

CITY OF MOUNTAIN VIEW RENTAL HOUSING COMMITTEE
HEARING OFFICER DECISION PURSUANT TO
THE COMMUNITY STABILIZATION AND FAIR RENT ACT (“CSFRA”)

Rental Housing Committee Petition Number	20210001
Address of Rental Property	240 Monroe Drive, Mountain View 94040
Subject Units	All
Total Units on Property	72
Petitioner Name	Ananda Church of Self-Realization of Palo Alto
Petitioner Authorized Representative	David Praver
Landlord Authorized Representative	Enlightened Investments, Inc.
Hearing Officer	Barbara M. Anscher
Dates of Pre-Hearing Conferences	October 13, 2020; November 20, 2020; December 23, 2020
Dates of Hearing	January 28, 2021; March 3, 2021
Place of Hearing	Zoom
Date of Post-Hearing Conference	February 12, 2021
Date Hearing Record Closed	March 17, 2021
Date of Decision	April 17, 2021
Date of Mailing	See attached Proof of Service

I. STATEMENT OF THE CASE [Procedural History]¹

1. On August 20, 2020, Tenant Ananda Church of Self-Realization Palo Alto (“Tenant” or “Petitioner”) filed with the City of Mountain View (the “City”) a Petition for Downward Rent Adjustment—Unlawful Rent (Form A) (the “Petition”) which was accepted by the City on September 9, 2020. Property Manager filed a Response on August 31, 2020.

2. The property at issue (the “Property”) consists of 72 apartments and common areas on a 4.74-acre parcel and is known as the Ananda Community.

3. Landlord is a group of individuals and entities which own the Property as tenants-in-common (the “TIC” or the “Owners”). Petitioner named the Owners’ Property Manager, Enlightened Investments, Inc. (“Property Manager” or “Respondent”), in the Petition as the Owners’ representative and served the Petition on Property Manager.

¹ A chart describing the relationships among the parties is appended hereto as Attachment 5.

4. A Notice Re: Hearing and Setting Prehearing Meeting, dated October 12, 2020 was sent to all parties, and a pre-hearing conference on this matter was held on October 13, 2020 at 1:00 p.m. At the pre-hearing conference, Respondent's now former attorney raised the issue of whether the Owners of the Property should have been served with the Petition, arguing that Enlightened Investments, Inc., which admittedly is the Owners' Property Manager for the property at issue, was not authorized to represent the Owners. The Hearing Officer ruled that Respondent Enlightened Investments, Inc. was the proper party to receive notice on behalf of the Owners and that under the CSFRA the Owners could join the case at any time simply by filing a Response to the Petition. (See Hearing Officer's Exhibit 3, Hearing Officer Ruling and Requests, dated October 14, 2020.). Also during that pre-hearing conference, it was agreed by the parties that a threshold issue existed as to whether the CSFRA would apply to the facts of this case. The parties stipulated to bifurcate the hearing into two sessions, a preliminary hearing to hear a motion as to whether the CSFRA would apply and an evidentiary hearing. A pre-hearing conference to hear argument on the threshold issue was set for November 20, 2020, and the evidentiary hearing was set for January 12, 2021. In her ruling of October 14, 2020, the Hearing Officer set out a briefing schedule for the motion on the threshold issue and also requested that both parties submit additional documents prior to the evidentiary hearing. Petitioner submitted the requested documents on December 21, 2020.

5. On November 19, 2020, a Notice confirming the pre-hearing conference of November 20, 2020 and the hearing date of January 12, 2021 was served on the parties. A pre-hearing conference was held on November 20, 2020 to hear oral argument on the issue of whether the CSFRA applies to this case. An Order was issued on December 7, 2020, ruling that the CSFRA does apply to the facts of this case. (See Hearing Officer Exhibit 4, Hearing Officer Order dated December 7, 2020.)

6. A Notice of Prehearing Meeting was served to all parties on December 10, 2020, setting a prehearing meeting for December 23, 2020, and a pre-hearing conference was duly held on that date. At that pre-hearing conference, Respondent's current attorney raised the issue of whether the Hearing Officer's December 7, 2020 ruling that the CSFRA applies to the facts of this case, would be immediately appealable or would be appealable after the evidentiary hearing. The Hearing Officer ruled that the December 7, 2020 ruling would only be appealable after the issuance of a final Decision in the evidentiary hearing. (See Hearing Officer Ruling and Requests, dated December 23, 2020.) Additionally, upon a finding of good cause, it was held that the evidentiary hearing in this matter would be postponed to January 28, 2021. In her ruling of December 23, 2020, the Hearing Officer also requested that the parties submit additional documents prior to the evidentiary hearing. Among the documents submitted by Petitioner was an Amended Petition, dated January 15, 2021. (See Petitioner's Exhibit 18.)

7. A Notice of Hearing on Petition was served to all parties on December 24, 2020, and the evidentiary hearing on this matter was held on January 28, 2021. The Hearing Officer

issued an Order after the hearing, requesting additional documents by February 5, 2021 and allowing the parties until February 12, 2021 to submit written closing statements.

8. On February 5, 2021, Petitioner filed a Submission of Post-Hearing Evidence and attached a Declaration of Rick Bonin a.k.a. Chidambar (the “Bonin Declaration”). Respondents by email of February 5, 2021 objected to the admission of the Bonin Declaration.

9. On February 9, 2021, the Hearing Officer issued a post-hearing Order which vacated the deadline for submission of closing arguments and ordered that a conference with the parties’ attorneys be held in order to discuss the due process issues raised by the Bonin Declaration.

10. On February 12, 2021, a post-hearing video conference was held, and counsel for the parties presented their arguments about whether an additional Hearing session should be held. The Hearing Officer determined that in the interests of a full and fair hearing, the evidentiary Hearing would be re-opened for the limited purpose of presenting evidence as to the issue raised by the Bonin Declaration. A post-hearing Order to that effect was issued on February 12, 2021.

11. A Notice of Hearing for the second session of the evidentiary Hearing was served to all parties on February 17, 2021.

12. An evidentiary Hearing was held on March 3, 2021 to address the allegations in the Bonin Declaration.

13. A post-hearing Order was issued setting a deadline of March 12, 2021 for submission of closing statements.

14. The parties were notified that the Record was closed on March 17, 2021.

II. HEARING ATTENDANCE (First Evidentiary Hearing 1/28/21)

David Praver, President of the Board of Ananda Church of Self-Realization of Palo Alto, was present at the hearing. Petitioner was represented by Brian Skarbek, Esq., Law Offices of Todd Rothbard.

Arminda Fisher, President of Enlightened Investments, Inc., was present at the hearing. Respondent was represented by Daniel Ballesteros, Esq. and Daniel Marsh, Esq., Hoge Fenton.

Also present were Eric Munro and James No-Kuhn, members of the Ananda Church of Self-Realization of Palo Alto.

Emily Hislop of Project Sentinel attended in her role as Hearing Administrator, and Patricia Black and Andrea Kennedy attended on behalf of the City of Mountain View.

III. HEARING ATTENDANCE (Second Evidentiary Hearing 3/3/21)

David Prayer, President of the Board of Ananda Church of Self-Realization of Palo Alto, was present at the hearing. Petitioner was represented by Brian Skarbek, Esq., Law Offices of Todd Rothbard.

Arminda Fisher, President of Enlightened Investments, Inc., was present at the hearing. Respondent was represented by Daniel Ballesteros, Esq. and Daniel Marsh, Esq., Hoge Fenton.

Also present were Eric Munro, member of the Ananda Church of Self-Realization of Palo Alto; Richard "Rick" Bonin, member of the Ananda Church of Self-Realization of Palo Alto and an Owner of the Property; and Nancy Kendall, Member of the Ananda Church of Self-Realization and an Owner of the Property.

Emily Hislop of Project Sentinel attended in her role as Hearing Administrator, and Joann Pham also attended from Project Sentinel. Patricia Black, Andrea Kennedy, and Anky Van Deursen attended on behalf of the City of Mountain View.

IV. WITNESSES

The following persons, duly sworn, testified at the January 28, 2021 Hearing and presented the following testimony:

David Prayer

Mr. Prayer testified that Petitioner is a non-profit corporation, and that he has been President of its Board since 1987. The Property consists of 72 units of apartments. Petitioner has been the Master Tenant on a lease with the Owners, who own the Property as a tenancy-in-common, since 1989. Enlightened Investments, Inc. has been the Property Manager for the Owners since 2012.² The most recent version of the Master Lease for the Property is dated December 15, 2012 (See Hearing Officer's Exhibit 1B.)

The annual rent under the Master Lease generally increases each year. It is Mr. Prayer's recollection that Arminda Fisher sends out an email to him sometime during the month prior to the month in which the rent will increase announcing the amount of the new rent and attaching a document called the Renewed Revised Master Lease, which Mr. Prayer and Ms. Fisher sign each year. (See, e.g., Petitioner's Exhibit 23, August 15, 2016 email from A. Fisher to D. Prayer attaching Renewed Revised Master Lease effective September 1, 2016.)

As of September 1, 2015, the rent was \$115,000 per month. (See Hearing Officer Exhibit 1C.) Effective September 1, 2016, the rent was increased to \$125,000 per month. (See Hearing Officer Exhibit 1E.) In December 2016, the rent was reduced to \$115,000 per month. Mr. Prayer testified that Ms. Fisher notified Petitioner of the rent rollback through an email dated

² From 1989 until 2012, the Property was managed for the Owners by Nancy Kendall, a.k.a. Santoshi, an Ananda Church member who is also Ms. Fisher's mother.

November 15, 2016 to Chidambar, a.k.a. Rick Bonin, who was the onsite property manager for Petitioner at that time. The email from Ms. Fisher stated in pertinent part: “Even though it is not clear that Measure V applies to our Master Lease situation, I wanted to inform you that based on the passing of Measure V in Mountain View I will be lowering your payment due to owners as of December 1, 2016 back to the October 2015 level of \$115,000 while we wait for this [to] play out. This should give you the flexibility to deal with your residents however you see fit.” (See Respondent’s Exhibit 10.)

Mr. Praver testified that the rent rollback lasted for only the month of December 2016 because the rent was raised to \$118,000 effective January 1, 2017. He did not recall how this rent increase was noticed to Petitioner.

Later in 2017, there was an additional rent increase, and the rent went to \$120,000 per month effective September 1. The Renewed Revised Master Lease formalizing the rent increase was signed by Ms. Fisher on August 4, 2017. (See Hearing Officer Exhibit 1F.)

The rent was increased to \$127,000 per month, effective September 1, 2018. The Renewed Revised Master Lease for this increase was signed by Ms. Fisher on July 31, 2018. (See Hearing Officer Exhibit 1G.)

The rent increased in 2019, effective as of September 1, to \$134,500. The Renewed Revised Master Lease for that increase was signed by Ms. Fisher on August 4, 2019. (See Hearing Officer Exhibit 1H.) There was no rent increase in 2020.

Mr. Praver testified that he only approved the rent increases at the time of signing the respective Renewed Revised Master Leases. He said that he did not negotiate the rent increases because it “would have created conflict.” He further testified that neither he nor Petitioner had ever received a 30-day written notice of rent increase. He said that Rick Bonin, the on-site property manager for Petitioner, would always send him documents “of that nature.”³ Upon questioning by Respondent, Mr. Praver said that around the same time each year it would be determined whether there would be a rent increase and that there were communications about the rent increase between Mr. Bonin and Ms. Fisher, but that the amounts of the increases were not official until they were on the lease renewals. He said that it “wouldn’t surprise him” if Mr. Bonin and Ms. Fisher began communicating about the rent increase around May or June each year; his understanding was that a number would be proposed, Mr. Bonin would review it, there would be discussion if Petitioner was feeling financial pressure that year, and that Ms. Fisher made the final determination.

³ Mr. Praver testified that since September 2020, the lines of communication between Enlightened Investments and Petitioner have been “adjusted,” so that Mr. Bonin is no longer the sole person that Ms. Fisher communicates with.

Mr. Praver also said that on occasion there would be an offset to rent because Petitioner had paid invoices of third-party contractors who should have been paid by the Owners under the terms of the Master Lease. He said that there were never any disputes about the amounts paid to third parties and the amounts credited therefor to Petitioner.

Upon questioning by Respondent, Mr. Praver acknowledged that every December during the time period at issue the Owners would give Petitioner a rent credit. In 2017, Ms. Fisher informed Petitioner of the annual credit through an email dated December 16, 2017 to Mr. Bonin, which stated that, "The owners would like to give Ananda a rent reduction of \$33,435 in December for being such wonderful tenants. Please send \$86,565 for rent this month." (See Respondent's Exhibit 15.) Mr. Praver stated that it was true that Petitioner received rent credits as reimbursement for third party payments *and* that Petitioner received year-end rent reductions from the Owners.

Mr. Praver also testified that Petitioner would raise the rent on all of its subtenants at the same time each year, in September, and would give them the requisite notice required by law. The increases for the subtenants would depend on the increase under the Master Lease and the allowable Annual General Adjustment under the CSFRA. He also testified that in calculating the rents for the subtenants, Petitioner did not consider fair market value. Mr. Praver stated that in December of 2016, Petitioner rolled back rents for its subtenants, but did not at that time discuss rollbacks under the CSFRA as between Petitioner and Respondent because Petitioner "didn't know they were in that kind of relationship with the Owners."

Mr. Praver also testified that Petitioner registered the Property with the Rental Housing Committee, as directed by Ms. Fisher in her communications with Mr. Bonin. He said that because some members of Petitioner who are subtenants have an ownership interest in the Property, Petitioner received a letter sent from Ms. Fisher to the Owners stating that the Owners did not need to register the Property.

Eric Munro

Mr. Munro testified that he is the Financial Manager of Petitioner. He stated that the credits on rent that Petitioner received were based on amounts Petitioner paid to third parties for work on the Property that should have been paid by the Owners. According to his calculations, Petitioner was not reimbursed for all of the third-party payments that the Owners should have been responsible for because Mr. Bonin was "very accommodating" to the Owners. For the purpose of the hearing, Mr. Munro prepared spreadsheets of the third-party expenses that Petitioner paid on behalf of the Owners, based on information he obtained from Mr. Bonin, which he believes show overpayment of rent on the part of Petitioner. (He did not share these spreadsheets with Ms. Fisher or the Owners to get their input.)

Mr. Munro believes that the rent reductions that were issued every December were monies fronted by the Owners for fees incurred later on and not simple donations to Petitioner. He

said that this was based on his review of bank records and from conversations with Rick Bonin.⁴ Mr. Bonin also told him that sometimes the Owners would give Petitioner a rent credit and then instruct Petitioner to donate the amount of the credit to an organization chosen by the Owners. Mr. Munro explained that all of the transactions of this sort between the Owners and Petitioner were not well-documented. He implied that the December 16, 2017 email from Ms. Fisher did not accurately represent the purpose of the rent reduction, which was in fact to cover third-party payments by Petitioner as part of the “accommodation” of the Owners by Mr. Bonin. Mr. Munro testified that up until the filing of the Petition, there were never any disputes about the amount of rent paid by Petitioner.

Mr. Munro also said that Petitioner pays the annual fee for registration of the 72 units on the Property and that he was not aware of any registration with the City for the master tenancy of the Property as a whole. He acknowledged that under the Master Lease paragraph 1.4, Petitioner must comply with all applicable laws.

He further stated that since the enactment of the CSFRA, each year Petitioner has raised rents for its subtenants by the amount of the AGA, except that there was no rent increase in 2020.

Mr. Munro testified that he served the Petition on Arminda Fisher. He also said that when he sent anything to the Owners, he would send it to Arminda Fisher and to Santoshi (a.k.a. Nancy Kendall). He knew that when he sent the Petition, it would be passed on to the Owners because Ms. Fisher was good about passing things on to the Owners.

Mr. Munro testified that on average about 19 percent of gross revenues are left over after payment of rent each year.

Arminda Fisher

Ms. Fisher testified that she is the Owner’s representative and Property Manager for the Owners for 240 Monroe Drive. She started working with Nancy Kendall (a.k.a. Santoshi) and took over in the form of Enlightened Investments in 2012. Her role is to interact with the on-site property manager and to ensure that the Property is cared for and that rent is paid. She said that Mr. Bonin has not been on-site property manager since September 2020 due to “split loyalties.” Ms. Fisher reports to the Owners and has regular conversations with Nancy Kendall. Ms. Fisher testified that two of the Owners, Rick Bonin and Sally (a.k.a. Shanti) Rubenstone, are also members of Petitioner’s Board and that all of the Owners except one are members of the Ananda Church. There are eight individuals who are deemed Owners, plus two entities which have TIC shares.

Ms. Fisher testified that the Owners do not feel that they have to maximize profit but they expect a return on the investment. She said that she does a rent survey of comparable properties each year and that the rent on the Property is lower than comparable properties.

⁴ Mr. Bonin did not testify at the January 28, 2021 hearing. The Bonin Declaration challenging some of Ms. Fisher’s testimony was submitted after that hearing, and Mr. Bonin testified in the subsequent hearing on March 3, 2021.

She stated that the Petitioner has made alterations to the Property, such as converting living space into community rooms and converting a conventional common area into a permagarden, which have made it less valuable. She testified that Petitioner's rent is about 10 percent or more below market because the Owners view the Property as "a socially responsible investment." She believes that Petitioner had rental income in excess of what the Owners were receiving.

According to Ms. Fisher, the annual rent reductions each December were not intended for Petitioner to pay third parties. They were straightforward rent reductions. At the end of each year, she would talk to each Owner about whether they wanted to reduce Petitioner's rent for that year and that the amounts differed each year. Sometimes the Owners would designate a particular subtenant whose rent should be reduced. The reductions each December during the relevant time period were as follows: 2015: \$38,500; 2016: \$26,625; 2017: \$33,435; 2018: \$15,576; 2019: \$16,638.50. Ms. Fisher created a spreadsheet which in her opinion indicates that, taking into account the December rent reductions, Petitioner's rent was well within the CSFRA. (See Respondent's Exhibit 80.) She also said that the rent reductions would show up on a balance sheet as a reduction in income for the Owners.

With respect to rent credits that were given because of Petitioner's payments to third party contractors, she and Mr. Bonin would go over those at the time that the work was being done, and she created reconciliations to account for the credits. She also said that it appeared that some things on Mr. Munro's spreadsheet were not the Owners' responsibility pursuant to the Master Lease. Ms. Fisher said that she could not address Mr. Munro's spreadsheet definitively because she had not seen the underlying documents that he worked with, but she said that an item called "kitchen" would not be the Owners' responsibility whereas the painting done by a contractor called Ekim and roof work would be the Owners' expense. Electrical work listed on the spreadsheet could possibly be the Owners' expense, but drywall repairs were for interior drywall and not the responsibility of the Owners. She testified that there was no "balance" of third-party payments that Petitioner had overpaid, that the payments were "all up-to-date" and that "all other extra payments were fully paid." She said that she did not bring the reconciliations to the Hearing because they "did not seem relevant," since there was no dispute about the payments. Upon questioning, she reiterated that there was never a dispute that the amount that Petitioner paid in rent was what was supposed to be paid.

Ms. Fisher testified that it was Petitioner's obligation to register the rental units, which she had discussed with Chidambar (a.k.a. Rick Bonin) and the Owners' counsel.

Ms. Fisher described the manner for determining rents under the Master Lease as follows: she would do a rent survey each year around May or June. She would give Mr. Bonin notice around that time as to the increase she was contemplating. He would tell her if the increase would pose a hardship for Petitioner. After that, the rent increase that she decided on, taking into consideration Mr. Bonin's comments, would be put to a vote among the Owners, which she would address in emails. She sent emails to the Owners asking them to vote on rent increases

on July 21, 2015, sometime in July 2016 , July 18, 2017, July 23, 2018, and June 26, 2019. (See Respondent's Exhibits 82, 83, 84, 63.) The Owners had 72 hours to vote, and the votes had to be unanimous in order to enact a rent increase. Because Mr. Bonin was an Owner, he would vote on rent increases. Ms. Fisher said that there were no written notices of rent increase sent to Petitioner because she believed that the Master Lease was a commercial lease.

Ms. Fisher stated that after the CSFRA was enacted, she sent a copy of the Ordinance to Rick Bonin, and he asked how Petitioner should comply with it. Ms. Fisher said that she checked with the Owners' attorney at the time, who said that the CSFRA did not apply to the Owners. Until the time of filing the Petition, Petitioner never told her that they believed that the CSFRA applies as to the Master Lease.

Ms. Fisher also testified that the day before the Petition was served, she believes that Mr. Munro talked to Nancy Kendall about the Petition.

Ms. Fisher said that under the Master Lease, the Owners are responsible for most capital improvements and that over the last five years, they have painted, taken care of dry rot, replaced fences, and performed an electrical upgrade. She said that some of these repairs were paid for directly by the Owners and some Petitioner paid in exchange for a rent credit. Ms. Fisher stated that additional capital improvements are needed in the near future and that the Owners had talked to Petitioner about selling the Property rather than investing money in repairing it but that Petitioner is opposed to selling. She said that Petitioner had presented a plan for the Property for the next six years which included major capital improvements. (See Respondent's Exhibit 30.) She also stated that the Owners paid for repairs and improvements as determined by the Master Lease.

With respect to the rent in December of 2016, Ms. Fisher testified that the rent in September of 2016 had been raised to \$125,000. She sent Mr. Bonin an email in December 2016 reducing the rent to \$115,000 because she believed that Petitioner would have to roll back rents for its subtenants and the Owners rolled back the rent in order to enable Petitioner to be able to afford rent reductions to its subtenants. Thus, she believes that the December 2016 reduction for Petitioner was not a rollback under the CSFRA. She stated that the rent was increased to \$118,000 in January of 2017 after discussions with Mr. Bonin. The rent was then increased again in September of 2017.

Ms. Fisher testified that there has never been a dispute about the amount of rent paid by Petitioner.

The following persons, duly sworn, testified at the March 3, 2021 Hearing and presented the following testimony:

Richard "Rick" Bonin

Rick Bonin, a.k.a. Chidambar, testified that he has been the on-site Property Manager at the Property for over 20 years. Up until January 2021, his duties consisted of managing the day-to-day operations of the Property as well as keeping track of all financial matters. As of January 2021, he is semi-retired and works only half time. At that time, Eric Munro took over the financial aspects of the property management.

As the on-site Property Manager, Mr. Bonin was the primary contact person for the Owners; however, most of his dealings with the Owners were through Arminda Fisher on their behalf. Mr. Bonin is also an Owner; he has a 3.3% ownership interest in the Property.

Mr. Bonin testified that he had heard Ms. Fisher's prior testimony about the end-of-year rent reductions—he terms her characterization of the reduced rent as “like a gift” to Petitioner—and he believed that her testimony was not truthful. He stated that each December, Arminda Fisher would tell him the amount of rent to pay for that month, which would be less than the amount stated in the Renewed Revised Master Lease for that year. Mr. Bonin would then transfer the difference between the official rent and the lesser amount of rent that Ms. Fisher told him to pay from Petitioner's operating account for the Ananda Apartments into a specific checking account, the Community Fee Account. The transferred funds would be earmarked for payment to charitable entities and also used as rent relief for several subtenants of Tenant. Two of the Owners—specifically Nancy Kendall, a.k.a. Santoshi, and Rich McCord, a.k.a. Gyandev⁵—would direct where the transferred funds would be donated.⁶ Mr. Bonin testified that neither he nor the Tenant had any control over what was done with those funds. Mr. Bonin testified that, while Ms. Fisher represented that there was a rent rebate or reduction each December, in fact there was not because Tenant still had to pay the full amount of rent, just using another method of payment, i.e., donations.

Mr. Bonin testified that he thought Ms. Fisher was aware of money being paid out at the direction of the Owners; however, he and Ms. Fisher did not discuss the particulars of the transactions. Mr. Bonin authenticated emails that he had sent to Ms. Fisher asking about the amounts for which he would write checks. (See Petitioner's Exhibit 28, p. 3, email from Chidambar to Arminda Fisher 1/10/18 and email stream appended thereto with emails from Chidambar to Santoshi.)

While testifying, Mr. Bonin went through bank statements showing the money being transferred from Petitioner's operating account (designated the “Ananda Apartments Account”) to the Community Fee Account. (See Petitioner's Exhibit 31.) The transfers matched the Respondent's records as to the amounts that various Owners were donating each December. (See Respondent's Exhibits 68, 70, 72, 75, 77).

⁵ Mr. McCord's TIC ownership interest and distribution was through two entities called “Master's Share” and “Lynn's Share”.

⁶ Mr. Bonin said that a third Owner, Daya Taylor, also had Tenant write donation checks but did not specify where to send them, so they went into the Community Fee Account.

Mr. Bonin stated that he usually discussed the donations with Ms. Kendall by telephone, although he did identify one email in which he asked Ms. Kendall how to distribute her donation (See Petitioner's Exhibit 28, p. 1, 12/11/15 email from Rick Bonin to Nancy Kendall.) Most of the money represented by the checks that Mr. Bonin wrote out of the Community Fee Account was received by various non-profit entities which were incorporated individually and not owned or controlled by Tenant but which were related to the greater Ananda Community. Thus, there are various checks made out to "Ananda"⁷ and endorsed by Living Wisdom School or other non-profits (See, e.g., Petitioner's Exhibit 25, Bonin Declaration Exhibit B, checks no. 2716, 2718 and 2947). Some checks were made out directly to non-profits, such as Education for Life⁸ (see Petitioner's Exhibit 25, Bonin Declaration Exhibit B, checks no. 2719, 2945, 3105, 3462). Some checks were made out to "Ananda" and deposited at a bank in Chico, which, Mr. Bonin testified, meant that the checks went to Ms. Kendall, who deposited them in accounts for the various non-profit entities (See, e.g., Petitioner's Exhibit 25, checks no. 2948, 3242.) A smaller amount of the money was used as rental assistance for several subtenants of Tenant, as directed by Ms. Kendall (See Petitioner's Exhibit 30). He also testified that on one occasion, a subtenant, Linda Lockhart, a.k.a. Kamala, was given a rent subsidy in exchange for her work on the film, "Finding Happiness," which she did in conjunction with Ms. Kendall (See Petitioner's Exhibit 30, email from Nayaswami Kamala to Asha Praver, dated 2/1/21; letters to Kamala Lockhart).

Mr. Bonin testified that if he did not receive instructions from Ms. Kendall or Mr. McCord as to how to distribute the funds, he would keep them in the Community Fee Account, and they would eventually be spent on amenities for the Ananda Community. Such amenities included things like gardens, shrines, and a community dining room.⁹

Mr. Bonin testified that Mr. McCord sent him an email (See Petitioner's Exhibit 29, p.3, 12/4/17 email from Gyandev to Chidambar), in which he described the "rent rebate dance." In the email, Mr. McCord described the process as "Arminda sends you [Mr. Bonin] a check, you deposit it, then write a check (same amount) to ACSR Nevada County, and send to Latika."¹⁰ Mr. Bonin testified that "what Gyandev describes isn't how it really happened," and that he did not know why the donors did not send their checks directly to the recipients, but he never asked about it. He said that Arminda Fisher directed him to hold the money back and pay it out as directed.

⁷ Mr. Bonin testified that a check made out to "Ananda" could be cashed by any Ananda entity, such as the Ananda Village in Nevada City or a non-profit which was part of the greater Ananda Community, such as the Ananda Valley Farm.

⁸ Mr. Bonin testified that Education for Life is a system of schools in which Ms. Kendall is involved, which was started by Paramahansa Yogananda and Swami Kriyananda and which reflect their ideas about education.

⁹ Daya Taylor's share would go into the Community Fee Account.

¹⁰ According to Mr. Bonin, Latika was in charge of finances at Ananda Village in Nevada City. Mr. McCord and Ms. Kendall also live at Ananda Village.

Mr. Bonin testified that there were never any shortfalls in rent payment on the part of Tenant.

Mr. Bonin also testified that, as an Owner, he has donated to the support of subtenants of Tenant. He said that sometimes he has had the money distributed from the Community Fee Account and sometimes he has given the money directly to the subtenants. (See Respondent's Exhibits 39, 47, 54, 60.)¹¹ Mr. Bonin testified that he does not receive any tax benefit from making the donations. He testified that Tenant does not have a program for supporting its low-income subtenants and that all rent relief came from the Owners' directing him to make donations or from the other subtenants. He also said that neither he nor Tenant to his knowledge received any letters from any of the donees—whether non-profit entities or individuals-- memorializing the donations.

Mr. Bonin testified that it was his decision to transfer the money from the operating account to the Community Fee Account in order to create a paper trail because he did not want it to look like he was stealing the money.

Mr. Bonin said that he was not opposed to the Owners' choices of donees because he thinks the money was donated to worthy causes; he just wanted to make clear that the donations came from the Owners, not from Tenant. He stated that but for the rent credits that Tenant Church received from the Owners, he would not have had the funds to write the checks for the donations.

Arminda Fisher

Respondent called Ms. Fisher to testify a second time to rebut Mr. Bonin's testimony.

Ms. Fisher said that she reached out to the Owners at the end of each year to ask whether they wanted to donate any portion of their TIC distribution for that year. She then told Mr. Bonin to reduce the rent check for December based on the donations for that year.

Ms. Fisher said that she sent the email dated December 16, 2017 to Mr. Bonin, which stated that, "The owners would like to give Ananda a rent reduction of \$33,435 in December for being such wonderful tenants. Please send \$86,565 for rent this month." (See Respondent's Exhibit 15.) She testified that Mr. Bonin did not contradict the statement in this email.

Ms. Fisher testified that there were other Owners besides Ms. Kendall and Mr. McCord who gave rent credits, in particular two Owners who were members of Master's Share. She said she did not know if any Owners told her that they would distribute their donations directly to their donees, although she did acknowledge an email to her from Shanti Rubenstone, dated

¹¹ Mr. Bonin testified that, although the language of the emails in Respondents' Exhibits 39, 47, 54, and 60 appears to instruct Arminda Fisher to donate Mr. Bonin's Owner's distribution to Tenant, what the emails actually mean is that he will donate to individual *subtenants* of Tenant. Thus the "rent credit" referred to was for various subtenants.

November 29, 2017, stating that Ms. Rubenstone would distribute her donation directly to Petitioner's subtenants as a gift. (See Respondent's Exhibit 52.)

Ms. Fisher stated that she knew that some Owners discussed with Mr. Bonin how to distribute their donations. Mr. Bonin would ask her how much the Owner wanted to distribute, and she would tell him the amount of the rent reduction. She said that she did not know details, as evidenced by an email from Mr. Bonin in which he asked for details about rent reductions to subtenants and she told him to check with Santoshi because she did not know "what Santoshi does." (See Respondent's Exhibit 88, email dated 1/3/2017.) She testified that the records she kept simply noted whether each Owner had their year-end TIC distribution sent to them or whether they told her that they would donate their distribution to Ananda Church as a rent reduction. (See Respondent's Exhibits 70, 72, 75, 77.) She stated that she had no influence as to how the money was spent. She testified that she provided that information to the TIC's CPA and that the TIC was shown as receiving less rent for that month.

Ms. Fisher said that Mr. Bonin never expressed any concern to her that the rent reductions were not really rent reductions.

On cross-examination, Ms. Fisher stated that she had been a property manager for 20 years and that she manages other properties in addition to 240 Monroe Drive. She said that her understanding of a "rent credit" was something that is given in exchange for work done by a tenant or for something that the tenant paid for on behalf of the landlord. She said that her understanding of a "rent reduction" was a reduction in the amount of rent due, not in exchange for anything. She said that when she wrote emails to the Owners using the words "rent credit" to describe the amount the Owners might want to give to Tenant, she meant "rent reduction." (See, e.g., Respondent's Exhibit 37, email from Arminda Fisher to Owners, 11/24/15; Respondent's Exhibit 36; Respondent's Exhibit 50.)

When questioned about an email from Chidambar to her, dated January 2, 2018, asking whether she "knew anything about people's choices" regarding donations, Ms. Fisher stated that she always told Mr. Bonin that she was not the person to ask about where the distribution money went. (See Petitioner's Exhibit 28.) She also said that she did not know why Gyandev thought that the "rent rebate dance" involved her sending checks to Mr. Bonin and that she did not know what he meant by the "rent rebate dance".

Ms. Fisher testified that she does not know what Santoshi does vis-à-vis donations; however, "she's mentioned things recently" related to the rent credit issue, "but I do not *know*." She is aware of "directed donations," meaning that "sometimes people would ask Chidambar to do things with their rent reductions." For example, she said Ms. Kendall wanted to direct where some of the money went, and also some of it would go to members of the Ananda Community who needed help paying their rent; however, she did not know the amount donated or where the money came from.

V. EVIDENCE

The following documents were submitted prior to the evidentiary hearing on January 28, 2021 and marked and admitted into evidence without objection: See Attachment 1, appended hereto and incorporated by reference herein.

The following documents were submitted after the evidentiary hearing on January 28, 2021 and prior to the evidentiary hearing on March 3, 2021 and marked and admitted into evidence without objection: See Attachment 2, appended hereto and incorporated by reference herein.

VI. ISSUES PRESENTED

Whether Petitioner is entitled to a downward adjustment of rent because the rent rollback required by the CSFRA as of December 23, 2016 was not implemented.

Whether Petitioner is entitled to a downward adjustment of rent because the rent increases in 2017, 2018, and 2019 exceeded the AGA and thus were unlawfully imposed.

Whether the Owners are entitled to a 2.6% bankable rent increase.

Whether all rent increases since January 1, 2017 were unlawful due to the Owner's failure to register with the Rental Housing Committee.

Whether all rent increases since January 1, 2017 were unlawful due to Respondent's failure to give notice as provided by California law.

Whether the prevailing party is entitled to attorney's fees.

Whether Owners are entitled to an increase in Base Rent because they were denied a fair rate of return.

VII. FINDINGS OF FACT SUPPORTING THIS DECISION

1. Tenant-Petitioner Ananda Church of Self-Realization of Palo Alto is a non-profit public benefit corporation organized for religious or charitable purposes under the laws of the State of California.

2. Landlord/Owners is a group of eight individuals and two entities which own the Property as tenants-in-common under a Tenancy-in-Common Agreement, dated January 1, 2015 (the "TIC Agreement") (See Respondent's Exhibit 5.) Seven of the eight individual members of the TIC are also Ananda Church members.

3. Enlightened Investments, Inc. has been property manager for the Owners since 2012. Arminda Fisher is President of Enlightened Investments, Inc. Property Manager has been granted authority by Landlord to sign leases between Landlord and Tenant and to receive notices under those leases. (See, e.g., Hearing Officer Exhibit 1B, Revised Master Lease paragraph 23, and Hearing Officer Exhibit 1C-1H.)

4. In 1989, Landlord entered into a lease, titled Master Lease 240 Monroe Avenue Mountain View, California (the “1989 Master Lease”), with the Fellowship of Inner Communion of Palo Alto, also known as the Ananda Community (hereinafter, also referred to as “Tenant” or “Petitioner”).¹² (See Hearing Officer Exhibit 1A.)
5. The 1989 Master Lease provided that the Landlord would lease the Property to Petitioner for the purpose of creating a religious community in which members of the Ananda Church would live, and it specifically recognized that Petitioner would sublease residential units to subtenants.
6. The TIC Agreement specifically states that the TIC “intend[s] to hold their interests for other than purely economic reasons, and do not intend to necessarily maximize profits available to [the TIC]...” (See Respondent’s Exhibit 5, TIC Agreement, Recital F.)
7. The 1989 Master Lease was amended several times, most recently as of December 15, 2012. Each amended master lease superseded the prior one. The 2012 Master Lease (the “Master Lease”) now governs.
8. In the Master Lease, Tenant warrants that the Property will be used to establish a religious community occupied by Ananda Church members. The recitals in the Master Lease state that “Ananda is a religious organization that desires to acquire and operate dwellings and associated structures and amenities for noncommercial religious purposes.” Paragraph 7 of the Master Lease states that Ananda’s activities on the Property are “not for commercial purposes.” (Respondent’s Exhibit 21.)
9. Paragraphs 4, 11 and 14 of the Master Lease provide that any profit that Tenant obtains from collecting rent from the subtenants is to be used for the operation and maintenance of the Property. Petitioner is responsible for repairs to individual units and maintaining the grounds as well as utility costs and administrative costs related to running the Property (Respondent’s Exhibit 21).
10. Paragraph 14 of the Master Lease states that the Owners are responsible for maintenance of and improvements to various common areas of the Property (Respondent’s Exhibit 21).
11. Paragraph 6 of the Master Lease provides that “The Owners may change the amount of rent ... upon sixty (60) days written notice.”
12. The Petitioner sublets the Rental Units on the Property to members of the Ananda Church as well as non-members. Although the Petitioner’s goal over the years has been to rent all of

¹² The Church’s name appears to have changed between 1989 and 2006; however, neither of the parties has asserted that the entity in the 1989 Master Lease differs from Tenant-Petitioner Ananda Church of Self-Realization of Palo Alto.

the Rental Units to members, the subtenants are only about 60 percent Church members. All but one Board member of Petitioner lives on the Property.

13. Each year since 2013, the Tenant (through Mr. Praver) and Landlord/Owners (through Property Manager) have signed an addendum to the 2012 Master Lease, called a "Renewed Revised Master Lease," setting forth the rent for that year.

14. David Praver, who is President of Petitioner's Board, also has an ownership interest through an entity called Master's Share. (See Respondent's Exhibit 50.)

15. Rick Bonin, a.k.a. Chidambar, was the full-time resident property manager for Petitioner from 1993 until January 1, 2021. He is now a part-time property manager involved in care and maintenance of the Property, but not involved in its financial management. He is also a board member of Petitioner, and he has a 3.3 percent ownership interest in the Property.

16. Eric Munro took over financial management of the Property on January 1, 2021.

17. Between 2012 and December 31, 2020, the rent was determined each year through discussions between Mr. Bonin and Ms. Fisher. In or around May or June of each year, Ms. Fisher would conduct a rent survey of several comparable apartment complexes in Mountain View and would determine the rent increase based on the rent survey. (See Respondent's Exhibits 31, 32, 33, 34 and 35). In or around May, June or July, she would inform Mr. Bonin by email of her determination, and Mr. Bonin would either agree or would explain why he thought the proposed increase was too high. (See, e.g., Respondent's Exhibits 11, 16, 58, 67.) Through a process of discussion, Ms. Fisher and Mr. Bonin would agree on a rent increase. Once the amount of the rent increase was determined, Ms. Fisher would send an email to each of the Owners requesting their vote on the rent increase. (See, e.g., Respondent's Exhibit 63.) In order to enact a rent increase, the Owners had to unanimously agree.

18. After the Owners approved the annual rent increase, Ms. Fisher would sign the annual Renewed Revised Master Lease. She would then send it to David Praver, the President of the Church's Board, to sign. Each Renewed Revised Master Lease was effective as of September 1 of each year for which there was a rent increase.

19. Rent increases for Petitioner's subtenants are also always effective on September 1 of each year for which there is a rent increase. Since September 1, 2017, Petitioner has raised the subtenants' rents the amount of the AGA as set forth by the Rental Housing Committee under the CSFRA, except for September 1, 2020 when there was no rent increase.

20. In October 2015, the rent for the Property was \$115,000 per month. (Respondent's Exhibit 2.)

21. In November 2016, the rent for the Property was \$125,000 per month. (Respondent's Exhibit 2.) By email of November 15, 2016, which specifically referred to Measure V, Ms. Fisher

notified Mr. Bonin and Mr. Praver that as of December 1, 2016, the rent would be rolled back to \$115,000 per month. (Respondent's Exhibit 10.)¹³

22. By email of November 29, 2016, in response to a question from Mr. Bonin about how to calculate December rents, Ms. Fisher told Mr. Bonin that the CSFRA "was unenforceable and probably will be ruled illegal," and she expressed her confusion as to how it would be applied. (Respondent's Exhibit 12.) She attached a copy of the proposed ordinance from April 2016 to the email.¹⁴

23. Effective January 1, 2017, the rent was raised to \$118,000 per month. This was undisputed. Ms. Fisher testified that in her opinion, the rent reduction in December 2016 from \$125,000 to \$115,000 was not a rent rollback; however, she was working with Mr. Bonin to ensure that Petitioner could roll back the subtenants' rents without having financial hardship. The rent increase to \$118,000 was done in conjunction with discussions between Ms. Fisher and Mr. Bonin.

24. Effective September 1, 2017, the rent was increased to \$120,000 per month. (Respondent's Exhibit 2.)

25. Effective September 1, 2018, the rent was increased to \$127,000 per month. (Hearing Officer's Exhibit 1G.)

26. Effective September 1, 2019, the rent was increased to \$134,500 per month. (Hearing Officer's Exhibit 1H.)

27. There was no increase in rent in 2020.

28. In June 2018, July 2018, October 2018, and October 2019, Petitioner paid less than the the rent specified in the applicable Renewed Revised Master Lease. The rent credit reflected payments that Petitioner made to third-party vendors on behalf of Owners. (See Petitioner's Exhibit 24; Petitioner's Exhibit 20.)

29. Petitioner was given rent credits in the following amounts in December of each of the following years: 2015: \$38,500; 2016: \$26, 625; 2017: \$33,435; 2018: \$15, 576; 2019: \$16,638.50 (the "December rent credits"). (See Respondent's Exhibit 68, 70, 72, 75, 77.)

30. The December rent credits represented amounts that several Owners directed Petitioner to donate to various non-profits affiliated with the greater Ananda Community, not under the ownership or control of Petitioner, and to several subtenants of Petitioner in order to reduce their rent. The donations were made out of funds that Petitioner had in its operating account

¹³ Measure V adopting the CSFRA was passed on November 8, 2016.

¹⁴ The California Apartment Association filed a lawsuit challenging the constitutionality of Measure V on December 21, 2016, and the court issued a temporary restraining order. A preliminary injunction was denied on April 5, 2017. On September 11, 2017, the Rental Housing Committee adopted a resolution that the effective date for the CSFRA is December 23, 2016.

and that Mr. Bonin transferred to its Community Fee Account. Some of the funds transferred to the Community Fee Account were not paid out to donees but were used for amenities for the common areas of the Property.

31. In support of Mr. Bonin's explanation of the December rent credits, there is documentary evidence in the form of bank statements showing the transfer of funds in the amount of the rent credits from the Petitioner's operating account to the Community Fee Account (see Petitioner's Exhibit 31). Additionally, there are checks from the Community Fee Account showing the payments to the various non-profits which are a close match to the amount of the rent credits each year. (See Petitioner's Exhibit 25, Bonin Declaration Exhibit B.) There are also emails from Rick Bonin to Nancy Kendall and Arminda Fisher asking for direction as to where to send donations. (See Petitioner's Exhibit 28.) Notable is an email stream dated January 10, 2018 between Chidambar and Nancy Kendall in which Ms. Kendall instructs Mr. Bonin to send \$20,375 of the \$33,435 December rent credit to Education for Life. (See Petitioner's Exhibit 28, #12.) Additionally, there are emails between Rich (Gyandev) McCord and Mr. Bonin and Ms. Fisher discussing Mr. McCord's donation. (See Petitioner's Exhibit 29.) One of those is the email discussed in testimony as referring to the "rent rebate dance."

32. Petitioner has registered the Property with the RHC each year as required by the CSFRA. The Owners do not register the Property separately from Petitioner.

VIII. DISCUSSION

Rent Rollback

Effective December 23, 2016, the CSFRA required Landlords to roll back rents on their rental properties with tenancies commencing on or before October 19, 2015 to their level as of October 19, 2015. Section 1702(b)(1).

After implementing the rollback, Landlords are entitled to raise rents once every twelve months and only by the amount of the Annual General Adjustment, which is adopted and announced by the Rental Housing Committee once a year effective September 1 of that year. Section 1706(a), (b); Section 1707(a), (b).

The CSFRA also provides that "No rent increase shall be effective if the Landlord...has failed to substantially comply with all provisions of [the CSFRA] and all rules and regulations promulgated by the [Rental Housing] Committee." Section 1707(f).

The concept of Base Rent is integral to the rent stabilization scheme of the CSFRA. Under Section 1702(b), Base Rent is defined as "the reference point from which the lawful Rent shall be determined and adjusted in accordance with" the CSFRA. Under Section 1702(b)(1), "The Base Rent for tenancies that commenced on or before October 19, 2015 shall be the Rent in effect on October 19, 2015." Without the rent rollback required by Section 1702(b) (1) and the allowance of incremental increases through the Annual General Adjustment of Section 1702(a),

the CSFRA would have no meaning. Thus, in most cases, a Landlord must comply with the rent rollback provision of Section 1702(b)(1) to be in substantial compliance with the CSFRA.

In the instant case, Respondent rolled back the rent in December 2016 and thus established the Base Rent. The rent was \$125,000 beginning in September 2016, and as of December 1, it was reduced by 8 percent to \$115,000, the level that it had been in October 2015. There is no dispute that it was raised again as of January 1, 2017 by 2.6 percent, to \$118,000, and then again as of September 1, 2017 by 1.7 percent, to \$120,000. The total rent increase in 2017 was 4.3 percent. The AGA as of September 1, 2017 was 3.4 percent, so at that time, the rent was 0.9 percent above the AGA.

Respondent was in substantial compliance with the CSFRA when it rolled back the rent to its level in October 2015. The question arises as to whether Respondent somehow fell out of substantial compliance under Section 1707(f) of the CSFRA during 2017. As stated earlier, in rolling back the rent in December 2016, Respondent set the rent level appropriately. All future increases would be made starting at the October 2015 level. While the increase in January 2017 was unlawful, it was not an extreme amount, and the second increase in September 2017 brought the rent only slightly above the permitted amount. This is not a case where a landlord did not roll back rent at all and instead raised the rent an exorbitant amount. Ms. Fisher consulted with her attorney, who advised her that the CSFRA did not apply to her case. Based on this belief, she initially rolled back the rent, and on January 1, 2017, she raised the rent a modest amount, working with Petitioner, which had rolled back its rents for its subtenants. Given these facts, it would not be reasonable to annul all rent increases beginning on January 1, 2017.¹⁵ This, of course, does not mean that Respondent can escape damages for unlawful rent increases, as will be discussed below.

Failure to Register

Petitioner argues two other grounds for annulling all rent increases and rolling back the rent to \$115,000 per month: Respondent's failure to register with the Rental Housing Committee and Respondent's failure to provide proper notice of rent increases.

CSFRA Regulations Chapter 11, Section (B)(1) requires that landlords of all Covered Rental Units register those units annually on February 1 and update its registration upon various changes in occupancy or ownership (Sections (B)(2)-(B)(4)). A failure to register as required by Chapter 11 of the Regulations "shall be deemed to be substantial noncompliance with the CSFRA." (Ch. 11, Section (E).)

¹⁵ The fact that Ms. Fisher denied that the rollback was in fact a rollback under the CSFRA is irrelevant since the question is whether the rent was rolled back, not whether Respondent thought they were complying with the law in rolling it back. While Ms. Fisher's misguided reliance on her attorney's advice is not an excuse or defense for not following the law in a case in which intent is not an element of the violation, reliance on advice of counsel can be a mitigating factor in determining damages. (See "Reliance on Advice of Counsel," Yale L.J., Vol. 70: 978, 979 (1961).)

Chapter 11 of the Regulations to the CSFRA was adopted on June 29, 2020. (See Rental Housing Committee Resolution No. RHC-38, Series 2020.) It requires that landlords register for the first time on February 1, 2021, and provides a grace period, stating that failure to register shall not be deemed substantial noncompliance until March 1, 2021. Because Chapter 11 was clearly not intended to apply retroactively, it would not apply to Respondent until relatively recently.

It must first be determined whether the CSFRA requires both Petitioner and Respondent to register the Property. It requires that all “Covered Rental Units” be registered. A Covered Rental Unit is defined as a “Rental Unit” not specifically exempted from the CSFRA. (Regs. Ch. 2, section (d)). A “Rental Unit” is any “residential property rented or offered for rent for residential purposes.” (Regs. Ch. 2, section (s).) Petitioner represented that the 72 Rental Units on the Property have already been registered by Petitioner. Chapter 11 also says that “[a] *Landlord* must register” the Covered Rental Unit. (Sec. (B)(1).)(Emphasis added.) Petitioner is a Landlord vis-à-vis its subtenants on the Property, and Respondent is a Landlord vis-à-vis Petitioner. The purpose of Chapter 11 is to enable the RHC to create a database of Covered Rental Units, to be able to efficiently communicate with landlords, and to collect rental data. (See Regs. Ch. 11, Sec. A.) To effect this purpose, it appears that both Petitioner and Respondent must register so that the RHC can communicate with Respondent, which is important because the CSFRA goes through frequent revisions and landlords need to know about them. Thus, Respondent technically has not been in compliance with the CSFRA since March 1, 2021. Pursuant to Section 1707(f), Respondent is not permitted to implement any rent increases beginning with the date of its noncompliance until Respondent brings itself into compliance with the CSFRA. The prohibition on rent increases cannot be enforced retroactively because, as stated above, there is no indication in the CSFRA that Regulation 11 is to be applied retroactively.¹⁶

Failure to Provide Lawful Notice of Rent Increases

Petitioner also argues that Petitioner’s method of providing notice of rent increases is cause for annulling all rent increases since January 2017 and rolling back the rent to \$115,000. Section 1707 (c) of the CSFRA states: “Allowable Rent increases pursuant to the Annual General Adjustment shall become effective only after the Landlord provides written notice to the Tenant in the manner prescribed by law, with at least thirty (30) days’ advance written

¹⁶ It was also discussed during testimony at the Hearing that Petitioner paid the Rental Housing Fee for the Property as required by CSFRA Section 1709(j)(1). Respondent did not pay that fee because it thought that since Petitioner paid it, Respondent did not need to pay a duplicated fee. Given that Respondent is a Landlord under the CSFRA, it would seem that Respondent is required to pay it. The penalty for not paying the fee is that the RHC will not accept a delinquent landlord’s petition for upward adjustment of rent. (See Regulations Ch. 4, (L)(1)(a)). This penalty does not apply in this case.

notice.” Petitioner argues that none of the rent increases were properly noticed and thus Respondent never validly increased the rent since January 1, 2017.

California Civil Code section 827(b) and Civil Code section 1013 require that a notice of rent increase (of 10 percent or less) for a residential property be in writing and delivered at least 30 days in advance by personal delivery to the tenant or by mailing. Respondent does not deny that notices of rent increase were not sent in the form required by statute; however, they argue that Petitioner had 30 days’ written notice of each rent increase. There was testimony from Ms. Fisher as well as documentary evidence which was not refuted by Petitioner that she and Mr. Bonin would discuss each rent increase several months before it was to be effective. (See, e.g., Respondent’s Exhibits 56, 58, and 67.) Mr. Bonin, as an Owner, would receive the email that went out to all of the Owners at least 30 days before the effective date of the increase asking them to vote on the increase. (See, e.g., Respondent’s Exhibits 63, 82, 83, 84). Because of the symbiotic relationship between Petitioner and the Owners¹⁷, it would be disingenuous to believe that Petitioner did not have 30 days’ notice of rent increases. The question then becomes whether the failure to follow statutory form would nullify all rent increases. CSFRA Section 1707(c) specifies that a tenant must have “at least 30 days’ written notice” of a rent increase. That essential part of the Ordinance was followed by Respondent. The communications between Ms. Fisher and Mr. Bonin regarding the rent increases were in writing in emails. It would be following the letter but not the spirit of the law to nullify all rent increases. If the drafters of the CSFRA had wanted to emphasize form of notice, they would have done so.¹⁸ What they chose instead to emphasize was that the notice be delivered at least 30 days before a rent increase and that it be in writing. Both of these requirements were satisfied. Petitioner’s request to annul all rent increases and to roll back the rent to \$115,000 on this ground is denied.

Unlawful Rent Increases

No one has contested that the rent increases for 2017, 2018, and 2019 were above the lawful amount allowed under the CSFRA; i.e., that they exceeded the AGAs for each of those years. However, Respondent has made the argument that Petitioner “has waived and is estopped from contending that... [the] rent increases were improper.” (See Respondent’s Exhibit 89, Respondent’s Closing Petition Brief, page 3.) In Section 1713 of the CSFRA, the drafters made it unlawful for a landlord to write into a lease agreement any provision waiving any benefits of the CSFRA. Thus, it would be reasonable to assume that the drafters would frown upon an argument that a tenant can be deemed to have waived its rights under the CSFRA because it did not inform its landlord each time the landlord served notice of an unlawful rent increase that

¹⁷ Mr. Bonin is an Owner and until recently the fulltime on-site Property Manager and a board member of Petitioner; Mr. Prayer, President of the Board of Petitioner, has an ownership interest; seven of the eight individual Owners belong to Petitioner Ananda Church; another Owner, Sally (a.k.a. Shanti) Rubenstone is also a board member of Petitioner.

¹⁸ See, e.g., Hayward’s Residential Rent Stabilization and Tenant Protection Ordinance Section 12-1.15(d).

that increase was unlawful under the CSFRA. Additionally, if the drafters had wanted to put in a requirement that a tenant challenge an unlawful rent increase within a certain period of time or risk losing its rights, they could have done so.¹⁹ They chose not to do that, and the inference to be drawn therefrom is that the CSFRA does not allow for an estoppel or waiver argument when it comes to challenges to unlawful rent increases.²⁰

December Rent Credits

In order to calculate exactly what the actual rent increases were, there are several issues that must be resolved. First, there is the issue of the December rent credits. Mr. Praver's and Mr. Munro's testimony at the January 28, 2021 hearing as to what happened each December was rather vague, indicating a lack of knowledge as to what actually happened at the end of each year. Subsequent to the January 28, 2021 hearing, Petitioner submitted the Bonin Declaration. Mr. Bonin stated that he had not testified at that hearing because he "had a foot in each camp," being both the Property Manager of the Property, and thus employed by Petitioner, and an Owner. The Declaration asserted that Mr. Bonin changed his mind about testifying because he thought Ms. Fisher misrepresented the nature of the December rent credits as simple rent reductions. He stated that what really occurred is that Nancy Kendall and Rich McCord directed Mr. Bonin to donate the funds that they ostensibly gave to Petitioner as a gift to various non-profits controlled by the Ananda community. An additional hearing session was held in order to allow Mr. Bonin to testify and to be cross-examined, and he went over what he had said in the Declaration in greater detail.

At the first hearing, Ms. Fisher testified that the December rent credits were simply donations to Petitioner in the form of rent reductions. However, at the March 3, 2021 Hearing, Ms. Fisher essentially recanted that testimony. She testified that she does not know what Santoshi does vis-à-vis donations; however, "she's mentioned things recently" related to the rent credit issue, "but I do not know." She said she is aware of "directed donations," meaning that "sometimes people would ask Chidambar to do things with their rent reductions."

Petitioner also presented an email from Nancy Kendall to Chidambar Rick Bonin, dated February 11, 2017, in which she instructs him as to what to do with her "donation" of \$19,200. She tells him to direct \$4800 to rent subsidies for subtenants and to deal with the remaining \$14,400 by sending her a check for \$5000 made out to Ananda and another check for \$9,400 made out to EFL. (See Petitioner's Exhibit 25, Bonin Declaration Exhibit A.) Petitioner presented

¹⁹ See, e.g., Hayward Residential Rent Stabilization Ordinance Section 12-1.07(c), requiring filing of a rent review petition by tenant within 30 days after receiving an unlawful rent increase.

²⁰ Respondents raised the waiver and estoppel argument as to the registration issue; however, given that registration was not required by the CSFRA until March 1, 2021, Petitioner could not have waived raising Respondent's failure to register until then. At that point, there had already been a Hearing in this matter during which registration was discussed, so Respondent cannot argue that it had no notice from Petitioner that it intended to raise registration as an issue. There is also the issue of whether it is the tenant's responsibility to inform their landlord that the CSFRA requires registration. Nothing in the CSFRA indicates that is the case.

copies of those checks. Checks no. 2946 and 2947 are both in the amount of \$5000 and dated February 13, 2017, so either of those could have been written in response to Ms. Kendall's request. Check no. 2945 is written in the amount of \$9,400 to EFL and dated February 13, 2017. (See Petitioner's Exhibit 25, Bonin Declaration Exhibit B.)

Petitioner presented checks that match almost exactly the amounts documented by Ms. Fisher as being "donations" to Petitioner by Ms. Kendall and Mr. McCord (who donated through two TIC entities, Lynn's Share and Master's Share). (See Petitioner's Exhibit 25, Bonin Declaration Exhibit B.) Petitioner also presented emails documenting these transactions. (See Petitioner's Exhibits 28 and 29). Notable among those is Mr. McCord's December 4, 2017 email about the "rent rebate dance," in which he appears to think that Ms. Fisher wrote checks to Petitioner for the amount of the December rent credits and that Petitioner then directed those funds to the entities identified by Ms. Kendall and Mr. McCord. If that had been the case, the funds would in fact have been true rent reductions; however, as Mr. Bonin and Ms. Fisher both testified, that was not the case. (See Petitioner's Exhibit 29).

Mr. Bonin's testimony was credible. Although he has a "foot in each camp," he chose to take sides against his interest as an Owner in order to clarify the facts. And his testimony was supported by documentary evidence. It is notable that while Ms. Kendall was present at the Hearing on March 3, 2021, she did not testify in order to refute Mr. Bonin's testimony.

All of this evidence is more than sufficient to prove that the December rent credits were in fact credits for funds expended by Petitioner on behalf of Ms. Kendall and Mr. McCord.

However, the fact remains that there is a slight discrepancy between Ms. Fisher's accounting of the rent credits and the amounts controlled by Ms. Kendall and Mr. McCord. Some of those funds were donations by Mr. Bonin which went into the Community Fund checking account. The rest appear to have been donations by Daya Taylor. The funds that Mr. Bonin deposited into the Community Fund account and did not distribute to nonprofits as directed by Ms. Kendall and Mr. McCord stayed in the Community Fund account and were used by Petitioner for amenities for the common areas of the Property. Thus, those amounts were true donations to Petitioner, and they benefitted the subtenants. It is thus necessary to offset those amounts from the rent paid by Petitioner each December, as set forth below.

Rent credits given in December 2015 and paid out to donees in 2016

Amount documented by Ms. Fisher: \$38,500. (Respondent's Exhibit 68)

Amount accounted for by Mr. Bonin: \$32,100. (Petitioner's Exhibit 25, check nos. 2722, 2719, 2716, 2718.)

Difference between the two accountings: \$6,400. This amount includes \$1000 donated by Daya Taylor, which is the only donation from Ms. Taylor documented by Respondent. (See Exhibit 68.)

Rent credits given in December 2016 and paid out to donees in 2017

Amount documented by Ms. Fisher: \$26, 625 (Respondent's Exhibit 70)

Amount accounted for by Mr. Bonin: \$19,400 (Petitioner's Exhibit 25, check nos. 2946, 2947, 2945.)

Difference between the two accountings: \$7,225.

Rent credits given in December 2017 and paid out to donees in 2018

Amount documented by Ms. Fisher: \$33,435 (Respondent's Exhibit 72)

Amount accounted for by Mr. Bonin: \$39, 156 (Petitioner's Exhibit 25, check nos. 3099, 3241, 3105, 3242.)

Difference between the two accountings: (\$5,721). Petitioner wrote checks for more than Ms. Fisher's records of "donations." It appears that the only possible credit to the Community Fund was Mr. Bonin's donation of \$660.

Rent credits given in December 2018 and paid out to donees in 2019

Amount documented by Ms. Fisher: \$15,576 (Respondent's Exhibit 75)

Amount accounted for by Mr. Bonin: \$15,576 (Petitioner's Exhibit 31). Petitioner did not submit checks for this year; however, Petitioner's bank statement shows a transfer of \$15, 576 from Petitioner's operating fund to the Community Fund. Ms. Fisher records a donation from Mr. Bonin of \$600, which, given Mr. Bonin's testimony, it is fair to assume went to the Community Fund.

Rent credits given in December 2019 and paid out to donees in 2020

Amount documented by Ms. Fisher: \$16,648 (Respondent's Exhibit 77)

Amount accounted for by Mr. Bonin: \$14,976 (Petitioner's Exhibit 25, check no. 3462; Exhibit 32, check no. 4963.)

Difference between the two accountings: \$1672.50.

Factoring in the amounts retained by the Community Fund, the rent paid for each December is as follows:

December 2016:

Stated rent: \$115,000

Donation to Community Fund: \$7,225

Actual rent paid: \$107,775

December 2017:

Stated rent: \$120,000

Donation to Community Fund: \$660

Actual rent paid: \$119,340.

December 2018:

Stated rent: \$127,000

Donation to Community Fund: \$600

Actual rent paid: \$126,400

December 2019:

Stated rent: \$134,500

Donation to Community Fund: \$1672.50

Actual rent paid: \$132,827.50

Rent reductions given in December 2015 are beyond the scope of the CSFRA and thus will not be considered. Petitioner is not alleging overpayment of rent between December 23, 2016 (the effective date of the CSFRA) and December 31, 2016, and thus the December 2016 rent reduction is not at issue. The lower amount of actual rent paid each December from 2017 through 2019 shall be an offset for Respondent in calculating damages.

The second issue that arises are the rent credits given for third party contractor payments made by Petitioner.

Rent Credit for Construction Payments

While Mr. Munro testified that he thought Petitioner paid construction contractors more than it owed under the Master Lease, Petitioner has not requested additional construction credits beyond those given to it by Respondent in 2017, 2018, and 2019. At the Hearing, Respondent argued that it is entitled to an offset for \$250,000 unpaid construction credits for 2016, and in its Closing Petition Brief, it alleged that Petitioner owes \$32,506.

During the hearing, Ms. Fisher made it very clear that the amount of rent paid by Petitioner was not in dispute. She said that were Petitioner to allege that additional credits were owed to them, they would be in error, but she stated definitively that there was no dispute as to the amount of rent paid by Petitioner. Thus, Respondent's allegation is difficult to fathom.

The bookkeeping on the part of both Petitioner and Respondent is spotty at best. However, one can attempt to reconstruct what happened vis-à-vis the construction credits. It appears that Petitioner made the following reduced rent payments due to receiving credits for checks to third party contractors: June 2018 -- \$45, 139.60 (check no. 7280) (\$74,860.40 credit); July 2018-- \$81,409.36 (check no. 7347) (\$38,590.64 credit); October 2018 -- \$77,000 (check no. 7520) (\$50,000 credit); December 2018 -- \$81,424 (check no. 7574) (\$30,000 contractor credit and \$15,576 December credit); October 2019 -- \$116,384 (check no. 8101) (\$18,116 credit). (See Petitioner's Exhibit 21 for documentation of rent checks, and Petitioner's Exhibits 20 and 24 for expenses paid.) The total number of contractor credits taken in 2018 and 2019 was \$211,567.04. It is noticeable that there are no rent credits for contractor payments in 2017.

Respondent presented a reconciliation spreadsheet that Ms. Fisher prepared in 2017 to document payments that Petitioner made that year to a company called Ekim Painting. (See Respondent's Exhibit 55.) In that reconciliation spreadsheet, Ms. Fisher lists rent credits to Petitioner for \$125,000 in October 2016 and \$125,000 in November 2016. Above that, she lists a total of \$236, 401.20 in payments made by Petitioner to Ekim Painting, and \$4045 to a company called Screenshop. The grand total of payments for 2017 is \$240,446.20. Petitioner submitted copies of checks that coincide with the check numbers that Ms. Fisher lists on the reconciliation spreadsheet, except that Ms. Fisher recorded three additional payments that Petitioner did not submit, an unsurprising occurrence given the casualness of the bookkeeping. (See Petitioner's Exhibit 21.) From this spreadsheet, it becomes apparent that there are no credits for contractor payments in 2017 because the credits were given in 2016 instead.

This reconciliation, combined with Ms. Fisher's statement that there were no outstanding construction credits, as well as Mr. Bonin's and Mr. Munro's testimony that no one ever claimed that there was rent owing and that they were not asking for additional credits from Respondent, establish that neither party is owed money due to the system of construction credits.

Attorneys' Fees

Petitioner has argued that the prevailing party should be entitled to attorneys' fees because the Master Lease states in Paragraph 19: "In the case of an action or proceeding brought by either party against the other to interpret or enforce this Lease, the prevailing party shall be entitled to recover their reasonable attorney's fees in addition to any other relief to which they may be entitled."

The issue that arises here is whether the Hearing Officer has jurisdiction to award attorneys' fees. Section 1714 of the CSFRA sets forth remedies under the CSFRA. Section 1714(a) provides that when a landlord demands and/or receives unlawful rent as determined under the CSFRA, the tenant may either file a Petition, as in this case, or proceed with a civil action. Under the Petition process, "A Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the lawful Rent shall be liable to the Tenant in the amount by which the payment

or payments have exceeded the lawful Rent. In such a case, the Rent shall be adjusted to reflect the lawful Rent pursuant to this Article and its implementing regulations.” (Sec. 1714(a).) The CSFRA is silent as to attorneys’ fees with respect to the Petition process.

However, if the tenant were to bypass the petition process and file a civil action, the tenant could be entitled to attorneys’ fees: “A prevailing tenant in a civil action brought to enforce this Article shall be awarded reasonable attorneys’ fees and costs as determined by the court.” (Sec. 1714(b).)

If the drafters of the CSFRA had intended attorneys’ fees to be awarded to the prevailing tenant in the petition process, it would have stated that intention clearly, as it did with respect to remedies for a civil action. Thus, attorneys’ fees are not available in this case.

Fair rate of return

Respondent has argued that finding damages in this case would cause the Owners not to earn a fair rate of return on the Property and that in fact Respondent should be granted a rent increase of approximately \$42,600 per month. Acceding to such an argument would have a chilling effect on an essential part of the CSFRA—i.e., the Tenant Petition process. Tenants would be loath to bring petitions for unlawful rent increases if they thought that the result would be a large increase in rent rather than a rent reduction. The Owners are not left out in the cold, however, because the CSFRA provides a process for landlords to make the argument that rent increases above the lawful level are necessary in order to provide them with a reasonable rate of return—i.e., the Landlord Petition process.

Additionally, the Owners have presented no evidence that they are precluded from making a fair return on the Property, other than informal rent surveys conducted by their Property Manager. They have not presented the necessary information to make a determination based on minimum net operating income analysis: there was no testimony from Ms. Fisher about actual maintenance and operating expenses in the Base Year and the current year, no testimony about actual capital expenditures for those years, no testimony about gross income. Finally, there was testimony by Ms. Fisher that the Owners’ intention was to keep the rent below market because this investment is “socially responsible.”²¹ It is logical to assume that a landlord engaged in being socially responsible would keep the rents in line with the AGA. The resolution of the contradiction inherent in Respondent’s argument that they should get a rent increase on the one hand and their witnesses’ testimony that the Owners were not expecting the returns they might get by charging market rate on the other hand is the conclusion that their argument about fair rate of return cannot prevail. As stated earlier, Landlord has the option to file a petition for upward adjustment of rent.

²¹ This testimony is in line with Recital F of the TIC Agreement, which states that the TIC “intend[s] to hold their interests for other than purely economic reasons, and do not intend to necessarily maximize the profits available to [the TIC]...” (Respondent’s Exhibit 5.)

2.6 percent rent increase for 2016

During the Hearing, Ms. Fisher testified that she created a spreadsheet which factored in the 2.6 percent increase allowed by the CSFRA for 2016. Under RHC Resolution No. 18, enacted on May 21, 2018,²² Landlords were allowed to bank a rent increase of 2.6 percent to account for inflationary effects on the Consumer Price Index between October 19, 2015 and September 1, 2016. That rent increase was required to be implemented on or before August 31, 2020. In order to qualify for the 2.6 increase, a landlord had to meet several requirements: the landlord must have continuously owned the Covered Rental Unit since October 19, 2015; the current tenant must have continuously occupied the Covered Rental Unit since October 19, 2015; no rent increase may have been imposed between October 19, 2015 and December 23, 2016; and the landlord must have been in substantial compliance with the CSFRA. It is undisputed that Respondent imposed a rent increase on September 1, 2016; thus Respondent was not entitled to bank and implement the 2.6 percent increase.

Calculation of Unlawful Rent Increases

The unlawful rent increases imposed by Respondent are as follows:

1. Increase from \$115,000 as of December 23, 2016 to \$118,000 effective January 1, 2017, 2.6 percent. Payment in excess of lawful rent is \$3000 per month for January, February, March, April, May, June, July and August 2017. Total overpayment for that time period: \$24,000.
2. Increase over the allowed AGA September 1, 2017: the allowed AGA was 3.4 percent, and Respondent increased the rent an additional \$2000 from the January 1, 2017 increase of \$3000. The allowed monthly rent increase as of September 1, 2017 was \$115,000 (the Base Rent) x .034, which totals \$3910. Thus, allowable rent on September 1, 2017 was \$115,000 + 3910, for a total of \$118,910. Respondent charged \$120,000, so the unlawful amount was \$120,000 - \$118,910, which is \$1090 per month. Payment in excess of lawful rent is \$1090 per month for September, October, November, December 2017, and January, February, March, April, May June, July and August 2018, for a total of \$13,080.
3. Increase over the allowed AGA September 1, 2018: the allowed AGA was 3.6 percent, and Respondent increased the rent an additional \$7000 from the September 1, 2017 rent of \$120,000. The allowed monthly rent increase as of September 1, 2018 was \$118,910 x .036, which totals \$4280.76. Thus, allowable rent on September 1, 2018 was \$118,910 + 4280.76, for a total of \$123,190.76. Respondent charged \$127,000, so the unlawful amount was \$127,000 - \$123,190.76, which is \$3809.24 per month. Payment in excess of lawful rent is \$3809.24 per month for September, October, November, December 2018, and January, February, March, April, May June, July and August 2019, for a total of \$45,710.88.

²² See, Minutes of the Rental Housing Committee, May 21, 2018; Rental Housing Committee Resolution No. RHC 18, Series 2018.

4. Increase over the allowed AGA September 1, 2019: the allowed AGA was 3.5 percent, and Respondent increased the rent an additional \$7,500 from the September 1, 2018 rent of \$127,000. The allowed monthly rent increase as of September 1, 2019 was $\$123,190.76 \times .035$, which totals \$4311.68. Thus, allowable rent on September 1, 2019 was $\$123,190.76 + 4311.68$, for a total of \$127,502.43. Respondent charged \$134,500, so the unlawful amount was $\$134,500 - \$127,502.43$, which is \$6997.57 per month. Payment in excess of lawful rent is \$6997.57 per month for September, October, November, December 2019, and January, February, March, April, May June, July and August 2020, for a total of \$83,970.84.

5. Increase over the allowed AGA September 1, 2020: the allowed AGA was 2.9 percent. Respondent did not increase the rent in 2020. The allowed monthly rent increase as of September 1, 2020 was $\$127,502.43 \times 2.9$ percent, which totals \$3697.57. Thus, allowable rent on September 1, 2020 was $\$127,502.43 + 3697.57$, for a total of \$131,200. Respondent charged \$134,500, so the unlawful amount was $\$134,500 - \$131,200$, which is \$3300 per month. Payment in excess of lawful rent is \$3300 per month for September, October, November, December 2020, and January, February, March, and April 2021, for a total of \$26,400.

6. The current rent should be \$131,200.

7. The total amount of overpayment is $\$24,000 + \$13,080 + \$45,710.88 + \$83,970.84 + \$26,400$, which equals \$193,161.72.

8. The total amount of overpayment should be offset by the portion of the December rent credits that were kept by Petitioner during the relevant years. The December rent credits from 2015 and 2016 are not relevant because the CSFRA does not apply to rent payments in 2015, and there are no allegations of overpayment between December 23, 2016, when the CSFRA became effective, and December 31, 2016. The rent credits kept by Petitioner are as follows: 2017 -- \$660; 2018 -- \$600; 2019 -- \$1672.50, totaling \$2932.50. Offsetting this amount from the \$193,161.72 total overpayment results in an adjusted total of \$190,229.22 in overpayments starting in January of 2017.

A chart documenting unlawful rent increases is attached as Attachment 3 hereto.

IX. CONCLUSIONS OF LAW

1. Respondent was in substantial compliance with the CSFRA when they rolled back the rent in December 2016, and the subsequent increases in 2017 do not warrant annulling all rent increases since January 1, 2017. However, the rent charged above the amount of the AGA from January 1, 2017 to the present is unlawful under the CSFRA and must be refunded.

2. Respondent was required to register with the CSFRA March 1, 2021, and at that time Respondent was not in substantial compliance with the CSFRA. All rent increases from March 1, 2021 forward shall be unlawful until Respondent complies with the registration requirement.

3. Petitioner received written notices of rent increase at least 30 days' prior to all rent increases between January 1, 2017 and the date of this Decision. Thus, failure to serve lawful notice of rent increases is not a ground for nullifying rent increases.
4. The rent credits for December 2016, 2017, 2018, and 2019 were given in exchange for payments by Petitioner as directed by certain Owners and thus count as payment of rent, except for those amounts which were left in the Community Fund and used for community amenities on the Property.
5. The rent credits for construction payments in 2017, 2018, and 2019 were given in exchange for payments by Petitioner to third party construction contractors and thus count as payments of rent. There is no outstanding balance of rent owed to Respondent, nor is there an outstanding balance of credits owed to Petitioner.
6. The CSFRA does not allow an award of attorneys' fees for a Tenant Petition.
7. Respondent did not make a showing that granting damages for unlawful rent increases will cause the Owners not to make a fair rate of return on the Property.
8. Respondent is not entitled to a 2.6 percent increase for 2016 under the CSFRA.

X. DECISION

1. The lawful rent for the Affected Unit is \$131,200 per month.
2. Landlord/Owners shall refund to Petitioner the amount of \$190,229.22 in two monthly rent credits, as follows: Petitioner shall get a credit of \$131,200 for the month of May and a credit of \$59,029.22 for June. Thus, Petitioner shall pay no rent for May and shall pay rent in the amount of \$72,170.78 for June. Starting July 1, 2021, collectible rent shall be \$131,200 per month. See refund/payment schedule set out in Attachment 4.
3. The credits to Petitioner as set forth herein shall be enforceable as to any successor in interest or assignees of Landlord/Owners.
4. In the event that either Petitioner, Property Manager, or Landlord/Owners terminates Petitioner's tenancy prior to application of the rent credits ordered by this Decision, the total amount then owed shall become due and payable to Petitioner immediately, and if said amount is not paid, Petitioner shall be entitled to a money judgment in the amount of the unapplied rent credits in an action in civil court or in any other administrative, judicial, or quasi-judicial proceeding.
5. After this Decision becomes final, once the unlawfully collected rent has been fully credited to Petitioner and the monthly rent for the Affected Unit is reduced as directed herein, and provided that Landlord/Owners are fully in compliance with the CSFRA, Landlord/Owners may increase the rent by the allowed AGA for 2021 upon Landlord/Owner's serving proper notice of

such increase to Petitioner pursuant to California Civil Code Section 827 and to CSFRA Regulations Chapter 7, (B)(1) and (4).

6. Landlord/Owners may not bank the AGA for 2020 because said AGA has been factored into calculating damages in this case.

7. Respondent shall bring itself into compliance with CSFRA Regulations, Chapter 11(B)(1)-(B)(4).

IT IS SO ORDERED.



Hearing Officer Barbara M. Anscher

April 17, 2021

Date: _____

Attachment 1

Petition 20210001 240 Monroe Drive, Mountain View Exhibits List for Evidentiary Hearing January 28, 2021

Hearing Officer's Exhibit 1:

Original Petition A: Downward Rent Adjustment – Unlawful Rent as Defined by the Community Stabilization and Fair Rent Act (CSFRA), and the following exhibits thereto:

- A. Master Lease 240 Monroe Drive, Mountain View, California, dated September 15, 1989
- B. Revised Master Lease 240 Monroe Drive, Mountain View, California, dated December 15, 2012
- C. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2015
- D. Extracts from Tenancy in Common Agreement for 240 Monroe Drive, Mountain View, California, dated January 1, 2015
- E. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2016
- F. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2017
- G. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2018
- H. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2019
- I. Letter Re Applicability of CSFRA to Master Tenancy of 240 Monroe Street, dated May 22, 2020
- J. Rent Checks 240 Monroe Street, Mountain View

Hearing Officer's Exhibit 2:

Community Stabilization and Fair Rent Act (CSFRA) Tenant Petition Response Notice, Attachment Thereto and the following Exhibits:

- A. Revised Master Lease 240 Monroe Drive, Mountain View, California, dated December 15, 2012
- B. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated December 15, 2013
- C. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2014
- D. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2015

- E. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2016
- F. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2017
- G. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2018
- H. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2019
- I. Renewed Revised Master Lease 240 Monroe Drive, Mountain View, California, dated September 1, 2020

Hearing Officer's Exhibit 3:

Hearing Officer Ruling and Requests, dated October 14, 2020

Hearing Officer's Exhibit 4:

Hearing Officer Order, dated December 7, 2020

Hearing Officer's Exhibit 5:

Hearing Officer Ruling and Requests, dated December 23, 2020

Hearing Officer's Exhibit 6:

Notice of Hearing, dated December 24, 2020

Petitioner's Exhibit 1:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Union Bank check no. 8593

Petitioner's Exhibit 2:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Statement of Information for Ananda Church of Self-Realization, Palo Alto

Petitioner's Exhibit 3:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Rent checks for Ananda Church, August 2020-October 2020

Petitioner's Exhibit 4:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Ground Floor Rented Square Foot Breakdown

Petitioner's Exhibit 5:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Responses to Question 4 of HO Ruling and Requests

Petitioner's Exhibit 6:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Master Lease Renewal, 9/1/2020 (unsigned)

Petitioner's Exhibit 7:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Master Lease Renewal, 9/1/2019 (signed)

Petitioner's Exhibit 8:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Master Lease Renewal, 9/1/2018 (signed by A. Fisher only)

Petitioner's Exhibit 9:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Master Lease Renewal, 9/1/2017 (signed by A. Fisher only)

Petitioner's Exhibit 10:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Master Lease Renewal, 9/1/2016 (signed)

Petitioner's Exhibit 11:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

Master Lease Renewal, 9/1/2015 (signed by A. Fisher only)

Petitioner's Exhibit 12:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

7/26/19 email from A. Fisher to Owners

Petitioner's Exhibit 13:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

7/18/17 email from A. Fisher to Owners

Petitioner's Exhibit 14:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

8/3/20(?) email from A. Fisher to Owners

Petitioner's Exhibit 15:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

7/23/18 email from A. Fisher to Owners

Petitioner's Exhibit 16:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

8/8/16 email from A. Fisher to Owners

Petitioner's Exhibit 17:

Petitioner's Documents in Response to HO Ruling and Requests, October 14, 2020, submitted by email of December 21, 2020 to E. Hislop:

7/21/15 email from A. Fisher to Owners

Petitioner's Exhibit 18:

Amended Petition, dated 1/15/21

Petitioner's Exhibit 19:

Monroe 240 Budget Documents, as follows:

MD 2016 3rd Quarter

MD 2017 Budget and OP

MD 2018 3rd Quarter

Petitioner's Exhibit 20:

Monroe 240 Expenses, as follows:

2017, 2018, 2019 expense line items with cancelled checks

Petitioner's Exhibit 21:

Rent Payments, as follows:

Line items and cancelled checks for October, November, December 2015

Line items and cancelled checks for January through December 2016

Line items and cancelled checks for January through December 2017

Line items and cancelled checks for January through December 2018

Line items and cancelled checks for January through December 2019

Line items and cancelled checks for January through December 2020

Line item and cancelled check for January 2021

Petitioner's Exhibit 22:

Document titled "Rent Control"

Petitioner's Exhibit 23:

Document with emails titled "Lease Renewal Notifications"

Petitioner's Exhibit 24:

Petitioner's Rent Payment Calculations, as follows:

Rent Payment Calculations based on Landlord entitlement to AGA amounts each year

Rent Payment Calculation based on improper notice

Rent Payment Calculation based on no registration of Landlord

Respondent's Exhibit 1:

Budget Documents, as follows:

2015 Budget and Operating Plan

2016 Budget and Operating Plan

2017 Budget and Operating Plan

2018 Budget and Operating Plan

2019 Budget and Operating Plan

Respondent's Exhibit 2:

Respondent's Leases, as follows:

2015 Renewed Lease

2016 Renewed Lease

2017 Renewed Lease

Respondent's Exhibit 3:

Exhibit A Scheduled Rents for 240 Monroe Drive

Respondent's Exhibit 4:

Ekim Reconciliation spreadsheet

Respondent's Exhibit 5:

Tenancy-in-Common Agreement for 240 Monroe Drive, dated January 1, 2015

Respondent's Exhibit 6:

Property Management Agreement, dated January 1, 2012

Respondent's Exhibit 7:

Pacific Coast Electricians Bid, dated April 10, 2018

Respondent's Exhibit 8:

Spreadsheet Titled "AC Rent Paid"

Respondent's Exhibit 9:

DCI Engineers Report, dated August 26, 2019

Respondent's Exhibit 10:

Email re December 2016 Monroe Drive Rent Change

Respondent's Exhibit 11:

Email from Arminda Fisher to Rick Bonin re: Ananda Apartments, dated July 28, 2020

Respondent's Exhibit 12:

Email from Arminda Fisher to Rick Bonin re: December Rent, dated November 29, 2016

Respondent's Exhibit 13:

Email from Arminda Fisher to Rick Bonin re: EOY Vote for Manager, dated November 29, 2016

Respondent's Exhibit 14:

Email from Arminda Fisher to Rick Bonin re: Rent Payment for September, dated July 21, 2018

Respondent's Exhibit 15:

Email from Arminda Fisher to Rick Bonin re: Rent Reduction, dated December 6, 2017

Respondent's Exhibit 16:

Email from Arminda Fisher to Rick Bonin re: Scheduled Rent, dated May 29, 2018

Respondent's Exhibit 17:

\$15 Sewer and Drain Service Proposal, dated December 15, 2014

Respondent's Exhibit 18:

All Fence Company Bid, dated February 17, 2016

Respondent's Exhibit 19:

Document Titled "Rent Raise by Unit"

Respondent's Exhibit 20:

Spreadsheet titled "Anthony Lewis Final"

Respondent's Exhibit 21:

Revised Master Lease, dated December 15, 2012

Respondent's Exhibit 22:

1/27/21 Response Letter to Hearing Officer

Respondent's Exhibit 23:

Renewed Revised Master Lease, dated 9/1/2018 (fully executed)

Respondent's Exhibit 24:

Document Labeled Capital Costs MD 2019

Respondent's Exhibit 25:

Category Summary Report 1/1/2015-12/31/2015

Respondent's Exhibit 26:

Category Summary Report 1/1/2016-12/31/2016

Respondent's Exhibit 27:

Category Summary Report 1/1/2017-1/1/2017

Respondent's Exhibit 28:

Category Summary Report 1/1/2018-12/31/2018

Respondent's Exhibit 29:

Category Summary Report 1/1/2019-12/31/2019

Respondent's Exhibit 30:

Ananda Palo Alto Rent Detail October 2015

Respondent's Exhibit 31:

Mountain View Ananda Community 2015 Rent Survey Data

Respondent's Exhibit 32:

Mountain View Ananda Community 2016 Rent Survey Data

Respondent's Exhibit 33:

Mountain View Ananda Community 2017 Rent Survey Data

Respondent's Exhibit 34:

Mountain View Ananda Community 2018 Rent Survey Data

Respondent's Exhibit 35:

Mountain View Ananda Community 2019 Rent Survey Data

Attachment 2

**Petition 20210001 240 Monroe Drive, Mountain View Exhibits List for Evidentiary Hearing
March 3, 2021**

Hearing Officer's Exhibits:

Petitioner's Letter Brief from Brian Skarbek, Esq., dated February 5, 2021, exclusive of exhibits, which are listed below

Respondent's Email Reply to Petitioner's Letter Brief, sent by Daniel Marsh, Esq., to the Hearing Administrator and parties, dated February 5, 2021

Petitioner's Exhibits:

Exhibit 25: Declaration of Rick Bonin a.k.a. Chidambar, dated February 4, 2021 (the "Declaration"), with the following attached exhibits:

Exhibit A to Declaration, email from Nancy Kendall to Chidambar Rick Bonin, dated February 11, 2017

Exhibit B to Declaration, check no. 2722 from Ananda Church dated 12/24/15

Exhibit B to Declaration, check no. 2719 from Ananda Church dated 12/17/15

Exhibit B to Declaration, check no. 2716 from Ananda Church dated 12/14/15

Exhibit B to Declaration, check no. 2718 from Ananda Church dated 12/17/15

Exhibit B to Declaration, check no. 2946 from Ananda Church dated 12/13/17

Exhibit B to Declaration, check no. 2947 from Ananda Church dated 2/13/17

Exhibit B to Declaration, check no. 2945 from Ananda Church dated 2/13/17

Exhibit B to Declaration, check no. 3099 from Ananda Church dated 1/3/18

Exhibit B to Declaration, check no. 3241 from Ananda Church dated 12/17/18

Exhibit B to Declaration, check no. 3105 from Ananda Church dated 1/5/18

Exhibit B to Declaration, check no. 3242 from Ananda Church dated 12/17/18

Exhibit B to Declaration, check no. 3462 from Ananda Church dated 6/21/20

Exhibit 26: Email from Nancy Kendall to rose Portland dated 1/25/16

Exhibit 27: Email stream from Nancy Kendall 1/25/16; Michelle Mall 2/10/21; Nancy Kendall 2/10/21 re building project.

Exhibit 28: Email from Asha Nayaswami dated 2/15/21, re email evidence of Arminda/Santoshi involvement, with various emails attached thereto.

Exhibit 29: Email from David Praver dated 2/19/21, re Gyandev-Wow!, with various emails attached thereto.

Exhibit 30: Letter dated December 24, 2014 to Ishana and Rambhakta from Chidambar and Amara re rent.

Exhibit 31: Bank Statements for Ananda Church 12/1/15-12/31/15; 2/1/17-2/28/17; 12/1/17-12/29/17; 12/1/18-12/31/18; 1/1/20-1/31/20.

Exhibit 32: Check No. 4963 from Ananda Church, dated February 8, 2020

Exhibit 33: Statement of Information, State of California Secretary of State, Education for Life International, Inc., filed 4/23/19

Exhibit 34: Petitioner's Closing Arguments, dated March 12, 2021

Respondent's Exhibits

Exhibit 36: Email from Nancy Kendall to Arminda Fisher re Monroe Drive End of Year Distribution, dated 11/30/15

Exhibit 37: Email from Arminda Fisher to multiple people re Monroe Drive End of Year Distribution, dated 11/24/15

Exhibit 38: Email from Daya Taylor to Arminda Fisher re Monroe Drive End of Year Distribution, dated 11/25/15

Exhibit 39: Email from Chidambar to Arminda Fisher re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 40: Email from Arminda Fisher to Rick Bonin re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 41: Email from Arminda Fisher to Rick Cerri re Monroe Drive EOY Distribution, dated 2/3/16

Exhibit 42: Email from Arminda Fisher to Gregg Dyal re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 43: Email from Arminda Fisher to Nancy Kendall re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 44: Email from Arminda Fisher to Gil McCoy re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 45: Email from Arminda Fisher to Carianne (Pollacek) James re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 46: Email from Arminda Fisher to Diane (Daya) Taylor re Monroe Drive EOY Distribution, dated 12/2/16

Exhibit 47: Email from Chidambar to Arminda Fisher re MD 2017 EOY Distribution, dated 11/29/17

Exhibit 48: Email from Arminda Fisher to Bryan Cerri re MD 2017 EOY Distribution, dated 11/29/17

Exhibit 49: Email from Arminda Fisher to Carianne (Pollacek) James re MD 2017 EOY Distribution, dated 11/29/17

Exhibit 50: Email from Arminda Fisher to David Prayer re MD 2017 EOY Distribution, dated 12/1/17

Exhibit 51: Email from Arminda Fisher to Carol Redmond re MD 2017 EOY Distribution, dated 11/29/17

Exhibit 52: Email from Shanti Rubenstone to Arminda Fisher re MD 2017 EOY Distribution, dated 11/29/17

Exhibit 53: Email from Arminda Fisher to Diane (Daya) Taylor and Michael (Keshava) Taylor re MD 2017 EOY Distribution, dated 11/29/17

Exhibit 54: Email from Chidambar to Arminda Fisher re MD EOY Distributions, dated 12/13/18

Exhibit 55: Ekim Reconciliation (excel spreadsheet--undated)

Exhibit 56: Email from Arminda Fisher to Rick Bonin re Scheduled Rent, dated 5/29/18

Exhibit 57: Email from Arminda Fisher to multiple people re MD EOY Distributions, dated 12/11/18

Exhibit 58: Email from Arminda Fisher to Rick Bonin re Rent Payment for September, dated 7/21/18

Exhibit 59: Email from Carol Redmond to Arminda Fisher re MD EOY Distributions, dated 12/11/18

Exhibit 60: Email from Chidambar to Arminda Fisher re MD 2019 EOY Distributions, dated 12/3/19

Exhibit 61: Email from Arminda Fisher to Nancy Kendall re Maximum Rent Income, dated 7/30/19, and email stream included therewith

Exhibit 62: Email from Arminda Fisher to multiple people re MD 2019 EOY Distributions, dated 12/3/19

Exhibit 63: Email from Arminda Fisher to Chidambar re Vote for Renewal of Master Lease and email stream included therewith, dated 6/29/19

Exhibit 64: Email from Arminda Fisher to Nancy Kendall re Monroe Drive End of Year Distribution and email stream included therewith, dated 11/30/15

Exhibit 65: Email from Chidambar to Arminda Fisher re Ekim Painting and email stream included therewith, dated 8/15/18

Exhibit 66: Email from Chidambar to Arminda Fisher re Progress Billing Invoice #2 and email stream included therewith, dated 5/15/18

Exhibit 67: Email from Arminda Fisher to Rick Bonin re Rent Payment for September and email stream included therewith, dated 7/20/18

Exhibit 68: Chart 2015 EOY Disbursement

Exhibit 69: Enlightened Investments, Inc. Transactions By Account as of December 15, 2015, dated 2/3/21

Exhibit 70: Chart 2016 EOY Disbursement

Exhibit 71: Enlightened Investments, Inc. Transactions By Account as of December 15, 2016, dated 2/3/21

Exhibit 72: Chart 2017 EOY Disbursement

Exhibit 73: 2017 Ekim Costs (excel spreadsheet--undated)

Exhibit 74: Enlightened Investments, Inc. Transactions By Account as of December 15, 2017, dated 2/3/21

Exhibit 75: Chart 2018 EOY Disbursement

Exhibit 76: Enlightened Investments, Inc. Transactions By Account as of December 15, 2018, dated 2/3/21

Exhibit 77: Chart 2019 EOY Disbursement

Exhibit 78: Enlightened Investments, Inc. Transactions By Account as of December 15, 2019, dated 2/3/21

Exhibit 79: Enlightened Investments, Inc. General Journal Transaction December 17, 2019, dated 2/3/21

Exhibit 80: Rent Payment Calculations (excel spreadsheet—undated)

Exhibit 81: PC Cost Worksheet (excel spreadsheet—undated)

Exhibit 82: Email from Rick Bonin to Arminda Fisher re Vote for Renewal of Master Lease, dated 7/21/15

Exhibit 83: Email from Arminda Fisher to Rick Bonin re Vote for Renewal of Master Lease, and email stream included therewith, dated 7/18/17

Exhibit 84: Email from Chidambar to Arminda Fisher re Vote for Renewal of Master lease and email stream included therewith, dated 7/23/18

Exhibit 85: Email from Arminda Fisher to Chidambar re Lewis Reconciliation and email stream included therewith, dated 6/19/19

Exhibit 86: Email from Arminda fisher to multiple people re Vote for Renewal of Master Lease, dated 2018?

Exhibit 87: Email from Chidambar to Arminda Fisher re Take 2: Vote for Renewal of Master Lease and email stream included therewith, dated 8/22/2020

Exhibit 88: Email from Arminda Fisher to Chidambar, dated 1/3/2017, and email stream included therewith

Exhibit 89: Respondent's Closing Petition Brief, dated March 12, 2021

Attachment 3

240 Monroe Drive - RHC Petition #20210001 (A)

Month/Year of Rent Payment	Actual Rent Paid	Base Rent + Allowable AGA ¹	Payments in Excess by Petitioner	Allowable AGA	Subtotals/ Applicable AGA %
January 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
February 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
March 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
April 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
May 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
June 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
July 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	
August 2017	\$ 118,000.00	\$ 115,000.00	\$ 3,000.00	\$ -	\$ 24,000.00
September 2017	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	3.40%
October 2017	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
November 2017	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
December 2017	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
January 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
February 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
March 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
April 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
May 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
June 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
July 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	
August 2018	\$ 120,000.00	\$ 118,910.00	\$ 1,090.00	\$ 3,910.00	\$ 13,080.00
September 2018	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	3.60%
October 2018	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
November 2018	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
December 2018	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
January 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
February 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
March 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
April 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
May 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
June 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
July 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	
August 2019	\$ 127,000.00	\$ 123,190.76	\$ 3,809.24	\$ 4,280.76	\$ 45,710.88
September 2019	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	3.50%
October 2019	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
November 2019	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
December 2019	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
January 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
February 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
March 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
April 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
May 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
June 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
July 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	
August 2020	\$ 134,500.00	\$ 127,502.43	\$ 6,997.57	\$ 4,311.68	\$ 83,970.84
September 2020	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	2.90%
October 2020	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	
November 2020	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	
December 2020	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	
January 2021	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	
February 2021	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	
March 2021	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	
April 2021	\$ 134,500.00	\$ 131,200.00	\$ 3,300.00	\$ 3,697.57	\$ 26,400.00
	\$ 6,598,000.00	\$ 6,404,838.28	\$ 193,161.72	\$ 179,609.84	

Total Allowable Rent + AGA	\$ 6,404,838.28
Total Allowable AGA	\$ 179,609.84
Total Rent Paid	\$ 6,598,000.00
Overpayment Subtotal	\$ 193,161.72

Applied Rent Credits from Respondent	
Year	Total
2017	\$ 660.00
2018	\$ 600.00
2019	\$ 1,672.50
\$	2,932.50

Applicable AGA % by Year	
2017	3.40%
2018	3.60%
2019	3.50%
2020	2.90%

TOTAL OVERPAYMENT
\$ 190,229.22

¹ See pages 28-29 of Hearing Officer's Written Decision.

Attachment 4

Rent/Payment Schedule¹

<u>Month</u>	<u>Credited Rent Amount to Petitioner</u>	<u>Amount of Rent Due from Petitioner</u>
MAY 2021	\$131,200	\$0
JUNE 2021	\$59,029.22	\$72,170.78
JULY 2021²	\$0	\$131,200

¹ See page 30 of Hearing Officer's Written Decision.

² Starting July 1, 2021, collectible rent shall be \$131,200 per month.

Attachment 5
240 Monroe Drive, Mountain View

(The "Property")

Owners of 240 Monroe Drive, Mountain View ("Owners" or "TIC")

Nancy Kendall (aka Santoshi), Rich McCord (aka Gyandev), Daya Taylor

Master Lease

PETITIONER

Ananda Church of Self-Realization, Palo Alto ("Tenant" or "Petitioner")

SUBTENANTS of 72 Rental Units on the Property

RESPONDENT

Enlightened Investments, Inc. Manages Owners' Properties ("Property Manager")

Arminda Fisher, President and CEO

Eric Munro, Financial Manager 2021

David Praver, President of Board (Owner, percentage unknown)

Rick Bonin, aka Chidambar, onsite property manager 1993-2021 (3.3% Owner)