City and County of San Francisco

Residential Rent Stabilization and Arbitration Board



DAVID GRUBER
PRESIDENT

Daniel Lurie *Mayor*

Christina A. Varner Executive Director

DAVE CROW
JULIET HALEY
RICHARD HUNG
ASHLEY KLEIN
CATHY MOSBRUCKER
KENT QIAN
ARTHUR TOM
DAVID WASSERMAN

MINUTES OF THE REGULAR MEETING OF THE SAN FRANCISCO RESIDENTIAL RENT STABILIZATION & ARBITRATION BOARD

Tuesday, September 9, 2025 at 6:00 p.m. 25 Van Ness Avenue, Room 610 San Francisco, CA 94102

Call to Order

President Gruber called the meeting to order at 6:14 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

Commissioner Klein read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Gruber; Hung; Klein; Mosbrucker; Qian; Tom;

Wasserman.

Commissioners Not Present: Crow; Haley.

Staff Present: Katayama; Koomas; Texidor; Van Spronsen; Varner.

IV. Remarks from the Public

A. Jaimie Bombard, the landlord's attorney at 103 Balboa Street (AT250046 & AT250047), said that the decision is correct and should not be overturned as the tenant presents no valid basis for the appeal. She said that the Administrative Law Judge (ALJ) determined that the tenants were not residing in the subject unit when the landlord filed the Rules and Regulations Section 1.21 petition and served the notice of

 $oldsymbol{eta}$ Printed on 100% post-consumer recycled paper

rent increase because two of the four tenants had moved out of the unit and were residing elsewhere in a single family home, and the tenant and her husband had taken up residence in a government subsidized housing unit in South San Francisco that required that they meet income eligibility requirements and live there as their only principal place of residence. She said that the tenant argued at the Rent Board hearing that the subsidized unit was a temporary residence, but the evidence showed that the tenant and her husband moved from a subsidized unit in South San Francisco to a second subsidized unit in San Francisco after the landlord filed the petition and served the notice of rent increase. She said that the tenants have no credibility as they did not give truthful testimony when questioned about the second subsidized unit and actively tried to prevent the landlord from obtaining additional evidence, and that the issues and arguments presented on appeal should be rejected since there is no explanation as to why they were not raised previously. She said that everyone should be concerned with the behavior of the tenants in this matter as they admittedly lied under oath and continue to try to mislead the Board with the appeal.

- B. Maria Vargas, the landlord at 1778 Dolores Street (AL250050), said that the tenant is her nephew and rented the unit after losing his previous home. She said that she made an oral agreement with the tenant that he would pay \$1,400.00 a month in rent and perform other tasks around the home, and that in October he stopped doing those other tasks so she increased his rent and felt justified to do so.
- C. Kevin Lara, the tenant at 511 Leavenworth Street, Unit 304 (AT250053), said that he filed his petition because his landlord increased his rent by 20%, which is above the allowable annual rent increase limits under the Rent Ordinance. He said that after he had been served the initial rent increase notice, he filed a Rent Board petition and Rent Board staff notified the landlord in writing that his rent could not be raised by that amount. He said that the landlord then issued another rent increase notice for the same amount with a different effective date. He said that he unintentionally missed the original hearing due to a calendaring mistake and then missed the calls from Rent Board staff the day of the hearing since he was working. He said that he would like an opportunity for the case to be heard on its merits as the increase is clearly unlawful and dismissing his petition without any review unfairly enforces a rent increase that violates the Rent Ordinance.
- D. Leonard Garcia, the tenant at 1778 Dolores Street (AL250050), said that the landlord sent him a notice that she was increasing the rent from \$1,400.00 to \$2,400.00 effective May 2025. He said that when he moved in, he was helping the landlord out of kindness, and not pursuant to a written agreement regarding his rent. He said that in October the landlord told him that she was raising the rent because she wanted him out of the unit and that is why he stopped doing things for her. He said that the landlord falsely accused him of taking over the garage and backyard, and that his belongings are in his part of the garage and the photos the landlord submitted to the Board shows both her belongings and his. He said that in the backyard he only has a cooler, small barbecue, and a bicycle.
- E. Lisa Chin, the landlord's non-attorney representative at 267 27th Avenue, Unit 2 (AT250045), told the Commissioners that at the hearing the ALJ asked the tenant

whether he had the dates he notified the landlord of the issue and originally the tenant said "no" and then after the hearing submitted a list of different dates that he supposedly notified the landlord.

V. Approval of the Minutes

MSF: To approve the minutes of August 12, 2025. (Tom/Wasserman: 7-0).

VI. Consideration of Appeals

A. 511 Leavenworth Street, Unit 304

AT250053

The tenant appeals the dismissal of his claim for unlawful rent increase. The Administrative Law Judge (ALJ) dismissed the tenant's claim with prejudice due to the tenant's nonappearance at the properly noticed hearing. In the appeal, the tenant states that he accidentally mis-entered the date of the hearing on his calendar and missed the calls and voicemails from Rent Board staff the day of the hearing.

MSC: To accept the appeal and remand the case for a new hearing. Should the tenant again fail to appear, absent extraordinary circumstances, no further hearings will be scheduled.

(Wasserman/Qian: 5-0)

B. 630 Alvarado Street, Unit 204

AT250055

The tenant appeals the dismissal of her claim for decreased housing services. The ALJ dismissed the tenant's claim with prejudice due to the tenant's nonappearance at the properly noticed mediation. In the appeal, the tenant declared under penalty of perjury that she was out-of-town and never received the Notice of Mediation and remote meeting link.

MSC: To accept the appeal and remand the case for a new hearing. Should the tenant again fail to appear, absent extraordinary circumstances, no further hearings will be scheduled.

(Mosbrucker/Wasserman: 5-0)

C. 267 – 27th Avenue, Unit 2

AT250045

The tenant appeals the decision denying in part her claims for decreased housing services. In the decision, the ALJ found the landlord liable to the tenant for rent reductions totaling \$4,232.00 for water intrusion and mold and mildew but denied the tenant's other claim. In the appeal, the tenant claims that the decision contained errors of fact, misstated testimony, that the reduction granted was insufficient, and that the mold was never abated.

MSC: To deny the appeal except to issue a technical correction pursuant to the ALJ's memorandum.

(Wasserman/Gruber: 5-0)

D. 417 Gough Street, Unit 215A

AT250048

The tenant appeals the denial of her claim for unlawful rent increase. In the decision, the ALJ found that the tenant's relocation to another unit was temporary and that the landlord had increased the tenant's rent by the lawful amount. In the appeal, the tenant argues that the decision contains procedural, factual, and legal errors, and requests that the Board 1) recognize that her supplemental submission was timely; 2) acknowledge that the lack of notice of the open record and opportunity to respond to the landlord's additional evidence is a violation of procedural fairness; 3) reconsider the credibility of witness testimony and landlord evidence; and 4) reverse the decision, or in the alternative, recalculate the rent increases so that they are within allowable limits.

MSC: To deny the appeal. (Wasserman/Gruber: 5-0)

E. 1778 Dolores Street

AL250050

The landlord appeals the decision granting the tenant's claim for unlawful rent increase. In the decision, the ALJ determined that the May 1, 2025 rent increase was null and void since it exceeded the allowable annual and banked rent increases available at the time and the landlord failed to obtain a rent increase license prior to imposing the rent increase. In the appeal, the landlord argues that the tenant is using additional space in the garage and lower yard that he is not entitled to, and for which he pays no rent.

MSC: To deny the appeal.

(Mosbrucker/Wasserman: 5-0)

F. 40 Parkridge Drive, Unit 8

AL250051 & AT250054

The landlord and tenant appeal the decision granting the tenant's claim for unlawful rent increase. In the decision, the ALJ found the landlord liable to the tenant for rent overpayments in the amount of \$327.15. On appeal, the landlord asserts for the first time that the \$57.00 rent increase effective February 1, 2018, was a lawful capital improvement passthrough rather than a base rent increase. The tenant argues in their appeal that the ALJ did not properly consider his evidence.

Commissioner Klein recused herself from consideration of the appeal as she has represented the non-attorney representative in this case on other, unrelated matters.

MSC: To accept the appeals and remand the case to the ALJ to consider the new evidence submitted on the appeals and the effect of the capital improvement passthrough on the ALJ's review of the tenant's rent history, with a hearing to be held only if necessary.

(Wasserman/Mosbrucker: 5-0)

G. 103 Balboa Street

AT250046 & AT250047

One tenant appeals the decision granting the landlord's petition seeking a rent increase pursuant to Rules and Regulations Section 1.21 and denying her claim for unlawful rent increase. In the decision, the ALJ determined that the landlord was entitled to raise the tenant's rent pursuant to Section 1.21 because there was no "tenant in occupancy" of the unit at the time the petition was filed on March 12, 2024, as she had another principal place of residence. In the appeal, the tenant claims that technical problems and difficulty communicating with the interpreter at the hearing prevented her from clearly presenting her evidence and requests that the Board overturn the decision as she has additional evidence showing that the subject unit is her sole primary residence and she never resided elsewhere.

Commissioner Klein recused herself from consideration of the appeal since she is a partner in the law firm that represents the landlord in this case.

MSC: To deny both appeals. (Wasserman/Gruber: 5-0)

H. 162-164 Lucky Street

AL250049

The landlord's petition for certification of capital improvement costs was granted. However, the landlord's petition combined the costs of new exterior siding and the replacement of a tenant's subfloor into one item. The decision denied the landlord's request to allocate the cost of this work to only one unit since the siding work benefited the whole building, and the landlord failed to provide a breakdown of costs to establish the amount separately attributable to the subfloor work alone. In the appeal, the landlord claims that he did not receive the email from Rent Board staff requesting a breakdown of costs and provides the evidence that Rent Board staff previously requested.

MSC: To accept the appeal and remand the case to the ALJ to consider the new evidence submitted on appeal, with a hearing to be held only if necessary. (Wasserman/Gruber: 5-0)

IV. Remarks from the Public (cont.)

There were no further remarks from the public.

VII. Communications

In addition to correspondence concerning cases on the calendar, the Commissioners received the following communications:

- A. News articles from <u>Mission Local</u>, the <u>San Francisco Standard</u>, and the <u>San Francisco</u> Examiner.
- B. Prop E Commission Streamlining Task Force Questionnaire Response.

- C. Draft Rent Board Commission Meeting Introductory Remarks.
- D. Department on the Status of Women Demographic Survey request.
- E. Departmental workload statistics for July 2025.

VIII. Director's Report

Executive Director Christina Varner told the Commissioners that the department wrapped up its Fiscal Year 2025 fee collection with close to \$12.1M fees collected. Director Varner said that Fiscal Year 2026 started with Bureau of Delinquent Revenue collections of \$40,000 from the fees assessed in 2025. She said that the department is ending its 2025 Housing Inventory cycle with 20,753 more licenses generated in 2025 compared with 2024, and that reports into the Housing Inventory now total 131,176 reports of over 23,167 parcels with 115,399 licenses being issued. Director Varner said that this year the department has evaluated and decided that it is more beneficial for their public to open the 2026 Rent Board fee and Housing Inventory cycle earlier to increase the Rent Board fee exemption window and allow more time for staff to process those exemptions before the fee invoices are generated for the January mailing. She told the Commissioners that the Rent Board Portal will be open on October 1 to report into the Housing Inventory for 2026 and to request exemptions from the Rent Board fee. She said that the department will be sending out Informational Notices to approximately 190,000 parcels or 360,000 units that will inform property owners about their requirements to report into the Housing Inventory, what their proposed 2026 Rent Board fee assessment will be, and how to request an exemption from the Rent Board fee if the owner disagrees with the proposed assessment. She said that there are about 81,000 parcels or 245,000 units that the Rent Board has identified with having a fee due but based on past experience, the department is expecting about 14,000 of these units to be exempt or have a homeowner's exemption. She said that the invoices will go out in January and the department will likely see payment from about 231,000 units in 2026. With regard to outreach, Director Varner said that on August 16 the department participated in the Office of the Assessor-Recorder's Family Wealth Forum -Building Intergenerational Wealth at City College. She said that the department has several events scheduled for September, firstly, that she will be presenting to property managers on September 11 at the Professional Property Managers Association monthly membership meeting at the Presidio Golf Club and then, on September 18, SF Apartment Association staff will present on SFAA services to Rent Board staff at the Rent Board office. She told the Commissioners that on September 22 and September 30 the Rent Board will participate in a two-part combined training to the SF Anti-Displacement Coalition and Housing Rights Committee in both English and Spanish. With regard to legislation, Director Varner told the Commissioners that they are already aware that under Rent Ordinance Section 37.10C landlords are currently prohibited from using "algorithmic devices" to set rents or occupancy levels for residential rental units in San Francisco. She said that an "algorithmic device" is software that uses algorithms to analyze non-public competitor rental data to recommend when to keep units vacant or how much rent to charge and that the law is enforced through civil lawsuits filed by the City Attorney or individual tenants. She said that Supervisor Chan introduced related Board of Supervisors (BOS) File Number 240796, which is an Ordinance amending the Administrative Code to allow tenant's rights organizations to file civil lawsuits to enforce the prohibition on landlords use of algorithmic devices to set rents or manage occupancy levels, and that it passed on second reading by the full Board of Supervisors on September 2, 2025 and was signed by the Mayor on September 5, 2025. She told the

Commissioners that the amendment to Ordinance Section 37.10C will go into effect on October 6. Director Varner also provided background on BOS File No. 240803, introduced by Supervisor Melgar. She said that under current law, certain sections of the Planning Code require property owners to enter into a regulatory agreement with the City, placing a newly constructed dwelling unit under rent control in exchange for a waiver of certain Planning Code requirements, for example, when building an ADU through the City's local program. She said that BOS File No. 240803 will amend the Planning code to require the Planning Department to note the existence of any recorded regulatory agreement in the Property Information Map; to add new penalties for misrepresenting or concealing tenant occupancy information on building or planning permit applications; to require development applicants to provide additional details about the property, including whether any Unauthorized Dwelling Units are present; and will require the Planning Department to investigate when application information suggests an Unauthorized Dwelling Unit may exist, even if the applicant denies it, and the investigation may include reviewing Rent Board records, inspecting the property, examining evidence from current or former owners, tenants or neighbors. Director Varner said that this legislation passed the full Board of Supervisors on second reading on September 2, 2025 and was signed by Mayor Lurie on September 5, 2025, so it will go into effect on October 6. Director Varner said that Supervisor Melgar's BOS File No. 231224, originally introduced on November 28, 2023 and would amend the Housing Code to authorize occupants of residential dwelling units to sue a property owner to enforce the prohibition on substandard housing conditions, is still active at the Land Use Committee after Supervisor Melgar twice continued this item to remain active until July 2025.

Regarding the Board of Supervisors' Budget and Legislative Analyst's Office Study for Commission Streamlining and the Commission Streamlining Task Force discussed last month, Director Varner said that earlier this year the Task Force indicated that a framework was being developed to gather feedback from both department staff and Commissioners on the effectiveness of its body and any areas for improvement, and that they would reach back out this summer. She said that in July, the Task Force conducted a qualitative survey, seeking feedback on the effectiveness of the commission and areas for improvement, which the department responded to in August. She told the Commissioners that in preparation for the August board meeting, they were provided the Prop E Commission Streamlining Task Force calendar and that staff was awaiting instructions from the Task Force specifically with regard to seeking direct feedback from Commissioners. She said that at last month's board meeting, the Task Force and qualitative survey were discussed, and she agreed to provide Commissioners with the department's survey responses. Director Varner said that following the board meeting, the department received new information on how the Task Force would be soliciting feedback directly from the Commissioners and also received confirmation that the Task Force changed its mind about surveying Commissioners, which is why the department had not earlier received information about that. She said that the department then provided the Commissioners with the department's qualitative survey responses together with information on how they can provide feedback to the Task Force, which includes writing an official letter to the Task Force by September 1, 2025 so that the Task Force can use it to inform staff recommendations, and then once staff recommendations are issued on September 12, 2025, they will be shared with the department, and then Commissioners can also provide written comment specifically about the staff recommendations. She told the Commissioners they may also provide public comment during the October 1, 2025 Task Force meeting either in-person or via Webex or can request a meeting with Task Force staff. She said that the Commission Streamlining Task

Force's recommendation will be released on September 12 in anticipation of the October 1 meeting and that Rent Board staff will attend that meeting. (Note: Post-meeting, the September 12 date was changed to September 19.)

IX. Old Business

A. Outreach Regarding Commission Procedures

Commissioner Hung told the Commissioners that with regard to this item, he provided feedback to the Draft Rent Board Commission Meeting Introductory Remarks to Board Secretary Texidor, which include reducing repetitive statements and reorganizing the content to help clarify commission procedures for members of the public. President Gruber requested that Commissioner Hung's feedback also be circulated to the other Commissioners and Board Secretary Texidor agreed to do so.

X. New Business

There was no New Business.

XI. Calendar Items

October 14, 2025 – regular in-person meeting at 25 Van Ness Ave, Room 610.

Reader of the Ramaytush Ohlone Land Acknowledgement – Commissioner Mosbrucker.

A. Consideration of Appeals

a. 5 appeal considerations

XII. Adjournment

President Gruber adjourned the meeting at 7:11 p.m.