



London N. Breed
Mayor

Robert A. Collins
Executive Director

DAVID GRUBER
PRESIDENT

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

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

Tuesday, September 10, 2019
at 6:00 p.m.
25 Van Ness Avenue, Suite 70, Lower Level

I. Call to Order

Vice-President Mosbrucker called the meeting to order at 6:03 p.m.

II. Roll Call

Commissioners Present: Crow; Hung; Isbell; Mosbrucker; Qian; Tom.
Commissioners not Present: Dandillaya; Gruber; Klein; Wasserman.
Staff Present: Brandon; Collins; Koomas; Varner.

Commissioners Appearing on the Record Late: Qian, 6:05 p.m.

III. Approval of the Minutes

MSC: To approve the Minutes of August 13, 2019.
(Tom/Isbell: 4-0)

IV. Remarks from the Public

A. Daniel Bornstein, the attorney for the landlord at 673 Oak Street #14 (AL190117), told the Board that there is a policy problem with Rules and Regulations Section 1.21 that throws the whole understanding of residency and occupancy on its head. He said that the landlord went to the hearing with information that for the last 8 years the tenant has using a Watsonville address on her tax return, California driver's license, and cell phone bills, and has a phone prefix in and car registered in Santa Cruz county, and she registered to vote in Watsonville. Mr. Bornstein said that when someone registers to vote in Santa Cruz county, she is swearing under penalty of perjury that she has established residency there. He said that when someone registers to vote and is paying taxes and bills and receiving mail at another address they must be in occupancy there.

B. Penelope Montemayor, speaking in support of the tenant at 673 Oak Street #14 (AL190117), told the Board that she is a resident of 673 Oak Street, she has lived there since 1980, and the tenant is a friend of hers who has lived in the building since 1994. She said that the tenant originally moved in to take care of Ms. Montemayor's mother, who has since died. She said that in 2000, the tenant established a landlord-tenant relationship with the landlord. Ms. Montemayor said that the tenant comes home regularly, which she knows because they do social activities together. She says that the tenant and her clients pay bills in Watsonville which are in put the tenant's name, and that the tenant is doing lifesaving nursing work and can't always come to the subject unit, that the tenant just saved someone's life that day by getting a 94-year old woman attendant care; and that the tenant also works in SF.

C. An unidentified woman spoke on behalf of tenant Daniel Pesce at 3 Imperial Avenue (AT190122) who said that the tenant was stuck in Las Vegas. The woman said that this issue is complicated, as the decision gave the landlord the right to raise the rent, but never stated that there was a Rules and Regulations Section 6.14 notice that was served on the original occupant. She said that that the original occupant had a power of attorney who was Mr. Pesce's brother, a fact which was concealed and not brought forward until the day of the hearing. She stated that the subsequent occupant never signed it, and it is unknown if the original occupant ever signed it since he passed away, and the notice was not posted and never mailed to the tenant's brother. She said that the tenant should be allowed to stay at the same rate.

D. Karen Wagner, the attorney for the landlords at 3 Imperial Avenue (AT190122) said that a notice under the Costa-Hawkins Rental Housing Act was properly served on the tenant in March 2019, and that the ALJ took notice of a 6.14 notice, but it wasn't relied upon by the landlords. She told the Board that it is a misstatement of fact that the landlords relied on the 6.14 notice because they relied on the Costa-Hawkins notice. Ms. Wagner said that the record was left open for 2 weeks, and the ALJ determined that despite new evidence, the tenant had not demonstrated that he was a direct tenant of the landlord; that he did not reside in the unit prior to 1996, and that the original occupant died in 2013. The attorney stated that all rent was paid directly from the original occupant to the landlords; that sometimes it was paid directly from the power of attorney to the landlords, but was not paid from the tenant. She said that some repairs were done without permission, and that the landlords only directly requested permission to enter from the tenant when they were doing repairs in other units. She asked the Board to uphold the decision because the landlords are entitled to a rent increase under the Rent Ordinance & Costa-Hawkins.

E. Shelby Nacino, a staff attorney at the Asian Law Caucus, told the Board that she represents some of the tenants at 819-825 Lombard Street (AT190123-27) and that her comments concern the procedural basis for the appeals. She said that most of the tenants in the building are elderly and disabled, and most of them are Cantonese speakers who have lived in the property for decades and have substantial knowledge about the property. Ms. Nacino stated that the ALJ only allowed the tenants to submit written declarations after the hearing was over. She stated that the Rent Ordinance says that parties have the right to testify orally; here, the tenants were not allowed to call witnesses because they were not allowed to testify; and that even the landlord was denied a procedural right to cross-examine. Ms. Nacino said that the Language Access Ordinance provisions are meaningless if one cannot testify with an interpreter- but the tenants weren't allowed to speak up in their native

language. She said that she wants the tenants to be allowed to participate in a hearing to determine whether they will be displaced from their home for a year.

F. Jeffrey Wilson, speaking in support of the tenant at 673 Oak Street #14 (AT190117) said that he has lived in the building for 40 years, since the 1980s, and was a physicians' assistant. He said that the tenant is an excellent nurse; that she was gone over a year; and that he cooks Thanksgiving dinner with her. He stated that the tenant is in Santa Cruz because she takes care of someone who is legally blind, and she always comes back to SF.

G. Gabe White, non-attorney representative for the landlord at 775 Geary Street (AL190120) told the Board that two items were not certified by the ALJ who said that the work did not benefit the tenants. He said that the new electrical service and the moving of water pipes due to that work did benefit the tenants, which was that they received new meters in addition to new amperage. He said that while the tenants have to pay for their utilities, the landlord shouldn't lose all fair return for improvements done to the building.

H. Landlord Parviz Zavareh of 1123-1127 Guerrero Street (AT190114-116), said that 3 of the 5 tenants at the property filed an appeal as to the improvements that were done, and argued that they did not benefit from the work. He told the Board that while the property was being seismically retrofitted, rotting and a cause of a leak were found, and that the entire ground wall had to be replaced. He said that benefitted the whole building, as it was the support for the entire building; the issue was the replacement of a portion of the main sewer line, and it is hard to see how the tenants did not benefit. Mr. Zavareh said there were constant backups, with 6-10 service calls requesting the pipes be unplugged, and that even the purchase inspection indicated that the piping was at the wrong slope.

I. Tenant Steven White of 819 Lombard Street (AT190123) said that he wanted to echo what attorney Shelby Nacino said. He said that at the hearing, no tenants were allowed to speak or reply to what was said by the landlord parties. Mr. White said that there are other things as far as the building and maintenance were concerned, and thinks that the landlords allowed the building to fall into further disrepair to create a situation where the tenants would have to move out.

J. Victor Lim told the Board that his parents George & Irene and brother Vincent Lim are all still living at 821 Lombard Street (AT190125). He said that it has been difficult for them because they are monolingual seniors; and that his father is recovering from a stroke that he had 2 years ago and has been on a fixed income since. Mr. Lim said that it has been extremely tough since the mandatory seismic retrofit and accessory dwelling unit (ADU) work began.

K. Pak Ng, who spoke in support of his parents at 819 Lombard Street #B (non-appealing unit) said he came to express their dissatisfaction with the hearing. He said that the tenants did not have time to express their opinions at all, and that his mom is 87 and his dad is 92, and they have been at that apartment since 1979, and did not speak any English and couldn't live anywhere else except Chinatown.

L. Vince, a resident at 821 Lombard Street (AT190125), said that his mom was with him. He said that they weren't given the opportunity to present oral testimony; and that the hearing

should have been started earlier and been for a longer duration. He said that he was born and raised in SF and his family has been living there since the 1970s. Vince said that seismic and other work has been going on for well over 4 years. He said that not only were his parents not able to speak, it is hard for them to find a rental unit anywhere in the city with the pricing and that can accommodate the 3 of them; and they also can't get into senior housing because of limited income of from Social Security and that his dad uses a walker and his mom helps cook.

M. Ian Fregosi, a legislative aide for Supervisor Sandra Lee Fewer, read a letter submitted by Supervisor Fewer. The letter read by Mr. Fregosi was as follows: "Thank you for taking the time to discuss a proposal to amend Rules and Regulations Section 6.10 as it pertains to the interpretation of "reasonable reliance." In May of 2018, the Board of Supervisors voted unanimously to pass legislation I authored to stop landlords from passing through the debt service and property tax increases incurred solely from the acquisition of rent-controlled buildings. The vast majority of Operating and Maintenance (O&M) passthrough petitions were being filed by large corporate investment firms, not the "mom and pop" landlords it was intended to protect. The Ordinance says that a landlord who had already purchased their property prior to its introduction on April 3, 2018 can pass through its debt service and property tax increases if it demonstrates that it "had reasonably relied on its ability to pass through those costs at the time of purchase." The intent of this clause was to grandfather those who had already purchased a building prior to the introduction of the legislation with the understanding that they needed (or "reasonably relied") on this passthrough in order to realize a fair rate of return on their investment. My belief at the time was that the Rent Board would create objective standards or conditions to determine whether an investor did in fact rely on their ability to pass through these costs when they decided to purchase the building. I'm concerned that the Rent Board's current interpretation is too lenient. I urge you to take another look at the Rent Board's interpretation of "reasonable reliance" and come up with objective conditions that landlords can meet in order to prove that they did in fact rely on their ability to pass through these costs at the time of purchase. As a landlord myself, I am proud to have passed this legislation that ends this speculative and unfair practice for all properties purchased after April 3, 2018. I realize that certain passthroughs are sometimes necessary to recover costs that cannot be fully recovered through annual allowable rent increases; but for most of the corporations filing these O&M petitions, this is not the case. I hope you will act to ensure the interpretation of "reasonable reliance" is in line with the intent of the law."

N. Shakirah Simley, a legislative aide for Supervisor Vallie Brown (District 5), echoed Supervisor Fewer and her colleague Ian Fregosi's comments and provided a statement on behalf of Supervisor Brown. She told the Board that she was speaking on Supervisor Brown's behalf, regarding her concern for vulnerable tenants in her district and citywide. She explained that the Board of Supervisors passed legislation to limit landlords' ability to pass through debt service and property tax increases when purchasing rent-controlled buildings. Ms. Simley said that they understand the original intent of the legislation, which enables smaller landlords to manage increases in expenses with an annual allowable increase and to ensure a fair rate of return and to pay off said increase in expenses. She said that unfortunately this has not been the case, because over the past year, following the legislation, they have witnessed a certain uptick in certain passthroughs. She said that Supervisor Brown worked deeply with her constituents and provided an example of tenants from 430 Baker Street in District 5. She said that the Supervisor is very concerned with a

trend of larger landlords leveraging passthroughs to raise rents; and that additional concerns have come to light about the undue impact of certain passthroughs and how they may need to go further to protect tenants: particularly the timing and cumulative impact; the impact on long term tenants; and potential limitations on how tenants apply for hardship and receive exemptions. Ms. Simley said given the housing crisis, they have a dire responsibility to keep people in their homes and not destabilize rent control protections. She said that Supervisor Brown has called a Board of Supervisors hearing and is working with the Budget and Legislative Analyst, and is asking for the Rent Board to think about the reasonable reliance issue, and to develop clarity and objective measures to stand with tenants and protect the housing stock.

O. Peter Kilgallen, a tenant at 430 Baker Street, a Veritas property, told the Board that his was one of the first buildings affected by an operating and maintenance expense rent increase, and that he has lived in the building for about 12 years and is a registered nurse. He told the Board that residents in about 4 of the 15 units are living on fixed incomes, and that some of the other residents couldn't come and speak due to illness, such as one tenant in the building who recently suffered a stroke and just experienced a seizure. He said that the long-term tenants in the building have not seen a single benefit due to the increase; and as tenants moved out, Veritas built new luxury apartments to benefit the new tenants. He stated that the only repair they've seen in the 2-3 years since Veritas has been the landlord is a roof replacement; they have had the same stove and fridge that were never replaced; no upgrades have been made to any of the long-term tenants' apartments; and they have lived through nonstop construction and mice due to the construction and vines growing into the back of the building since they are not maintaining the backyard. Mr. Kilgallen said that four other residents are on fixed incomes, so a rent increase of \$200.00-\$400.00 more per month impacts their ability to pay for food and medical bills. He implored the Board that they are the ones who were affected by the increase, and not a single benefit has been seen by any of the other long-term tenants. Mr. Kilgallen said that due to construction, the ceiling caved through in the lobby because a washer and dryer for a new unit were shoddily put in, and this impacted the unit of a long-term tenant who was living without a bathroom for a month. He said that living with Veritas has been a nonstop nightmare.

V. Consideration of Appeals

A. 1306 California Street #5

AT190121

The tenants' petition alleging an unlawful rent increase was dismissed due to the tenants' non-appearance at the hearing. The tenants appeal on the basis that they forgot about the scheduled hearing date, and that habitability issues persist.

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.
(Mosbrucker/Hung: 4-0)

B. 1153 Valencia Street #2

AT190119

The subtenant's appeal was filed 55 days late because she moved out of the unit and did not receive the decision until she came to Rent Board to inquire about the case status.

MSC: To find good cause for the late filing of the appeal.
(Qian/Mosbrucker: 4-0)

The subtenant's petition alleging a disproportional share of rent and decreased housing services was granted in part and denied in part. The ALJ determined that the subtenant paid more than her proportional share of rent from May 1, 2018 through December 31, 2018, but because the subtenant paid no rent from January 1, 2019 through April 30, 2019, the master tenant was entitled to an offset for unpaid rent and no rent refund was ordered for the subtenant's disproportional share of rent claim. The master tenant was found liable to the subtenant for rent reductions corresponding with decreased housing services in the amount of \$525.00 for: lack of reliable electrical outlets in the subtenant's bedroom for the period of mid-December 2018 through April 30, 2019, and lack of an intact ceiling in the second bathroom, for the period from May 1, 2018 through April 30, 2019. The subtenant appeals, arguing that she doesn't owe any party any money because the master tenant, property manager, and owner mistreated her, and that she should be entitled to the amounts requested in the petition.

MSC: To deny the appeal.
(Tom/Hung: 4-0)

C. 117 Grijalva Drive

AL190129

The subtenant's petition alleging a disproportional share of rent and decreased housing services was granted in part and denied in part. The ALJ found the master tenant liable for rent overpayments in the amount of \$6,600.56 for the period of October 5, 2018 through July 31, 2019. The master tenant was also found liable to the subtenant for rent overpayments for rent reductions in the amount of \$100.00 for removing the subtenant's use of the microwave. The master tenant appeals, arguing that the subtenant did not pay rent for June or July; that the subtenant has remained in the unit since the master tenant moved out on July 25 and the master tenant is still being charged rent by the landlord; and the master tenant wants the amounts awarded to be reevaluated.

MSC: To deny the appeal.
(Tom/Qian: 4-0)

D. 272 Francisco Street

AL190113

The tenants' petition alleging decreased housing services was granted. The landlords were found liable to the tenants for rent reductions corresponding with decreased housing services in the amount of \$299.52 for: clogged shower/bathtub and sink drains for the period of March 17, 2018 through March 21, 2018, and one day on April 9, 2018; and for holes in the rear room ceiling for the period from February 15, 2019 through March 29, 2019. The landlords appeal, arguing that the tenants used the shower except for two

days; that water leaking into the landlords' garage was the initial reason for the pipe repair; that there were never raccoons in the unit; that there was only a ¼ inch hole in the ceiling that the tenants sealed right away; that the building exterior was sealed with spikes in one week; and that the tenants refused to allow the landlord to enter the unit for repairs.

MSC: To deny the appeal.
(Qian/Hung: 4-0)

E. 2310 Powell Street #3462

AT190118

The tenant's application for a deferral of a capital improvement passthrough on the basis of financial hardship was denied. The ALJ found that the tenant did not qualify for hardship relief under Rules and Regulations Section 10.15(b)(1)(B) because the tenant's rent was less than 33% of the monthly gross household income in both 2018 and 2019. On appeal, the tenant presents income and expense documents for his business for 2018 and 2019, and proof of his wife's Social Security income.

MSC: To continue consideration of this appeal to the October 8, 2019 meeting.
(Qian/Mosbrucker: 4-0)

F. 3 Imperial Avenue

AT190122

The tenant's petition alleging an unlawful rent increase under the Costa-Hawkins Rental Housing Act was denied. The ALJ found that original occupant Daniel Bartolozzi no longer permanently resided in the subject unit when the notice of rent increase was served on March 13, 2019, and tenant petitioner Daniel Pesce was a lawful subtenant who did not reside in the subject unit prior to January 1, 1996. The ALJ found that the evidence was insufficient to establish that the landlord intended to create a direct landlord-tenant relationship with the tenant petitioner by conduct; and determined that the rent increase from \$808.00 to \$3,200.00, effective May 16, 2019, was authorized by Civil Code Section 1954.53(d)(2). On appeal, the tenant petitioner argues that the notice under Rules and Regulations 6.14 was not legally served; that Mike Pesce was the power of attorney for Daniel Bartolozzi, not Daniel Pesce, and that the 6.14 notice was not addressed to tenant petitioner Pesce.

MSC: To deny the appeal.
(Tom/Hung: 4-0)

G. 673 Oak Street #14

AL190117

The landlord's petition seeking a rent increase pursuant to Rules and Regulations Section 1.21 was denied. The ALJ found that the landlord did not meet his burden of proving that the subject unit was not tenant Thelma Brown's principal place of residence at the time the petition was filed on February 28, 2019, that the rent increase to \$3,000.00 effective May 1, 2019 was not authorized by Section 1.21 and is null and void. On appeal, the landlord argues that the subject unit was not the tenant's principal place of residence at the time the petition was filed on February 28, 2019 and the ALJ abused her discretion by

failing to give due consideration to all the evidence and instead relied on anecdotal and irrelevant evidence.

MSC: To deny the appeal.
(Qian/Mosbrucker: 4-0)

H. 775 Geary Street

AL190120

The landlord's appeal was filed 5 days late because the landlord's representative believed that the appeal was due 15 days from the date that he received the decision, rather than 15 days from the date it was mailed.

MSC: To find good cause for the late filing of the appeal.
(Qian/Hung: 4-0)

The landlord's petition for a capital improvement passthrough to 22 of 36 units was granted in part and denied in part. The ALJ certified the costs of common area interior painting; replacement of the phone entry system; relocation of the water service pipes; and replacement of the sewer line and house trap. The ALJ did not certify the cost of a new electrical service because the cost included work to sub-meter the electrical service, which did not benefit the tenants and was not broken out from the total cost of the work. On appeal, the landlord argues that the new electrical service meets the definition of a capital improvement, and neither the Ordinance nor the Rules and Regulations require that the work be for the tenants' benefit in order for the cost to be certified.

MSC: To continue consideration of this appeal to the October 8, 2019 meeting.
(Qian/Mosbrucker: 4-0)

I. 3531 – 17th Street

AT190128

The landlords' petition for a capital improvement passthrough to 2 of 4 units was granted. The ALJ certified the cost of a new main roof. The tenant in one unit appeals the ALJ's decision, arguing that the main roof work certified in the instant case no. L182194 duplicates main roof work that was previously certified as a capital improvement in Remand Decision No. AT130078, and that Rent Board policy does not permit a landlord to collect both passthroughs for roof work at the same time.

MSC: To accept the appeal and remand the case for the ALJ to give the landlords the option of either (1) discontinuing the prior passthrough of \$4.18 that was certified in Remand Decision No. AT130078 (L130138) before imposing the new passthrough for the main roof replacement included in Case No. L182194, or (2) waiting until the prior passthrough of \$4.18 is fully amortized and discontinued before imposing the new passthrough for both subject units, with a supplemental hearing to be held only if necessary.
(Qian/Mosbrucker: 4-0)

J. 1125 Guerrero Street #A, 1125 Guerrero Street #B,
1127 Guerrero Street

AT190114, AT190115,
AT190116

The landlord's petition for a capital improvement passthrough to 5 of 5 units was granted in part and denied in part. The ALJ certified the cost of a window replacement and a partial main sewer line replacement, which was allocated equally between the five units. The cost of cleaning out the underground sewer line was not certified as it was determined to be a repair. The tenants in three units appeal the ALJ's decision, arguing that the window replacement cost should only be allocated to unit 1123-B, because only unit 1123-B benefitted from the capital improvement; and that the building pipes that were replaced were not part of a main sewer line as described in the decision.

MSC: To deny the appeals.
(Tom/Hung: 4-0)

K. 819 Lombard Street, 819 Lombard Street #A,
821 Lombard Street, 823 Lombard Street, &
825 Lombard Street

AT190123, AT190124,
AT190125, AT190126
AT190127

The landlord's petition for an extension of time to complete capital improvement work was granted for one year after all the tenants vacate the subject building. On appeal, the tenants argue that they were prejudiced by the ALJ's decision to not schedule a continued hearing of the case to allow the tenants' witnesses to testify; and that the ALJ should have concluded that a 6-month time frame was the appropriate amount of time for the work to be completed, instead of a 1-year time frame.

MSC: To accept the appeal and remand the case to the ALJ to hold a
supplemental hearing to allow the tenants and their witnesses to testify.
(Qian/Mosbrucker: 4-0)

L. 642 Alvarado Street #109, #203, #204, #206, #208, & #311

AT190091 - AT190096
(cont. from 8/13/19)

The landlord's petition seeking a 7% rent increase due to increased operating and maintenance (O&M) expenses to the tenants in 21 of 34 units was granted. The ALJ found that the landlord had met its burden of proving that at the time of the purchase of the property, the landlord had reasonably relied on its ability to pass through the costs of increased debt service and property taxes through an O&M rent increase. The tenants in units 109, 203, 204, 206, 208, and 311 appeal, arguing that the landlord did not reasonably rely on its ability to pass through the costs of property tax and debt service at the time of its purchase of the property.

MSC: To continue consideration of these appeals to the October 8, 2019
meeting.
(Mosbrucker/Hung: 4-0)

M. 665 Pine Street #204, #302, #503, #701, #703, #704, #901, #902, #903, #904,
#1001, #1002, #1003, #1004, & #1100

AT190097 - AT190111
(cont. from 8/13/19)

The landlord's petition seeking a 7% rent increase due to increased operating and maintenance (O&M) expenses to the tenants in 21 of 40 units was granted. The ALJ found that the landlord had met its burden of proving that at the time of the purchase of the property the landlord had reasonably relied on its ability to pass through the costs of increased debt service and property taxes through an O&M rent increase. The tenants in units 204, 302, 503, 701, 703, 704, 901, 902, 903, 904, 1001, 1002, 1003, 1004, and 1100 appeal, arguing that the landlord did not reasonably rely on its ability to pass through the costs of property tax and debt service at the time of its purchase of the property.

MSC: To continue consideration of these appeals to the October 8, 2019 meeting.
(Mosbrucker/Hung: 4-0)

N. 41 Lafayette Street

AT190112
(cont. from 8/13/19)

The landlord's petition seeking a 7% rent increase due to increased operating and maintenance (O&M) expenses to the tenants in 4 of 12 units was granted. The ALJ found that the landlord had met its burden of proving that at the time of the purchase of the property, the landlord had reasonably relied on its ability to pass through the costs of increased debt service and property taxes through an O&M rent increase. The tenant in unit 41 appeals, arguing that the landlord did not reasonably rely on its ability to pass through the costs of property tax and debt service at the time of its purchase of the property.

MSC: To continue consideration of this appeal to the October 8, 2019 meeting.
(Mosbrucker/Hung: 4-0)

IV. Remarks From the Public (continued)

A. Brad Hirn of the Housing Rights Committee of San Francisco said that he was very much in support of the Commission directing staff to come up with guidelines on reasonable reliance, and also wanted to note his opposition to the other item on permanent place of residence; and that he echoed what Shakirah Simley, Ian Fregosi, and Peter said earlier. He told the Board that tenants and tenants' rights groups have done diligent research in finding case law to cite in appeals to show that in other cities that have dealt with debt service and rent increase law changes, landlords did show that they would suffer financial hardship; they did show the data, and that he is asking for SF to do the same.

VI. Communications

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

- A. Letter from Supervisor Sandra Lee Fewer, concerning the definition of reasonable reliance in operating and maintenance expense increases.
- B. Rent Board staff phone list.
- C. Articles from SF Examiner, SF Chronicle, CurbedSF, Mission Local, and Guardian UK.
- D. Workload statistics for the month of July 2019.

VII. Director's Report

Executive Director Collins provided the Board with a report on outreach efforts: staff member Josh Vining tabled at Sunday Streets in SOMA on August 8, supervisor Jennifer Rakowski presented at a training at the SF Bar Association, and Josh Vining would again table at Sunday Streets in the Western Addition on September 22. Executive Director Collins informed the Board that state Assembly Bill 1482 was to be taken up on Wednesday, September 12, and if it were to be passed, the Rent Board would have to pay close attention to any potential changes in local law.

VIII. Old Business

A. Rules and Regulations Clean Up

The Board agreed to continue discussion of this item at the October 8, 2019 meeting.

IX. New Business

A. Proposal to Amend Rules and Regulations Section 6.10

Commissioner Isbell made a presentation regarding proposed amendments to Rules and Regulations Section 6.10, which discusses the rules surrounding operating and maintenance expense rent increases. He proposed amending Section 6.10 (e)(1)(B) where reasonable reliance may be demonstrated: 1) by landlords disclosing enough actual financial information to show that the requested rent increases were necessary to pay off the claimed Year 2 expenses, taking into account the rental income of all the units at the property; 2) by landlords showing they would incur a financial hardship without the rent increases; and/or 3) by landlords showing that they would not have pursued the acquisition of the property had the ability to passthrough increased debt service and property tax costs been unavailable to them. At the conclusion of the discussion, Commissioner Isbell directed staff to prepare draft Regulations for the Commissioners to discuss at the October 8, 2019 meeting.

B. Proposed Amendment to Rules and Regulations Regarding Tenant's Permanent Place of Residence

The Board agreed to continue discussion of this item at the October 8, 2019 meeting.

X. Calendar Items

October 8, 2019

A. Consideration of Appeals

13 appeal considerations (including 5 continued appeal considerations)

B. Old Business

1. Rules and Regulations Clean Up
2. Proposed Amendment Rules and Regulations Section 6.10
3. Proposed Amendment to Rules and Regulations Regarding Tenant's Permanent Place of Residence

XI. Adjournment

Vice-President Mosbrucker adjourned the meeting at 7:48 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.