were not included in your original petition (below), you must file an additional petition listing those items in order for RAP staff to consider them as a part of your claim.

	Description of problem or decreased housing service (list separately):	Date problem or decreased service started: (Month/Day/Year)	Date first notified owner or manager of problem: (Month/Day/Year)	Date problem or service was fixed, if ever: (Month/Day/Year)	What is the dollar value of your claimed loss?
1.					\$
3.					\$
4.					\$

TENAN	NT VERIFICATION (Required)
I/We declare under penalty of perjury pursuant to the this Tenant Petition is true and that all of the docume	laws of the State of California that everything I/we said in into the Petition are true copies of the originals.
Cheri Brooks	04/25/2023
Tenant 1 Signature	Date
Tenant 2 Signature	Date
	DELECTRONIC SERVICE ply Recommended)
Check the box below if you agree to have RAP staff a your case electronically. If you agree to electronic ser and not by first class mail.	and the OTHER PARTY/PARTIES send you documents related to vice, the RAP may send certain documents only electronically
I/We consent to receiving notices and docum PARTY/IES electronically at the email address	nents in this matter from the RAP and from the OTHER ss(es) provided in this response.
MEDIA	TION PROGRAM
case as an alternative to the formal hearing process. At see if a mutual agreement can be reached. If a sett	ssist parties in settling the issues related to their Rent Adjustment A trained third party will work with the parties prior to the hearing dement is reached, the parties will sign a binding agreement and eached, the case will go to a formal hearing with a Rent ring decision.
Mediation will only be scheduled if both parties agree	to mediate. Sign below if you agree to mediation in your case.
I agree to have the case mediated by a Rent Adjus	tment Program staff mediator.
Tenant Signature	Date
INTERPRE	ETATION SERVICES
If English is not your primary language, you have the r Adjustment hearing and mediation session. You can re	right to an interpreter in your primary language/dialect at the Rent equest an interpreter by completing this section.
I request an interpreter fluent in the following language at my Rent Adjustment proceeding:	□ Spanish (Español) □ Cantonese (廣東話) □ Mandarin (普通话) □ Other:

-END OF PETITION-

Page 4 of 4



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP

NOTICE TO PROPERTY OWNER OF TENANT PETITION

ATTENTION: IMMEDIATE ACTION REQUIRED

If you are receiving this NOTICE together with a completed TENANT PETITION form, it means that a tenant has filed a case against you with the Oakland Rent Adjustment Program ("RAP") (commonly referred to as the "Rent Board").

> YOU MUST FILE A RESPONSE WITHIN 35 CALENDAR DAYS AFTER THE PETITION WAS MAILED TO YOU (30 DAYS IF DELIVERED IN-PERSON).

> TO RESPOND:

- Complete a PROPERTY OWNER RESPONSE form found on the RAP website. (https://www.oaklandca.gov/services/respond-to-a-tenant-petition-for-iho-rent-adjustment-program)
- 2) Serve a copy of your **PROPERTY OWNER RESPONSE** form on the tenant (or the tenant's representative listed on the petition) by mail or personal delivery.
- 3) Complete a PROOF OF SERVICE form (which is attached to the Response form and also available on the website) and provide a copy to the tenant (or tenant's representative) together with your PROPERTY OWNER RESPONSE form.
- 4) Submit your PROPERTY OWNER RESPONSE form and completed PROOF OF SERVICE* form to RAP through RAP's online portal, via email, or by mail.

*Note: The Response will not be considered complete until a PROOF OF SERVICE is filed indicating that the tenant has been served with a copy.

DOCUMENT REVIEW: The tenant is required to serve on you all documents the tenant filed in this case in addition to the petition. Additionally, all documents are available for review at RAP.

FOR ASSISTANCE: Contact a RAP Housing Counselor at (510) 238-3721 or by email at RAP@oaklandca.gov. Additional information is also available on the RAP website and on the PROPERTY OWNER RESPONSE form.



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP For Rent Adjustment Program date stamp.

PROOF OF SERVICE

NOTE: YOU ARE REQUIRED TO SERVE A COPY OF YOUR PETITION (PLUS ANY ATTACHMENTS) ON THE PROPERTY OWNER PRIOR TO FILING YOUR PETITION WITH RAP. You must include a copy of the RAP form "NOTICE TO PROPERTY OWNER OF TENANT PETITION" (the preceding page of this petition packet) and a completed PROOF OF SERVICE form together with your Petition.

- 1) Use this PROOF OF SERVICE form to indicate the date and manner of service and the person(s) served.
- 2) Note: Email is not a form of allowable service on a party of a petition or response pursuant to the Ordinance.
- 3) Provide a completed copy of this PROOF OF SERVICE form to the person(s) being served together with the documents being served.

File a completed copy of this PROOF OF SERVICE form with RAP together with your Petition. Your Petition

will not be considered complete until this form has been filed indicating that service has occurred.

On the	count	NT PETI	TION plus etition form,	0 a	ttached p	ages (n	number o	of pages atta	ached to P	Petition not TION, or
	PROC	OF OF SE	:HVICE)							
	M NOTI	CE TO P	ROPERTY	OWNER	OF TENA	NT PE	TITION			
	Other	:								*
by the	to the with the Person listed	d States person(s) ne United	Mail. I enclo listed below States Posi ice. I persou I left the do	w and at al Servionally ally deli	the addrece, with the vered the	ess(es) e posta docum	below an ige fully p ent(s) to	nd deposited orepaid. the personi	I the seale s) at the a	d envelope
///										
									*	
///										
///	7.									

PERSON(S) SERVED:

Name	Severin Campbell
Address	1315 Stannage Ave.
City, State, Zip	Berkeley, CA 94702

Name	Leah Orloff	Julie Gross
Address	2520 Buena Vista Ave.	5310 Gaskill St.
City, State, Zip	Alameda, CA 94501	Oakland, CA 94608

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

Gregory Ching

PRINTED NAME

65

SIGNATURE

April 28, 2023

DATE SIGNED

Owner Response

Case **T23-0058**

Property Address 200 Frisbie Street

Parties

Party	Name	Address	Mailing Address
Representative	Gregory Ching	3400 East 12th Street	
	Centro Legal de la Raza		
	(510) 437-1554	Oakland, CA 94601	
	gching@centrolegal.org		
Tenant	Cheri Brooks	200 Frisbie Street	
		Unit 200	
	(510) 292-0644	Oakland, CA 94611	
	gkcam45@att.net		
Owner	Severin Campbell	1315 Stannage Avenue	
	(510) 417-0022	Berkeley, CA 94702	
	frisbieoakland@gmail.com	-	

Business Information

4
Yes
Apartment, Room or Live-work
No
00173653
Yes
Yes

City of Oakland

Rent History

Owner Response

The tenant moved into the rental unit on	7-1-2010
Initial monthly rent	1045
Have you (or a previous Owner) given the City of Oakland's form entitled Notice to Tenants of Residential Rent Adjustment Program ("RAP Notice") to all of the petitioning tenants?	Yes
On what date was the notice first given?	3-27-2015
Is the tenant current on the rent?	Yes

Owner Response

Owner Responses on Petition Grounds	
Questions	Owner Response
Tenant did not receive proper notice, was not properly served and/or was not provided with the required RAP form with renincrease(s)	
A government agency has cited the unit for serious health, safety, fire, or building code violations.	n/a
The owner is providing tenant(s) with fewer housing services and/or charging for services originally paid for by the owner.	n/a
Tenant(s) is/are being unlawfully charged for utilities.	n/a
Rent was not reduced after a prior rent increase period for capital improvements.	No rent reduction was indicated. RAP approved an increase of \$118.37, effective July 2018, increasing rent from \$1337 to \$1455. At tenant's request, we kept the rent flat a \$1337. Please see attached for details.
Tenant is contesting exemption based on fraud or mistake.	n/a

ne laws of the State of California that t all the documents attached to the response
6/27/2023
PONSE

City of Oakland

Property Owner Response to Tenant Petition of Cheri Brooks received 5/2/2023

Property address: 200 Frisbie St., Oakland, CA 94611

Property owners: Severin Campbell, Julie Moss, Leah Orloff

Date of Response: 5/3/2023

The history of rent increases at 200 Frisbie Street is as follows:

- We hand-delivered a notice of increase in rent to Ms. Brooks on August 29, 2015, increasing the rent from \$1105 to \$1215. This increase included a CPI increase of 1.7% and a pass through for capital costs of 8.3%. This was in accordance with the Rent Adjustment Program regulations at that time. A RAP notice was included with the rent increase notice.
- We notified Ms. Brooks on September 1, 2016 of the rent increase from \$1215 to \$1337, effective October 1, 2016. This increase included a CPI increase of 2% (applied only to the base rent and not the capital pass-through amount) and a pass through for capital costs of 8%. This was in accordance with the Rent Adjustment Program regulations at that time. A RAP notice was included with the rent increase notice.
- We notified Ms. Brooks on May 31, 2018 of the Rent Adjustment Program decision that her rent could be increased to \$1455. A RAP notice was included with the rent increase notice. At Ms. Brooks request, we agreed to keep the rent at \$1337.
- Ms. Brooks base rent as of October 1, 2015 was \$1,123 (an increase of 1.7% from prior rent of \$1,105). Based on annual CPI adjustments, Ms. Brooks base rent increased to \$1352 as of August 2022. We notified Ms. Brooks on January 2, 2023 that her rent would increase from \$1337 to \$1352.
- The total approved capital pass through amount for Ms. Brooks was \$15,919. This amount was approved by the Oakland Rent Adjustment Program. Actual capital pass through paid by Ms. Brooks between October 2015 and August 2022 was \$8,158.



Frisbie Oakland frisbieoakland@gmail.com

Rent Increase as of October 1, 2016

1 message

Frisbie Oakland <frisbieoakland@gmail.com>

Thu, Sep 1, 2016 at 10:33 AM

To: cb brooks <qkcam45@att.net>

Bcc: Leah Orloff <leahorloff@gmail.com>, "Julie C. Moss" <juliecmoss@gmail.com>

Dear Cheri

We are increasing the rent for your apartment on October 1, 2016. Attached is the letter with the 30 day notice of the increase, and the statement of your rights from the Oakland Rent Adjustment Program. I also delivered a hard copy of this notice to your apartment.

If this increase causes financial hardship because of you disability status, we are willing to work with you to adjust the rent. Please let us know if you have any questions.

Thank you.

Severin, Leah and Julie

2 attachments



Notice of Rent Increase October 2016.Unit 200.docx



Oakland Rent Adjustment Program.pdf 291K



Frisbie Oakland frisbieoakland@gmail.com

Notice of Rent Increase

1 message

Frisbie Oakland frisbieoakland@gmail.com

Thu, May 31, 2018 at 3:44 PM

To: c b <qkcam45@att.net>

Bcc: juliecmoss <juliecmoss@gmail.com>, Leah Orloff <leahorloff@gmail.com>

Dear Cheri

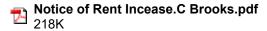
The Rent Adjustment Program approved our petition to increase the rent. We have attached a letter to increase your monthly rent to \$1,445.60 effective July 1, 2018.

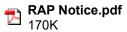
Please see the attached (1) notice of rent increase, (2) notice of Rent Adjustment Program decision, and (3) Rent Adjustment Program provisions.

We also sent these documents by certified mail on May 25, 2018.

Severin, Leah and Julie

3 attachments





Rent Board Decision 4-26-18.pdf 16788K

Base April 2015 CPI Oct 2015 New Base Oct 2015	Apt 200 1,105.00 18.79 1,123.79		
Capital Pass Through Total Rent Oct 2015	91.72 1,215.50		
Base Oct 2015 CPI Oct 2016 New Base Oct 2016 Capital Pass Through Total Rent Oct 2016	1,123.79 22.48 1,146.26 190.79 1,337.05		
Total Rent July 2018 Five-year increase	1,337.05 19%		
Revised July 2019 Base RAP Capital Pass Through	1,254.93 82.12 1,337.05		
Revised July 2020 Base RAP Capital Pass Through	1,288.81 48.24 1,337.05		
Revised July 2021 Base RAB CPT	1,313.30 23.75 1,337.05		
1.7% increase Oct 2015 - Sep 2016 2% increase Oct 2016 - Jun 2017 2.3% Increase 2017 (Jul 17 - Jun 18) 3.4% increase 2018 (Jul 18 - Jun 19 3.5% increase 2019 (Jul 19 - Jun 20) 2.7% increase 2020 (Jul 20 - Jun 21) 1.9% increase 2021 (Jul 21 - Jul 22) 3.0% increase 2022 (Aug 22 - Jun 23)	Base 1,123.79 1,146.26 1,172.62 1,212.49 1,254.93 1,288.81 1,313.30 1,352.70	Rent 1,215.50 1,337.05 1,337.05 1,337.05 1,337.05 1,337.05 1,337.05 1,337.05	Cap 91.71 190.79 164.43 124.56 82.12 48.24 23.75 (15.65)

Capital Pass Through	Apt 200
Capital Pass Through Amount	7,396.63
Oct 2015 - Sep 2016	(1,100.58)
Oct 2016 - Jun 2017	(1,717.10)
Jul 2017-June 2018	(1,973.10)
Subtotal	2,605.84
RAP Approval	8,522.64
Jul 18 - Jun 19	(1,494.67)
Jul 19 - Jun 20	(985.43)
Jul 20 - Jun 21	(578.83)
Jul 21 - Jul 22	(308.73)
Aug 22 - Jan 23	
Subtotal	7,760.83
Total approved capital pass through	15,919.27
Total paid	(8,158.44)
Balance waived	7,760.83

1/16/23, 8:12 AM Receipt



NEWS

SERVICES

DEPARTMENTS

EVENTS

OFFICIALS



Guest

⚠ Home 🔛 Report a Problem

Find Account → Registration → Calculation → Payment → Receipt

Account # 00173653 LEAH ORLOFF SEVERIN CAMPBELL

Business License Online Renewal Secure

PRINT THIS PAGE FOR YOUR RECORD

The business tax license renewal has been submitted. Business tax certificates will be emailed 2 to 5 days after sucessfully renewing account. For questions, please contact the Business Tax office at (510) 238-3704 or btwebsupport@oaklandca.gov. Thank you, City of Oakland - Business Tax

Submission Date 1/16/2023 Confirmation # 393954

Account Information

00173653 Account # **Expire Date** 12/31/2023

Name LEAH ORLOFF SEVERIN CAMPBELL

202 FRISBIE ST Address OAKLAND City Phone (510) 417-0022

Summary

	Input	Amount
Tax Calculation		
Current Year Business Tax – Residential/Non-Residential Rental	89,640.48	\$1,250.48
BT SB1186 (AB1379)	1	\$4.00
BT Recordation and Tech	1	\$4.50
Total # of Employees, Excluding Owners - report only employees that work within Oaklan	d	\$0.00
Rent Adjustment Program (RAP) Calculation - only use whole numbers below		
a. Total # of units per Alameda County Records:	4	\$404.00
Total Due		\$1,662.98
Payment Information		
Payment Amount		\$1,662.98

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Elected Officials Departments **Boards and Commissions** Staff Directory

Services News & Updates Events Documents

#OaklandLoveLife Oakland Library Visit Oakland Oakland Museum

For Assistance

Email: btwebsupport@oaklandca.go Phone: (510) 238-3704

City of Oakland

250 Frank Ogawa_Plaza, Suite 132 1/16/23, 8:12 AM Receipt

Oakland, CA 94612

Hours:

8:00 AM-4:00 PM Monday, Tuesday, Thursday ,Friday

9:30 AM-4:00 PM Wednesdays.

CITY OF OAKLAND

BUSINESS TAX CERTIFICATE

ACCOUNT NUMBER 00173653 The issuing of a Business Tax Certificate is for revenue purposes only. It does not relieve the taxpayer from the responsibility of complying with the requirements of any other agency of the City of Oakland and/or any other ordinance, law or regulation of the State of California, or any other governmental agency. The Business Tax Certificate expires on December 31st of each year. Per Section 5.04.190(A), of the O.M.C. you are allowed a renewal grace period until March 1st the following year.

DBA

LEAH ORLOFF SEVERIN CAMPBELL

BUSINESS LOCATION

202 FRISBIE ST

OAKLAND, CA 94611-5517

BUSINESS TYPE

O2 Rental - Apartment



EXPIRATION DATE 12/31/2023

Starting January 1, 2021, Assembly Bill 1607 requires the prevention of gender-based discrimination of business establishments. A full notice is available in English or other languages by going to: https://www.dca.ca.gov/publications A BUSINESS TAX CERTIFICATE
IS REQUIRED FOR EACH
BUSINESS LOCATION AND IS
NOT VALID FOR ANY OTHER
ADDRESS.

ALL OAKLAND BUSINESSES
MUST OBTAIN A VALID
ZONING CLEARANCE TO
OPERATE YOUR BUSINESS
LEGALLY. RENTAL OF REAL
PROPERTY IS EXCLUDED
FROM ZONING.



LEAH ORLOFF SEVERIN CAMPBELL SEVERIN CAMPBELL 1315 STANNAGE AVE BERKELEY, CA 94702-1029

PUBLIC INFORMATION ABOVE THIS LINE TO BE CONSPICUOUSLY POSTED!



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP For Rent Adjustment Program date stamp.

PROOF OF SERVICE

NOTE: YOU ARE REQUIRED TO SERVE A COPY OF YOUR RESPONSE (PLUS ANY ATTACHMENTS) ON THE TENANT(S) PRIOR TO FILING YOUR RESPONSE WITH RAP.

- 1) Use this PROOF OF SERVICE form to indicate the date and manner of service and the person(s) served.
- 2) Note: Email is not a form of allowable service on a party of a petition or response pursuant to the Ordinance.
- Provide a completed copy of this PROOF OF SERVICE form to the person(s) being served together with the documents being served.
- 4) File a completed copy of this PROOF OF SERVICE form with RAP together with your Response. Your Response will not be considered complete until this form has been filed indicating that service has occurred.

On the following d	ate:0504/2023_ I served a copy of <i>(check all that apply)</i> :
	ERTY OWNER RESPONSE TO TENANT PETITION plus1 attached pages er of pages attached to Response not counting the Response form or PROOF OF ICE)
Other:	
by the following m	eans (check one):
persor	States Mail. I enclosed the document(s) in a sealed envelope or package addressed to the (s) listed below and at the address(es) below and deposited the sealed envelope with the States Postal Service, with the postage fully prepaid.
Name	Cheri Brooks
Address	200 Frisbie Street
City, State, Zip	Oakland, CA 94611
Name	Gregory Ching, Centro Legal de la Raza
Address	3400 East 12th Street
City, State, Zip	Oakland, CA 94601
	Dana 4 of 0

000024

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

Severin Campbell

PRINTED NAME

Severin Campbell SIGNATURE

May 4, 2023

DATE SIGNED

City of Oakland Rent Adjustment Program Cheri Brooks Tenant Evidence Submission

Exhibit Document Description Page Numbers T1 2015 Rent increase 3-4 T2 2016 Rent increase 6 T3 2023 Rent increase 8 T4 Decision in L17-0191 10-14 Rent Payment Records T5 16-22

Case Number: T23-0058

City of Oakland Rent Adjustment Program Cheri Brooks Tenant Evidence Submission

Exhibit T1

Case Number: T23-0058

30 Day Notice of Change of Monthly Rent

	(And all abban assumed to make		Resident) for the
remises locat	(And all other occupants in possession)		
	risbie Ave		200
	/A 2 3 3	Unit _	_200, (If
pplicable)	, canonia		
Уу — о на селодии да селон	(City)	(Zip)	94611
OTICE IS HE	REBY GIVEN, in accordance with Civil Code Section 827, that thirty (30) day	e after early	
	, and the payor	ible in advance	on or before the
1st	(Date)		
	day of each month, will be the sum of \$ 1215 , instead of \$ 1105	, the curre	nt monthly rent
*	при	manyana ana ara-	- Outher readening and the second second second
Capital Imp	provements		
Date	Improvement Contractor	Amount	Total
5/22/2015	replace sewer lateral from property line to	2,375.00	2375.00
•	sewer first payment		
6/16/2015	replace sewer lateral from property line to	4255.00 /	6900.00
	sewer - final payment	9794.00	16,694.00
7/3/2015	replace roof	(
	그 그 아이들은 아이들이 되었다는 그들은 그 사람이 모양		1 .41
	보고 뭐하는 것이 없는 사람들이 얼마를 받는데 없는데 없다.		
		1/	4
	등장하는 그림으로 나왔었다. 아이라는 아이들이다	10	11-44
Except	as herein provided, all other terms of your tenancy shall remain in full force an	d affort	
	A negative credit report reflecting on your credit history may be submitted	u cifett.	
	to a credit reporting agency if you breach the terms of your obligations	the lighter	11
	Sand End & Comment of the Comment of	. 1 1 1 1	INN



Form provided by the East Bay Rental Housing Association® www.ebrha.com

Form 30 Day Notice of Change of Monthly Rent® (02/12)

Owner/Agent



30 Day Notice of Change of Monthly Rent Instructions

Use of this Form:

You seek to notify the tenant with a change of monthly rent.

The Law

Owners who increase rent by more than 10% in any 12-month period must give Resident(s) a 60-day notice.

Filling Out the Form

- o Insert ALL Residents' and any unknown occupants, if any, names.
- Insert the Complete property Address.
- Check the Correct Notice Period: 30 or 60 Day.
- Insert the Date the rent increase will take effect.
- o Sign and date the Notice.
- Make copies. Enough copies for each resident.
- Keep the Original for your file. You may need the original for Court.
- o Serve the Notice as required! See below.

Service of the Notice

Serve each tenant with a copy of this notice. Do not give the tenant a copy of the proof of service or the instructions. Use a separate proof of service for each tenant, indicate the method of service, sign and date it, and retain for your records. If you serve this Notice by mail only, you must add an additional 5 days for mailing to the Notice.

Notes:

All notices of rent increase served in Oakland must have the Oakland Notice of Residential Adjustment Program (RAP Form) attached to them. We recommend you make a copy of the RAP form on to the back of the notice given to the tenant.

Caution: This form has been prepared by the East Bay Rental Housing Association. As with all legal notices consult with an attorney to determine whether this form is appropriate for your specific needs. Moreover consult an attorney if you require assistance in completing the form or changes to the form are necessary in your particular situation.





City of Oakland Rent Adjustment Program Cheri Brooks Tenant Evidence Submission

Exhibit T2

Case Number: T23-0058

September 1, 2016

To:

Cheri Brooks

From: Severin Campbell

Leah Orloff Julie Moss

Re: 30 day notice of rent increase for 200 Frisbie Street

In accordance with Oakland Civil Code Section 827, we are giving 30 day notice of an increase in rent on October 1, 2016. Attached is the City of Oakland notice to tenants of allowable rent increases.

Your rent will increase on October 1, 2016 from \$1,215.50 to \$1,337.05. The total rent increase consists of 2% CPI adjustment and 8% pass-through to pay for capital improvements. The capital improvements are as follows:

Work Performed	Date Completed	Amount	
Alley Electric – New Circuits and Junctions	February 2016	\$7,900	
Bouchard Seismic – Earthquake Retrofitting of Foundation	March 2016	\$20,036	

\$27,936

City of Oakland Rent Adjustment Program Cheri Brooks Tenant Evidence Submission

Exhibit T3

Case Number: T23-0058

Rent Increase

From: Frisbie Oakland (frisbieoakland@gmail.com)

To: qkcam45@att.net

Date: Monday, January 2, 2023 at 09:32 AM PST

Cheri

Your total monthly rent of \$1337.05 has two parts: base rent and the pass-through of costs for capital improvements (capital pass-through) authorized under the Oakland Rent Adjustment Program.

The total rent of \$1337.05 has been unchanged since October 2016. In accordance with the Rent Adjustment Program, we have increased the base rent each year by the allowed Consumer Price Index (CPI) and decreased the capital pass-through amount to retain the total rent of \$1337.05.

As of August 1, 2022, your base rent authorized by the Oakland Rent Adjustment Program increased to \$1352.70. Although the authorized amount for the capital pass-through has not been paid, we will waive all future payments for the capital pass-through.

Your rent will increase to \$1,352.70 beginning February 1, 2023.

Your rent will be considered for a future increase on July 1, 2023 in accordance with the CPI increase allowed by the Oakland Rent Adjustment Program.

Please let us know if you have questions.

Leah, Severin & Julie

City of Oakland Rent Adjustment Program Cheri Brooks Tenant Evidence Submission

Exhibit T4

Case Number: T23-0058



CITY OF OAKLAND

250 FRANK H. OGAWA PLAZA, SUITE 5313, OAKLAND, CA 94612

Housing and Community Development Department Rent Adjustment Program

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

DECISION SUMMARY

CASE NUMBER:

L17-0191, Campbell v. Tenants

PROPERTY ADDRESS:

200-204 Frisbie St., Oakland, CA

Units 200, 202A, 202B, 204

DATE OF HEARING:

January 28, 2018

DATE OF DECISION:

April 26, 2018

1. Petition L17-0191 is granted.

SAMPLE S. 2017 SUMPLES . 2018 Supproved r 2. A rent increase based on capital improvements is approved per each unit and for amortization period as follows:

Unit 200: \$118.37 per month for 72 months Unit 202A: \$142.04 per month for 60 months Unit 202B: \$142.04 per month for 60 months Unit 204: \$118.37 per month for 72 months

- The rent increase will be effective thirty (30) days after the owner serves the rent increase notice, together with a RAP Notice, and this Decision Summary. If the rent increase is served by mail, it will be effective thirty-five (35) days after the service.
- The rent increase will expire sixty (60) months after it goes into effect for units 4. 202A and 202B and seventy-two (72) months after it goes into effect for units 200 and 204.

Dated: April 26, 2018

Linda M. Moroz Hearing Officer

Rent Adjustment Program



CITY OF OAKLAND

250 FRANK H. OGAWA PLAZA, SUITE 5313, OAKLAND, CA 94612

Housing and Community Development Department Rent Adjustment Program

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

HEARING DECISION

CASE NUMBER:

L17-0191, Campbell v. Tenants

PROPERTY ADDRESS: 200-204 Frisbie St., Oakland, CA

Units 200, 202A, 202B, 204

DATE OF HEARING:

January 28, 2018

DATE OF DECISION:

April 26, 2018

APPEARANCES:

Severin Campbell, Owner

Leah Orloff, Owner

Jay Kruse, Tenant (Unit #202B) Annette Musick, Tenant (Unit #204) Cheri Brooks, Tenant (Unit #200)

SUMMARY OF DECISION

The owner petition is granted.

CONTENTIONS OF THE PARTIES

On August 14, 2017, the owner filed a Petition for Approval of Rent Increase based on capital improvements.

On October 30, 2017, the tenants in all four units filed timely responses to the owner's petition, alleging that the project was either deferred maintenance, unnecessary upgrades or "goldplating."

THE ISSUE

(1) Is the project considered a capital improvement project?

(2) If so, have the capital improvements been calculated correctly?

EVIDENCE

Background

The subject property is a residential building that contains a total of four (4) residential units. The capital improvement project included structural and foundation work, stucco and exterior paint, and installation of new gutters. The project began in September of 2016, and was completed and paid for in December of 2016.

Scope and Cost of the Project

The owner testified that the foundation and structural upgrade which included termite and dry rot repair by the contractor Omega Termite Control Inc. and totaled \$30,125.00. The structural upgrade project and repairs done within the project were done to comply with the Oakland building code. The work was finaled by the City of Oakland on September 29, 2016. The owner submitted copies of the Work Authorization Contract from the contractor for the subject property and copies of three checks payable to Omega Construction from the owner as follows:

Check No. 1108, dated October 5, 2016, for \$590.00; Check No. 1110, dated October 12, 2016, for \$14,768.00; and Check No. 1111, dated October 27, 2016, for \$14,767.00.1

The owner submitted a copy of a proposal for exterior stucco and paint from CertaPro Painters, dated September 13, 2016, for \$15,500.00, which included washing, caulking, scraping, masonry work and exterior painting of the subject property. A copy of the check No. 1113, dated December 6, 2016, for \$15,900.00, payable to Certa Pro, was attached to the CertaPro proposal.²

The project also included an installation of gutters and downspouts which was done by a contractor CR Gutters. The owner submitted a copy of an estimate from CR Gutters, dated September 23, 2016, and also copies of two checks as follows:

Check No. 1112, dated November 10, 2016, for \$225.00; and Check No. 1116, dated December 22, 2016, for \$2,450.00.3

The owner submitted copies of checks in the total amount of \$48,700.

There was no evidence of deferred maintenance or that the project was performed to correct a Priority 1 or 2 condition per City Building Services Inspector. There was no evidence of a code violation.

¹ Exhibit A

² Exhibit B

³ Exhibit C

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Capital Improvements

A rent increase in excess of the C.P.I. Rent Adjustment may be justified by 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 the new building codes. Normal routine maintenance and repair is not a capital improvement cost, but a housing service cost.

The improvements must primarily benefit the tenant rather than the owner. Capital improvement costs are to be amortized over a period of five years, divided equally among the units which benefited from the improvement. The reimbursement of capital expense must be discontinued at the end of the 60-month amortization period.⁶

Effective August 1, 2014, the amendments to the Rent Adjustment Program Regulations decrease the capital improvements passing through to seventy percent (70%) of the total of Capital Improvement costs.⁷

The project qualifies as a capital improvement because it primarily benefits the tenants, complies with the new building codes, while making the building structurally stronger and safer for the tenants. New paint, stucco and downspouts also benefit the tenants as it prevents leaks, moisture intrusion and diverts water from the building and its foundation. The project was completed and paid for in December 2016. The owner submitted proof of payments in form of checks paid to the contractors in the total amount of \$48,700.00. Therefore, the owner is entitled to a capital improvement pass-through of 70% of the cost of this project.

Calculator Worksheet

For improvements completed before February 1, 2017, the attached City of Oakland Capital Improvements Calculator Worksheet shows the maximum allowable monthly increase per unit and the length of the amortization period so that the increase does not exceed 10% of the current monthly rent for each unit.

<u>ORDER</u>

- 1. Owner Petition for Approval of Rent Increase L17-0191 is granted.
- 2. The maximum approved amount per month for an increase based on the capital improvement project for each unit is as follows:

⁴ O.M.C. Section 8.22.070(C)

⁵ Regulations, Appendix, Section 10.2.2(5)

⁶ Regulations Appendix, Section 10.2

⁷ City Council Resolution No. 84936

200 Frisbie \$118.37 for 72-month amortization period; 202A Frisbie \$142.04 for 60-month amortization period; 202B Frisbie \$142.04 for 60-month amortization period; and 204 Frisbie \$118.37 for 72-month amortization period.

3. The increase will be effective thirty (30) days after the owner serves the rent increase notice, together with the notice of the Rent Adjustment Program (the RAP Notice), and the attached Decision Summary. If the rent increase is served by mail, it will be effective thirty-five (35) days after the service.

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

Dated: April 26, 2018

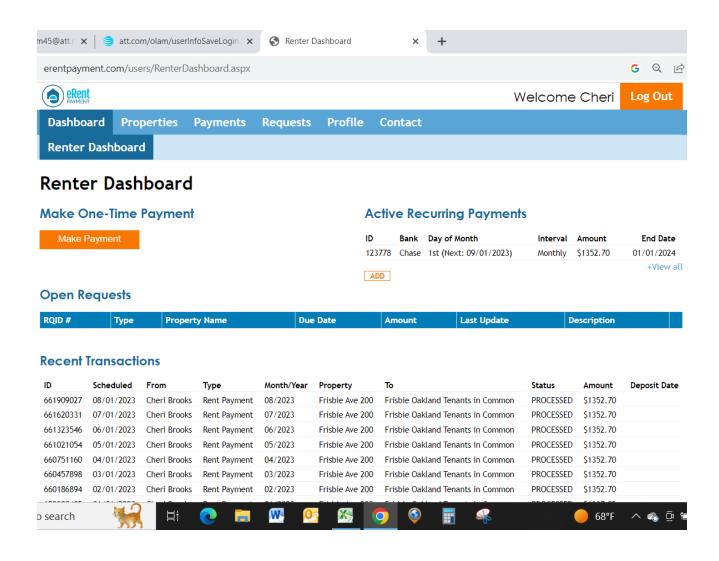
Linda M. Moroz Hearing Officer

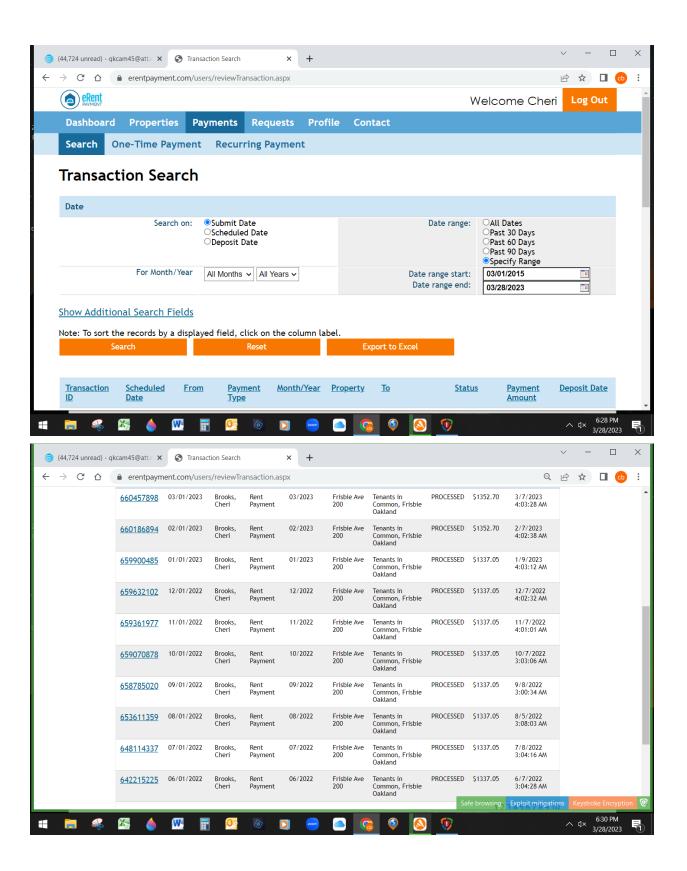
Rent Adjustment Program

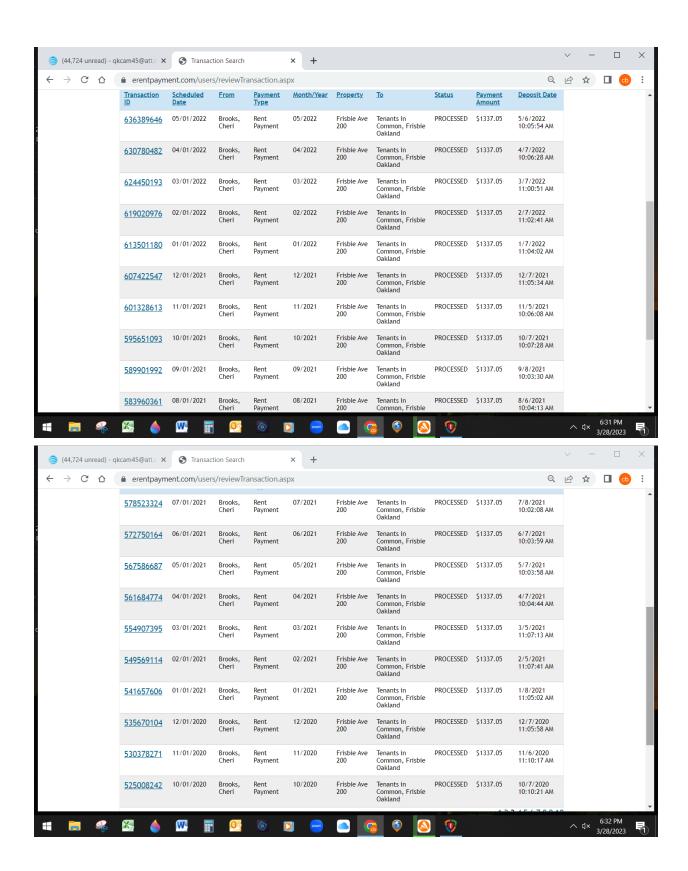
City of Oakland Rent Adjustment Program Cheri Brooks Tenant Evidence Submission

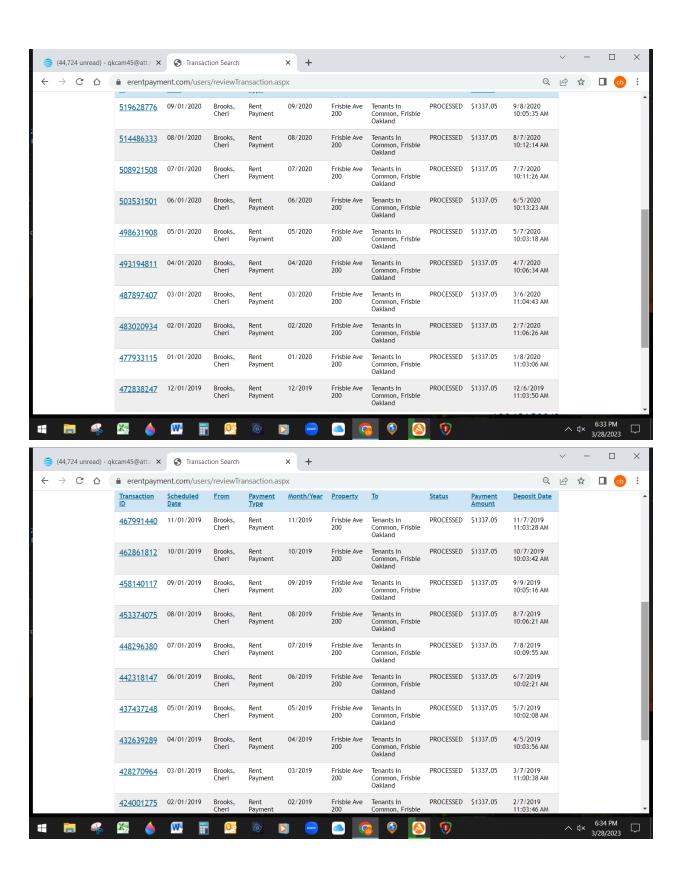
Exhibit T5

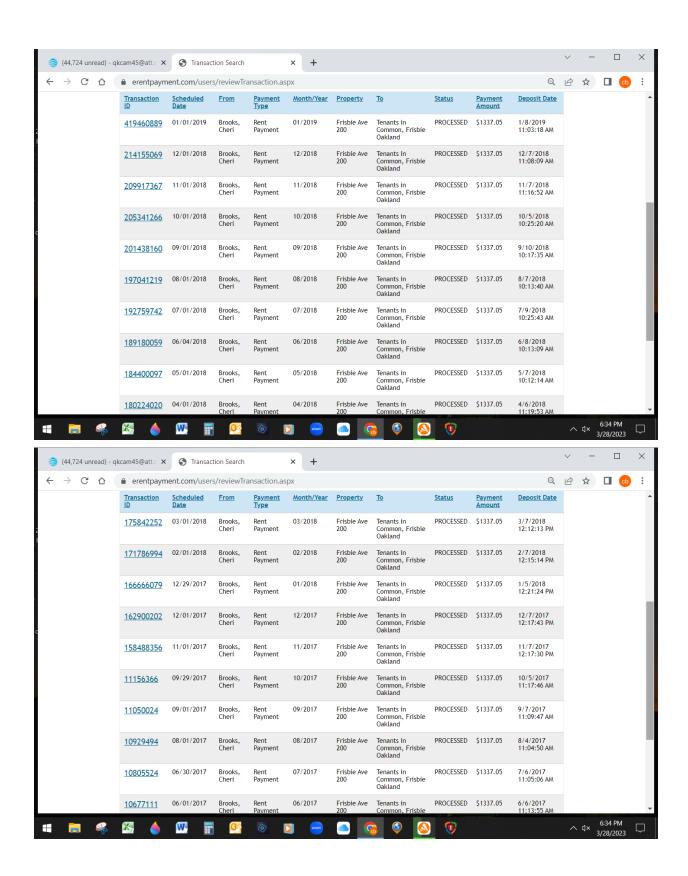
Case Number: T23-0058

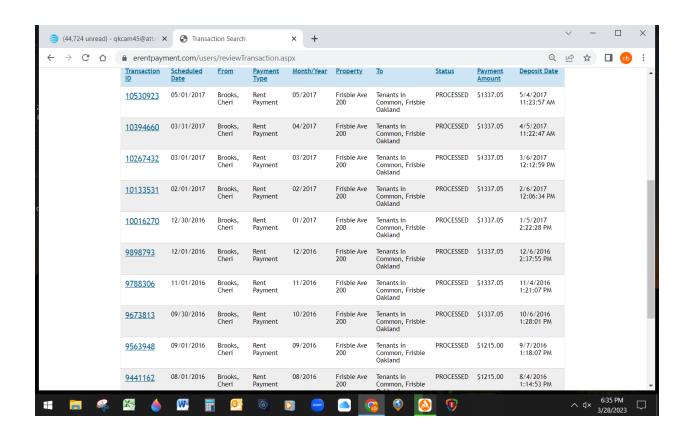


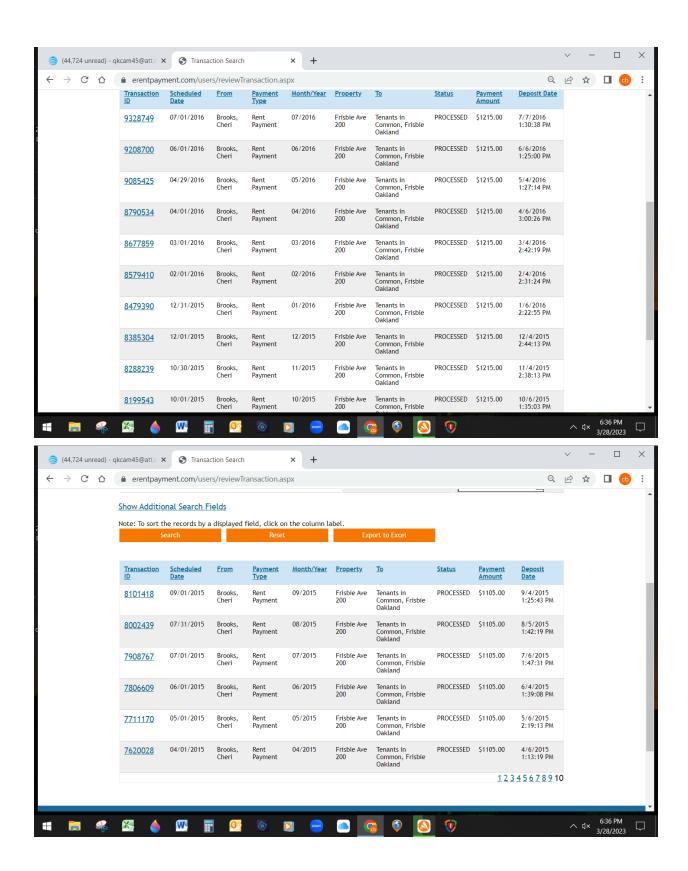














DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA

Housing and Community Development Dept. Rent Adjustment Program TEL (510) 238-3721 FAX (510) 238-6181 CA Relay Service 711

ADMINISTRATIVE DECISION

CASE NUMBER:

T23-0058

CASE NAME:

Brooks v. Campbell

PROPERTY ADDRESS:

200 Frisbie Street, Unit 200, Oakland, California

DATE OF DECISION:

August 22, 2023

PARTIES:

Cheri Brooks, Tenant

Gregory Ching, Tenant Representative

Severin Campbell, Owner

SUMMARY OF DECISION

The tenant's petition is granted in part.

INTRODUCTION

There are sufficient uncontested facts presented and there are no material facts in dispute to issue a decision. Therefore, an Administrative Decision, without a hearing, is being issued.

BACKGROUND

Tenant Cheri Brooks filed a *Tenant Petition* (*Petition*) on May 1, 2023, contesting rent increases on the following grounds:

- (1) that the rent increase exceeds the allowable amount;
- (2) that the tenant was not given proper notice, was not properly served, and/or was not provided with the required *Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice)*; and,
- (3) that the tenant's rent was not reduced after a prior rent increase period for capital improvements or after an additional tenant for whom the owner was allowed an increase, vacated from the premises.

The Petition contested the following rent increases:

- (1) a rent increase¹ from \$1337.05 to \$1,352.70, received on January 2, 2023, which was to become effective February 1, 2023;
- (2) a rent increase² from \$1,215.00 to \$1,337.05, received on September 1, 2016, which was to become effective October 1, 2016; and,
- (3) a rent increase³ from \$1105.00 to \$1,215.50, received on August 29, 2015, which was to become effective October 1, 2015.

The tenant's Evidence Submission included the following exhibits:

- (1) 2015 Rent increase notice;
- (2) 2016 Rent increase notice;
- (3) 2023 Rent increase notice;
- (4) Decision in L17-0191, Campbell v. Tenants; and,
- (5) Rent Payment Records.

The Rent Payment Records were histories of the tenant's rent payments, from April 1, 2015 through August 1, 2023, on the website, eRentPayment.com.⁴ The tenant indicated on the *Petition* that she was current on her rent and that she first received the *RAP Notice* in March 2015.

Owner Severin Campbell filed an *Owner Response* (*Response*) to the *Petition* on June 27, 2023. The *Response* included the following:

- (1) a written response to the *Petition*;
- (2) a City of Oakland Business Tax Certificate with an expiration date of December 31, 2023;
- (3) a 2023 proof of payment for business tax and annual RAP fees for four (4) units,
- (4) an e-mail dated May 31, 2018, written to "Cheri" and signed off by "Severin, Leah, and Julie;"
- (5) an e-mail dated September 1, 2016, written to "Cheri" and signed off by "Severin, Leah, and Julie;" and,
- (6) an excel spreadsheet indicating a rent increase log for past "CPI" and "Capital Pass Through" for "Apt 200."

The owner's Evidence Submission does not contradict the rent amounts listed in the tenant's Rent Payment Records. The owner indicated on the *Response* that the tenant was current on her rent and that he first gave her the *RAP Notice* on March 27, 2015.

Both parties signed their respective *Petition* and *Response* under penalty of perjury.

¹ The tenant indicated that a RAP Notice was not included with the rent increase notice.

² The tenant indicated that a RAP Notice was included with the rent increase notice.

³ The tenant indicated that a RAP Notice was included with the rent increase notice.

⁴ An on-line rent payments collections site.

RATIONALE FOR ADMINISTRATIVE DECISION

Reason for Administrative Decision

An Administrative Decision⁵ is a decision issued without a hearing. The purpose of a hearing is to allow the parties to present testimony and other evidence to allow resolution of disputes of material fact. However, in this case, sufficient uncontested facts have been presented to issue a decision without a hearing, and there are no material facts in dispute. Therefore, an administrative decision, without a hearing, is being issued.

2023 Rent Increase

The City of Oakland Residential Rent Adjustment Program Ordinance (Ordinance) requires an owner to serve the *Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice)* at the start of a tenancy.⁶ The Ordinance also requires an owner to serve the *RAP Notice* together with any notice of rent increase or change in the terms of a tenancy.⁷ In no event may rent for any covered unit increase in any twelve-month period by more than ten percent (10%).⁸

Both parties indicated on their respective *Petition* and *Response* that the first *RAP Notice* was served in March 2015. Therefore, it is found that the first *RAP Notice* was served by the owner to the tenant in March 2015.

The tenant indicated on her petition that she received a rent increase on January 2, 2023, without an accompanying *RAP Notice*. The owner did not submit evidence to dispute this fact. In fact, the owner corroborated the tenant's claim by stating: "We provided RAP notices in March 2015, September 2016, and May 2018." Therefore, the rent increase the tenant received on January 2, 2023, is invalid because the owner did not serve the *RAP Notice* with the rent increase.

Both the *Petition* and *Response* stated that the tenant is current on rent. The tenant's rent payment records indicate that she started paying \$1,352.70 on February 1, 2023. Therefore, the tenant has been paying the unlawful rent increase of \$15.65 per month (\$1,352.70 - \$1337.05) from February 1, 2023, to the present.

//

⁵ Rent Adjustment Program Regulations (Regulations) § 8.22.110 (G).

⁶ Oakland Mun. Code (O.M.C.) § 8.22.060 (A) and Regulations § 8.22.060 (A).

⁷ O.M.C. § 8.22.070 (H)(1).

⁸ O.M.C. § 8.22.070 (A)(2).

⁹ The *Petition* indicated that the tenant did receive the RAP Notice with the rent increases that went into effect in October 2015 and October 2016.

Capital Improvements

A rent increase in excess of the CPI Rent Adjustment may be justified by capital improvement costs. ¹⁰ The reimbursement of capital expenses from the tenant must be discontinued at the end of the amortization period. Before February 1, 2017, all capital improvement pass-throughs were subject to a 60-month amortization period and must be discontinued at the end of the 60-month period. ¹¹ However, after February 1, 2017, an owner must first petition the Rent Adjustment Program and receive approval for the rent increase before the rent increase can be imposed. ¹² In addition, a Hearing Officer determines the length of the amortization period based on the useful life of the improvement as set out in the Rent Adjustment Program Regulations (Regulations) Appendix A's Amortization Schedule.

A tenant may file a petition to seek relief when the owner fails to reduce rent following the expiration of the amortization period for capital improvements, and any interest due on any rent overcharges from the failure to reduce rent for a capital improvement.¹³ In addition, an administrative citation ¹⁴ may be issued when the owner fails to remove a capital improvement rent increase on the first month following the end of the amortization period.¹⁵

The owner stated in his written *Response* to the *Petition*: "The total approved capital pass through amount for Ms. Brooks was \$15,919. This amount was approved by the Oakland Rent Adjustment Program. Actual capital pass through paid by Ms. Brooks between October 2015 and August 2022 was \$8,158. (emphasis added)" Judicial Notice is hereby taken of Case Number L17-0191. In Case Number L17-0191, the owner was granted a rent increase for capital improvement costs, specifically the "total pass-through on the unit" was \$8,522.50¹⁷ and Unit 200 was granted a rent increase of "\$118.37 for 72-month amortization period." Case Number L17-0191 is the only capital improvement pass through case that was granted for 200-204 Frisbie Street. No other capital improvement projects were granted.

According to the owner's excel spreadsheet, in April 2015, the base rent for "Apt 200" was \$1,105.00.¹⁹

In October 2015, the base rent increased to \$1,123.79, due to a 1.7% CPI rent increase, and the owner voluntarily passed on a capital improvement rent increase²⁰ of \$91.72 (8.3%).²¹

¹⁰ O.M.C. § 8.22.070 (C)(1)(a).

¹¹ Regulations: Appendix A effective January 9, 2015, when the Regulations set the amortization period to five (5) years or sixty (60) months, until January 17, 2017, when the Regulations adopted an amortization schedule.

¹² O.M.C. § 8.22.070 (C)(1).

¹³ O.M.C. § 8.22.070 (C) and Regulations § 10.2.5.

¹⁴ Regulations § 8.22.150 (A)(1).

¹⁵ Regulations § 8.22.150 (A)(2)(g).

¹⁶ Campbell v. Tenants, Case Number L17-0191, Hearing Decision Dated April 26, 2018.

¹⁷ Case Number L17-0191, Hearing Decision, Attached City of Oakland Capital Improvements Calculator Worksheet, Page 2.

¹⁸ Case Number L17-0191, Hearing Decision, Page 4.

¹⁹ Owner's excel spreadsheet.

²⁰ The October 2015 capital improvement rent increase is unrelated to Case Number L17-0191 because it preceded April 26, 2018.

²¹ Owner's excel spreadsheet.

The tenant received a 10% total rent increase. The tenant's total monthly rent became \$1,215.00.²² The capital improvement rent increase in October 2015 was valid because the owner could voluntarily pass on capital improvement costs as long as it followed the laws of the Rent Adjustment Ordinance and the State of California.²³ However, pursuant to the previous limitation of 60 months on capital improvement pass-throughs, the October 2015 capital improvement pass-through expired on September 30, 2020. Therefore, any \$91.72 monthly capital improvement pass-through included in the tenant's rent after September 30, 2020, is invalid.

A year later, in October 2016, the base rent increased to \$1,146.26, from \$1,123.79,²⁴ due to a 2% CPI rent increase, and a capital improvement rent increase²⁵ of \$190.79 (amounting to a 16.98% rent increase),²⁶ for a total rent increase of 18.98%.²⁷ The tenant's total monthly rent became \$1,337.05.²⁸ Pursuant to the Ordinance, property owners may not increase rent by more than ten percent (10%) in any twelve-month period. In October 2016, the owner unlawfully exceeded the 10% limitation by passing through an additional 8.98% (\$100.88) rent increase to the tenant. Therefore, the October 2016 capital improvement pass-through was unlawful because it exceeded the 10% rent increase limitation by \$100.88. The tenant is owed restitution for her overpayments.

Furthermore, pursuant to the previous limitation of 60 months on capital improvement pass-throughs, any valid capital improvement pass-through imposed beginning of October 2016 expired on September 30, 2021; any portion of the \$190.79 monthly capital improvement pass-through included in the tenant's rent after September 30, 2021, is invalid.

The tenant continued to pay \$1,337.05 in total monthly rent until February 1, 2023, when she started paying $$1,352.70.^{29}$

OVERPAID RENT

From	То	Monthly Rent paid	Max Monthly Rent	Difference per month	No. Months	Sub-total
1-Feb-23	31-Aug-23	1,352.70	1337.05	\$15.65	7	\$109.55
1-Oct-16	1-Sep-21	1,337.05	1,236.17	\$100.88	60	\$6,052.86
1-Oct-20	31-Aug-23	1,215	1,123.79	\$91.21	35	\$3,192.35
1-Oct-21	31-Aug-23	1,337.05	1,146.26	\$190.79	. 23	\$4,388.17
			· T	OTAL OVE	RPAID RENT	\$13,742.93

²² Tenant's rent payment records.

²³ Also, as previously stated, the *Petition* indicated that this rent increase was served with a *RAP Notice*.

²⁴ As of September 2016.

²⁵ The October 2016 capital improvement rent increase is unrelated to Case Number L17-0191 because it preceded April 26, 2018.

²⁶ Owner's excel spreadsheet.

²⁷ As previously stated, the *Petition* indicated that this rent increase was served with a *RAP Notice*.

²⁸ Tenant's rent payment records.

²⁹ Tenant's rent payment records.

RESTITUTION

	RESTITUTION	•
	MONTHLY RENT	\$1,146.26
· · · · · · · · · · · · · · · · · · ·	TOTAL TO BE REPAID TO TENANT	\$13,742.93
TOTAL	AS PERCENT OF MONTHLY RENT	1,198.94%
AMORTIZED OVER	MO. BY REG. IS	• •
	MONTHS BY HEARING OFFICER	
OR OVER 15	IS	\$916.20

Lastly, the only type of rent overpayment where the Regulations have reserved the tenant's right to recover interest is when an owner fails to reduce a capital improvement rent increase. The tenant may seek interest due on any rent overcharges from the failure to reduce rent for a capital improvement. However, historically, the Rent Adjustment Program is a nonpunitive local program and has regularly awarded restitution by adjusting future rents to account for the overpayment. Therefore, no interest shall be awarded at this time.

ORDER

- 1. Tenant Petition T23-0058 is granted in part.
- 2. The tenant's monthly base rent is \$1,146.26 per month.
- 3. The contested January 2, 2023, rent increase is invalid.
- 4. Due to capital improvement rent overpayments, the tenant is owed restitution in the amount of \$13,742.93 for overpaid rent. This overpayment is adjusted by a rent decrease for fifteen (15) months in the amount of \$916.20 a month.³¹
- 5. The tenant is entitled to reduce the rent per the restitution order after the Hearing Decision becomes final. The decision is final if no party has filed an *Appeal* within 20 days of the date the Hearing Decision is mailed to all parties.
- 6. If the owner wishes to, he can repay the restitution owed to the tenants at any time. If he does so, the monthly decrease for restitution ends at the time the tenant is provided restitution.
- 7. No interest on the overpaid rent will be awarded at this time.
- 8. No citations will be issued at this time.

³⁰ Regulations § 10.2.5.

³¹ Regulations § 8.22.110 (F)(4)(d).

- 9. Nothing in this order prevents the owner from increasing the rent according to the laws of the Rent Adjustment Ordinance and the State of California at any time, at least 12 months from the last rent increase.
- 10. The approved capital improvement pass-through as set forth in Case Number L17-0191 continues to be valid and eligible for pass-through after June 30, 2024. 32 The Hearing Decision in Case Number L17-0191 states: "The increase will be effective thirty (30) days after the owner serves the rent increase notice, together with the Notice of the Rent Adjustment Program (RAP Notice), and the attached Decision Summary. If the rent increase is served by mail, it will be effective thirty-five (35) days after the service. (emphasis added)"
- 11. The Settlement Conference and Hearing scheduled for Tuesday, August 22, 2023, is hereby canceled.

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

Dated: August 22, 2023

Susan Ma

Hearing Officer

Rent Adjustment Program

³² On March 9, 2020, the Oakland City Administrator issued a proclamation of Local Emergency, which was ratified by the Oakland City Council on March 12, 2020, due to the Novel Coronavirus Covid-19 pandemic. On March 27, 2020, the Oakland City Council adopted an Ordinance imposing a rent increase moratorium during the Local Emergency." The Ordinance states explicitly, "For rental units regulated by Oakland Municipal Code 8.22.010 et seq, any notice of rent increase in excess of the CPI Rent Adjustment, as defined in Oakland Municipal Code Section 8.22.020, shall be void and unenforceable if the notice is served or has an effective date during the Local Emergency." (Ordinance No. 13589 C.M.S.) The Rent Increase Moratorium remains in effect until June 30, 2024.

PROOF OF SERVICE

Case Number: T23-0058

Case Name: Brooks v. Campbell

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

Today, I served the attached documents listed below by placing a true copy in a City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Oakland, California, addressed to:

Documents Included

Administration Decision

Owner

Severin Campbell 1315 Stannage Avenue Berkeley, CA 94702

Tenant

Cheri Brooks 200 Frisbie Street Unit 200 Oakland, CA 94611

Tenant Representative

Gregory Ching, Centro Legal de la Raza 3400 East 12th Street Oakland, CA 94601

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

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on **August 24, 2023** in Oakland, California.

Teresa Brown-Morris

Oakland Rent Adjustment Program



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP



APPEAL

Appellant's Name	5.
Severin Campbell	X Owner □ Tenant
Property Address (Include Unit Number)	
200 Frisbie Street, Oakland CA 94611	
Appellant's Mailing Address (For receipt of notices)	Case Number
1315 Stannage Avenue Berkeley CA 94702	T23-0058 Date of Decision appealed August 22, 2023
Name of Representative (if any)	Representative's Mailing Address (For
	notices)
n/a	n/a

Please select your ground(s) for appeal from the list below. As part of the appeal, an explanation must be provided responding to each ground for which you are appealing. Each ground for appeal listed below includes directions as to what should be included in the explanation.

1) There are math/clerical errors that require the Hearing Decision to be updated. (Please clearly explain the math/clerical errors.)

The Administrative Decision recommended restitution to the tenant of \$13,633.38 to which we disagree. Of this amount, the Administrative Decision recommended restitution of \$6052.86, based on the assumption that the 2016 Capital Pass Through amount was \$100.88 more than allowed and that this Pass Through amount continued from October 2016 to September 2021. The Administrative Decision assumed that the Capital Pass Through amount enacted in 2016 was \$190.79 and that the total rent increase was 18.98%. However, the actual Capital Pass Through amount enacted in 2016 was \$99.07 and the total rent increase was 10%.

The rent increase in October 2016 did not exceed 10%, and therefore, restitution in the amount of \$6052.86 is not warranted.

Also, the 2016 Capital Pass Through amount was reviewed by the Rent Adjustment Program Hearing Officer when we requested a third capital improvement pass-through in 2017 (Petition L17-0191). This review was necessary for the Hearing Officer to calculate the pass-through amount and amortization in response to Petition L17-0191.

2) Appealing the decision for one of the grounds below (required):

- a) □ The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations, or prior decisions of the Board. (In your explanation, you must identify the Ordinance section, Regulation or prior Board decision(s) and describe how the description is inconsistent.)
- b) x The decision is inconsistent with decisions issued by other Hearing Officers. (In your explanation, you must identify the prior inconsistent decision and explain how the decision is inconsistent.)

As noted above, the 2016 Capital Pass Through amount was reviewed by the Rent Adjustment Program Hearing Officer when we requested a third capital improvement pass-through in 2017 (Petition L17-0191). The 2016 Capital Pass Through was considered compliant with the Rent Adjustment Program rules at that time.

- c) ☐ The decision raises a new policy issue that has not been decided by the Board. (In your explanation, you must provide a detailed statement of the issue and why the issue should be decided in your favor.)
- d) □ The decision violates federal, state, or local law. (In your explanation, you must provide a detailed statement as to what law is violated.)
- e) x The decision is not supported by substantial evidence. (In your explanation, you must explain why the decision is not supported by substantial evidence found in the case record.)

As noted above, the Administrative Decision recommended restitution to the tenant of \$13,633.38, which included restitution of (a) \$6052.86 based on a math error (noted above); (b) \$3,192.35, based on the assumption that we continued to pass through the 2015 Capital Pass Through amount of \$91.72 between October 2020 and August 2023, exceeding the 60 month amortization limit; and (c) \$4,388.17 based on the assumption that the 2016 Capital Pass Through amount was \$190.79 (rather than the actual amount of \$99.07) and that we continued to pass through this amount between October 2021 and August 2023, exceeding the 60 month amortization limit.

The 2015 Capital Pass Through ended in May 2018. The petitioning tenant was advised of this in an email in October 2020.

The 2016 Capital Pass Through ended in June 2019. The petitioning tenant, Ms. Brooks, was advised in an October 2020 email that the 2016 Capital Pass Through amount ended in June 2019.

x I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim. (In your explanation, you must describe how you were denied the chance to defend your claims and what evidence you would have presented. Note that a hearing is not required in every case. Staff may issue a decision without a hearing if sufficient facts to make the decision are not in dispute.)

The Administrative Decision states that "There are sufficient uncontested facts presented and there are no material facts in dispute to issue a decision. Therefore, an Administrative Decision, without a hearing, is being issued." Because the hearing officer did not hold a hearing, we were unable to provide clarifying information or correct factual errors before the decision was submitted.

As noted above, restitution in the amount of \$13,633.38 was based on incorrect information, including:

(a) \$6052.86 based on an incorrect calculation that assumed the 2016 Capital Pass Through amount was \$190.79 and that the rent increase was 18.98%. As noted above, the actual 2016 Capital Pass Through amount was \$99.07 and the actual rent increase was 10%.

(b) \$3,192.35, based on the assumption that we continued to pass through the 2015 Capital Pass Through amount of \$91.72 between October 2020 and August 2023, exceeding the 60 month amortization limit. The 2015 Capital Pass Through ended in May 2018. The petitioning tenant was advised of this in an email in October 2020.

(c) \$4,388.17 based on the assumption that the 2016 Capital Pass Through amount was \$190.79) and that we continued to pass through this amount between October 2021 and August 2023, exceeding the 60 month amortization limit. However, the 2016 Capital Pass Through was \$99.07 and the pass-through ended in June 2019. The petitioning tenant was advised of this in an email in October 2020.

f)	☐ The decision denies the Owner a fair return on the Owner's investment. (You may appeal on
	this ground only when your underlying petition was based on a fair return claim. You must specifically
	state why you have been denied a fair return and attach the calculations supporting your claim.)

g)

Other. (In your explanation, you must attach a detailed explanation of your grounds for appeal.)

Supporting documents (in addition to this form) must *not* exceed 25 pages, and must be received by the Rent Adjustment Program, along with a proof of service on the opposing party, within 15 days of the filing of this document. Only the first 25 pages of submissions from each party will be considered by the Board, subject to Regulations 8.22.010(A)(4). *Please number attached pages consecutively. Number of pages attached:* 11.

• You must serve a copy of your appeal on the opposing parties, or your appeal may be dismissed. • I declare under penalty of perjury under the laws of the State of California that on August 28, 2023, I placed a copy of this form, and all attached pages, in the United States mail or deposited it with a commercial carrier, using a service at least as expeditious as first-class mail, with all postage or charges fully prepaid, addressed to each opposing party as follows:

<u>Name</u>	Cheri Brooks
Address	200 Frisbie Street
City, State Zip	Oakland, California 94611
<u>Name</u>	Gregory Ching, Centro Legal dela Raza
Address	3400 East 12 th Street
City, State Zip	Oakland, Ca 94601

August 28 2023

August 28, 2023

City of Oakland Rent Adjustment Program 250 Frank H. Ogawa Plaza #5313 Oakland, California 94612

Re: Property Owner Appeal of Administrative Decision: T23-0058

We are appealing the Rent Adjustment Program Administrative Decision to T23-0058. Because the hearing officer did not hold a hearing, we were unable to provide clarifying information or correct factual errors before the decision was submitted. We provided a written response to T23-0058, including a spreadsheet summarizing the rent history. Because we passed through capital improvement costs in three separate amounts, we understand that the spreadsheet may have been hard to follow.

In response to the Administrative Decision:

We agree to pay the petitioning tenant, Ms. Brooks, \$109.55 for the rent increase from February 2023 through August 2023. When we submitted the 30 day notice of the rent increase from \$1337 to \$1352, we did not provide the RAP notice. Therefore, Ms. Brooks' rent is reduced retroactively to \$1337 as of February 2023.

We do not agree that Ms. Brooks is owed \$13,633.38 in restitution. The assumptions on which this calculated restitution was based are incorrect, and the conclusion that restitution is owed because Capital Pass Throughs lasted longer than the allowed time and that a total rent increase exceeded 10% are incorrect. Details of the amounts that make up the total \$13,633.38 are as follows.

- \$6052.86 was based on the assumption that the 2016 Capital Pass Through amount was \$100.88 more than allowed and that this Pass Through amount continued from October 2016 to September 2021.
 - The Administrative Decision assumed that the Capital Pass Through amount enacted in 2016 was \$190.79 and that the total rent increase was 18.98%.
 - However, the actual Capital Pass Through amount enacted in 2016 was \$99.07 and the total rent increase was 10%.

The amount of \$100.88 is an incorrect calculation in the Administrative Decision; this amount was never applied to the rent, and therefore, no restitution is warranted.

The 2015 Capital Pass Through and 2016 Capital Pass Through amounts were reviewed by the Rent Adjustment Program Hearing Officer when we requested a third capital improvement pass-through in 2017 (Petition L17-0191). The review was necessary to calculate the appropriate amount and amortization period for the third capital pass through.

- \$3,192.35 was based on the assumption that we continued to pass through the 2015 Capital Pass Through amount of \$91.72 between October 2020 and August 2023, exceeding the 60 month amortization limit. This is not correct. The 2015 Capital Pass Through ended in May 2018. As noted below, the petitioning tenant, Ms. Brooks, was advised of this in an email in October 2020.
- \$4,388.17 was based on the assumption that the 2016 Capital Pass Through amount was \$190.79 and that we continued to pass through this amount between October 2021 and August 2023, exceeding the 60 month amortization limit. This is not correct. The 2016 Capital Pass Through was \$99.07 and the Pass Through ended in June 2019. As noted below, the petitioning tenant, Ms. Brooks, was advised in an October 2020 email that the 2016 Capital Pass Through amount ended in June 2019.

According to the tenant's petition, T23-0058, Ms. Brooks (a) received a rent increase above the allowable amount, and (b) did not receive a rent reduction after a prior increase for capital improvements.

Neither claim is correct.

- (a) The rent paid by Ms. Brooks is less than the allowable amount. We provided this information to the Rent Adjustment Program in our original response to the tenant petition.
 - In 2018, Ms. Brooks requested that we not increase the total rent to the amount authorized by the Rent Adjustment Program. We agreed to keep the total rent unchanged at \$1337. In order to maintain Ms. Brooks' rent at \$1337, we reduced the authorized capital pass through amount.
- (b) We advised Ms. Brooks in October 2020 that she was not owed a rent reduction. We informed Ms. Brooks that the 2015 and 2016 Capital Pass Through ended in June 2019. We further informed Ms. Brooks that in order to maintain her rent at the lower amount of \$1337, we delayed implementing the Capital Pass Through amount authorized by the Rent Adjustment Program in response to our petition L17-0191 until the 2015 and 2016 Capital Pass Through ended. We also informed Ms. Brooks that the actual capital pass through amount was less than the authorized capital pass through amount.

Although we provided this information to Ms. Brooks in an email more than two years prior to her filing a tenant petition, she did not include this information in her tenant petition.

Attached are (1) our response to the Administrative Decision and (2) a spreadsheet providing details on rent increases.

Sa	August 28, 2023
Severin Campbell	Date

Response to the Rent Adjustment Program Administrative Decision August 22, 2023 Tenant Petition: T23-0058

The following is a clarification or correction of statements in the Decision.

Administrative Decision	Response
Both parties indicated on their respective <i>Petition</i> and <i>Response</i> that the first <i>RAP Notice</i> was served in March 2015. Therefore, it is found that the first <i>RAP Notice</i> was served by the owner to the tenant in March 2015	Agree
Both the <i>Petition</i> and <i>Response</i> stated that the tenant is current on rent. The tenant's rent payment records indicate that she started paying \$1,352.70 on February 1, 2023.	Agree
The tenant indicated on her petition that she received a rent increase on January 2, 2023, without an accompanying RAP Notice. The owner did not submit evidence to dispute this fact. In fact, the owner corroborated the tenant's claim by stating: "We provided RAP notices in March 2015, September 2016, and May 2018."	Agree
Decision determined that the February 1 2023 rent increase was invalid due to no RAP Notice being issued. Both the <i>Petition</i> and <i>Response</i> stated that the	Agree
tenant is current on rent. The tenant's rent payment records indicate that she started paying \$1,352.70 on February 1, 2023. Therefore, the tenant has been paying the unlawful rent increase of \$15.65 per month (\$1,352.70 - \$1337.05) from February 1, 2023, to the present.	

Administrative Decision	Response
A rent increase in excess of the CPI Rent	Agree
Adjustment may be justified by capital	
improvement costs. The reimbursement of	
capital expenses from the tenant must be	
discontinued at the end of the amortization	
period. Before February 1, 2017, all capital	
improvement pass-throughs were subject to a	
60-month amortization period and must be	
discontinued at the end of the 60-month period.	
According to the owner's excel spreadsheet, in	Agree
April 2015, the base rent for "Apt 200" was	
\$1,105.00.19	
In October 2015, the base rent increased to	
\$1,123.79, due to a 1.7% CPI rent increase, and	
the owner voluntarily passed on a capital	
improvement rent increase of \$91.72 (8.3%).	
The tenant received a 10% total rent increase.	Agree
The tenant's total monthly rent	
became\$1,215.00.22 The capital improvement	
rent increase in October 2015 was valid because	
the owner could voluntarily pass on capital	
improvement costs as long as it followed the laws	
of the Rent Adjustment Ordinance and the State	
of California. ²³	
However, pursuant to the provious limitation of	Do not agree. The 2015 capital pass through
However, pursuant to the previous limitation of 60 months on capital improvement pass-	ended in May 2018.
throughs, the October 2015 capital improvement	ended in May 2016.
pass-through expired on September 30, 2020.	
Therefore, any \$91.72 monthly capital	
improvement pass-through included in the	
tenant's rent after September 30, 2020, is invalid	
A year later, in October 2016, the base rent	Do not agree.
increased to \$1,146.26, from \$1,123.79, due to a	-
2% CPI rent increase, and a capital improvement	The capital improvement increase was \$99.07
rent increase of \$190.79 (amounting to a 16.98%	and the total rent increase was 10%
rent increase), for a total rent increase of 18.98%.	
The tenant's total monthly rent became	 Agree
\$1,337.05. Pursuant to the Ordinance, property	, 1810C
owners may not increase rent by more than ten	
percent (10%) in any twelve-month period.	
percent (10/0) in any twelve month period.	

Administrative Decision	Response
In October 2016, the owner unlawfully exceeded the 10% limitation by passing through an	Do not agree.
additional 8.98% (\$100.88) rent increase to the tenant. Therefore, the October 2016 capital improvement pass-through was unlawful because	The rent increased from \$1,215.50 to \$1337.05 on October 1, 2016. This is an increase of 10%.
it exceeded the 10% rent increase limitation by \$100.88.	The base rent increased from \$1,123.79 to \$1,146.26. This is an allowable CPI increase of 2%.
	The Capital Pass Through amount increased from \$91.72 to \$190.79. This is an increase of \$99.07.
1	This increase was reviewed by the Rent Adjustment Program Hearing Officer in Petition L17 – 0191.
The tenant is owed restitution for her overpayments.	We do not agree that the tenant is owed restitution. The rent increase did not exceed 10%.
Furthermore, pursuant to the previous limitation	Do not agree
of 60 months on capital improvement pass- throughs, any valid capital improvement pass- through imposed beginning of October 2016	The 2015 Capital Pass Through ended in May 2018.
expired on September 30, 2021; any portion of the \$190.79 monthly capital improvement pass- through included in the tenant's rent after September 30, 2021, is invalid	The 2016 Capital Pass Through ended in September 2019.
·	

Administrative Decision	Response
	The Rent Adjustment Program Hearing Officer decision dated April 28, 2018 authorized a Capital Pass Through to Apartment 200 of \$118.37 for a 72-month period.
	As noted in the May 24, 2018 letter to Ms. Brooks:
	The Rent Adjustment Program approved our petition to increase the rent. The rent for your apartment at 200 Frisbie Street will increase by \$118.37 per month, from the current rent of \$1337 per month to the new rent of \$1,445 per month. This rent increase of \$118.37 will begin on July 1, 2018 and extend for 72 months (6 years) and will end June 30, 2024.
	Included in this letter was the Hearing Officer finding and RAP notice.
	Ms. Brooks requested that we not increase her rent. In order to maintain the rent at \$1337, we reduced the pass through below the authorized amount.
The Administrative Decision finds the following overpayments:	
(1) Therefore, the October 2016 capital improvement pass-through was unlawful because it exceeded the 10% rent increase limitation by \$100.88.	Do not agree. The 2016 Capital Pass Through was \$91.72, as described above in the response to the discussion of the October 2016 rent increase. The total rent increase was 10%.
(2) Furthermore, pursuant to the previous limitation of 60 months on capital improvement pass-throughs, any valid capital improvement pass-through imposed beginning of October 2016 expired on September 30, 2021; any portion of the \$190.79 monthly capital improvement pass-through included in the tenant's rent after September 30, 2021, is invalid.	Do not agree. The 2015 Capital Pass Through ended in May 2018. The 2016 Capital Pass Through ended in September 2019.

Capital Improvement Costs 2015

Sewer Lateral	6,900
Roof	9,794
_	16,694
70% Capital Improvement Pass Through	11,686
Information submitted with Petition L17-0191	

Capital Improvement Costs 2016

•	
Alley Electric	7,900
Bouchard Sesimic	20,036
-	27,936
70% Capital Improvement Pass Through	19,555
Information submitted with Petition L17-0191	

Rent Adjustment Board -Capital Improvement Costs 2017				
Structural upgrade	30,125			
Stucco and paint	15,900			
Gutters & downspouts	2,675			
	48,700			
70% Capital Improvement Pass Through	34,090			
Information submitted with Petition L17-0193	L			
Total	93,330			

70% Capital Improvement Pass Through 65,331

000065 8-1

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8-2 000066

2015 Pass Through 2016 Pass Through RAP - L17-0191	Oct-15 Oct-16 Jul-18	Unit 200 2,935 4,458 8,523 15,916	Months 31 32 72	End Date May-18 Jun-19 Jun-24						
					Capital				Actual Rent	
			2015	2016	Pass	Subtotal			Over/	
Rent Adjustment			Capital		Through	Capital	Total	Total	(Under)	One
Program CPI			Pass	Pass	(L17-	Pass	Actual	Allowable	Allowable	Year
Increase		Base	Through	Through	0191)	Through	Rent	Rent	Rent	Increase
	Prior Base	1,105.00								
1.7% increase 2015	10/01/15	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	10%
	11/01/15	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	12/01/15	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	01/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	02/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	03/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	04/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	05/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	06/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	07/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	08/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
	09/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	0.00	
2% increase 2016	10/01/16	1,146.26	91.72	99.07	1	190.79	1,337.05	1,337.05	0.00	10%
	11/01/16	1,146.26	91.72	99.07	1	190.79	1,337.05	1,337.05	0.00	
	12/01/16	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	01/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	02/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	03/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	04/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	05/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	06/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	07/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	08/01/17		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	09/01/17		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
2.3% Increase 2017	10/01/17		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	11/01/17		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	12/01/17		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	01/01/18		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	02/01/18		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	03/01/18		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	04/01/18		91.72	99.07		190.79	1,337.05	1,337.05	0.00	
	05/01/18		91.72	99.07		190.79	1,337.05	1,337.05	(0.00)	
	06/01/18			190.79		190.79	1,337.05	1,337.05	(0.00)	
	07/01/18			164.43		164.43	1,337.05	1,455.35	(118.30)	
	08/01/18			164.43		164.43	1,337.05	1,455.35	(118.30)	
	09/01/18			164.43		164.43	1,337.05	1,455.35	(118.30)	
3.4% increase 2018	10/01/18			124.56		124.56	1,337.05	1,455.35	(118.30)	
	11/01/18			124.56		124.56	1,337.05	1,455.35	(118.30)	
	12/01/18			124.56		124.56	1,337.05	1,455.35	(118.30)	
	01/01/19			124.56		124.56	1,337.05	1,455.35	(118.30)	
	02/01/19			124.56		124.56	1,337.05	1,455.35	(118.30)	
	03/01/19			124.56		124.56	1,337.05	1,455.35	(118.30)	
	04/01/19			124.56		124.56	1,337.05	1,455.35	(118.30)	
	05/01/19	1,212.49		124.56		124.56	1,337.05	1,455.35	(118.30)	

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					Capital				Actual Rent	
			2015	2016	Pass	Subtotal			Over/	
Rent Adjustment			Capital	•	Through	Capital	Total	Total	(Under)	One
Program CPI			Pass	Pass	(L17-	Pass	Actual	Allowable	Allowable	Year
Increase		Base	Through	Through	0191)	Through	Rent	Rent		Increase
	06/01/19			124.56		124.56	1,337.05	1,455.35	(118.30)	
	07/01/19			6.26	118.30	124.56	1,337.05	1,337.05	(0.00)	
	08/01/19	1,212.49		6.26	118.30	124.56	1,337.05	1,337.05	(0.00)	
	09/01/19	1,212.49		6.26	118.30	124.56	1,337.05	1,337.05	(0.00)	
3.5% increase 2019	10/01/19				82.12	82.12	1,337.05	1,373.23	(36.18)	
	11/01/19	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	12/01/19	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	01/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	02/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	03/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	04/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	05/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	06/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	07/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	08/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
	09/01/20	1,254.93			82.12	82.12	1,337.05	1,373.23	(36.18)	
2.7% increase 2020	10/01/20	1,288.81			48.24	48.24	1,337.05	1,407.11	(70.06)	
	11/01/20	1,288.81			48.24	48.24	1,337.05	1,407.11	(70.06)	
	12/01/20				48.24	48.24	1,337.05	1,407.11	(70.06)	
	01/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	02/01/21			ļ	48.24	48.24	1,337.05	1,407.11	(70.06)	,
	03/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	04/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	05/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	06/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	07/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	08/01/21				48.24	48.24	1,337.05	1,407.11	(70.06)	
	09/01/21	•			48.24	48.24	1,337.05	1,407.11	(70.06)	
1.9% increase 2021	10/01/21				23.75	23.75	1,337.05	1,431.60	(94.55)	
	11/01/21				23.75	23.75	1,337.05	1,431.60	(94.55)	
	12/01/21				23.75	23.75	1,337.05	1,431.60	(94.55)	
	01/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	02/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	03/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	04/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	05/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	06/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	07/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	08/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
	09/01/22				23.75	23.75	1,337.05	1,431.60	(94.55)	
3.0% increase 2022	10/01/22	•			-	-	1,337.05	1,471.00	(133.95)	
5.0% IIICIEdse 2022	11/01/22				-	-	1,337.05	1,471.00	(133.95)	
	12/01/22				-	-	1,337.05	1,471.00	(133.95)	
	01/01/23				_	-	1,337.05	1,471.00	(133.95)	
	01/01/23				-	-	1,357.03	1,171.00	(200.00)	1%
							1,352.70			170
	03/01/23						1,352.70			
	04/01/23						1,352.70			
	05/01/23									
	06/01/23						1,352.70			
	07/01/23						1,352.70			
	08/01/23	1,352.70					1,352.70			

8-4 **000068**



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711



AUG 29 2023

RENT ADJUSTMENT PROGRAM

OAKLAND

PROOF OF SERVICE

NOTE: YOU ARE REQUIRED TO SERVE A COPY OF YOUR PETITION OR RESPONSE (PLUS ANY ADDITIONAL DOCUMENTS) ON THE OPPOSING PARTIES.

- Use this PROOF OF SERVICE form to indicate the date and manner in which service took place, as well as the person(s) served.
- Provide a complete but unsigned <u>copy</u> of this PROOF OF SERVICE form to the opposing parties together with the document(s) being served.
- File the completed and signed PROOF OF SERVICE form with the Rent Adjustment Program together with the document you are filing and copies of any attachments you served on the opposing party/parties.
- Please sequentially number all additional documents provided to the RAP.

www.oaklandca.gov/RAP

PETITIONS FILED WITHOUT A PROOF OF SERVICE WILL BE CONSIDERED INCOMPLETE AND MAY BE DISMISSED.

I served a cop	by of: Appeal - Administrative Decision – T23-0058 11 attached pages to each opposing party, whose name(s) and address(es) are listed below, by one of the following means (<i>check one</i>):
X a. 1	First-Class Mail. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) listed below and at the address(es) below and deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.
to t	Personal Service. (1) By Hand Delivery: I personally delivered the document(s) the person(s) at the address(es) listed below; or (2) I left the document(s) at the dress(es) with some person not younger than 18 years of age.
PE doo giv RA	Electronic Service (DO NOT USE THIS SERVICE METHOD TO SERVE TITIONS OR RESPONSES TO PETITIONS.) I electronically sent the cument(s) to the person(s) at the address(es) listed below who have previously sen written consent to receiving notices and documents in this matter from the LP and from the OTHER PARTY/IES electronically at the email address(es) they wided.

PERSON(S) SERVED:

Name	Cheri Brooks						
Address	00 Frisbie Street						
City, State, Zip	Oakland, California 94611						
Email Address	qkcam45@att.net						

Name	Gregory Ching, Centro Legal dela Raza
Address	3400 East 12 th Street
City, State, Zip	Oakland, California 94601
Email Address	gching@centrolegal.org
Name	
Name	
Address	
City, State, Zip	
Email Address	
Name	
Address	
City, State, Zip	
Email Address	
Name	
Address	
City, State, Zip Email Address	
Liliali Address	
Name	
Address	
City, State, Zip	
Email Address	
Name	
Address	
City, State, Zip Email Address	
Linaii Address	
Name	
Address	
City, State, Zip	
Email Address	

To serve more than 8 people, copy this page as many times as necessary and insert in your proof of service document. If you are only serving one person, you can use just the first and last page

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and the documents were served on <u>8/28/2023</u> (insert date served).

Severin Campbell	
PRINT YOUR NAME	
Ser	August 28 2023
SIGNATURE	DATE

CITY OF OAKLAND



DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA 94612-2034

Housing and Community Development Department Rent Adjustment Program

TEL (510) 238-3721 FAX (510) 238-6181 CA Relay Service 711

Housing Residential Rent and Relocation Board (HRRRB)

APPEAL DECISION

CASE NUMBER: T23-0058, Brooks v. Campbell

APPEAL HEARING: October 12, 2023

PROPERTY 200 Frisbie Street #200, Oakland CA

ADDRESS:

APPEARANCES: Owner: Severin Campbell

Tenant Representative: David Hall

BACKGROUND

On May 1, 2023, tenant Cheri Brooks filed a petition contesting three rent increases: \$1105 to \$1215.50, effective 10/1/15; \$1215 to \$1337.05, effective 10/1/16; and \$1337.05 to \$1352.70, effective 2/1/23. The petition alleged that the increases were above the allowable amount, were not properly served or lacked proper notice, and/or the tenant's rent was not reduced after a prior increase period for capital improvements. The petition indicated that the tenant first received a RAP Notice in March 2015, and that the tenant received a RAP Notice with the rent increases in 2015 and 2016, but not 2023.

On May 4 and June 27, 2023, owner Severin Campbell filed a property owner response. Regarding the 2015 increase, the owner alleged that this was based on a 1.7% CPI increase and a pass-through for capital improvement costs of 8.3%. The 2016 increase was based on a 2% CPI increase and a pass through for capital improvement costs of 8%. Both increases were served with a RAP Notice. In 2018, the owner received approval from RAP to increase the rent to \$1,455, but the owner agreed to keep the rent at \$1,337. On January 2, 2023, the owner notified the tenant that rent would increase to \$1,352 based on CPI adjustments. The owner alleged that a total of \$15,919 was approved for capital pass through, but that actual pass through paid by the tenant between October 2015 and August 2022 was \$8,158.

The case was scheduled for a hearing on August 22, 2023. On August 21, 2023, the parties were notified that the hearing was cancelled because the Hearing Officer issued an Administrative Decision.

RULING ON THE CASE

The Hearing Officer issued an Administrative Decision on August 22, 2023, granting the tenant's petition in part. The 2023 increase was invalid because it was served without a RAP Notice, which was corroborated by the owner's response.

The October 2015 increase from \$1,105 to \$1,215 was valid because it did not exceed 10%, and because the laws in effect at that time allowed owners to pass on capital improvement costs without needing prior approval from RAP. The 10% rent increase combined a 1.7% CPI increase (\$18.79) with an 8.3% increase (\$91.72) based on capital improvements. Although the increase was valid, the portion of the increase that was based on capital improvements (\$91.72) should have expired after 60 months, which was September 30, 2020. Therefore, the Hearing Officer found that the tenant was entitled to restitution of \$91.21¹ per month from October 2020 to August 2023, totaling \$3,192.35.

The October 2016 increase was invalid because it exceeded 10%. In October 2016, the tenant's base rent increased from \$1,123.79 to \$1,146.26 due to a 2% CPI increase and a capital improvement pass through of \$190.79 (16.98%), for a total rent increase of 18.98%. Therefore, the tenant is entitled to restitution for overpayments. Additionally, the 2016 pass-through (\$190.79) should have expired after 60 months, which was September 30, 2021. Therefore, the Hearing Officer found the tenant was entitled to restitution of \$190.79 per month from October 2021 to August 2023, totaling \$4,388.17.

The Hearing Officer determined that the total restitution owed to the tenant due to overpayments was \$13,742.93, dating back to 2016.

GROUNDS FOR APPEAL

On appeal, the owner claimed that the Administrative Decision erred in three ways. First, the 2016 capital improvement pass-through was only \$99.07, not \$190.79, and therefore the rent increase was only 10%, not 18.98%. Furthermore, the 2016 pass-through was reviewed by the Hearing Officer in L17-0191, when the owner filed a petition seeking a third capital improvement pass-through in 2017 and was considered compliant with the rules in effect at that time. Since the 2016 pass-through amount was only \$99.07 and the total 2016 increase did not exceed 10%, \$6,052.86 of the restitution award is not warranted.

Second, the Administrative Decision erred by assuming that the 2016 passthrough continued between October 2021 and August 2023. The owner contended that

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¹ This figure of \$91.21 that was included in the calculation chart appears to have been a clerical error, since the actual pass-through amount was \$91.72.

the pass-through ended in June 2019. The tenant was advised of this in an email in October 2020. Therefore, \$4,388.17 of the restitution amount was not warranted.

Third, the Administrative Decision erred by assuming that the 2015 pass-through of \$91.72 continued between October 2020 and August 2023. The owner contended that the 2015 pass-through ended in May 2018. The tenant was advised of this in an email in October 2020. This erroneous assumption resulted in an award of \$3,192.35 in restitution that was not warranted.

Because the Hearing Officer did not hold a hearing, the owner did not have an opportunity to provide clarifying information or correct factual errors. In total, \$13,633.38 of the \$13,742.93 restitution award was based on incorrect information. The owner submitted a spreadsheet summarizing the rental history with their response. However, because capital improvement costs were passed through in three different amounts, the spreadsheet may have been difficult to follow.

The owner did not dispute that the 2023 rent increase was issued without a RAP Notice and agreed that the tenant is owed \$109.55 in restitution for overpayments between February 2023 and August 2023 based on the 2023 increase.

ISSUES ON APPEAL

The following issues were presented to the Board:

- 1. Is there substantial evidence to support the Hearing Officer's calculations:
 - a. The 2016 rent increase was \$100.88 above the allowable amount of 10%?
 - b. The owner continued to charge the tenant for the 2015 pass-through after the amortization period ended, between October 2020 and August 2023?
 - c. The owner continued to charge the tenant for the 2016 pass-through after the amortization period ended, between October 2021 and August 2023?
- 2. Was the owner denied a sufficient opportunity to address the tenant's claims and provide their response prior to the issuance of the Administrative Decision?

APPEAL DECISION

After parties' arguments, questions to the parties, and Board member discussion, the Board voted to affirm the decision as to the 2023 rent increase and subsequent award, and to remand the case back to the Hearing Officer for a hearing on the other issues. The Hearing Officer may, but is not required to, keep the record open to accept new evidence.

The Board voted as follows:

Aye: C. Oshinuga, M. Escobar, J. deBoer, K. Brodfuehrer, C. Jackson

Nay: None Abstain: None

BRIANA LAWRENCE-MCGOWAN

November 6, 2023

BOARD DESIGNEE

CITY OF OAKLAND

HOUSING, RESIDENTIAL RENT AND

RELOCATION BOARD

PROOF OF SERVICE Case Number T23-0058

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

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

Documents Included

Appeal Decision

Owner

Severin Campbell 1315 Stannage Avenue Berkeley, CA 94702

Tenant

Cheri Brooks 200 Frisbie Street, Unit 200 Oakland, CA 94611

Tenant Representative

Centro Legal de la Raza 3400 East 12th Street Oakland, CA 94601

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

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on **November 07, 2023** in Oakland, CA.

Briana Lawrence-McGowan

Oakland Rent Adjustment Program

CITY OF OAKLAND



DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA

Housing and Community Development Department Rent Adjustment Program

TEL (510) 238-3721 FAX (510) 238-6181 CA Relay Service 711

HEARING DECISION

CASE NUMBER:

T23-0058

CASE NAME:

Brooks v. Campbell

PROPERTY ADDRESS:

200 Frisbie Street, Unit 200, Oakland, CA

DATE OF ADMINISTRATIVE

DECISION:

August 22, 2023

DATE OF APPEAL HEARING:

October 12, 2023

DATE OF HEARING:

February 6, 2024

DATE OF DECISION:

April 17, 2024

APPEARANCES:

Cheri Brooks, Tenant

David Hall, Tenant Representative

Severin Campbell, Owner

SUMMARY OF DECISION

The tenants' petition is granted in part.

CONTENTIONS OF THE PARTIES

The tenant filed a petition on May 1, 2023, contesting a rent increase from \$1,337.05 to \$1,352.70 per month, effective February 1, 2023, as well as prior rent increases. The tenants contest a rent increase from \$1,215.00 to \$1,337.05 per month, effective October 1, 2016, and a rent increase from \$1,105.00 to \$1,215.50 per month, effective October 1, 2015. The bases for the tenants' petition include the following:

• The rent increase is above the allowable CPI amount;

- The rent increase is unlawful because the tenant was not given proper notice, was not properly served, and/or was not provided with the required *Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice)*; and
- The rent was not reduced after a prior rent increase period for capital improvements or after an additional tenant for whom the owner was allowed an increase, vacated from the premises.

The petition included a *Proof of Service (POS)* signed by Gregory Ching that he served the *Tenant Petition* and *Notice to Property Owner of Tenant Petition* by United States mail to the three owners, Severin Campbell, Leah Orloff, and Julie Gross on April 28, 2023.

The Property Owner Response to Tenant Petition (Response) was due to the Rent Adjustment Program (RAP) office by June 2, 2023. The owner filed a late response on June 27, 2023, claiming that the reasons for the rent increases was because "RAP approved an increase of \$118.37 per month, effective July 2018, increasing rent from \$1337 to \$1455."

Both parties signed their respective *Tenant Petition* and *Response* under penalty of perjury.

THE ISSUES

- (1) Is there good cause for the Owner's failure to timely respond to the petition?
- (2) When, if ever, were the tenants served written notice of the *Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice)* prior to the petition being filed?
- (3) Are the contested rent increases valid?
- (4) Were the rent increases based on capital improvement passthroughs reduced after an amortization period has expired?

EVIDENCE

At the commencement of the Hearing, the tenant withdrew the February 1, 2023, rent increase claim.

After being duly sworn, Tenant Cheri Brooks, provided the following testimony:

She moved into the unit in July 2010 and her monthly rent was \$1,045.00. She first received the *RAP Notice* in March 2015.

¹ This date is calculated based on 30 days after the date the *Tenant Petition* was served on the owner, plus five (5) days for mailing.

In August 2015, she received a rent increase which was handed to her by Leah Orloff,² The rent increase stated that the rent increase was for a \$110.00 capital improvement passthrough.³ A *RAP Notice* was not included with the rent increase. The tenant understood that the rent was increasing because of a capital improvement passthrough. In October 2015, she started paying the new rent increase through a portal.

In September 2016, the tenant received an e-mailed rent increase notice that included Capital Improvement and CPI rent increases from \$1,215.00 to \$1,337.05 per month, effective October 1, 2016; the notice was also left either on her door or slipped between the metal gate's mesh and the door. A RAP Notice was included with the notice. The owner did not hand deliver the notice in 2016. The tenant understood then that the rent was increasing because of an 8% capital improvement passthrough and a 2% CPI rent increase.

In 2016, the owner offered a rent reduction and said, "because of your disability, if you need to, and if this is too much of an increase, let us know and we will work something out." At that time, the tenant looked at the state of her finances and believed she could pay the rent increase and declined the owner's offer.

In 2017, the owner filed an Owner Petition for Capital Improvement, and in 2018 the owner was granted a capital improvement passthrough of \$118.00 for 73 months. On May 24, 2018, the owner e-mailed her a rent increase notice wherein the rent increased \$118.37. The tenant asked the owners if the opportunity to "bypass" the rent increase as it was offered in 2016 was still available. At that time, she was experiencing decreased housing services and filed a *Tenant Petition*, so she offered to dismiss and retract her tenant petition in exchange for the owners to forego the 2018 rent increase. The owners replied that if the tenant would withdraw the decrease in service petition, then they would agree to waive the rent increase for a year and that they would revisit this issue again in one year.⁵

The tenant testified that since 2018, she has not received any written increases in rent that were personally delivered or mailed to her. The tenant never received another rent increase notice in writing that increased the rent by \$118.00.6

The tenant had "no idea when the capital improvements ended" so the tenants wrote to the owner in October 2020 asking to roll the rent back by \$110.00. The rent was not reduced. The tenant has paid the rent increase of \$1,337.05 since October 1, 2016, has continued to pay this rent amount as of the date of the hearing, and will continue to pay this amount. She has never received any notification that her rent was reducing due to the expiration of the capital improvement passthrough.

² She remembers having a conversation with Leah when Leah brought it to her back door.

³ Exhibit A. Her rent increased from \$1,105.00 to \$1,215.00.

[†]Exhibit A.

⁵ The owners e-mailed her and stated, "Cheri: We will waive the rent increase for one year and revisit the issue again after that."

It is her understanding that the rent would reduce after the amortization of the capital improvement passthroughs and that her base rent would also be reduced to reflect the original base level. Her base rent should be \$1,127.00.

The tenant has been paying rent through a portal and has no control over changing the amount of rent she has to pay in that portal. She has to pay the rent amount as set by the portal. The portal has consistently showed that the tenant owes \$1,337.05 in rent every month. This rent amount did not increase or reduce in October 2021, nor did it change after the tenant received the initial Administrative Decision for this case number T23-0058. Even when she attempted to change the rent amount in the portal after receiving the initial Administrative Decision, she could not.

The owner conducted a lengthy cross-examination of Ms. Brooks. The tenant does not recall receiving the May 2018 rent increase via certified mail. The tenant was asked to read an email sent to her by the owners on June 14, 2018:

"Cheri: We will waive the rent increase for one year and revisit the issue again after that. You may keep your camper shell in the backyard for 2 weeks. And then it has to be gone by the twentieth, at the latest. And we ask that you withdraw your complaint at the rent board."

Ms. Campbell also asked the tenant to read a September 28, 2020 e-mail into the record.

Ms. Campbell asked the tenant, "Did you understand, at that time, that we were in fact continuing to pass through a portion of the \$118.00 capital pass through that had been approved by the RAP Ordinance?" Ms. Brooks emphatically answered, "No. I didn't understand anything, and I wrote back and asked, what happened to the 2016 pass through. It took me two years to wrap my head around the math. How did my base rent get to \$1,289 from \$1,105?"

Lastly, the tenant representative objected to the admission of the *Response*. He stated that there were a number of ways the response could be filed with the RAP. It does not have to be filed on-line. And that there were a number of ways a petition number could be found including contacting RAP directly.

After being duly sworn, the owner, **Severin Campbell**, provided the following testimony:

She received the tenant's packet from the tenant's representative, Gregory Ching, on May 3, 2024. In the tenant packet, she received the form *Notice to Property Owner of Tenant Petition*. On May 10, she wrote to Mr. Ching via e-mail requesting the tenant petition number. Mr. Ching did not respond. On June 22, 2024, she received a letter from RAP indicating the petition number.

⁷ When asked, "Did you receive the *Notice to Property Owner of Tenant Petition* mailed to you on April 28, 2023?" Ms. Campbell testified, "Yes, I did."

Ms. Campbell repeatedly testified, "Our response was not late" and "We were not late." She did not upload her *Response* or respond to RAP because, she did not have a petition number, and she did not have a number to respond to. When asked, why she did not email her response to RAP or mail the response to RAP, she responded, "I had no one to mail it to and I had no petition number. I don't feel like I can be held responsible if nobody responds."

The owner further testified, "It is our understanding that we are keeping your rent flat. We never said that we were waiving your rent increase. It was not our understanding in that June 14, 2018, email that says you would not have to pay any of the capital pass through amount."

"We were, in fact, increasing your base rent each month each year by the allowed CPI amount, and reducing the capital improvement passed through amount that had been authorized by RAP in order to keep your rent flat at \$1,337."

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Is there good cause for the Owner's failure to timely respond to the petition?

The Rent Ordinance requires respondents to file a response to a petition within 30 days after service of a notice by the Rent Adjustment Program that a petition was filed. "If a tenant files a petition and if the owner wishes to contest the petition, the owner must respond..." Failure to file a timely response limits the owner's participation in the Hearing to cross-examination and summation. 9

The owner testified that she received the tenant's *Petition* and the form *Notice to Property Owner of Tenant Petition* on May 3, 2024. On the *Petition*'s first page, the RAP office's address, telephone number, and website are printed on the letterhead. On the form *Notice to Property Owner of Tenant Petition*, the RAP office's address, telephone number, and website are also printed on the letterhead. It states in bold font the following:

ATTENTION: IMMEDIATE ACTION REQUIRED

YOU MUST FILE A RESPONSE WITHIN 35 CALENDAR DAYS AFTER THE PETITION WAS MAILED TO YOU

TO RESPOND: Submit your signed **PROPERTY OWNER RESPONSE** form and completed and signed **PROOF OF SERVICE*** form to RAP through RAP's online portal, via email, or by mail.

FOR ASSISTANCE: Contact a RAP Housing Counselor at (510) 238-3721 or by email at RAP@oaklandca.gov. Additional information is also available on the RAP website and on the PROPERTY OWNER RESPONSE form.

⁸ Oakland Mun. Code (O.M.C.) § 8.22.090 (B).

⁹ Santiago v. Vega, Case No. T02-0404.

The owner's testimony relies on the logic that in order for her to submit a Response to the RAP office, she must have a petition number; or that her written response to the tenant and the tenant representative was an adequate response for the purposes of submitting an Owner Response to the RAP office. This logic is unfounded. The form Notice to Property Owner of Tenant Petition specifically states the owner's responsibility, once served with the Petition, is to file an Owner Response with the RAP office. The owner had two ways to file the Owner Response without the petition case number: mail and email. Further, she could have contacted the RAP office by telephone or e-mail with any inquiry. Accordingly, the owner did not have good cause to warrant a delay for responding to the Tenant Petition, and therefore the Owner's Response cannot be considered in this case.

It should also be noted that, although required, the owner's participation in the Hearing was not limited to cross-examination and presenting a summation. During the cross-examination of the tenant, the owner testified in monologues her intentions and thought processes about the rent increases and the lack of rent increase notices.

RAP Notice and Rent Increases

Notice and Filing Requirements: The Rent Adjustment Ordinance requires an owner to serve notice of the existence and scope of the Rent Adjustment Program (*RAP Notice*) at the start of a tenancy ¹⁰ and together with any notice of rent increase. ¹¹ Under California Civil Code section 827, any notice of change of terms of the tenancy must be done in writing by delivering a copy to the tenant personally or by serving a copy by mail.

A tenant may file a petition to contest any rent increase. Where a tenant was served the *RAP Notice* at the inception of a tenancy, a tenant petition must be filed within 90 days of the date of service of a rent increase notice, if the rent increase notice was also served with a *RAP Notice*. Where the tenant did not receive the correct *RAP Notice* at the inception of the tenancy, the tenant can contest all rent increases.

Capital improvement pass-through rent increases are not part of the base rent for purposes of calculating future rent increases.

The tenant testified she first received the RAP Notice in March 2015. Therefore, the tenant was served the written *RAP Notice* in March 2015, prior to the petition being filed.

The tenant testified that she received a rent increase for capital improvement passthroughs in August 2015 without a *RAP Notice*. Her rent increased from \$1,105.00 to \$1,215.00. She testified that the following year, she received a rent increase notice with a *RAP Notice* for an 8% capital improvement passthrough and a 2% CPI rent increase via e-mail and the notice was left at her door. Her rent increased from \$1,215.00 to \$1,337.05. The tenant received a \$122.05 rent increase and started paying the monthly rent increase on October 1, 2016.

¹⁰ O.M.C. § 8.22.060 (A).

¹¹ O.M.C. § 8.22.070 (H)(1)(A).

Neither rent increases were lawful. In 2015, the rent increase did not accompany a *RAP Notice* and, in 2016, the rent increase was improperly served and exceeded 10%. ¹²

On May 24, 2018, the tenant received an e-mailed rent increase notice wherein the rent increased \$118.37. This 2018 rent increase is most because the owners withdrew this rent increase when they wrote to the tenant on June 14, 2018, and said, "Cheri: We will waive the rent increase for one year and revisit the issue again after that."

During cross-examination, the owner claimed that when the owners wrote in the June 14, 2018 e-mail, "revisit the issue again after that," it meant that the owners were automatically reinstating the \$118.00 rent increase after one year. Again, the owner's logic is unfounded. The plain English language of "revisit the issue again after that" does not mean the owner can impose a rent increase a year later without proper notice and without service of a written rent increase notice. Just because the owner wills it, does not make it true.

Further, Judicial Notice is hereby taken of Case Number L17-0191.¹³ In the *Hearing Decision* and *Decision Summary*, the owner was ordered to serve a rent increase, together with a *RAP Notice*, and the *Decision Summary* on the tenant by mail, if the owner wishes to pass on \$118.37 in capital improvement passthroughs. The owner never followed the *Hearing Decision*'s Order.

The tenant was served with the *RAP Notice* for the first time in March 2015. And, she is challenging the rent increase served in the year 2015 and 2016. Since she filed her petition on May 1, 2023, the validity of the 2015 and 2016 rent increases is time barred because the tenant did not file her petition within 90 days of the date of service of a rent increase notice. The only remaining issue is whether the rents were reduced after a prior rent increase period for capital improvements.

A tenant may file a petition anytime to seek relief when the owner fails to reduce rent following the expiration of the amortization period for capital improvements, and any interest due on any rent overcharges from the failure to reduce rent for a capital improvement. ¹⁴ The reimbursement of capital expenses from the tenant must be discontinued at the end of the amortization period. ¹⁵ Before February 1, 2017, all capital improvement pass-throughs were subject to a 60-month amortization period and must be discontinued at the end of the 60-month period. ¹⁶ In addition, an administrative citation ¹⁷ may be issued when the owner fails to remove a

 $^{^{12}}$ 10% of the then \$1,105.00 base rent is \$110.50. In 2016, the parties erroneously used \$1,215.00 as the base rent. Even if the owners assumed the base rent was \$1,215.00, 10% of \$1,215.00 is \$121.50. However, the tenant received a \$122.05 rent increase. In addition, a 2% CPI rent increase of the then \$1,105.00 base rent is \$22.10; the capital improvement passthrough is the remaining \$99.95 (\$99.95 + \$22.10 = \$122.05).

¹³ Campbell v. Tenants, Case Number L17-0191, Hearing Decision Dated April 26, 2018.

¹⁴ O.M.C. § 8.22.070 (C) and Regulations §§ 10.2.5 and 8.22.070 (C)(a)(5) and 8.22.110 (F)(5).

¹⁵ Regulations § 8.22.070 (C)(a)(3)(2). "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."

¹⁶ Regulations: Former Appendix A. Effective January 9, 2015, the Regulations set the amortization period to five (5) years or sixty (60) months, until January 17, 2017, when the Regulations adopted an amortization schedule. ¹⁷ Regulations § 8.22.150 (A)(1).

capital improvement rent increase on the first month following the end of the amortization period. 18

The \$110.00 rent increase which went into effect on October 1, 2015 based on capital improvement pass-throughs expired on October 1, 2020. Any \$110.00 monthly capital improvement pass-through included in the tenant's rent after October 1, 2020, is invalid.

The \$99.95 rent increase which went into effect on October 1, 2016 based on capital improvement pass-throughs expired on October 1, 2021. Any \$99.95 monthly capital improvement pass-through included in the tenant's rent after October 1, 2021, is invalid.

As of October 1, 2015, the tenant's base rent \$1,105.00. As of October 1, 2016, the tenant's base rent was increased by 2%, resulting in a base rent of \$1,127.10. Because the tenant was never properly served with a written rent increase notice after October 1, 2016, the tenant's base rent remains \$1,127.10.

The owner contends that the owners lawfully passed on rent increases because statements were e-mailed to the tenant explaining how the rent increases were structured even though the owner never served a lawful written rent increase to the tenant. The August and September 2020 e-mails the owner asked Ms. Brooks to read into the record are irrelevant - e-mails are not valid rent increases. In addition, the owner is also prevented from introducing any evidence as the basis for this decision due to the late filing of her response.

Ms. Campbell insisted that the owners intended and therefore did pass on rent increases for "each year" by incrementally adjusting the base rent and lowering capital improvements portion of the rent each year. However, Ms. Brooks credibly and repeatedly testified that she was never served personally or received by mail any written rent increase notices after 2015. It is as if the owners expected Ms. Brooks to telepathically know that her base rent was increasing incrementally with each passing year.

Because the tenants paid the invalid rent increases, the tenants are entitled to restitution for overpayment of rent. See Rent Overpayment Chart attached as Exhibit 1.

The only type of rent overpayment where the Regulations have reserved the tenant's right to recover interest is when an owner fails to reduce a capital improvement rent increase. ¹⁹ The tenant may seek interest due on any rent overcharges from the failure to reduce rent for a capital improvement. ²⁰ In 2023, the Regulations were further amended to specify that Hearing Decisions where there are rent overpayments based on an owner's failure to reduce rent after the expiration of the amortization period for a Capital Improvement **shall** also include a calculation of any interest that may be due. ²¹

¹⁸ Regulations § 8.22.150 (A)(2)(g).

¹⁹ O.M.C. § 8.22.070 (C) and Regulations §§ 10.2.5 and 8.22.070 (C)(1)(a)(5) and 8.22.110 (F)(5).

²⁰ Regulations § 10.2.5.

²¹ Regulations §§ 8.22.070 (C)(1)(a)(5) and 8.22.110 (F)(5).

Notice to the Property Owners: The owner is hereby advised that, if the owner fails to remove a Capital Improvement Rent increase on the first month within three (3) weeks of the mailing of this Decision, an Administrative Citation²² shall be issued against the owner, seeking a monetary penalty.

ORDER

- 1. Petition T23-0058 is granted, in part.
- 2. The base rent is \$1,127.10.
- 3. The owner has failed to remove two Capital Improvement Rent increases on the first month following the end of each amortization period.
- 4. The tenant is owed restitution in the amount of \$7,984.68 for overpaid rent. This overpayment is adjusted by a rent decrease for twelve (12) months in the amount of \$665.39 a month.²³
- 5. The tenant is entitled to reduce the rent per the restitution order after the Hearing Decision becomes final. The decision is final if no party has filed an Appeal within 20 days of the date the Hearing Decision is mailed to all parties.
- 6. If the owner wishes to, she can repay the restitution owed to the tenants at any time. If she does so, the monthly decrease for restitution ends at the time the tenant is provided restitution.
- 7. Capital improvement pass-through rent increases are not part of the base rent for purposes of calculating future rent increases.

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

Dated: April 17, 2024

Susan Ma

Hearing Officer

Rent Adjustment Program

VAN

²² Regulations § 8.22.150.

²³ Rent Adjustment Program Regulations § 8.22.110 (F)(4)(d).

Exhibit 1

OVERPAID RENT

From 1-Oct-20 1-Oct-21	To 1-Sep-21 1-Apr-24	Monthly Rent paid \$1,215 \$1,337	Max Monthly Rent \$1,105.00 \$1,127.10	Difference per month \$110.00 \$209.95	No. Months 12 31	Sub-total \$1,320.00 \$6,508.45	Imputed Interest 2.929% 3.827%	Monthly Rent Overpayment \$111.75 \$553.64
				- -		- -		
						\$7,828.45		\$665.39
			Te	OTAL OVE	RPAID RENT	\$7,984.68		

RESTITUTION

	100000	CITOIT			
		MONTHLY RENT	\$1,127.10		
	TOTAL TO	BE REPAID TO TENANT	\$7,984.68		
TOTAL	L AS PERCI	ENT OF MONTHLY RENT	708.48%		
AMORTIZED OVER	12	MO. BY REG. IS	\$665.39		
	MONTHS I	BY HEARING OFFICER			
OR OVER	IS			•	

PROOF OF SERVICE

Case Number: T23-0058 Case Name: Brooks v. Campbell

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

Today, I served the attached documents listed below by placing a true copy in a City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Oakland, California, addressed to:

Documents Included

Hearing Decision

Owner

Severin Campbell 1315 Stannage Avenue Berkeley, CA 94702

Tenant

Cheri Brooks 200 Frisbie Street Unit 200 Oakland, CA 94611

Tenant Representative

David Hall, Centro Legal de la Raza 3400 East 12th Street Oakland, CA 94601

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

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on **April 18, 2024** in Oakland, California.

Teresa Brown-Morris

Oakland Rent Adjustment Program



CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP

For Rent Adjustment Program date stamp.	

APPEAL

Appellant's Name Severin Campbell	X Owner □ Tenant
Property Address (Include Unit Number) 200 Frisbie Street, Oakland CA 94611	
Appellant's Mailing Address (For receipt of notices) Severin Campbell 1315 Stannage Avenue Berkeley CA 94702	Case Number T23-0058 Date of Decision appealed April 17, 2024
Name of Representative (if any) N/a	Representative's Mailing Address (For notices)

Please select your ground(s) for appeal from the list below. As part of the appeal, an explanation must be provided responding to each ground for which you are appealing. Each ground for appeal listed below includes directions as to what should be included in the explanation.

1) There are math/clerical errors that require the Hearing Decision to be updated.

The Hearing Officer used the wrong base rent amount when calculating restitution. The base rent as of October 2015 was \$1,123 (not \$1,105) and as of October 2016 was \$1,146 (not \$1,127).

- 2) Appealing the decision for one of the grounds below (required):
 - a) X The decision is inconsistent with OMC Chapter 8.22, Rent Board Regulations, or prior decisions of the Board.

The Hearing Officer Decision is inconsistent with 8.22.070.C.a.(3) and 8.22.070.C.a.(5)

The Hearing Officer's April 17, 2023 Decision states that the "owner failed to remove two Capital Improvement Rent increases on the first month following the end of each amortization period". This is not correct.

The original owner submission in response to T23-0058 included detailed documentation showing that the total Capital Improvement Rent increases, implemented in 2015 and 2016, were removed when the Capital Improvement Rent increases were completed and prior to the end of the 60-month amortization period. This information was further detailed in the spreadsheet accompanying the appeal to the August 22, 2023 Administrative Decision. The Hearing Officer does not indicate in the Decision, dated April 17, 2024, if the documentation submitted with the owner's response to petition T23-0058 and with the appeal to the Administrative Decision was reviewed or considered.

Revised February 29, 2024 000088

Also, as noted in the October 6, 2023 Memorandum from the Deputy City Attorney to the HRRRB, "The Ordinance and Regulations do not specify exactly how the pass-through expires at the end of the amortization period—meaning, they do not require owners to provide a particular type of notice."

b) X The decision is inconsistent with decisions issued by other Hearing Officers. (In your explanation, you must identify the prior inconsistent decision and explain how the decision is inconsistent.)

The Hearing Officer Decision states that the Capital Improvement Rent increase of \$118.37, approved by the RAP Hearing Officer in response to owner petition L17-0191, is "moot because the owners withdrew this rent increase...". This is not correct.

The owners *did not* withdraw the Capital Improvement Rent increase. The tenant was never told verbally or in writing that the Capital Improvement Rent increase was withdrawn. The information provided to the tenant was that the total rent of \$1337.05, including both base rent and capital improvement pass-through, would not be increased.

The Capital Improvement Rent increase has never exceeded \$118.37 per month or extended beyond the 72-month amortization period, which was scheduled to begin on July 1, 2018, and end on June 30, 2024. The Rent Adjustment Program ordinance does not provide for the owner to give subsequent written notice after the properly served initial notice.

- c) The decision raises a new policy issue that has not been decided by the Board. (In your explanation, you must provide a detailed statement of the issue and why the issue should be decided in your favor.)
- d) The decision violates federal, state, or local law. (In your explanation, you must provide a detailed statement as to what law is violated.)
- e) x The decision is not supported by substantial evidence. (In your explanation, you must explain why the decision is not supported by substantial evidence found in the case record.)

As noted above, the original owner submission in response to T23-0058 included detailed documentation showing that the total Capital Improvement Rent increases, implemented in 2015 and 2016, were removed when the Capital Improvement Rent increases were completed and prior to the end of the 60-month amortization period. This information was further detailed in the spreadsheet accompanying the appeal to the August 22, 2023 Administrative Decision. The Hearing Officer does not indicate in the Decision, dated April 17, 2024, if the documentation submitted with the owner's response to petition T23-0058 and with the appeal to the Administrative Decision was reviewed or considered.

f) x I was denied a sufficient opportunity to present my claim or respond to the petitioner's claim.

The Hearing Officer determined that the property owner response to T23-0058 was not timely. Our response was timely. On May 3, 2023, we received from the tenant the petition form downloaded from the Rent Adjustment Program (RAP) website. We served a copy of the owner response to the tenant and tenant representative by US Mail on May 4, 2023. The owner response included the Proof of Service statement (Attachment I).

- g)
 \[
 \text{The decision denies the Owner a fair return on the Owner's investment.} (You may appeal on this ground only when your underlying petition was based on a fair return claim. You must specifically state why you have been denied a fair return and attach the calculations supporting your claim.)}
- h) \Box Other. (In your explanation, you must attach a detailed explanation of your grounds for appeal.)

the filing of this document. Only the first 25 pages of submissions from each party will be considered by the Board, subject to Regulations 8.22.010(A)(4). *Please number attached pages consecutively.*

• You must serve a copy of your appeal on the opposing parties, or your appeal may be dismissed.•

I served a copy of: Appeal to April 17, 2024 Hearing Office Decision And Additional Documents (1. Memorandum to HRRRB); 2. May 4, 2023 Proof of Service; 3. Rent Payment Details)

and 7 attached pages to each opposing party, whose name(s) and address(es) are listed below, by one of the following means (*check* one):

a. First-Class Mail. I enclosed the document(s) in a sealed envelope or package addressed to the person(s) listed below and at the address(es) below and deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

<u>Name</u>	David Hall
<u>Address</u>	Centro Legal de la Raza
	3400 E. 12 th Street
City. State Zip	Oakland, CA 94601
Email Address	dhall@centrolegal.org
<u>Name</u>	Cheri Brooks
Address	200 Frisbie Street
City. State Zip	Oakland CA 94611
Email Address	Qkcam45@att.net

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and the documents were served on $\frac{4}{26}$

Severin Campbell	
PRINT YOUR NAME	
San	April 26,2024
SIGNATURE	DATE

IMPORTANT INFORMATION:

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

Revised February 29, 2024 000090

day.

- Appeals filed late without good cause will be dismissed.
- You must provide all the information required, or your appeal cannot be processed and may be dismissed.
- Any response to the appeal by the responding party must be received by the Rent Adjustment Program, along with a proof of service on appealing party, within 30 days of service of the service of the appeal if the party was personally served. If the responding party was served the appeal by mail, the party must file the response within 35 days of the date the appeal was mailed to them.
- There is no form for the response, but the entire response is limited to 25 pages or less.
- The Board will not consider new claims. All claims, except jurisdictional issues, must have been made in the petition, response, or at the hearing.
- The Board will not consider new evidence at the appeal hearing without specific approval.
- You must sign and date this form or your appeal will not be processed.
- The case record is available to the Board, but sections of audio recordings that you want the Board to review must be pre-designated to Rent Adjustment Staff.

Revised February 29, 2024 000091

To: Members, Housing, Residential & Relocation Board

From: Severin Campbell

Date: April 26, 2024

We are appealing the Hearing Officer's Decision regarding T23-0058, dated April 17, 2024. Our appeal is based on the following:

1. The Hearing Officer determined that the property owner response to T23-0058 was not timely. Our response was timely. On May 3, 2023, we received from the tenant the petition form downloaded from the Rent Adjustment Program (RAP) website. We served a copy of the owner response to the tenant and tenant representative by US Mail on May 4, 2023. The owner response included the Proof of Service statement (Attachment II).

On May 10, 2023, we requested from the tenant and tenant representative the petition number. Neither replied to our request.

We did not receive notice from the Rent Adjustment Program confirming that the petition had been filed until June 24, 2023. We uploaded the owner response to T23-0058 to the RAP website on June 27, 2023.

The Hearing Officer did not state in the August 22, 2023 Administrative Decision that the owner response to T23-0058 was not timely. The first time that the Hearing Officer informed us that the owner response was considered to not be timely was in the hearing conducted on February 6, 2024.

As a result of the Hearing Officer initially issuing the August 22, 2023 Administrative Decision without conducting a hearing and determining in the February 6, 2024 hearing that the owner response was not timely, we have been improperly denied the opportunity to present evidence in an impartial hearing.

2. The Hearing Officer's April 17, 2023 Decision states that the "owner failed to remove two Capital Improvement Rent increases on the first month following the end of each amortization period".

The original owner submission in response to T23-0058 included detailed documentation showing that the total Capital Improvement Rent increases, implemented in 2015 and 2016, were removed when the Capital Improvement Rent increases were completed and prior to the end of the 60-month amortization period. This information was further detailed in the spreadsheet accompanying the appeal to the August 22, 2023 Administrative Decision. The Hearing Officer does not indicate in the Decision, dated April 17, 2024, if the documentation submitted with the owner's response to petition T23-0058 and with the appeal to the Administrative Decision was reviewed or considered.

Also, as noted in the October 6, 2023 Memorandum from the Deputy City Attorney to the HRRRB, "The Ordinance and Regulations do not specify exactly how the pass-through expires at the end of the amortization period—meaning, they do not require owners to provide a particular type of notice."

3. The Hearing Officer Decision states that the Capital Improvement Rent increase of \$118.37, approved by the RAP Hearing Officer in response to owner petition L17-0191, is "moot because the owners withdrew this rent increase...". This is not correct.

The owners *did not* withdraw the Capital Improvement Rent increase. The tenant was never told verbally or in writing that the Capital Improvement Rent increase was withdrawn. The information provided to the tenant was that the total rent of \$1337.05, including both base rent and capital improvement pass-through, would not be increased.

The Capital Improvement Rent increase has never exceeded \$118.37 per month or extended beyond the 72-month amortization period, which was scheduled to begin on July 1, 2018, and end on June 30, 2024. The Rent Adjustment Program ordinance does not provide for the owner to give additional written notice after the properly served initial notice.

We do not agree that the base rent as of October 2016 is \$1,127.10 per month and that we owe restitution of \$7,984.68.

We consider our actions to be consistent with the Rent Adjustment Program. However, we understand that, although we did not increase the tenant's total rent, the HRRRB could reasonably consider that we should have provided annual rent notices that we were increasing the base rent by the allowed CPI and decreasing the Capital Improvement Rent below the allowable amount. Attachment III is a spreadsheet detailing total rent payments (including base rent as of October 2016 and total allowed Capital Improvement Rent increases) from October 2015 through June 2024.

Capital Improvement Costs 2015 Sewer Lateral Roof	6,900 9,794 16,694			
70% Capital Improvement Pass Through Information submitted with Petition L17-0191	11,686			
Capital Improvement Costs 2016				
Alley Electric	7,900			
Bouchard Sesimic	20,036			
	27,936			
70% Capital Improvement Pass Through	19,555			
Information submitted with Petition L17-0191				
Rent Adjustment Board -Capital Improvement Co Structural upgrade Stucco and paint Gutters & downspouts 70% Capital Improvement Pass Through Information submitted with Petition L17-0191	30,125 15,900 2,675 48,700 34,090			
Total	93,330			
70% Capital Improvement Pass Through	65,331			
2015 Pass Through 2016 Pass Through	Start Date Oct-15 Oct-16	Unit 200 2,935 4,458	Months 31 45	End Date May-18 Jun-20
RAP - L17-0191	Jul-18	8,523	72	Jun-24
Total		15,916		

Page 1 000094

Capital

					Capitai		_		
D 4 D 6 D 1		20	015 Capital	2016	Pass		Total		
RAP CPI	Data	Dana Dant		Capital Pass	_	Capital Pass	Actual	Allowed	Actual >
Increase	Date Prior	Base Rent 1,105.00	Through	inrough	(L17-0191)	Through	Rent	Allowed	Allowed
1 70/	10/01/15		01 72			91.72	1 215 51	1,215.51	
1.7%	11/01/15	1,123.79 1,123.79	91.72 91.72			91.72	1,215.51 1,215.51	1,215.51	
	12/01/15	1,123.79	91.72			91.72	1,215.51	1,215.51	
	01/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	02/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	03/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	04/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	05/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	06/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	07/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	08/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
	09/01/16	1,123.79	91.72			91.72	1,215.51	1,215.51	
2%	10/01/16	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	11/01/16	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	12/01/16	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	01/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	02/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	03/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	04/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	05/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	06/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	07/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	08/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	09/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	10/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	11/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	12/01/17	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	01/01/18	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	02/01/18	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	03/01/18	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	04/01/18	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	05/01/18	1,146.26	91.72	99.07		190.79	1,337.05	1,337.05	
	06/01/18	1,146.26		99.07		99.07	1,337.05	1,245.33	(91.72)
	07/01/18	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	08/01/18	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	09/01/18	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	10/01/18	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	11/01/18	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	12/01/18	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	01/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	02/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	03/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	04/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	05/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	06/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	07/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	08/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	09/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	10/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	11/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	12/01/19	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	01/01/20	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	02/01/20	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	

					Capital				
		2	015 Capital	2016	Pass	Subtotal	Total		
RAP CPI			Pass	Capital Pass	Through	Capital Pass	Actual		Actual >
Increase	Date	Base Rent	Through	Through	(L17-0191)	Through	Rent	Allowed	Allowed
	03/01/20	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	04/01/20	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	05/01/20	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	06/01/20	1,146.26		99.07	118.37	217.44	1,337.05	1,363.70	
	07/01/20	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	08/01/20	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	09/01/20	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	10/01/20	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	11/01/20	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	12/01/20	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	01/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	02/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	03/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	04/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	05/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	06/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	07/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	08/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	09/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	10/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	11/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	12/01/21	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	01/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	02/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	03/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	04/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	05/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	06/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	07/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	08/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	09/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	10/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	11/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	12/01/22	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	01/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	02/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	03/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	04/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	05/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	06/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	07/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	08/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	09/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	10/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	11/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	12/01/23	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	01/01/24	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	02/01/24	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	03/01/24	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	04/01/24	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	05/01/24	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
	06/01/24	1,146.26			118.37	118.37	1,337.05	1,264.63	(72.42)
Total C	apital Improvem	nent Rent	2,935.04	4,458.15	8,522.64	·			(3,567.85)

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CITY OF OAKLAND RENT ADJUSTMENT PROGRAM

250 Frank H. Ogawa Plaza, Suite 5313 Oakland, CA 94612-0243 (510) 238-3721 CA Relay Service 711 www.oaklandca.gov/RAP For Rent Adjustment Program date stamp.

PROOF OF SERVICE

NOTE: YOU ARE REQUIRED TO SERVE A COPY OF YOUR RESPONSE (PLUS ANY ATTACHMENTS) ON THE TENANT(S) PRIOR TO FILING YOUR RESPONSE WITH RAP.

- 1) Use this PROOF OF SERVICE form to indicate the date and manner of service and the person(s) served.
- 2) Note: Email is not a form of allowable service on a party of a petition or response pursuant to the Ordinance.
- 3) Provide a completed copy of this PROOF OF SERVICE form to the person(s) being served together with the documents being served.
- 4) File a completed copy of this PROOF OF SERVICE form with RAP together with your Response. Your Response will not be considered complete until this form has been filed indicating that service has occurred.

On the following d	ate:04/_26/ <u>2024</u> _ I served a copy of <i>(check all that apply)</i> :				
	PERTY OWNER RESPONSE TO TENANT PETITION plus attached pages er of pages attached to Response not counting the Response form or PROOF OF ICE)				
	r: Appeal to April 17 2024 Hearin Officer Decision and 7 attached pages				
by the following me	eans (check one):				
the per	ed States Mail. I enclosed the document(s) in a sealed envelope or package addressed to rson(s) listed below and at the address(es) below and deposited the sealed envelope with the States Postal Service, with the postage fully prepaid.				
listed	bnal Service. I personally delivered the document(s) to the person(s) at the address(es) below or I left the document(s) at the address(es) with some person not younger than ars of age.				
Name	Cheri Brooks				
Address	200 Frisbie Street				
City, State, Zip Oakland, CA 94611					
Name	David Hall, Centro Legal de la Raza				
Address	3400 East 12th Street				
City, State, Zip	Oakland, CA 94601				

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

SIGNATURE DATE

Page 2 of 2

April 26,2024

Proof of Service



MEMORANDUM

Date: July 8, 2024

To: Members of the Housing, Rent Residential & Relocation

Board (HRRRB)

From: Braz Shabrell, Deputy City Attorney

Re: Appeal Memo and Recommendation in T23-0058, Brooks v.

Campbell

Appeal Hearing Date: July 11, 2024

Property Address: 200 Frisbie Street #200, Oakland CA

Appellant/Owner: Severin Campbell

Respondent/Tenant: Cheri Brooks

BACKGROUND

On May 1, 2023, tenant filed a petition contesting three rent increases¹ and alleging that the tenant's rent was not reduced after a prior increase period for capital improvements. The tenant alleged that the tenant first received a RAP Notice in March 2015, and that the tenant received a RAP Notice with the rent increases in 2015 and 2016, but not 2023.

In the owner response, the owner alleged that the increases in the tenant's rent over the years have been a combination of CPI increases and capital improvement pass-throughs. The 2015 increase was based on a 1.7% CPI increase and a pass-through for capital improvement costs of 8.3%. The 2016 increase was based on a 2% CPI increase and a pass-through for capital improvement costs of 8%. In 2018, the owner received approval from RAP to increase the rent to \$1,455, but the owner agreed to keep the rent at \$1,337. On January 2, 2023, the owner notified the tenant that rent would increase to \$1,352 based on CPI adjustments.

¹ \$1105 to \$1215.50, effective 10/1/15; \$1215 to \$1337.05, effective 10/1/16; \$1337.05 to \$1352.70, effective 2/1/23.

2023 ADMINISTRATIVE DECISION

On August 22, 2023, the Hearing Officer issued an Administrative Decision, granting the tenant's petition in part. The 2023 increase was invalid because it was served without a RAP Notice, which was corroborated by the owner's response.

The October 2015 increase from \$1,105 to \$1,215 was valid because it did not exceed 10%, and because the laws in effect at that time allowed owners to pass on capital improvement costs without needing prior approval from RAP. The 10% rent increase combined a 1.7% CPI increase (\$18.79) with an 8.3% increase (\$91.72) based on capital improvements. Although the increase was valid, the portion of the increase that was based on capital improvements (\$91.72) should have expired after 60 months, which was September 30, 2020. Therefore, the Hearing Officer found that the tenant was entitled to restitution of \$91.21² per month from October 2020 to August 2023, totaling \$3,192.35.

The October 2016 increase was invalid because it exceeded 10%. In October 2016, the tenant's rent increased from \$1,123.79 to \$1,146.26 due to a 2% CPI increase and a capital improvement pass through of \$190.79 (16.98%), for a total rent increase of 18.98%. Therefore, the tenant is entitled to restitution for overpayments. Additionally, the 2016 pass-through (\$190.79) should have expired after 60 months, which was September 30, 2021. Therefore, the Hearing Officer found the tenant was entitled to restitution of \$190.79 per month from October 2021 to August 2023, totaling \$4,388.17.

The Hearing Officer determined that the total restitution owed to the tenant due to overpayments was \$13,742.93, dating back to 2016.

2023 APPEAL

The owner appealed the Administrative Decision, and the case came before the Board on October 12, 2023. After arguments and Board discussion, the Board voted to uphold the decision regarding the 2023 rent increase and remanded the case back to the Hearing Officer for a hearing on the other issues.

REMAND HEARING DECISION

On February 6, 2024, a hearing was held, and on April 17, 2024, the Hearing Officer issued a decision granting the petition in part. Among other things, the Hearing Officer found that the owner failed to remove two capital improvement pass-throughs following the end of their amortization periods, and the tenant is owed restitution in the amount of \$7,984.68. The owner's contention that the rent increases were lawful because the owner emailed the tenants with explanations about how the increases were structured are not relevant because the emails are not valid rent increase notices. The owner contends that the base rent was adjusted each year based on CPI and the capital

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² This figure of \$91.21 that was included in the calculation chart appears to have been a clerical error, since the actual pass-through amount was \$91.72.

improvement pass-throughs were incrementally lowered accordingly. However, the tenant credibly and repeatedly testified that she was never served personally or received by mail any written rent increase notices after 2015. Therefore, any increases in the tenant's base rent after 2015 were invalid because they were not properly noticed.

GROUNDS FOR APPEAL

The owner appeals the Hearing Officer's finding that the owner failed to remove the capital improvement pass-throughs because the owner submitted documentation detailing how these increases were removed at the end of the 60-month amortization period. The owner alleges that the owner was denied a sufficient opportunity to present their claims because the Hearing Officer determined that the owner's response was not timely, and the decision does not indicate whether the owner's documentation was considered. The owner once again appeals the determination that the owner response was not timely.

ISSUES

- 1. Was the owner denied a sufficient opportunity to present their claims?
- 2. Is the Hearing Officer's decision supported by substantial evidence?

APPLICABLE LAW

Capital Improvement Pass-Throughs

- A landlord can pass on a percentage of costs spent on capital improvements to a tenant through a rent increase. Prior to 2017, owners were not required to file a petition prior to imposing capital improvement pass-throughs, and passthrough amounts were subject to a 60-month (5-year) amortization period³. Rent Regulations, Appendix A (effective 2015).
- At the end of the 60-month period, the pass-through should expire. "The dollar amount of the rent increase justified by Capital Improvements shall be removed from the allowable rent in the sixty-first month or at the end of the extended amortization period." Rent Regulations, Appendix A, sec. 10.2.3 (effective 2015).
- Capital improvement pass-throughs are different from other types of rent increases in that they do not adjust the tenant's base rent, but rather are treated separately. Any CPI adjustments that are made during the amortization period should be calculated using the tenant's base rent, exclusive of the capital improvement pass-through.

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³ Now, capital improvement pass-throughs are amortized over the useful life of the improvement, as set out in the amortization schedule included in the Regulations.

 The total amount of any single rent increase cannot exceed 10%. OMC 8.22.070A2.

Expiration of Amortization Period

- The Ordinance and Regulations do not specify exactly how the pass-through expires at the end of the amortization period—meaning, they do not require owners to provide a particular type of notice. The Regulations state that "[t]he dollar amount of the rent increase justified by Capital Improvements shall be removed from the allowable rent in the sixty-first month or at the end of the extended amortization period." Regulations, Appendix A, 10.2.3.2 (effective 2015).
- "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." Regulations, Appendix A, 10.2.5.1 (effective 2015).

• Notice Requirements

- Valid notice is required to increase a tenant's rent. As part of a notice to increase rent based on CPI, an owner must include the CPI amount in the notice and provide the tenant with a RAP notice. OMC 8.22.070H.
- A rent increase is not permitted unless the notice meets the requirements of California Civil Code Section 827. OMC 8.22.070H5.

RECOMMENDED <u>OUTCOME</u>

The office of the City Attorney recommends that the Board affirm the Hearing Decision granting the tenant's petition in part. Regarding the timeliness of the owner's response, the Hearing Decision notes that although the owner's response was untimely, the owner's participation in the hearing was not limited to cross-examination and summation. The owner provided testimony and already communicated in detail the points raised on appeal. It is evident from the Hearing Decision that the Hearing Officer took the owner's evidence and arguments into account despite the finding of untimeliness which would normally require such evidence be excluded. Based on the record, the hearing, and the Hearing Decision, it does not appear that the owner was denied due process or that a finding of timeliness would change the outcome of the decision. The Hearing Decision reflects that the Hearing Officer took the owner's arguments and evidence into account and still found them insufficient to justify the increases in the tenant's rent.

As the Hearing Officer points outs, despite the owner's *intentions* and rationale behind the tenant's rent charges, rent increases must be noticed and served in a lawful

manner in order to be valid. Although it may have been logical to the owner to taper and adjust the tenant's base rent over the years in the manner explained by the owner, CPI increases are not automatic or implied, and *any*/all increases must be accompanied by proper notice. Owners are entitled to defer certain increase amounts to be applied at a later date if they exceed annual limitations (OMC 8.22.070A4), but this does not negate the need for service of a valid notice.