

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

RHC Petition #(s):	M2223001 (Petition A - Unlawful Rent)
Address and Unit(s) of Rental Property:	1075 Space Park Way Space 203 Mountain View, CA 94041
Petitioner Tenant Name(s):	Elie Sfeir and Deena Donia
Respondent Landlord Name(s):	V.G. Investments dba Santiago Village Mobile Home Park
Property Manager Name:	Maria Ahmad
Date(s) of Hearing:	April 21, 2023
Place of Hearing:	Online via Zoom
Date Hearing Record Closed:	April 21, 2023
Date of Decision:	May 22, 2023
Date of Mailing:	See attached Proof of Service
Hearing Officer:	E. Alexandra DeLateur

I. STATEMENT OF THE CASE [Procedural history of the case]

1. The petition in this case (the “Petition”) was filed under the City of Mountain View’s Mobile Home Rent Stabilization Ordinance (“MHRSO”) by Elie Sfeir and Deena Donia (“Petitioners”) which was accepted by the program on or about December 16, 2022.
2. The parties participated in a voluntary settlement conference on January 10, 2023, but the matter did not settle.
3. On January 12, 2023, the parties were notified of the assignment of a hearing officer and February 24, 2023 for the hearing.

4. On January 13, 2023, Respondent's counsel, Anthony C. Rodriguez of the Law Office of Anthony C. Rodriguez, a) requested reassignment of the hearing officer hearing the matter, and b) requested a postponement of the hearings based on health concerns. A new hearing officer was assigned, and the Prehearing Conference postponed to March 27, 2023 and the hearing was postponed to April 10, 2023.
5. On March 14, 2023, Respondent moved for a further postponement of the hearing due to the manager's travel plans which was granted by Order dated March 16, 2023. That Order did not alter the date for the Prehearing but postponed the hearing to April 21, 2023.
6. All parties appeared on March 27, 2023 and a Prehearing Summary and Order was issued.
7. V.G. Investments/Santiago Village Mobile Home Park ("Respondent") filed a response, witness list, exhibit lists, and a brief prior to the hearing.
8. Respondent requested that the hearing officer take administrative or judicial notice of Exhibits, A ,E ,F ,G ,I ,J ,K ,L ,P ,R ,U ,V ,Y ,Z , and pages 2-4 of Exhibit B and the hearing officer did so.
9. The matter was heard as scheduled on April 21, 2023 and the record was closed on April 21, 2023.

II. PARTIES WHO ATTENDED THE HEARING

The following parties and persons attended the consolidated Hearing:

Petitioner(s): Elie Sfeir appeared for himself and his wife/co-petitioner, Deena Donia ("Tenants" or "Petitioners");

Respondent: V.G. Investments/Santiago Village Mobile Home Park ("Landlord" or "Respondent") through the regional manager, Maria Ahmad

Counsel for Respondent: Anthony C. Rodriguez, Esq.

Joann Pham, Analyst I, Rent Stabilization Program, City of Mountain View

III. TESTIMONY

Mr. Sfeir, Mr. Rodriguez, Esq., and Ms. Ahmad were sworn in under oath as parties to the dispute and presented arguments, testimony, and evidence.

IV. SUMMARY OF THE EVIDENCE

Not all evidence presented at the hearing is referenced. Only relevant evidence to this decision is described here.

Petitioners have occupied several units within Santiago Village Mobile Home Park (“Santiago Village” or “mobile home park”) over time. On about November 17, 2020, Petitioners entered into a Lease Agreement with Respondent to rent the mobile home known as Space 203, which stated that the mobile home and space rent was \$3,595.00. A “Rental Concession Addendum” provided a \$980.45 per month “rental concession” for 11 months, to avoid prorating the partial first and last months, representing a concession of 25% per month for the entire 12-month term. Subsequently, the Petitioners signed a Renewal Lease Agreement for Space 203 on about November 16, 2021, which continued to set the rent at \$3,595.00, with a Rental Concession Addendum providing a monthly concession rate of \$300.00 for 11.5 months. The Lease also required that the Petitioner pay certain monthly utility costs to the Respondent which is governed by the California Mobile Home Residency Law.

The City of Mountain View’s mobile home rent stabilization law, the Mobile Home Rent Stabilization Ordinance (MHRSO), was passed by the Mountain View City Council on about September 28, 2021, and became effective on October 28, 2021.

Since the effective date of the MHRSO, Petitioners paid monthly premises rent of \$3,595.00 to Respondent for November 1 2021, \$3,295.00 starting December 2021 through November 2022, \$3,774.75 starting December 2022 through April 2023, along with monthly utility charges.

On or about October 12, 2022, Respondent served the Petitioner with a Thirty (30) Day Notice of Rent Increase raising the premises rent from \$3,595.00 to \$3,774.75 effective November 17, 2022. Respondent’s rent increase is based on a Base Rent calculation of \$3,595.00, relying on the definition of Base Rent in the MHRSO for tenancies commencing prior to March 16, 2021, and various legal theories. Petitioners filed the instant Petition under the MHRSO to challenge the rent increase as a violation of the ordinance and sought a rent refund. Petitioner’s calculation of base rent uses a formula considering rental concessions for Base Rent in the amended Regulations, Chapter 2 “Definitions,” section (c) for tenancies commencing after March 16, 2021.

Respondent submitted many documents and testimony regarding the Covid-19 Pandemic, the required closure of common areas within the mobile home park, as well as vacancy rates during the pandemic and recovery period from the pandemic, which may not be over yet.

The facts as presented by the Petitioners regarding the leases, the rent payments made, and the increases imposed on them are not contested. It is the application of the MHRSO and other laws to these facts that are in dispute.

See Attachment 1 to this Written Decision for a list of the exhibits for the Hearing Officer, Petitioners-Tenants, and Respondent-Landlord. Evidence admitted into evidence is noted and limits to the admission of some documents are noted.

V. ISSUES PRESENTED

- A.** Is the MHRSO a valid and enforceable City of Mountain View ordinance?
- B.** What is Petitioners' Base Rent under the MHRSO from which one calculates a rent increase?
- C.** Did Respondent impose a legal rent increase for Petitioners' unit to \$3,774.75?

VI. FINDINGS OF FACT SUPPORTING THIS DECISION

In this matter, the relevant facts are not in controversy. The hearing officer makes a finding of relevant facts as follows:

1. The Petitioners signed a Lease Agreement with Respondent on November 17, 2020 to rent Space 203 which included renting the mobile home and space for twelve (12) months for the period of November 17, 2020 through November 16, 2021 at the stated rental rate of \$3,595.00 per month. The Lease Agreement, paragraph 4 on page 2 stated "Tenancy start date: November 17, 2020."
2. The Rental Agreement included an Addendum providing a rent concession for one year, spread over eleven (11) months.
3. At the expiration of the Lease Agreement, Petitioners and Respondent entered into a Renewal Lease Agreement dated November 17, 2021 to continue the tenancy for Space #203 for an additional twelve (12) at the stated rental rate of \$3,595.00 per month.
4. The Renewal Rental Agreement also included an Addendum providing a rent concession for one year, spread over twelve (12) months.
5. On or about October 12, 2022, Respondent served the Petitioner with a Thirty (30) Day Notice of Rent Increase raising the monthly rent from \$3,595.00 to \$3,774.75 effective November 17, 2022. The Notice included several attachments providing tenants with information on the MHRSO.
6. Petitioners paid the rent amounts required by the Lease Agreement, the Renewal Lease Agreement, and the October 2022 Notice of Rent Increase letter after expiration of the Renewal Lease Agreement through April 2023.

7. Petitioners filed their Petition for an individual rent adjustment which was accepted by the City on about December 16, 2022.
8. The hearing officer assigned to this matter held a hearing on the Petition for an individual rent adjustment pursuant to the MHRSO and Regulations on April 21, 2023.

VII. LEGAL AUTHORITY

A hearing officer's powers under the MHRSO

The City of Mountain View City Council empowered the Rental Housing Committee ("RHC") to administer the City's Ordinance no. 8.21 in Section 46.9 of the MHRSO. Subsection 46.9(5) provides that the RHC has the power and duty to "[A]ppoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment." A Petition for an Individual Rent Adjustment refers to one of the four types of petitions as provided for in Section 46.10 of the MHRSO.

A "hearing officer" is defined as "an official appointed by the Committee to conduct an investigation or administrative hearing pursuant to" the MHRSO." MHRSO, Section 46.2(h) and MHRSO Regulations, Chapter 2, section (i)

Definition of Rent

"Rent" is defined in MHRSO Regulations, Chapter 2, Section (y) as , "[A]ll periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for the use or occupancy of a Mobile Home Space or to a Mobile Landlord for the use or occupancy of a Mobile Home, access to and from a Mobile Home Space, and any Communal Facilities and Housing Services. Rent includes all payment and consideration demanded or paid for parking, pets, furniture, and/or subletting. *[exclusions omitted]*"

Definition of Base Rent

"Base Rent. The Base Rent is the reference point from which the lawful Rent shall be determined and adjusted in accordance with the Ordinance.

(1) Tenancies Commencing on or before March 16, 2021. The Base Rent for tenancies that commenced on or before March 16, 2021 shall be the Rent in effect on March 16, 2021.

(2) Tenancies Commencing After March 16, 2021. The Base Rent for tenancies that commenced after March 16, 2021 shall be the initial rental rate charged upon initial occupancy, provided that amount is not in violation of this Article or any provision of State

law. The term “initial rental rate” means only the amount of Rent actually demanded to be paid and paid by the Tenant for the initial term of the tenancy.

(a) Rent Concession. If a temporary rent concession is provided by the Park Owner or Mobile Home Landlord during the initial term of the tenancy, the “initial rental rate” shall be the average amount of Rent actually demanded to be paid and paid by the Mobile Home Owner or Mobile Home Tenant during the initial term of the tenancy. A “rent concession” includes, but is not limited to, any of the following:

1.) One (1) or more months' free Rent, except as specified in Subparagraph (ii) below; or

2.) A dollar or percentage amount reduction of the Rent provided over the course of the initial term of the tenancy.

(b) Exclusions. The following shall not be considered in the calculation of “Base Rent” for any Tenancy:

1.) First month’s free or discounted Rent, where the “first month” refers to the first full month following the start date of the Space Rental Agreement or the Mobile Home Rental Agreement. For instance, if the Space Rental Agreement or Mobile Home Rental Agreement begins on September 15, then the “first month” would refer to the period from October 1 to October 31; or

2.) The Mobile Home Owner’s or Mobile Home Tenant’s withholding of or failure to pay Rent in violation of the Rental Agreement, the Ordinance, or State law; or

3.) Any reduction in Rent imposed pursuant to the final decision of a Hearing Officer or the Rental Housing Committee in a petition for downward adjustment based on failure to maintain habitable premises or a decrease in housing services or maintenance, as outlined in Sections F and H of Chapter 7 of these Regulations, respectively.

(c) Initial Term of Tenancy. The “initial term of the tenancy” refers to either the initial term as agreed upon by the Park Owner or Mobile Home Landlord and Mobile Home Owner or Mobile Tenant in the Space Rental Agreement or Mobile Home Rental Agreement, or if the Space Rental Agreement or Mobile Home Rental Agreement is month to month or longer than twelve (12) months, the initial term shall mean twelve (12) months.

1.) Where the first month’s Rent is free, the “initial term of the tenancy” shall be reduced by one (1) month in calculating the Base Rent. For instance, if the Rent for the first month of a six (6) month Rental Agreement is free, then the “initial rental rate” shall be the average of the amount of Rent actually demanded to be paid and paid by the Mobile Home Owner or Mobile Home Tenant over the course of the subsequent five (5) months. Similarly, if the Rent for the first month of a twelve (12) month Rental

Agreement is free, then the “initial rental rate” shall be the average of the amount of Rent actually demanded to be paid and paid by the Mobile Home Owner or Mobile Home Tenant over the course of the subsequent eleven (11) months.

(d) Examples. [omitted].”

VIII. DISCUSSION

A. Is the MHRSO a valid and enforceable City of Mountain View ordinance?

The MHRSO was passed by the City of Mountain View City Council on September 28, 2021 and became effective thirty (30) days later, on October 28, 2021. The ordinance confers power on the RHC to administer the program in Section 46.9. Subsection 46.9(5) authorizes the RHC to appoint hearing officers for the limited purpose of hearing petitions for individual rent adjustments. The delegation of duties to the hearing officers is limited to applying the MHRSO when a petition is filed and set for hearing. A “Hearing Officer” is defined as “an official appointed by the Committee to conduct an investigation or administrative hearing pursuant to” the MHRSO. MHRSO Section 46.2(h) and Regulations, Chapter 2, section (i). Hearing Officers do not have the authority to consider the validity of the MHRSO and, therefore, this decision will not address the issue of validity or constitutionality of an act of the City Council.

B. What is the Petitioners’ Base Rent? The definition of Base Rent depends on whether the tenancy commenced before or after March 16, 2021. See MHRSO Regulations, Chapter 2, section (c).

The facts of this case show that the tenancy for Space 203 commenced on November 17, 2020. The Renewal Lease Agreement is not significant because it was a continuation of the tenancy, not a new tenancy. The Petitioners were already in possession of Space 203. There was no vacancy between the first and second agreement that would allow the landlord to re-set rent based on a new tenancy. Nothing suggests that the tenancy commenced after March 16, 2021 since the Renewal Lease Agreement is titled “renewal.”

The MHRSO states, “[T]he Base Rent for tenancies that commenced on or before March 16, 2021 shall be the Rent in effect on March 16, 2021.” MHRSO Regulations, Chapter 2, section (c)(1) The rent in effect for Petitioners’ Space 203 was \$3,595.00 plus utilities as stated in their Lease Agreement. Although there was an Addendum regarding rental concessions, the definitions of the MHRSO do not address concessions for tenancies commencing on or before March 16, 2021 in the definition

of Base Rent. This is particularly clear because the next subsection regarding tenancies commencing after March 16, 2021 makes very explicit reference to rental concessions and how to calculate Base Rent incorporating those rental concessions. Therefore, the Petitioner's Base Rent is \$3,595.00 for the purpose of the MHRSO.

In addition, no "rent rollback" is applicable. Section 46.5(e) of the MHRSO provides that "A Park Owner or Mobile Home Landlord that collected Rent in excess of the Base Rent after March 16 of the Base Year [2021] and prior to the effective date of this Chapter [October 28, 2021] shall be liable to the tenant for any corresponding overpayment, and the Rent shall be adjusted to reflect the lawful Rent allowed pursuant to this Chapter and any implementing regulations adopted by the Committee. "In this case, the effective rent on the effective date of the MHRSO (October 28, 2021) [\$3,295.00] was not greater than the Base Rent, i.e. the rent in effect on March 16, 2021 [\$3,595.00]. MHRSO Section 46.2 (aa); MHRSO Regulations, Chapter 11 (D). Therefore, Petitioners are not entitled to a rent rollback.

C. Did Respondent impose a legal rent increase for Petitioners to \$3,774.75? The MHRSO allows a landlord to impose one rent increase per 12-month period in an amount not greater than the AGA (Annual General Adjustment) which is equal to 100% of the annual increase from February to February in the Consumer Price Index for all urban consumers for the San Francisco-Oakland-Hayward region, and a landlord must provide specific notices to the tenants in compliance with California Civil Code 827. MHRSO, Section 46.5 and 46.6.

1. Timing of the rent increase: The Thirty (30) Day Notice of Rent Increase dated October 12, 2022 proposed to raise the rent effective November 17, 2022 which was after the Renewal Lease Agreement expired. The rent remained the same for the prior twelve-month period and, therefore, the rent increase complied with the limits on frequency for rent increases in the MHRSO, Section 46.5(d).
2. Calculations: Using the Base Rent of \$3,595.00, the Respondent is allowed to raise rents by the amount of the applicable AGA, which was 5% for rent increases from September 1, 2022 through August 31, 2023. Pursuant to the MHRSO, Section 46.5(b), the allowable increase for December 1, 2022 would have been 5% of \$3,595.00, or \$179.75, for an allowable increase of rent to \$3,774.75.
3. Service of the Notice: The October 2022 Notice of Rent Increase was served on Petitioners, and they have not challenged the manner or timing of service. Therefore, it is presumed that the service was proper pursuant to Civil Code section 827. Furthermore, the Respondent included attachments

with the Notice of Rent Increase providing the required information to tenants under the MHRSO.

Based on the facts of the case, the rent increase was noticed properly and is a valid rent increase for this Unit.

IX. DECISION

Based on the above discussion applying the law to the facts of this matter, IT IS HEREBY ORDERED that:

1. The lawful monthly Base Rent for Petitioners' Space 203 is \$3,595.00; and
2. The current legal monthly rent is \$3,774.75; and
3. Neither Petitioners nor Respondent are ordered to make any payments to the other party.

Dated: 5/22/2023


E. Alexandra DeLateur,
Hearing Officer

**ATTACHMENT 1
LIST OF DOCUMENTARY EVIDENCE**

Hearing Officer Exhibits

1. Petition filed by Elie Sfeir and Deena Donia on November 16, 2022, as RHC NO. M2223000 and attachments along with Notice of Submission and Proof of Service to Landlord dated November 16, 2022
2. Notice of Prehearing Meeting and Hearing dated January 12, 2022, setting the matter for Prehearing on February 24, 2023, and Hearing on April 10, 2023
3. Representative Form appointing Anthony C. Rodriguez, Esq. to represent the Respondent at this hearing dated January 5, 2023
4. Respondent's emailed objection to the assignment of Martin Eichner as hearing officer; Respondent's Public Records Request and withdrawal of said request
5. Reassignment to new hearing officer, Sandra DeLateur and Notice of Prehearing Meeting and Hearing Date dated March 9, 2023, setting the Prehearing on March 27, 2023 and the Hearing on April 10, 2023 via Zoom
6. Prehearing Order Granting Postponement of Hearing dated March 16, 2023, setting the Prehearing on March 27, 2023 and the Hearing on April 21, 2023 via Zoom

7. Prehearing Order and Summary dated March 27, 2023

Petitioner Exhibits -all admitted into evidence

1. Renewal Lease Agreement dated 11/16/21
2. Rental Concessions Addendum dated 11/17/21
3. Notice of Increase dated October 12, 2022
4. Lease Agreement dated 11/17/20
5. Rental Concessions Addendum dated 11/17/20
6. Checks dated November 2020 through January 2023
7. Checks for rent February 2023-April 2023
8. Utility statements February 2023 through April 2023
9. Correspondence regarding lost check for February 2023

Respondent Exhibits -all admitted into evidence, but two, Exhibits D and DD must be redacted to protect private information from public disclosure

1. Respondent's Santiago Villa's Letter to JA Pham in Opposition to the Petition
2. Memorandum of Points and Authorities in Opposition to Tenants' Petition
 - A. Exhibit A: California Department of Community Development search: Ownership of Santiago Villa listed as V.G. Investments, a California Limited Partnership
 - B. Exhibit B: Appraisal of Santiago Villa
 - C. Exhibit C: Statement of Deposit for Petitioner's addresses in SV #115,194, 275
 - D. Exhibit D: Correspondence between SV and Petitioners re: employment dated 2/21/13 and 4/27/14 *[required to be redacted from public view]*
 - E. Exhibit E: Department of Public Safety, Office of Public Affairs memo re Covid spread during February/March 2020
 - F. Exhibit F: Newsom's proclamation of the state of emergency dated March 4, 2020
 - G. Exhibit G: Newsom's Exec. Order N-28-20, extension of eviction moratorium dated March 16, 2020
 - H. Exhibit H: SV notification of closure of public spaces dated March 17, 2020
 - I. Exhibit I: Newsom's correspondence with the POTUS re: pandemic dated March 18, 2020
 - J. Exhibit J: Newsom's "stay at home" order dated March 19, 2020

- K. Exhibit K: California Supreme Court's order dated April 6, 2020 establishing emergency rules, including for unlawful detainer matters
- L. Exhibit L: Report from the California EDD dated May 22, 2020 re: unemployment rates
- M. Exhibit M: Report of SV vacancies from March 2020-April 2021
- N. Exhibit N: Lease Renewal Offer Letter to Petitioners for 6 months in Space 115, dated March 3, 2020 and signed by Petitioners on May14, 2020
- O. Exhibit O: Lease Agreement for Space 203 for one year, signed 11/17/20
- P. Exhibit P: FY 2020 & FY 2021 Fair Market Rent Documentation System for San Jose/Sunnyvale/Santa Clara, CA HUD metro area
- Q. Exhibit Q: Addendum to Lease for concessions 12/1/20-10/31/21
- R. Exhibit R: Resolution adopting the MHRSO adding Chapter 46 of the Mountain View Municipal Code
- S. Exhibit S: Renewal Lease Agreement dated 11/1/2021 for Space 203 for one year, 11/21/21-11/16/22
- T. Exhibit T: Rental Concession Agreement to Lease dated 11/1/21
- U. Exhibit U: Rental Housing Committee Resolution RHC-80 series 2022, amending Chapter 2 (definitions) of MHRSO dated July 18, 2022
- V. Exhibit V: Report by the California Department of Housing and Community Development, Department of Federal Financial Assistance, regarding Covid rent relief funds claimed as of February 2022
- W. Exhibit W: Santiago Villa's announcement of partial re-opening public spaces starting May 3, 2021
- X. Exhibit X: Thirty Day Notice of Rent Increase/C.C.P. section 827 dated 11/12/22, including attachments including the U.S. Bureau of Labor Statistics Consumer Price Index applicable for rent increases effective November 2022
- Y. Exhibit Y: printout of Covid 19 Eviction Moratorium updated 8/31/21
- Z. Exhibit Z: printout of Tenant Protection Information for Housing is Key website
- AA. Exhibit AA: printout of USA Fact's Statement of Covid deaths in California as of December 4, 2022
- BB. Exhibit BB: Notice to Residents from De Anza Building and Maintenance, Inc. dated July 28, 2021 re: CCP1179.04(c)
- CC. Exhibit CC: Park Rules and Regulations dated January 1, 1999
- DD. Exhibit DD: Chart of Santiago Villa's residents who fell behind on rent payments, listing units and names *[required to be redacted from public view]*
- EE. Photo Exhibits: 1 through 24-it was stipulated that the photos were all taken within thirty days of the hearing and, therefore, may not represent the units in the condition at the time that Petitioners were occupying them