

**Balboa Terrace Homes Association Minutes**  
**Annual Membership Meeting Tuesday,**  
**March 10, 2015**

The meeting was held at the Ninth Church of Christ, Scientist, 175 Junipero Serra Boulevard. Members of the Board of Directors present: Gerald Bernstein, Sue Grazioli, Robert deFea, Robert Mann, Roger Ritter, George Wu, Alexandra Vuksich, Darrell Gourley, Brigitte Churnin, Geff Scott; absent: Caitlin Traylor. A quorum of the board being present, the meeting was called to order at 7:35pm.

**Guest Speakers**

Prior to the introduction of the first guest speaker, a request was made by Sophie Breall to cancel speakers in order to devote the entire meeting to "...important Association business.". Ms. Breall stated that her request was made 10 days prior to the scheduled annual meeting and that her request had been ignored by the Board. Board President, Jerry Bernstein asked for a show of hands by those present (approximately 40-45) in favor of following the meeting agenda as published. There were 26 raised hands in favor of the agenda while the show of hands was taken to indicate support for Ms. Breall's request to alter the agenda had approximately 6 raised hands. The order of business as published was continued.

**Taraval Station**

Sergeant Val Altamirano represented Taraval Station, the safest station area in the city of San Francisco. She reminded those present not to leave anything of value in their cars as car burglary and auto theft is on the rise. A question was asked about recent burglaries in the area and she said that the actual number of incidents has remained steady from the previous year. Another question was asked concerning the Taraval Newsletter which has stopped being distributed via email each week. Sgt. Val didn't wasn't aware of the issue. Although the number of officers at Taraval is down, they do respond to email. Patrols concentrate on Sloat and Junipero Serra traffic issues and frequency of patrols coming into Balboa Terrace was unknown. Another question was asked about the effectiveness of security cameras — there are no statistics on the effectiveness of cameras and alarms but there is anecdotal evidence that they do work to deter burglaries. There was a request for patrols around Aptos at the drop off and pick up times when school is in session to deal with troublesome parents and students. Sgt. Val opined that Proposition 47 was partly responsible for the increase in petty crime. She asked that homeowners *use the non-emergency line* to report incidents in the neighborhood: **415-553-0123**.

### **Supervisor Norman Yee**

The Supervisor echoed concerns about the increase in crime and will be holding a hearing in April with the Police Department to determine the need for increased patrols, different strategies and to show support of the Department in their effort to stop these quality of life crimes. Supervisor Yee's main focus was on Participatory Budgeting. This year he would like to see a streamlined "quick" application form. In 2014 there were 33 proposals from residents of District 7 with 15 awards made. So far this year, there have been 44 proposals which are of higher quality than those made in the previous year. Voting will take place online by residents of District 7 who wish to vote. Commodore Sloat Elementary School has a proposal in the mix for benches to be installed in the play yard that is open after school hours. The Balboa Reservoir development project has been progressing too quickly; he would like it to slow down in order to create a Community Advisory Committee to comment on the project which, to date, is designed to be mixed use for mixed income levels. The public library on Ocean will now have access to its garden opened up from Ocean Ave. and will be available as an area open space resource.

### **PG&E Representative: Michael Riordan**

Mr. Riordan made general remarks and was available for one-on-one sessions for any homeowners present who wished to voice concerns/problems with work being done impacting their property. Mr. Riordan reported that the lights had been installed, old lights would be removed next week with restoration of sidewalks and street paving the next steps. All work should be complete by the end of March. He explained that PG&E owns approximately 40% of the city's streetlights although the SFPUC governs street light policy. The city is in the process of acquiring all streetlights so they will be 100% responsible for street lighting and maintenance. Loop 185 (covering most of Balboa Terrace) was being replaced due to its age and amount of corrosion to the system. There were questions about the various colored markings on the streets; they are placed by various departments to identify their utility lines: water, sewer, cable, etc. and the markings will be power washed once the project is complete. The entire project will not be considered to be done until the SFDPW inspection is complete. There was also a question about the inconsistency and changing out of the "arms" that attach the lamps to the poles. The old ones are arched while some, but not all, of the new ones are more angular.

### **Supervisor Scott Weiner**

The San Francisco Charter calls for police staffing of 2,000 officers. Numbers shrank to 1,700 and should be back to full staffing by 2018. That number however is still too few for a city of our size; a study is being conducted to determine what the acceptable number actually should be. The Supervisor's main focus in addressing homeowners was street trees. After planting most of the city's street trees, the city then turned them over to property owners to care for them resulting in a cumbersome and unfair system. Maintenance is inconsistent ranging from meticulous to mutilation. The city should be responsible for the care and maintenance of street trees — it's more efficient. There is a working group to determine how to fund an "Urban Forest Fund" to do just that. This fund would be outside the regular city budget since such a line item would never make it through the budget process. One idea is a set-aside or a parcel tax of \$50-80/year. They are still looking at any and all ideas which also address issues of liability. They hope to have a

measure on the 2016 ballot. There were questions about how to determine if a tree is dead; how to deal with removal of a tree. The current system is incredibly cumbersome — there is no easy fix for tree politics.

### **Introduction of Members of the Board of Directors**

Members of the current board were introduced by Board President, Jerry Bernstein.

### **Financial Report**

The numbers for the 2014/15 budget were presented by Treasurer, Geff Scott. He noted that maintenance fees for the common areas have increased by about 25%. There were also some non-recurring expenses. Projected numbers include deferred maintenance such as replacing the sprinkler mechanism including above ground controllers. This would be discussed in further detail in the capital improvement plan. A Reserve Study, as described in the Davis-Sterling Act, would be commissioned this year. Ms. Breall had questions about legal fees being paid for out of reserve funds in previous years while they were paid out of operating funds this past year. That would be an improper use of reserve funds. Mr. Scott stated that attorneys have been engaged on occasion to ensure compliance with the Davis-Sterling Act as part of the board's due diligence. Mary Rotunno had a question about raising the annual homeowner assessments without a published Reserve Plan which is in violation of the Davis-Sterling Act. Kevin Boulivant stated that the increases of 20% per year have amounted to a combined 100% over the past four years without any explanation for the increases. Mr. Bernstein replied that the average increase in homeowner assessments over that period amounted to an average of \$20-40 per property owner and that the reasons to build reserves are to take care of future capital improvements such as a new sprinkler system, increased costs of insurance, cost to engage an accounting firm to complete a proper Reserve Study and to cover future liability with regard to Balboa Terrace's common areas, etc.

David Bogdanov commented that in his opinion, this Board was doing what needs to be done in a responsible way. He pointed out that the difference between an HOA such as ours and a condominium is a common roof and an elevator. Our common areas are much different.

Sue Grazioli said she lived on San Leandro and paid her \$246 assessment which she believed was not much when considering the increased value to your home of having such land improvements and nice neighbors. She would like to see rules enforced with some of the funds and felt that little had been done about weeds and bad front lawn areas. Darrell Gourley stated that letters are sent out to homeowners whose front gardens are not kept according to the CC&Rs and that sometimes it takes a few months to see any improvement but that they do have some success with the letters.

An unidentified homeowner also stated that they were happy to pay the fees but have lived for three years now in their home and continue to get HOA correspondence in the old owner's name. There was also a question about the "eyesore" stretch of land on Junipero Serra Boulevard between the main road and the frontage road as well as the shattered MTA bus stops. Robert Mann mentioned that Lakeside has expressed an interest in joining Balboa Terrace to improve this area.

Jodi Kimel asked whether we could engage a private security firm to patrol the neighborhood. She was encouraged to come to a monthly meeting to further discuss the idea.

### **Articles of Incorporation**

Roger Ritter referred to the “Why Revise The Articles of Incorporation?” document which was handed out at the sign-in desk and emphasized that the change places BTHA in compliance with the current law as well as protects the HOA against lawsuits. Ms. Rotunno asked why the language was changed to omit language in the current Articles which state the purpose of the Association. Robert Switzer claimed the process to change the Articles is disingenuous and had grave concerns about that process and its lack of visibility/transparency. He stated that the Board has a responsibility to engage the members in these matters. He also accused the Board of purposefully avoiding responsibility and that this is a pattern with this Board. George Wu stated that getting member participation for any activity is difficult and that we, as a board, should try harder to communicate with members. Mr. Switzer said that the Association needs a proper venue to conduct its meetings rather than the current practice of meeting at board members’ homes. Robert Mann said that the Board needed to better communicate and improve their process. Ms. Breall asked why the bullet points presented by Roger Ritter were not included in the annual meeting packet to explain the proposed restatement of the Articles of Incorporation; it would have gone a long way in explaining the changes rather than just including a ballot in the voting packet. Mr. Ritter noted that materials had gone out in previous mailings and that no concerns had been expressed prior to this meeting. Elizabeth Khachigian volunteered to work with Mr. Ritter on amendments to the proposed, restated Articles of Incorporation after results of the election are in. At that time, they will move forward with amendments. Mr. Switzer wanted a notification of objection and withdrawal of the Articles that are currently being voted on. Then, open up for further investigation for amendments. He also stated his belief that nothing ever seems to get done; nothing seems to get through to the board members. Mr. Bernstein said that the use of email can be expanded to actively send meeting agendas when posted to members for whom we have email addresses. The election would continue to its conclusion. If the Articles of Incorporation as sent out passes the election, amendments will be made at that time. If they do not pass, the process will begin again with the issue appearing for election again next year. Either way, the Articles of Incorporation will be amended to address concerns stated.

### **Landscape and Maintenance**

Robert Mann presented a review of Balboa Terrace’s “green belt” which includes 58 trees, 36,700 square feet of lawns, 7,200 square feet of walkways and a grand entrance at the Junipero Serra Boulevard frontage road which requires re-landscaping. He solicited volunteers to serve on a working group to prepare a long term Master Plan to manage the property while keeping in mind the affects of climate change and reoccurring drought. Such a plan would have considerable costs involved but nothing would move without neighborhood participation. Volunteering were Peter Schmidt, Dorothy McMath, Monica Hernandez, Gary Egan and Robert Switzer.

### **Old Business - Room Rental Policy**

There have been questions regarding policy on the issue of “rentals”. Mr. Bernstein said that over the years there have been 3 rental possibilities: the rental of an entire house, rental of a room or rental of a unit, which is illegal in Balboa Terrace. Zoning has in the past prohibited RH1-D neighborhoods such as ours from short term rentals (less than 30 days) but with the introduction of legislation to legitimize business models such as that of AirBNB, that prohibition has become conditional. The difference between renting a room out to a student and having tourists coming and going affects the safety and security of the neighborhood. Opinions on the subject are varied. The Board can monitor permits to prevent “units” from being built. The CC&Rs could be tightened to better define what is and is not prohibited vis a vis rentals in the “sharing” economy. It was mentioned by a member that fines seem to be unenforceable and are unfair. The issue of fines as covered in The View was confusing. The deed restrictions need to be clearer. Illegal units are covered by fines as a means of enforcement. There was a complaint about enforceability in a changing city; the deed restrictions don’t address “rental units”. A member expressed the opinion that the Board does not have the legal authority to interpret things that are not there (deed restrictions). Mr. Bernstein stated that to change the CC&Rs required a 2/3 vote of the full membership. There should be a working group to revise/amend the CC&Rs for this purpose.

### **New Business**

A plea was made for consistent enforcement of the rules.

### **Nomination of Board Members**

*A motion was made by Hanna Fleck to nominate the current board for election to the 2015/16 year.*

*A motion to continue the meeting until April 6th to accommodate the counting of ballots at a time and place to be determined and posted prior to the meeting was made by Roger Ritter and seconded by Bob de Fea. The motioned carried.*

Next meeting to be held Monday, 4/6/15, at a location to be determined.

*Note: copies of the minutes from the 2014 annual meeting were handed out at the sign-in desk but not accepted as the Secretary’s Report was omitted in the interest of time.*