



London N. Breed  
*Mayor*

Christina A. Varner  
*Executive Director*

DAVID GRUBER  
*PRESIDENT*

DAVE CROW  
JULIET HALEY  
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, January 16, 2024  
at 6:00 p.m.  
25 Van Ness Avenue, Room 610  
San Francisco, CA 94102

I. Call to Order

President Gruber called the meeting to order at 6:18 p.m.

II. Reading of Ramaytush Ohlone Land Acknowledgment

President Gruber read the Ramaytush Ohlone Land Acknowledgement.

III. Roll Call

Commissioners Present: Crow; Gruber; Haley; Sawney; Tom; Wasserman.

Commissioners Not Present: Hung; Klein; Qian; Mosbrucker.

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

IV. Remarks from the Public

*There were no remarks from the public.*

V. Approval of the Minutes

MSC: To approve the minutes of December 12, 2023.  
(Tom/Sawney: 5-0, Wasserman abstaining)

VI. Consideration of Appeals

A. 3358 – 21st Street

AL230073

The landlord appeals the decision granting in part the tenants' claims of decreased housing services. In the Decision, the Administrative Law Judge (ALJ) found that rent reductions totaling \$13,902.00 were warranted for mold in the unit and basement, leaks in the bathroom and kitchen sinks, lack of working lights in the bathroom and rear bedroom, a leaking roof, and broken patio floor, but denied the tenants' other claims. The ALJ also found that the tenants' base rent would continue to be reduced by \$324.00 for each month for the mold in the unit and basement until the landlord completes the mold remediation and abates the Notice of Violation from the Department of Building Inspection. On appeal, the landlord alleges that the ALJ erred in his calculation of the amount of rent reductions for the sink leaks and lack of working lights, that the tenants have not paid rent from March 2, 2022 – November 30, 2023, and that the mold remediation was completed on October 13, 2023.

MSC: To deny the appeal.  
(Crow/Sawney: 5-0)

B. 1863 Alabama Street, Unit 2

AL230071, AT230074

The tenant submitted his appeal 18 days late because he claimed his printer was inoperable and he had to wait for the appeal form to arrive via mail from the Rent Board.

MSC: To find good cause for the late filing of the tenant's appeal AT230074.  
(Sawney/Wasserman: 5-0)

The landlord appeals and the tenant untimely appeals the decision granting the tenant's claim of unlawful rent increase. In the Decision, the ALJ determined that the July 1, 2023 rent increase from \$1,038.50 to \$1,630.70 was null and void because it exceeded the allowable rent increase available at the time. The ALJ also found that the tenant's monthly rent would continue to be reduced by \$25.00 for a broken dishwasher, but that no ongoing rent reduction would be awarded for the garbage disposal, solarium, and garage parking space since those services had been restored. In the landlord's appeal, he claims that Rent Board staff informed him that the amount of the banked rent increase he imposed and the notice he gave the tenant were lawful. In the tenant's appeal, the tenant alleges that the garage parking space, solarium, and garbage disposal have not been restored for his use.

MSC: To deny both the tenant and landlord appeals.  
(Wasserman/Haley: 5-0)

C. 2043 Taylor Street

AT230072

The tenant appeals the decision granting in part the landlord's petition for a capital improvement passthrough. On appeal, the tenant alleges that the cost of the new water heater and windows should not be certified as capital improvement passthroughs since

the landlord replaced the water heating system for his own benefit to gain square footage in the garage and that the windows only needed to be replaced due to the landlord's deferred maintenance.

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

IV. Remarks from the Public (cont.)

- A. Teresa Roliz, the tenant at 3358 – 21st Street (AL230073), asked the Board whether a determination had been made regarding appeal AL230073 and if the calculation of the rent reduction for the patio deck would be corrected in the Decision.

VII. Communications

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

- A. Articles from Mission Local and The New York Times.
- B. Departmental workload statistics for November 2023.
- C. Rent Board Organizational Chart for Fiscal Year 2023-2024.

VIII. Director's Report

Executive Director Christina Varner introduced the Commissioners to Brian Brophy, who was present observing the meeting as one of the Rent Board's three new Administrative Law Judges (ALJs). She told the Board that he joins the other two ALJ's Susan Lee, another outside hire who they will meet at the February commission meeting, and Anita Pandhoh, who was formerly one of the supervisors of the Rent Board's Public Information Unit. Director Varner explained that Brian Brophy comes to the Rent Board after having served recently as an ALJ at the Oakland Rent Adjustment Program, and previously worked as a tenant attorney in both private and nonprofit firms. Director Varner provided an update regarding the Housing Inventory and Fee. She told the Commissioners that Rent Board Fee invoices have been mailed out, urged them to tell their colleagues and friends, and reminded them 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 actually paid by their landlord. She said that reporting rates into the Housing Inventory were quite low last year and encouraged the Board to notify property owners to report to the Inventory to obtain their rent increase licenses. Director Varner also told the Commissioners that the Rent Board will be engaging in further outreach and partnership to encourage owners to report into the Inventory. With regard to outreach, Director Varner told the Board that Public Information Unit staff Aaron Morrison and Liz Chang presented to tenant advocates at the Chinatown Community Development Center (CCDC) on January 11, 2024. She stated that after the pandemic and with the passage of time, CCDC, which is an important partnership for the department, has a lot of new advocates, and their staff needed refreshers on salient Rent Board topics, including rent increases, tenant hardship, hearings and mediations, and appeals. Director Varner told the Board that with regard to legislation, there are two pieces of legislation currently at the Land Use committee that are sponsored by Supervisor Melgar. She said that Board of Supervisors File No. 231185 would amend the

Planning Code to change the Conditional Use Authorization requirement for removal of an unauthorized dwelling unit (UDU). Director Varner told the Board that currently, Conditional Use Authorization is not required to remove an unauthorized dwelling unit where the Department of Building Inspection has determined that there is no path for legalization under the Building Code. She said that under the proposed legislation, that exemption would be eliminated, and instead, the Planning Code would exempt removal of a UDU from the Conditional Use Authorization requirement only if the UDU does not satisfy open space, dwelling unit exposure, or minimum floor-to-ceiling height code requirements, and that the legislation would also create a new exemption from the Conditional Use Authorization for removal of a UDU in a single-family home if: (a) the owner resides in the primary dwelling unit at the time of application, (b) the UDU has not been rented for consideration in the last 10 years, except to a qualifying family member, (c) the owner intends to reside in the single-family home for a period of three years after removal of the UDU, and (d) the owner enters into a regulatory agreement with the City subjecting the single-family home to the rent increase limitations of the Rent Ordinance. Director Varner said that Board of Supervisors File No. 231224 would amend 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. She said that under this legislation, an occupant who prevailed in the lawsuit could get attorneys' fees, an order that the owner must remedy the violation, and/or actual damages and 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.

After the Director's report, Commissioner Wasserman read a statement regarding the passing of former Rent Board Commissioner Jim Hurley.

IX. Old Business

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

Commissioner Wasserman asked the Board to continue this item for discussion at the February 2024 Commission meeting and no objection was raised.

X. New Business

A. Fiscal Year 2024-2025 Departmental Budget

Director Varner told the Commissioners that she would like to begin discussing the department's fiscal years 2024-2025 and 2025-2026 two-year budget. She said that the Rent Board's budget is composed of its revenue and its expenditures, and that the revenue is primarily comprised of the funds generated by the Rent Board fee collection. She said that the Rent Board calculates its revenue based off the current Rent Board fee amount of \$59, which is calculated by the Controller and multiplied by the number of units that are being assessed. Director Varner told the Board that Fiscal Year 2025 projections show around 219,770 units and allowing for approximately a 90% collection rate of the fee, together with other smaller revenue sources, the Rent Board projects revenues of approximately \$12,160,634 in Fiscal Year 2025, and \$12,224,354 in Fiscal Year 2026. She said that the Rent Board's expenditures

are comprised of salaries and fringe benefits, non-personnel services, materials and supplies, and work orders with other departments, with the largest of the expenditures being salary and fringe, numbers that increase annually and sometimes biannually due to COLAs, step increases, and other negotiated increases. Director Varner said that the vast majority of the department's budget goes to pay labor costs in the department, about 65-70% since the department has grown due to the work required by legislative mandates and salary and benefits costs have risen. She said that the present Fiscal Year 2024, arrived with three vacancies in the Public Information Unit, and the department saw three key positions become vacant for half of the year, other positions remained vacant the first quarter of Fiscal Year 2024, and then were filled, while other positions opened up after the first half of Fiscal Year 2024. She said that the Commissioners could see the department's organizational chart indicating present vacancies, and that these vacancies, while difficult to deal with in the present, also help to create salary savings that the department can use in Fiscal Year 2025 which are projected to be about \$1.8M.

Director Varner told the Board that Fiscal Year 2026's numbers are a bit more challenging, as Fiscal Year 2026 will likely require the Rent Board Fee to be increased by \$2 or more per unit, as the number of vacant positions will decrease in Fiscal Year 2024 and Fiscal Year 2025, and there will be less salary savings to rely upon. She said that costs that are presently budgeted for the move and tenant improvements will be encumbered this Fiscal Year 2024, and so expenditures will be reduced with the Department of Public Works – Architecture and Bureau of Building Repair, the Department of Technology, and related costs.

With regard to other costs, Director Varner said that the Rent Board has allocated about \$750,000 in funding towards technology project modernization costs both in Fiscal Year 2025 and Fiscal Year 2026, with reduced costs in Fiscal Year 2027 for maintenance and has regular, ongoing database, licensing, and software costs, as well as ordinary business machine costs, materials, and supplies. She said that the Rent Board is working to clarify and potentially reduce certain work orders with other departments based on billing trends over the past five years and will continue to maintain a work order equal for about three positions with SF 311 Customer Service Center. She also said that the Rent Board has a workorder with the Treasurer and Tax Collector for processing their fee collection and delinquent fee collection that they are assessing the number on, but is presently at \$120,000, and the work order with ReproMail for processing our notifications, invoices and mail and mail increases about 10% per year. She concluded that early projections show the Rent Board with a projected \$12.2M in revenue in Fiscal Year 2025 and about \$1.8M in salary savings to bring into Fiscal Year 25. She told the Board that in advance of the February commission meeting, she would provide them with a memo and accompanying numbers.

#### XI. Calendar Items

February 6, 2024 – regular in-person meeting at 25 Van Ness Ave, Room 610.

##### A. Consideration of Appeals

- a. 3 appeal considerations

##### B. Old Business

- a. Fiscal Year 2024-2025 and Fiscal Year 2025-2026 Departmental Budget

Reader of the Ramaytush Ohlone Land Acknowledgement – Commissioner Haley.

XII. Adjournment

President Gruber adjourned the meeting at 7:13 p.m.