City and County of San Francisco

Residential Rent Stabilization and Arbitration Board



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

Tuesday, October 10, 2023 at 6:00 p.m. 25 Van Ness Avenue, Room 610 San Francisco, CA 94102

The meeting will also be streamed online via Webex at https://bit.ly/46sR77E

Public comment may be given by phone.

Public Comment Dial In Number: (415) 655-0001 Webinar Number: 2664 801 8865 / Webinar Password: RENT (7368)

The Commission strongly encourages interested parties to submit their comments in writing, by 12:00 p.m. on October 6, 2023 to rentboard@sfgov.org. The public comment call in instructions are available on the Rent Board's website at https://sf.gov/public-body/rent-board-commission.

Please visit the Rent Board's website for ongoing updates.

I. Call to Order

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

II. Reading of Ramaytush Ohlone Land Acknowledgment

Commissioner Tom read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Crow; Gruber; Haley; Mosbrucker; Qian;

Tom; Wasserman.

Commissioners Not Present: Hung; Klein; Sawney.

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Staff Present: Flores; Koomas; Lam; Texidor; Van Spronsen; Varner.

IV. Remarks from the Public

A. Victoria Miller, the tenant at 1150 Union Street, Unit 604 (AT230050), requested that the Board consider all her submissions before deciding the appeal.

- B. Curtis Dowling, the landlord's representative at 1150 Union Street, Unit 604 (AT230050), stated that the Administrative Law Judge (ALJ) correctly found that the tenant and her husband do not principally reside in the unit as they took a homeowner's exemption continuously from 2016 through 2022 on a home they co-own as joint tenants in Belvedere Tiburon. Mr. Dowling said that the tenant only attempted to unravel the exemption after the petition was filed in this case, and the unit is fundamentally used for work and business purposes while the Tiburon home is their principal place of residence. He also stated that the tenant's Sworn testimony confirms that the unit is more her office and that when she finishes work there, she returns to the Tiburon home. He also commented that the home address is listed for personal joint tax returns and the apartment address is listed for corporate taxes and Articles of Organization filed with the Secretary of State, that the landlord should not have to subsidize the tenant's business, and that the appeal should be dismissed.
- C. Kenneth Runyon, the master tenant at 64 Toledo Way (AL230058, AL230059), stated that he disagrees with the ALJ's calculation of the subtenant's proportional share of the total rent, which he believes should be an additional \$275.00 per month based on the size of the subtenant's exclusively occupied space. Regarding financial hardship, Mr. Runyon stated that he would like to create a payment plan so that he can pay the rent first as he recently started his career over and it will be a few years before he makes any profit. He also stated that the subtenant's primary goal with the petition is for her to live there rent free and that he be evicted.
- D. Gen Zhu Mei, the tenant at 960 Moscow Street, Unit A (AT230055), stated that in 2022 the landlord erected a wall that blocked access to the laundry room, a facility that he enjoyed for the past decade. He further stated that he believes the Decision was unjust and that the ALJ did not thoroughly examine all the evidence presented at the hearing. He kindly requested that the Board consider the appeal so that he could regain his tenant rights.
- E. Yu Bin Lei, the landlord at 960 Moscow Street, Unit A (AT230055), stated that the laundry service was never part of the tenant's lease because the owners paid an extra share of the utilities to have exclusive use of the laundry. He claims the tenant bullied and threatened his parents that they would lose the home if they did not allow him to use the laundry. The landlord further commented that after he took over ownership of the building from his parents in November 2021, he explained to the tenant that use of the laundry was not part of the lease and that he would lock the laundry room to comply with the building code when building the ADU.
- F. Mandy Lei, the prior landlord at 960 Moscow Street, Unit A (AT230055), stated that when she signed the original lease the landlords did not intend the laundry machines to be part of

the contract. She further explained that while only three people lived upstairs, they paid an extra share of the utilities, four total, so that her parents could exclusively use the laundry machines. She stated that the tenant threatened her mother for years, and that the tenant made false accusations against her mother, causing her mother stress and to avoid going to the backyard so she wouldn't see the tenant. Ms. Lei also explained that she attempted to get a restraining order against the tenant but withdrew the petition because her mother feared that the tenant's threats would increase. The prior landlord concluded that the tenant knew that use of the laundry machines was not included in the lease.

V. Approval of the Minutes

MSC: To approve the minutes of September 12, 2023.

(Wasserman/Qian: 7-0)

VI. Consideration of Appeals

A. 103 Rivas Avenue

AT230054

The tenant appeals the decision granting in part the tenant's claim of decreased housing services. In the Decision, the Administrative Law Judge (ALJ) found the landlord liable for rent reductions in the amount of \$600.00 for a broken back door from May 6, 2022 to October 6, 2022, but determined that no reduction in base rent was warranted for the tenant's other claim. In her appeal, the tenant argues that the decision was based on incomplete evidence and the value assessed for the decrease in housing service was insufficient considering the pain, suffering, and loss of work she experienced. In support of her appeal, the tenant submitted evidence showing that she gave notice to the landlord regarding the sink flooding on multiple occasions.

Appeal No. AT230054 was withdrawn on October 10, 2023.

B. 960 Moscow Street, Unit A

AT230055

The tenant appeals the decision granting in part the tenant's claim of decreased housing services. In the Decision, the ALJ found the landlords liable for rent reductions in the amount of \$574.00 due to the lack of adequate heat from May 9, 2022 to October 31, 2022, but determined that no other rent reduction in base rent was warranted for the tenant's other claims. In the appeal, the tenant claims that the ALJ made errors of fact regarding the laundry facilities.

MSC: To accept the appeal and remand the case to the ALJ for consideration of evidence on the issue of decrease in laundry services, with a supplemental hearing to be held only if necessary.

(Mosbrucker/Wasserman: 5-0)

C. 1349 Folsom Street

AL230057

The master tenant's appeal was filed 1 day late. The master tenant states that he submitted the appeal late because he had not attended the hearing as he was misled by the

subtenant into understanding that the petition for unlawful rent increase would be withdrawn.

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

The master tenant untimely appeals the decision granting the subtenant's claim of disproportionate rent payments under Rules and Regulations Section 6.15C(3). In the Decision, the ALJ found the master tenant liable to the subtenant for rent overpayments in the amount of \$2,652.50 from August 1, 2022 to August 31, 2023 when the subtenant paid more than his proportional share of the total rent to the master tenant. On appeal, the master tenant alleges that the ALJ made errors of fact since the subtenant misrepresented the amount of space utilized, the details of the monthly fee charged, and whether there was a settlement prior to the hearing, and claims that the subtenant breached the lease several times.

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

D. 64 Toledo Way

AL230058, AL230059

The master tenant appeals the decision granting in part the subtenant's claim of disproportionate rent payments under Rules and Regulations Section 6.15C(3) and decreased housing services, based both on the merits and financial hardship. In the Decision, the ALJ found the master tenant liable to the subtenant for rent overpayments in the amount of \$25,175.00 from February 1, 2020 to December 31, 2022 when the subtenant paid more than her proportional share of the total rent but denied the subtenant's other claims for decreased housing services. In the appeal, the master tenant alleges that the ALJ made an error when she calculated the proportional rent by the number of tenants in the unit instead of square footage usage. The master tenant also appeals on the basis of financial hardship.

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

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

E. 1150 Union Street, Unit 604

AT230050

The tenant appeals the decision granting the landlord's petition seeking a rent increase under Rules and Regulations Section 1.21. The ALJ determined that there was no "tenant in occupancy" of the unit at the time the petition was filed since the tenant primarily resides at a home in Marin County with her spouse. In the appeal, the tenant alleges that the ALJ made errors of fact and abused her discretion by not properly evaluating the evidence and testimony which show that she primarily resides in the unit in San Francisco.

Commissioner Wasserman recused himself from consideration of the appeal because he has previously represented the owner in other unrelated matters.

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

F. 1381 Utah Street, Unit 1

AL230056

The landlord appeals the decision granting the tenant's claim of unlawful rent increase. In the Decision, the ALJ found the landlord liable for rent overpayments in the amount of \$14,739.54 from February 1, 2020 to August 31, 2023. In the appeal, the landlord alleges that the ALJ made errors of law and fact. In particular, the landlord claims that the ALJ did not allow him to fully cross-examine the tenant to develop affirmative defenses and that he should not be liable to the tenant for a rent overpayment because the tenant himself did not pay the excess rent and has violated Rules and Regulations Section 6.15C(3) by overcharging his subtenants.

MSC: To deny the appeal.

(Mosbrucker/Wasserman: 5-0)

G. 2700 Mission Street, Unit B

AT230060

One tenant appeals the decision granting in part the tenant's claim of unlawful rent increase. In the Decision, the ALJ found that the rent increases in November 2020 and July 2022 were null and void because they exceeded the allowable amount, but that the increases in March 2018 and July 2023 were lawful such that the tenant petitioners underpaid the rent in the amount of \$ 1,456.43. On appeal, the tenant alleges that the ALJ made errors of fact regarding the lease, rent increase history, September 2023 rent payment, and calculations of rent overpayments for July and August 2023. The tenant also objects to the manner in which the landlord's agent has pursued collection of the rent underpayment.

MSC: To deny the appeal and remand the case to the ALJ to issue a Technical Correction to the Decision regarding the rent overpayment calculation. (Mosbrucker/Wasserman: 5-0)

IV. Remarks from the Public (cont.)

A. Victoria Miller, the tenant at 1150 Union Street, Unit 604 (AT230050), stated that she was upset that the Board accepted the tainted view of the landlord's representative who does not know her life. She commented that her life is in San Francisco and the unit has been her home for twenty years, and the representative took her quote about how many nights she spends in the unit out of context. She explained that there is no clear-cut metric to determine residence, and it cannot be based on the number of nights slept in a home. Ms. Miller further commented that the representative's public comment is full of lies, and who she married and whether they own a home has nothing to do with who she is as a person and her goals. She also stated that she is a San Francisco native, her mother lived in the same building, much of her life is in San Francisco, and the unit is her home. She continued

to say that she could not understand how the Board could determine it was not her home as the homeowner's tax exemption was easy to unwind and if they told her how many nights she needs to stay in the San Francisco unit to make it her home, then she would do it. She concluded that she is disgusted with the way that the representative wrote his appeal brief and she has no legal recourse and is left with nothing because the rent increase is more than she can pay.

B. Kenneth Runyon, the master tenant at 64 Toledo Way (AL230058, AL230059), thanked the Board for considering his financial hardship claim and said that he wanted to make sure the Board understood the error the ALJ made when calculating the subtenant's proportional share of the total rent. He explained that the ALJ divided the rent based on tenant head count, but he believes that it can also be based on square footage of exclusively occupied space. He stated that he also didn't have any storage in the apartment, and that based on his calculation of how the rent should be divided, the subtenant actually underpaid her proportional share by approximately \$4,000.00. He asked the Board who determines what is fair and proportional usage. He concluded that the subtenant's goal is to get him evicted, and he discovered that she wrote a letter to the landlord arguing that she should be made the master tenant and he should be evicted by October 6, 2023.

VI. Communications

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

- A. Articles from <u>SFist</u> and <u>SF Chronicle</u>.
- B. Departmental workload statistics for August 2023.

VIII. <u>Director's Report</u>

Executive Director Varner told the Commissioners that daily operations continue as usual at the Rent Board. She introduced a new staff member, Finance and Operations Analyst Michelle Lam, who worked at the Airport prior to joining the Rent Board. Director Varner said that with regard to outreach, on October 11, Rent Board staff Aaron Morrison and Jennifer Rakowski will present to Community Boards mediators regarding the Rent Board's services. Director Varner said that the Housing Inventory and Rent Board Fee Informational Notice has been sent out to 95,000 property owners, with 90,000 more to be sent out later this month. She said that the notice provides a proposed fee assessment amount, instructs owners how to apply for a Rent Board Fee exemption, and provides instructions on to how to report into the Housing Inventory, and that if owners have questions, they can call 311. She thanked the Rent Board Inventory and Fee Unit and Public Information Unit staff who have already handled numerous inquiries.

With regard to legislation, Director Varner told the Commissioners that <u>Board of Supervisors</u> (<u>BOS</u>) File No. 230810, which will amend the Tenant Right To Organize legislation, was passed unanimously by the Board of Supervisors on October 3, 2023 and is currently with the Mayor. She said that the amendments would specify that an individual tenant may have a tenant association representative present during their meetings with the landlord and require landlords to remain in attendance at meetings of a tenant association for up to two hours, and

that the amendments would also clarify what it means to confer in good faith and the types of matters that may be discussed with a tenant association, and clarify that a duly-formed tenant association remains in good standing unless and until either: 1) it fails to re-certify on the landlord's request, which can happen no more than once every three years; or 2) a new tenant association is formed to take its place.

Director Varner also told the Commissioners that California State Senate Bill 567, which makes changes to the California Tenant Protection Act, was passed by the State Legislature and signed by Governor Newsom on September 30, 2023. She said that the bill limits no-fault evictions and strengthens protections for tenants covered by the California Tenant Protection Act, rather than the San Francisco Rent Ordinance, and expands private and public enforcement of the Tenant Protection Act. Finally, Director Varner told the Board that California State Senate Bill 712 was passed by the State Legislature and signed by the Governor on October 8, 2023. She said that the bill requires landlords to allow tenants to own a micromobility device and store it in their rental unit, unless the landlord provides free, secure storage, and that "micromobility device" is defined as a device that is powered by the physical exertion of the rider or an electric motor and is designed to transport one individual or one adult accompanied by up to three minors. Lastly, Director Varner requested that the Commissioners complete the Department on the Status of Women's Gender Analysis of Boards and Commissions Survey by October 18.

IX. Old Business

A. <u>Proposed Amendments to Rules and Regulations Section 10.10 Regarding Tenant</u> Right To Organize Legislation

Commissioner Wasserman asked the Board to continue the discussion until pending legislation by the Board of Supervisors (File No. 230810) runs its course. Commissioner Mosbrucker also requested that the Commissioners be given a copy of the legislation if it becomes law before the next meeting. No objection was raised, and President Gruber asked that this item remain on the agenda as Old Business for the November 2023 Board Meeting.

X. New Business

There was no new business.

XI. Calendar Items

November 14, 2023 – regular in-person meeting at 25 Van Ness Ave, Room 610.

A. Consideration of Appeals – 7 appeal considerations

Reader of the Ramaytush Ohlone Land Acknowledgement – Commissioner Wasserman

XII. Adjournment

President Gruber adjourned the meeting at 7:11 p.m.