



London N. Breed
Mayor

Christina A. Varner
Acting Executive Director

DAVID GRUBER
PRESIDENT

DAVE CROW
SHOBA DANDILLAYA
RICHARD HUNG
ASHLEY KLEIN
CATHY MOSBRUCKER
KENT QIAN
KION SAWNEY
ARTHUR TOM
DAVID WASSERMAN

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

Tuesday, February 8, 2022
at 6:00 p.m.

Remote Meeting via video and teleconferencing

<https://bit.ly/3L5elHi>

Public Comment Dial In Number: (415) 655-0001 / Access Code: 2496 825 0945

On February 25, 2020, Mayor London Breed declared a state of emergency in regards to COVID-19. Thereafter, Governor Newsom issued a statewide order for all residents to shelter-in-place, and following that, numerous orders of the county health officer and supplemental Mayoral proclamations and directives were issued to slow and reduce the spread of COVID-19.

In several Mayoral proclamations and memorandums, the Mayor and City Attorney detailed emergency orders suspending select laws applicable to boards, commissions, and other policy bodies, and permitting boards and commissions to meet, so long as the meetings are held remotely. At its January 11, 2022 meeting, the Rent Board Commission made findings to allow teleconferenced meetings under California Government Code Section 54953(e), and the February 8, 2022 meeting was held via videoconferencing and will allow for remote public comment until further notice.

The Commission strongly encourages interested parties to submit their comments in writing, by 12:00 noon on February 8, 2022 to rentboard@sfgov.org. The meeting will be streamed live at 6:00 p.m. at <https://bit.ly/3L5elHi>. The public comment call in instructions are available on the Rent Board's website at <https://sfrb.org/meetings/9>.

Please visit the Rent Board's website for ongoing updates during the COVID-19 emergency.

I. Call to Order

President Gruber called the meeting to order at 6:07 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

Commissioner Qian read the Ramaytush Ohlone Land Acknowledgment.

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III. Roll Call

Commissioners Present: Crow; Gruber; Hung; Klein; Mosbrucker; Qian; Sawney; Tom; Wasserman.

Commissioners not Present: Dandillaya.

Staff Present: Brandon; Flores; Koomas; Varner.

IV. Approval of the Minutes

MSC: To approve the minutes of January 11, 2022.
(Wasserman/Tom: 9-0)

V. Consideration of Appeals

There were no appeals to consider.

VI. Remarks from the Public

There were no remarks from the public.

VII. Communications

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

- A. Articles from the SF Chronicle and SF Public Press.
- B. A Decision by the California Court of Appeals in SFAA vs. CCSF upholding Rent Ordinance Section 37.10A.
- C. Monthly workload statistics for December 2021.
- D. 2021 Annual Report on Buyout Agreements.

VIII. Director's Report

A. Rent Board Operations Update During COVID-19 Health Emergency

In regard to departmental operations during the ongoing COVID-19 health emergency, Acting Executive Director Varner told the Board that the office has remained open to the public during the recent Omicron surge, but at reduced hours in accordance with City guidance. She said that counselors are available to provide counseling by phone and that most staff continue to work a hybrid in-office/remote schedule following City policy. Regarding the Rent Board's move to new offices on the 6th and 7th floors of 25 Van Ness, Acting Director Varner stated that staff are continuing to work with the architecture division of the Department of Public Works to prepare for the new space. In addition, she said that staff are actively engaged in recruitments for approximately twelve new positions and are making good progress.

Acting Director Varner stated that she wanted to give a very big “thank you” to the Rent Board’s public information staff for working diligently to implement the Rent Board’s new fee collection process over the last month. She said they have answered hundreds of phone calls, assisted many members of the public at the front counter, responded to countless emails, and processed thousands of exemption requests. She also thanked Rent Board Supervisors Jennifer Rakowski and Anita Pandhoh, who she said have gone “above and beyond” to quickly respond to escalations from staff and 311, and have helped to ensure the that public has the most clear and accurate information about the new process.

Regarding the Rent Board Fee collection process, Acting Director Varner told the Board that the March 1 payment deadline for payment of the Rent Board fee is approaching, and reminded property owners that a penalty of 5% will be incurred if payment is not received by March 1, 10% on April 1, 15% on May 1, and that outstanding payments will be referred to the Bureau of Delinquent Revenue (BDR) on June 1. In response to a question from President Gruber, Acting Director Varner stated that BDR does impose an additional collection fee on top of the maximum 15% penalty for delinquent accounts.

Acting Director Varner told the Commissioners that Board of Supervisors (BOS) File No. 230131 was recently introduced by Supervisor Preston, which would reinstate the local eviction moratorium for non-payment of rent beginning on April 1, 2022, after the expiration of California’s AB 832. The proposed Ordinance would prohibit landlords from evicting residential tenants or imposing late fees for non-payment of rent that came due between April 1, 2022 and the expiration of the Mayor’s Emergency Proclamation, if the rent was unpaid due to the COVID-19 pandemic. She said that the legislation was assigned to Land Use Committee. Regarding other pending legislation, Acting Director Varner said that BOS File No. 211265, which requires landlords pursuing certain types of evictions to first give the tenant a written 10-day warning notice and opportunity to cure, passed the full Board of Supervisors on February 1st and is currently with the Mayor; that BOS File No. 211096, regarding tenant associations and organizing activities, was passed by the Rules Committee and will soon be considered by the full Board of Supervisors; and that BOS File No. 211202, regarding building density limits and the construction of affordable rental units, is still before the Land Use Committee.

Acting Director Varner then discussed the 2021 Annual Buyout Report that was recently prepared by staff, noting that there were a greater number of buyout-related documents filed with the Rent Board in 2021 than in the previous two years. Finally, Acting Director Varner reminded the Commissioners who had not already done so to complete the Racial Equity Survey, and asked all the commissioners to submit their Form 700s and complete the required Sunshine and Ethics trainings by April 1, 2022, or else they would not be able to vote in future board meetings.

IX. Old Business

A. AB 361, Mayoral Directive, and Future Remote Commission Meetings

Acting Executive Director Varner stated that the Mayor’s Directive that was discussed by the Commissioners at the prior board meeting remains unchanged, and that the March 2022 Board Meeting must therefore be held in-person, rather than through remote conferencing. She said that the location of the board meeting is still unknown, but that secured reservations were

made for Rooms 70 and 610 at 25 Van Ness. However, she cautioned, it is unlikely the public could appear remotely if the board meeting was held at 25 Van Ness, and therefore staff would need to make sure the public was advised to appear in person or submit comments in writing beforehand to give public remarks. Acting Director Varner said that she is also investigating the availability of reserving meeting space at City Hall for future board meetings; a meeting held at City Hall would have greater support from SFGOV TV. As for COVID-19 meeting policies, she said that the vaccination requirements for City Commissioners went into effect on January 31, and that although there are no formal social distancing requirements at this time, all those present at the Board Meeting would need to wear a mask.

President Gruber remarked that remote Commission Meetings have worked well to provide public access and engagement during the COVID-19 health emergency, and expressed concern that in-person Commission Meetings could reduce public accessibility. Commissioner Sawney suggested the Board allow members of the public to provide remarks via phone at future Commission Meetings, which Commissioner Klein stated had been allowed in the past.

B. Fiscal Year 2022-2023 Departmental Budget

a. Public Comment Regarding Budget

There were no remarks from the public.

b. Budget Presentation

Acting Executive Director Varner made the second of two budget presentations to the Board for the fiscal year 2022-2023 budget cycle. She said that the Commissioners were given a copy of the department's budget for the next two fiscal years and that the report shows expenditures for each category, with an explanation for each major change from the prior year shown in the explanation column. She said that the proposed budget is higher than the prior year's budget, primarily due to increased salaries, technology purchases, and ongoing work orders.

For some background, Acting Director Varner explained that the Haney legislation in 2020 added about 50,000 new units to the existing 171,000 units that were already under the Rent Board's jurisdiction. In addition, she said, other major legislative changes occurred during Fiscal Year 2020-21 that had a significant impact on departmental operations. These changes include the Housing Inventory legislation, which requires the department to create an inventory of all residential units in the city, and the Rent Board fee legislation, which requires the department to collect and assess its own funding source, the Rent Board fee. Director Varner explained that these two changes, in addition to ongoing increases in records requests, buyout filings, and new Rent Board requirements regarding Accessory Dwelling Units, among other things, have brought the need to significantly increase the number of staff positions in the department. This created a need for a larger office space and equipment to support the new staff. Additionally, she said, the department has had to increase its work orders with 311 and Repro Mail for work related to the Rent Board fee and Housing Inventory.

Regarding the projected revenue in Fiscal Year 2020-21, Acting Director Varner stated that approximately 245,000 units have been identified as potentially subject to payment of the Rent

Board fee. However, as anticipated, the department has already granted 14,771 fee exemption requests filed by property owners and estimates that approximately 20,000 requests will be granted by the end of the fee cycle. Due to exemption requests and corrections to unit count data, the actual number of units expected to be assessed is approximately 196,000, with some additional SRO units that are assessed half the fee.

Acting Director Varner then explained that she had new information to inform the budget discussion, namely, the department has determined that it should prepare for the possibility that it may need to pay rent at 25 Van Ness for the existing office space in suites 320 and 340 concurrently with the rent owed for the new office space in suites 660 and 700 for part of fiscal year 2023-2024. She said that although the move is currently scheduled to occur before June of 2023, the timeline could be affected by construction delays, unanticipated architectural changes, and supply chain slowdowns. For that reason, she said, the projected fiscal year 23-24 budget included rent on both offices, with the hope that next year the projected cost can be reduced once the actual move date is more certain.

In regard to professional and specialized services, Acting Director Varner stated that the projected budget includes tenant improvements for the new office suites, software updates and professional services to support the implementation of the Housing Inventory legislation. She said that the department anticipates significant salary savings due to staff vacancies in the current fiscal year, and the existing fund balance from prior fiscal years should allow the department to continue operations without having to make any significant changes in the next two fiscal years. She said that the controller will determine the actual Rent Board fee for the next year, but that it is expected to remain at \$59. In sum, she said that the department's budget has increased since last year, and revenue projections are lower than previously expected, but there are significant fund balances and salary savings from prior fiscal years that should make up the difference without the need to raise the Rent Board fee.

Acting Director Varner then invited questions from the Commissioners and responded to inquiries from President Gruber regarding additional revenue projections in future budget cycles due to the Housing Inventory, and Commissioner Sawney regarding one-time costs related to moving office suites and the cost of services provided by 311.

At the conclusion of the discussion, the Board made and voted upon the following motion:

MSC: To approve the proposed departmental budget for Fiscal Years 2022-2023 and 2023-2024.
(Mosbrucker/Wasserman: 9-0)

X. New Business

A. Election of Board Officers

President Gruber began the discussion by explaining that the Board is tasked with electing a president and vice-president of the Commission each year, and invited the Commissioners to make nominations. Commissioner Wasserman then nominated President Gruber for an additional term as Board president, and nominated vice-president Mosbrucker to serve an additional term as vice-president. The nominations were seconded by Commissioner Klein.

The Board then made and voted upon the following motion:

MSC: To nominate David Gruber as President and Cathy Mosbrucker as Vice-President for calendar year 2022.
(Mosbrucker/Wasserman: 9-0)

XI. Calendar Items

March 15, 2022 – in-person meeting – location TBD

Note: After the February 8, 2022 meeting, the meeting's location was updated to online/remote pursuant to Mayoral guidance.

A. Consideration of Appeals

3 appeal considerations

Reader of the Ramaytush Ohlone Land Acknowledgment – President Gruber.

XII. Adjournment

President Gruber adjourned the meeting at 7:31 p.m.