



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, December 10, 2019
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 6:05 p.m.

II. Roll Call

Commissioners Present: Crow; Dandillaya; Gruber; Hung; Isbell; Klein; Mosbrucker;
Qian; Tom; Wasserman.
Staff Present: Collins; Koomas; Varner.

Commissioners Appearing on the Record Late: Qian; 6:09 p.m.; Hung 6:21 p.m.

III. Approval of the Minutes

MSC: To approve the minutes of November 4, 2019 and November 12, 2019.
(Wasserman/Mosbrucker: 5-0)

IV. Remarks from the Public

A. Kamela Arya, one of the tenants at 2201 Pacific Avenue #505 (AT190157), thanked the Board and asked that her case be reconsidered. She said that she has lived in the unit for almost 30 years, and that it has been almost 6 years since she has been away, not 12 years, as her son was in school in Santa Cruz; and that the rule for temporary absences does not have a time limit. Ms. Arya told the Board that having previously been served with a 1.21 petition, she asked the previous property manager if it would happen again and was told that it would not. She said that moving to Santa Cruz was critical for her, and clients won't hire her; and she was planning to be in Santa Cruz only temporarily. She said that she wants another opportunity to present her case.

B. Zane Gary Brown, the tenant at 1767 Union Street #203 (AL190198) asked the tenant commissioners to uphold their ruling. He stated that the landlords said that they didn't receive

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notice of the hearing and lack capacity to hear, but their assertions are contrary to the evidence. He told the Board that on July 28 he texted landlord Linda Chan and then on July 29 filed the petition. He said that after the landlords received the petition, landlord Peter Chan asked him to meet, and that at no point did it appear that the landlord lacked competency. He said that on August 26, the landlords' daughter Tracy Chan told him that he should have no more negotiations with her father, but that this was the first time in 14 years that he had ever heard of Tracy Chan, and she misused attorney letterhead to appear as if she had an attorney. Mr. Brown said that if the Chans truly believed that the second lease was invalid, there would have been no need to ask him to pay more rent voluntarily.

C. David Collins, the landlord at 14 Isis Street (AL190197), told the Board that he requested a determination of lawful rent. He said that a hearing was scheduled but he didn't receive notification, and asked the Board to reschedule the hearing because he did not receive notice.

D. Gary Netherland told the Board that he was there to speak in support of the tenants at 2201 Pacific Avenue #505 (AT190157) as he has been friends with the tenants for 30 years. He said that Ms. Arya never considered moving to Santa Cruz full time, and that she only enrolled her son in school in Santa Cruz to do the best for her son; for her to have to wait another year to go to school when he was young didn't make sense for this education-oriented family. Mr. Netherland said that the tenant kept in contact with the building manager and was assured by the manager that she was not going to pursue a 1.21 petition; she has been gone temporarily and within 6 months will be back permanently. He said that the landlord should have given her time to cure and that it doesn't seem fair of the new owner to do this; and after 30 years of paying rent that time shouldn't be thrown away.

E. Anthony Arya, one of the tenants at 2201 Pacific Avenue #505 (AT190157) said that he was in his senior year in high school in Santa Cruz, and that he was perhaps the best to speak on the issue. He said that his mother only made the sacrifice for him, and they didn't find a school like Kirby in SF. Mr. Arya told the Board that he and his mother were in SF almost every weekend in elementary and middle school, and he has been playing in iconic music venues in SF; both he and his mother are San Franciscans and he wanted to explain what SF means to them.

F. Linda Chan, one of the landlords at 1767 Union Street #203 (AL190198), said that the case started in September when she asked the tenant to pay a pet fee, because the tenant snuck in a cat and then a second cat that she didn't know about. Ms. Chan said that the tenant had a roommate who told her that the cats were urinating on the hardwood floors. She said the tenant went to the Rent Board saying the rent increase was excessive, but the cats were scratching the walls. She said that his unit is the same size as others but has always had the lowest rent of all and that she is appealing because there are a lot of errors.

G. Oleysa Dorofy said that she was there with her ex-husband, who is the tenant at 1767 Union Street #203 (AL190198). She told the Board that not a lot of places allow cats, and their tenancy began in February 2006 with their cat Elektra for \$1,850.00; Ms. Dorofy said that she was a Russian immigrant and didn't speak English well. She said that her name was not on the lease because she wasn't working at the time and her ex-husband didn't want her to be responsible for the rent. She said that her ex-husband felt it was not fair that he did not

pay the same amount as other tenants, and so he signed a new lease in February 2010. She said that the landlord was aware that they had a cat. She said that the landlords did not dispute the letters and text messages that were presented at the hearing.

H. Peter Chan, one of the landlords at 1767 Union Street #203 (AL190198), said that the tenant called his wife Linda Chan and said that his rent was too high; the tenant was using that to his advantage; but they gave him a break, and records show that he was not overpaying rent- the tenant's rent was one of the lowest; now he's using that against them and that's unfair. He said that they have records to prove it, and the tenant is trying to put he and his wife in a squeeze.

I. Kimberly, the representative for the landlord at 1801 Beach Street (AL190180) told the Board that the ALJ added five newly constructed accessory dwelling units (ADUs) to the number of units by which the passthroughs should have been divided. She said that the seismic retrofit was to be completed; there was an active permit, and these ADUs were not completed until after the seismic retrofit had been signed off. She said that had the ADUs not been included, they would have just been divided by the original 15 units; those units are ineligible to pay for the passthrough so the passthrough should not be allocated to those units.

V. Consideration of Appeals

A. 14 Isis Street #6

AL190197

The landlord's petition requesting a determination of the lawful rent was dismissed due to the landlord's non-appearance at hearing. On appeal, the landlord contends that he did not appear at the hearing because he did not receive the notice of hearing at his P.O. box, and submits a Declaration of Non-Receipt of Notice of Hearing.

Commissioner Wasserman recused himself from the consideration of this appeal because, although he did not participate in this matter, the landlord is his client.

MSC: To accept the appeal and remand the case for a new hearing. Should the landlord again fail to appear, absent extraordinary circumstances, no further hearings will be scheduled.
(Qian/Klein: 5-0)

B. 1767 Union Street #206

AL190198

The tenant's petition for an unlawful rent increase was granted. The ALJ found that the tenant's lawful base rent is \$2,058.84 and that the landlords are liable for rent overpayments in the amount of \$5,597.42 for the period of July 1, 2016 to November 30, 2019. One landlord appeals, contending that she should be the only person to represent the three landlords because her landlord parents are elderly and have dementia; that her landlord mother who appeared at hearing by telephone did not understand the proceedings; and that none of the landlords received the notice of hearing, and she submits a Declaration of Non-Receipt of Notice of Hearing.

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

C. 206 Dorland Street

AT190196

The tenant's application for a deferral of a three capital improvement passthroughs, an operating and maintenance expense increase (O&M), and a water bond passthrough on the basis of financial hardship was denied. The ALJ found that the tenant did not provide the required asset documentation to demonstrate the tenant's eligibility for hardship relief, and that the tenant's application for a hardship deferral as to the O&M and water bond passthrough were denied as untimely. On appeal, the tenant contends that she was under the income limitation; that she provided part of her proof of her rental income; that she does not have to provide her IRA account information; and the documentation submitted is a full reflection of her finances.

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

D. 48 Baker Street

AL190192, AL190193

The tenants' petitions claiming unlawful rent increases and decreased housing services were granted in a consolidated decision. The ALJ found the landlord liable for base rent overpayments in the amount of \$11,225.76; and for rent reductions in the amount \$1,237.50 for the loss of a washing machine. The landlord appeals, arguing that it was in error to find that the rent increase is null and void because the additional charge was to cover costs for capital improvements and the landlord "did not know that capital improvement passthroughs needed to go to the Rent Board for certification," and therefore he should owe the tenants \$5,395.68 in rent overpayments, not \$11,225.76.

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

E. 1015 Broadway Street

AL190191

The tenant's petition claiming an unlawful rent increase was granted. The ALJ found the landlord liable to the tenant for rent overpayments in the amount of \$26,917.27, and determined that the tenant's lawful base rent is \$2,400.00. On appeal the landlord argues that the decision incorrectly applied Ordinance Section 37.3(b)(5) and Rules and Regulations Section 4.10(b) to the stipulated rent history.

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

F. 2201 Pacific Avenue #505

AT190157
(cont. from 11/12/19)

The landlord's petition under Rules and Regulations Section 1.21 was granted. The ALJ found that the subject unit was not tenant Kamela Arya's principal place of residence at

the time the petition was filed on May 1, 2019, nor was it the principal place of tenant Arya's minor son Anthony Arya, and therefore the rent limitations set forth in Rent Ordinance Section 37.3 are not applicable. The tenants appeal, arguing that they are allowed to have more than one residence; that a tenant may be temporarily absent for educational purposes; that illegally obtained hearsay evidence cannot support findings of fact; and that the action is barred by laches.

Commissioner Wasserman recused himself from the consideration of this appeal because the landlord his client.

President Gruber recused himself from the consideration of this appeal because his family owns the subject property.

MSC: To deny the appeal.
(Klein/Tom: 5-0)

G. 1370 – 11th Avenue #1

AT190195

The landlord's petition under Rules and Regulations Section 1.21 was granted. The ALJ found that the subject unit was not the tenant respondents Tamim, Maria Luisa, or Ferras Najjar's principal place of residence at the time the petition was filed on March 25, 2019, and that there were no other tenants in occupancy of the unit on that date, and therefore the rent limitations set forth in Rent Ordinance Section 37.3 are not applicable. On appeal, the tenants argue that the unit was and is the primary place of residence of tenant Ferras Najjar; that repair requests were made and Notices of Violation are outstanding; and that tenant Ferras Najjar does not receive important mail at the unit because the mailbox has been broken for two years.

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

H. 1490 Sacramento Street #4D

AT190199

The landlord's petition for a capital improvement passthrough to 17 of 33 units was granted in part and denied in part. The ALJ certified the cost of mandatory soft story seismic retrofit work required by law, but did not certify a cost of \$2,984.50 for the packing, storing and moving the contents of unit 1L during the period of work. The tenant in one unit appeals the ALJ's decision, but does not cite any basis for the appeal.

Commissioner Wasserman recused himself from the consideration of this appeal because, although he did not participate in this matter, the landlord is his client.

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

I. 575 Burnett Avenue #5

AT190194

The landlord's petition for a capital improvement passthrough to 5 of 5 units was granted.

The ALJ certified the cost of a roof replacement for the upper roof. The tenant in one unit appeals the ALJ's decision, arguing that "concessions were made before purchase for roof"; that her carpets were damaged and have not been repaired; and that her rent is already at market rate.

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

J. 1200 Francisco Street #1, #2, #3, #4, #5, #6, #7, #8, #9 AT190182 - AT190190

The landlord's petition for a capital improvement passthrough to 9 of 9 units was granted in part. The ALJ certified the cost of exterior painting; replacement of common area carpeting; replacement of common area door locks; replacement of door closer; replacement of concrete slab in garage; replacement of intercom; and replacement of fence. The tenants in all 9 units appeal the decision, arguing that the cost of the concrete slab was improperly allocated, and that all of the work was either unnecessary or cosmetic, and was only performed to increase the tenants' rents before the property was listed for sale.

MSC: To deny the appeals.
(Wasserman/Gruber: 5-0)

K. 1801 Beach Street AL190180

The landlord's petition for a capital improvement passthrough was granted. The ALJ certified the cost of mandatory soft story seismic retrofit work required by law, but allocated the cost equally between 20 units, which included the 5 accessory dwelling units (ADU) that were still under construction at the time the petition was filed. The landlord appeals the ALJ's decision, arguing that the allocation of the capital improvement cost should not include the 5 ADU units, since those units were still under construction when the seismic work was completed, and were not occupied by tenants.

MSC: To deny the appeal on the basis of the specific facts of this particular case.
(Mosbrucker/Qian: 3-2; Gruber, Wasserman dissenting)

L. 925 Pierce Street AL190181

The landlord's petition for a capital improvement passthrough to 4 of 12 units was granted in part and denied in part. The ALJ certified the cost of an exterior painting, but conditionally certified the cost of an electrical upgrade because the evidence established that tenants in older units had not yet received the same benefit from the electrical upgrade that renovated units had received. On appeal, the landlord argues that the electrical upgrade work provides building-wide fire life/safety improvements to all units in the building, such as new breakers and a new building ground.

MSF: To deny the appeal.
(Mosbrucker/Qian: 2-3; Gruber, Wasserman, Dandillaya dissenting)

MSC: To accept the appeal and remand the case to the ALJ to certify 20% of the current electrical upgrade passthrough amount, and to conditionally certify the remaining 80% of the electrical upgrade passthrough amount until the remaining electrical upgrade work is completed on the 4 subject units. (Wasserman/Gruber: 3-2; Mosbrucker, Qian dissenting)

IV. Remarks From the Public (continued)

A. Tracy Chan, one of the landlords at 1767 Union Street #203 (AL190198), said that she thought the Board meeting was to just see if the appeal was going to be accepted or not. She said that one reason she appealed is that she was never noticed. She said that she told the tenant to contact her at a specific address and a decision was made against them because no landlord showed up. Ms. Chan said that her mother Linda Chan thought she was postponing the hearing, but she actually testified by phone. She said that the real crux is that baseline rents in year 2010 should stand at the year before because the landlord graciously gave the tenant a rent reduction. She said that the tenant would say that the market condition changed but it didn't; he also signed a lease for the exact same unit and he made false statements and they weren't there to see them or defend them.

B. Zane Brown, the tenant at 1767 Union Street #203 (AL190198), said that they slip rent checks under the doors of units 1 and 3; that the average rent at the time of the reduction was \$1,882.00- the reason is that the landlord was renting a similar unit for \$1,850.00. The tenant said that the landlord said she would give him that rent reduction if he would sign a new lease, which was submitted as evidence.

C. Frank Rodriguez, a tenant at 925 Pierce Street, urged the Board to deny the landlord's approval for the following reasons: since the filing of a 300 Buchanan Street case filed by the same landlord petitioner, the ALJs have correctly determined that an electrical upgrade, which is a project that the landlord routinely performs, does not benefit existing tenants. He said that the ALJs have correctly determined that the increase in amp capacity was comparable in another case of this ALJ; the landlord cites the work as building-wide fire safety improvements, but ignores the important fact that the existing tenants did not receive any rewiring in their units, thus preventing them from accessing the upgraded capacity in the first place. He said that the letter from Paul Viera does not address whether the tenants in existing apartments have access to the electrical upgrade; and that in a recent hearing for 1855 10th Avenue, the landlord brought in an expert witness from Bay Electric, who installed the upgrade, and he said that the upgrade benefits tenants in remodeled apartments.

D. Colin Sloan, the tenant at 1490 Sacramento Street #4D (AT190199), said that he was not ready to share any prepared comments due to confusion. He said that due to miscommunication with an attorney during review of the decision, he needed a further extension to file the appeal. He said that as a caregiver he is facing substantial financial and medical emergencies, and that he received a response to an appeal proof of service that was not signed.

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VI. Public Hearing

7:00 p.m. Proposal to Amend Rules and Regulations Section 6.10 – Operating and Maintenance Expenses – Evidence of Reasonable Reliance

President Gruber opened a public comment period for members of the public to speak specifically about the proposed Rules and Regulations Section 6.10.

A. Noni Richen, the president of the Small Property Owners of SF Institute asked the Board that the O&M Regulations be as simple as possible, as small property owners often live in the same building as their tenants, and it is difficult to separate out the tenant costs and the cost of living in the home. She said that there are often no records from previous owner or there are heirs living elsewhere, and small property owners can't always hire attorneys to figure these things out. Ms. Richen suggested that owner-occupied buildings of 4 units or less be exempted or taken on a case by case basis.

B. Steve Bach, the owner of a small family-owned building on Church Street told the Board that the building was purchased in 2015 with intent to do an O&M, as they had done on a previous purchase; in the purchase contract they required the previous owner to provide them the necessary info after purchase to be able to file for an O&M. Mr. Bach said that the circumstances then changed, as they had underground storage tanks removed and had to do soft story work and got involved in a lawsuit with a neighbor; they hired a passthrough expert, but if the Regulations change goes through it looks like they missed their opportunity by 3 months; meanwhile they spent a lot of money. He said that the petition is pending and he doesn't think it's fair that the Regulations change would be retroactive back to 2017.

C. Daniel Hakaka told the Board that he has had a pending O&M since 2018, and in early 2018 when the Board of Supervisors was considering a major Ordinance change he was advised that may not be able to file his O&M. He said that had they known there would be a deadline they would have filed earlier, and should not be punished by Rules that were made retroactive.

D. Terrance Jones said that he sells apartment buildings in the city and he owns a small apartment building. He told the Board that this Regulations change sounds like a further diminishment of owners' rights and that it seems a little unfair that the O&M increase would be taken away; there's no means testing for rent control; it was originally imposed for people who have done socially positive things: a nurse, doctor, teacher- but for very wealthy people there should be a means testing. He said that instead of just taking, it would be good to take and give; instead of this just taking from owners.

E. Cynthia Fong spoke on behalf of the Housing Rights Committee and urged the Board to adopt Version 3 of the proposed amendments. She said that they have been to numerous Rent Board hearings, have researched case law, and have shown that in other jurisdictions where debt service increases were banned, the jurisdictions adopted specific guidelines for landlords to receive the rent increase. Ms. Fong said that there should be an evaluation of the landlord's financial health, measured by other things like net operating income. She does not believe that Version 4 is consistent with relevant case law; she said that Version is essentially the same as what currently exists, as it references the landlord's financial

hardship but doesn't detail criteria when considering financial hardship. She thanked the Board for the opportunity to speak.

F. Charley Goss of the SF Apartment Association said that SFAA has submitted a letter, and asks the Board to adopt Version 4 and reject Version 3 of the proposed Rules and Regulations. He said that Version 3 excludes debt service and as a factor of obtaining increase; it assumes the landlord receives the maximum possible revenue in the comparison year even if there were vacancies and assumes collection of rents at 100% occupancy, but denies consideration of legitimate costs. Mr. Goss said that he has been speaking with a few small property owners; he read a statement by Manoj Kapoor, which said that he maintains excellent relationships with his tenants and at time of purchase he reasonably relied on his ability to pass through increased O&M expenses; and to approve Version 4. Mr. Goss said that it doesn't seem reasonable to apply the 2 or 3 year timeline retroactively, and asked the Board to adopt Version 4.

G. Justin Goodman, a real estate attorney, spoke in his capacity as a board member of the Small Property Owners of SF Institute. He said that he noted that a majority of petitions were brought by large scale investors; most of the Rules and Regulations happen to be a one size fits all Regulation. He said this reminded him of Prop I; while the voters decided to extend the application of the Rent Ordinance, the distinction made sense; employees in an institution could underwrite. But in this case, he said, most of his small property owner clients don't consult with him in advance of the purchase of their building; they are not professional property managers, so the file is murky; owners have concerns about frozen-in-time documentary evidence. He stated that Version 4 fares a little bit better- but an unprepared purchaser who didn't have the advice necessary at the time to prepare a paper trail. Mr. Goodman said that he prefers Version 4, but asks for an exemption or a relaxing of the burden for small property owners.

H. Devon Johnson, a small property owner told the Board that he and his wife purchased a 6-unit building in the Richmond 4 years ago. He said that he is in support of Version 4 because it most reasonably defines reasonable reliance and has the most recent time frame; he said that Version 3 is unfair to small property owners: both the time period is too short, and the calculation is arbitrary. Mr. Johnson said that when he submitted his petition, was just over the 2-year cut off, and that the 5% calculation is not a real rate of return – it isn't considered for maintenance, replacing furnaces, painting; those all go into rate of return; and debt service is a real expense- the IRS says so, the bank says so. He said that it looks like you can only pass this test if you pay all cash and that it's unfair to needs test the landlord but not the tenants.

The Commissioners heard extensive public comment regarding amendments to Rules and Regulations 6.10 to define the term "reasonable reliance" in the context of an operating and maintenance (O&M) expense petition over the course of four board meetings in September, October, and November 2019. At the request of the Commissioners, staff produced various drafts of the proposed Rules and Regulations. At the November 12, 2019 meeting, the Commission voted on two draft versions, one sponsored by Commissioner Mosbrucker (Draft 1 – Version 3) and one sponsored by Commissioner Dandillaya (Draft 1 – Version 4) to be put out for public hearing at the December 10, 2019 meeting. At the December 10 meeting Commissioner Wasserman

voiced his support for Commissioner Dandillaya's Draft 1 – Version 4, stating that he wanted to go the simple and fair route. Commissioner Isbell stated that he was in support of Commissioner Mosbrucker's Draft 1 – Version 3. At the close of the discussion, the Commissioners made and voted upon the following motions:

MSF: To adopt proposed Rules and Regulations Section 6.10 Draft 1 – Version 3.
(Mosbrucker/Qian: 2-3; Gruber, Wasserman, Dandillaya dissenting)

MSC: To adopt proposed Rules and Regulations Section 6.10 Draft 1 – Version 4.
(Wasserman/Gruber: 3-2; Mosbrucker, Qian dissenting)

President Gruber opened a second public comment period for members of the public to speak specifically about the proposed Rules and Regulations Section 6.10. Upon seeing that no member of the public wanted to make comment, President Gruber then closed the public comment period.

VII. Communications

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

- A. Articles from the SF Examiner, SF Chronicle, BeyondChron, CBS SF, SF Weekly, KQED, and MissionLocal.
- B. Housing Needs and Trends report authored by the Planning Department.
- C. Amended Ordinance.
- D. Letters from Victoria Peterson.
- E. Letter from John Murray.

VIII. Director's Report

Executive Director Collins reported that the Annual Statistical Report for Fiscal Year 2018-2019 has been released. He told the Board that there has been a 59% increase in tenant appeals, a 12% increase in subtenant petitions, a 7% reduction of eviction notices; a 19% reduction of landlord appeals; and a 73% reduction of operating and maintenance expense petition filings. Executive Director Collins informed the Board that there is no current outreach report, as staff are currently in the planning stages of next year's outreach, including outreach with the SF Public Library. Executive Director Collins told the Board that state law AB1482 has passed and was signed on October 8, 2019, and will become effective on January 1, 2020. He said that the new law provides for an expansion of the requirement that landlords must have a just cause in order to evict, and a new requirement regarding rent caps of 5% plus the annual CPI, or 10%, whichever is lower. He stated that here is a lot of confusion surrounding the law change; and that he wants the Rent Board to be a resource for the

community. He said that staff are looking to see how more information can be provided to the public, and are in the process of developing a form to be used by tenants to report a violation of the statewide rent cap, but that the Rent Board does not have jurisdiction over the units covered by the statewide rent cap. Finally, Executive Director Collins told the Board that Supervisor Haney's legislation to extend eviction controls for properties constructed post June 13, 1979 passed at first reading and is likely to become effective in late January. He explained that Supervisor Haney's proposed legislation exempts the units from price controls, but also extends the Rent Board Fee for those properties, and that there will be possibly 35,000 newly covered units.

IX. Old Business

A. Proposed Amendments to Rules and Regulations Sections 12.15, 12.16 and 12.17 – Evictions Regarding Capital Improvement or Rehabilitation Work

At the November 12, 2019 meeting, Executive Director Collins informed the Board that a new law would be passed effective December 2, 2019, which would amend the Ordinance regarding: (1) notice requirements for landlords performing temporary capital improvement evictions; and (2) changes to the standard for which Extension of Time petitions are considered by the Rent Board. SALJ Koomas explained that staff could clean up to Rules and Regulations Sections 12.15 and 12.16 to conform the Rules to the new Ordinance requirements. The Commissioners directed staff to draft proposed Rules and Regulations Sections 12.15 and 12.16, and staff agreed to distribute these drafts before the December 10, 2019 board meeting. Prior to the December 10 meeting, staff determined that Regulations Section 12.17 would also have to be amended to conform to the Ordinance amendments. At the December 10, 2019 meeting, the Commissioners discussed Draft 1 of proposed Rules and Regulations Sections 12.15, 12.16 and 12.17. Commissioners Mosbrucker and Qian indicated small changes they would like to see in Regulations 12.15(b)(2) and 12.16(c). At the conclusion of the discussion, the Commissioners made and voted upon the following motion:

MSC: To move out to public hearing the current draft versions of Proposed Amendment to Rules and Regulations Sections 12.15, 12.16 and 12.17 – Evictions Regarding Capital Improvement or Rehabilitation Work.
(Wasserman/Mosbrucker: 5-0)

X. New Business

A. Proposed Amendment to Rules and Regulations - General Bond Passthroughs

Senior Administrative Law Judge Koomas explained to the Commissioners that the Board of Supervisors amended section 37.3(a)(6) of the Ordinance regarding general obligation bond passthroughs which will go into effect in 2020 and later. He said that effective January 1, 2021, landlords will only be able to impose general bond passthroughs based on tax bills issued within three years prior to the year in which the passthrough is imposed, and the time period for tenants to pay a general bond passthrough has been extended to the same number of months covered by the property tax bills used in the passthrough calculation. He explained that the legislation allows

tenants to request deferral of some general obligation bond amounts by filing a financial hardship application; and clarifies that landlords must use the net taxable value of the property as of November 1 of the applicable tax year to calculate the bond passthrough amount. Commissioner Mosbrucker requested clarification as to whether these changes would just amend the Ordinance or whether the Rules and Regulations would need to be amended as well. SALJ Koomas explained it is possible that Rules and Regulations Section 10.15 would need to be amended due to the changes regarding tenant hardship applications, but tenants wouldn't be able to file to defer the passthroughs until at least November 2020. At the conclusion of the discussion, the Commissioners agreed to continue consideration of this item as Old Business at the March 17, 2020 meeting.

After this discussion, Commissioner Dandillaya requested that staff change some wording on the Notice of Appeal Consideration and bring a draft to the January 28, 2020 meeting.

XI. Calendar Items

January 28, 2020

A. Consideration of Appeals

16 appeal considerations (including 7 continued appeals)

B. Public Hearing

Proposed Amendments to Rules and Regulations Sections 12.15, 12.16 and 12.17 – Evictions Regarding Capital Improvement or Rehabilitation Work

C. Old Business

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

D. New Business

1. Fiscal Year 2020-2021 & 2021-2022 Departmental Budget

XII. Adjournment

President Gruber adjourned the meeting at 8:47 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.