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, May 13, 2025 at 6:00 p.m. 25 Van Ness Avenue, Room 70 San Francisco, CA 94102

Call to Order

President Gruber called the meeting to order at 6:03 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

Commissioner Crow read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Crow; Gruber; Klein; Haley; Hung; Mosbrucker; Qian;

Tom; Wasserman.

Commissioners Arriving Late: Hung, 6:05 p.m.

Staff Present: Katayama; Koomas; Rosales; Texidor; Van Spronsen;

Varner.

IV. Remarks from the Public

A. Jon King, the tenant at 387 – 30th Street (AL250023), asked the Board to deny and dismiss the landlord's appeal in order to protect and uphold tenants' rights. He said that the landlord has lost the case twice, once in a decreased housing services case and then for a capital improvement passthrough. He said that the appeal adds no new

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evidence. He said that since the landlord has admitted to denial of substantial housing services and breach of contract, this case is an example of an overreaching landlord whose calculated actions are aided by a professional capital improvement passthrough services firm.

- B. Kim Boyd Bermingham, non-attorney representative for the landlord at 387 30th Street (AL250023), said that she wanted to discuss her experience with how Rules and Regulations Section 7.10(e)(6) has been applied. She said that her understanding was that under a previous Senior Administrative Law Judge, the regulation only applied when an owner has done nothing or very little to abate a notice of violation. She said that in this case it was clearly documented that the landlord made multiple attempts to remain in contact with the Department of Building and Inspection (DBI), and the project was more complicated than anticipated as it required three different contractors who experienced unforeseeable delays and as such the regulation should not apply. She said that she refuses to represent cases where the landlord did not show good faith, but here she thought that the landlord had shown good faith and the circumstances did not warrant a denial of his petition.
- C. Alessio Pavone, the owner at 387 30th Street (AL250023), said that it took a while for him to find a contractor who could perform the work. He said that in February 2022 he finally found a contractor that would install two electrical heating units. He said that on March 23, 2022, he met with a plumbing inspector to review the location of the indoor and outdoor heating units and asked him if he needed to get a permit for their draining system, and the inspector replied that he did not and that he could use an existing drain. He said that on April 26, 2022, the HVAC contractor received approval from DBI to install the units.

V. Approval of the Minutes

MSC: To approve the minutes of April 8, 2025. (Wasserman/Qian: 6-0; Hung, Klein, Mosbrucker abstaining)

VI. Consideration of Appeals

A. 3431 – 19th Street, Unit 1

AT250025

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.

MSC: To continue consideration of the appeal to the June 10, 2025 board meeting. (Wasserman/Qian: 5-0)

B. 339 Lyon Street, Unit 3

AL250024

The master tenant filed her appeal one day late because she did not know that filing the appeal after 5:00 p.m. would be considered received the next business day.

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

The master tenant untimely appeals the decision granting the subtenant's claim for disproportionate rent payment under Rules and Regulations Section 6.15C(3). In the decision, the ALJ found that the subtenant met his burden of proving that he paid more than a proportional share of the rent and the master tenant was liable to the subtenant for \$23,678.16 in rent overpayments. In the appeal, the master tenant argues that the doctrine of laches bars the subtenant's claim, the fixed-term lease expired on December 18, 2018 and any rent payments received after that date should not be included in the proportionality analysis under the Rent Ordinance, that the ALJ improperly expanded the subtenant's rights by not recognizing that it was a fixed-term subtenancy, and that the decision failed to consider the emotional abuse and psychological impact of the subtenant's conduct.

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

C. 387 – 30th Street AL250023

The landlord appeals the decision denying their petition for a capital improvement passthrough. In the decision, the ALJ denied certification of the cost for replacement of gas heaters because the landlord failed to meet his burden of proving that he made timely good faith efforts to correct a code violation within 90 days of it being issued. In the appeal, the landlord argues that he diligently worked to correct the code violation within 90 days but the project required more than 90 days to complete as three different contractors were needed to perform the work, materials had to be reordered, and one of the contractors was unavailable for a couple of weeks due to the birth of a child, all of which was out of his control.

MSC: To accept the appeal and remand the case to the Administrative Law Judge to consider additional arguments and evidence and offer an opinion on the basis of their decision, with a new hearing to be held only if necessary. (Mosbrucker/Qian: 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 article from the San Francisco Chronicle and San Francisco Examiner.
- B. Departmental workload statistics for February 2025 and March 2025.

VIII. <u>Director's Report</u>

Executive Director Christina Varner introduced the Board to a new staff member, Senior Clerk Jessi Rosales. She said that Jessi was hired from SFUSD to replace a Senior Clerk in the department's Clerical unit who moved on to another City department. Director Varner told the Board that President Gruber requested that she provide an update regarding the number of units fully or partially subject to the Rent Ordinance, and said that as of Mar 13, 2025, there are 217,560 dwelling units and 12,279 Single Room Occupancy residential hotel SRO units either fully under rent control or at least subject to the Just Cause provisions of the Rent Ordinance. With regard to the Rent Board Fee, Director Varner said that the department is just shy of \$11.3M collected, which is just over 85% of its collection target. She said that owners may still pay the fee, but as of May 1, they will incur a 15% penalty and will have until 5:00PM on June 1 to pay in person and 11:59PM on June 1 to pay online. Director Varner said that in mid to late June, delinguency notices will be sent out to owners with unpaid obligations, allowing owners 30 days to pay before the referral is made to collections. Director Varner told the Board that regarding the Housing Inventory, 8,000 more licenses have been generated in 2025 with several more months left to the 2025 reporting cycle. She said that reports into the Housing Inventory now total 116,667 reports for over 21,182 parcels and that 102,647 licenses have been issued. Director Varner told the Commissioners that for the month of May the Rent Board is conducting outreach of a different type. She said that over the past 3 years, the department has been conducting both Housing Inventory and general housing-related outreach to both tenants and landlords, and that in implementing the Housing Inventory, the department initially focused on creating systems, forms, and procedures that would accurately serve and support owners' compliance with the requirements. She said that later the department created the ability for tenants to make housing inventory reports but have found this option has not been heavily used. Director Varner told the Board that in order for the department to properly carry out its duties under the Ordinance, the department needed to disseminate information to both the landlord and tenant communities. She explained how the Rent Board gathered information from rent stabilization jurisdictions around the state about how tenants were notified regarding certain programs, such as rent registries. She went on to say that the Rent Board identified properties of 10 units or more where Housing Inventory reports had not been made, and explained that the department had undertaken to send out a simple informational notice to tenants regarding their rights under the Ordinance. She explained that within the next week, tenants in properties of 10 units or more where there was no indication a Housing Inventory report had been made would be receiving an informational notice. Director Varner said that in June the department will appear at the HomeSF housing resource fair. With regard to legislation, Director Varner said that Assembly Bill 1157, sponsored by San Jose Assemblymember Ash Kalra, proposed to have lowered the rent cap applicable to non-rentcontrolled units under the California Tenant Protection Act from 5-10%, to 2-5%, depending on inflation. She said that the bill would also have removed the exemption for single-family homes and condominiums, and deleted the 2030 sunset date, making the law permanent. However, she said, the bill was set for hearing on April 24, 2025 before a state assembly subcommittee but was withdrawn by the author on April 29, after a debate in the Assembly Housing Committee, and that the Assemblymember will reintroduce a new version of the bill next year. Director Varner said that State Senator Aisha Wahab representing Hayward, San Jose and

other South Bay cities, introduced state Senate Bill 436, which would extend the notice period for non-payment of rent from 3 days to 14 days. She said that the bill initially would have allowed tenants to cure the nonpayment at any point during an Unlawful Detainer action, up until the Sheriff's eviction, but was amended this month to instead simply extend the notice period instead and is currently on the Senate Floor. Director Varner said that Board of Supervisors (BOS) File Number 240803 introduced by Supervisor Melgar is still at Land Use and among other changes to the Planning Code, this 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. She 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, 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. Director Varner 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, was heard at Land Use last Monday, and "continued to the call of the chair."

IX. Old Business

A. Rent Board Commission Vacancy and Appointment of Commission Members

Director Varner provided some follow-up and new information regarding this item. She told the Board that the week prior, the Mayor's Office reached out to staff and informed them that a prospective new tenant alternate commissioner has been identified. She said that the Mayor's Office wanted to give the department and seated commissioners the opportunity to meet with the candidate prior to appointment to determine suitability for the position. She told the Board that she had discussed the matter with both President Gruber and Commissioner Mosbrucker and that she had received permission from both of them to not prepare a written statement as requested by Commissioner Crow in the April board meeting, but rather to prepare an oral report back as to the status of the vacancy. Director Varner said that at this time, Commissioner Mosbrucker, Deputy Director Texidor and herself would be scheduling a meeting with the candidate and that there may be a possibility that a second candidate has indicated interest in the position. She said that the department will wait to see if the second candidate shows interest and then they will meet with them as well. She told the Commissioners that this is quite a different appointment process than in her previous years as the Board Secretary, and that the department is excited to learn about the candidates prior to the appointment and see who has the motivation and curiosity to be appointed to the board. She said that the department is hoping that the new appointee will finish out former Commissioner Sawney's term and continue on for a new term, as it takes time to get up to speed on board duties and the Rent Board's law.

X. New Business

There was no New Business.

XI. <u>Calendar Items</u>

June 10, 2025 – regular in-person meeting at 25 Van Ness Ave, Room 610.

Reader of the Ramaytush Ohlone Land Acknowledgement – President Gruber.

A. Consideration of Appeals

a. 5 appeal considerations

XII. Adjournment

President Gruber adjourned the meeting at 7:07 p.m.