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November 20, 2025

memorandum
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To
Mountain View Rental Housing Committee

From
Karen M. Tiedemann, Special Counsel to the Rental Housing Committee
Estrella M. Lucero, Special Counsel to the Rental Housing Committee

RE
Appeal of Hearing Officer's Decision Re: Petition Nos. C24250040, C24250044, and C24250049

RECOMMENDATION

To consider the Tentative Appeal Decision and either accept the Tentative Appeal Decision or modify the Tentative Appeal Decision with instructions to staff citing appropriate evidence in the Hearing Record to support the changes.

BACKGROUND

The instant appeal arises out of a consolidated petition for downward adjustment of rent ("Petition") based on a decrease in housing services. The Hearing on the Petition was held on June 11, 2025. The Hearing Officer's Decision was issued on September 1, 2025 and served on the parties on September 5, 2025 ("HO Decision").

Table 1: Relevant Timeline

<u>Date</u>	<u>Action</u>
February 12, 2025	Petition No. 24250040 filed. (Unit #11)
March 27, 2025	Petition No. 24250044 filed. (Unit #25)
May 8, 2025	Petition No. 24250049 filed. (Unit #11)
May 9, 2025	Petition No. 24250044 (Unit #25) Accepted
May 19, 2025	Petition No. 24250049 (Unit #11) Accepted
May 20, 2025	Petition No. 24250040 (Unit #11) Accepted
May 20, 2025	Hearing Officer Notice of Consolidation of Petitions served on the parties.
May 28, 2025	Pre-hearing conference held.

May 28, 2025	Hearing Officer Order summarizing Pre-hearing conference and request for additional evidence served on the parties.
June 11, 2025	Hearing held.
July 28, 2025	Hearing Officer Post-Hearing Notice issued and served on parties.
September 1, 2025	HO Decision issued.
September 5, 2025	HO Decision served on parties.
September 19, 2025	Appeal from Tenant of Unit 11 received.
September 19, 2025	Appeals from Landlord representative for Units 11 and 25 received.
October 10, 2025	Complete Representative Authorization Form for Landlord submitted.

The Petitions requested a downward adjustment of rent on the basis that the Landlord had decreased housing services by (1) removing the pool, removing a covered parking space ("carport") and eliminating a second, unassigned parking space, and removing storage units located at the carports for Tenants in both affected units, and (2) with respect to Unit 11 only, failure to protect the tenants quiet enjoyment by failing to sufficiently intervene and stop harassing behavior by an adjacent tenant.

The Hearing Officer concluded as follows:

1. Ms. Steele and Mr. Negrete had met their burden of proof to show they had suffered a reduction in housing services related to the pool, carports, and storage units without a corresponding reduction in rent.
 - a. Landlord's voluntary reduction in rent of \$73.00 was insufficient.
 - b. Ms. Steele and Mr. Negrete are each entitled to a total monthly reduction in rent of \$352.00 (representing \$25.00 per month for the loss of the pool, \$165.00 per month for the loss of the carports and the unassigned parking spots, \$162.00 per month for the loss of the storage units).
2. Mr. Negrete had met his burden of proof to show that the Landlord had failed to act diligently to protect Petitioner's right to quiet enjoyment of his unit, and Mr. Negrete is awarded a monthly rent reduction of \$165.66.
3. In sum, Ms. Steele is awarded \$3,621.33 as a refund for a decrease in housing services, and Ms. Steele's lawful rent amount shall be adjusted down to \$1,843.00 per month.
4. In sum, Mr. Negrete is awarded \$3,621.33 as a refund for a decrease in housing services related to the loss of the pool, carports, and storage lockers; and Mr. Negrete's lawful rent amount shall be adjusted down to \$1,506.00. Mr. Negrete is

awarded \$3,813.04 for a decrease in housing services related to the loss of quiet enjoyment of his unit, based on a monthly reduction in rent of \$165.66 and Mr. Negrete's lawful rent amount shall be further adjusted down to \$1,340.34 for each month the quiet enjoyment matter remains unresolved. Upon resolution of the quiet enjoyment issue, Mr. Negrete's rent will increase to \$1,506.00.

The Unit 11 Tenant raised the following three issues on appeal:

- A. The Hearing Officer erred in awarding only \$165.00 per month for the loss of the parking spaces – the Hearing Officer should have taken into consideration the increased wear and tear on vehicles parked in an open air lot.
- B. The Hearing Officer erred in awarding only \$162.00 per month for the loss of the storage units – the Hearing Officer did not take into consideration the cost and inconvenience of transporting items to and from the new storage unit.
- C. The Hearing Officer erred in awarding only \$165.66 per month for the loss of quiet enjoyment of the unit – the Hearing Officer undervalued the loss of peace of mind and loss of quiet enjoyment.

The Landlord raised the following two issues on appeal with respect to both units:

- A. The Hearing Officer erred in finding a reduction in housing services related to the loss of the second parking space because Ms. Steele and Mr. Negrete were only ever entitled to a single parking space under the lease.
- B. The Hearing Officer erred in awarding \$162.00 per month for the loss of the storage units because this does not represent the average cost of an equivalent storage unit available in the City of Mountain View.

All other elements of the appeals are discussed in the Tentative Appeal Decision, as noted in Section C of this report below. All parties to the Appeals are entitled to respond to the Tentative Appeal Decision. Responses to the Tentative Appeal Decision were due on November 17, 2025. To the extent responses are received, staff may provide a supplement to this report addressing the responses.

ANALYSIS

A. Role of the RHC

The role of the RHC is not to re-weigh evidence submitted in support of or opposition to the Petition, unless the RHC chooses to hear the appeal "*de novo*" pursuant to Regulation Chapter 5, Section H.5.a. *De novo* review would require the RHC to open the Hearing Record and hold a new, formal hearing. Staff does not recommend *de novo* review for this

Appeal because there is sufficient evidence in the Hearing Record on which the Committee may base its decision.

For questions of law (including statutory interpretation), the RHC must exercise its independent judgment without assuming that the Hearing Officer's ruling is correct or affording deference to the Hearing Officer's interpretation. Even though the RHC exercises its independent judgment, its review is still based on the evidence in the Hearing Record for the Petition hearing.

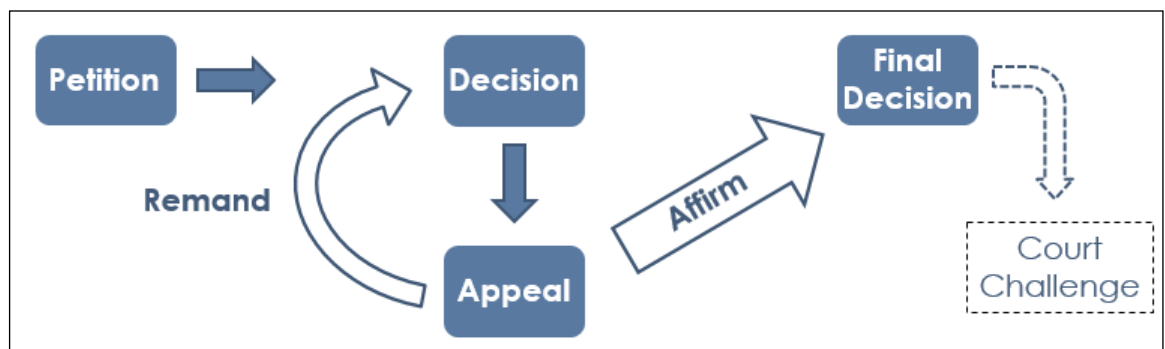
For questions of fact, the RHC's role will be to determine whether the appealed elements of the Hearing Decision are supported by substantial evidence. This process mimics a trial court and an appeal court: the trial court drafts a decision after weighing all the evidence, and the appeal court reviews the decision to verify whether the decision was adequate. Legally, reviewing whether substantial evidence exists to support an appealed element of the decision simply means that there is adequate information in the record to support the decision. Stated differently, substantial evidence means that a reasonable person reviewing the evidence could have reached the same decision. Substantial evidence does not mean that the RHC members (or RHC staff or special counsel) would have reached the same conclusion if they were present for every aspect of the Hearing.

B. Review: Affirming, Reversing, and/or Remanding the Appealed Elements of the Decision After Remand

Petitions define the scope of the Hearing Officer's review. Appeals define the scope of RHC's review of the Hearing Decision. The portions of the Hearing Decision that were not appealed by any party are considered final. The Tentative Appeal Decision reviews only those portions of the Hearing Decision that were appealed by the parties.

The process for an appeal may result in multiple appeal hearings before the RHC if a Hearing Decision is remanded to the Hearing Officer. A summary graphic visualizing the appeal procedure is provided below.

Graphic 1: Visualization of Appeal Procedure



C. Tentative Appeal Decision – Appeal Elements

The Tentative Appeal Decision recommends affirming the HO Decision in its entirety:

1. Appellant-Tenant appeal elements

- A. The Hearing Officer provided sufficient justification for a reduction of \$165 per month for the conversion of the covered parking space to an uncovered parking space, and the loss of the second, unassigned, uncovered parking space. Based on testimony and research, the Hearing Officer concluded that the only nearby overnight parking option for the tenants was the Caltrain parking lot, priced at \$5.50 a day. Using a monthly average of 30 days per month x the daily rate of \$5.50, the Hearing Officer concluded that \$165 per month is an appropriate reduction in rent for the loss of parking. A Hearing Officer is required to set forth a reasonable and justifiable amount of rent reduction attributable to a decrease in housing services, a Hearing Officer is not required to evaluate the cost of every viable replacement for the decreased housing service.
- B. The Hearing Officer provided sufficient justification for a reduction of \$162.00 per month for the loss of the storage units. The Hearing Officer took into consideration Tenant's testimony, Landlord's testimony, and conducted her own research into the average cost of available storage units in the City of Mountain View. The cost of a small storage unit ranged between \$96.00 and \$178.00, and the Hearing Officer used the average of \$137.00 and included an additional \$25.00 per month to cover the inconvenience of travel to and from the storage units to arrive at \$162.00 per month. A Hearing Officer is charged with determining a justifiable reduction in rent but is not required to award a refund or reduction in rent that matches dollar for dollar what a tenant paid to replace the housing services. (Here, Tenant showed he pays \$209.00 per month to replace his storage unit.)
- C. The Hearing Officer provided sufficient justification for a reduction of \$165.66 per month for the loss of quiet enjoyment. Providing a monetary value on the interference with the quiet enjoyment of a unit can be challenging, and the Hearing Officer reasoned, based on Tenant's testimony and submitted materials, that the Tenant was experiencing significant interference for 10 days per month, i.e., 80 hours per month or 11% of an average month. The Hearing Officer reduced Tenant's base rent (accounting for the reductions due to the decrease in housing services) a further 11% until the issue of quiet enjoyment is resolved.

2. Appellant-Landlord appeal elements

- A. The Hearing Officer did not err by finding that the loss of the second parking space was a decrease in housing services. Per CSFRA Section 1702(h), a housing service is "any benefit, privilege, or facility connected with the use or occupancy of any Rental Unit." A housing service may or may not be listed

specifically in a lease agreement. While both Ms. Steele's and Mr. Negrete's written lease agreements only provided for a single, assigned parking space, both tenants had a verbal agreement between Landlord's predecessor in interest that allowed them to park a second car at the apartment parking lot, and both tenants had been consistently using said second parking space. The use of the second parking space is properly characterized as a benefit connected with the occupancy of their apartments.

- B. The Hearing Officer provided sufficient justification for a reduction of \$162.00 per month for the loss of the storage units. See Section C(1)(B) above. Further, Landlord provided no additional evidence about the availability of lower priced storage units that could be independently verified by the Hearing Officer.

D. Appeal Hearing Procedure

Each party to the Appeal will have an opportunity to present their arguments to the RHC and respond to the other party's presentation. As noted above, the parties are not allowed to present new evidence. Likewise, the public may provide comment to the RHC before it hears any appeals. (Cal. Gov. Code § 54954.3(a).) Finally, RHC members may have questions for staff and/or the parties. Both the tenant of Unit 11 and the landlord filed appeals. Pursuant to the CSFRA Regulations on Hearing Procedures, Chapter 5, Section H, when multiple parties file appeals, the first party to file an appeal is considered the appellant for purposes of the appeal hearing (see subsection 7(a)). In this instance the tenant and the landlord filed their appeals on the same day but the landlord's appeal was filed by the landlord's representative and despite the Rent Stabilization Division Staff's repeated requests, a fully executed Representative Authorization form was not received by the Division until October 10, 2025, so for purposes of determining the order of the parties' presentations, the tenant in unit 11 will be considered the Appellant-Tenant and will present first.

The tenant in unit 25 did not appeal the Hearing Officer Decision but is a party to the landlord's appeal. The unit 25 tenant will be considered the Respondent-Tenant and be entitled to present after the Respondent-Landlord. The following schedule for the appeal hearing is proposed to facilitate the orderly participation of all parties.

Schedule of Appeal(s) of Hearing Decisions(s)

- Public Comment Period applicable for all Appeals on the agenda
- Appeal Hearing (CSFRA Petition Nos. C24250040, C24250044, and C24250049)

Staff Report & Presentation	
Appellant-Tenant Presentation of Argument	10 minute maximum

Respondent-Landlord Presentation of Argument	10 minute maximum
Respondent-Tenant Presentation of Argument	10-minute maximum
Appellant-Tenant Presentation of Rebuttal	5 minute maximum
Respondent-Landlord Presentation of Rebuttal	5 minute maximum
Respondent-Tenant Presentation of Rebuttal	5 minute maximum
RHC Question and Answer with Staff	
RHC Question and Answer with Appellant-Tenant	
RHC Question and Answer with Appellant-Tenant	
RHC Deliberations and Decision	
• Conclude Agenda Item	

FISCAL IMPACT

Adoption of the Tentative Appeal Decision, as drafted, could potentially lead to litigation, which would have fiscal impacts. Notably, one purpose of appealing a Hearing Decision to the RHC (As opposed to directly appealing to the courts) is to ensure that Hearing Decisions are legally defensible, and so the appeal process to the RHC reduces the overall risk of legal liability and litigation expenses. As discussed above, the Tentative Appeal Decision recommends upholding the Hearing Decision in its entirety. If the RHC accepts the Tentative Appeal Decision, the Hearing Decision will be final.

PUBLIC NOTICING

See agenda posting for November 20, 2025, RHC meeting.

ATTACHMENTS

1. Tentative Appeal Decision for Petitions Nos. C24250040, C24250049, and C24250044
 - a. Exhibit A – Award Schedule for Petition No. C24250040/C24250049
 - b. Exhibit B – Award Schedule for Petition No. C24250044
2. Decision of Hearing Officer for Petitions Nos. C24250040, C24250049 and C24250044 (September 1, 2025)
 - a. Exhibit A – Award Schedule for Petition No. C24250040/C24250049
 - b. Exhibit B – Award Schedule for Petition No. C24250044

3. Appellant-Tenant Appeal of Hearing Decision for Petition No. C24250040/
C24250049 (September 19, 2025)
4. Appellant-Landlord Appeal of Hearing Decision for Petition No. C24250040
(September 19, 2025)
5. Appellant-Landlord Appeal of Hearing Decision for Petition No. C24250044
(September 19, 2025)