



Edwin M. Lee
Mayor

Delene Wolf
Executive Director

DAVID GRUBER
PRESIDENT

BROOKS BEARD
DAVE CROW
SHOBA DANDILLAYA
DEBORAH HENDERSON
JIM HURLEY
POLLY MARSHALL
CATHY MOSBRUCKER
NEVEO MOSSER
BARTHOLOMEW MURPHY

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

Tuesday, January 31, 2012
at 6:00 p.m.
25 Van Ness Avenue, Suite 70, Lower Level

I. Call to Order

President Gruber called the meeting to order at 6:04 p.m.

II. Roll Call

Commissioners Present: Crow; Dandillaya; Gruber; Henderson; Hurley;
Marshall; Mosbrucker.
Commissioners not Present: Beard.
Staff Present: Gartzman; Lee; Wolf.

Commissioner Mosser appeared on the record at 6:07 p.m.; Commissioner Murphy arrived at the meeting at 6:17 p.m.

III. Approval of the Minutes

MSC: To approve the Minutes of December 13, 2011.
(Mosbrucker/Hurley: 5-0)

IV. Remarks from the Public

1. Gerald Borjas, the tenant at 3380 – 21st St. #3 (AL110125), told the Board that he agrees with the Decision and Administrative Law Judge (ALJ) Berg's Memo. Mr. Borjas believes that he is protected under Costa-Hawkins.

2. Landlord Themis Drolapas of 3380 – 21st St. said that the tenant's mother moved out, and the tenant took possession of the unit with roommates. The landlord told the Board that Mr. Borjas was not an original tenant, and that he gave his rent payment to his mother. Mr. Drolapas said that the tenant claimed to have only one roommate, but he actually had two or three.

V. Consideration of Appeals

A. 789 Carolina #9

AT120002

The tenant's appeal was filed approximately 1 month late because the tenant did not receive the Decision of the Administrative Law Judge (ALJ) in the mail.

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

The landlord's petition for rent increases based on increased operating expenses to the tenants in 9 units was granted. The tenant in 1 unit appeals the decision on the grounds of financial hardship.

MSC: To accept the appeal and remand the case to the Administrative Law Judge for a hearing on the tenant's claim of financial hardship.
(Marshall/Mosbrucker: 5-0)

B. 930 Pacific #4

AT120004

The tenants' appeal was filed 2 weeks late because the tenant assumed that the Rent Board would mail her the appeal form automatically, instead of her requesting it.

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

The tenants' appeal of a water revenue bond passthrough on the grounds of financial hardship was dismissed due to their failure to appear at the properly noticed hearing. The tenants appeal, explaining that their childcare arrangements fell through at the last minute, so they were unable to attend.

MSC: To accept the appeal and remand the case for a new hearing; should the tenants again fail to appear, absent extraordinary circumstances, no further hearings will be scheduled. (Gruber/Mosbrucker: 5-0)

C. 1245 Hayes #6

AT120004 & -05

The landlords' petitions for certification of capital improvement costs were approved pursuant to Minute Orders issued in 2005 and 2011. The tenant in 1 unit appeals the Minute Orders on the grounds of financial hardship.

MSC: To accept the appeals and remand the cases for a hearing on the tenant's claims of financial hardship. (Mosbrucker/Marshall: 5-0)

D. 735 Taylor #303

AT120001

The tenant's petition alleging decreased housing services was denied because the ALJ found that the tenant had not suffered the loss of quiet enjoyment of his unit due to the landlord's inspections and requests for entry into his unit. The tenant appeals, claiming that: the landlord's entry into his unit in August of 2011 was unjustified; there was no electrical emergency, as the problem had been going on for years; and the landlord lied by saying that the police were present during the inspection.

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

E. 3122 – 22nd St.

AL110112

The subtenant's petition alleging that he paid more for rent than the Master Tenant was paying the landlord was granted and the Master Tenant was found liable to the subtenant in the amount of \$1,328.88. On appeal, the Master Tenant claims that the ALJ erred as to the value of the storage space and furnishings.

MSC: To deny the appeal. (Murphy/Mosbrucker: 5-0)

F. 357 – 26th Ave.

AL110113

The tenant filed a petition seeking to determine whether the subject unit is subject to the Rent Ordinance or is exempt as new construction. Although a Permit of Occupancy was issued on July 9, 1980, a Certificate of Final Completion and Occupancy was issued on June 4, 1979. The ALJ therefore found that the building is subject to Rent Board jurisdiction. On appeal, the landlord argues that: this is a Class H building, which requires a Permit of Occupancy, which was issued after the effective date of the Ordinance; and the Certificate of Final Completion and Occupancy is not dispositive in this case, because it just signifies that construction was completed, and not that the building can be occupied.

MSC: To deny the appeal. (Mosbrucker/Marshall: 5-0)

G. 3380 – 21st St. #4

AL110125

The landlord's petition seeking a determination pursuant to Rules Section 1.21 and Costa-Hawkins was consolidated with the tenant's petition alleging an unlawful rent increase from \$1,171.32 to \$2,000.00 per month. The ALJ found that the rent increase was not warranted because, although the original tenants no longer permanently reside at the subject unit, their son is an original occupant who has lived in the unit continuously since 1995. On appeal, the landlord argues that a minor cannot be an original occupant of a unit because Costa-Hawkins defines "tenancy" as including the lawful occupation of property and includes a lease or sublease, which a minor cannot enter into.

MSC: To deny the appeal. (Mosbrucker/Marshall: 3-2; Gruber, Hurley dissenting)

H. 4056 – 26th St.

AL120003

The landlord's appeal was filed 1 day late because mail delivery was delayed during the holidays.

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

The landlord's petition seeking certification of capital improvement costs to 1 of 2 units was denied. On appeal, the landlord argues that: the lead-based paint hazard was remediated within 90 days of the problem having been cited, so the deferred maintenance defense should not apply; and the interior paint was of high quality, which could last for 25 years.

MSC: To deny the appeal. (Marshall/Mosbrucker: 4-1; Murphy dissenting)

VI. Old Business

A. Eviction Notices and Third Party Water, Sewer and Garbage Billings to Tenants at Parkmerced

Prior to public comment, Commissioner Murphy stated his opinion that Commissioner Marshall should not be acting in an adjudicatory capacity regarding this issue since she had advocated against the recently approved Development Agreement regarding this property, which he characterized as a "conflict of interest." Commissioner Marshall responded that she had been contacted by the Parkmerced tenants, but was not a paid advocate nor a litigant, and that she would not step down. Commissioner Marshall added that she felt that being an advocate for the Parkmerced tenants was "part of her job."

IV. Remarks from the Public (cont.)

3. Sara Shortt of the Housing Rights Committee told the Board that this issue arose when tenants came to her organization with eviction notices for alleged unpaid utility charges. Ms. Shortt assured the Board that she realized that any connection to the Development Agreement was not within their purview, but that "some things are." Ms. Shortt said that the utility charges fluctuate and are "funky;" she believes that the methodology being used is unclear as to fairness; and that the fact that the tenants are also being assessed a surcharge is "fishy."

4. Dean Preston of Tenants Together asked that the Commissioners set aside the "partisan divide" and look at the "alarming trend" of greatly increased eviction notices. Mr. Preston said that Stellar Management is well known for "pretextual evictions" and wondered whether these were designed to prevent tenants from exercising their rights to a new unit under the Development Agreement.

5. Cary Gold, the Managing Attorney for the Voluntary Legal Services Program, told the Board that she oversees evictions that go to court and that there were two in the last month that went to Settlement Conference. Ms. Gold said that the tenants were unable to pay the back utilities since they didn't get regular bills from the third party vendor. Ms. Gold

also said that the bills seemed higher than normal and expressed her opinion that increases in these charges constitute unlawful rent increases.

6. Tenant Lynn Hambolu thanked the Board for the reasonable accommodation they provided her. She told the Board that her eviction case is going through the courts because Parkmerced denied her a repayment plan and sent her rent back. Ms. Hambolu believes that the City has an obligation to look into this; that the “rights of the 99% have been violated;” and that “the landlord wants poor and working class tenants out of there.”

7. Tenant Helanie Ting received a 3-Day Notice from the landlord but has receipts to prove that she paid her rent. Ms. Ting had to take out a loan with interest to cover the alleged arrearages. Eventually, senior management at the Housing Authority intervened to make the landlord admit that she didn’t owe anything.

8. Carey Gold spoke again at the request of Commissioner Marshall and with the consent of the Board members. Ms. Gold said that there was fear and misunderstanding on the tenants’ part regarding how to proceed. Once there was media attention, Parkmerced made a “savvy” decision to just go forward with non-payment of rent cases, but then required those tenants to pay the back unknown utility charges. Ms. Gold said that the Section 8 tenants were the hardest hit, as they were paying close to 40% of their income towards rent: it becomes a “struggle to stay in place” and people moved out.

VI. Old Business (cont.)

A. Parkmerced (cont.)

Commissioner Marshall opened the discussion by asking, rhetorically, what the Board’s role is in this issue. She said that the Office of the City Attorney is already investigating whether this constitutes an unfair business practice. She also said that she didn’t want to call for a “divisive vote” and that a tenant or tenants need to file a petition and have this issue come before the Board upon appeal. Commissioner Murphy maintained that 2 Unlawful Detainers out of 193 notices constitutes a “paper tiger.”

B. Consideration of Possible Further Amendments to Rules and Regulations Section 12.20, as Revised on December 13, 2011, Regarding Unilaterally Imposed Obligations and Covenants of a Tenancy, Including Adding an Exception for Changes Required by Law

At their meeting on December 13, 2011, after a Public Hearing, the Board adopted an amendment to Rules and Regulations Section 12.20 that provided that a tenant could not be evicted for violation of a unilaterally imposed change in the terms of a tenancy unless the tenant accepted the newly imposed term in writing or the newly imposed term is authorized by the Rent Ordinance. At that time, the Commissioners agreed that they would re-visit necessary carve-outs for health and safety at this evening’s meeting.

IV. Remarks from the Public (cont.)

9. Tenant Mary Ann Duke told the Board that she is against any further amendments to §12.20 because her landlord tries to “re-write the rules” and doesn’t care if it’s illegal.

10. Mara Mack translated for tenant Henry Pan, who said that immigrant Chinese families would be put at risk if the Board “kills 12.20.” Mr. Pan said that altering 12.20 would alter the fundamental power relationship of rent control and that “leases would be meaningless.” Mr. Pan feels that this is a particularly dangerous time as the America’s Cup is coming, which will be “the dot com invasion all over again.” Mr. Pan said that his landlady took away his washing machine because he asked for repairs and that he wouldn’t have rented the apartment without laundry facilities.

11. Tenant Nicole Rivera said that one month after the Marino article appeared in the S.F. Apartment Magazine, she was given nine pages of new house rules. Ms. Rivera told the Board that her landlord tried to evict her without Just Cause and that “tenants need to be protected from a story like hers.”

12. Wing Ho of the Community Tenants Benevolent Association told the Board that the proposed change would disproportionately affect low-income tenants, who wouldn’t understand, which would provide landlords with opportunities to evict.

13. A tenant told the Board that a lease is an agreement between an owner and his or her tenants and that allowing a landlord to change the lease without the tenant’s input is unfair; bad landlords can use such changes to evict tenants.

14. Michelle Horneff-Cohen, President of the Professional Property Management Association of San Francisco, spoke in favor of an amendment offered by members of the landlord community. Ms. Horneff-Cohen said that the December 13th amendment to Rules §12.20 imposes an undue burden on landlords by limiting eviction for violation of a covenant in the lease to obligations included in the rental agreement at the inception of the tenancy. Ms. Horneff-Cohen pointed out that this does not allow for changes that may be required by law or to protect the health, safety and quiet enjoyment of other occupants in the building.

15. Paige Kuhn of Causa Justa spoke in support of the recent amendment. Ms. Kuhn agreed that cigarette smoke is a health risk, but said that landlords don’t always have their tenants’ health in mind. Rather, Ms. Kuhn maintained that the “profit motive” is behind landlords trying to expand their opportunities to evict tenants. Ms. Kuhn postulated that if landlords were concerned about health and safety, their units would be up to code and tenants would not be served with eviction notices after asking for repairs.

16. Landlord Jim Hirsch said that landlords need to have the flexibility to change House Rules. Mr. Hirsch told the Board that most agreements are verbal and in the nature of “gentleman’s agreements.” Mr. Hirsch said that most landlords are not interested in taking privileges away from tenants but that situations that a landlord can’t contemplate come up all the time. Mr. Hirsch concluded by calling this “an invitation to chaos.”

17. Landlord Marina Franco said that she owns rental property in Burlingame and her tenants on the peninsula have to follow State law. She asked why this shouldn't be the case in San Francisco as well. Ms. Franco asked that the Board consider the landlord community's proposal and allow landlords to bring their House Rules into compliance with applicable law.

18. Peter Reitz, President of the Small Property Owners of San Francisco, inquired as to whether the Board was just considering adding a "required by law" exception, or reopening the whole issue. Mr. Reitz said that the Board should allow property owners to protect good tenants, or they won't be able to do anything about the "small nuisances," such as barbecues in the hallway.

19. Tenant Margaret Foster said that she lived in her unit with two different landlords for forty-three years, and the terms of her tenancy remained the same. Now, Ms. Foster has a new landlord who has issued seven pages of new House Rules that are materially different and take away existing rights. Ms. Foster's landlord has been un-responsive and she fears that the new Rules will be used to evict her. Ms. Foster supports any amendment that strengthens 12.20.

20. Landlord David Fix asked the Board to adopt an amendment that would allow a landlord to abide by State and local law, and said such an amendment shouldn't be controversial.

21. Renee Curran, who is a counselor at the Tenants' Union, said that landlords are being disingenuous because they can evict problem tenants for creating a nuisance. Mr. Curran said that at the Tenants' Union they are seeing unjust changes, such as the revocation of the right to have a pet.

22. Susan Weisberg, also a counselor at the Tenants' Union, said that these changes affect people's homes and are not just "rules." Ms. Weisberg said that a tenant came in with a notice taking away their garage and the right to have a roommate. Ms. Weisberg feels that the landlords' proposed changes don't protect tenants, but are ways to get rid of low rent paying, long-term tenants. Ms. Weisberg opposes any change that "weakens the right to stable housing."

23. Tenant Bryan Chandler said that his House Rules were changed after twenty years because his landlord was selling the house. Mr. Chandler was told that if he didn't agree with the new rules, his tenancy was terminated. The changes included: no pets, although his neighbor has had a dog for five years; no back yard use; no motorcycle parking in front of the building; and no guests for over seven days. Mr. Chandler believes that there was only one reason for the changes, which was to get him out of his home.

24. Tenant Courtney Green told the Commissioners they have a tough job. Ms. Green was informed by her landlord that she could no longer use the washer and dryer, and that they wanted the parking spot for themselves. Ms. Green said that she supports 12.20 and told the Board to "keep protecting tenants."

25. Charlie Frederick of the Mission SRO Collaborative said that tenants want the right to know if a unit's smoke-free, but that smoking's the "no pet policy of the '90's." Mr. Frederick told the Board that San Francisco residents "organize and know their rights and won't submit to unilateral changes."

26. Landlord Sam Roake supports any amendments that let landlords comply with the law. Mr. Roake has had to amend his rental agreement; otherwise, other tenants can be inconvenienced or endangered.

27. Tommi Avicolti-Mecca of the Housing Rights Committee opposes any changes to 12.20 that weaken it. Mr. Avicolti-Mecca said that no tenant has ever complained that their landlord is forcing them to recycle. Rather, Mr. Avicolti-Mecca said that unilateral changes are usually imposed by a new landlord to long-term tenants paying below market rent. If following governmental regulations is the landlord's concern, he suggests that they remedy defective conditions.

28. Staff Attorney Matt Mac Farland of the Tenderloin Housing Clinic said that the Clinic supported the original amendments to 12.20 but oppose a "required by law" exception. Mr. Mac Farland said that they are seeing numerous low-rent paying tenants receiving unilateral changes in the terms of their tenancies and being faced with the "brow-beating threat of eviction." He told the Board that there is a place for §827 changes, which the Clinic uses to make the administrative process run more smoothly. However, they are not seeing changes for health and safety reasons but, rather, abuses "that are really happening."

29. Tenant Berta Peres said that her landlord is not respecting their contract. Ms. Peres prevailed in a rent increase case and the landlord subsequently took away the garage and required that the tenants move their belongings due to alleged pests, among other changes. Ms. Peres found out her rights and got them to stop, but said her family life had been adversely affected by all the new rules. Ms. Peres told the Board that "I support you in supporting us."

30. An attorney for the Homeless Advocacy Project said there were long-standing arrangements with the prior owner but the new owner is attempting to evict for violation of newly imposed rules. The attorney addressed landlords' concerns regarding nuisance cases by saying that there are tools to address problem tenants.

31. Tenant Robin Ryan said that she works for her landlady, who gave her four days' notice to move all of her furniture out of the unit so she could paint, and then moved her own furniture into the tenant's wash room. Ms. Ryan said that she was able to negotiate these issues because of 12.20, and asked that there be no changes to the regulation.

32. Ted Gullickson of the Tenants' Union said that evictions due to violations of unilateral changes in the terms of tenancies always involve long-term tenants, and never new tenants. Mr. Gullickson reminded the Board of the genesis of the regulation: in 1997, there was a wave of evictions due to unilateral changes in terms, including an elderly

couple who were being evicted due to the presence of a goldfish in the unit. Mr. Gullickson said that his preference would be for there to be no further changes to §12.20, but he could “live with” the staff recommendation and thought it would do no harm.

33. Attorney Tom Drohan of Legal Assistance to the Elderly said he was the lawyer who “screwed up” the Marino case. Mr. Drohan said that everything was fine until his client got a new landlord who prohibited subletting. The court agreed with the landlord that his client had violated the rental agreement and found that his remaining in the unit equaled acquiescence to the changed terms. Therefore, Mr. Drohan told the Board, the requirement in the amended regulation that the tenant agree to the changes in writing is key; the Los Angeles Ordinance also has this requirement. Mr. Drohan maintained that “landlords have a remedy for bad tenants but tenants don’t have a remedy for bad landlords,” and that all of the situations described by the landlords in attendance constituted nuisances for which the landlord could evict

34. Lorraine Calcagni said that she is a friend of the tenant in the Marino case, who is a famous Flamenco dancer. Ms. Calcagni told the Board that the new landlord had tried to evict him for three years, and finally got him out with new House Rules. She said that the tenant is now living in a 10 x 10 foot hotel room with a stranger, and that he has aged terribly.

35. Landlord Robert Link spoke in support of the landlord community’s proposal, which he said is not a “re-write” but, rather, a “modification” that allows for compliance with Federal, State and local law.

36. Janan New, Executive Director of the S.F. Apartment Association, also asked that the Board enact amendments that would allow for changes to State, local and Federal law. She also asked that there be a “safe harbor” for litigation in that landlords shouldn’t be held liable if they cannot stop tenants from smoking in their buildings.

37. Sara Shortt of the Housing Rights Committee said that the effects of the landlords’ proposal were being “underplayed.” Ms. Shortt maintained that 12.20 doesn’t stop the imposition of House Rules, but just requires that tenants have to sign off, which they would do if reasonable. Ms. Shortt said that 12.20 serves to protect tenants who have outrageous landlords, who are trying to effect an “end run” around the Just Cause provisions of the Rent Ordinance. Ms. Shortt suggested that it is disingenuous to do this before the Commission, rather than the Board of Supervisors.

38. Tenants’ Union counselor Bobby Coleman said that he agreed with the analysis Commissioner Crow put forward in a letter to the Board. Mr. Coleman told the Board that reconciling the regulations with State law is not a “slam dunk,” and he was surprised to see how far the landlord community pushed. Mr. Coleman asked that the Board “do no further damage to tenants.”

39. Mr. Garcia of Causa Justa said that landlords are just looking for an excuse to get rid of tenants. Mr. Garcia’s landlord is accusing him of denying access to his unit and being

rude to the landlord's workers. Mr. Garcia also uses incense in his unit as part of his Native American religion and asked that the Board not change the amendment.

40. Michael Barron said the issue boils down to one of contract law: one party can't make changes to a lease without it being a breach. Mr. Barron said that the Board is "setting yourself up for lawsuits."

41. Dean Preston of Tenants Together said that unilateral changes defeat the purposes of rent control and that the decision in the Marino case was "outrageous and poorly reasoned." Mr. Preston told the Board that, when they passed SB 332, the State legislature preserved tenant protections everywhere except San Francisco. Mr. Preston believes that the staff proposal is "probably not necessary but probably won't hurt," whereas the landlord proposal is a "massive loophole." Mr. Preston also said that the Action Apartments case has provided an incentive for unscrupulous landlords to take advantage of tenants with no consequences.

42. Tenant Alex Kaufman said that there are always evil people in the world, and that laws exist to protect both sides: it is the folks in the middle, good landlords and tenants, who wind up suffering. Mr. Kaufman told the Board that the law shouldn't detract from anyone's livability. Mr. Kaufman believes that landlords need to enforce rules as time passes and that it is not fair for someone to develop lung cancer because someone else is smoking in their unit. Mr. Kaufman asked that the Board "protect the general public, and not one person."

43. Tenant Gina Hollis said that tenants didn't have problems with House Rules until the 90's and that owners need to spend money for good building managers. Ms. Hollis also postulated that "most rules changes are takeaways" which make the building less livable.

44. Attorney Depo Varma of the Eviction Defense Collaborative said that they started seeing these problems shortly after the Marino decision. Mr. Varma believes it legally makes no sense to modify a contract without input from the other side, and that there is an imbalance of power in these relationships.

45. Tenants' Union counselor Leila Stanley said that almost every volunteer shift someone comes in with unilateral changes in the terms of their tenancy. Ms. Stanley admitted that sometimes tenants are in the wrong but these situations never involve complaints against the tenant – they are "out of the blue." Ms. Stanley believes that these are thinly veiled eviction attempts and that "contracts are entered into freely." Ms. Stanley said that landlords' Just Cause eviction remedies remain, and asked that the Board not weaken 12.20.

46. Tenants' Union counselor Eihway Su confirmed what Leila Stanley had to say. In San Francisco, parking and storage can't be replaced and very tight spaces can be made unlivable. Mr. Su postulated that weakening 12.20 would make harassment easier: "another way to get rid of your tenant." Mr. Su emphasized the importance of diversity in San Francisco and told the Board they need to "help those who have less."

47. Lucia Kimble of Causa Justa asked that the Board leave the amendment as is. Ms. Kimble said that the issue is not the health of tenants, but the power to evict tenants, and that the consequences are “dire.” Ms. Kimble suggested that the landlords approach the Board of Supervisors.

48. Landlord Craig Berendt said that landlords are concerned with the health, safety and security of their buildings and that leasing agents want to keep tenants. Mr. Berendt was concerned that smoking tenants can affect the health of others.

49. Tenant Michael Wall said that Civil Code §827 constitutes “mischief” and undermines the Rent Ordinance. Mr. Wall believes that Rules §12.20 imposed restraints on wrongful evictions, although the recent Marino decision “put 12.20 out of existence.” Mr. Wall disagreed with the court’s finding that staying in the unit and continuing to pay rent constitutes consent to changed terms.

50. Tenant Craig Epstein said that there is no State law against subletting, but there is against smoking. Mr. Epstein contended that this is equivalent to the “stone ages,” and that “landlords should at least have that right.”

51. Tenant Lupe Aureola told the Board that she has a “great landlord” because they have clear expectations of the other, and both expect the other not to change terms without negotiation. Ms. Aureola said “we all live under contracts” and no one would want to discover the other party had changed their agreement. Ms. Aureola asked the Board to “respect the terms we signed on to.”

52. Tenant Attorney Wallace Oman depicted the “extreme ends of the housing industry: small mom and pops vs. predatory landlords.” Mr. Oman said there are problems at each end. Mr. Oman told the landlords in attendance to be reassured that tenants who mis-behave can be evicted without too much difficulty, unless the landlord attorney “screws up.” It is not as easy as for non-payment, but bad tenants can be evicted.

53. Landlord Robin Altman asked that the Board be reasonable and pass a further amendment to enable landlords to change the terms of a tenancy if the law requires it.

54. Keith, a counselor at the Tenants’ Union, said that he supports the Senior Staff proposal and opposes the draft put forward by the “real estate speculator industry.” Keith maintained that the landlords’ proposal was “absurdly and greedily over-broad” and “the basis for a cause of action.” He reminded the Board that 12.20 has already been weakened by the Marino decision and asked them to “act responsibly.”

VI. Old Business (cont.)

B. Rules and Regulations Section 12.20 (cont.)

After the public comment, the Board passed the following motion:

MSC: To adopt the additional amendment to newly amended Rules and Regulations §12.20 put forward by Senior Staff, effective February 1, 2012. (Mosbrucker/Murphy: 5-0)

Amended Section 12.20 of the Rules and Regulations now reads as follows (new language underlined):

Notwithstanding any change in the terms of a tenancy pursuant to Civil Code Section 827, a tenant may not be evicted for violation of a covenant or obligation that was not included in the tenant's rental agreement at the inception of the tenancy unless: (1) the change in the terms of the tenancy is authorized by the Rent Ordinance or required by federal, state or local law; or (2) the change in the terms of the tenancy was accepted in writing by the tenant after receipt of written notice from the landlord that the tenant need not accept such new term as part of the rental agreement. The landlord's inability to evict a tenant under this Section for violation of a unilaterally imposed change in the terms of a tenancy shall not constitute a decrease in housing service under the Rent Ordinance as to any other tenant.

VII. Communications

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

- A. The office workload statistics for the months of November and December, 2011.
- B. Letters and proposals concerning proposed amendments to Rules and Regulations §12.20.
- C. Articles from the S.F. Examiner, the Wall Street Journal, the S.F. Bay Guardian, and BeyondChron.
- D. The Rules and Regulations, as amended on December 13, 2011.
- E. 2011/2012 Form 700 Statement of Economic Interests, Sunshine Ordinance Declaration, and Certificate of Ethics Training.

VIII. Director's Report

Executive Director Wolf told the Commissioners that the Rent Board now has a Twitter account; that their annual Statement of Economic Interests are due by April 1st; and that a dinner honoring ex-Commissioner Henderson will be held after the Board meeting on February 28th.

IX. New Business

Departmental Budget

Executive Director Wolf went over the Department's proposed budget for Fiscal Year 2012-2013. The proposed budget of \$5,986,248 is \$129,640 more than last year's budget primarily due to salary step increases, retirement and health care costs.

MSC: To adopt the proposed budget for Fiscal Year 2012-2013.

(Marshall/Gruber: 5-0)

X. Calendar Items

February 28, 2012

8 appeal considerations

XI. Adjournment

President Gruber adjourned the meeting at 9:10 p.m.

NOTE: If any materials related to an item on this agenda have been distributed to the Commission after distribution of the agenda packet, those materials are available for public inspection at the office of the Rent Board during normal office hours.