



Rent Stabilization Board

RENT STABILIZATION BOARD

DATE: January 18, 2024
TO: Honorable Members of the Rent Stabilization Board
FROM: DéSeana Williams, Executive Director
BY: Amanda Eberhart, Registration Unit Manager
SUBJECT: Request for waiver of late registration penalties

Recommendation:

That the Board approves the attached recommendations.

Background and Need for Rent Stabilization Board Action:

The Board's penalty waiver process is governed by Regulations 883, 884, and 885. Regulation 883 lists the grounds for administrative waivers. In accordance with Regulation 884, the Executive Director reviews waiver requests that do not meet the criteria for an administrative waiver. Regulation 884 lists 12 categories, which will require a review of the totality of the circumstances by the full Board prior to granting any waiver request. Waivers that require a review of the totality of the circumstances are listed below as a "Discretionary Waiver." If none of the 12 listed categories apply to the property, the waiver shall be granted/denied in a ministerial manner based upon the formula outlined in Regulation 884(C). The Board may only alter these ministerial waivers if the staff has incorrectly applied the criteria listed in Regulation 884 (B) (1-12).

Ministerial Waivers

In accordance with Regulation 884, the Executive Director reviews waiver requests that do not meet the criteria enumerated in Regulation 883. The following waiver request will be decided Ministerially unless the Board has reason to believe the underlying basis of the recommended assessment is inappropriate. Please see the attached Ministerial Waiver Analysis and Recommendation for additional details.

Waiver	Property Address	Owner	Penalty Assessed	Penalty Waived	Penalty Imposed
	3131 COLLEGE	MALCOLM SMITH	2,000.00	1,600.00	400.00
	1426 ADDISON	NATOMA LLC	1,450.00	1,087.50	362.50
	1192 KAINS	MONICA CHUNG	3,120.00	1,872.00	1,248.00
	945 HILLDALE	PAVEL & KATHERINE WIEGMANN	478.00		478.00
	1234 EVELYN	JORGE VALENZUELA	870.00	783.00	87.00
	2311 A 7TH	JILL SCHALET	600.00		600.00
	3028 REGENT	DANIEL LEJA & MICHAEL WILLIAMS	250.00	250.00	-
	1614 63RD	PRADEEP DUNNA	891.00	801.00	90.00
	1615 MCGEE	ROSA MENGESHA	580.00	348.00	232.00
TOTAL			10,239.00	6,741.50	3,497.50

Financial Impact: Ministerial Waivers

Approval of the Executive Director’s recommendations will decrease the Board’s current accounts receivable by **\$6,741.50**.

Discretionary Waivers

Staff recommendations are attached and presented to the full Board for approval for the waiver requests listed below. With respect to these cases, the determination of good cause to waive some or all of the penalties depends on the totality of the circumstances.

Waiver	Property Address	Owner	Penalty Assessed	Penalty Waived	Penalty Imposed
W5109	1525 RUSSELL	ALMANARA INVESTMENTS INC.	9,280.00		9,280.00
TOTAL			9,280		9,280

Financial Impact: Discretionary Waivers

Approval of the Executive Director’s recommendations will decrease the Board’s current accounts receivable by **\$0.00**.

Name and Telephone Number of Contact Person:

DéSeana Williams, Executive Director
Rent Stabilization Board
2125 Milvia Street, Berkeley, CA 94704
(510) 981-7368

Ministerial Waiver Analysis and Recommendation

Address	Details
3131 COLLEGE	The Quadruplex located at 3131 College has been owned by the current owners since 2004. In the last five fiscal years, this property has paid the registration fee late once in the 19-20 registration cycle. In that cycle, they received a 100% administrative waiver for paying before the August 30th deadline. For the 22-23 registration cycle, no registration payment was received for the property and they were charged both July and January penalties. The owner states in their waiver that “Their mailbox is routinely stolen from and they did not receive a bill”. Per regulation 884C this property qualifies to have 80% of their penalties waived based on two late payments in the last five fiscal years. Staff recommends waiving 80% of the penalty.
1426 ADDISON	The multi-residential property located at 1426 Addison has been owned by its current owner, since 2013. In the last five fiscal years, the property has paid the registration fee late twice in both the 20-21 and 21-22 registration cycles. In each of these cycles, the property was granted an administrative waiver. The property owner also paid late in the 23-24 registration cycle. The owner States in their waiver that “they attempted to pay the registration fee online on June 27th but noticed the number of bedrooms was wrong for one of the units and did not want to certify incorrect information”. Staff notes that the 23-24 registration portal opened on April 3rd and closed on July 3rd. Staff is unclear why the property owner did not attempt to contact the Rent Board before the last three business days before the registration fee was due. A search of Rent Board records will show the property was granted an automatic waiver for the 23-24 cycle, which reduced the penalties on the account by 75% based on the number of late payments received in the last six fiscal years and because the registration payment was made before the September 30th deadline. The reduced penalties was already approved and reflected in the transaction history on the property. No additional action is necessary at this time.
1192 KAINS	The quadruplex located at 1192 Kains has been owned by the current owner since 2020. In the last five fiscal years, the property has paid the registration fee late in the 18/19, 21/22 and 22/23 registration cycles. The property manager states in their waiver that “the owner is elderly and forgot to update the Rent Board with the new property manager's address.” Per regulation 884 C, this property qualifies to have 60% of the penalties waived based on three late payments in the last five registration cycles. Staff recommends waiving 60% of the penalties.
945 HILLDALE	The single-family home located at 945 Hilldale has been owned by the current owner since 2012. Unfortunately, this property has not had five years of payment history to review. This Measure MM property missed the deadline to register back in 2021. The property owner states in their waiver that “they were out of the country from April 2023 to August 2023, and the bills were forwarded to them on the 25th.” A search of Rent Board records will show that Registration Administrators have already applied the three-year statute of limitations to the property. The statute of limitations administratively removed the property's \$778 in outstanding registration fees and penalties. The balance remaining on the account reflects the current year's and one previous year's penalties. Staff recommends denying the waiver because the statute of limitations was already applied to the property.

Ministerial Waiver Analysis and Recommendation

1234 EVELYN	<p>The single-family home located at 1234 Evelyn has been owned by the current owner since 2014. In the last five fiscal years, the property has paid registration fees late in the 17/18 and 21/22 cycles. The property owner states in their waiver that “the number of units was incorrect on the property, and they were unable to update the information.” Staff notes the registration portal opened on April 3rd and closed on July 3rd. It is unclear why the property owner did not attempt to contact the Rent Board to update the portal information. Additionally, a search of Rent Board records will show that the property owner paid during the Administrative waiver period. Unfortunately, the penalties that were supposed to be automatically waived were not reflected on the account. Per regulation 883 H, this property qualifies to have 90% of the penalties waived for two late payments made before September 30 of the current registration cycle. Staff recommends waiving 90% of the</p>
2311 A 7th	<p>The condo located at 2311 A 7th Street has been owned by the current owner since 2003. Unfortunately, this property has not had five years of payment history to review. The property owner registered the property for the first time in July 2023. The property owner states in their waiver that “they did not receive a bill before May 2023, and that the May 2023 bill had the incorrect number of units.” Staff notes the registration portal opened on April 3rd and closed on July 3rd. It is unclear why the property owner did not attempt to contact the Rent Board to update the portal information before the due date. Additionally, a search of Rent Board records will show that the address on file for the property owner is the same in the historical database as the current database, and it also matches the address listed on the county property records. Rent Board records will also show that Registration Administrators have removed \$300 in outstanding registration fees and penalties for the 23/24 registration cycle data errors. The remaining \$600 penalty on the account is for non-payment of registration fees for the 22/23 registration cycle. Unfortunately, the penalties reflected on the account at this time are true and accurate based on the property’s registration date. Staff recommends denying the penalty waiver.</p>
3028 REGENT	<p>The property at 3028 Regent has been owned by the current owner since 2021. Unfortunately, this property does not have five years of payment history to review. The property was previously designated as commercial and exempt from the registration requirement of the ordinance. The property owner states in their waiver that “they received a zero bill, then received a penalty letter with registration fees and penalties.” Staff notes the documentation submitted by the property owner included a copy of the zero bill. Per regulation 883 G, this property qualifies to have 100% of the penalty waived because other errors in billing or reconciling accounts are directly attributable to the Rent Board or City staff. Staff recommends waiving 100% of the penalty.</p>
1614 63RD	<p>The quadruplex located at 1614 63rd has been owned by the current owner since May 2023. Unfortunately, this property does not have five years of payment history to review. The property owner states in their waiver that “they are new property owners unaware of the registration requirement.” Unfortunately, based on the property acquisition date, the property owners would not have received a registration statement by the deadline. Per regulation 883 I, this property qualifies to have 90% of the penalty waived because the property owners are new owners with no other residential rental property in Berkeley, were unaware of the property registration requirements of the Rent Ordinance, registered the property within 12 months of acquiring title to the property, and the property contains 3 to 5 rental units. Staff recommends waiving 90% of the penalty.</p>

Ministerial Waiver Analysis and Recommendation

1615 MCGEE	<p>The triplex located at 1615 Mcgee has been owned by the current owner since 2018. Unfortunately, due to the transition of our databases, it is unclear if the property owner paid late in the 20/21 registration cycle. A search of Rent Board records will show a partial waiver was granted to the property that cycle. The property owner paid late in the 22/23 registration cycle and was granted an administrative correction. Lastly, the property owner also paid the 23/24 registration fees late. The property owner states in their waiver that “they asked for an emailed bill due to traveling and was unable to access the pay method.” Per regulation 884 C, this property qualifies to have 60% of the penalty waived due to the third late payment in the last five registration cycles. Staff recommends waiving 60% of the penalty.</p>
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**City Of Berkeley
Rent Stabilization Board**

Recommendation on Requested Waiver of Registration Penalties

Waiver No: W5109	Property address: 1525 RUSSELL ST BERKELEY	Transferred: 04/19/2001
Exempt units (as of February 2021): None		
Owner(s): ALMANARA INVESTMENTS INC.	Waiver filed by: OWNER	# of Units: 32
Other Berkeley rental property owned: None		

Late payment/penalty history: Staff notes due to the complexity of the waiver situation described by the property owner and the research conducted by the Registration Supervisor. The Registration Supervisor has chosen to conduct a ten-year financial review of the property. This financial review will give the Board a clearer perspective on the property's current standing. In the last ten fiscal years, the property has paid the registration fee late six times. In 15/16, the property was granted a 100% administrative waiver, which removed \$6,816 in penalties from the property. For registration cycle 16/17, the property was granted a settlement of \$3,744. In 20/21, the property took advantage of the Covid Amnesty and had \$8,000 in penalties removed from the account. The property made no registration payments in the 21/22 registration cycle and received two penalties that year. The 22/23 registration fees were also paid late, bringing the total outstanding balance for the property to \$48,000. In this cycle, the property was granted a settlement of \$17,600. Regrettably, the property also paid the 23/24 registration fees late, resulting in a balance of \$9,280 on the account.

Registration Date or Year	Units requiring registration at that time	Registration fees paid	Date fees paid	Penalties charged	Penalties forgiven	Penalties Paid
-	-	-	-	-	-	-
Totals (penalties previously assessed)				\$0.00	\$0.00	\$0.00

Penalties Currently Under Consideration

Reason for Penalties: Justice

Registration Date or Year	Unit(s) registered late at this time	Registration fees paid	Date fees paid	Penalties charged	Penalties forgiven	Penalties Due
FY2023-24	32	\$9,280.00	09/01/2023	\$9,280.00	\$0.00	\$9,280.00
Totals				\$9,280.00	\$0.00	\$9,280.00

Grounds under Regulation 884(B): (11) The Executive Director, or his or her designee, recommends that the interests of justice require that a greater or lesser amount be waived

Good cause claimed by owner: The former property manager committed a serve crime, preventing the property from paying registration fees.

Recommendation: Staff recommends denying the penalty waiver.

Staff Analysis: The multi-residential property located at 1525 Russell has been owned by the current owner since 2004. Staff notes due to the complexity of the waiver situation described by the property owner and the research conducted by the Registration Supervisor. The Registration Supervisor has chosen to conduct a ten-year financial review of the property. This financial review will give the Board a clearer perspective on the property's current standing. In the last ten fiscal years, the property has paid the registration fee late six times. In 15/16, the property was granted a 100% administrative waiver, which removed \$6,816 in penalties from the property. For registration cycle 16/17, the property was granted a settlement of \$3,744. In 20/21, the property took advantage of the Covid Amnesty and had \$8,000 in penalties removed from the account. The property made no registration payments in the 21/22 registration cycle and received two penalties that year. The 22/23 registration fees were also paid late, bringing the total outstanding balance for the property to \$48,000. In this cycle, the property was granted a settlement of \$17,600. Regrettably, the property also paid the 23/24 registration fees late, resulting in a balance of \$9,280 on the account. The property owner states in their waiver that "the former property manager had gone missing." The property owner then implies that the former property manager committed a severe crime that resulted in the property being unable to pay registration fees. The property owner lists Concord Police Detectives, case numbers, and FBI agents who are all working on this case. Unfortunately, the property owner submitted no additional documentation for the Board's review to confirm any of the statements being made. Due to the intricate nature of the narrative presented, the Registration Supervisor called the number for the Concord police detective named in the statement. Unfortunately, the number was no longer in service. Next, staff went to verify the case number listed in the waiver on the Concord PD website. Those results returned an unknown case number. Staff tried to verify the officer named in the waiver worked for Concord PD by checking their staff directory. No one in the Concord PD directory matched the officer listed in the waiver packet. Lastly, the registration supervisor called the number for the FBI agent listed on the waiver. That phone number led to a generic voicemail box where the public could follow up on job applications or report bank robberies. At this time, the registration supervisor has been unable to confirm any part of the waiver narrative. Per Regulation 884 B (11), this waiver qualifies as discretionary if the Executive Director or their designee recommends that the interests of justice require a greater or lesser amount to be waived. Staff recommends denying the penalty waiver based on the totality of the circumstances: the property owner has not presented any evidence to confirm the narrative, staff have been unable to verify any aspect of the narrative, and lastly, the property has paid late six out of 10 years which has resulted in \$36,160 penalties being removed from the account. Staff recommends denying the waiver.

CITY OF BERKELEY
RENT STABILIZATION PROGRAM
2125 Milvia Street, Berkeley, CA 94704
PHONE: (510) 981-7368 • FAX: (510) 981-4910
WEB: <https://rentboard.berkeleyca.gov>


Request for Waiver of Late Registration Penalties

Please read the important disclosures below. **Areas marked with an asterisk (*) MUST BE FILLED OUT.** Incomplete applications will be returned to the sender.


- 1) **Before submitting a waiver request, you must pay all outstanding registration fees and file all registration forms.**

 *Initial Here

- 2) The penalties on your bill are owed under the law. The Rent Board **may** forgive some or all of the penalties when the late payment was not deliberate and the owner acts in “good faith.” Most waivers are processed by staff, based primarily on your past payment history (see Reg. 883*).

 *Initial Here


- 3) Under certain circumstances (see Reg. 884*) the Rent Board will review a waiver request to determine what amount, if any, to forgive. In these discretionary reviews the Board is looking at “good cause” and the “totality of the circumstances” to determine an appropriate penalty.

 *Initial Here

- 4) **Procedure for Discretionary Waivers:** Staff will review your waiver request and make a recommendation to the Board. If a circumstance outlined in Regulation 884 applies, staff will send you a copy of the recommendation about a week before the Board meeting. You may submit a written response to the recommendation. The Board will review the staff recommendation and any response, and issue a decision. You are not required to, but may, attend and address the Board. **Staff will mail you the Board’s decision, which cannot be further appealed.**

Full waiver is granted: The account is cleared or credited, your eligibility for annual general adjustments (AGAs) is restored, and you are deemed in compliance from the date the waiver application was completed.


Partial waiver is granted: **The denied amount must be resolved within 30 days or the waiver may be rescinded and the full amount of penalties reinstated.** While any penalties remain outstanding, the property is considered not registered. This means, among other things, that you may not impose rent increases, may not evict tenants, and may be subject to tenant petitions for rent withholding.

 *Initial Here

- 5) For questions about waivers please call Amanda Eberhart at (510) 981-4904 or email at AEberhart@cityofberkeley.info.

- 6) **Communications Disclaimer:**

This document will be included in the Rent Board’s agenda packet and, as such, will become part of the City’s electronic records, which are accessible through the City’s website. This means that any e-mail addresses, names, addresses, and other information you provide will become part of the public record. If you do not want your e-mail address or any other contact information to be made public, please call the Rent Board’s Registration Unit at (510) 981-7368 or email RentRegistry@cityofberkeley.info to make that request.

 *Initial Here

- 7) The referenced regulations can be found at: [Chapter 8: Rent Registration](#)

Please complete the Request for Waiver Form on the Back of this page

*Property Address: 1725-1727 Russel Street Berkeley CA

*Owner: Almanara Investments Inc

Date of acquisition, if new owner: _____

*Name & relationship of person filing request, if not owner: Tamer Totah ,Vice President Almanara Investments Inc

If, after reading the information on Page 1, you believe that you are entitled to a waiver of some or all of your late registration penalties, use the space below to explain why. Attach evidence, where possible, to document the circumstances that prevented timely payment, such as hospitalization or death in the family.

It is your responsibility to convince the Board that your waiver should be granted, so state all facts and circumstances that support your case. All Board decisions are final.

Please print or type clearly. Attach an additional sheet of paper if needed.

Please See Attached Sheet for explanation.

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

*Date: September 20, 2023 *Signature:  Tamer Totah

The information entered below **must be clearly printed or typed** in order to receive the Executive Director's recommendation to the Rent Board on your penalty waiver request one week prior to the Board's consideration of your request at its monthly meeting. The recommendation will also include the date, time, and location of the meeting should you choose to attend and address the Commissioners.

Email Address: tamertotah@gmail.com

Mailing Address: PO BOX 320171 San Francisco CA

Phone Number: 707-290-6815 Fax Number: _____

On or about April 10, 2023, the Board of Directors of Almanara Investments Inc learned that the property manager for the entire company portfolio had gone missing. In the weeks to come, we learned that the management company owner Najeeb Shihadeh was not only missing but had actually fled and told NO ONE of his departure. It appears to have been an abrupt disappearance, since none of his family knew, nor his workers or his front office lady. In hindsight, this appeared to be strategic since many of the Board of Directors had just left on a month-long excursion.

Once May came, we began to piece the puzzle together, we then came to realize that the Almanara Bank Accounts that Najeeb Shihadeh had access to, since he was the portfolio manager for 25+ years, have been cleaned out. Initially the tally has projected upwards of over 5 million dollars. The board began to feverishly try to put things together. I am proud of the progress we have made, but unfortunately, a few things have fallen in between the cracks. Since Najeeb has been the manager for so very long, many on the board were not even members of this investment group until many years after Najeeb had been placed as the manager. One of the key elements was to try to get the mail. Najeeb had abandoned his corporate office which was located in Concord California. Since none of the Board of Directors had any direct ties to the management company, we had a lot of difficulty accessing mail or company records.

I am certain, the reader of this letter has got to be thinking, how did this ever happen? Well, this is also the sentiment of the members of Almanara as well. At this point we had opened a police report with the Concord Police department Case Number 23-03979. I was working with Detective Rowland Bernal (925)603-5081 regarding the embezzlement. Simultaneously, I also opened dialogue with the Federal Bureau of Investigations. While working with Concord Police, I was called in for another meeting. This time, Detective Bernal sat me down to share with me that he has been given a direct order to stop any and all investigations on this case since the FBI ordered the Concord Police Department to stand down. I was contacted by FBI Agent Mandy Britton, and she began to take the case and wanted no other agency interfering with her investigation. FBI Agent Mandy Britton (415)-553-7400 The investigation is still ongoing and active.

Surely something is going to get screwed up! Oh yes, there are many. One of them is a bill regarding the housing rental stabilization program. This is a whole new concept since I have never owned property where a bill like this needs to be addressed, nor did it get to my attention till well into July. I immediately contacted Drew Milan (510)981-4911 in the housing division, and shared my concerns and story. Though there is a lot more to this whole saga, I wanted to appeal to you regarding the cumbersome nature of the penalties associated with the late payment. Not only are we scrambling to get a grasp of the company portfolio and its needs, but we are greatly impacted financially by this crime committed against us. The payment was made in full via bill pay as soon as I could gather all the needed information and funds. Drew with the City of Berkeley was very helpful in assisting me in getting this done. I am happy to supply any further information to the panel for consideration. We truly appreciate your understanding in this very unusual circumstance. We look forward to a healthy ongoing

relationship with the great City of Berkeley and hope our paths cross again for much better reasons.

There are 35 shareholders in Almanara Investments Inc. Many come from a struggling background and the very idea of this formation was for the little guy. Many relied on income from this company to make ends meet. Many are widows and the average age of the members are roughly 70 years old. With no more distribution right now, this is very heavy on the members. Every warranted concession makes a big difference to the members of the group. I know they all would be so grateful if the penalties could be waived. One member asked me to submit our story to a movie producer! "Maybe it will help us raise some money to help us!" they shared. In all honesty, this would make for a great story. For now, we are getting our duck lined up so we can get back to serving the community.

Again, I appeal to you all for consideration of waiving the penalties given the dynamic nature of the late payment. Surely our members will be grateful for your help.

Warm Regards,
Tamer Totah

Vice President
Almanara Investments Inc