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, December 12, 2023 at 6:00 p.m. 25 Van Ness Avenue, Room 610 San Francisco, CA 94102

The Commission strongly encourages interested parties to submit their comments in writing, by 12:00 p.m. on December 8, 2023 to rentboard@sfgov.org. Please visit the Rent Board's website for ongoing updates.

I. Call to Order

President Gruber called the meeting to order at 6:04 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

Commissioner Crow read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Crow; Gruber; Haley; Klein; Mosbrucker; Sawney;

Tom.

Commissioners Not Present: Hung; Qian; Wasserman.

Staff Present: Koomas; Marquez; Texidor; Van Spronsen; Varner.

IV. Remarks from the Public

A. Naeem Salameh, attorney for the landlord at 785 Valencia Street (AL230070), stated that the landlord did not get a full and fair hearing on his petition number L230578. He said that the petition was ripe for an appeal because there were various reasons why the Administrative Law Judge (ALJ) erred, and those errors resulted in prejudice against the landlord. Mr. Salameh said that the ALJ knew him from an outside

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organization and made no preliminary statement or warning to address the potential conflict of interest, and that if the statement had been made, the landlord would have requested that the hearing be rescheduled with a different ALJ. He commented that the ALJ failed to request or allow additional documents from the tenant as requested by the landlord, failed to properly weigh the evidence presented, and overlooked the overwhelming amount of evidence from the landlord, including evidence demonstrating the tenant's perjury at the hearing relating to the address stated on his license. Mr. Salameh said that the transcript excerpt included in the ALJ's written response to the appeal also illustrates the tenant's perjured statements related to his license address, which indicates prejudice towards the landlord. He concluded that the landlord deserves a full and fair hearing on his petition and thanked the Board for their time and consideration of the appeal.

B. Antonio Drolapas, general partner of T& A Drolapas & Sons L.P., the landlord at 785 Valencia Street (AL230070), stated that he did not receive a fair hearing, and that the ALJ who heard his petition was prejudicial for the reasons noted in his appeal and which his attorney highlighted. He said that he deserves a full and fair hearing and that he would like to address the ALJ's written response to his appeal. Mr. Drolapas stated that the tenant's roommate falsely stated in a letter not signed under penalty of perjury that he knew the tenant for over 15 years and that during those years the tenant had been consistently living in the unit. Mr. Drolapas commented that the letter contradicts the timeline in a declaration by a former roommate that includes communication from the tenant and was signed under penalty of perjury. He also stated that this is an example of how the ALJ erred and did not properly weigh the evidence at hearing. He further stated that the tenant perjured himself at the hearing regarding the address on his license, and that he noted in his appeal that he confirmed with local police authorities that the tenant changed his address from Oak Street in San Francisco to Vacaville in 2019, and the license never had the 785 Valencia Street address. He also stated that the tenant purchased a vehicle in 2021 and registered it under the Vacaville address, and used the Vacaville address on the official paperwork for a speeding ticket he received in Solano County.

V. Approval of the Minutes

MSC: To approve the minutes of November 14, 2023. (Mosbrucker/Sawney: 5-2, Haley and Tom abstaining)

VI. Consideration of Appeals

A. 785 Valencia Street

AL230070

The landlord appeals the decision denying their petition seeking a rent increase under Rules and Regulations Section 1.21 and Civil Code Section 1954.53(d) of the Costa-Hawkins Rental Housing Act. In the Decision, the Administrative Law Judge (ALJ) determined that no rent increase was warranted because the tenant continued to permanently reside in the unit at the time the landlord's petition was filed. In the appeal, the landlord claims that the ALJ erred by failing to disclose a potential conflict of interest between her and the landlord's attorney, failing to require the submission of additional

documentation from the tenant regarding FasTrak records and bank statements, exhibiting prejudicial conduct and demeanor towards the landlord, and improperly weighing evidence and witnesses.

MSC: To deny the appeal.

(Mosbrucker/Sawney: 5-0)

B. 250 Douglass Street, Unit 10

AL230068

The landlord appeals the decision denying their petition seeking a rent increase under Rules and Regulations Section 1.21. In the Decision, the ALJ determined that the August 1, 2023 rent increase from \$1,827.89 to \$2,475.00 was not authorized because the landlord failed to meet their burden of proving that there was no "tenant in occupancy" of the unit at the time the petition was filed. Specifically, the ALJ found that the tenant's extended physical absences during the relevant period were due to leisure travel, and that his North Carolina property is only a vacation home and rental property. On appeal, the landlord claims that the unit is not the tenant's principal place of residence since it was not his usual place of return, and that the ALJ erred by improperly giving "dispositive consideration" to evidence that the tenant intended to occupy the unit more frequently in the future.

MSC: To deny the appeal. (Mosbrucker/Sawney: 3-2, Gruber, Klein dissenting)

C. 1863 Alabama Street, Unit 2

AL230071

The landlords appeal the decision granting the tenant's claim of unlawful rent increase. In the Decision, the ALJ determined that based on the evidence, the July 1, 2023 rent increase from \$1,038.50 to \$1,630.70 was null and void because it exceeded more than 0.5% of the total allowable annual and banked rent increases available at the time. In the appeal, the landlords claim that Rent Board staff informed them that the amount of the banked rent increase they imposed and the notice they gave the tenant were lawful.

Commissioner Mosbrucker recused herself from consideration of the appeal because she is an employee of the agency that represents the tenant in this case.

MSC: To continue consideration of the appeal to the January 16, 2024 board meeting.

(Sawney/Klein: 5-0)

D. 25 Francis Street

AT230069

The subtenant appeals the decision denying in part their claim of disproportionate rent payment under Rules and Regulations Section 6.15C(3). In the Decision, the ALJ determined that the subtenant's lawful proportional share of the rent was \$748.52 per month instead of the \$1,000.00 per month that he initially paid, but that the subtenant failed to prove his aggregate rent payments to the master tenant exceeded his proportional share of the total rent. In the appeal, the subtenant claims that the Decision

did not fully consider the facts, including that he was the sole payer of rent during the subtenancy, that the master tenant failed to forward his rent payments to the landlord, that the master tenant refused to accept his rent from April to June 2023, that he was justified in withholding rent as there was an outstanding Notice of Violation from the Department of Building Inspection, and that his overpayments for the period from December 2022 to March 2023 totaled \$1,005.92.

MSC: To deny the appeal.

(Mosbrucker/Sawney: 5-0)

IV. Remarks from the Public (cont.)

There were no further remarks from the public.

VII. Communications

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

- A. Articles from SF Chronicle.
- B. Departmental workload statistics for October 2023.
- C. Memorandum re Gifts and Holiday Parties from City Attorney's Office, Ethics Commission, and Controller's Office.

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

Executive Director Varner congratulated Commissioner Haley for her reappointment as the neutral alternate commissioner. Director Varner introduced the Commissioners to the Nancy Marquez, who was present observing the meeting as the Rent Board's new Housing Inventory and Fee Unit Supervisor, a previously unfilled position. She told the Board that Nancy comes to the department after working at the Controller's Office Admin Division as a professional services contracts analyst, and prior, worked as a principal fare collections receiver at the MTA and in private banking, and has a BA in Business Administration from SF State and an Executive Master of Public Administration from Golden Gate University. Director Varner provided an update regarding the Fee and Inventory. She said that the fee exemption period closed the day prior, with over 11,000 exemption requests. She said that the department has had over 8,800 reports into the Housing Inventory, with over 6,500 licenses already having been granted. Director Varner said that Rent Board Fee invoices will go out in January, and that tenants should know that they don't have to pay their portion of the Rent Board Fee to their landlord until the fee is paid by their landlord. With regard to outreach, Director Varner said that on December 14, Jennifer Rakowski would provide a presentation on the Rent Board to City College of San Francisco's property management class. Director Varner told the Board that Fiscal Year 2024-2025 budget preparation season had started, explaining that the midyear FY 2023-2024 cuts that affected many General Fund departments did not affect the Rent Board as an enterprise department. She explained that the FY 2024-2025 budget would be discussed in the first of two budget presentations that will take place at the January 16 board meeting. Director Varner told the Board that with regard to legislation, Supervisor Melgar sponsored Board of Supervisors File No. 231185, which is currently at Land Use. She said that

the proposed legislation is an Ordinance amending the Planning Code to waive the Conditional Use Authorization requirement for removal of an unauthorized unit in a single-family home where the owner satisfies certain eligibility criteria, waive the Conditional Use Authorization requirement for removal of an unauthorized unit where that unit does not satisfy open space, dwelling unit exposure, or minimum floor-to-ceiling height requirements, update the required Conditional Use Authorization findings for removal of an unauthorized unit to account for the history of tenancies in that unit; amending the Administrative Code to require that where an owner obtains an exemption from the Conditional Use Authorization requirement to remove an unauthorized unit from a qualifying single-family home, the single-family home shall be subject to the rent increase limitations of the Rent Ordinance; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 302. Also sponsored by Supervisor Melgar, and presently at Land Use, Director Varner said, is Board of Supervisors File No. 231224, an Ordinance amending the Housing Code to authorize occupants of residential dwelling units to sue a property owner for substandard housing conditions as defined in Housing Code Section 1001, if the conditions pose a substantial risk to the occupants' health and safety. An occupant who prevailed in the lawsuit could get attorneys' fees, an order that the owner must remedy the violation, and/or actual damages. If any of the occupants were younger than 18 or older than 65 or disabled, then the owner could have to pay up to three times the occupants' actual damages.

IX. Old Business

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

Commissioner Klein asked the Board to continue this item for discussion at the January 2024 Commission Meeting and no objection was raised.

X. New Business

There was no new business.

XI. Calendar Items

January 16, 2024 – regular in-person meeting at 25 Van Ness Ave, Room 610.

A. Consideration of Appeals

4 appeal considerations

Reader of the Ramaytush Ohlone Land Acknowledgement – President Gruber.

XII. Adjournment

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