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DAVID WASSERMAN

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

Tuesday, January 13, 2026
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 6:10 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

Commissioner Wasserman read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Gruber; Haley; Mosbrucker; Qian; Shah; Tom;
Wasserman.

Commissioners Not Present: Crow; Hung; Klein.

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

IV. Remarks from the Public

- A. Justin A. Goodman, the landlord's attorney for 415 – 27th Street, Unit 3 (AL250074), said that a home can be different things to different people. He said a man who has a wife and two kids and bought a single family house with that spouse in a different county nearby, home would be that house. He said that an individual can have two

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houses but in the context of the Costa-Hawkins Rental Housing Act, it matters whether a house is a home. He said that Costa-Hawkins allows a rent increase “if the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently resides there.” He said that in that scenario an owner may increase the rent by any amount to a lawful sublessee or assignee who did not reside at the dwelling unit prior to January 1, 1996. He said that the Administrative Law Judge (ALJ) correctly noted that Costa-Hawkins does not define the phrase “no longer permanently resides,” however, the ALJ concluded that this must mean something tantamount to a complete severance or departure of the tenant from the rental unit. He said that the plain language of Costa-Hawkins is incompatible with this interpretation. He said that it is fairly commonplace that a tenant retains access to the unit that they have partially or entirely sublet but the fact that a tenant might spend the night sometimes does not make the unit his residence and that conduct is not incompatible with the notion that he has “permanently vacated” within the meaning of Costa-Hawkins. He said that the parties do not dispute that this is a one-bedroom apartment and that the tenant’s sister-in-law and her daughter sleep in that single bedroom, which means that the tenant is sleeping on the couch. He said that if the unit was damaged and red-tagged the tenant would simply go to the single-family home that he owns in Pinole, California, and he would live there relatively uninterrupted. He said that the landlord encourages the Board to ascribe a meaning to this key phrase consistent with the language of the statute and policy of Costa-Hawkins. He said that the tenant must pay fair market rent if he wants to keep his old apartment for his sister-in-law.

- B. Andres Salerno, representative for the tenants at 415 – 27th Street, Unit 3 (AL250074), said that the landlord’s appeal offered nothing outside the papers that are already before the Board. He said that as a matter of public policy, the Board should not consider arguments based on the morality of a marital home or the likeness of a living situation. He said that the evidence submitted speaks for itself.
- C. Margaret Eigt, the tenant at 765 – 16th Avenue (AT250077), said that she has lived in the unit for 25 years and her tenancy was fine until the building was sold at the end of 2023 to an individual from Hong Kong who does not speak much English and his sister, the property manager, does not speak much English either. She said that at the Rent Board hearing the ALJ decided that her rent should be increased by almost 10%, and she doesn’t understand why the increase was so high. She said that possibly the Rent Board allowed the increase because the landlord said that she had not paid the June rent even though that was not true. She said that she was not sure of the reason because she could not talk to anybody at the Rent Board and that she is 80 years old and she lives on Social Security income. She said that she will need to find more work so that she can pay the higher rent, which is \$200 more than last year. She said that the rent should have only been increased by 1.4%. She said that she would like to discuss the matter with Rent Board staff so that they can explain the increase to her and that she now understands that there is no back-and-forth discussion with the commissioners.
- D. Adam Chin, the tenant at 430 Lake Street, Unit 3 (AT250069), said that he wanted to provide a background on the staircase work at issue. He said that in 2010 he was

walking down the staircase and the last three steps collapsed underneath him and luckily he was not hurt. He said he could have been seriously injured or even killed. He said at the time the previous landlord, who is the brother of the current landlord, was embarrassed that the accident happened and did a partial rebuild of the stairs and did not attempt to passthrough any of the costs to him. He said that in 2019, the previous landlord did a full rebuild of both sets of stairs because the other one was also failing. He said that two years ago when the previous landlord died, his brother went through all the bills and saw the costs for the staircase and submitted a petition for a capital improvement passthrough as he was still within the five-year deadline to make such a request. He said that he is frustrated that the tenants are being billed up to \$35,000.00 to rebuild stairs when he was almost killed based on their lack of proper maintenance.

- E. Mary Lambert, the tenant at 430 Lake Street, Unit 4 (AT250075), said that the estimate submitted by the landlord on January 16, 2019, and the final invoice dated June 13, 2019, both state that new landings and new posts were being rebuilt in addition to new stair treads, risers, and railings. She said that there is no documentation on the final invoice referencing a selective reuse of components which did occur, and which would have undoubtedly resulted in a cost savings of both labor and materials for both the contractor and the landlord. She said that the final invoice was never amended to reflect the work that was actually performed. She said that the tenants object to the certification of these costs based on the fact that the work claimed to be performed was not performed and the costs claimed are untrue. She said that in her appeal, she also included email correspondence with the prior landlord dated July 27, 2023 confirming that the old roof had failed resulting in several leaks in several of the apartments. She said that the tenants maintain that replacing an old roof could be considered a capital improvement, however, in this case, the failed roof had already caused ceiling and window frame damage in multiple units. She said that because of this, replacing the old roof constituted a normal repair to restore and maintain the safe and dry living conditions for the occupants that existed at the commencement of the tenancy. She said that her appeal also included an email from the handyman sent to the landlord estimating the cost to repair and repaint a collapsed section of the ceiling in the lobby entrance, and to repair and repaint the buckled and cracked plaster wall along the stairway. She said that while the plaster wall leading to the first floor was repaired, the plaster wall leading to the second floor was not, so she objects to the certification of those costs based on the fact that the repairs were only partially completed. She said that all the repairs fall into the category of normal maintenance and repair and were not capital improvements.
- F. Monica Duhon, a tenant at 395 Faxon Avenue, Unit A (AL250076), said that the landlord argues that the tenants should be liable for repairs for water damage to the unit because the tenants left the bathtub running, however, the tenants do not take baths and only take showers. She said that the landlord also claims they are liable for the new water heater because the tenants improperly put the temperature over 140 degrees, but the tenants do not have access to the water heater as it is located in a different locked unit for which they do not have a key. She said that she is making the Board aware of these false claims and information by the landlord. She said that payment for the repairs should be the landlord's responsibility. She said that the

landlord is not providing them the same information that he is providing the Rent Board regarding his financial hardship.

G. Joseph Vescera, a tenant at 395 Faxon Avenue, Unit A (AL250076), said that the landlord twice did not properly serve documents on the tenants in the appeal so it is difficult for them to defend themselves. He said that he has proof that the landlord's claims are false. He said that when the tenants filed the original petition on January 8, 2025, their sole intent was for the landlord to get a rent increase license before raising their rent, but the landlord disputed their claim and they ended up at a Rent Board hearing, which is why the landlord now owes them \$4,900.00. He said that he is mostly upset that the landlord did not serve him all the documents he submitted with his appeal.

V. Approval of the Minutes

MSC: To approve the minutes of December 9, 2025.
(Wasserman/Tom: 5-0, Qian and Shah abstaining)

VI. Consideration of Appeals

A. 415 – 27th Street, Unit 3

AL250074

The landlord appeals the decision granting the tenants' claim for unlawful rent increase. In the decision, the ALJ determined that the landlord was not authorized to increase the rent pursuant to the Costa-Hawkins Rental Housing Act because the landlord did not meet their burden of proving that the last original occupant no longer permanently resides in the unit. In the appeal, the landlord argues that the decision is preempted by a pending civil court action, goes against the intent of the Rent Ordinance and Costa-Hawkins, and ignores evidence that the original occupant permanently resides in Pinole with his spouse and child, only using the unit as a pied-a-terre. The landlord further argues that the ALJ erred by not defining the term "permanently reside" and by not applying the standards set forth in Rules and Regulations Section 1.21 to determine whether the unit constituted the tenant's principal place of residence.

MSC: To deny the appeal.
(Mosbrucker/Qian: 3-2, Gruber and Wasserman dissenting)

B. 765 – 16th Avenue

AT250077

The tenant appealed the decision 132 days late because she did not know that she had to appeal the decision within 15 days after it was mailed.

MSC: To find good cause for the late filing of the appeal.
(Wasserman/Mosbrucker: 5-0)

The tenant untimely appeals the decision granting in part her claims for unlawful rent increase. In the decision, the ALJ determined that various rent increases from December

1, 2023 to March 1, 2025 were null and void but did not award rent overpayments based on the fact that the tenant had not paid the June and July 2025 rents and therefore underpaid the total rent owed. The ALJ further held that if the tenant did pay rent in June and/or July 2025, the overpayments/underpayments should be adjusted accordingly. In her appeal, the tenant argues that a 13.7% allowable banked rent increase is too high and that she has limited income to afford such an increase.

MSC: To accept the appeal and remand to the ALJ to consider whether or not the June and July rents were paid and whether or not there was an underpayment.
(Mosbrucker/Wasserman: 5-0)

C. 395 Faxon Avenue, Unit A

AL250076

The landlord appeals the decision granting the tenants' claim for unlawful rent increase on the basis of financial hardship. In the decision, the ALJ determined that the rent increase limitations of the Rent Ordinance apply to the tenancy as the landlord failed to meet their burden of proving that the unit is alienable separate from title to any other dwelling unit, and that the landlord was liable to the tenants for the sum of \$4,956.00 for rent overpayments from September 1, 2023 to November 30, 2025. In the appeal, the landlord appeals the decision on the basis of financial hardship.

MSC: To accept the appeal and remand to the ALJ for a hearing on the hardship appeal for the landlord to submit supporting documentation.
(Mosbrucker/Wasserman: 5-0)

D. 430 Lake Street, Unit 3 and Unit 4

AT250069, AT250075

Two tenants appeal the decision granting the landlord's petition seeking certification of capital improvement costs. In the decision, the ALJ certified the cost of a new roof, interior painting of common areas, interior/outdoor temperature control, and exterior staircase replacement. In the appeal for Unit 3, the tenant claims that the cost of the exterior staircase replacement should not be passed through to the tenants as it was not fully completed. In the appeal for Unit 4, the tenant argues that the replacement of the roof and repairs to the lobby ceiling, wall, and staircase were necessary repairs caused by the landlord's deferred maintenance and were not capital improvements.

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

IV. Remarks from the Public (cont.)

There was no further public comment.

VII. Public Hearing

6:30 p.m. Proposed Amendments to Rules and Regulations Section 1.12 – Annual Allowable Rent Increase Calculation

President Gruber read the Notice of Public Hearing into the record, which described how the Rent Board is tasked with developing a new methodology to calculate the annual allowable rent increases effective March 1, 2026 and March 1, 2027 due to the U.S. Department of Labor's failure to publish October 2025 Consumer Price Index (CPI) data. Currently, Rent Board Rules and Regulations require the department to calculate the annual rent increase by comparing the increase in the CPI from October to the following October. To calculate the March 1, 2026 increase, this would be October 2024 to October 2025. At its December 9, 2025 meeting, the Board voted to put out for public hearing proposed amendments to Rules and Regulations Part I, Section 1.12. Two proposed amendments to the regulations were drafted by staff to provide a temporary alternate methodology for calculating the annual allowable rent increases effective March 1, 2026 and March 1, 2027 and delete City names other than San Francisco from the CPI region.

The Commissioners opened a public comment period for members of the public to speak both on general items and specifically about proposed Rules and Regulations Part I, Section 1.12. Seeing that no member of the public wanted to speak during the public comment period on this item, the public comment period was closed. The Commissioners then had a discussion on the two versions of the proposed drafts. Commissioner Qian proposed a third option, which was a variation of the calculation proposed in Version 2. He proposed that the March 1, 2026 annual allowable rent increase rate could be calculated by comparing the increase in CPI from October 2024 to December 2025, and the March 1, 2027 annual allowable increase rate could be calculated by comparing the increase in CPI from December 2025 to October 2026. After a discussion of the three offered alternative methodologies, the Commissioners made and voted upon the following motion:

MSC: To adopt Version 1 of the proposed Rules and Regulations Part 1, Section 1.12, as drafted by staff.
(Gruber/Wasserman: 3-2, Mosbrucker and Qian dissenting)

VIII. Communications

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

- A. News articles from Mission Local, San Francisco Apartment Association, and the San Francisco Chronicle.
- B. Departmental workload statistics for November 2025.
- C. Notice of Public Hearing Scheduled for January 13, 2026.
- D. Rent Board Updated Memorandum Regarding Proposed Changes to Rules and Regulations Section 1.12 dated January 2, 2026.
- E. Rent Board First Public Fiscal Years 2026-2027 and 2027-2028 Budget Presentation.
- F. Fiscal Year 2025-2026 Rent Board Organization Chart.

G. Updated Commissioner Roster dated January 2, 2026.

IX. Director's Report

Executive Director Christina Varner thanked President Gruber for introducing the newest Rent Board Commissioner, tenant alternate commissioner KC Shah. Director Varner also introduced Stephanie Curtis, the newest Rent Board employee who is a 1406 Senior Clerk in the Rent Board Inventory and Fee Unit. She said that Stephanie was hired to fill a vacancy left by a promotion and has experience with human resources work, once worked for a company charged with servicing hundreds of elevators for the City of New York, studied at Barnard College, and was also a former elite gymnast. The Commissioners welcomed Commissioner Shah and the new employee. With regard to the Fee, Director Varner said that the Rent Board fee invoices for most properties were mailed out the prior week, and the department collected \$1.7M in 2026 Rent Board fees thus far. She said that timely fee payment must be made by March 1 and that for any payments received after March 1, a 5% penalty will be incurred, and then a 10% penalty in April, and a 15% penalty in May. She said that owners can contact 311 if they have any questions about their bill. With regard to the Housing Inventory, Director Varner said that over 27,000 Housing Inventory reports have been made across more than 7,700 parcels, with over 23,000 licenses having been issued thus far. She acknowledged the Inventory and Fee Unit and Public Information Unit, as well as Rent Board partners at 311 with handling an increase in public inquiries from the public. Director Varner told the Commissioners that the department has begun a project to re-brand and create a logo, for the first time in the department's history. With regard to outreach, Director Varner said that on December 30 she took part in a Cantonese-language TV interview on KTSF 26's Cantonese Journal discussing the Rent Board's services with Anni Chung of Self-Help for the Elderly which will air in February. She said that in a great collaboration, the Rent Board has been invited back to talk about its services with Self-Help for the Elderly's social workers and may potentially participate in further KTSF programming. With regard to legislation, Director Varner said that Supervisor Melgar's Board of Supervisors 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 active at the Land Use Committee after Supervisor Melgar twice continued this item to remain active until July 2025. She said that Supervisor Chyanne Chen's BOS File No. 250926, tenant protections related to residential demolitions and renovations, will be discussed during Old Business. Director Varner said that the legislation passed the full Board of Supervisors on second reading on January 6, was signed by the Mayor on January 8, and will become effective on February 9, 2026. She noted that the San Francisco Apartment Association will be filing suit on this shortly. Director Varner also told the Commissioners that it is time to hold another annual election pursuant to Rules and Regulations Section 2.10, Board Elections and that the department plans to agendize the item as New Business for the February 10 meeting. She reminded the Commissioner's that, except for Commissioner Shah, their Form 700 filings and Sunshine and Ethics training completion will be due on Wednesday, April 1. She told the Commissioners that if these items are not properly filed with the Ethics Commission by the deadline, they may be fined \$10 per day by the state, and up to \$5,000.00 by the Ethics Commission if they are over 30 days late, but even more, commission members will be disqualified from all participation in and voting on matters listed on the meeting agenda of their board or commission until they have met their filing requirements. She asked the Board not to delay in their filings and told them they will receive notification from the Ethics

Commission on February 10 regarding their required filings, as well as Form 700 Filer Information Sessions on occurring on February 19 and 26.

X. Old Business

A. SB 330/Tenant Protection Ordinance Implementation

Executive Director Varner informed the Commissioners that they may want to move discussion of this item to the next meeting since an update on the status of the legislation had been given in the Director's Report and there was no further discussion initiated by the Commissioners. The Commissioners raised no objections and the item will be agendaized for the February 10 commission meeting.

X. New Business

A. Public Budget Meeting 1: Fiscal Years 2026-2027 and 2027-2028 Departmental Budget

Director Varner led a discussion regarding the Rent Board's Fiscal Years 2026-2027 and 2027-2028 Departmental Budget. Director Varner said that this is the first of two public meetings this budget season and the second will be at the February 10 meeting. She discussed the City and County's budget timeline and other slides in the presentation handout that had been previously distributed. Director Varner said that the Rent Board is currently in the department phase, where it updates figures according to the department's needs for the next two fiscal years. She explained that the Commissioners will need to vote in the proposed budget on February 10, and then the department will load that budget into the system by February 23 and then the proposed budget will go to Mayor's phase. She said that the department has been negotiating FY 2027 and FY 2028 work order figures with other City departments. She told the Commissioners that the Rent Board is an Enterprise department, which means that it is tasked with balancing the budget as opposed to dealing with a severe budgetary shortfall as the General Fund departments are experiencing, which puts less pressure on the Rent Board in making decisions on how to have and fund its programs. She said that the department is mindful about spending and only operating with what it actually needs. She explained that the department submits a two-year budget every year and mid-year budgetary needs could shift. Director Varner said that the department has a generalized sense for the year after projecting its needs, but it may change, for example when the Controller determines what the annual fee should be based on departmental needs or if the department has new contracting or technology needs. Director Varner discussed changes in the proposed organizational structure, which remained virtually the same for the past two years except that the 1844 Senior Management Assistant position has been converted to a permanent position instead of remaining a temporary position. She said that revenue for the department includes the Rent Board fee, and small amounts from duplication services and owner move-in-related administrative penalties. For the past four years, the department has charged a fee of \$59 per dwelling unit and \$29.50 per single-room-occupancy (SRO) unit. She said that this fee is calculated by the Controller's Office gathering the total number of units that has been assessed the fee in past years and determining whether the current amount or an increased fee amount will be adequate to support the program. She said that based on the department's needs, it is believed that the fee will remain at \$59 again for the next fiscal year and perhaps increase to

\$61 the following year, but this could change before February 10. She said that Fiscal Year (FY) 2027 projections show approximately 227,000 units that will be billed together with about 12,500 SRO guest units, which are billed at half the regular dwelling unit fee. Director Varner said that the department has successfully collected over 95% of the 2025 fee, and allowing for a 95% fee collection rate, together with the department's other smaller revenue sources, the department projects approximately \$12.9M in revenue in FY 2027, and \$13M in FY 2028. She said that in FY 2027, the department also anticipates using approximately \$1.5M in fund balance. Director Varner said that the Rent Board's expenditures are comprised of salaries, mandatory fringe benefits, non-personnel services, overhead and allocations, materials and supplies, and work orders with other departments. She said that the largest of the expenditures is salary and fringe, numbers that increase annually and sometimes biannually due to COLAs, step increases, increases in health care costs, and other negotiated increases. She explained that the vast majority of the department's budget goes to pay labor costs, almost 80%. Secondly, the work orders with other departments go to paying for the services of including but not limited to ReproMail, SF311, the Department of Technology, the City Attorney's Office, the Department of Human Resources, and the City Administrator's office for rent to the Department of Real Estate, accounting services, and the Office of Contract Administration. She said that the department has worked to clarify and reduce some of these work orders based on billing trends over the past six years. With regard to other costs, Director Varner said that the department will see a small increase in software licensing costs, as well as ordinary business machine costs, interpreter costs, advertising, and small amounts allocated for materials and supplies. She said that the presentation includes a comparison summary of the proposed budget figures for the next two years. She pointed out that there were variances where the budget decreases slightly next year, but then it increases the following year. Director Varner said that the department will be spending down fund balance that has been accumulating largely due to position vacancies from one to two years ago. She said that the department has higher work order costs, especially for those that have full-time employee allocations attached to them, which are the City Administrator's Office, 311, and Treasurer and Tax Collector. She said that the suite rent will also increase as it is adding a little bit more for its support from the City's digital services team. She said that the department will see a reduction in salary and fringe costs due to a position changing from temporary to permanent as previously mentioned, and decreased costs in materials and supplies and non-personnel services due to completion of the office move, which included furniture, equipment and moving services. She said that the Rent Board modernization systems project is also kicking off this month, which provides a more accurate lower cost estimation based on contract negotiations that occurred this past year. She said that following FY 2028, the department will be working to spend down the fund balance that has been accumulating largely due to position vacancies, as well as higher work order costs, increase in suite rent, increase in salaries and fringe costs due to COLAs, a reduction in costs due to systems, and the department will maintain the same materials and services costs in FY 2027. She told the Commissioners that in advance of the February meeting, she would provide them with a memo and accompanying numbers.

XI. Calendar Items

February 10, 2026 – regular in-person meeting at 25 Van Ness Avenue, Room 610.

Reader of the Ramaytush Ohlone Land Acknowledgement – Commissioner Crow.

A. Consideration of Appeals

- a. 4 appeal considerations

B. Old Business

- a. SB 330/Tenant Protection Ordinance Implementation
- b. Public Budget Meeting 2: Fiscal Years 2026-2027 and 2027-2028 Departmental Budget

C. New Business

- a. Board Officer Elections pursuant to Rent Board Rules and Regulations Section 2.10 Election Officers

XII. Adjournment

President Gruber adjourned the meeting at 7:44 p.m.