Memo to the Planning Commission

HEARING DATE: JUNE 2, 2016 Continued from the May 12, 2016 Hearing

Date: May 26, 2016

Case No.: 2015-002243DRP/VAR
Project Address: 1615-1633 Grant Avenue

12-26 Medau Place

Permit Application: 2015.0227.9626 & 9627

Zoning: RM-2

40-X Height and Bulk District

Block/Lot: 0088 / 005

Project Sponsor: Paul C. Okamoto

Okamoto Saijo Architecture

18 Bartol Street

San Francisco, CA 94133

Staff Contact: Claudine Asbagh – (415) 575-9165

claudine.asbagh@sfgov.org

BACKGROUND

The project was continued from the April 21st and May 12th Planning Commission meetings at the request of both the project sponsor and the DR requestor.

CURRENT PROPOSAL

The current proposal incorporates the changes requested by the department. Specifically, the project no longer includes staircase penthouses to access private roof decks, and deck railings are now wood—not glass.

REQUIRED COMMISSION ACTION

In order for the project to proceed, the Commission must take the DR and approve the project as modified.

BASIS FOR RECOMMENDATION

- The reconfiguration of the units creates more common living space and will allow living areas to be located adjacent to the internal courtyard.
- The project does not remove any dwelling units or displace any tenants.
- The reconfiguration of the units will create a more code compliant layout for the courtyard stairways and allow for greater separation between buildings on the lot.

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CASE NO. 2015-002243DRP/VAR 1615-1633 Grant Avenue 12-26 Medau Place

- The project has been reviewed by a preservation planner and found to be consistent with the Secretary of the Interior Standards for rehabilitation.
- The construction of four new roof top penthouses would detract from the character of the building and should be redesigned so that the private decks are accessible by hatches. Removing the penthouses will allow the project to move forward and remain consistent with residential design guidelines.

RECOMMENDATION:

Take DR and approve the project with modifications.

Attachments:

Project Sponsor Correspondence, dated May 25, 2016 Revised plan set, dated May 24, 2016



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May 25, 2016

VIA EMAIL ONLY

Rodney Fong, President San Francisco Planning Commission 1650 Mission Street, Suite 400 San Francisco, CA 94103

Re: DR Hearing and Variance Hearing – June 2, 2016, 1615 Grant Avenue

Dear President Fong and Commissioners:

We represent the Grant Ave. Trust, a group of family members. Please review this letter along with the letter I sent you in April with your first Commission Packet. The Trust owns the 16-unit building at 1615 Grant Ave. Members of the Trust are local residents of Chinese origin, and most family members have owned and managed this building for 69 years. Five units were occupied by relatives of the owners, and nine units were occupied by unrelated tenants (two units were vacant) at the time of an Ellis Act. A landlord/tenant law firm performed the eviction 8 years ago. At that time the life/safety risks were getting too serious for the owners to allow tenants (and the owners' family members) to continue to live there, and they decided to go out of the rental business until money could be raised among them, along with a loan, for a large upgrade. Unlike 8 years ago, the family now has the funds and loan commitment to restore the building to a safe and livable manner.

Interior Conditions. The conditions in the building at that time were not good, with two to four bedroom units with no common areas, dangerously steep stair risers, bedrooms with little light and no open space on the lot. Of the 16 units, for example, 75% were below 810 sf and some of those at that size were as large as three bedrooms with no living/dining room. And 50% were less than 625 sf yet some were being used for three bedrooms with no living/dining room. And 25% of the units had 1,000 sf or more but were being used as four bedrooms with no living/dining room. Now bedrooms have been reconfigured to face the interior courtyard instead of porches facing the courtyard, common areas have been provided in the units, and stairs have been reconfigured (the latter of which requires a Variance of several feet).

We continued the hearing from a month ago as the DR Applicant and the Telegraph Hill Dwellers did not want stair penthouse on the roofs. In the drawings now before you, the stair penthouses have been changed to roof hatches.

We also continued the hearing after Chinatown Community Development Center (CCDC) asked that the owners consider dedicating two units to a rent level that previous tenants were paying, increased only by the amounts that would have been allowed by rent control rules over last 8 years. As an alternative, CCDC suggested a price at which it would be willing to acquire the building for 100% affordable housing. The owners appreciate both approaches, and also

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appreciate the creativity shown by Malcolm Yeung and Whitney Jones of CCDC. Those discussions took place in the last month.

However, for complicated reasons involving landlord/tenant law and economic issues, the best efforts of the owner and CCDC have not been able to resolve the issue of bringing back two tenants at their original rent, as adjusted. Construction lenders would have trouble appraising the building high enough to make the necessary loan with the reduction in rent because over the life of the 20 to 30 year loan, millions of dollars in income would not be available to serve the proposed new mortgage once the lender calculates the reduced income by charging original rents for two units. Original rents would be up to one half of today's BMR rents. The parties have not and likely will not be able to find a mutually agreeable price for sale to CCDC. One of the tenants told CCDC that they may want to come back but then indicated that their current rent situation is very favorable and that the rent level now enjoyed by the City's BMR tenants for similar units is a great deal more than they pay today.

Number of Bedrooms Per Unit. Plans originally sent to the planner Lily Langlois (and reproduced in the Staff Report and in my April letter to you) show that the apartments had only bedrooms and no living room/dining rooms. Your current Staff Report (prepared by the current Planner Claudine Asbagh) counted 48 bedrooms and reported that "currently the site has 12 three bedroom units, four two bedroom units." The owners/architect advised Lily Langlois, the Planning Staff person (at the time) that in almost all the units, tenants were using one of the bedrooms as living rooms.

Because today's tenants need a living room, there is one former bedroom in each of the new proposed 16 units that is labeled as a living room -- each was labeled as a bedroom instead of a living room on the "as existing" plans you have. As a result, when one looks at the section of your Staff Report that I just quoted, and then one looks the new configuration plans before you, it appears that the ownership is now proposing 16 fewer bedrooms than "existed". Your Staff Report does not express concern over the loss of bedrooms because Lily Langlois and Claudine Asbagh of your Staff correctly understood that this is not a real reduction of number of bedrooms.

Again, there are two reasons there is no true loss in number of bedrooms:

- a) Most tenants used one of the spaces labeled "bedroom" (in the existing all-bedroom units) as a living/dining room.
- b) Given the lack of larger units available for rent today, future tenants may use the spaces showing on the Proposed Plans as "living rooms" as if they are bedrooms.²

¹ The Planning staff's count in the Staff Report incorrectly includes 4 existing four bedroom units (with no living room/dining room) in the count of three bedroom units which is why the number does not add up to 48 bedrooms.

² Tenants are legally permitted to do so since when the building was originally built in 1907, almost all if not all of the existing units could have been used as either bedrooms or living rooms, as more relaxed rules as to bedroom sizes and minimum light applied at that time.

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And most important, tenants today need a living room/dining room area in addition to bedrooms.

<u>The Concerns of DR Requestor (Living Three Blocks Away) That Have And Have Not Been</u> Addressed:

- 1. Remove Stair Penthouses. Addressed.3
- 2. No New Roof Decks. The DR states that creation of any additional roof decks "is representative of a development pattern that contributes to the displacement of long term residents". However, these roof decks were proposed by Planning Staff to make the units more livable, and the building ownership has taken that directive to create additional roof deck area to make these better quality units.

Telegraph Hill Dwellers Concerns:

In calls from Ms. Nancy Shanahan to Planning Staff and Project Architect, she indicated that the Hill Dwellers would not oppose the project if the penthouse staircases would be replaced by roof hatches, and if the new deck railings would be wood. Both changes have been made on the new plans sent to the Commission through Staff today.

We believe your Staff Report is correct in stating the following:

- 1. "[t]he Project would create a more simplified and code compliant layout for the courtyard stairways and internal floors of the units." and
- 2. "[t]his project would allow the building to be occupied again." and
- 3. "The reconfiguration of the units will create a more code compliant layout for the courtyard stairways and allow for greater separation between buildings on the lot".

<u>Conclusion.</u> These units were never part of any legal "affordable rental stock" and were affordable due in part to the cramped designs of 1906, the lack of open space, and the very limited light well light to small bedroom windows.

The ownership is not a speculative developer. Obviously a speculative developer would not have left these units empty for 8 years -- instead, they would have immediately been renovated and sold as TIC's.

While the rent for the proposed units will be more expensive than that paid by the prior family members and by unrelated tenants 8 years ago, the rent will remain more affordable than most units of their size today given that the rooms are still quite small (grandfathered to the eighty

³ In my April 12, 2016 letter to you, I stated that the Building Department will most likely later disallow the roof hatch and will then disapprove the decks reached by those hatches. That is because the only stairs that are small enough to reach the roof are circular metal stairs, and the Building Department will almost never approve hatches above circular metal stairs.

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year old Housing Code), and there is no parking and no amenities other than a laundry area -- and a small amount of deck space to be shared by 16 units. Interiors will not be created in the stylish manner of new apartment buildings all over the City. Nonetheless, the cost of improving the 100 year old building's safety, security and design means that rents cannot stay the same as 8 or more years ago.

This 1908 year old building with original façade is National Register Eligible and in an historic district, and now that funds are available to preserve it for many more generations, it is time for this project to go forward.

We respectfully request that the Planning Commission allow this renovation project (fully supported by your Staff) to move forward so that the family which has owned it for almost 70 years can provide a safe and healthy living environment to occupants, something which will inject life and housing back into this building, a building that really affects the immediate area as it is a building that fronts on three streets.

Very truly yours

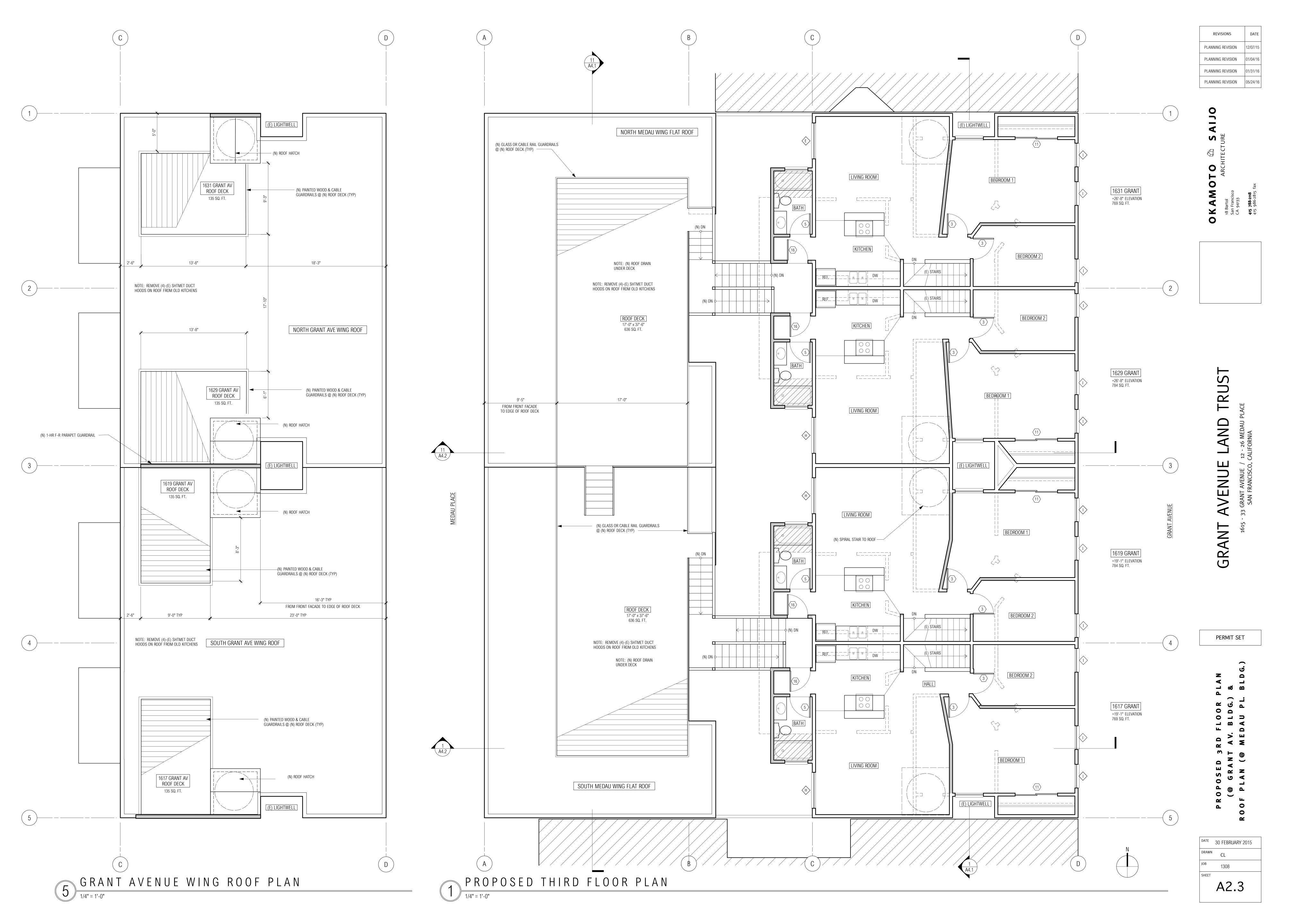
Brett Gladstone

CC:

DR Requestor Ms. Flandrich tflandrich@yahoo.com

Bedroom Count from Plans Provided to Planning Department and Planning Commission Dated February 25, 2015

Existing			Proposed			
Units	Bedrooms	Living Rooms	Units	Bedrooms	Living Rooms	
4	4	0	4	3	1	
8	3	0	8	2	1	
4	2	0	4	1	1	
16	48	0	16	32	16	
Total Bedrooms and Living Rooms:	48		Total Bedrooms and Living Rooms:	48	48	





SHEET NOTES:

- ALL PAINTED WOOD WINDOWS ARE EXISTING AND TO REMAIN. REPAIR OR REPLACE WOOD SASHES IN KIND TO MATCH EXISTING.
- THERE ARE NO NEW WINDOWS BEING PROPOSED FACING GRANT AVENUE & MEDAU PLACE.
- 3. EXISTING PAINTED WOOD APARTMENT UNIT ENTRY DOORS SHALL REMAIN.
- 4. EXISTING BLACK PAINTED METAL SCREENS @ GRANT AVENUE FIRST FLOOR SHALL REMAIN. NEW FIXED TEMPERED GLASS SHALL BE INSTALLED BEHIND SCREENS WITH BLACK PAINTED SASHES (5 TOTAL).
- 5. EXISTING BLACK PAINTED METAL SCREENS @ MEDAU PLACE CRAWL SPACE SHALL REMAIN (7 TOTAL).
- 6. THE ONLY PROPOSED NEW WORK ON THE TWO STREET FACADES IS TO REPLACE THE PAINTED EXTERIOR EXIT DOORS (3 TOTAL BOTH STREET FACADES).
- 7. SEE ROOF PLANS FOR LOCATION OF PROPOSED ROOF DECKS. NEW GUARDRAILS SHALL BE PAINTED WOOD & CABLE RAIL. DECKS SHALL BE STAINED WOOD.



DATE 30 FEBRUARY 2015

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