Tentative Appeal Decision
Petition Nos. C24250036 and C24250037

Rental Housing Committee **Tentative Appeal Decision**

Petition Nos. C24250036 and C24250037

The Rental Housing Committee of the City of Mountain View (the "**RHC**") finds and concludes the following:

I. <u>Summary of Proceedings</u>

On December 13, 2024, Tenant Gustavo Garcia ("Mr. Garcia") filed petitions for downward adjustment of rent (the "Petitions") (Petitioners' Exhs. #1-2) related to the property located at 247 Andsbury Avenue, Mountain View (the "Property"), specifically Unit (the "Affected Unit"). At the Hearing, Mr. Garcia's spouse and co-tenant, Alma Camacho ("Ms. Camacho"; collectively with Mr. Garcia, the "Petitioners"), also testified in support of the Petitions. The Property is owned by The Satyavarpu Family Trust, and managed by Srinivas and Sridevi Satyavarpu (collectively, the "Respondent"). Respondent's authorized representative in the petition proceedings was property manager. Petitioners and Respondent are collectively referred to herein as the "Parties."

The first Petition requested a downward adjustment of rent on the basis that Respondent had failed to maintain the property in a habitable condition and/or improperly decreased Housing Services without a corresponding decrease in Rent in violation of the Community Stabilization and Fair Rent Act ("CSFRA"). Specifically, the Petition was based on the following conditions: (1) infestation of cockroaches in the Affected United; (2) infestation of rats in the Affected Unit and on the Property; (3) a partially nonfunctioning stove in the Affected Unit; and (4) an inoperable refrigerator in Affected Unit. (Petitioner's Exh. #1.) The second Petition requested a downward adjustment of rent on the basis that the Respondent unlawfully demanded and retained Rent in excess of the amount permitted by the CSFRA. The bases of the unlawful rent claims was that Respondent was not substantially compliant with the CSFRA in 2022, 2023, and 2025 because they failed to register the Property in 2022. (Petitioner's Exh. #1.)

On January 21, 2025, a Notice of Prehearing Meeting and Hearing was served on the Parties, setting a Prehearing Meeting for April 4, 2025, and a tentative Hearing date of April 25, 2025.

On April 4, 2025, a Prehearing meeting was conducted by the Hearing Officer via videoconference. The Hearing Officer and the Parties discussed the administrative procedure that would be followed at the Hearing, the burden of proof, and whether additional evidence would be requested. After the Prehearing Meeting, the Hearing Officer issued a Prehearing Summary and Order, granting the Parties until April 18, 2025 to submit additional written evidence and witness lists.

The hearing was held on April 25, 2025. After the Hearing, on April 25, 2025, the Hearing Officer issued a Post-Hearing Order requesting further evidence from the Parties on or before May 15,

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2025 and calling for an inspection of the Affected Unit by the City of Mountain View. The inspection was conducted on April 28, 2025. The Hearing Record was closed on July 10, 2025, upon the Hearing Officer's receipt of a copy of the City of Mountain View's inspection report.

The Hearing Officer issued a decision on September 2, 2025 ("**HO Decision**"). The HO Decision was served on the Parties on September 5, 2025.

Appeal

CSFRA Section 1711(j) states in part that "[a]ny person aggrieved by the decision of the Hearing Officer may appeal to the full Committee for review." CSFRA Regulations Chapter 5, section H.5.a. provides that the Committee "shall affirm, reverse, or modify the Decision of the Hearing Officer, or remand the matters raised in the Appeal to a Hearing Officer for further findings of fact and a revised Decision" as applicable to each appealed element.

A timely appeal of the HO Decision was received from the Respondent on September 19, 2025 (Appeal").

II. Summary of Hearing Officer Decision

The Hearing Officer issued a detailed decision on the Petitions summarizing the evidence (including the testimony presented at the Hearing) and making findings of fact and conclusions of law. The Hearing Officer found the following:

- Petitioner demonstrated by a preponderance of the evidence that Respondents were not substantially compliant with the requirements of the CSFRA when they imposed rent increases in 2022, 2023, and 2025. Respondents were ineligible to impose these rent increases because (1) they (and their predecessors in interest) failed to register the Property with the Rent Stabilization Division in 2022 and (2) even after they registered the Property in March 2023, they failed to roll back the unlawfully imposed 2022 rent increase and refund Petitioners all unlawfully collected Rents.
- 2. At the time of the Hearing, the lawful Rent for the Affected Unit was \$2,500.00. In addition, Petitioners were entitled to Rent refund of Sixteen Thousand Seven Hundred and Five Dollars and Seven Cents (\$16,705.07) in unlawful Rent increases collected by Respondent from August 1, 2022 through August 21, 2025.
- 3. Petitioners demonstrated by a preponderance of the evidence that Respondent failed to maintain the Property and the Affected Unit in a habitable condition based on a severe rat infestation.
 - a. Given the severity, persistence and impact on the Petitioners of the infestation, Petitioners were entitled to twenty percent (20%) Rent reduction, or total rent refund of Eight Thousand Six Hundred Eighty-Three and 33/100 Dollars

(\$8,683.33), for the period from April 20, 2023 (thirty (30) days after Respondent was provided written notice of the infestation) through September 30, 2024 (the date on which Petitioners indicated the issue was fully resolved).

- 4. Petitioners demonstrated by a preponderance of the evidence Respondent failed to maintain the Affected Unit in a habitable condition based on a cockroach infestation. However, given evidence of the Respondent's timely, ongoing, good faith efforts to correct the condition upon notice and the Petitioners' conduct contributing to the condition (i.e., maintenance of the stove's cleanliness), responsibility for the condition rests seventy percent (70%) with Petitioner and thirty percent (30%) with Respondent.
 - a. As a result, Petitioner was only entitled to a four and two-tenths percent (4.2%) Rent reduction, or a total rent refund of Two Thousand Nine Hundred Sixty Four and 50/100 Dollars (\$2,964.50), for the period from April 15, 2023 (thirty (30) days after Respondent was given notice of a cockroach infestation at the Affected Unit) through the date of the Hearing, and an ongoing rent reduction of \$105.00 per month until Respondent corrected the condition.
 - b. Given that the evidence indicates the stove was rendered largely inoperable as a result of the cockroach infestation, Respondent shall be responsible for replacing the stove, but the Parties shall share the cost of the replacement stove. Petitioner will be responsible for seventy percent (70%) of the cost and Respondent shall be responsible for thirty percent (30%) of the cost.
- 5. Finally, Petitioners did not meet their burden of proof to show by a preponderance of the evidence that there was any defective condition in the Unit's refrigerator rendering it inoperable. (Rather, it appears that the issue with the refrigerator arises from malfunctioning electrical outlets in the kitchen of the Affected Unit, which the Petitioner did not raise as a separate issue in their Petition.)

III. Appealed Elements of Hearing Officer Decision

CSFRA Regulations Chapter 5, section H.1.a. states that "[t]he appealing party must state each claim that he or she is appealing, and the legal basis for such claim, on the Appeal request form." Section III of this Appeal Decision identifies the elements of the Decision that are subject to appeal by the Respondent. The Appeal Decision regarding each appealed element is provided in Section IV of this Appeal Decision.

The Respondent-Landlord raises the following three issues on Appeal:

A. The Hearing Officer erred or abused her discretion in assigning thirty percent (30%) of the responsibility to the Respondent for the cockroach infestation in the Affected Unit. The evidence in the record shows consistent, professional remediation efforts undertaken in good faith by the Landlord. Further, HO Decision is internally inconsistent

in that it finds the infestation predated Respondent's ownership to early 2022 but it attributes partial fault to the Respondent based on remodeling work performed in early and late 2023 (namely, the installation of new countertops and a stove).

- B. The Hearing Officer erred or abused her discretion in assigning one hundred percent (100%) fault to the Respondent for the rodent infestation in the Affected Unit. The Hearing Officer overlooked evidence in the record showing that the contract with Clark Pest Control was revised in January 2024 to allow for a rat exclusion inspection and failed to consider reasonable efforts taken in good faith by Respondent to address the issue (i.e., placement of traps in the Affected Unit). The Hearing Officer should have applied a comparative responsibility analysis to the rat infestation issue, as she did with the cockroach infestation issue.
- C. The Hearing Officer erred or abused her discretion in failing to consider evidence of Respondent's capital improvements in the Affected Unit. The record reflects Respondent invested approximately \$70,000 to \$80,000 in upgrades to the Affected Unit, demonstrating Respondent's good faith commitment to habitability and compliance with Civil Code §§ 1941.1 et seq. By disregarding these improvements in its allocation of liability, the Decision failed to balance statutory obligations with equitable considerations.

IV. Decision Regarding Appealed Elements

The CSFRA provides that a Landlord's "[f]ailure to maintain a Rental Unit in compliance with governing health and safety and building codes...constitutes an increase in Rent" and authorizes a Tenant to file a petition for downward adjustment of rent "based on a loss in rental value attributable to the Landlord's failure to maintain the Rental Unit in habitable condition." (CSFRA § 1710(b)(1).) Similarly, the CSFRA provides that a "decrease in Housing Services or maintenance, or deterioration of the Rental Unit beyond ordinary wear and tear, without a corresponding reduction in Rent, is considered an increase in Rent" and a tenant may file a petition for downward adjustment of rent "based on a loss in rental value attributable to a decrease in Housing Services or maintenance or deterioration of the Rental Unit." (CSFRA § 1710(c).) In either case, a Tenant must (1) specify the conditions alleged to constitute the failure to maintain the Rental Unit in a habitable condition or the circumstances alleged to constitute a decrease in Housing Services or maintenance, (2) demonstrate that the Landlord was provided with reasonable notice, and (3) demonstrate that the Landlord was provided with "opportunity to correct" the conditions forming the basis of the Petition. (CSFRA §§ 1710(b)(2); (c).)

CSFRA § 1711(h) provides "No Petition for Individual Rent Adjustment...shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing." Stated plainly then, to prevail on a petition for downward adjustment of rent based on a failure to maintain a habitable premises, a Tenant must demonstrate that it is "more likely true than not true" (i.e., there is a 51 percent likelihood) that (1) a condition exists that constitutes a failure to maintain the unit in a habitable condition, (2) the Tenant provided the Landlord with reasonable

notice of said condition, and (3) the Tenant provided the Landlord with an opportunity to **correct** (not just address) the condition.

Where the Hearing Officer concludes that the Tenant has met their burden of proof as to all three elements and the Landlord appeals the Hearing Officer's conclusions, the Rental Housing Committee is tasked with determining whether substantial evidence in the record supports the Hearing Officer's conclusion(s) that something was "more likely than not true." Substantial evidence is sufficient evidence to support a conclusion that a reasonable mind would deem adequate.

- A. The Hearing Officer Did Not Err or Abuse Her Discretion by Assigning Thirty Percent (30%) Fault to Respondent for the Cockroach Infestation.
 - 1. <u>Landlords are Liable for Failures of their Predecessors to Substantially Comply with</u> Requirements of the CSFRA.

Respondent first argues that the HO Decision is internally inconsistent in that it finds the infestation predated Respondent's ownership to early 2022 but it attributes partial fault to the Respondent based on remodeling work performed in early and late 2023 (namely, the installation of new countertops and a stove).

However, contrary to Respondent's implication, Respondent may be held liable for the failures of its predecessor-in-interest to substantially comply with the requirements of the CSFRA.

As noted above, the CSFRA provides that a Landlord's failure to maintain a Rental Unit in habitable condition constitutes an improper Rent increase. (CSFRA § 1710(b)(1).) The CSFRA defines "Landlord" as "[a]n owner, lessor, sublessor or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing." (CSFRA § 1702(j) (emphasis added).) Taken together, these provisions indicate that a Tenant may assert a claim for a habitability violation against their current Landlord even when the violation started under prior ownership.

In the instant case, this approach is bolstered by the fact that Respondent had an opportunity to inspect each of the Rental Units prior to purchasing the Property. (Hearing Record at 2:31:19 - 2:31:30) Respondent also received disclosures prior to purchasing the Property wherein its predecessor indicates: (1) they were aware of ongoing or recurring maintenance of the Property (such as pest control); (2) they were aware of past or present problems with pests on or in the Property; and (3) monthly pest service because the Property was adjacent to the community garden. (Resp.'s Exh. #19) Therefore, Respondent assumed ownership of the Property with actual knowledge of the ongoing pest control problems, indicating that it was accepting responsibility for these issues.

While the Respondent may feel it is unfair to bear the consequences of its predecessor's acts or omissions, it does not point to any language in the CSFRA, the Regulations, or any other legal

authority that would support an exception to this requirement where the failure to comply with the CSFRA started with the prior owner and continued into the current Landlord's tenure. In fact, to read such a requirement into the CSFRA would be unfair and unjust to any Tenant who did not cause or contribute to the error or omissions by their former Landlord. Tenants would lose their right to recover for habitability violations, Housing Service reductions, or unlawful Rents each time that their Rental Unit was sold or transferred. This is an unduly harsh consequence given that said Tenants often have no control over (or possibly even knowledge of) their Landlords' decision to sell or transfer their property. (See Civ. Code § 1442 (establishing that a "condition involving forfeiture must be strictly interpreted against the party for whose benefit it is created).)

It is also not inconsistent for the Hearing Officer to have concluded that the issue predated Respondent's ownership of the Property *and* that Respondent contributed to the persistence of the issue. It is entirely possible that there was an ongoing cockroach infestation at the time that Respondent acquired the Property, and that Respondent's acts and omissions after it obtained ownership and control exacerbated the problem or at the very least, allowed it to persist longer than reasonably justified by the circumstances.

All that said, the HO Decision in fact limits the Petitioners' recovery for the cockroach infestation to the period after which the Respondent purchased the Property. As testified by Mr. Satyavarpu at the Hearing, Respondent purchased the Property on or around July or August 2022. The HO Decision awards a rent refund and reduction beginning April 15, 2023 — nearly 7 to 8 months after Respondent became owner of the Property and gained control over its management.

2. <u>The Hearing Officer Correctly Considered All Mitigating Factors in Reaching Her Conclusions Regarding Liability for the Cockroach Infestation.</u>

Respondent next argues that the Hearing Officer's decision to assign thirty percent (30%) responsibility to Respondent for the ongoing cockroach infestation was erroneous in light of the evidence of mitigating factors.

For one, Respondent argues that the evidence in the record shows consistent, professional remediation efforts undertaken in good faith by the Landlord. While this is true, nothing in the CSFRA prohibits a Hearing Officer from awarding a rent reduction where the Landlord has taken steps to correct the condition but has been unsuccessful.

It is true that the CSFRA is more generous than the state common law on the implied warranty of habitability by requiring the Tenant to demonstrate that the Landlord had notice and a reasonable opportunity to cure. (See Knight v. Hallsthammar (1981) 29 Cal.3d 46, 55 ("At least in a situation where, as here, a landlord has notice of alleged uninhabitable conditions not caused by the tenants themselves, a landlord's breach of the implied warranty of habitability exists whether or not he has had a "reasonable" time to repair. Otherwise, the mutual dependence of a landlord's obligation to maintain habitable premises, and of a tenant's duty to pay rent, would make no sense.") However, the CSFRA still does not take into consideration a Landlord's failed attempts to correct a condition. Stated differently, under the CSFRA, it is not enough for a

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Landlord to merely address the conditions constituting a habitability violation; their efforts must correct the condition or at least reduce it to a *de minimis* level. (CSFRA § 1710(b)(2).)

So long as the condition persists and the Tenant demonstrates that the Landlord knows and has had a reasonable chance to correct, the Tenant will prevail under CSFRA § 1710(b). As the HO Decision notes, the Petitioner met their burden of proof on each of the foregoing points.

CSFRA Regulations Ch. 6, Section B.4 provides Hearing Officers with broad authority to render decisions on petitions. Hearing Officers have the authority to determine the "amount of rent adjustment attributable to each failure to maintain a habitable premises, decrease in housing services or maintenance, or demand for or retention of unlawful rent claimed in" a petition so long as their decisions include findings of fact and conclusions of law which support the decision. (CSFRA Regulations Ch. 6, Section F.2.a.) Nothing in the CSFRA or the Regulations requires the Hearing Officer to follow a certain methodology for the valuation of an issue or the allocation of responsibility for said issue. At no time during the hearing did the Respondent argue for the use of a certain methodology or put forth evidence regarding the appropriate allocation of fault. Therefore, it was reasonable and within the Hearing Officer's authority for the Hearing Officer to develop a methodology. In doing so, the Hearing Officer explained her reasoning, thereby satisfying the requirements of the CSFRA Regulations.

In the instant case, the Respondent put forth credible evidence that the Petitioners' actions contributed to the *persistence* of the cockroach infestation, i.e. that the Tenants' acts or omissions *contributed to* the failure of the Landlord's efforts to correct the infestation. Based on this evidence, the Hearing Officer determined that Respondent was only thirty percent (30%) responsible for ongoing infestation. Despite this, Respondent argues that even a thirty percent (30%) allocation of liability is excessive because (1) "mere existence of a gap or crevice does not constitute a habitability violation unless it is shown to be the proximate cause of the infestation, something which the decision fails to establish," (2) the "only consistent factor throughout the infestation period is the tenant's occupancy and sanitation practices, not any remodeling or pest control," and (3) the decision does not identify any affirmative act or omission by Respondent that directly contributed to the presence of cockroaches." (Appeal, at p. 10.)

The Respondent's contentions are directly contradicted by the HO Decision, which states in relevant part:

"Considering Respondent's video and photo evidence about the condition of the area in which the roach nest(s) was/were ultimately discovered in February 2025, and the timelines of when the infestation began (in early 2022, prior to Respondent's purchase of the Unit) Respondent has not shown that a lack of sanitation at the Unit was the *cause* of the infestation. Instead, the infestation appears to have been fueled by roach nests located in areas that are not reasonably accessible to the tenant: crevices and spaces between the stove and the countertops. These were solely the responsibility of Respondent, who remodeled countertops at the Unit in early 2023 and installed the new stove at the end of the 2023, and thus was charged with the duty to ensure that the

housing for the stove fit in a secure enough manner (or to caulk any gaps) to eliminate areas where foodstuffs and/or grease could accumulate over time. It is not a reasonable expectation that a tenant physically move heavy appliances, such as 'built in' stoves that are nested within a countertop as is the case with the Unit, out of their position to undertake *routine* inspections or cleaning of areas that are not already accessible generally, and Petitioner cannot be charged with the failure to have done so here." (HO Decision, at pp. 19:24-20:12.)

Based on the foregoing explanation, the Respondent's acts or omissions contributing to the problem are two-fold. First, and most obviously, the Respondent's failure to correctly secure the stove and the countertops created the kind of environment – dark, warm and moist crevices near readily available food – in which cockroaches thrive. But moreover, that it took Respondent nearly a year and half, which is far beyond the reasonable timeframe for correcting this type of habitability issue, to order an inspection of the areas of the Rental Unit that are not reasonably accessible to the Petitioners and to determine the source of the infestation.

As such, it was reasonable for the Hearing Officer to conclude that Respondents were still thirty percent (30%) responsible for the persistence of the cockroach infestation in the Affected Unit.

B. The Hearing Officer's Decision to Assign Full Responsibility to Respondent for the Rat Infestation in the Affected Unit is Supported by Substantial Evidence.

Respondent next contends that the Hearing Officer should have considered Respondent's good faith efforts to address the rat infestation and applied a comparative responsibility analysis to the rat infestation issue as she did with the cockroach infestation issue.

To support this argument, Respondent first argues that the Hearing Officer should have considered evidence in the record showing that the contract with Clark Pest Control was revised in January 2024 to allow for a rat exclusion inspection and that Landlord took reasonable efforts in good faith to address the issue (i.e., placement of traps in the Affected Unit). As explained in the prior section of this Appeal Decision, the CSFRA does not require a Hearing Officer to consider unsuccessful efforts by the Landlord to correct an uninhabitable condition.

Of significance, the HO Decision notes that "[t]he presence of the adjacent community gardens means, unfortunately, that Respondent would be required to undertake more steps on an ongoing basis than most other landlords to ensure that rats do not opportunistically invade his rental units" but there was "no evidence that this occurred." (HO Decision, at p. 16:9-12.) It further acknowledges Respondent's testimony that it directed Clark Pest Control to place rat traps, but "given the severity of the problem, which Petitioner testified he talked to Respondent about 'four or five' times, Respondent was obligated to do more." (*Id.* at p. 16:13-15.) These conclusions are supported by the Hearing record, which does not show any further efforts to address the rat infestation and establishes that the Petitioners' own efforts ultimately eradicated this problem.

While there is some validity to Respondent's contention that "While hindsight suggests that a more aggressive exclusion package may have yielded better results, the actions taken were consistent with reasonable property management practices," ultimately determining how to permanently correct the issue is a question that Respondent was more properly positioned to answer, and an obligation that the Respondent failed to satisfy over the course of several years.

Next, Respondent argues that the Hearing Officer should have applied a comparative liability analysis to this issue because the "same argument used by the hearing officer to assign fault to the Petitioner (lack of cleanliness...) for the cockroaches equally applies to rats...." (Appeal, at p. 11.) However, unlike with the cockroach infestation, Respondents did not raise this defense at the Hearing. As a matter of fact, the HO Decision explicitly states:

"Implying (but not testifying directly) that the problem with rats might have been caused by Petitioner, Respondent also testified that the other rental units at the Andsbury complex had not reported any problems with rats. This, however, is irrelevant; a landlord's duty to one tenant is not reduced merely because its other tenants do not make the same complaints. Respondent submitted no evidence that rats were at the Unit solely because of any act by Petitioner." (HO Decision, p. 16:20-24 (emphasis added).)

Not only did Respondent waive the opportunity to assert this defense by failing to raise it in its Response to the Petition and at the Hearing, it also has put forth no evidence to demonstrate that the cleanliness issues in the area of stove caused the rodent infestation. Based on the City's inspection report, the effects of the rat infestation were evident throughout the Affected Unit, including the hallway bathroom, the laundry room, the attic, and the kitchen, which directly undercuts Respondent's argument. (See HO Decision, p. 15:14-23; Hearing Officer's Exh. #7.)

In accordance with the foregoing, the Hearing Officer did not err or abuse her discretion in assigning complete fault to the Respondent for the rat infestation on the Property.

C. The Hearing Officer Did Not Err or Abuse Her Discretion by Not Factoring in Respondent's Renovations to the Affected Unit in Her Decision.

Finally, Respondent seemingly argues that the Hearing Officer erred or abused her discretion because she did not consider whether Respondent was entitled to equitable relief from liability for these issues based on its substantial "capital improvements" to the Affected Unit.

As noted above, the CSFRA states that where a failure to maintain the Rental Unit in habitable condition is the basis of the petition, "the Tenant may file a Petition to adjust the Rent downward **based on a loss in rental value attributable to** the Landlord's failure to maintain the Rental Unit in habitable condition." (CSFRA § 1710(b)(2).) In this context, "rental value" may reasonably be interpreted to mean the lawful Rent for the affected Rental Unit at the time that the untenantable condition existed or Housing Services were improperly reduced or eliminated.

Hearing Officers are authorized "to render a final decision on the merits of the Petition" (CSFRA §1711(a).) More specifically, Hearing Officers have the authority to determine the "amount of rent adjustment attributable to each failure to maintain a habitable premises, decrease in housing services or maintenance, or demand for or retention of unlawful rent claimed in" a petition so long as their decisions include findings of fact and conclusions of law which support the decision. (CSFRA Regulations Ch. 6, Section F.2.a.) However, a Hearing Officer appointed by the Committee to conduct a hearing upon an individual rent adjustment petition authorized by the CSFRA is not a court of equity. While the Hearing Officer may consider legal defenses, neither the CSFRA nor the Regulations authorize a Hearing Officer to fashion an equitable remedy, except in one limited circumstance.¹ Since the circumstances here do not satisfy the conditions outlined by CSFRA Regulations, Ch. 6, sec. J.4.a., the Hearing Officer's decision not to factor the Respondent's renovations into her decision did not constitute an error or abuse of discretion.

Moreover, even if the Hearing Officer was authorized to consider equitable defenses or fashion an equitable remedy, Respondent has put forth no argument for why it would be entitled to such remedy. Specifically, Respondent offers no authority for its assertion that the renovations that it made to the Affected Unit constitute an equitable defense to the issues raised in the Petition.

For the reasons outlined above, the Hearing Officer did nor err or abuse her discretion by refusing to consider any equitable defenses in reaching her conclusion that Petitioner is entitled to recover from Respondent for the cockroach and rodent infestations in the Affected Unit.

D. The HO Decision Provides Sufficient Benchmarks for Restoring Rent to Its Lawful Level.

In addition to the foregoing, the Appeal requests clarification of the conditions for restoration of the lawful rent level, including clear benchmarks for abatement verification. (Appeal, at p. 12.)

The HO Decision is clear as to the steps that the Respondent must take to abate the remaining conditions and restore the rent to its lawful level of \$2,500.00 per month; namely:

• **Resolve the cockroach infestation**: Petitioner is entitled to a downward rent adjustment of \$105.00 per month, a reduction of 4.2% from his maximum lawful rent level of \$2,500 beginning on April 15, 2023, (thirty (30) days after Respondent was given notice of a cockroach infestation at the Unit) through the date of the Hearing and *continuing until such time as the infestation is fully resolved at the Unit.*" (HO Decision, at p. 25:11-15.)

¹ CSFRA Regulations, ch. 6, sec. J.4.a. provides: "Where there is credible evidence of repeated or continued violations of provisions of the CSFRA or the Regulations by any party, the Hearing Officer may fashion an equitable remedy, including, but not limited to, submittal of rent records and receipts on a quarterly basis." This section applies only where all of the following conditions are met: (1) a decision has been issued on a petition, (2) the decision has become final, (3) one or more of the Parties requests a compliance hearing to resolve an ongoing dispute among the parties as to whether there has been compliance with the decision, and (4) there is credible evidence of repeated or continued violations of the CSFRA or the Regulations by one of the parties.

Replace the non-functional stove. "However, as the Unit's current stove is largely non-functional and must be replaced again, Respondent will be given primary responsibility for doing so and will be permitted to offset 70% of the cost for the replacement stove." (HO Decision, at p. 22:18-20.)

If Respondent has taken steps to resolve the problems and there continues to be disagreement between the parties about whether the issues have been permanently resolved, then the HO Decision also provides a mechanism by which the parties may seek to resolve such dispute: "If a dispute arises as to whether any party has failed to comply with this Decision, any party may request a Compliance Hearing pursuant to CSFRA Regulations, Ch. 5, Section J(1)." (HO Decision, p. 34.) A Compliance Hearing, rather than an appeal, is the appropriate mechanism by which Respondent may establish that either issue is not ongoing and/or that they have complied with the order to correct the issues and receive a determination restoring the lawful Rent for the Affected Unit.

In addition, the HO Decision provides that Respondent may not increase the Rent from its lawful level of \$2,500.00 per month until "Respondent; (a) fixes any electrical/wiring issues that exist at the Unit as necessary to ensure that the Unit's refrigerator may be operated without the use of an extension cord as ordered by the City of Mountain View (see Exh. HO-7); (b) Respondent is otherwise in substantial compliance with the CSFRA and (c) after substantial compliance with this Order and the CSFRA is achieved, Respondent issues a notice of rent increase complying with the requirements of state law and the CSFRA in terms of the amount and the timing, and the notice period for that increase has expired." (HO Decision, at p. 26:9-16.)

V. <u>Conclusion</u>

As detailed above, the RHC **AFFIRMS** the Decision in its entirety as follows:

- A. The lawful Rent for the Affected Unit is \$2,500.00. Petitioners are entitled to a Rent refund of Sixteen Thousand Seven Hundred Five Dollars with Seven Cents (\$16,705.067) in unlawful Rent increases collected by Respondent from August 1, 2022 through August 21, 2025, plus any Rent paid in excess of the lawful Rent of \$2,500.00 for each month thereafter, as reflected in Attachment 1, Updated Award Schedule, appended to this Appeal Decision.
- B. For the rat infestation, Petitioners are entitled to a twenty percent (20%) Rent reduction, or total rent refund of Eight Thousand Six Hundred Eighty-Three Dollars with Thirty-Three Cents (\$8,683.33), for the period from April 20, 2023 through September 30, 2024, as reflected in Attachment 1, Updated Award Schedule, appended to this Appeal Decision.
- C. For the cockroach infestation, Petitioners are entitled to a four and two-tenths percent (4.2%) Rent reduction, or a total rent refund of Three Thousand One Hundred Eighty One Dollars with Fifty Cents (\$3,181.50) for the period from April 15, 2023 through October 23, 2025, as reflected in Attachment 1, Updated Award Schedule, appended to this

Appeal Decision, and an ongoing rent reduction of \$105.00 per month until Respondent corrects the condition.

- D. Given that the evidence indicates the stove was rendered largely inoperable as a result of the cockroach infestation, Respondent shall be primarily responsible for replacing the stove, but the Parties shall share the cost of the replacement stove. Petitioner will be responsible for seventy percent (70%) of the cost and Respondent shall be responsible for thirty percent (30%) of the cost.
- E. Absent an action for writ of administrative mandamus, the total amount owed to Petitioner from Section A is due and payable to Petitioners immediately. If Petitioner fails to receive a full refund from Respondent within thirty (30) days after this decision becomes final, Petitioner may withhold rent payments until such time Petitioner has withheld a total of amount of the refund due. If Petitioner vacates Property prior to recovering from Respondent the total refund amount, then the remaining balance shall be come immediately due and owing no later than the date on which the Petitioner vacates the Property. In such case, if Respondent fails to provide Petitioner with the remaining balance on or before the date on which Petitioner vacates the Property, Petitioner shall be entitled to a money judgment in the amount of the unpaid payments in an action in court or any other administrative or judicial or quasi-judicial proceeding.
- F. The payments and credits to Petitioner as set forth herein shall be enforceable as to any successor in interest or assignees of Respondent.
- G. If a dispute arises as to whether any party to this Appeal has failed to comply with this Appeal Decision, any party may request a Compliance Hearing pursuant to CSFRA Regulations, Chapter 5 Section (J)(1).

Hearing Officer Decision re Unlawful Rent

			Α	ctual			Pay	ments in
Month/Year of Rent	Act	tual Premises	Add	litional			Ex	cess by
Payment		Rent Paid	Servi	ces Paid	La	wful Rent	Petitioner	
08/2022	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
09/2022	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
10/2022	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
11/2022	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
12/2022	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
01/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
02/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
03/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
04/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
05/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
06/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
07/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
08/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
09/2023	\$	2,800.00	\$	-	\$	2,500.00	\$	300.00
10/2023	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
11/2023	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
12/2023	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
01/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
02/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
03/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
04/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
05/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
06/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
07/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
08/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
09/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
10/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
11/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
12/2024	\$	3,000.00	\$	-	\$	2,500.00	\$	500.00
01/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
02/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
03/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
04/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
05/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
06/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
07/2025	\$	3,150.00	\$	-	\$	2,500.00	\$	650.00
08/1/2025-08/21/2025	\$	2,205.00	\$	-	\$	1,749.93	\$	455.07
	TBD		TBD		\$	-	TBD	
	TBD		TBD		\$	-	TBD	
	TBD		TBD		\$	-	TBD	
TOTAL UNLA	WFUI	RENT AWARD	DUE TO	PETITIO	NER'	k	\$ 1	6,705.07

^{*} The total does not include the potential amounts overpaid after 08/21/2025

Hearing Officer Decision re Failure to Maintain Habitable Premises and Reduction in Housing Services or Maintenance

Habitability/Housing			Number of	Number of									tal Rent
Service Reduction	Month/Year Issue	Month/Year	Months Issue	Days Issue			Percentage	- 1	Monthly		Daily	Re	eduction
Issue	Began	Issue Resolved	Persisted	Persisted	M	onthly Rent	Reduction	Re	duction (\$)	Rec	duction (\$)	Α	warded
Rat Infestation	4/20/2023	4/30/2023	0	11	\$	2,500.00	20.0%	\$	500.00	\$	16.67	\$	183.33
	5/1/2023	9/30/2023	17	0	\$	2,500.00	20.0%	\$	500.00	\$	16.67	\$	8,500.00
Cockroaches	4/15/2023	10/23/2025	30	9	\$	2,500.00	4.2%	\$	105.00	\$	3.50	\$	3,181.50
Defective Stove**	TBD	TBD	TBD	TBD	\$	-	0%	\$	-	\$	-	TBD	
	TBD	TBD	TBD	TBD	\$	-	0%	\$	-	\$	-	TBD	
TOTAL HABITABILITY/HOUSING SERVICE REDUCTION AWARD DUE TO PETITIONER**								\$	11,864.83				

^{**} The total does not include the replacement of the stove, the cost of which is to be split between Petitioner and Respondent as outlined in the decision

TOTAL REFUND OWED TO PETITIONER*** \$ 28,569.90

Credit Schedule

			Payment to				
Month/Year of Rent	Unpaid Rent Owed			nt Credited	be Paid by		
Payment	to Landlord		to	Petitioner	Petitioner		
11/01/2025	\$	2,395.00	\$	2,395.00	\$	-	
12/01/2025	\$	2,395.00	\$	2,395.00	\$	-	
01/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
02/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
03/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
04/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
05/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
06/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
07/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
08/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
09/01/2026	\$	2,395.00	\$	2,395.00	\$	-	
10/01/2026	\$	2,395.00	\$	2,224.90	\$	170.10	
	\$	-	\$	-	\$	-	
	\$	-	\$	-	\$	-	
	\$	-	\$	-	\$	-	
	\$	-	\$	-	\$	-	
TOTAL***				28,569.90			

^{***} The total does not include the potential amounts overpaid after 10/23/2025

Refund Schedule

Month/Year Refund				
Due	Overpayment Type	Refund Due		
11/23/2025		\$	28,569.90	
TOTA	\$	28,569.90		

^{***} The total does not include the potential amounts overpaid after 10/23/2025

^{****}Monthly legal rent is \$2,395.00 until Respondent fully abates the cockroach infestation. Once abated monthly rent shall be \$2,500 per month.