



West of Twin Peaks Central Council

A Resource for Neighborhood Organizations West of Twin Peaks in San Francisco since 1936

PO Box 27112
San Francisco, CA 94127

<http://www.westoftwinpeaks.org/>

Meeting Minutes

Date: Monday, February 27, 2017

Time: 7:30pm – 9:00pm

Location: **Forest Hill Clubhouse**
381 Magellan Avenue
San Francisco, CA 94127

Associations:	Those Present shown in bold			
Balboa Terrace	Roger Ritter Hanna Fleck	Monterey Heights	Marco Magallon Susan Zurinaga Paul Anderson Steve Roditti	
Forest Hill	Dena Aslanian William Gus Guibert	Mount Sutro Homeowners		
Forest Knolls	Herbert Dunmeyer Kristine Zaback Walter Caplan	Pine Lake Park	David Golden David Hirtzel	
Ingleside Terrace	Paul Conroy Carolyn + Bob Karis Mark Scardina	Saint Francis Woods	Carolyn Squeri, Paul Hill	
Golden Gate Heights	Sally Stephens	Sherwood Forest		
Greater West Portal	Avrum Shepard Matt Chamberlain Lee Hsu Rae Doyle	Sunnyside	Lisa Spinali Estelle Smith	
Lakeshore Acres	Barbara Chionsini Bill Chionsini	The Woods	Judy Clarke	
Lakeside Property Owners	Joyce Richardson	Twin Peaks	Denise LaPoint	
Merced Manor	Mike Garcia	Westwood Highlands	Bhushan Mudbhary Dave Bisho	
Midtown Terrace	George Wooding			
Miraloma Park	Karen Breslin Karen Wood			
Officers Present:	President – Roger Ritter Vice President- Sally Stephens	Treasurer- Carolyn Squeri Secretary – David Golden Parliamentarian - Lee Hsu		
Guests Present:				

Roll Call and Minutes Review:

Meeting called to order: Sally S, calls meeting to order at 7:36

Roll Call: 11 neighborhood's present.

Motion to approve the minutes: January minutes were handed out.

Officers Reports

President: Roger Ritter has resigned, Sally is now acting president.

Vice President:

Treasure's Report: \$4,447.10 in treasury

Secretary's Report:

Committee Reports:

Planning & Land Use:

Technology:

Public Health: George provides an update on the disposal of medication, individuals have a challenge disposing. Medication is not filtered when put in the trash. George is advocating that people go to sfenvironment where there are disposal sites for medication. Needles are a particular problem. Some drug stores will take them, police stations will take them.

Open Space & Parks: Sally notes that the NAP public hearing will be held tomorrow, City Hall, supervisors chambers at 3:00. Karen notes that there is a public protest planned in opposition at 1:00 at City Hall.

Transportation:

Public Safety: Scott Hom came to the meeting with other officers. Scott notes that he understands the concern of the neighbors, including murders (a gang related murder), robbery, break ins. Notes that they were able to make an important gang related arrest related to the murder. Scott also notes that they are refocusing on community residential burglaries. They made an arrest, who was then released, and is now back in custody. They are working on cracking a case which will require identifying the photo of a man whose picture has been circulating on the internet. A question is asked about why we don't require the young man who is arrested, to be required to get an education. Noting that without education the man has now way to function in our "elevated" society if he doesn't have an education. Scott advises that if you see someone suspicious, take a picture if you can, but most important call 911, don't bother with the non-emergency lines. Another question asks about who she should call while located in Ingleside Terrace, noting that when she has called in the past, the call isn't taken seriously, when a description is provided. The police notes that you can provide a description of what the person is doing, that really helps. Don't just

describe what the person looks like. Gives examples such as, person is ringing door bells, looking in cars, etc. A third question asks how San Francisco compares to SF in the 1970's. Is San Francisco more dangerous than it was. Scott gives an informal response that it seems to him that property crime is up. He believes that in general the WotPCC are very safe. Final question is about staffing, do you have enough officers? Enrollment is going up, there have been some recent classes graduating, and more are on the way. Sally thanks the officers for coming and notes perhaps we can make this a regular part of our meeting.

Main Business:

City Assessor Carmen Chu: Carmen is here to discuss what the updates are with her department, she has now been with the assessor's office for a few years. She introduces her associate who is available to answer questions. She starts with assessor/recorder. The recorder is very straightforward. They are required to keep the official documents of the city, i.e. lean's, marriage licenses, etc. They recorded over 190,000 documents this year. They also collect transfer taxes. They have collected \$270M in transfer taxes. They also carry out the requirements of Prop 13. Property taxes were over \$2.6 billion. 65% is going to fund city services, police, fire, rec and park, etc. 35% is going to public education. Education funding goes to the state and is then redistributed back to the city. When Carmen started at the Assessors the real estate market they were years behind in getting the appeals redone. They had a 3 year backlog, and now it has been reduced to 18 months. Carmen notes that the data systems which is used to manage the city's RE tax data, is very old, based on cobalt program. She is working on updating the system so that they can keep the system up to date. It is a top priority to fix the data entry system. Success for our office include- "nobody loves to pay taxes, but they can expect to have their taxes assess fairly. Everyone should be taxed fairly. She gave an example for a settlement that AT&T park expired in 2010. A case that needed to be won in court. She won over \$5m in additional taxes from AT&T park. Many complex legal entities are carrying out transactions. They need to pay transfer taxes too. The problem is that the sales are made in shares not as a single entire transaction. These transactions are reported, but until Carmen's term, these taxes were not audited. Carmen discusses that she has worked on the taxes for Short Term rentals too. The small short term rental business need to be held to the same accountability that any other business would need to meet. Carmen notes there is a lot of useful information available from her office, including how to pass on RE to your children. Dena asks how transfer property to your children. Per Carmen, notes there is a form to fill out. Question: How do you feel about the 2.5% increase in transfer tax for more \$5m or above expensive properties? Answer: There was a recent ballot measure. The city has gone to the voters multiple times, Carmen is concerned after so many times, it's the 'appetite' for additional taxes. She notes that most of the city's transactions are for a lower value. With the tax rate on higher value properties so much higher, it is being challenged more and more often, requiring her offices to be sophisticated. She is concerned that the transfer tax revenue can be very dynamic and volatile, and that the city should not be counting on it every year. A question was asked about the Academy of Arts, and if they are avoiding taxes? Assessor's office is not involved directly in the issues, it's addressed by the planning office. Another question is asked regarding what the value of the property is when one partner in a marriage dies? Per Carmen the value would not change when one partner passes away. She goes on to explain that transferring property to children can be complex, but that one of the best ways is through a "living will/trust." She notes that it's important that after creating the trust it's important to remember to transfer the assets into the trust. If you don't do a trust, then it's possible to record a deed which will facilitate the transfer without going through probate. Questions: Can you explain the proposition that allows you to sell you property at age 62, an not loose your property tax? You can do this within the city, and its no issue.

If you want to do between counties the options are more limited. Are you making changes in anticipation of loss of federal funds. Carmen notes that the electrifying of the CalTrain, changing from fuel to electrical. This is important for trains come come all the way to the new terminal. We are looking at alternative funding for the caltrain upgrades. There are 800,000-900,000 people in San Francisco, and one out of 8 are receiving funding through the expansion of medicaid under the ACA. If all that funding is loss it would result in significant losses for the city. Its a major concern, but not one yet we understand and know how to react to. Question: If you create a trust and leave some money out side of the trust, how much money outside of the trust will require probate? Carmen notes that it is never simple, and doesn't know exactly what is the dollar amount that could trigger probate.

This write-up represents my best effort to document what Carmen stated during the meeting, it should not be construed as tax advice. If you have specific questions best to check the website, and consult legal and accounting advice as appropriate.

Short-Term Rentals, Kevin Guy, Director of the Office of Short Term Rentals: This issue came to the forefront in 2010's, 2010 & 2011 this issue was widely debated by the City, AirBnB was one of many platforms that began to take off. It was seen as having a positive benefit to the visitor and the renter. Concern was raised regarding impacts of taking units out of the housing stock. AirBnB played a major role in defeating proposition F. Even so, regulations did go into effect that legalized the practice of short term rental, provided they renters met certain basic requirements. 2500 applications have been made, 2000 are now active hosts. The difference, 500, results from rejections, people who were rejected, or have taken their units off the market. Their office has collected millions in penalties related to complaints that are brought to attention... from neighbors, to city inspectors, have all brought issues to our offices attention. Our proactive enforcement is made against the most aggressive short-term rentals which are clearly taking units off the market. Our office has seen how incredibly profitable it can be to run short-term rentals. Kevin notes that some units have requested so many bunk beds that they would clearly be outside the current planning and building codes. A business license is required to run an AirBnB which is used to track taxes. An important part of the legalization is proving that there is a permanent resident who lives in the unit to. Notification of neighbors, is required for RH1D's, and sent to all neighbors within 300 feet of the proposed unit. The main reason is for neighbors to provide information about how the unit appears to be used. Some of the legislation and litigation pertains to how violations are enforced. Currently all violations are born by the host. \$400/day can be asses to an owner in violation who does not have a registration. When the notice is given often the owner comes into compliance, but if they don't Kevin's office will work to get them into compliance. The city is considering requiring the listing agencies to also be accountable, and take down the listings. It is dynamic market which requires diligence.

Mark Scadini provides an update on how well the system has worked from the perspective of his neighborhood. Mark's neighborhood has CCnR's which restrict the use of homes as Short Term rental. Mark notes that there have been owners who have added units illegally which they then use as an AirBnB. The way the system works is that the Short Term rental office doesn't look for the DBI violations, only when there is a complaint from the neighborhood. Another issue comes up in determining if it is a separate unit or is it part of the same home. It seems the Short Term rental office has been very liberal in its determination of these as the same unit. If they are separate units they would not quality as a legal candidates to be a short term rental. There are not any penalties against owners who have proceeded with setting up short term rentals currently in the existing law. Kevin agrees that this is the case. The owner might be subject to tax penalties for business and

personal taxes. Kevin agrees that the overwhelming number of applications already have been operating prior to getting the certificate. A requirement for becoming short-term rental is that the applicant brings in lease. The law stated that the lease must allow for short-term lease. Mark asks why can't the office also require proof that the unit does not violate the CCnR's. Per Kevin, his office does not enforce any private agreements, including the CCnR's. Question- Up the block from me (Karen), something in an LLC, already filed complaint. Kevin agrees to look into the complaint. One good piece of good news, it's very binary decision for our office. George notes that far more short term rentals are being listed on these servers, and asks given the political connections the listing servers how can we get the list servers to share their information. The legislations was passed, but is currently tied up in litigation. Hopefully when that works its way through the system, we'll have more of the tools necessary to close the delta between the number of listing and the number of registered users. A questioner believes the notices are being given without proper notification to the surrounding neighbors.

See <https://shorttermrentals.sfgov.org/> for more information.

Old Business & New Business

9:00 pm Adjourn + Social: Carol motions to adjourn. Meeting is adjourned.

Minutes by David Golden