

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

May 22, 2025

6:00 P.M.

**CITY HALL, HEARING ROOM # 1
ONE FRANK H. OGAWA PLAZA
OAKLAND, CA 94612**

AGENDA

PUBLIC PARTICIPATION

The public may observe or participate in this meeting in person or remotely via Zoom.

OBSERVE:

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

When: **May 22, 2025 06:00 PM Pacific Time (US and Canada)**

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/85916635923>

Meeting ID: 859 1663 5923

One tap mobile:+16699009128, 85916635923# US (San Jose), +16694449171, 85916635923# US

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

Webinar ID: 859 1663 5923

Find your local number: <https://us02web.zoom.us/j/85916635923>

The Zoom link is to view, listen and/or participate in the meeting.

PARTICIPATION/COMMENT:

To participate/comment during the meeting, you may appear in person or remotely via Zoom. 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

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HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD 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. CONSENT ITEMS**
 - a. Approval of Board Minutes, 05/08/2025 (pp.4-8)
- 5. APPEALS***
 - a. T24-0181, Hines Margado v. Kidane (pp.9-61)
- 6. RESOLUTION RECOMMENDING AMENDMENT OF THE RENT ADJUSTMENT ORDINANCE TO MODIFY THE EXEMPTION FOR GOVERNMENT CONTROLLED, REGULATED, OR SUBSIDIZED UNITS TO EXEMPT ONLY UNITS WHERE A GOVERNMENT AGENCY OWNS, OPERATES, MANAGES THE UNIT OR WHERE RENT CONTROL IS PREEMPTED BY FEDERAL OR STATE LAW (pp.62-66)**
- 7. RESOLUTION TO SUPPORT STAFF'S RECOMMENDATION TO INCREASE THE RENT PROGRAM SERVICE FEE (RAP FEE) FROM \$101 TO \$137 PER UNIT ANNUALLY FOR FY 25-26 (pp.67-94)**
- 8. INFORMATION AND ANNOUNCEMENTS**
- 9. NEW BOARD BUSINESS**
- 10. SCHEDULING AND REPORTS**
- 11. OPEN FORUM**
 - a. Comments from the public on all items will be taken at this time.
- 12. ADJOURNMENT**

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.

Accessibility: 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 envíe 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.

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

May 8, 2025

6:00 P.M.

CITY HALL

**1 FRANK H. OGAWA PLAZA, HEARING ROOM #1
OAKLAND, CA 94612**

MINUTES

1. CALL TO ORDER

a. The Board meeting was administered in-person by Nyila Webb from the Rent Adjustment Program (RAP), Housing and Community Development Department. Nyila Webb explained the procedure for conducting the meeting. The HRRRB meeting was called to order by Chair M. Cucullu Lim at 6:10 PM.

2. ROLL CALL

MEMBER	STATUS	PRESEN T	ABSEN T	EXCUSE D
D. INGRAM	Tenant	X		
C. MUNOZ RAMOS	Tenant			X
Vacant	Tenant Alt.			
M. GOOLSBY	Tenant Alt.			X
C. OSHINUGA	Undesignated	X		
M. CUCULLU LIM	Undesignated	X		
R. SAMATI	Undesignated	X		
K. BRODFUEHRER	Landlord	X		
C. JACKSON	Landlord			X
Vacant	Landlord Alt.			

**Member Oshinuga arrived at 6:25.*

Staff Present

Braz Shabrell
Elan Lambert
Nyila Webb

Deputy City Attorney
Hearing Officer (RAP)
Administrative Assistant II (RAP)

3. PUBLIC COMMENT

- a. 3 speaker cards were submitted online or in-person.

4. CONSENT ITEMS

- a. Approval of Board Minutes, 04/10/2025:

Chair Cucullu Lim made a motion to amend the Board Minutes from April 10, 2025, to correct the record of votes taken under case L24-0002. It was initially recorded that Member M. Muñoz Ramos and Chair M. Cucullu Lim voted “Nay,” but they actually voted “Abstain. Member D. Ingram seconded the motion.

The Board voted as follows:

Aye: M. Cucullu Lim , D. Ingram,
Nay: None
Abstain: K. Brodfuehrer, R. Samati,

The motion is approved.

Chair M. Cucullu Lim made a motion to adopt the amended April 10, 2025 minutes. Vice Chair R. Samati seconded.

The Board voted as follows:

Aye: M. Cucullu Lim, D. Ingram, R. Samati, K. Brodfuehrer
Nay: None
Abstain:

The motion is approved.

5. APPEALS*

**a. T23-0032, Treinen v. Wexler
Appearances at appeal:**

Owner: Francisco Galicia

Owner Representative: Larry Lee

Tenant: Bonita Treinen

Member D. Ingram made a motion that the owner 1. failed to show good cause for to not appearing at the July 23rd hearing; 2. find that the Hearing Officer had sufficient evidence to support the hearing decision, 3. find that the fair return claim raised by the owner on appeal is not applicable to this case and lastly, to affirm the hearing decision. Member Oshinuga seconded.

The Board voted as follows:

Aye: M. Cucullu Lim, D. Ingram, R. Samati, K. Brodfuehrer, C. Oshinuga

Nay: None

Abstain: None

The motion is approved.

**b. L24-0026, Samaniego v. Tenants
Appearances at appeal:**

Owner: Joseph Samaniego
Tenant: Dawn Samaniego
Tenant: Jose Saravia
Tenant: Maria Saravia

**Chair M. Cucullu Lim made a motion to affirm the remand hearing decision.
Member K. Brodfuehrer seconded.**

The Board voted as follows:

Aye: M. Cucullu Lim, D. Ingram, K. Brodfuehrer,
Nay: C. Oshingua
Abstain: R. Samati

The motion is approved.

**c. L24-0069, Gambarin v. Tenants
Appearances at appeal:**

Owner: Gregory Goldstein
Owner Representative: Julie Keys
Tenants/ Tenants Families

**Member C. Oshingua made a motion to remand this matter back to the hearing examiner to have a full hearing allowing tenants to submit full responses/evidence to the petitioner's petition.
Chair M. Cucullu Lim seconded.**

The Board voted as follows:

Aye: M. Cucullu Lim, D. Ingram, C. Oshinuga, R. Samati
Nay: None
Abstain: None

The motion is approved.

6. INFORMATION AND ANNOUNCEMENTS

- a. None.

7. NEW BOARD BUSINESS

- a. None.

8. SCHEDULING AND REPORTS

- a. Board will have two Resolutions on the upcoming, May 22 agenda.

9. OPEN FORUM

- a. 1 speaker card was submitted.

10. ADJOURNMENT

- a. Meeting adjourned at 10:55 pm.

CHRONOLOGICAL CASE REPORT

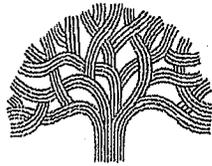
Case No.: T24-0181
Case Name: Hines Margado v. Kidane
Property Address: 4407 Masterson Street

Parties: Owner- Abraham Kidane
Owner Representative- Mandana Arjmand
Tenant- Bethanie Hines Margado
Tenant- Michael Margado

OWNER APPEAL:

<u>Activity</u>	<u>Date</u>
Tenant Petition filed	November 13, 2024
No Owner Response filed	
Hearing Date	January 27, 2025
Hearing Decision mailed	March 20, 2025
Owner Appeal filed	April 9, 2025

T24-0181 SM/RC



CITY OF OAKLAND

**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.

RECEIVED
NOV 13 2024
RENT ADJUSTMENT PROGRAM
OAKLAND

1127

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 Information			
4407	Masterson St.		Oakland, CA 94619
Street Number	Street Name	Unit Number	Zip Code
Move-In Date: 8/1/2012	Initial Rent at Move-In: \$ 1250.00	Current Rent: \$ 2557.50	
Is your rent subsidized or controlled by a government agency (such as HUD or Section 8), other than Oakland Rent Adjustment Program? (See page 5 "Jurisdiction" for more information)			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not sure
[Reserved]			
When (if ever) did the property owner first provide you with the City form, NOTICE TO TENANTS OF THE RESIDENTIAL RENT ADJUSTMENT PROGRAM ("RAP Notice")?		<input checked="" type="checkbox"/> I first received the RAP Notice on: <u>Last Rent Increase</u> <input type="checkbox"/> I was never provided with the RAP Notice <input type="checkbox"/> I do not remember if I ever received the RAP Notice	
Case number(s) of any relevant prior Rent Adjustment case(s):			
Tenant Information (List each tenant petitioner in unit. If you need more space, attach additional sheet.)			
Bethanie	Hines Margado		
First Name	Last Name		
Mailing Address (if different from above):			
Primary Telephone: (510) 710-9202	Other Telephone:	Email: bethaniehines@gmail.com	
Michael	Margado		
First Name	Last Name		
Mailing Address (if different from above):			
Primary Telephone: (510) 377-4818	Other Telephone:	Email: michael@margado.com	
Tenant Representative (Check one): <input checked="" type="checkbox"/> No Representative <input type="checkbox"/> Attorney <input type="checkbox"/> Non-Attorney			
First Name	Last Name	Firm/Organization (if any)	
Mailing Address:			
Phone Number:		Email:	

Property Owner Information

Property Owner

Abraham _____ Kidane _____
 First Name Last Name

Company/LLC/LP (if applicable): _____
 best known address is 4409 Masterson St. (downstairs unit) but don't know primary address. We pay via Venmo
 Mailing Address: _____

Phone Number: (650)240-6156 _____ Email: teshkuti@gmail.com _____

Property Manager (if applicable)

First Name _____ Last Name _____ Name of Management Company _____

Mailing Address: _____

Phone Number: _____ Email: _____

GROUND(S) FOR PETITION

Select the grounds for this petition from the list below. Check all that apply. You must check at least one box. To contest a rent increase, select item(s) from Category A. If you have experienced a decrease in housing services and/or have issues with the condition of your unit, or are being charged for utilities in violation of the law, select item(s) from Category B. For more information on each of the grounds, see Oakland Municipal Code (O.M.C.) Sections 8.22.070 and 8.22.090 (Rent Adjustment Ordinance) and the corresponding Regulations. A copy of the Ordinance and Regulations are available here: www.oaklandca.gov/resources/read-the-oakland-rent-adjustment-program-ordinance.

A.	Unlawful Rent Increase(s) (Complete section A on page 3)	<input type="checkbox"/> (A1) I received a rent increase above the allowable amount.
		<input type="checkbox"/> (A2) I received a rent increase that I believe is unlawful because I was not given proper notice, was not properly served, and/or was not provided with the required RAP Notice ("Notice to Tenants of the Residential Rent Adjustment Program").
		<input type="checkbox"/> (A3) I received a rent increase and do not believe I should be required to pay it because a government agency has cited my unit for serious health, safety, fire, or building code violations. (You must attach a copy of the citation to your petition.)
		<input type="checkbox"/> (A4) Before serving the rent increase notice, the property owner failed to substantially comply with the annual registration and reporting obligations as required under Oakland Municipal Code, Section 8.22.510.
B.	Decreased Housing Services (Complete section B on page 3)	<input checked="" type="checkbox"/> (B1) The property owner is providing me with fewer housing services than I previously received and/or I am being charged for services originally paid for by the owner. (Check this box for petitions based on bad conditions/failure to repair.)
		<input type="checkbox"/> (B2) I am being unlawfully charged for utilities.
C.	Other	<input type="checkbox"/> (C1) My rent was not reduced after: a) a prior rent increase period for capital improvements, or b) after the owner received undeclared capital improvement benefits, or c) after an additional tenant for whom the owner was allowed an increase, vacated from the premises.

		<input type="checkbox"/> (C2) I wish to contest an exemption from the Rent Adjustment Ordinance because the exemption was based on fraud or mistake.
		<input type="checkbox"/> (C3) The initial rent amount when I first moved in was unlawful because the property owner was not permitted to set the initial rent without limitation. O.M.C. § 8.22.080 (C).

A.	Unlawful Rent Increase(s)
<i>(Complete this section if any of the grounds for petition fall under category A, above)</i>	

List all rent increases you wish to contest. 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, **you must attach a copy of the citation** to your petition. Failure to attach a copy of the citation may result in your petition being dismissed.

Date received rent increase notice: (Month/Day/Year)	Date rent increase went into effect: (Month/Day/Year)	Amount of increase:		Received RAP Notice with notice of rent increase?	
		FROM	TO	YES	NO
		\$	\$	<input type="checkbox"/>	<input type="checkbox"/>
		\$	\$	<input type="checkbox"/>	<input type="checkbox"/>
		\$	\$	<input type="checkbox"/>	<input type="checkbox"/>
		\$	\$	<input type="checkbox"/>	<input type="checkbox"/>
		\$	\$	<input type="checkbox"/>	<input type="checkbox"/>

B.	Decreased Housing Services
<i>(Complete this section if any of the grounds for petition fall under category B, above)</i>	

List all the conditions that you believe entitle you to a rent decrease. 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.

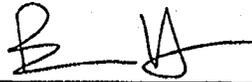
- You are strongly encouraged to submit documentary evidence** (photographs, inspection reports, correspondence with your landlord, etc.) together with your petition. Evidence may be submitted up to seven calendar days prior to your hearing.
- You may wish to have a City inspector come inspect your unit** 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.	Landlord has removed common areas which have been included as part of rentable space amenities since the inception of lease start due to current lower unit renovation and ADU project.	Oct. 1, 2023	Oct. 1, 2023	Project still in progress	\$ 350.00

2.					\$
3.					\$
4.					\$

TENANT VERIFICATION
(Required)

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



Tenant 1 Signature

11/6/2024

Date

Michael Margado

Tenant 2 Signature

11/6/2024

Date

CONSENT TO ELECTRONIC SERVICE
(Highly Recommended)

Check the box below if you agree to have RAP staff and the OTHER PARTY/PARTIES send you documents related to your case electronically. If you agree to electronic service, the RAP and other parties may send certain documents (except a response to petition) only electronically and not by first class mail.

I/We consent to receiving notices and documents in this matter from the RAP and from the OTHER PARTY/IES electronically at the email address(es) provided in this petition.

MEDIATION PROGRAM

Mediation is an optional process offered by RAP to assist parties in settling the issues related to their Rent Adjustment case as an alternative to the formal hearing process. A trained third party will work with the parties prior to the hearing to see if a mutual agreement can be reached. If a settlement is reached, the parties will sign a binding agreement and there will not be a formal hearing. If no settlement is reached, the case will go to a formal hearing with a Rent Adjustment Hearing Officer, who will then issue a hearing 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 Adjustment Program staff mediator.

Tenant Signature

Date

INTERPRETATION SERVICES

If English is not your primary language, you have the right to an interpreter in your primary language/dialect at the Rent Adjustment hearing and mediation session. You can request 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-



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).**

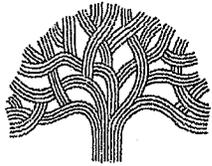
➤ TO RESPOND:

- 1) Complete and sign a **PROPERTY OWNER RESPONSE** form found on the RAP website. (<https://www.oaklandca.gov/services/respond-to-a-tenant-petition-for-the-rent-adjustment-program>)
- 2) Complete a **PROOF OF SERVICE (POS)** form (which is attached to the Response form and also available on the website) and provide an unsigned copy of the POS to the tenant (or tenant's representative) together with a copy of your signed **PROPERTY OWNER RESPONSE** form.
- 3) 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.

***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

**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 complete but unsigned copy of this PROOF OF SERVICE form to the person(s) being served together with the documents being served.
- 4) File your completed and signed 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 following date: 11 / 7 / 24 I served a copy of (check all that apply):

- TENANT PETITION plus 6 attached pages (number of pages attached to Petition not counting the Petition form, NOTICE TO PROPERTY OWNER OF TENANT PETITION, or PROOF OF SERVICE)
- NOTICE TO PROPERTY OWNER OF TENANT PETITION
- Other: Important information regarding filing your Petition Proof of Service

by the following means (check one):

- 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.
- Personal Service.** I personally delivered the document(s) to the person(s) at the address(es) listed below or I left the document(s) at the address(es) with some person not younger than 18 years of age.

///

///

///

PERSON(S) SERVED:

Name	Abraham Kidane
Address	4407 Masterson St
City, State, Zip	Oakland CA 94619

Name	
Address	
City, State, Zip	

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

MR Bailey

PRINTED NAME

MR Sam

SIGNATURE

11/7/24

DATE SIGNED

IMPORTANT INFORMATION REGARDING FILING YOUR PETITION

TIME TO FILE YOUR PETITION

Your Tenant Petition form must be received by the Rent Adjustment Program within the required time limit for filing. RAP staff cannot grant an extension of time to file your Petition.

- For Petitions contesting a rent increase, you have 90 days from the date of notice of increase or from the first date you received the RAP Notice (whichever is later) to file a Petition. If you did not receive a RAP Notice with the rent increase you are contesting but have received one in the past, you have 120 days to file a Petition. If you have never received a RAP Notice, you may contest all rent increases.
- For Petitions claiming decreased housing services, you have 90 days from either the date you first became aware of the decreased service or the date you first received the RAP Notice (whichever is later) to file a Petition. If the decreased housing service is ongoing, you may file a Petition at any time. See O.M.C. §§ 8.22.090 (A)(2)-(3) for more information.

CONTACT A HOUSING COUNSELOR TO REVIEW YOUR PETITION BEFORE SUBMITTING

To make an appointment, email RAP@oaklandca.gov or call (510) 238-3721. Although the Housing Resource Center is temporarily closed for drop-in services, assistance is available by email or telephone.

DOCUMENTS SUBMITTED IN SUPPORT OF PETITION

All attachments submitted together with your Petition must be numbered sequentially. You may submit additional evidence in support of your Petition up to seven days before your hearing¹. You must serve a copy of any documents filed with RAP on the other party and submit a PROOF OF SERVICE form.

REMINDER: Once a petition and its attachments are submitted to the RAP they become public records. Please redact any private information (such as social security numbers, bank account numbers, credit card numbers and similar financial data) from the documents you submit as part of this petition. If you have any questions, you may contact RAP staff at (510) 238-3721 or by email at RAP@oaklandca.gov.

Additionally, all documents submitted to the RAP, including but not limited to emails, petitions, attachments, potential evidence, text messages, screenshots, etc., are a part of the file in your case and all parties to a case are entitled to have access to this information.

SERVICE ON PROPERTY OWNER

You are required to serve ALL the following documents on the property owner and/or the property owner's representative:

1. Copy of RAP form entitled "NOTICE TO PROPERTY OWNER OF TENANT PETITION" (*included in petition packet and available on RAP website*).
2. Copy of completed Petition form and attachments.
3. Completed PROOF OF SERVICE form (*included in petition packet and available on RAP website*).

You may serve the property owner and/or the owner's representative by mail or personal delivery. A copy of the completed PROOF OF SERVICE form must be submitted to RAP together with your Petition. Your Petition will not be considered complete until a PROOF OF SERVICE form is filed indicating that the owner has been served. Note that you cannot serve a Petition by email, even if you have an agreement to electronic service between the parties, because the Ordinance requires service by mail or in person.

¹ Note that certain documents are required to be submitted with the Petition. See petition for details.

Dear Hearing Officers and RAP Team,

The common areas and amenities that have been included in our rent for the last 12+ years have been removed since October of last year and which we believe constitute the appropriate claim of Decreased Housing Services proven by the attached supporting documentation.

Common Space services we/our children (8/12 years old) no longer have access to since Oct. of 2023:

Common area patio (shared between the downstairs unit and upstairs-us)

No access through side gate

No more backyard for us to use as this is the proposed ADU space (we hosted parties; our children no longer have yard space to use to play, exercise) Ages 12 and 8.

Impact of ongoing construction since Oct. 2023:

We both work from home 8 am-6 pm M-F.

Daily loud construction work continuously since Oct. Loud hammering, demolition, sawing, utilities shut offs, plumbing work, electrical work, concrete work, jackhammering, digging, incessant construction dust over much of our personal belongings in garage, unsightly construction work zone, dangerous items left in yard with potential of causing harm to children, broken personal items in garage by construction team, being asked by work crew to use our bathroom as landlord hasn't provided port o potties, working past allowable construction hours and on a Sunday. Damage to our deck that are still unrepaired (missing board) - safety hazard.

Attached are some photos of the areas mentioned above.

*Both Bethanie and Michael saved money on expensive gym memberships by frequently

utilizing the backyard area for calisthenics, physical therapy, and confined space for our entire family to exercise and now are spending money on local gyms due to lack of access.



ACTION ATTORNEY SERVICE

MARGIE RAETZ-BAILEY

P.O. BOX 19255

OAKLAND, CA 94619

CELL (510) 326-9605

margie@actionattorneyservice.c www.actionattorneyservice.com

PAR ID NO:

94-3144959

INVOICE DATE : 11/12/2024

INVOICE NUMBER : 32380

Client: BETHANIE HINES MARGADO
Attention: MICHAEL MARGADO
Address: 4407 MASTERSON STREET
OAKLAND, CA 94619

Client's# Acct:1224

Documents Served:

Summons Complaint ADR CCCS Cross

1. TENANT PETITION -DECREASED HOUSING SERVICES;
2. LETTER EXPLANATION OF DECREASED HOUSING SERVICES
3. NOTICE TO PROPERTY OWNER OF TENANT PETITION
4. IMPORTANT INFORMATION REGARDING FILING YOUR PETITION
5. PROOF OF SERVICE

Case Title : MARGADO VS KIDANE

Case Number:

Date Filed :

Court of Record Name/Address:

Hrng. Date:

PARTY TO BE SERVED: ABRAHAM KIDANE

ADDRESS #1. : 4407 MASTERSON STREET, OAKLAND, CA 94619

ADDRESS #2. :

PARTY SERVED: (same as above if blank)

DATE/TIME: 11/7/2024 12:45 PM

Multiple Parties

SERVICE LOCATION: 4407 MASTERSON STREET, OAKLAND, CA 94619

SERVICES	CHARGES	BAD ADDRESS(es) (none if blank):	
SPECIAL ATTEMPTS	\$125.00	Attempts: Loc./Date/Time	Not Served at address given : Other:
IRB DATABASE LOCATE	\$60.00		
		MISC.:	

TOTAL CHARGES:	\$185.00	TOTAL PAID:	\$185.00	TOTAL DUE:	\$0.00
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000020

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address): MICHAEL MARGADO BETHANIE HINES MARGADO 4407 MASTERSON STREET OAKLAND CA 94619		TELEPHONE NO.:	FOR COURT USE ONLY	
ATTORNEY FOR (Name): PLAINTIFF		Ref. No. or File No.:		
Insert name of court and name of judicial district and branch court if any:				
PLAINTIFF: MARGADO VS KIDANE DEFENDANT:				
PROOF OF SERVICE TENANT PETITION-OAKLAND RENT BOARD	HEARING DATE:	HEARING TIME:	DEPT./DIV.:	CASE NUMBER:

TENANT PETITION-OAKLAND RENT BOARD

1. Documents Served :

TENANT PETITION -DECREASED HOUSING SERVICES;
LETTER EXPLANATION OF DECREASED HOUSING SERVICES
NOTICE TO PROPERTY OWNER OF TENANT PETITION
IMPORTANT INFORMATION REGARDING FILING YOUR PETITION
PROOF OF SERVICE

2. Person served (name) :

ABRAHAM KIDANE

3. By personally delivering copies to the person served, as follows:

- (1) Date: 11/7/2024 (2) Time: 12:45 PM
(3) Address: 4407 MASTERSON STREET, OAKLAND, CA 94619

4. At the time of service I was at least 18 years of age and not a party to this cause.

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

6. Fee for Service: \$185.00



ACTION ATTORNEY SERVICE
P.O. BOX 19255
OAKLAND, CA 94619
CELL (510) 326-9605 ALAMEDA. #1255

32380

- Exempt from registration under B&P 22350(b).
 Registered California process server.
 Employee or independent contractor
(2) Registration No.: ALAMEDA #1255
(3) County

Date: 11/12/2024

Margie Raetz-Bailey

(TYPE OR PRINT NAME)

(SIGNATURE)

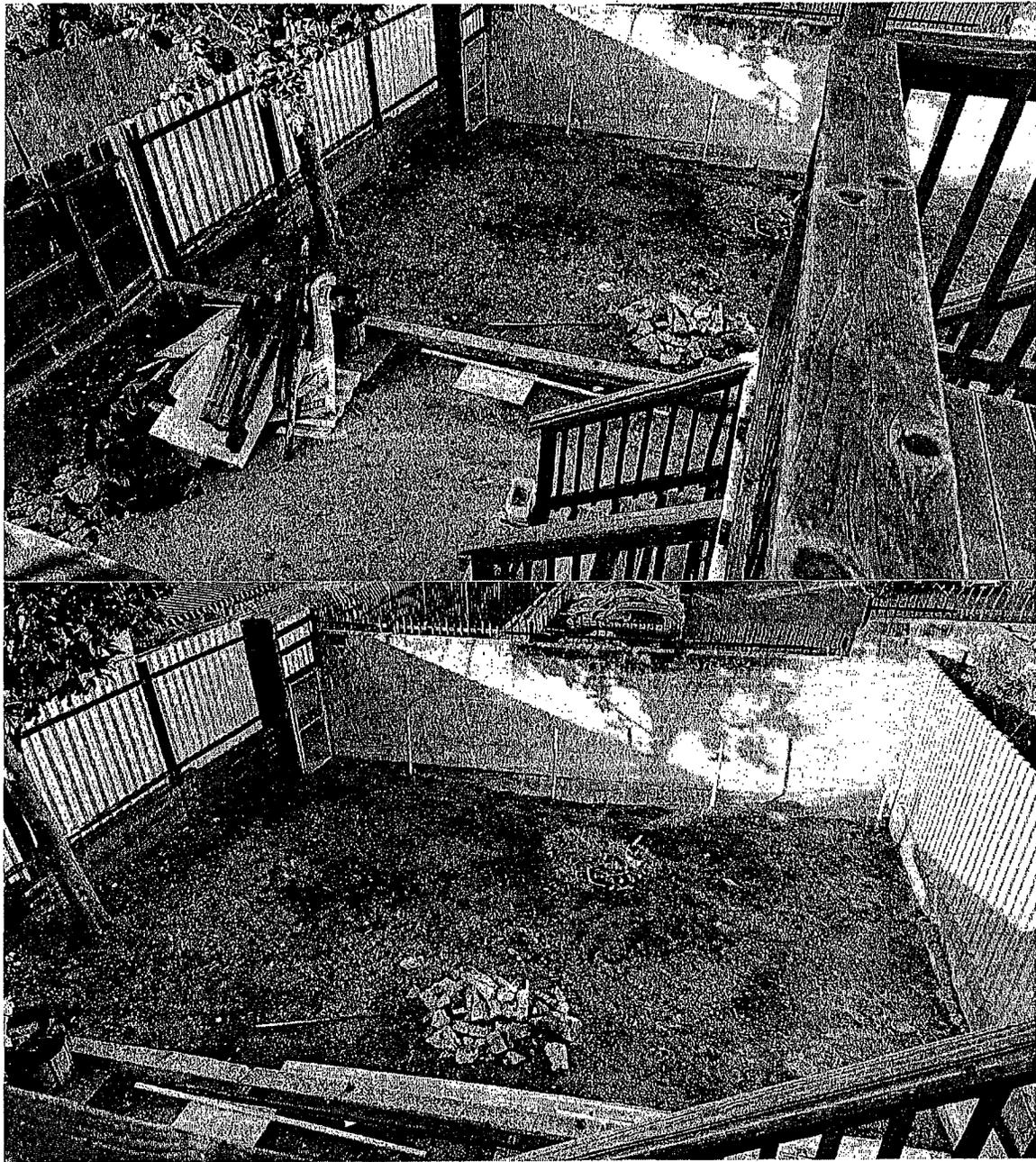
**PROOF OF SERVICE
TENANT PETITION-OAKLAND RENT BOARD**

MARGADO VS KIDANE

000021



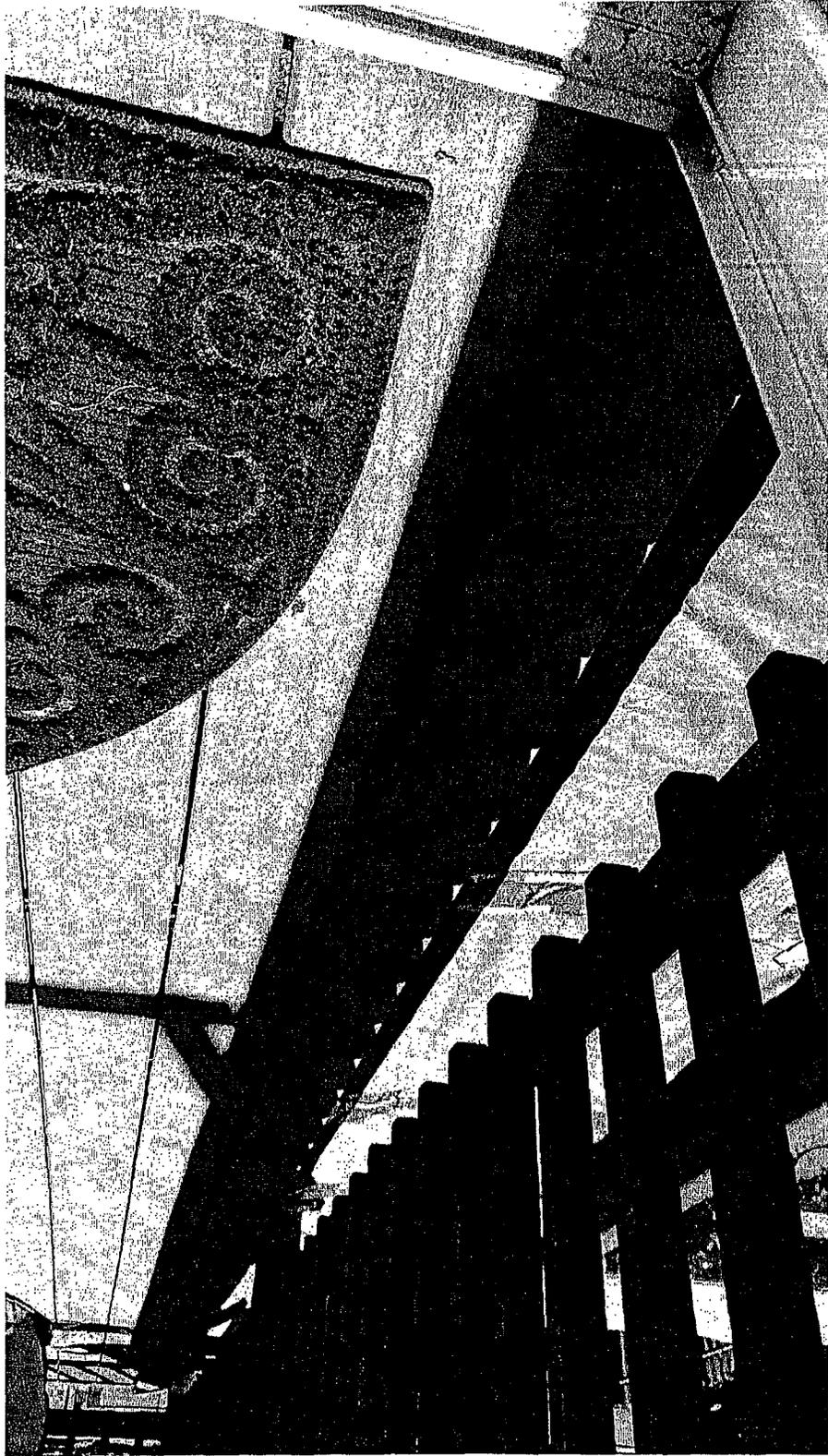
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I hope this is helpful and please let us know what else you might need from us to make your job easier. Many thanks in advance for your support.



000027



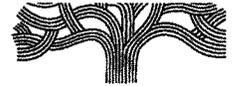
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DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA

Housing and Community Development Department
Rent Adjustment Program

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

HEARING DECISION

CASE NUMBER: T24-0181
CASE NAME: Hines Margado v. Kidane
PROPERTY ADDRESS: 4407 Masterson Street, Oakland, CA
DATE OF HEARING: January 27, 2025
DATE OF DECISION: March 20, 2025
APPEARANCES: Bethanie Hines Margado, Tenant
Michael Margado, Tenant

SUMMARY OF DECISION

The tenants' petition is granted. The legal rent for the unit is set forth in the Order below.

CONTENTIONS OF THE PARTIES

The tenants filed a petition on November 13, 2024, alleging that the owner is providing fewer housing services than previously received and/or they were being charged for services originally paid for by the owner. The *Tenant Petition* stated: the "Landlord has removed common areas which have been included as part of rentable space amenities since the inception of lease start."

The owner did not file a *Property Owner Response to Tenant Petition (Owner Response)* and did not appear at the Hearing. No letters addressed to the Owner were returned to RAP as undeliverable and no requests were submitted by the Owner to reschedule the Settlement Conference and Hearing date. The Hearing proceeded in the owner's absence.

THE ISSUES

- (1) Have the tenants received the *Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice)*?

- (2) Have the tenants suffered decreased housing services?
- (3) If so, what restitution is owed to the tenants, and how does that impact the rent?

EVIDENCE

After being duly sworn, Michael Margado provided the following undisputed testimony:

The tenants live in a duplex. The tenants moved into the downstairs unit in August 2012, and, in October 2014, moved into the upstairs unit. They received the *Notice to Tenants of the Residential Rent Adjustment Program (RAP Notice)* in three languages – English, Spanish, and Chinese on August 1, 2024.

The current rent is \$2557.50 per month, and the tenants will continue to pay this amount until they receive a Hearing Decision from the Rent Adjustment Program.

The owner is building a third residential unit in their backyard. The tenants originally had a common area patio in the backyard and one in the side yard.¹ These amounted to approximately 450 and 200 square footage of space, respectively. There was a large magnolia tree that provided shade and an overhung canopy, as well as a garden with flowers and benches. These patio areas were accessible by a staircase from their balcony, and from the side yard. The occupants of the lower unit were able to access the patio from their back entrance.

The common area patios were a true community space where they would meet their neighbors to have gatherings and barbeques. Their children would play together. It was also a space where the family exercised outdoors. More importantly, one of their children has special needs and utilized the patio areas as an additional safe space for learning and tactile responses. The areas are enclosed and their son would often be in the backyard safely playing, learning, and exercising. The tenant testified that their son would be in the backyard daily.

On October 1, 2023, the property owner took away access to both common area patios by starting construction and removing the tree. No written or verbal notices were provided to the tenants that a third residential unit was being built in the backyard. The tenants immediately notified the owner that their patio areas were gone in the same month by speaking to the owner directly in person. The tenant testified: “Even up until today, they’ll start hammering, banging, turning off utilities, knocking on [our] door, and asking to use the bathroom for the contractors. They don’t provide porta potties. It’s been an absolute nightmare.”

The owner did not provide an effective promise or commitment that the patios would be restored, or that the tenants’ personal belongings damaged by the contractors would be repaired or replaced.

¹ Exhibit A.

After being duly sworn, Bethanie Hines Margado provided the following undisputed testimony:

“We have two children. One is disabled. So we're home a lot because he can't be out [in public]. So home is really like a kind of sanctuary to us, and to not have access to our space becomes crucial.” Their son does not have a sense of safety and awareness; the enclosed and confined patio spaces allowed him to exercise and to be safe outside. Further, the patio areas became construction zones where it was not safe for their son to venture outside. There were pieces of concrete and nails spewed across the site.

Monthly rent was increased from \$2,500.00 to \$2,557.50 on September 1, 2024.

On January 6, 2025, the owner also removed the staircase that leads from their balcony to the backyard.² The tenants no longer have any access to the backyard through their second balcony door. There is only one way to exit their apartment. The tenant was concerned about safety, fire escapes, and emergency exits. Again, the owner gave no notice about removing the staircase.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

RAP Notice

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 tenancy³ and together with any notice of rent increase or any notice of change in terms of tenancy.⁴ An owner can cure the failure to give notice at the start of the tenancy, but may not raise the rent until six (6) months after the first *RAP Notice* is given.⁵

Tenant Margado testified that he received the *RAP Notice* on August 1, 2024. This statement is undisputed. Therefore, the tenant was first given the *RAP Notice* on August 1, 2024.

//

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² Exhibit A, page 4 of 4.

³ Oakland Mun. Code (O.M.C.) Section 8.22.060(A).

⁴ O.M.C. Section (§) 8.22.070(H)(1)(A).

⁵ O.M.C. § 8.22.060(C).

Decreased Housing Service

Under the Oakland Rent Adjustment Ordinance, a decrease in housing services is considered an increase in rent⁶ and may be corrected by a rent adjustment.⁷ However, to justify a decrease in rent, a decrease in housing services must be either the elimination or reduction of a service that existed at the start of the tenancy or a violation of the housing or building code which seriously affects the habitability of the Tenant's unit. The usual method of evaluating decreased housing services is consideration of all services provided by a landlord and then determining the percentage by which total services provided by the landlord have decreased because of the lost housing service.

There is also a time limit for alleging decreased housing services. If the decreased service is the result of a noticed or discrete change in services provided to the Tenant, the petition must be filed within 90 days after of whichever is later: (1) the date the Tenant is noticed or first becomes aware of the decreased housing service; or (2) the date the Tenant first receives the *RAP Notice*.⁸

This time limit does not apply for ongoing decreased housing services. Oakland City Council Ordinance 13777 CMS, adopted on November 3, 2023, states as follows at Section 2:

If the decreased housing is ongoing (e.g., a leaking roof), the Tenant may file a petition at any point but is limited in restitution for three (3) years before the petition is filed and to the period of time when the owner knew or should have known about the decreased housing service.⁹

In a decreased housing services case, the Tenant has the burden of proving decreased housing services by a preponderance of the evidence and must establish that he has given the owner notice of the problems and the opportunity to fix the problems before he is entitled to a relief.¹⁰

No evidence was presented to dispute the tenants' claim of decreased housing services, and the tenants' undisputed testimony about their common patio areas taken away on October 1, 2023, is credible. When the owner sealed off the tenants' balcony and removed the staircase that leads from their balcony to the backyard, the tenants experienced a permanent loss of services. The tenants filed their petition on November 13, 2024, which was more than 90 days after they first received the RAP Notice on August 1, 2024, but which is allowed due to the ongoing nature of the decreased housing services.

The tenants provided notice to the property owner the same month the patio areas were taken away and received no effective recourse for restoring these common areas. In addition, the owner should have known about the removal of the patio area access, because it was the owner who initiated and controlled the construction project.

⁶ O.M.C. § 8.22.070(F).

⁷ O.M.C. § 8.22.110(E).

⁸ O.M.C. § 8.22.090(A)(3).

⁹ O.M.C. § 8.22.090(A)(3)(b).

¹⁰ Hearing Decision T11-0191 *Howard v. Smith* (2012).

Based on all the findings above, the tenants' decreased housing service claim regarding the removal of the common areas is granted. It is found that the tenants' total package of housing services is decreased by 14% per month due to the removal of these areas, starting on October 1, 2023,¹¹ and continuing until the tenants' access to the common area backyard patio and side yard patio spaces is restored. See Restitution Chart attached as Exhibit 1.

ORDER

1. Petition T24-0181 is granted.
2. The tenants are owed a total rent credit of \$6,338.58 due to an overpayment of rent based on their past decreased housing services. Therefore, the monthly rent of \$2,557.50 is temporarily decreased for the next 12 months by \$528.22 per month.
3. The restitution period is twelve (12) months. After 12 months, the rent will increase by \$528.22 per month. This is not a rent increase but reflects the end of the restitution period.
4. Due to ongoing conditions, the tenant is entitled to an ongoing rent decrease of \$358.05 (14%) per month. When the owner permanently restores the patio access, the owner may increase the monthly rent by \$358.05, in accordance with the notice requirements of the Rent Adjustment Ordinance and California Civil Code Section 827.
5. The owner is otherwise eligible to increase the tenants' rent 12 months after the effective date of the last rent increase pursuant to the notice requirements of the Rent Adjustment Ordinance and California Civil Code Section 827.
6. The credits will be applied as follows:

Monthly Rent	\$2,557.50
Rent overpayments due to past decreased housing services amortized over 12 months (\$6,338.58 divided by 12 months)	<u>- \$528.22</u>
	\$2,029.28
Rent overpayments due to ongoing decreased housing services (14% of \$2,557.50)	<u>- \$358.05</u>
Current Monthly Rent for the next 12 month and if the decreased service continues	\$1,671.23

7. The tenant is entitled to reduce the rent in accordance with this Order per the chart above after this 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 the parties.

¹¹ The restitution period begins on October 1, 2023, because that date is less than three years prior to the date they filed their petition on November 13, 2024.

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: March 20, 2025



Susan Ma
Hearing Officer
Rent Adjustment Program

VALUE OF LOST SERVICES

Service Lost	From	To	Rent	% Rent Decrease	Decrease /month	No. of Months	Amount Overpaid
patio areas	1-Sep-24	31-Mar-25	\$2,557.50	14%	\$358.05	6.94	\$2,483.79
patio areas	1-Oct-23	31-Aug-24	\$2,500.00	14%	\$350.00	11.01	\$3,854.79
TOTAL LOST SERVICES							\$6,338.58

RESTITUTION CHART

	MONTHLY RENT	\$2,557.50
	TOTAL TO BE REPAID TO TENANT	\$6,338.58
	TOTAL AS PERCENT OF MONTHLY RENT	247.84%
AMORTIZED OVER	MO. BY REG. IS	
OR OVER 12 MONTHS BY HEARING OFFICER IS		\$528.22

PROOF OF SERVICE
Case Number: T24-0181
Case Name: Hines Margado v. Kidane

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
Exhibit 1

Owner

Abraham Kidane
4409 Masterson Street
Oakland, CA 94619

Tenant

Bethanie Hines Margado
4407 Masterson Street
Oakland, CA 94619

Tenant

Michael Margado
4407 Masterson Street
Oakland, CA 94619

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 **March 20, 2025** 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 Abraham Kidane	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant
Property Address (Include Unit Number) 4407 Masterson Street , Oakland, CA 94619	
Appellant's Mailing Address (For receipt of notices) 4409 Masterson Street Oakland, CA 94619	Case Number T24-0181
	Date of Decision appealed March 20, 2025
Name of Representative (if any) Mandana Arjmand of Fried, Williams, & Grice Conner LLP	Representative's Mailing Address (For notices) Fried, Williams & Grice Conner LLP 1939 Harrison Street, Ste. 460 Oakland, CA 94612

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.)*
- 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) 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.)*
 - 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) 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.)*

- f) 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.)
- g) 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) 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.

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

I served a copy of: Appeal ; Landlord’s Appeal Brief in Opposition to Tenant’s Petition for Substantial Decrease in Housing Services (insert name of document served)

And Additional Documents

and (write number of attached pages) 20 attached pages (not counting the Appeal Form or the Proof of Service) 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.
- b. Personal Service. (1) By Hand Delivery: I personally delivered the document(s) to the person(s) at the address(es) listed below; or (2) I left the document(s) at the address(es) with some person not younger than 18 years of age.
- c. Electronic Service. I electronically sent the document(s) to the person(s) at the address(es) listed below who have previously given written consent to receiving notices and documents in this matter from the RAP and from the OTHER PARTY/IES electronically at the email address(es) they provided.

<u>Name</u>	Bethanie Hines Margado
<u>Address</u>	4407 Masterson Street
<u>City, State Zip</u>	Oakland, CA 94619
<u>Email Address</u>	
<u>Name</u>	Michael Margado
<u>Address</u>	4407 Masterson Street
<u>City, State Zip</u>	Oakland, CA 94619

Email Address	
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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 4/9/25 (insert date served).

Elicha Green
PRINT YOUR NAME

Elicha Green
SIGNATURE

04/09/2025
DATE

IMPORTANT INFORMATION:

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

- Appeals filed late without good cause will be dismissed.
- You must provide all 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.

1 Mandana M. Arjmand, Esq., SBN 283941
2 Fried, Williams & Grice Conner LLP
3 1939 Harrison Street, Suite 460
4 Oakland, CA 94612
5 (510) 625-0100
6 marjmand@friedwilliams.com

7
8 Attorneys for Respondent/Landlord
9 Abraham Kidane

10 Property Address: 4407 Masterson Street, Oakland, CA 94619

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RESIDENTIAL RENT STABILIZATION AND ARBITRATION BOARD
CITY OF OAKLAND

Michael Margado and Bethanie Hines
Margado;

Petitioners/Tenants

v.

Abraham Kidane,

Respondent/Landlord

Case No. T24-0181

**LANDLORD'S APPEAL BRIEF IN
OPPOSITION TO TENANT'S
PETITION FOR SUBSTANTIAL
DECREASE IN HOUSING SERVICES**

Hearing Date: January 27, 2025

Decision Date: March 20, 2025

Appeal Date: April 9, 2025

I. Facts

a. History of Petitioners' Tenancy at Subject Premises

The subject premises consists of a duplex located at 4007 and 4009 Masterson Street in Oakland, California. Respondent Abraham Kidane purchased the subject premises in 2017. At the time that Respondent purchased the premises, Petitioners Bethanie Hines Margado and Michael Margado resided in 4007 Masterson Street, which is the upstairs unit. Respondent does not dispute that previously, in or around 2012, Petitioners lived in the downstairs unit at 4009 Masterson Street, and later moved into the upstairs unit in or around 2014.

Use of the backyard was shared by the upstairs and downstairs unit. There is an additional patio downstairs with chairs and seating area, which was for the exclusive use

1 of the downstairs unit. Due to Petitioners' friendship with the tenants living downstairs in
2 4009 Masterson Street, Petitioners would sometimes use the patio while socializing with
3 their downstairs neighbor. In or around 2019, the downstairs neighbors vacated.

4 Currently, the downstairs unit is vacant and has been undergoing construction since April
5 of 2023. Respondent occasionally visits the downstairs unit to check on the progress of
6 construction, but it is not his primary residence and he does not live there. Attached
7 hereto as **Exhibit 1** are photographs of the downstairs unit, showing that it is currently
8 under construction.

9 Petitioners alleged, under oath, that Respondent is "building an ADU" in the yard
10 and that they are no longer able to use the yard. However, this is untrue. As photographs
11 of the premises and yard/patio show, there is no construction of an ADU in the yard or
12 patio, and Petitioners are able to access the area. However, the downstairs patio belongs
13 to the downstairs unit, and at no time did Petitioners' lease agreement include exclusive
14 use of the downstairs area. Attached hereto as **Exhibit 2** are current photographs of the
15 downstairs yard and patio evidencing that there is no construction of an ADU, and that
16 access to the yard and patio are not hindered.

17 Petitioners further claim that on October 1, 2023, the Landlord "took away access"
18 to the patio by starting construction and removing a tree. The Landlord removed two
19 trees. One tree was uprooted by a major storm, and the second tree was leaning towards a
20 newly installed fence, so the Landlord removed it to prevent damage to the fence.

21 Finally, Petitioners allege that on January 6, 2025, the Landlord removed a
22 staircase leading from the upstairs unit balcony to the backyard. Petitioners allege that
23 they no longer have access to the backyard through their balcony door, and that there is
24 only one way to exit their unit. However, this is untrue as Petitioners are still able to
25 access the backyard through a side gate. Additionally, under California law, there is no
26 requirement for two methods of egress from a residential unit. Petitioners have a method
27 of egress through their front door. Furthermore, the stairs leading from the upstairs unit to
28 the yard downstairs were unpermitted. Respondent obtained a permit to remove the

1 unpermitted stairs in May of 2024. A true and correct copy of the permit showing that the
2 stairs were unpermitted are attached hereto as **Exhibit 3**.

3
4 **II. Service of the Petition and Related Documents Were Improper**

5 Respondent does not reside at 4009 Masterson Street, where the petition and hearing
6 decision were served according to the proof of service attached to the petition. Instead,
7 Respondent resides at 535 Liberty Street, El Cerrito, CA 94530. As Respondent does not
8 reside in 4009 Masterson Street, he did not receive the original petition nor did he receive
9 the hearing decision. Respondent only found out about the decision and petition when he
10 visited 4009 Masterson Street to check on the progress of construction. Specifically, from
11 November 2024 through March of 2025, Respondent did not visit the subject premises as
12 construction was on hold. It was only in March 2025 that construction re-started and
13 Respondent went to the premises and discovered the petition and hearing decision in the
14 mailbox. As such, Respondent was not afforded the ability to respond to the petition or
15 appear at the hearing. Additionally, in November of 2024, Respondent's mother passed
16 away and Respondent had to arrange for his mother's remains to be flown to East Africa.

17 **III. Conclusion**

18 Respondent respectfully requests that the hearing decision be set aside that a new
19 hearing be scheduled so that Respondent is able to meaningfully respond to the
20 allegations made by Petitioners, many of which are patently untrue. Had Respondent
21 been served at his residence, he would have presented evidence contesting the
22 allegations made by Petitioners.

23
24 Dated: April 9, 2025

Fried, Williams & Grice Conner LLP

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27 By Mandana M. Arjmand,
Attorney for Respondent
Abraham Kidane
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DECLARATION OF LANDLORD

I, Abraham Kidane, declare as follows:

1. I am the owner of 4007 and 4009 Masterson Street in Oakland, California (“premises”). The premises consists of a duplex, with 4007 Masterson being the top unit and 4009 Masterson being the bottom unit.
2. I reside at 535 Liberty Street, El Cerrito, CA 94530. My home address is on file with the Oakland Rent Board.
3. I purchased the premises in 2017. At the time I purchased the premises, Petitioners Bethanie Hines Margado and Michael Margado resided in 4007 Masterson Street, which is the upstairs unit. I do not dispute that previously, in or around 2012, Petitioners lived in the downstairs unit at 4009 Masterson Street and later moved into the upstairs unit in or around 2014.
4. It is my understanding that based on the lease agreements for the two units, use of the downstairs patio was limited to the tenancy of the downstairs unit. Due to Petitioners’ friendship with the tenants living downstairs in 4009 Masterson Street, Petitioners would sometimes use the downstairs patio while socializing with their downstairs neighbor. In or around 2019, the downstairs neighbors vacated. Currently, the downstairs unit is vacant and has been undergoing construction since April of 2023. I occasionally visit the downstairs unit to check on the progress of construction, but it is not my primary residence and he does not live there. Attached hereto as **Exhibit 1** are photographs of the downstairs unit, showing that it is currently under construction.
5. Petitioners alleged, under oath, that Respondent is “building an ADU’ in the yard and that they are no longer able to use the yard. However, this is untrue. As photographs of the premises and yard/patio show, there is no construction of an

1 ADU in the yard or patio, and Petitioners are able to access the backyard through a
2 side gate. However, the patio belongs to the downstairs unit, and at no time did
3 Petitioners' lease agreement include exclusive use of the patio. Attached hereto as
4 **Exhibit 2** are current photographs of the downstairs yard and patio evidencing that
5 there is no construction of an ADU, and that access to the yard is not hindered via
6 the side gate.

7 6. Petitioners further claim that on October 1, 2023, I "took away access" to the patio
8 by starting construction and removing a tree in the yard. However, two trees were
9 removed due to necessity. The first tree was uprooted by a heavy storm, and the
10 second tree was leaning on a new fence and had to be removed.

11 7. Finally, Petitioners allege that on January 6, 2025, I removed a staircase leading
12 from the upstairs unit balcony to the backyard. Petitioners allege that they no longer
13 have access to the backyard through their balcony door, and that there is only one
14 way to exit their unit. However, the stairs leading from the upstairs unit to the yard
15 downstairs were unpermitted, and I was ordered by the City of Oakland to remove
16 them. I obtained a permit to remove the unpermitted stairs in May of 2024. A true
17 and correct copy of the permit showing that the stairs were unpermitted are attached
18 hereto as **Exhibit 3**. Petitioners are still able to access the yard through the side gate
19 of the premises.

20 8. Additionally, I was not served with the petition, notice of hearing or hearing
21 decision. There was additionally a Zoom call scheduled which I was not aware of,
22 due to not being served with any paperwork related to the petition. I do not reside
23 at 4009 Masterson Street, where the petition, hearing notice and hearing decision
24 were served according to the proof of service attached to the petition. Instead, I
25 reside at 535 Liberty Street, El Cerrito, CA 94530. I only found out about the
26 decision and petition when I visited 4009 Masterson Street to check on the progress
27 of construction. Specifically, from November 2024 through March of 2025, I did
28 not visit the subject premises as construction was on hold. It was only in March

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2025 that construction re-started and I went to the premises and discovered the petition and hearing decision in the mailbox. As such, I was not able to respond to the petition or appear at the hearing.

9. I also suffered a personal hardship in November of 2024, when my mother passed away and I had to arrange for my mother's remains to be flown to East Africa. These events hindered my ability to visit the premises and discover the documents that were mistakenly mailed to 4009 Masterson Street, as opposed to my residence.

10. I respectfully request that the hearing decision be set aside, and that Petitioners' petition be denied. Or, in the alternative, I request a further hearing so that I can meaningfully, and in good faith, engage in opposing the tenants' petition.

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

Date: 04/09/20

 (Apr 9, 2025 15:54 PDT)

Abraham Kidane, Respondent/Landlord

EXHIBIT 1



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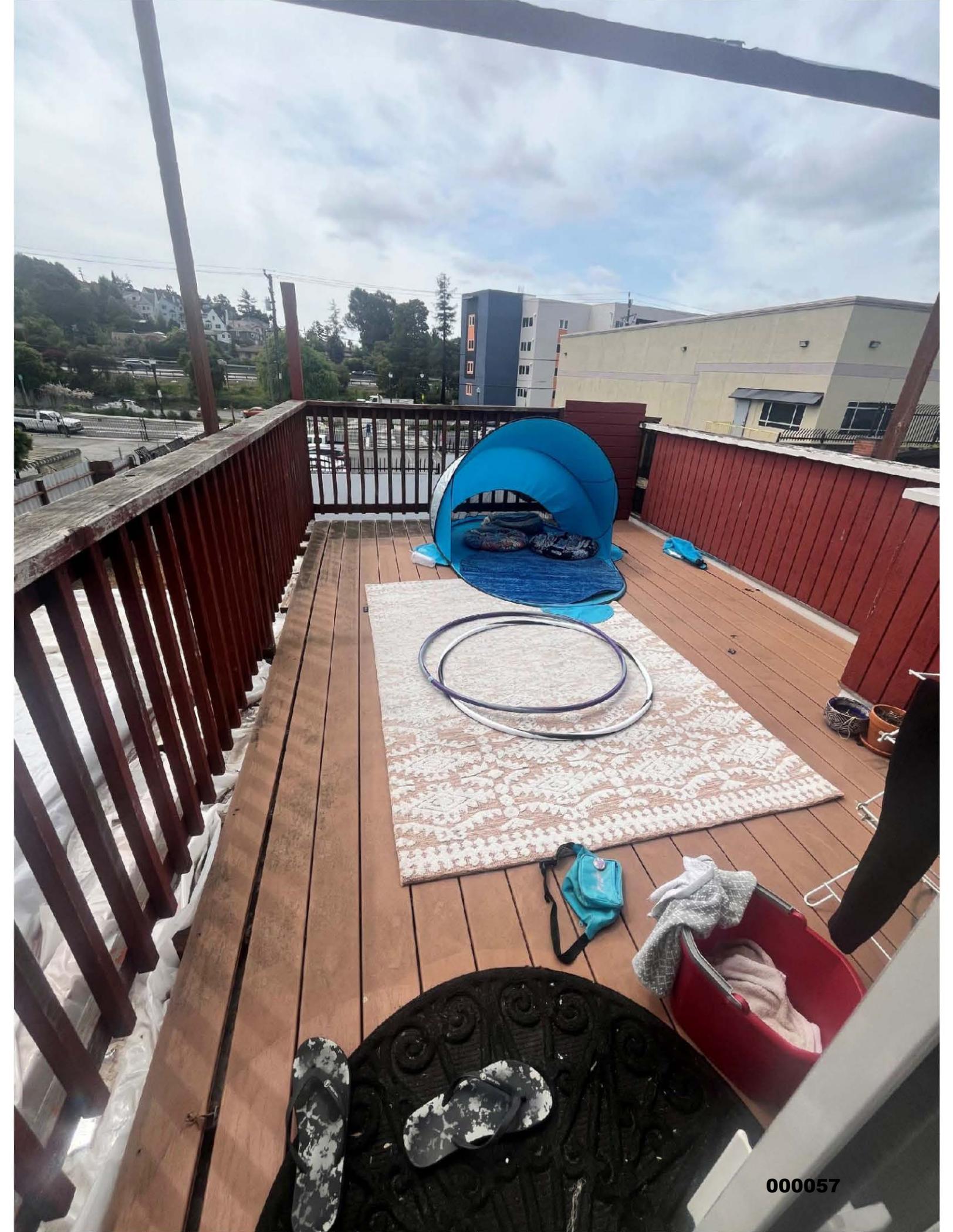


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EXHIBIT 2



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EXHIBIT 3



CITY OF OAKLAND

250 FRANK H. OGAWA PLAZA • 2ND FLOOR • OAKLAND, CA

Planning and Building Department
www.oaklandnet.com

PH: 510-238-3891
FAX: 510-238-2263
TDD: 510-238-3254

Permit No: RBC2400931 (RBC) - Building Residential Combo
Alteration- 1 & 2 Unit Residential (Building)
Job Site: 4407 MASTERSON ST
Parcel No: 030 198209200
District:

Permit Issued: 5/28/2024

Schedule inspection by calling: 510-238-3444

Project Description: To partially abate CE#2306619, remodel kitchen. Remove load-bearing wall between kitchen and the living room. 200 SF addition of conditioned space at rear. Install sheetrock, insulation siding and paint. Remove unpermitted 2-story stairs at rear. All related M/E/P work included.
10-31-24 Rev #1 - Floor framing changes
3-18-25 Rev #2 - Shear wall changes

Related Permits: 2306619 RBC2400143 RBC2400548 DRX240231 RBC2400786

Name	Applicant	Address	Phone	License #
Owner-Builder: KIDANE ABRAHAM & ABRAHAM ADYAM	X	535 LIBERTY ST EL CERRITO, CA		
Owner: KIDANE ABRAHAM & ABRAHAM ADYAM		535 LIBERTY ST EL CERRITO, CA		

PERMIT DETAIL: Building/Residential/Building/Combo

General Information

Green Code Check:	Set of Plans:	Report-Soil/Geotech:
Surveys:	Structure Calculations:	Energy Calculations(T24):
Building Information		
Building Use:		
Occupancy Group:		
Construction Type:		
Number Of Stories: 0	Number Of Units: 0	No. Of Bedrooms:
Fire Sprinklers:	Floor Area(sq ft):	Conditioned Floor Area (sq ft):
Work Information		
Job Value: \$56,000.00		

TOTAL FEES TO BE PAID: \$1,269.89

California Building Standards Commission (CBSC)	\$1.80	City - California Building Standards Commission (CBSC)	\$0.20	City - Strong Motion Instrumentation Program (SMIP)	\$0
Electrical Inspections - COMBO	\$45.23	General Plan Surcharge	\$240.00	Inspection Fee	\$584
Mechanical Inspections - COMBO	\$45.23	Plumbing Inspection - COMBO	\$45.23	Recrd Mangmnt & Tech Enhancement Fee	\$34
Revisions - Plan Check	\$268.64	Strong Motion Instrumentation Program (SMIP)	\$4.94		

This is the Permit to Remove unpermitted stairs at the rear

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

RESOLUTION NO. _____

INTRODUCED BY MEMBER BRODFUEHRER

**RESOLUTION RECOMMENDING AMENDMENT OF THE RENT
ADJUSTMENT ORDINANCE TO MODIFY THE EXEMPTION FOR
GOVERNMENT CONTROLLED, REGULATED, OR SUBSIDIZED UNITS
TO EXEMPT ONLY UNITS WHERE A GOVERNMENT AGENCY OWNS,
OPERATES, MANAGES THE UNIT OR WHERE RENT CONTROL IS
PREEMPTED BY FEDERAL OR STATE LAW**

WHEREAS, all housing units in Oakland that are subsidized by a government agency, most notably the Section 8 Housing Choice Voucher Program, are exempt from Oakland's rent adjustment ordinance; and

WHEREAS, in 2022, the Oakland Housing Authority reported that 10,953 families were using a Section 8 voucher to rent housing in Oakland and that 87% of Oakland voucher users earn less than 50% of the Area Median Income; and

WHEREAS, exemption of subsidized units from the rent ordinance leaves some of Oakland's most low-income renters vulnerable to rent increases, putting them at significant risk of losing their housing; and

WHEREAS, exemption of subsidized units from the rent ordinance lessens the impact of state law prohibiting source-of-income discrimination by allowing housing providers to effectively "opt out" of programs such as section 8 by raising the subsidized tenant's rents; and be it

RESOLVED: That the Housing, Residential Rent and Relocation Board recommends the City Council amend sections 8.22.030 AND 822.110 of the Rent Adjustment Ordinance by adopting the following (additions are shown in double underline and deletions are shown in ~~strikethrough~~):

O.M.C 8.22.030 (Exemptions).

A. Types of Dwelling Units Exempt. The following dwelling units are not covered units for purposes of this Chapter, Article I only (the Just Cause for Eviction Ordinance (Chapter 8.22, Article II) and the Ellis Act Ordinance (Chapter 8.22, Article II)) have different exemptions):

1. Dwelling units (1) whose rents are controlled, ~~regulated (other than by this Chapter), or subsidized~~ by any governmental unit, agency or authority, and which a government unit, agency or authority owns, operates, or manages, or (2) which are specifically exempted from municipal rent regulation by state or federal law or administrative regulation. Tenancies governed by the Housing Choice Voucher Program, that are located in a structure not owned, operated or managed by a government agency, are not encompassed by this exemption.
2. Accommodations in motels, hotels, inns, tourist houses, rooming houses, and boarding houses, provided that such accommodations are not occupied by the same tenant for thirty (30) or more continuous days.
3. Housing accommodations in any hospital, convent, monastery, extended care facility, convalescent home, nonprofit home for the aged, or dormitory owned and operated by an educational institution.
4. Dwelling units in a nonprofit cooperative, owned, occupied, and controlled by a majority of the residents.
5. Dwelling units which were newly constructed and received a certificate of occupancy on or after January 1, 1983. This exemption does not apply to a vehicular residential facility, or any newly constructed dwelling units that replace covered units withdrawn from the rental market in accordance with O.M.C. 8.22.400, et seq. (Ellis Act Ordinance). To qualify as a newly constructed dwelling unit, the dwelling unit must be entirely newly constructed or created from space that was formerly entirely non-residential.
6. Substantially Rehabilitated Buildings. This exemption shall apply only to buildings where the rental property owner submitted an application for a certification of exemption to the Rent Adjustment Program prior to October 20, 2017, and which have been issued a certificate of exemption from the Rent Adjustment Program.
7. Dwelling units exempt pursuant to Costa-Hawkins (California Civil Code § 1954.52).

B. Exemption Procedures.

1. Certificate of Exemption:
 - a. A certificate of exemption is a determination by the Rent Adjustment Program that a dwelling unit or units qualify for an exemption and, therefore, are not covered units. For units exempt as new construction, or by State law, an owner may obtain a certificate of exemption by claiming and proving an exemption in response to a tenant petition or by petitioning the Rent Adjustment Program for such exemption. A certificate of exemption may be granted only for dwelling units that are permanently exempt from the Rent Adjustment Ordinance as new construction, or by State law (Costa Hawkins).

- b. For purposes of obtaining a certificate of exemption or responding to a tenant petition by claiming an exemption from Chapter 8.22, Article I, the burden of proving and producing evidence for the exemption is on the owner. A certificate of exemption is a final determination of exemption absent fraud, mistake, or a change in law or circumstances.
- c. Timely submission of a certificate of exemption previously granted in response to a petition shall result in dismissal of the petition absent proof of fraud or mistake regarding the granting of the certificate. The burden of proving such fraud, mistake, or change in law or circumstances is on the tenant.

2. Reserved.

~~C. Controlled, Regulated, or Subsidized Units. The owner of a dwelling unit that is exempt because it is controlled, regulated (other than by this Chapter), or subsidized by a governmental agency (Section 8.22.030A.1) must file a notice with the Rent Adjustment Program within thirty (30) days after such dwelling unit is no longer otherwise controlled, regulated, or subsidized by the governmental agency. Once the dwelling unit is no longer controlled, regulated, or subsidized, the dwelling unit ceases to be exempt and becomes a covered unit subject to this Chapter, Article I. Such notice must be on a form prescribed by the Rent Adjustment Program.~~

O.M.C. 8.22.110 (Hearing procedures):

A. Hearing Officer. A hearing shall be set before a Hearing Officer to decide the issues in the petition.

B. Hearings.

1. All hearings on petitions shall be open to the public and recorded;
2. Any party to a hearing may be assisted by a representative who may be an attorney or any other person. A party must designate his or her representative in writing.

C. Notification and Consolidation. Rent Adjustment Program staff shall notify the owner and tenant in writing of the time and place set for hearing. Representatives of parties shall also be notified of hearings, provided that the Rent Adjustment Program has been notified in writing of a party's designation of a representative at least ten days prior to the notice of the hearing being sent. Disputes involving more than one covered unit in any single building may be consolidated for hearing.

D. Time of Hearing and Decision.

1. The Hearing Officer shall have the goal of hearing the matter within sixty (60) days of the original petition's filing date.

2. The Hearing Officer shall have a goal of rendering a decision within sixty (60) days after the conclusion of the hearing or the close of the record, whichever is later. The decision shall be issued in writing.

3. The decision of the examiner shall be based entirely on evidence placed into the record.

E. A Hearing Officer may order a rent adjustment as restitution for any overcharges or undercharges due, subject to guidelines set out in the regulations. For a unit in which there is a government subsidy through the Section 8 Housing Choice Voucher Program, any rent adjustment as the result of decreased housing services shall be only from that portion of rent paid to owner by the Section 8 tenant.

F. Administrative Decisions.

1. Notwithstanding the acceptance of a petition or response by the Rent Adjustment Program, if any of the following conditions exist, a hearing may not be scheduled and a Hearing Officer may issue a decision without a hearing:

- a. The petition or response forms have not been properly completed or submitted;
- b. The petition or response forms have not been filed in a timely manner;
- c. The required prerequisites to filing a petition or response have not been met;
- d. A certificate of exemption was previously issued and is not challenged by the tenant; or
- e. The petition and response forms raise no genuine dispute as to any material fact, and the petition may be decided as a matter of law.

2. A notice regarding the parties' appeal rights will accompany any decision issued administratively. Appeals are governed by [Section 8.22.120](#).

G. Should the petitioner fail to appear at the designated hearing, the Hearing Officer may dismiss the petition.

; and be it

FURTHER RESOLVED: That Rent Board Member Kara Brodfuehrer is authorized to speak in support of this resolution before the City Council and its committees.

APPROVED BY THE FOLLOWING VOTE:

AYES: BRODFUEHRER, CUCULLU LIM, INGRAM, JACKSON, MUNOZ RAMOS,
OSHINUGA, SAMATI

NOES:

ABSENCES:

ABSTENTIONS:

Date: _____

ATTEST: _____

NYILA WEBB
Rent Adjustment Program

3370428v1



CITY OF OAKLAND HOUSING, RESIDENTIAL RENT AND RELOCATION BOARD

RESOLUTION NO. _____

INTRODUCED BY MEMBERS INGRAM AND JACKSON AND CHAIR CUCULLU LIM

RESOLUTION TO SUPPORT STAFF'S RECOMMENDATION TO INCREASE THE RENT PROGRAM SERVICE FEE (RAP FEE) FROM \$101 TO \$137 PER UNIT ANNUALLY FOR FY 25-26

WHEREAS, the Housing, Residential Rent and Relocation Board (The Board) may make recommendations to the City Council or appropriate City Council committee pertaining to Chapter 8.22 of the Oakland Municipal Code (O.M.C.) or City housing policy when requested to do so by the City Council or when the Board otherwise acts to do so, pursuant to O.M.C. 8.22.040 D.4; and

WHEREAS, the City of Oakland periodically amends its Master Fee Schedule to account for the cost increases relating to municipal program, services, and activities; and

WHEREAS, in the Fiscal Year (FY) 2001-2002, the City Council established the Rent Program Service Fee to fund the Rent Adjustment Program (RAP); and

WHEREAS, on March 28th, 2019, Staff filed the *Attachment A* agenda report and proposed ordinance change outlining the RAP budget breakdown of non-HCD costs and proposed RAP fee increase to \$101 per unit; and

WHEREAS, on April 16th, 2019, the City Council approved for final passage the *Attachment A* agenda report and proposed ordinance change; and

WHEREAS, the analysis conducted by Staff reflected in the *Attachment B* show that existing revenues are and will be insufficient to cover the current and projected costs of operating RAP programs, services, and activities; and

WHEREAS, the proposed RAP Fee increase will position the Rent Adjustment Program to sustain, at minimum, the budgeted non-HCD costs outlined in the *Attachment A* and approved by the City Council in 2019; and

WHEREAS, Staff continues to work with other City Departments to identify Oakland residential rental properties that are subject to the RAP Fee either under the Rent Adjustment Ordinance, or the Just Cause for Eviction ordinance, and to provide proper notification to and collect outstanding RAP fees from said residential rental property owners; and

WHEREAS, having a financially stable Rent Adjustment Program is a benefit to Oakland residential rental property owners, Oakland tenants, and the City of Oakland; and

WHEREAS, the viability of the Rent Adjustment Program is a financial investment that is shared by both Oakland residential rental property owners and Oakland tenants; and

WHEREAS, O.M.C. 8.22.500.A states that “[t]he fee and any penalties or costs for late or nonpayment of the fee are dedicated solely to the payment or services and costs of the rent adjustment program and may be used only for the administration, outreach, legal needs, enforcement of Chapter 8.22, collection of this fee, and other costs of the rent adjustment program and cannot be used for any other purpose”; and

WHEREAS, the Housing, Residential Rent and Relocation Board seeks to ensure that covered Oakland tenants and residential rental property owners have equitable access to the protections and relief provided by the Rent Adjustment Ordinance and corresponding Regulations; now, therefore, be it

RESOLVED: That the Housing, Residential Rent and Relocation Board recommends the City Council approves Staff’s recommendation to increase the RAP fee from \$101 per unit to \$137 per unit; and be it:

FURTHER RESOLVED: That the Housing, Residential Rent and Relocation Board recommends the City Council approves the proposed FY 25-26 Master Fee Schedule to reflect this RAP Fee increase; and be it:

FURTHER RESOLVED: That any co-sponsor of this resolution is authorized to speak in support of this resolution before the City Council and its committees.

APPROVED BY THE FOLLOWING VOTE:

AYES: BRODFUEHRER, CUCULLU LIM, INGRAM, JACKSON, MUNOZ RAMOS
OSHINUGA, AND SAMATI

NOES:

ABSENCES:

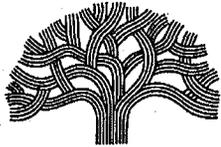
ABSTENTIONS:

Date: _____

ATTEST: _____

NYILA WEBB

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CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 MAR 28 PM 12: 23

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCD

SUBJECT: SUPPLEMENTAL – RAP Fee
Increase

DATE: March 25, 2019

City Administrator Approval

Date:

[Signature]
3/27/19

RECOMMENDATION

Staff Recommends That City Council Adopt An Ordinance Amending Ordinance No. 13497 C.M.S. (The 2018-19 Master Fee Schedule) To Increase The Rent Adjustment Program Service Fee From \$68.00 Per Unit To \$101.00 Per Unit.

REASON FOR SUPPLEMENTAL

This proposed ordinance was heard at the March 19, 2019 Finance and Management Committee. The Committee approved moving this ordinance to the City Council meeting of April 2, 2019, with additional information, as follows:

1. *Description of the costs attributed to the Rent Adjustment Program (RAP) fee that are incurred by departments other than Housing and Community Development (HCD).*

The costs attributable to non-HCD departments are all personnel costs and fall within the following departments:

- City Administrator's Office: \$38,053
- Finance Department: \$495,369
- City Attorney's Office: \$1,249,429

The total of these non-HCD costs is \$1,782,851. **Attachment A** presents a position-by-position description of Full-Time Equivalents (FTEs) attributable to the RAP fee, as well as a brief description of the duties these positions perform on behalf of the Program.

2. *Comparison of the fees in other rent control jurisdictions.*

Attachment B presents the fees for six rent control jurisdictions in the State of California: Berkeley, Richmond, San Francisco, City of Alameda, Santa Monica, and West Hollywood. With the exception of San Francisco, all have fees in the range of \$106 to \$250 per unit. The number of covered units in these jurisdictions differs from Oakland; ranging from 7,803 in Richmond to approximately 28,000 in Santa Monica, as compared to Oakland's approximately 80,000 covered units. San Francisco, a city/county that passively enforces its rent control ordinance is

Item: _____
City Council
April 2, 2019

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an outlier, with a \$45 per unit fee based on a greater number of covered units, 173,000. The number of covered units in San Francisco is 54% greater than Oakland, and its fee is 55% lower than the \$101 fee proposed for Oakland.

Staff was also directed to provide language for the City Council to consider at the April 2, 2019 meeting that would require landlords to spread out the pass-through of the RAP fee over six months. Staff has determined that to the extent this became a modification to the ordinance, it could not be taken up through this item since the item title would not reflect this change and thus, noticing requirements will not have been met.

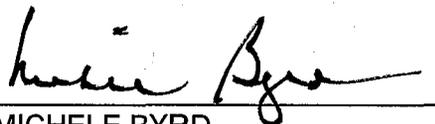
In addition, at the March 19, 2019 Finance and Management Committee meeting, it was noted that there were two typos in the ordinance reflecting an incorrect fee amount (\$104 as opposed to the requested \$101). This error is corrected in the proposed ordinance.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Adopt An Ordinance Amending Ordinance No. 13497 C.M.S. (The 2018-19 Master Fee Schedule) To Increase The Rent Adjustment Program Service Fee From \$68.00 Per Unit To \$101.00 Per Unit.

For questions regarding this report, please contact Maryann Leshin, Deputy Director, Housing and Community Development Department at (510) 238-6225 or Chanee Franklin Minor, Manager, Rent Adjustment Program at (510) 238-3262.

Respectfully submitted,



MICHELE BYRD
Director, Housing and Community Development
Department

Attachments (2):

A: RAP Budget Breakdown of Non-HCD Costs

B: Comparison of Rent Fees in California Rent Control Jurisdictions

Attachment A: RAP Budget Breakdown of Non-HCD Costs

CITY DEPARTMENT/POSITION	FTE	DESCRIPTION OF DUTIES
City Administrator's Office		
Public Information Officer II	0.25	Supports public outreach, social media, and response to media and other public inquiries.
Finance Department		
Director of Finance	0.23	Senior management oversight of RAP budget and fee collection.
Revenue & Tax Administrator	0.10	Management oversight of fee collection.
Tax Enforcement Officer II	1.00	These positions carry out the following work: sending fee notices, preparing/updating fee forms, collecting fees & updating database, sending out delinquent notices, responding to inquiries, updating procedures pursuant to ordinance and regulation changes.
Revenue Assistant	1.00	
Revenue Assistant	1.00	
City Attorney's Office		
Deputy City Attorney III	1.00	These positions carry out the following work: staff Board & Appeal panels, prepare/review case summaries for Board, prepare memoranda for the Board on legal issues, draft resolutions, draft proposed regulations and amendments to existing regulations as needed, train Board and staff, support Program Analysts when questions arise, support Hearings unit as needed, support Program Manager on special projects, create/review materials for landlords and tenants on new ordinances and regulations, draft responses and coordinate all work produce associated with Public Records Act requests.
Deputy City Attorney III	1.00	
Deputy City Attorney II	1.00	
Deputy City Attorney V	0.90	
Paralegal	1.00	
Legal Admin. Assistant	1.00	These positions support the work of the 3,9 Deputy City Attorneys

ATTACHMENT B

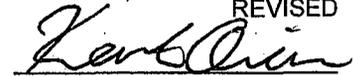
Comparison of Rent Control Fees

	Fee (per unit)	# Number of Covered Units	Type of Enforcement
Berkeley	\$250	19,093	Active
San Francisco	\$ 45	173,000	Passive
Richmond	\$207	7,802	Active
City of Alameda	\$106	14,899	Passive
Mountain View	\$124	15,300	Active
West Hollywood	\$144	16,805	Active
Santa Monica	\$198	27,542	Active

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 MAR 28 PM 12: 23

APPROVED AS TO FORM AND LEGALITY
REVISED


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AMENDING ORDINANCE NO. 13497 C.M.S. (THE 2018-19 MASTER FEE SCHEDULE) TO INCREASE THE RENT ADJUSTMENT PROGRAM SERVICE FEE FROM \$68.00 PER UNIT TO \$101.00 PER UNIT.

WHEREAS, the City of Oakland periodically amends its Master Fee Schedule to account for the cost increases relating to municipal programs, services, and activities; and

WHEREAS, in the Fiscal Year (FY) 2001-2002, the City Council established the Rent Adjustment Service Fee (the Fee) to fund the Rent Adjustment Program (RAP); and

WHEREAS, City staff undertook an analysis and evaluation of the revenue requirements to fund RAP's ongoing services, programs, and activities as well as ensure that the program is operating efficiently, accurately, and in a proactive manner regarding compliance and data, and the fee structure necessary to proportionately allocate the costs of providing these government services and program; and

WHEREAS, the agenda report provided by staff in support of the amendment of this Ordinance was prepared and includes the proposed fee and documentation supporting the estimated and reasonable costs to provide the services in a manner that ensures full compliance with the laws governing RAP; and

WHEREAS, the investigations conducted by staff reflected in the agenda report show that existing revenues are and will be insufficient to cover the current and projected costs of operating and maintaining identified City government programs, services, and activities; and

WHEREAS, the fee modifications and additions proposed by RAP, and the facts and analysis in support thereof, are identified in the agenda report; and

WHEREAS, the agenda report shows that revenues derived from the proposed fees will not exceed the funds required to provide the related government programs, services, and activities; and

WHEREAS, the agenda report shows that the amounts of the proposed fees and charges will not exceed the proportional cost of service provided or benefit attributable to each fee payer; and

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WHEREAS, the agenda report shows that the proposed fees for a product, benefit or service are imposed for a specific government service, benefit or product provided directly to the payer that is not provided to those not charged and does not exceed the reasonable costs to the City of providing the services, benefit, or product; and

WHEREAS, the City Council finds that based on the significant increase in petitions and the new laws and regulations recently adopted there is good cause for raising the RAP service fee from \$68 to \$101 per unit, thereby enabling RAP to meet its responsibilities; and

WHEREAS, this action is exempt under the California Environmental Quality Act ("CEQA") pursuant to, but not limited to the following CEQA guidelines: Section 15378 (regulatory actions), Section 15061(b)(3) (no significant environmental impact), and Section 15183 (actions consistent with the general plan and zoning; and

WHEREAS, based upon all written reports and presentations to the City Council, including the agenda report and each of the Attachments thereto, the City Council finds and determines that the proposed modification to the RAP fee set forth herein is necessary to reimburse the City for the costs of performing various municipal and regulatory functions, and that this fee does not exceed the proportional cost of the service or benefit attributable to the fee payer); and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines that the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City Council.

SECTION 2. The Master Fee Schedule for the Housing and Community Development Department: Residential Rent Adjustment Section at (B), as set forth in Ordinance Number 13497 C.M.S., is hereby amended as follows to increase the Rent Program Service Fee from \$68 to \$101 per unit (additional are shown as double underline and deletions are shown as ~~strikethrough~~):

**RESIDENTIAL RENT ADJUSTMENT
B. RENT PROGRAM SERVICE FEE**

	CURRENT FEE (FY 2018-2019)	PROPOSED FEE (FY 2019-2020) and thereafter
1 Annual Service Fee per Unit (Fees are due January 1 and delinquent March 1)	\$68.00	<u>\$101.00</u>
2 If paid within 30 days late, add 10% late fee. In addition, add simple interest of 1% of the balance owed (Fee + late charges) per month or fraction of a month late	\$68.00 + 10% Unit	<u>\$101.00</u> + 10% Unit
3 If paid within 60 days late, add 25%	\$68.00 + 25% Unit	<u>\$101.00</u> + 25% Unit
4 If paid after 60 days late, add 50%	\$68.00 + 50% Unit	<u>\$101.00</u> + 50% Unit

In addition, add simple interest of 1% of
the balance owed (Fee + late charges)
per month or fraction of a month late

5 Petition Fee per Unit \$68.00

SECTION 3. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause, or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 4. Effective Date. This Ordinance take effect seven (7) days after final adoption, unless it has been passed with six (6) votes, in which case it takes effect immediately upon adoption. The amended Fee amount will apply to those fees first due July 1, 2019 and thereafter.

SECTION 5. This action is exempt from the California Environmental Quality Act ("CEQA") pursuant to, but not limited to, the following CEQA Guidelines: § 15378 (regulatory actions), § 15061(b)(3) (no significant environmental impact), and § 15183 (consistent with the general plan and zoning).

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the City of
Oakland, California

Date of Attestation: _____

NOTICE AND DIGEST

ORDINANCE AMENDING ORDINANCE NO. 13497 C.M.S. (THE 2017-18 MASTER FEE SCHEDULE) TO INCREASE THE RENT ADJUSTMENT PROGRAM SERVICE FEE FROM \$68.00 PER UNIT TO \$101.00 PER UNIT.

This Ordinance amends the City of Oakland's Master Fee Schedule to increase the Rent Program Service Fee from \$68 per unit to \$101 per unit.



**CITY OF
OAKLAND**

THE RENT ADJUSTMENT PROGRAM (RAP)

A Need For an Annual Service Fee Increase

**Department of Housing
and Community Development**



Overview

- 1. HCD's Strategic Framework**
- 2. Oakland's Rental Housing Laws**
- 3. How RAP Implements These Laws**
- 4. RAP Finances**
- 5. Proposed RAP Fee Increase (\$137)**





CITY OF
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1. HCD's Strategic Framework



The 3Ps Framework



Preservation

Existing Affordable
Housing Stock



Protection

of Oaklanders from
Displacement



Production

New Affordable Housing



Rental Housing Laws



Preservation

Existing Affordable
Housing Stock



Protection

of Oaklanders from
Displacement



Production

New Affordable Housing



CITY OF
OAKLAND

2. Oakland's Rental Housing Laws



RAP-Enforced Laws

Rent Adjustment Program

Rent stabilization; pre-1983

Just Cause for Eviction

Eviction protections

Rent Registration

Annual registration of rentals

Rent Program Service Fee

Annual RAP cost recovery

Tenant Protection

Harassment deterrence

Tenant Move Out Agreement

Move-out protections

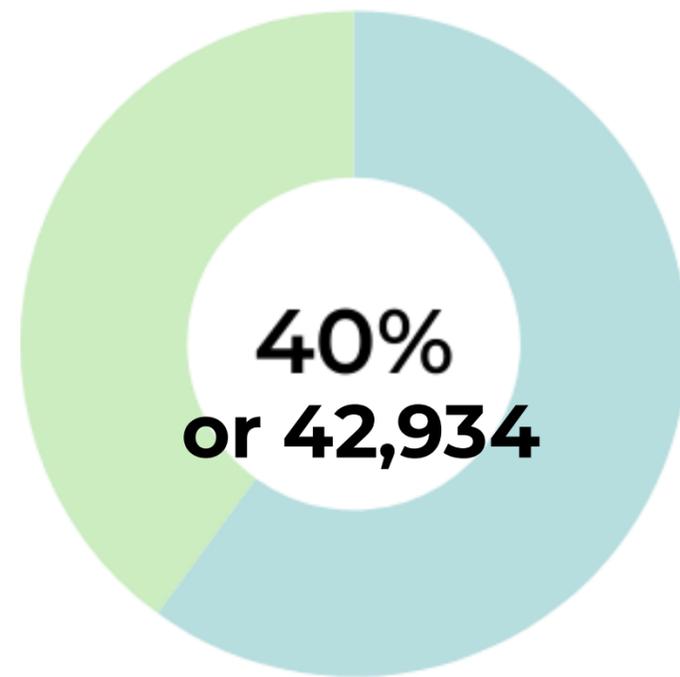
Tenant Relocation

Relocation protections & benefits

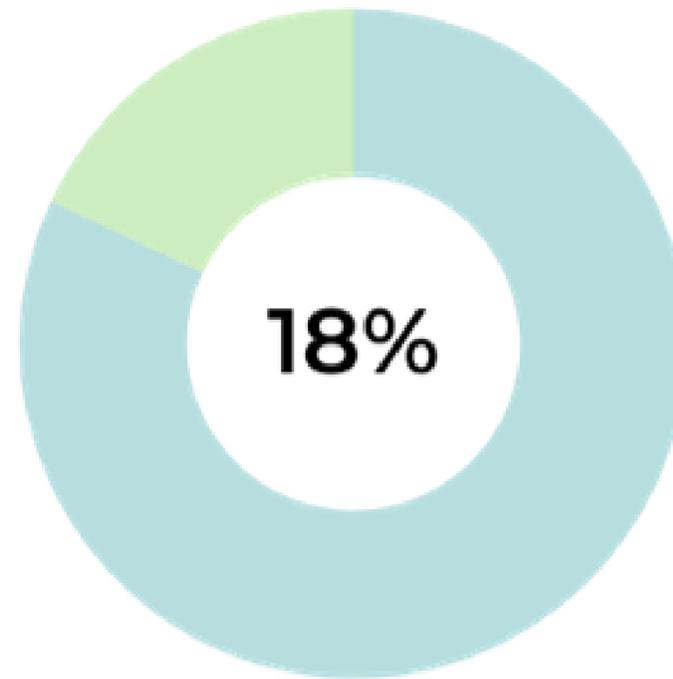
Oakland's Housing Stock

There are 182,000 occupied units in Oakland.

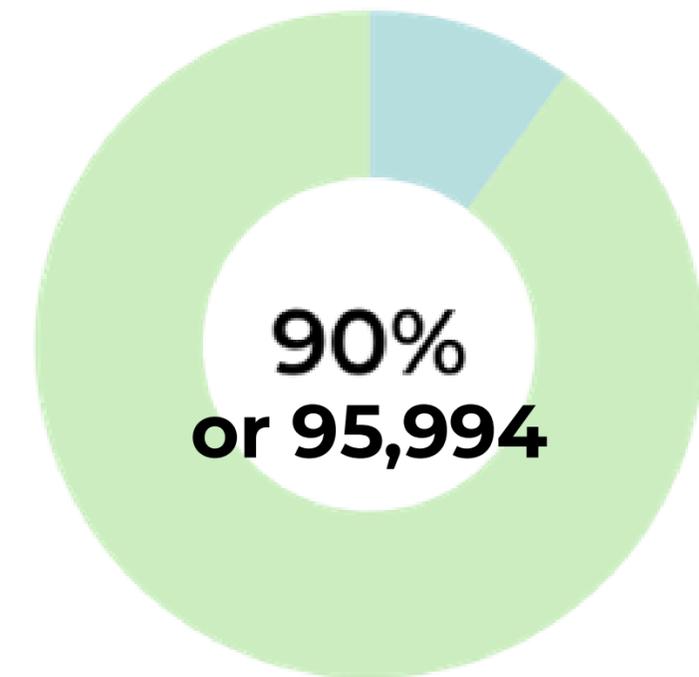
107,000 (59%) are tenant-occupied. 75,000 (41%) are owner-occupied.



% of rental units that are
rent controlled



% of rental units that are
subsidized



% of rental units that are
covered by just cause

*2023; American Community Survey, 1 Year Estimates, Selected Housing Characteristics
2023 Impact Report, City of Oakland, Department of Housing & Community Development*



**CITY OF
OAKLAND**

3. How RAP Implements These Laws



Implementation: RAP Structure

Administration and Policy

Provides leadership and overall management of RAP operations. Staffs Rent Board meetings, conducts analysis and prepares reports.

Community Engagement and Enforcement

Provides counseling services, workshops and other outreach to guide tenants and owners through the petition process and inform them of their rights and responsibilities.

Hearings

Adjudicates disputes between tenants and owners over rent increases, conditions of the property, and other issues related to tenancies under the Rent Stabilization Ordinance.

Rent Registry

Informs owners of annual registration requirements, provides technical assistance, and maintains rent registry.

Workload Changes FY18-19 to FY24-25

(FY20-21 – FY 23-24 columns denote moratoria period)

Work Performed	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25*
Petitions Filed	740	791	336	307	231	262	368
Hearings Held*	-	-	533	263	206	264	182
Counseling Provided	3,164	5,052	5,208	5,216	3,849	3,278	2,539
Workshops & Community Events Provided	6	14	15	20	25	25	21
Eviction Notices Filed	6,714	4,696	881	807	719	5,515	2,991
Units Reported to the Rent Registry	N/A	N/A	N/A	N/A	59,512	71,474	74,724



CITY OF
OAKLAND

4. RAP Finances



RAP Cost Recovery

Council established the **Rent Program Service Fee (RAP Fee)** Ordinance to cover RAP's costs to implement rental housing laws and provide essential services to tenants and property owners

Property owners are required to pay the RAP Fee and may pass-through half of the fee to tenants

Finance Department (Revenue Management Bureau) manages the collection process

Surplus and Deficit

RAP Fund Financials (in millions)	17-18 actual	18-19 actual	19-20 actual	20-21 actual	21-22 actual	22-23 actual	23-24 actual	24-25 projected
Revenue	5.21	6.92	8.04	10.95	7.46	7.82	8.24	8.0
Expenditures	-4.43	-5.64	-8.21	-9.22	-9.38	-9.55	-10.38	-11
Surplus / (Deficit)	0.78	1.28	-0.17	1.73	-1.92	-1.73	-2.14	-3.0
FYE Fund Balance	1.9	3.18	3.02	4.75	2.83	1.1	-1.04	-4.04

5. Proposed RAP Fee Increase (\$137)



RAP Proposed Fee Increase: From \$101 to \$137 Per Unit/Per Year

HCD proposes the RAP Fee be increased to \$137 per unit.

This amount was arrived at by dividing the anticipated program costs for FY25-26 (\$13.5 million) by the total number of covered units (96,000).

Annual RAP Fee Passthrough: \$50.50 to \$68.50

Proposed Fee Change in Comparative Perspective

City	Current Fee
San Francisco	\$59
San Jose	\$76
Oakland current	\$101
Mountain View	\$120
Oakland proposed	\$137
Alameda	\$168
Richmond	\$238
Berkeley	\$344