City and County of San Francisco

Residential Rent Stabilization and Arbitration Board

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

Tuesday, June 10, 2025 at 6:00 p.m. 25 Van Ness Avenue, Room 610 San Francisco, CA 94102

I. Call to Order

President Gruber called the meeting to order at 6:02 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

President Gruber read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Gruber; Haley; Mosbrucker; Qian.

Commissioners Not Present: Crow; Hung; Klein; Tom; Wasserman.

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

IV. Remarks from the Public

A. Jonathan Kwong, a tenant at 779 32nd Avenue, Unit A (AL250030), told the Board that there was a clear agreement made at the start of the tenancy in October 2016 for key housing services, specifically parking in the front of the house, use of the yard, storage, and pets. He said that these services were the basis on which he and his partner chose the unit as they already had pets when they moved in, parked in the designated spot every day, and use of the large communal yard was a significant part

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- of their lifestyle. He said that they made a large investment purchasing a plug-in vehicle relying on the parking space. He told the Board that the landlord's appeal relies heavily on a new declaration from the prior landlord, but he questions the credibility of the declaration because the prior landlord recently told him that he could not recall the details of the lease signing, there is a clear association between the new owner and the parties who facilitated the sale of the property, and the prior landlord failed to raise an issue regarding these housing services for 6 1/2 years. He asked the Board to uphold the decision as it reflects the real terms of the tenancy based on the lease, years of lived practice, and the oral agreement with the previous landlord.
- B. Dru Parker, the trustee for the landlord at 542 Presidio Avenue (AL250026), said that the owner passed away in 2023 at 93 years old, was an immigrant and plumber, and owned the property for many years as an investment property. She said that the owner was not a wealthy landlord because when he died he only had \$6,000.00 left to his name and one of his adult children is homeless. She said that the tenants are a married couple who own two other properties – a \$2 million home in the Richmond District (sic) and a \$1 million condo in Chicago for which they claim a primary resident homeowners' tax exemption. She said that the condo's recorded mortgage document shows that they claimed it was their primary residence. She said that the tenant's wife earned \$500,000 working at UCSF in 2021, and she is now the Editor-in-Chief of the Journal of the American Medical Association. She said that the owners are being asked to subsidize a wealthy couple's business interests as the tenant has said on record that he runs his business out of the unit and spends most of his time at his home in the Richmond District. She said that this is not the intent of rent control as rent control has a noble purpose to prevent people from being kicked out of their homes by "greedy" landlords, which is not the case here.
- C. Curtis Dowling, the attorney for the landlord at 542 Presidio Avenue (AL250026), said that the tenants have been married for over 30 years and have always filed joint tax returns. He said that because they are financially united as one for tax purposes, they can only have one principal place of residence but the decision allows them to simultaneously have three separate principal places of residence, namely the unit in this case and two residences they co-own in San Francisco and Chicago which are collectively worth \$3 million and for which homeowners' exemptions are being taken. He said that contrary to the Administrative Law Judge's (ALJ's) memorandum, this is simply not allowed. He said that this is not a close case, and five of the six factors in Rule 1.21 favor the landlord and the sixth is heavily contested. He said that the decision disregards the admonition in Rule 1.21 that "a compilation of these elements lends greater credibility to the finding of principal place of residence, whereas the presence of only one element may not support such a finding." He said that in this case, the ALJ faults the landlord for not having a neighbor testify about the tenant's absence from the unit but the plain text of Rule 1.21 places the burden on tenants to introduce "credible testimony from individuals with personal knowledge that the tenant actually occupies the residential unit as his or her principal place of residence." He said that the tenant's wife and son did not appear at the hearing to corroborate his testimony, and rebuttal testimony becomes impossible when the tenant purposefully covers up the landlord's cameras. He said that the tenant does not reside in the unit with his 8-30 employees that he has at any given time and instead resides with his

wife and son 10 minutes away from his work. He said this is why at least five of the six factors indisputably favor the landlord because the unit is solely a place used to conduct business.

- D. Rosemary Swan, the tenant at 1871 Greenwich Street (AL250028), said that she wished to correct a numerical error she made in the document that she submitted for the Board's review. She said that she wrote that her driver's license expired in 2024 but she meant to say 2023.
- E. Alex Volkov, the attorney for the landlord at 1871 Greenwich Street (AL250028), said that he was appealing the decision under Rule 1.21. He said that in his case, only one of the six factors had been in favor of the tenant but the decision favored the uncorroborated testimony from the tenant as described in his brief. He said that Rule 1.21 requires credible testimony and the tenant only presented her own testimony and no other corroborating testimony. He said that the documents the tenant submitted after the hearing only explain that she kept utilities for the lights and not to reside there. He said that the tenant acknowledges living with her father at a property in Maine for which the title and property tax exemption is filed in her name as the trustee of her father's trust. He told the Board that it is undisputed that the kitchen is not regularly used. He said that the purpose of Rule 1.21 is to determine whether the subject property is a place of normal and regular return. He said that the ALJ's memo acknowledged a miscalculation of the time that the tenant was out of state and increased it to 59%, but the landlord believes the average time was actually 63%, and 68% within the last year. He said that the evidence of the tenant arriving to the San Francisco airport or California is not indicative of her residing at the unit because she also has housing available in Marin County.
- F. Curtis Chan, the property manager at 7115 Geary Boulevard, Unit 1 (AL250027), said that the landlords bought the property as part of their retirement and are blue-collar workers. He said that the landlord worked in a junkyard and his wife was a seamstress and washerwoman. He said that the landlord noticed that the tenant was absent from the unit and at a hearing presided over by a Rent Board ALJ reached an agreement with the master tenant and subtenant at a Rent Board hearing. He said the master tenant and subtenant agreed to the rent increase, that they would pay the rent they had withheld since January 2024, and that the landlord would waive the rent owed for September December of 2023. He said that the tenants did not fulfill their part of the agreement as they appealed the rent increase again to the Rent Board. He said it is not fair that the ALJ found in their favor because the master tenant spends almost all of her time in Fresno with her child and family and only occasionally comes to the City.

V. Approval of the Minutes

MSC: To approve the minutes of May 13, 2025. (Mosbrucker/Qian: 4-0)

VI. Consideration of Appeals

A. 3431 - 19th Street, Unit 1

AT250025

The appeal was continued from the May board meeting. The tenant appeals the decision denying her claim for decreased housing services. In the decision, the Administrative Law Judge (ALJ) found that the landlord responded reasonably to the tenant's complaints about a rodent infestation and that the tenant failed to meet her burden of proving a substantial decrease in housing services. In the appeal, the tenant argues that the landlord delegated responsibility of maintenance of the unit to her and therefore the decision denying her claim is against public policy, and that the decrease in housing service is substantial because the landlord failed to abate the rodent infestation and did not follow professional standards for extermination. Subsequent to filing the appeal, the tenant filed a request to withdraw the appeal, vacate the decision, and withdraw the underlying petition pursuant to a signed agreement with the landlord.

MSC: To accept the appeal, vacate the decision, and allow the tenant to withdraw their petition pursuant to the settlement agreement entered into by the parties. (Mosbrucker/Qian: 4-0)

B. 779 – 32nd Avenue, Unit A

AL250030

The landlord filed her appeal one day late because she experienced a technical difficulty beyond her control when filing her appeal via email.

MSC: To find good cause for the late filing of the appeal. (Qian/Mosbrucker: 4-0)

The landlord untimely appeals the decision granting in part the tenants' claims for decreased housing services. In the decision, the ALJ found the landlord liable to the tenants for rent reductions totaling \$8,465.00 for a broken oven, reduced yard space, tree hole, and garage space but denied the tenants' other claims. In her appeal, the landlord argues that the decision contained factual errors, that the decrease of the backyard space was not substantial as the tenants did not actually have a right to full access of the yard and had additional outside areas for use, the oven was repaired in a reasonable amount of time, the tree hole was a preexisting condition on the property that was not hazardous, and that she has additional evidence supporting her claims.

MSC: To deny the appeal. (Mosbrucker/Qian: 4-0)

C. 7115 Geary Boulevard, Unit 1

AL250027

The landlord appeals the decision granting the tenants' claims for unlawful rent increase. In the decision, the ALJ determined that (1) the landlord had not met their burden of proving that at the time the Costa-Hawkins rent increase notice was served, an original occupant no longer permanently resided in the unit, and (2) the tenants' petition was not barred by the parties' settlement agreement in a prior case, as the Rent Board had not previously made findings or determinations regarding the lawfulness of the increase and a tenant cannot waive their right to the lawful rent under the Rent Ordinance. In the appeal,

the landlord argues that the doctrine of res judicata bars the Rent Board from considering the petition because at a prior Rent Board proceeding the tenants and landlord entered into a binding oral settlement agreement to accept the May 22, 2023 Costa-Hawkins rent increase. Moreover, the landlord argues that the agreement does not undermine public policy since it was entered into voluntarily and overseen by the ALJ, with both parties represented by counsel.

MSC: To deny the appeal. (Mosbrucker/Qian: 4-0)

D. 1871 Greenwich Street

AL250028

The landlord appeals the denial of its petition seeking a rent increase under Rules and Regulations Section 1.21. In the decision, the ALJ found that the tenant respondent was a "tenant in occupancy" at the time the petition was filed on November 8, 2024. In the appeal, the landlord argues that the ALJ incorrectly calculated the amount of time the tenant was absent from the unit and did not properly evaluate the evidence, and that the rent was only paid through July 2024 instead of February 2025.

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

(Mosbrucker/Qian: 4-0)

E. 542 Presidio Avenue

AL250026

The landlord appeals the denial of its petition seeking a rent increase under Rules and Regulations Section 1.21. In the decision, the ALJ found that the unit was the tenant's usual place of return and the landlord had failed to meet their burden of proving that the tenant was not a "tenant in occupancy" at the time that the petition was filed on August 16, 2024. In the appeal, the landlord argues that the ALJ incorrectly evaluated the evidence and misapplied Rule 1.21 by including the time the tenant operates his business from the unit in the analysis of whether the tenant was a "tenant in occupancy" of the unit.

Commissioner Mosbrucker recused herself from consideration of the appeal because her law firm represented the tenant in an unrelated court case.

President Gruber requested that the Board continue consideration of the appeal to the July 15, 2025 board meeting based on lack of quorum and no objections were raised.

IV. Remarks from the Public (cont.)

A. Alex Volkov, the attorney for the landlord at 1871 Greenwich Street (AL250028), asked the Board for a statement on the record regarding what the quorum rule is and the number of commissioners who are voting.

VII. Communications

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

- A. News articles from Mission Local and the San Francisco Examiner.
- B. Departmental workload statistics for April 2025.

VIII. Director's Report

Executive Director Christina Varner told the Board that the Rent Board Fee collection period with penalty concluded on June 1. Director Varner said that the department had collected just over \$11.4M and was at 87% of their collection target. She said that later this month, delinquency notices will be sent out to owners with unpaid obligations, allowing them 30 days to pay the Rent Board directly before the referral is made to the Bureau of Delinguent Revenue at the Office of the Treasurer and Tax Collector. Director Varner said that regarding the Housing Inventory, almost 14,000 more licenses have been generated in 2025 compared with 2024, even while the 2025 reporting cycle has not yet ended. She said that reports into the Inventory now total 123,356 reports over 21,745 parcels with 108,534 licenses issued. With regard to outreach, Director Varner said that last month the department conducted a tenant mailing to inform tenants in properties of 10 units or more where their landlord had not reported into the Housing Inventory about the Housing Inventory reporting requirements. She said that the department saw increased information sharing with both landlords and tenants and received a wide variety of feedback and information from tenants, many of whom were not aware of the Housing Inventory. She said that some tenants had not received rent increases in some years from their landlords in years, while some had received rent increases, but were unaware that the owner had to be licensed to increase annual and banked rents. Director Varner said that the department learned about what works and what challenges exist to get the correct information to tenants and is pleased that more tenants are learning about the Housing Inventory and are reviewing internally regarding future mailings. Director Varner said that later in the week, staff will participate in a recorded outreach for SFAA members on decreased housing services, what to expect at hearings and mediations, and on June 20, an outreach event will be conducted with the Eviction Defense Collaborative staff. She said that on June 21, staff will conduct outreach at the HomeSF Housing Resource Fair taking place at USF. With regard to legislation, Director Varner said that Senator Aisha Wahab's state Senate Bill 436, that would extend the notice period for non-payment of rent from 3 days to 14 days was passed by the Senate on June 2, 2025, now heads to the Assembly but no action has yet been scheduled. Director Varner said that Board of Supervisors (BOS) File Number 240803 introduced by Supervisor Melgar is still at Land Use. She said that among other changes to the Planning Code, it will require that whenever a property owner enters into a regulatory agreement with the City that subjects newly constructed dwelling units to the Rent Ordinance, the Planning Department shall note the existence of the recorded regulatory agreement in the Property Information Map or other similar, publicly accessible website. Director Varner said that Supervisor Melgar's BOS File No. 231224, originally introduced on November 28, 2023, which 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 at Land Use. She said that Supervisor Melgar had on July 16, 2024 requested that this matter remain active for an additional six months until January 16, 2025, and on January 13, 2025, Supervisor Melgar requested that this matter remain active for an additional six months until July 2025. She said that BOS File No. 241069, sponsored by Supervisor Engardio – which

amends the Subdivision and Planning Codes to create a process by which property owners may convert certain new or existing ADUs, and associated primary dwelling units, into condominiums, is still at the Land Use Committee. She said that it was heard at Land Use last Monday, and "continued to the call of the chair". She said that she is not sure when it will be revisited, but it is not on their Agenda this week. Lastly, Director Varner told the Board that she will be presenting the department's fiscal years 2025-2026 and 2026-2027 budget at the Board of Supervisors on Friday, June 13.

IX. Old Business

A. Rent Board Commission Vacancy and Appointment of Commission Members

Executive Director Varner gave the Board an update regarding the new administration's process for commissioner appointments citywide. She told the Board that Commissioner Mosbrucker, Deputy Texidor and herself met with a candidate who has excellent qualifications and would have been a good fit on this Board but had to decline due to work constraints. She said that the Department and Mayor's Office will continue recruiting for the vacant seat and she will provide updates.

X. New Business

There was no New Business.

XI. <u>Calendar Items</u>

July 15, 2025 – regular in-person meeting at 25 Van Ness Ave, Room 610.

Reader of the Ramaytush Ohlone Land Acknowledgement – Commissioner Hung.

A. Consideration of Appeals

a. 9 appeal considerations

XII. Adjournment

President Gruber adjourned the meeting at 6:56 p.m.