



LONDON N. BREED  
MAYOR

JULY 31, 2020

ROBERT A. COLLINS  
EXECUTIVE DIRECTOR

DAVID GRUBER  
PRESIDENT

**NOTICE OF PUBLIC HEARING**

DAVE CROW  
SHOBA DANDILLAYA  
RICHARD HUNG  
REESE AARON ISBELL  
ASHLEY KLEIN  
CATHY MOSBRUCKER  
KENT QIAN  
ARTHUR TOM  
DAVID WASSERMAN

**DATE: AUGUST 11, 2020**  
**TIME: 7:00 P.M.**  
**PLACE: VIEW ON WEB CONFERENCE:**  
<https://bit.ly/2DVddrs>  
**CALL IN NUMBER FOR PUBLIC COMMENT: 1-408-418-9388**  
**ACCESS CODE: 146 487 9942**

**THE RENT BOARD COMMISSION INVITES THE PUBLIC TO COMMENT ON PROPOSED CHANGES TO THE RULES AND REGULATIONS GOVERNING THE RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE, CHAPTER 37 OF THE SAN FRANCISCO ADMINISTRATIVE CODE.**

**THE COMMISSION IS TAKING PUBLIC COMMENT ON PROPOSED AMENDMENTS TO RULES AND REGULATIONS SECTION 10.15. EFFECTIVE DECEMBER 7, 2019, RENT ORDINANCE SECTION 37.3(a)(6) OF THE SAN FRANCISCO ADMINISTRATIVE CODE WAS AMENDED TO CLARIFY THAT FOR THE PURPOSE OF CALCULATING A GENERAL OBLIGATION BOND PASSTHROUGH, THE LANDLORD MUST USE THE NET TAXABLE VALUE OF THE PROPERTY AS OF NOVEMBER 1 OF THE APPLICABLE TAX YEAR; THAT FOR GENERAL OBLIGATION BOND PASSTHROUGHS IMPOSED ON OR AFTER JANUARY 1, 2021, THE TIME PERIOD FOR TENANTS TO PAY THE PASSTHROUGH IS EXTENDED TO THE SAME NUMBER OF MONTHS COVERED BY THE PROPERTY TAX BILLS USED IN THE PASSTHROUGH CALCULATION; THAT EFFECTIVE JANUARY 1, 2021, THE LANDLORD CAN NO LONGER “BANK” A GENERAL**

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**OBLIGATION BOND PASSTHROUGH THAT WAS NOT IMPOSED FOR AN UNLIMITED PERIOD OF TIME, AND GENERAL OBLIGATION BOND PASSTHROUGHS WILL BE LIMITED TO ONLY THOSE TAX BILLS ISSUED WITHIN THE THREE YEAR PERIOD PRIOR TO THE YEAR IN WHICH THE PASSTHROUGH IS IMPOSED; AND THAT TENANTS MAY SEEK RELIEF FROM PAYMENT OF GENERAL OBLIGATION PASSTHROUGHS ONLY FOR THAT PORTION OF A GENERAL OBLIGATION BOND PASSTHROUGH THAT IS ATTRIBUTABLE TO GENERAL OBLIGATION BONDS APPROVED BY THE VOTERS ON OR AFTER NOVEMBER 5, 2019.**

**THE PROPOSED AMENDMENTS TO RULES AND REGULATIONS SECTION 10.15 ARE INTENDED TO CLARIFY THAT A TENANT MAY SEEK RELIEF FROM PAYMENT OF GENERAL OBLIGATION PASSTHROUGHS, BUT ONLY FOR THAT PORTION OF A GENERAL OBLIGATION BOND PASSTHROUGH THAT IS ATTRIBUTABLE TO GENERAL OBLIGATION BONDS APPROVED BY THE VOTERS ON OR AFTER NOVEMBER 5, 2019.**

You may either comment at the Public Hearing and/or submit written comments. Written comments to the Board are encouraged. Written comments can be sent to the Rent Board office by mail: ATTN: Board Secretary, 25 Van Ness Avenue, Suite 320, San Francisco, CA 94102, or by email to [rentboard@sfgov.org](mailto:rentboard@sfgov.org). If you send comments by email, please indicate in the subject line that the comments are for the August 11, 2020 board meeting public hearing. If you would like to submit written comments, it is requested that they be received at the Rent Board's office no later than **5pm on Monday, August 10, 2020**, so that the Commissioners can receive your comments and review them prior to the public hearing. You will be able to address the Commissioners during the public comment period at the hearing.

**PROPOSED AMENDMENTS TO SECTION 10.15 OF THE RENT BOARD'S RULES AND REGULATIONS – PUBLIC HEARING ON AUGUST 11, 2020**

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**NOTE:** Unchanged text is in plain Arial font.

Additions to Regulations are in double-underline plain Arial font.

Deletions to Regulations are in single-strikethrough plain Arial font.

**Section 10.15 Tenant Financial Hardship Applications**

(Added July 12, 2016, effective August 13, 2016; amended [date 2020])

A tenant may seek relief from payment of the following types of rent increases or passthroughs on the grounds of financial hardship by filing a Tenant Financial Hardship Application with the Board: Capital Improvement Passthrough; Water Revenue Bond Passthrough; Utility Passthrough; General Obligation Bond Passthrough, and, Operating and Maintenance Expense Increase. However, only that portion of a General Obligation Bond Passthrough that is attributable to obligation bonds approved by the voters on or after November 5, 2019 may be deferred due to financial hardship. The Rent Board shall prepare a hardship application form and make it available in multiple languages.

(a) Applicability and Time of Filing

(1) With respect to any Capital Improvement Passthrough certified pursuant to Section 37.7 of the Ordinance, a tenant may file a Tenant Financial Hardship Application with the Board at any time after receipt of the notice of rent increase or decision of the Administrative Law Judge, whichever is earlier. Payment of the capital improvement passthrough(s) set forth in the hardship application shall be stayed from the date of filing until a decision is made on the Tenant Financial Hardship Application.

(2) With respect to a Water Revenue Bond Passthrough, General Obligation Bond Passthrough, or a Utility Passthrough based on a Utility Passthrough Calculation Worksheet filed with the Rent Board, a tenant may file a Tenant Financial Hardship Application with the Board within one year of the effective date of the passthrough. Payment of such passthrough(s) set forth in the hardship application shall be stayed from the date of filing until a decision is made on the Tenant Financial Hardship Application.

(3) With respect to an Operating and Maintenance Expense Increase or Utility Passthrough based on a Utility Passthrough Petition, a tenant may file a Tenant Financial Hardship Application with the Board within one year of the effective date of the increase or

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1 passthrough. The hardship application cannot be filed until the tenant receives the notice of rent  
2 increase or decision of the Administrative Law Judge, whichever is earlier. Payment of the  
3 operating and maintenance increase or utility passthrough set forth in the hardship application  
4 shall be stayed from the date of filing until a decision is made on the Tenant Financial Hardship  
5 Application.

6 (b) Tenant Financial Hardship Application Standards and Process

7 (1) Standards for Establishing Financial Hardship. A tenant will qualify under  
8 Section 10.15 for relief from payment of a certified Capital Improvement Passthrough, Water  
9 Revenue Bond Passthrough, Utility Passthrough, General Obligation Bond Passthrough and/or  
10 Operating and Maintenance Expense Increase if the tenant demonstrates that one of the  
11 following financial hardship situations applies:

12 (A) Tenant is a recipient of means-tested public assistance, such as Social  
13 Security Supplemental Security Income (SSI), General Assistance (GA), Temporary Assistance  
14 for Needy Families (TANF), CalFresh (SNAP/Food Stamps) or California Work Opportunity and  
15 Responsibility to Kids (CalWORKS); or,

16 (B) Gross household income is less than 80% of the current Unadjusted  
17 Area Median Income (AMI) as published by the U.S. Department of Housing and Urban  
18 Development (HUD) for the "Metro Fair Market Rent Area" that includes San Francisco; and rent  
19 charged is greater than 33% of gross household income; and assets, excluding non-liquid assets  
20 and retirement accounts, do not exceed asset amounts permitted by the Mayor's Office of  
21 Housing when determining eligibility for below market rate (BMR) home ownership; or,

22 (C) Exceptional circumstances exist, such as excessive medical bills.

23 (2) Procedures for Filing. A Tenant Financial Hardship Application must be filed:

24 (A) By each occupant in the unit who is 18 years of age or older, except not  
25 by any subtenant who pays rent to the master tenant (the gross income of the master tenant  
26 must include the amount of the subtenant's rent payment);

27 (B) Under penalty of perjury, stating that the tenant qualifies under one of  
28 the standards in Section 10.15(b)(1)(A), (B), or (C);

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(C) With documentation demonstrating the tenant's qualifications; and,

(D) With an acknowledgment that the Rent Board will provide a copy of the Tenant Financial Hardship Application to the landlord.

(3) Hearing Options, Decision.

(A) A decision on the Application will be issued administratively by a Rent Board Administrative Law Judge unless a hearing is requested by the landlord within fifteen days of the date the completed Tenant Financial Hardship Application is mailed to the landlord by the Rent Board, or unless a Rent Board Administrative Law Judge otherwise determines that a hearing is needed.

(B) Landlord Request for Hearing, Procedures.

(i) A landlord's request for a hearing on the Application shall specify the claim(s) in the Application that the landlord disputes, and attach any relevant documentation.

(ii) A Rent Board Administrative Law Judge will review any landlord request for hearing, to determine whether a hearing is necessary to resolve disputed facts.

(iii) If the landlord's request for a hearing is granted, it will be the landlord's burden to demonstrate that the tenant's financial hardship eligibility under Section 10.15(b)(1) criteria, as stated in the Application, has not been established.

(iv) If it is determined that a hearing as requested by the landlord is not needed to determine the facts, a decision on the Application will be issued administratively by a Rent Board Administrative Law Judge.

(4) Term of Relief. Relief from payment of a certified capital improvement passthrough, water revenue bond passthrough, utility passthrough, general obligation bond passthrough and/or operating and maintenance expense increase may be for an indefinite period, or for a limited period of time, all subject to the landlord's request to reopen the case if the landlord has information that the tenant is no longer eligible.

(5) Change in Tenant Eligibility Status. If a tenant is granted relief from payment of a certified capital improvement passthrough, water revenue bond passthrough, utility passthrough, general obligation bond passthrough and/or operating and maintenance expense

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increase under Section 10.15, and subsequently the tenant is no longer eligible for such relief:

1 (A) The tenant shall notify the Rent Board of this changed eligibility status in  
2 writing within 60 days, with a copy to the landlord.

3 (B) Whether or not the tenant notifies the Rent Board and landlord as  
4 provided in Section 10.15(b)(5)(A), the landlord may notify the Rent Board if the landlord has  
5 information that the tenant is no longer eligible, with a copy to the tenant.

6 (C) Upon receipt of notice under Section 10.15(b)(5)(A) or (B), a Rent  
7 Board Administrative Law Judge shall decide whether to grant or deny the previously granted  
8 relief. That decision may be made administratively by a Rent Board Administrative Law Judge  
9 without a hearing unless the Administrative Law Judge determines that a hearing is needed, or  
10 unless the landlord or tenant requests a hearing. Any such hearing shall be promptly scheduled.

11 (6) Any decision granting or denying the Tenant Financial Hardship Application, or  
12 any subsequent decision on a previously granted Tenant Financial Hardship Application, may be  
13 appealed to the Rent Board. Appeals of decisions on a tenant's hardship application shall be  
14 governed by Ordinance Section 37.8(f). The Rent Board's final decision will be subject to  
15 judicial review by writ of administrative mandamus in the San Francisco Superior Court.

16 (c) Notice to Tenants Regarding Tenant Financial Hardship Applications

17 The Rent Board shall provide written notice in multiple languages of the Tenant Financial  
18 Hardship Application procedures to each affected unit with a copy of the landlord's capital  
19 improvement petition, utility passthrough petition, and operating and maintenance petition. The  
20 Rent Board shall include notice of the Tenant Financial Hardship Application procedures on the  
21 utility passthrough worksheet, general obligation bond passthrough worksheet, and water  
22 revenue bond passthrough worksheet. The Rent Board shall also provide written notice in  
23 multiple languages of the Tenant Financial Hardship Application procedures to each affected unit  
24 with each Administrative Law Judge decision regarding capital improvement passthroughs, utility  
25 passthroughs and operating and maintenance rent increase.  
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