



Edwin M. Lee
Mayor

Robert A. Collins
Executive Director

DAVID GRUBER
PRESIDENT

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

CALVIN ABE
DAVE CROW
SHOBA DANDILLAYA
RICHARD HUNG
POLLY MARSHALL
CATHY MOSBRUCKER
NEVEO MOSSER
KENT QIAN
DAVID WASSERMAN

Tuesday, July 11, 2017
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: Abe; Crow; Gruber; Hung; Mosbrucker; Qian.
Commissioners not Present: Dandillaya; Marshall; Mosser; Wasserman.
Staff Present: Collins; Lee; Varner.

III. Approval of the Minutes

MSC: To approve the Minutes of June 13, 2017.
(Mosbrucker/Abe: 5-0)

IV. Remarks from the Public

A. Mei Ling Hui, one of the tenants at 55 Fair Avenue (AT170047), stated that the landlords actually occupy four times the space the tenants in the building do, and should be charged accordingly, no matter the type of use. Ms. Hui told the Board that the Ordinance protects garage and storage spaces as important components of a unit, that competitive bids weren't provided for some of the work, and that the work doesn't match up for what the tenants were charged.

B. Daniel Conrad, the landlord's attorney for 465 Greenwich Street (AT170046), urged the Board to deny the appeal. Mr. Conrad stated that the Administrative Law Judge (ALJ) was within his discretion to set the rent at the amount that he did.

C. Brian Hom, a tenant at 465 Greenwich Street (AT170046), urged the Board to grant the appeal. Mr. Hom explained that the property is a family home, it belongs to his grandmother, and their relationship has not changed. He argued that the evidence the landlord provided was far above the average rents for 1984. Mr. Hom told the Board that if the decision stands, he

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and his mother will probably be evicted from their family home.

D. Ana Hom, the other tenant at 465 Greenwich Street (AT170046), stated that she has been living in the subject unit since she got married in 1982, and that it is a family home, and that she never needed to pay rent. She told the Board that since the trustees took over, they have been abusing their power, and her mother-in-law said she didn't need to pay rent as she considers her like a daughter. Ms. Hom stated that the property is now in bad condition and asked the Board to consider their situation.

V. Consideration of Appeals

A. 215 Guerrero Street #2

AL170050

The landlord's appeal was filed 27 days late due to an error with the landlord's mailing address on file with the Rent Board.

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

The tenant's application requesting deferral of a capital improvement passthrough on the basis of financial hardship was granted. The landlord appeals, claiming that he did not receive the copy of the tenant's application and the Request for Hardship Hearing Form prior to issuance of the decision.

MSC: To accept the appeal and remand the case for a hearing.
(Mosbrucker/Abe: 5-0)

B. 154 Wood Street #1

AL170051

The subtenant's petition alleging that the master tenant charged the subtenant a disproportional share of rent was granted. The master tenant was found liable to the subtenant in the amount of \$4,651.51. The master tenant appeals on the basis of financial hardship.

MSC: To accept the appeal and remand the case to the ALJ for consideration of a payment plan for the master tenant's claim of financial hardship.
(Mosbrucker/Abe: 5-0)

C. 1232 Grant Avenue #5

AL170049

The subtenant's petition alleging that the master tenant charged the subtenant more rent than the master tenant paid to the owner was granted. The master tenant was found liable to the subtenant in the amount of \$7,002.00. On appeal, the master tenant argues that she did not violate the Rent Ordinance by renting furnishings separately from the unit rent, that the value of furnishings was clearly defined by the master tenant and subtenant, and that the ALJ erred by assigning a lower value to the furnishings than the parties.

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

D. 984 Harrison Street

AL170048

The tenant's petition alleging an unlawful rent increase was granted. The landlord was found liable to the tenant for rent overpayments in the amount of \$17,425.00. The ALJ found that the tenant petitioner rented the subject unit in its entirety as the master tenant beginning in May 2012. The landlord appeals, arguing that the ALJ incorrectly stated in the decision the amount of rent personally paid by the tenant, and that the tenant has unclean hands and does not have standing to recover the full amount of overpayments.

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

E. 1260 Broadway Street #106

AT170045

The landlord's petition for certification of the costs of upper level garage wall painting, installation of GFI outlets, installation of carbon monoxide detectors, a garage door lock, a new light fixture, rewired exterior lights and motion sensor, and reinsulated pipes in the boiler room was granted in part and denied in part. On appeal, one tenant objects to the passthrough of \$3.30 a month allocated to six units for the cost of painting the upper level garage walls and columns on the ground that it was ruined when it was spray painted in March 2015 in preparation for earthquake retrofit work.

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

F. 55 Fair Avenue #2

AT170047

The landlord's petition for certification of the costs of exterior painting of the entire building, roof replacement, and replacement of façade windows in unit 2 was granted in part and denied in part. The ALJ rejected the tenants' objection questioning the sufficiency of the proof of cost and proof of payment for the claimed work, because the landlords supporting documents coupled with her testimony sufficiently established the costs and payments. The ALJ also rejected the tenants' objections to the cost of replacing the two existing skylights because the replacements were necessarily part of the roofing process, and rejected the tenants' objection that the cost of windows was unreasonable because the competitive bid did not include the cost of installing the windows. On appeal, the tenants argue that the landlords improperly calculate the percentage of per-unit passthrough allocation, that the landlords did not provide adequate documentation to support the claimed costs, that some of the work is the result of deferred maintenance, and that some of the expenses include work that does not benefit the tenants.

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

G. 465 Greenwich Street

AL170046

The landlord's petition for a rent increase to \$1,994.14 based on comparable rents was granted in part and denied in part. The ALJ found that a special relationship existed between the former landlord and the tenants because the tenants were the daughter-in-law and grandson of one of the owners, and no rent was charged as result of this relationship. The tenants appeal the amount of the comparable rent set by the ALJ, arguing that the ALJ should have set the base rent in 1984 between \$500 -\$600, and that the notice of rent increase is defective since it exceeded the amount approved in the decision.

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

VI. Communications

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

A. Workload statistics for the month of May 2017.

B. Pending litigation status report dated June 23, 2017.

C. Memorandum from the Controller's Office regarding the Rent Board Fee increase.

D. Articles from the S.F. Chronicle, S.F. Examiner, BeyondChron, SFGate, SFist, CurbedSF, 48 Hills, The Atlantic, Fox Business News, NBC Bay Area, Capitol Weekly, and SFAA Magazine.

VII. Director's Report

Executive Director Collins told the Board that he presented at the single-room occupancy (SRO) Taskforce meeting on June 15 regarding the Uniform Hotel Visitor Policy. He explained that he would be convening further meetings to discuss possible changes to the Policy. Executive Director Collins informed the Board that staff member Jennifer Rakowski tabled at the Accessory Dwelling Unit (ADU) Fair on June 26. Executive Director Collins also told the Board that staff had a successful appearance at the Earthquake Safety Fair on June 13, where Jennifer Rakowski presented at ADU and soft-story workshops that were filled beyond capacity, and staff members Ben Ng, Lehua Asher, and Greg Miller tabled. Executive Director Collins explained that Supervisor Farrell's proposed owner move-in (OMI) legislation was passed on first reading again on July 11, and the proposed legislation would then go back to the full Board of Supervisors the following week. Executive Director Collins told the Board that a map of all buyout agreements containing the buyout amount is now available on the Rent Board website, and is linked to the City's DataSF website. The buyout map is the result of the department's collaboration with DataSF, the Mayor's data initiative. He finally informed the Commissioners that there will be a second round of interviews for two counselor positions in mid-July, and that the Controller's Office has determined that the Rent Board fee will be \$45 per unit and \$22.50 per single-room occupancy (SRO) room for FY2017-18.

Senior ALJ Lee reported that the court decisions enjoining the enhanced Ellis relocation amounts under Campos 1 and 2 are final, so the prior relocation provisions remain in effect. SALJ Lee also told the Board that in a case not involving the Rent Board, the court limited Ellis relocation payments to “tenants” as defined under the Ordinance, but the Board of Supervisors has since amended the Ordinance to extend payments to “Eligible Tenants” to conform with OMI and temporary capital improvement evictions under Section 37.9C.

VIII. Calendar Items

August 8, 2017

12 appeal considerations

IX. Adjournment

President Gruber adjourned the meeting at 6:57 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.