



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use Authorization / Residential Merger

HEARING DATE: OCTOBER 19, 2017

Date Filed: October 6, 2017
Case No.: **2017-004801CUA**
Project Address: **4046 26th STREET**
Zoning: RH-2 (Residential-House, Two Family) District
40-X Height and Bulk District
Block/Lot: 6553/012
Project Sponsor: Lee Diamond & Michelle Kara
4046 26th Street
San Francisco, CA 94131
Staff Contact: Nancy Tran – (415) 575-9174
nancy.h.tran@sfgov.org
Recommendation: Disapproval

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

The Project Sponsor seeks Conditional Use Authorization, pursuant to Planning Code Sections 303 and 317, to legalize a residential merger of two dwelling units into one dwelling unit. The proposed project would authorize the merger of a 1,258 square foot, two-bedroom, one-bath unit (Upper Unit) with an 837 square foot, one-bedroom, one-bath unit (Lower Unit located behind the garage) into a one three-bedroom, two-bath unit.

SITE DESCRIPTION AND PRESENT USE

The project site is located on the north side of 26th Street between Noe and Sanchez Streets on Lot 012 in Assessor's Block 6553 and within the RH-2 (Residential-House, Two Family) Zoning District with a 40-X Height and Bulk designation. The 2,280 square foot lot has 20' of frontage and a depth of 114'. The site is developed with an existing approximately 2,500 gross floor area, two-story residential building constructed as a single-family dwelling circa 1885. The lower secondary unit was legally established in 1995; it is presently vacant and under construction for interior remodeling and structural work under a separate issued building permit.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The subject property is located within Noe Valley and District 8. Parcels within the immediate vicinity consist of residential single-, two-, three and some four-family dwellings of varied design and construction dates.

ENVIRONMENTAL REVIEW

The Project is not defined as a project under the California Environmental Quality Act Guidelines (“CEQA”) Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

HEARING NOTIFICATION

| TYPE | REQUIRED PERIOD | REQUIRED NOTICE DATE | ACTUAL NOTICE DATE | ACTUAL PERIOD |
|--------------------|-----------------|----------------------|--------------------|---------------|
| Classified News Ad | 20 days | September 29, 2017 | September 27, 2017 | 22 days |
| Posted Notice | 20 days | September 29, 2017 | September 29, 2017 | 20 days |
| Mailed Notice | 20 days | September 29, 2017 | September 29, 2017 | 20 days |

PUBLIC COMMENT

To date, the Department has not received any correspondence related to the Project.

ISSUES AND OTHER CONSIDERATIONS

- *Conditional Use Authorization* – The Project requires a Conditional Use Authorization to legalize a residential merger. In addition to the Conditional Use Authorization findings, the Commission must consider separate criteria outlined in Section 317(g)(2). As proposed, the Project would eliminate a dwelling unit and not maximize the subject lot’s eligible density. The Project would sanction the merger of a 1,258 square foot, two-bedroom, one-bath unit (Upper Unit) with an 837 square foot, one-bedroom, one-bath unit (Lower Unit) located behind the garage to create a three-bedroom, two-bath unit. Both units are currently occupied by the Project Sponsor.
- *Residential Merger* – Per Planning Code Section 317, a residential merger is defined as “...the combining of two or more legal Residential Units, resulting in a decrease in the number of Residential Units within a building, or the enlargement of one or more existing units while substantially reducing the size of others by more than 25% of their original floor area, even if the number of units is not reduced.” The proposed Project would legalize the merger of two legal dwelling units.
- *San Francisco Rent Board* – Per consultation with the San Francisco Rent Board, no evictions have been recorded to date on the subject property.
- *Planning Code Non-Compliance* –
 - In July 2013, a building permit was issued over-the-counter for a second floor kitchen remodel and other interior work without the benefit of Planning Department review. The remodel removed the upper unit’s access to the common open space in the rear yard.
 - In February 2016, a building permit was issued over-the-counter for remodel and reconfiguration of the first floor without the benefit of Planning Department review. The scope of work removed one required off-street parking space where two are required for the existing two dwelling units. No Class 1 bicycle parking space was proposed at the time to replace the off-street parking space to be removed as allowed per Section 150(3).

- *Department Recommendation* – The Department recommends disapproval of the requested Conditional Use Authorization. The Project would legalize the removal of one dwelling unit and would not result in any net new dwelling units.

REQUIRED COMMISSION ACTION

The Commission must disapprove the Conditional Use Authorization, pursuant Planning Code Sections 303 and 317, to prohibit the legalization of a residential merger at 4046 26th Street and direct that the merged unit be restored.

BASIS FOR RECOMMENDATION

- The Project would legalize work done without City permit.
- The Project would legalize the net loss of one dwelling unit.
- Per the Housing Element, the proposed residential merger does not retain the existing housing by controlling the merger nor does it protect the affordability of the existing housing stock.

| | |
|------------------------|--------------------|
| RECOMMENDATION: | Disapproval |
|------------------------|--------------------|

Attachments:

Draft Motion

Parcel Map

Sanborn Map

Aerial Photo

Zoning Map

Site Photo

Context Photos

Eviction History Search

Section 303 Notice

Project Sponsor Submittal, including:

- Application
- Reduced Plans
- Appraisal

Attachment Checklist:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Executive Summary | <input checked="" type="checkbox"/> Project Sponsor Submittal |
| <input checked="" type="checkbox"/> Draft Motion | Drawings: <u>Existing Conditions</u> |
| <input type="checkbox"/> Environmental Determination | <input checked="" type="checkbox"/> Check for Legibility |
| <input checked="" type="checkbox"/> Zoning District Map | Drawings: <u>Proposed Project</u> |
| <input type="checkbox"/> Height & Bulk Map | <input checked="" type="checkbox"/> Check for Legibility |
| <input checked="" type="checkbox"/> Context Photo | 3-D Renderings (new construction or significant addition) |
| <input checked="" type="checkbox"/> Site Photo | <input type="checkbox"/> Check for Legibility |
| <input checked="" type="checkbox"/> Parcel Map | <input type="checkbox"/> Health Dept. review of RF levels |
| <input checked="" type="checkbox"/> Sanborn Map | <input type="checkbox"/> RF Report |
| <input checked="" type="checkbox"/> Aerial Photo | <input type="checkbox"/> Community Meeting Notice |

Exhibits above marked with an "X" are included in this packet

NHT
Planner's Initials

NHT: I:\Cases\2017\2017-004801CUA - 4046 26th St\1_Executive Summary_4046 26th St.docx



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- ☐ Affordable Housing (Sec. 415)
- ☐ Jobs Housing Linkage Program (Sec. 413)
- ☐ Downtown Park Fee (Sec. 412)

- ☐ First Source Hiring (Admin. Code)
- ☐ Child Care Requirement (Sec. 414A)
- ☐ Other

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. XXXXX

HEARING DATE: OCTOBER 19, 2017

Case No.: 2017-004801CUA
Project Address: 4046 26th STREET
Zoning: RH-2 (Residential-House, Two Family) District
40-X Height and Bulk District
Block/Lot: 6553/012
Project Sponsor: Lee Diamond & Michelle Kara
4046 26th Street
San Francisco, CA 94131
Staff Contact: Nancy Tran – (415) 575-9174
nancy.h.tran@sfgov.org

ADOPTING FINDINGS RELATING TO THE DISAPPROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303 AND 317 OF THE PLANNING CODE TO LEGALIZE A DWELLING UNIT MERGER OF A 1,258 SQUARE FOOT, TWO-BEDROOM, ONE-BATH DWELLING UNIT (UPPER UNIT) WITH AN 837 SQUARE FOOT, ONE-BEDROOM, ONE-BATH DWELLING UNIT (LOWER UNIT) AT 4046 26th STREET IN ASSESSOR'S BLOCK 6553, LOTS 012 WITHIN THE RH-2 (RESIDENTIAL-HOUSE, TWO FAMILY ZONING DISTRICT) AND THE 40-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On April 19, 2017, Lee Diamond & Michelle Kara (Project Sponsors) filed an application with the Planning Department (hereinafter "Department") for Conditional Use Authorization under Planning Code Sections 303 and 317 to legalize the merger of two dwelling units at 4046 26th Street within the RH-2 (Residential-House, Two Family) Zoning District and a 40-X Height and Bulk District.

On October 19, 2017, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Application No. 2017-004801CUA.

The Project is not defined as a project under the California Environmental Quality Act Guidelines ("CEQA") Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby disapproves the Conditional Use requested in Application No. 2017-004801CUA, subject to the conditions contained in "Exhibit A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Project Description.** The Project Sponsor seeks Conditional Use Authorization, pursuant to Planning Code Sections 303 and 317, to legalize a residential merger of two dwelling units into one dwelling unit. The proposed project would authorize the merger of a 1,258 square foot, two-bedroom, one-bath unit (Upper Unit) with an 837 square foot, one-bedroom, one-bath unit (Lower Unit located behind the garage) into a one three-bedroom, two-bath unit.
3. **Site Description and Present Use.** The project site is located on the north side of 26th Street between Noe and Sanchez Streets on Lot 012 in Assessor's Block 6553 and within the RH-2 (Residential-House, Two Family) Zoning District with a 40-X Height and Bulk designation. The 2,280 square foot lot has 20' of frontage and a depth of 114'. The site is developed with an existing approximately 2,500 gross floor area, two-story residential building constructed as a single-family dwelling circa 1885. The lower secondary unit was legally established in 1995; it is presently vacant and under construction for interior remodeling and structural work under a separate issued building permit.
4. **Surrounding Properties and Neighborhood.** The subject property is located within Noe Valley and District 8. Parcels within the immediate vicinity consist of residential single-, two-, three and some four-family dwellings of varied design and construction dates.
5. **Public Comment.** To date, the Department has not received any correspondence related to the Project.
6. **Planning Code Compliance:** The Project does not comply with several provisions of the Planning Code:
 - A. **Height.** Planning Code Section 260 requires that all structures be no taller than the height prescribed in the subject height and bulk district. The proposed Project is located in a 40-X Height and Bulk District, with a 40-foot height limit. Planning Code Section 261 further restricts height in RH-2 Districts to 30-feet at the front lot line, then at such setback, height shall increase at an angle of 45° toward the rear lot line until the prescribed 40-foot height limit is reached.

The Project proposes to legalize the merger two dwelling units within the existing building and does not propose any changes to the existing building's height.

- B. **Front Setback Requirement.** Planning Code Section 132 requires, in RH-2 Districts, a front setback that complies to legislated setbacks (if any) or a front back based on the average of adjacent properties (15 foot maximum).

The property complies with the minimum 10' required front setback. The Project proposes to legalize the merger of two dwelling units within the building and does not propose any changes to the existing front setback.

- C. **Rear Yard Requirement.** Planning Code Section 134 requires, in RH-2 Districts, a rear yard measuring 45 percent of the total depth.

The property is nonconforming with respect to rear yard as it provides a 43'7½" rear yard where 51'3" is required. However, the Project proposes to legalize the merger of two dwelling units within the building and does not propose any changes to the existing rear yard configuration.

- D. **Side Yard Requirement.** Planning Code Section 133 does not require side yard setbacks in in RH-2 Districts.

The property does not currently provide side setbacks as the existing building is built to both side property lines

- E. **Residential Design Guidelines.** Per Planning Code Section 311, the construction of new residential buildings and alteration of existing residential buildings in R Districts shall be consistent with the design policies and guidelines of the General Plan and with the "Residential Design Guidelines."

The Project proposes to legalize the merger of two dwelling units within the building and does not propose any exterior alterations under the subject building permit.

- F. **Front Setback Landscaping and Permeability Requirements.** Planning Code Section 132 requires that the required front setback be at least 20% unpaved and devoted to plant material and at least 50% permeable to increase storm water infiltration.

The proposed Project requires the installation of approximately 93 square feet of permeability and ~37 square feet of landscaping. The Project complies as it provides the minimum amount required.

- G. **Street Frontage Requirement.** Planning Code Section 144 requires that off-street parking entrances be limited to one-third of the ground story width along the front lotline and no less than one-third be devoted to windows, entrances to dwelling units, landscaping and other architectural features that provide visual relief and interest for the street frontage.

The Project complies with the listed street frontage requirement, as the existing building exceeds the visual relief minimum (~6.7 feet).

- H. **Street Frontage, Parking and Loading Access Restrictions.** Off-street parking shall meet the standards set forth in Planning Code Section 155 with respect to location, ingress/egress, arrangement, dimensions, etc.

One off-street parking will be provided and wholly located on the property which complies with the access, arrangement and street frontage dimensional standards.

- I. **Usable Open Space.** Planning Code Section 135 requires, in RH-2 Districts, usable open space that is accessible by each dwelling (125 Sq. Ft per unit if private, ~166 Sq. Ft. if common).

The Project would be compliant as it will provide approximately 870 square feet of usable open space in the rear yard.

In July 2013, a building permit was issued over-the-counter for a second floor kitchen remodel and other interior work without the benefit of Planning Department review. The remodel removed the upper unit's access to the common open space in the rear yard. If the Project is disapproved, access to the open space must be restored for the upper unit.

- J. **Parking.** Planning Code Section 151 requires one parking space for each dwelling unit.

The legalized merged unit would be compliant as one off-street parking is required and will be provided wholly within the property.

In February 2016, a building permit was issued over-the-counter for remodel and reconfiguration of the first floor without the benefit of Planning Department review. The scope of work removed one required off-street parking space where two are required for the existing two dwelling units. No Class 1 bicycle parking space was proposed at the time to replace the off-street parking space to be removed as allowed per Section 150(3). If the Project is disapproved, the second required off-street parking space must be reintroduced or replaced with bicycle parking.

- K. **Dwelling Unit Exposure.** Planning Code Section 140 requires that at least one room of all dwelling units face onto a public street, public alley at least 25-ft in width, side yard at least 25-ft in width, or rear yard, which meets the requirements of the Planning Code.

The lower unit is nonconforming with respect to exposure, as it does not face onto a code-complying rear yard or public street. The proposed legalization of the merger of the upper and lower units will comply with the listed requirement.

- L. **Residential Merger – Section 317:** Pursuant to Planning Code Section 317, Conditional Use Authorization is required for applications proposing to combine two or more residential or unauthorized units within a building, or the enlargement of one or more existing units while substantially reducing the size of others by more than 25% of their original floor area, even of

the number of units is not reduced. The Planning Commission may reduce the numerical element of this criterion by up to 20% of its value should it deem that adjustment is necessary to implement the intent of Section 317, to conserve existing housing and preserve affordable housing. This Code Section establishes a checklist of criteria that delineate the relevant General Plan Policies and Objectives.

As the project requires Conditional Use Authorization per the requirements of the Section 317, the additional criteria specified under Section 317 have been incorporated as findings below. See Item 8.

- M. **Residential Density.** Planning Code Section 209.1 principally permits residential uses and allows up to two units per lot for properties zoned RH-2 (Residential-House, Two Family).

The Project would legalize the merger of two existing dwelling units within the building into one unit and reduce the density of the subject site where a maximum of two units is allowed.

7. **Planning Code Section 303** establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The Project does not propose any changes to the aforementioned land use; the merged unit will remain as a residential use. Under the subject building permit, the Project would not result in any exterior alterations to the existing building, and would not increase the size or intensity of the existing residential uses.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

- i. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The Project does not involve any exterior alterations that will affect the existing building's envelope.

- ii. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Project does not trigger any additional off-street parking requirement and would not increase the volume of vehicle traffic to the area.

- iii. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project would legalize the merger of two existing dwelling units into one unit and not create any additional noise, glare, dust or odor.

- iv. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The Project would provide the minimum required landscaping amount for the residential merger. It does not propose any changes to the building exterior, screening, or open space under the subject permit.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

While the Project complies with relevant requirements and standards of the Planning Code, it is not consistent with certain aspects of the General Plan, as detailed below.

- D. That the use as proposed would provide development that is in conformity with the purpose of the applicable RH-2 District.

The proposed Project is consistent with the stated purpose of the RH-2 Districts.

- 8. **Planning Code Section 317** establishes additional findings and criteria for the Planning Commission to consider when reviewing applications for a residential merger. The Project does not comply with several of the additional criteria:

- A. Whether removal of the unit(s) would eliminate only owner occupied housing, and if so, for how long the unit(s) proposed to be removed have been owner occupied;

Project Meets Criterion

Legalization of the merged unit would eliminate only owner-occupied housing as both upper and lower units are currently occupied by the Project Sponsor and his family since 2013. Staff is unable to determine whether the lower unit has ever been rented. The Project Sponsor has not rented out the lower unit and is not aware of its rental history since purchasing the property in 2013.

- B. Whether removal of the unit(s) and the merger with another is intended for owner occupancy;

Project Meets Criterion

The Project Sponsor will occupy the legalized merged unit with his family.

- C. Whether the removal of the unit(s) will remove an affordable housing unit as defined in Section 415 of this Code or housing subject to the Rent Stabilization and Arbitration Ordinance;

Project Does Not Meet Criterion

Pursuant to the City's Periodic Adjustment to Numerical Criteria, a single-family home valued at or above \$1,630,000 is considered to be unaffordable. An appraisal dated September 18, 2017, prepared by Max E. Mendoza of Appraisal Express & Investments, valued the lower unit at \$775,000. The Project will eliminate one unit considered to be affordable housing.

- D. If removal of the unit(s) removes an affordable housing unit as defined in Section 401 of this Code or units subject to the Residential Rent Stabilization and Arbitration Ordinance, whether replacement housing will be provided which is equal or greater in size, number of bedrooms, affordability, and suitability to households with children to the units being removed;

Project Meets Criterion

While the Project will not maximize the density principally permitted within the RH-2 Zoning District, the proposed merger legalization will provide family-sized housing that is equal in size and the number bedrooms of the two separate units on site combined.

- E. How recently the unit being removed was occupied by a tenant or tenants;

Project Meets Criterion

Staff is unable to determine whether the lower unit has ever been rented. The Project Sponsor has not rented out the lower unit and is not aware of its rental history since purchasing the property in 2013.

- F. Whether the number of bedrooms provided in the merged unit will be equal to or greater than the number of bedrooms in the separate units;

Project Meets Criterion

The upper unit has two bedrooms and lower unit has one bedroom. The proposed merged unit would have three bedrooms. Thus, there will be no loss of a bedroom as part of the residential merger and the new unit's reconfiguration and interior improvements.

- G. Whether removal of the unit(s) is necessary to correct design or functional deficiencies that cannot be corrected through interior alterations;

Project Does Not Meet Criterion

The proposed Project is not required to correct design or functional deficiencies with the existing building. As noted by the Project Sponsor, the merger will allow his family to occupy both floors without exiting the building to access the lower floor.

- H. The appraised value of the least expensive Residential Unit proposed for merger only when the merger does not involve an Unauthorized Unit;

An appraisal dated September 18, 2017, prepared by Max E. Mendoza of Appraisal Express & Investments, valued the lower unit at \$775,000.

9. **General Plan Compliance.** The Project is not consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 2:

RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

Policy 2.2:

Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing.

OBJECTIVE 3:

Protect the affordability of the existing housing stock, especially rental units.

OBJECTIVE 4:

Foster a housing stock that meets the needs of all residents across lifecycles.

The Project would legalize the merger of a two-bedroom unit with a one-bedroom unit and would create a larger family-sized residential unit.

10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

- A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The project site does not possess any existing neighborhood-serving retail uses.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The Project would legalize the merger of two units that are owner-occupied. The current owners of the subject building would continue to own and occupy the merged unit and therefore, the cultural and economic diversity of the neighborhood will not be affected.

- C. That the City's supply of affordable housing be preserved and enhanced,

Pursuant to the City's Periodic Adjustment to Numerical Criteria, a single-family home valued at or above \$1,630,000 is considered to be unaffordable. An appraisal dated September 18, 2017, prepared by Max E. Mendoza of Appraisal Express & Investments, valued the lower unit at \$775,000. The Project will eliminate one unit considered to be affordable housing.

- D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would legalize the merger of two existing units and create one larger unit. The Project is not expected to create additional traffic or parking demand as there is no building expansion of gross floor area or increase in number of units at the property.

- E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project would legalize the merger of two existing residential units and does not propose new office space.

- F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project will conform to the requirements of the San Francisco Building Code.

- G. That landmarks and historic buildings be preserved.

The existing building is not a landmark or a historic resource, and is not located in a historic district. The proposed merger of the two units will not affect the exterior of the existing building.

- H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project does not propose any exterior changes under the subject building permit. Therefore, the proposed merger will have no effect on the sunlight access of any parks or open space or impair the view from any public vistas.

11. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
12. The Commission hereby finds that approval of the Conditional Use authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **DISAPPROVES Conditional Use Application No. 2017-004801CUA**, subject to the following conditions attached hereto as "EXHIBIT A," which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. XXXXX. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94012.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on April 13, 2017.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

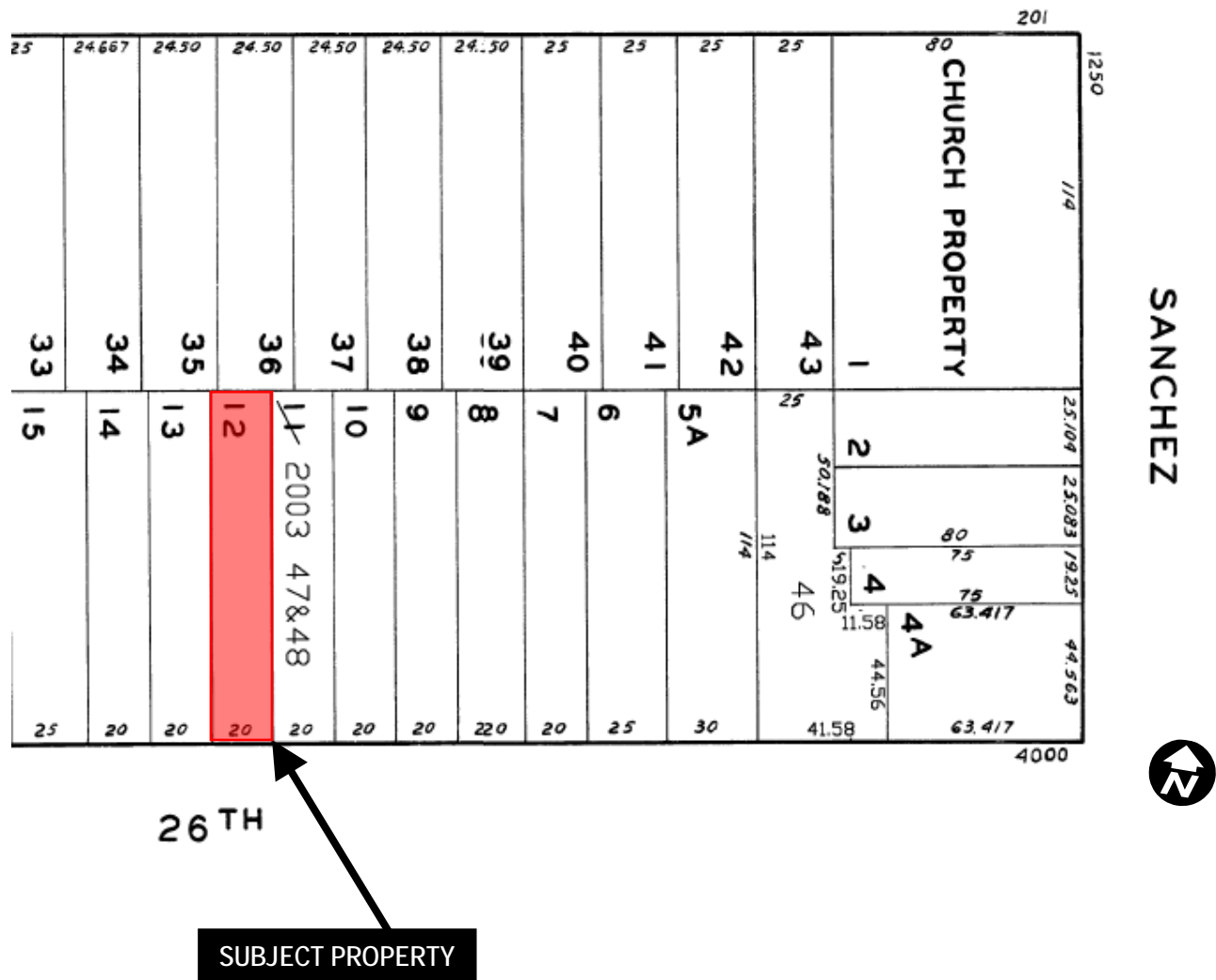
ABSENT:

RECUSED:

ADOPTED: October 19, 2017

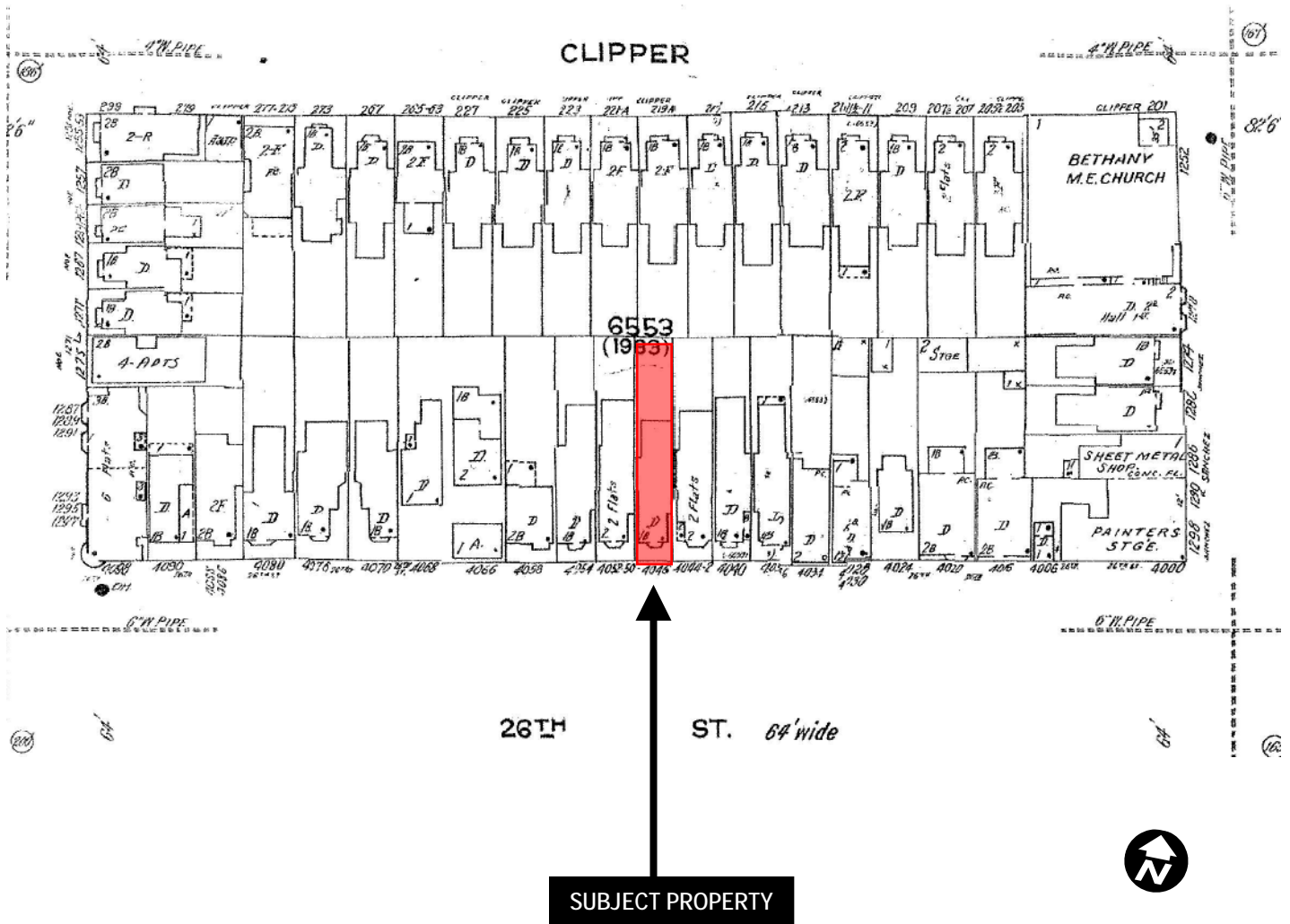
Parcel Map

CLIPPER



Conditional Use Authorization / Residential Merger
Case Number 2017-004801CUA
4046 26th Street

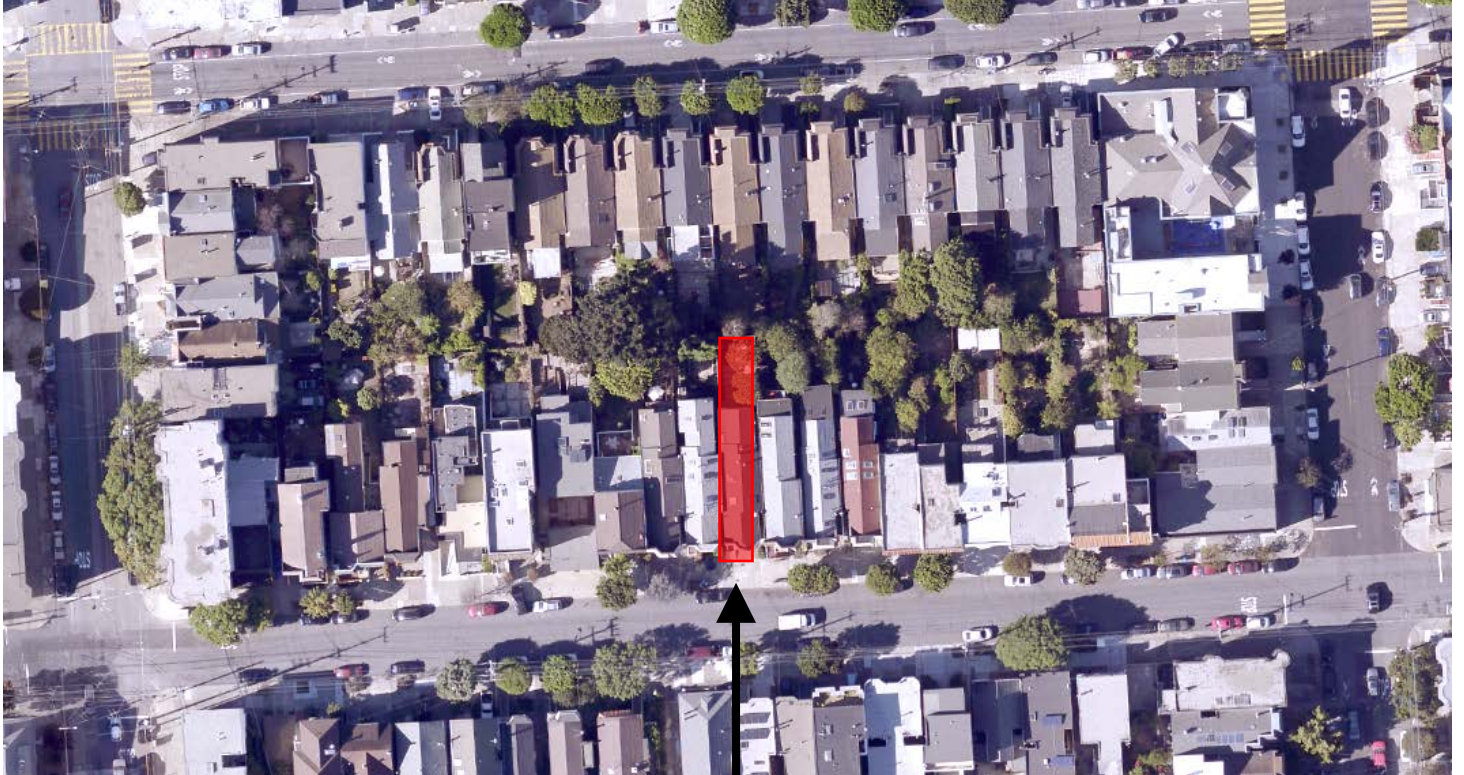
Sanborn Map*



*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

Conditional Use Authorization / Residential Merger
Case Number 2017-004801CUA
4046 26th Street

Aerial Photo

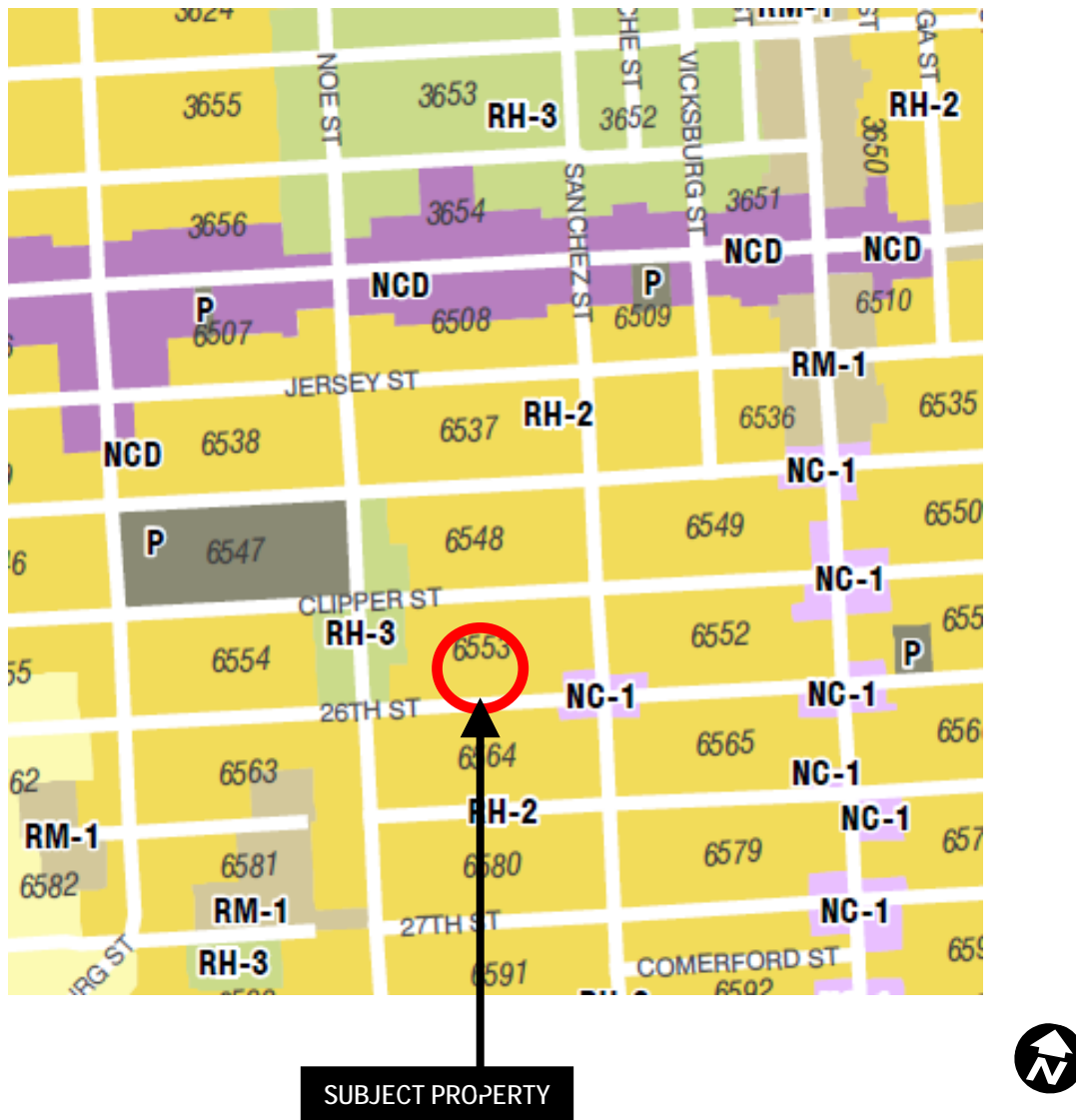


SUBJECT PROPERTY



Conditional Use Authorization / Residential Merger
Case Number 2017-004801CUA
4046 26th Street

Zoning Map



Conditional Use Authorization / Residential Merger
Case Number 2017-004801CUA
4046 26th Street

Site Photo



Conditional Use Authorization / Residential Merger
Case Number 2017-004801CUA
4046 26th Street

Context Photos of Dwelling Units (2013 MLS images)



Front facade



Rear facade



Upper unit (2nd floor), shows illegal unit merger with French door leading to lower unit



Lower unit (1st floor), shows illegal unit merger viewing stairs leading to open upper unit



Lower unit viewing rear of building and stairs to upper unit



Lower unit viewing rear of building and stairs to upper unit



Lower unit viewing habitable space and stairs to upper unit



Lower unit habitable space



Lower unit kitchen



Lower unit habitable space



Lower unit habitable space



Lower unit bathroom



SAN FRANCISCO PLANNING DEPARTMENT

Planning Department Request for Eviction History Documentation

(Date) 8/15/17

ATTN: Van Lam
Rent Stabilization and Arbitration Board
25 Van Ness Avenue, Suite 320
San Francisco, CA 94102-6033

RE: Address of Permit Work: 4046 26th St
Assessor's Block/Lot: 6553/012
BPA # / Case #: 2017-004801CUA

Project Type

- ☒ Merger – Planning Code Section 317
- ☐ Enlargement / Alteration / Reconstruction – Planning Code Section 181
- ☐ Legalization of Existing Dwelling Unit – Planning Code Section 207.3
- ☐ Accessory Dwelling Unit Planning – Planning Code Section 207(c)(4)

Pursuant to the Planning Code Section indicated above, please provide information from the Rent Board's records regarding possible evictions at the above referenced unit(s) on or after:

- ☒ 12/10/13: for projects subject to Planning code 317(e)4 or 181(c)3
(Search records for eviction notices under 37.9(a)(8) through (14))
- ☐ 3/13/14: for projects subject to Planning Code Section 207.3
(Search records for evictions notices under 37.9(a)(8) through (14))
- ☐ 10 years prior to the following date: _____
(Search records for eviction notices under 37.9(a)(9) through (14) (10 years) and under 37.9(a)(8) (5 years))

Sincerely,

Nancy Tran

Planner

Digitally signed by Nancy Tran
DN: cn=org, o=City of San Francisco, ou=City Planning, email=Nancy.Tran@sf.gov, ou=City Planning
ou=Nancy Tran
email=Nancy.Tran@sf.gov, ou=City Planning
Date: 2017.08.15 15:10:39 -0700

cc: Jennifer Rakowski- Rent Board Supervisor

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Rent Board Response to Request from Planning Department for Eviction History Documentation 4046 26th St

Re: _____

This confirms that the undersigned employee of the San Francisco Rent Board has reviewed its records pertaining to the above-referenced unit(s) to determine whether there is any evidence of evictions on or after the date specified. All searches are based upon the street addresses provided.

No ~~related~~ eviction notices were filed at the Rent Board after:

- ☒ 12/10/13
☐ 03/13/14
☐ 10 years prior to the following date: _____

Yes, an eviction notice was filed at the Rent Board after:

- ☐ 12/10/13
☐ 03/13/14
☐ 10 years prior to the following date: _____
 o See attached documents.

There are no other Rent Board records evidencing an eviction after:

- ☒ 12/10/13
☐ 03/13/14
☐ 10 years prior to the following date: _____

Yes, there are other Rent Board records evidencing a an eviction after:

- ☐ 12/10/13
☐ 03/13/14
☐ 10 years prior to the following date: _____
 o See attached documents.

Signed:



Dated:

8-15-17

Van Lam
Citizens Complaint Officer

The Rent Board is the originating custodian of these records; the applicability of these records to Planning permit decisions resides with the Planning Department.



SAN FRANCISCO PLANNING DEPARTMENT

Planning Department Request for Rent Board Documentation

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

(Date)

ATTN: Van Lam
Rent Stabilization and Arbitration Board
25 Van Ness Avenue, Suite 320
San Francisco, CA 94102-6033

RE: Address of Permit Work:
Assessor's Block/Lot:
BPA # / Case #:

Project Type:

- ☐ Determination of Unauthorized Unit – Planning Code Section 317(g)(6)
☒ Other Unit merger

Please provide information from the Rent Board's database records regarding possible evidence of residential use at the above referenced unit(s) on or after: *(enter date)*

Sincerely,

Nancy Tran

Planner

Digitally signed by Nancy Tran
DN: cn=Nancy Tran, ou=City Planning, ou=Current Planning,
email=Nancy.H.Tran@sfgov.org
Date: 2017.10.08 18:24:53 -0700

cc: Jennifer Rakowski- Rent Board Supervisor

Rent Board Response to Request for Planning Department Records Search

Re: 4046 26th St

This confirms that the undersigned employee of the San Francisco Rent Board has reviewed its database records pertaining to the above-referenced unit(s) to provide records that may demonstrate evidence of residential use. All searches are based upon the street addresses provided.

☒ No database records were identified.

There are no Rent Board records in our database related to your search request for the property address requested. However, it is important to note that the absence of records for some or all of the residential units at a property does not mean there is or has been no residential use. Property owners are not required by law to provide any information or file any documents with the Rent Board unless they are seeking to take a certain action such as an eviction, a rent increase, or a buyout. Thus, there are many properties and many residential units for which the Rent Board has no records.

☐ Yes, the following records were identified:

- See attached documents.

Pursuant to your request, we have searched the Rent Board's database for records related to the property requested. Attached are some Rent Board records resulting from our search. These records can be used as evidence of prior and/or current residential use of the property. However, it is important to note that the absence of records for some or all of the residential units at a property does not mean there is or has been no residential use. Property owners are not required by law to provide any information or file any documents with the Rent Board unless they are seeking to take a certain action such as an eviction, a rent increase, or a buyout. Thus, there are many properties and many residential units for which the Rent Board has no records.

Regarding the records provided, please note that the data in the "# of units" field was imported from another department's database in 2002 and may not be accurate. It does not represent a determination by the Rent Board of the number of units at the property.

Signed:



Van Lam
Citizens Complaint Officer

Dated:

10-6-17

The Rent Board is the originating custodian of these records; the applicability of these records to Planning permit decisions resides with the Planning Department.



SAN FRANCISCO PLANNING DEPARTMENT

1650 Mission Street, Suite 400 • San Francisco, CA 94103 • Fax (415) 558-6409

NOTICE OF PUBLIC HEARING

Hearing Date: **Thursday, October 19, 2017**

Time: **Not before 1:00 PM**

Location: **City Hall, 1 Dr. Carlton B. Goodlett Place, Room 400**

Case Type: **Conditional Use**

Hearing Body: **Planning Commission**

| PROPERTY INFORMATION | APPLICATION INFORMATION |
|--|---|
| Project Address: 4046 26th Street Cross Street(s): Noe & Sanchez Streets Block /Lot No.: 6553 / 012 Zoning District(s): RH-2 / 40-X Area Plan: N/A | Case No.: 2017-004801CUA Building Permit: TBD Applicant: Diamond Lee Telephone: (650) 380-9883 E-Mail: ldiamond@leediamond.com |

PROJECT DESCRIPTION

The proposal is for Conditional Use Authorization, pursuant to Planning Code Sections 303 and 317, to merge two dwelling units within an existing two-story, two-family residential building into one ~1,900 square foot three-bedroom, two-bathroom dwelling unit. The project would merge a ~730 square foot one bedroom, one-bathroom dwelling unit at the first floor with an ~1,170 square foot, two-bedroom, one-bathroom dwelling unit at the second floor within the RH-2 (Residential-House, Two Family) Zoning District and 40-X Height and Bulk District.

A Planning Commission approval at the public hearing would constitute the Approval Action for the project for the purposes of CEQA, pursuant to San Francisco Administrative Code Section 31.04(h).

ADDITIONAL INFORMATION

ARCHITECTURAL PLANS: If you are interested in viewing the plans for the proposed project please contact the planner listed below. The plans and Department recommendation of the proposed project will be available prior to the hearing through the Planning Commission agenda at: <http://www.sf-planning.org> or by request at the Planning Department office located at 1650 Mission Street, 4th Floor.

Members of the public are not required to provide personal identifying information when they communicate with the Commission or the Department. All written or oral communications, including submitted personal contact information, may be made available to the public for inspection and copying upon request and may appear on the Department's website or in other public documents.

FOR MORE INFORMATION, PLEASE CONTACT PLANNING DEPARTMENT STAFF:

Planner: **Nancy Tran** Telephone: **(415) 575-9174** E-Mail: nancy.h.tran@sfgov.org

GENERAL INFORMATION ABOUT PROCEDURES

HEARING INFORMATION

You are receiving this notice because you are either a property owner or resident that is adjacent to the proposed project or are an interested party on record with the Planning Department. **You are not required to take any action. For more information regarding the proposed work, or to express concerns about the project, please contact the Applicant or Planner listed on this notice as soon as possible.** Additionally, you may wish to discuss the project with your neighbors and/or neighborhood association as they may already be aware of the project.

Persons who are unable to attend the public hearing may submit written comments regarding this application to the Planner listed on the front of this notice, Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA 94103, by 5:00 pm the day before the hearing. These comments will be made a part of the official public record and will be brought to the attention of the person or persons conducting the public hearing.

Comments that cannot be delivered by 5:00 pm the day before the hearing may be taken directly to the hearing at the location listed on the front of this notice. Comments received at 1650 Mission Street after the deadline will be placed in the project file, but may not be brought to the attention of the Planning Commission at the public hearing.

BUILDING PERMIT APPLICATION INFORMATION

Pursuant to Planning Code Section 311 or 312, the Building Permit Application for this proposal may also be subject to a 30-day notification of property owners and residents within 150-feet of the subject property. **This notice covers the Section 311 or 312 notification requirements, if required.**

APPEAL INFORMATION

An appeal of the approval (or denial) of a **Conditional Use application** and/or building permit application associated with the Conditional Use application may be made to the **Board of Supervisors within 30 calendar days** after the date of action by the Planning Commission pursuant to the provisions of Section 308.1(b). Appeals must be submitted in person at the Board's office at 1 Dr. Carlton B. Goodlett Place, Room 244. For further information about appeals to the Board of Supervisors, including current fees, contact the Clerk of the Board of Supervisors at (415) 554-5184.

An appeal of the approval (or denial) of a **building permit application** by the Planning Commission may be made to the **Board of Appeals within 15 calendar days** after the building permit is issued (or denied) by the Director of the Department of Building Inspection. Appeals must be submitted in person at the Board's office at 1650 Mission Street, 3rd Floor, Room 304. For further information about appeals to the Board of Appeals, including current fees, contact the Board of Appeals at (415) 575-6880.

Pursuant to California Government Code Section 65009, if you challenge, in court, the decision of an entitlement or permit, the issues raised shall be limited to those raised in the public hearing or in written correspondence delivered to the Planning Commission prior to, or at, the public hearing.

ENVIRONMENTAL REVIEW

This project has undergone preliminary review pursuant to California Environmental Quality Act (CEQA). If, as part of this process, the Department's Environmental Review Officer has deemed this project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained through the Exemption Map, on-line, at www.sfplanning.org. An appeal of the decision **to exempt the proposed project from CEQA may be made to the Board of Supervisors within 30 calendar days** after the project approval action identified on the determination. The procedures for filing an appeal of an exemption determination are available from the Clerk of the Board at City Hall, Room 244, or by calling (415) 554-5184.

Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.

APPLICATION FOR Conditional Use Authorization

1. Owner/Applicant Information

| | |
|---------------------------|-------------------------|
| PROPERTY OWNER'S NAME: | |
| Lee Diamond | |
| PROPERTY OWNER'S ADDRESS: | TELEPHONE: |
| 4046 26th Street | (650) 380-9883 |
| | EMAIL: |
| | ldiamond@leediamond.com |

| | |
|--|------------|
| APPLICANT'S NAME: | |
| Same Same as Above <input type="checkbox"/> | |
| APPLICANT'S ADDRESS: | TELEPHONE: |
| | () |
| | EMAIL: |
| | |

| | |
|--|------------|
| CONTACT FOR PROJECT INFORMATION: | |
| Same Same as Above <input type="checkbox"/> | |
| ADDRESS: | TELEPHONE: |
| | () |
| | EMAIL: |
| | |

| | |
|--|------------|
| COMMUNITY LIAISON FOR PROJECT (PLEASE REPORT CHANGES TO THE ZONING ADMINISTRATOR): | |
| Same Same as Above <input type="checkbox"/> | |
| ADDRESS: | TELEPHONE: |
| | () |
| | EMAIL: |
| | |

2. Location and Classification

| | |
|----------------------------|-----------|
| STREET ADDRESS OF PROJECT: | ZIP CODE: |
| 4046 26th Street | 94131 |
| CROSS STREETS: | |
| Noe and Sanchez | |

| | | | | |
|----------------------|-----------------|-------------------|------------------|-----------------------|
| ASSESSORS BLOCK/LOT: | LOT DIMENSIONS: | LOT AREA (SQ FT): | ZONING DISTRICT: | HEIGHT/BULK DISTRICT: |
| 6225 / 012 | 20x120 | 2,280 | RH-2 | 40-X |

3. Project Description

| | | | |
|---|------------------------------------|----------------------------------|--|
| (Please check all that apply) | | PRESENT OR PREVIOUS USE: | |
| <input type="checkbox"/> Change of Use | ADDITIONS TO BUILDING: | 2 Units | |
| <input type="checkbox"/> Change of Hours | <input type="checkbox"/> Rear | PROPOSED USE: | |
| <input type="checkbox"/> New Construction | <input type="checkbox"/> Front | Single Family Home | |
| <input type="checkbox"/> Alterations | <input type="checkbox"/> Height | BUILDING APPLICATION PERMIT NO.: | |
| <input type="checkbox"/> Demolition | <input type="checkbox"/> Side Yard | DATE FILED: | |
| <input checked="" type="checkbox"/> Other Please clarify: Merge Units | | | |

4. Project Summary Table

If you are not sure of the eventual size of the project, provide the maximum estimates.

| | EXISTING USES: | EXISTING USES TO BE RETAINED: | NET NEW CONSTRUCTION AND/OR ADDITION: | PROJECT TOTALS: |
|---|----------------|-------------------------------|---------------------------------------|-----------------|
| PROJECT FEATURES | | | | |
| Dwelling Units | 2 | 1 | 0 | |
| Hotel Rooms | | | | |
| Parking Spaces | | | | |
| Loading Spaces | | | | |
| Number of Buildings | | | | |
| Height of Building(s) | | | | |
| Number of Stories | | | | |
| Bicycle Spaces | | | | |
| GROSS SQUARE FOOTAGE (GSF) | | | | |
| Residential | 1902 | 1902 | 0 | 1902 |
| Retail | | | | |
| Office | | | | |
| Industrial/PDR <i>Production, Distribution, & Repair</i> | | | | |
| Parking | | | | |
| Other (Specify Use) | | | | |
| TOTAL GSF | 1902 | 1902 | | 1902 |

Please describe any additional project features that are not included in this table:
(Attach a separate sheet if more space is needed)

The single family home was built in 1885. It was legally a single family home for 110 years. In 1995, the bottom floor was legalized as a second dwelling unit. No records were found where the second unit was ever rented. The owner that converted the house sold the property in 2003. The owner previous to the current ownership or possibly the owner that performed the conversion connected the two units and used it as a single family home. It was used as a single family home from 2003 to 2013 and was possibly never used as a 2 unit. It was sold connected and has been used as a single family home since Jan 25, 2013. As far as use and records are concerned, the secondary dwelling unit was never in the rental stock.

(Cont.)

7. Other Information (Cont.)

The unit on the 1st Floor is currently under construction under permit number 201611303814.

The work to convert the house to a single family home will involve only making a space in one wall for a walkway. As seen on the plans, the floor plan exhibits all the attributes of a single family home. In order to separate the two floors to allow for the conversion in 1995, the work involved simply blocking off the stairway. This further shows the intended use was as a single family home.

We are currently a husband and wife with a 2 year old, with plans to expand our family. We plan to stay in this house for a very long time and occupy both floors. As part of the remodel we would like to legally connect the two units. If we can't, it would create a hardship on our family. For to have to go outside every time we need to go between floors, as we raise a small child and hopefully a newborn, would pose a significant burden on our family.

Thank you for your time in reviewing my application to merge units.

5. Action(s) Requested (Include Planning Code Section which authorizes action)

Merge the two units, creating a single family home.

Conditional Use Findings

Pursuant to Planning Code Section 303(c), before approving a conditional use authorization, the Planning Commission needs to find that the facts presented are such to establish the findings stated below. In the space below and on separate paper, if necessary, please present facts sufficient to establish each finding.

1. That the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community; and
2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
 - (a) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;
 - (b) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;
 - (c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;
 - (d) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs; and
3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan.

The proposed change is to only make an opening in one wall to create a walk way to allow movement between the upper and lower units without having to go outside.

This proposal does not change the exterior of the home or footprint in any way. It does not effect the surroundings in anyway. If anything, less people will be occupying home, which would result in less traffic, less noise and less pollution.

Priority General Plan Policies Findings

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed projects and demolitions are consistent with eight priority policies set forth in Section 101.1 of the City Planning Code. These eight policies are listed below. Please state how the project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. IF A GIVEN POLICY DOES NOT APPLY TO YOUR PROJECT, EXPLAIN WHY IT DOES NOT.

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The merger of units does not effect employment or ownership of the neighborhood-serving retail uses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The merger of units will not change the neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The merger of units does not effect affordable housing.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

The merger of the two units will reduce the number of occupants, hence reduce neighborhood parking and aid in reducing the burden on our streets.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

No commercial office development will take place.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The merger of units does not change any preparedness to protect against injury or loss of life in an earthquake.

7. That landmarks and historic buildings be preserved; and

The merger of units does not change landmark and preserves the historic building.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The merger of units does not disturb parks or open space.

Estimated Construction Costs

| | |
|---|-------------------|
| TYPE OF APPLICATION: | |
| Convert Two Units to a Single Family Home | |
| OCCUPANCY CLASSIFICATION: | |
| RH-2 | |
| BUILDING TYPE: | |
| Wood Frame | |
| TOTAL GROSS SQUARE FEET OF CONSTRUCTION: | BY PROPOSED USES: |
| 0 | |
| ESTIMATED CONSTRUCTION COST: | |
| 0 | |
| ESTIMATE PREPARED BY: | |
| Lee Diamond | |
| FEE ESTABLISHED: | |
| | |

Applicant's Affidavit

Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.
- c: The other information or applications may be required.

Signature: _____



Date: _____

4/19/17

Print name, and indicate whether owner, or authorized agent:

Lee Diamond

Owner / Authorized Agent (circle one)

APPLICATION FOR

Dwelling Unit Removal Merger, Conversion, or Demolition

1. Owner/Applicant Information

| | |
|---------------------------|-------------------------|
| PROPERTY OWNER'S NAME: | |
| Lee Diamond | |
| PROPERTY OWNER'S ADDRESS: | TELEPHONE: |
| 4046 26th Street | (650) 380-9883 |
| | EMAIL: |
| | ldiamond@leediamond.com |

| | |
|---|------------|
| APPLICANT'S NAME: | |
| Same as Above <input checked="" type="checkbox"/> | |
| APPLICANT'S ADDRESS: | TELEPHONE: |
| | () |
| | EMAIL: |
| | |

| | |
|---|------------|
| CONTACT FOR PROJECT INFORMATION: | |
| Same as Above <input checked="" type="checkbox"/> | |
| ADDRESS: | TELEPHONE: |
| | () |
| | EMAIL: |
| | |

| | |
|--|------------|
| COMMUNITY LIAISON FOR PROJECT (PLEASE REPORT CHANGES TO THE ZONING ADMINISTRATOR): | |
| Same as Above <input checked="" type="checkbox"/> | |
| ADDRESS: | TELEPHONE: |
| | () |
| | EMAIL: |
| | |

2. Location and Classification

| | |
|----------------------------|-----------|
| STREET ADDRESS OF PROJECT: | ZIP CODE: |
| 4046 26th Street | 94131 |
| CROSS STREETS: | |
| Noe and Sanchez | |

| | | | | |
|----------------------|-----------------|-------------------|------------------|-----------------------|
| ASSESSORS BLOCK/LOT: | LOT DIMENSIONS: | LOT AREA (SQ FT): | ZONING DISTRICT: | HEIGHT/BULK DISTRICT: |
| 6553 / 012 | 20x120 | 2,280 | RH-2 | 40-X |

3. Project Type and History

| | | | | | |
|---|---|---|--------------------------|-------------------------------------|--|
| (Please check all that apply) <input type="checkbox"/> New Construction <input type="checkbox"/> Alterations <input type="checkbox"/> Demolition <input checked="" type="checkbox"/> Other Please clarify: <u>Merger</u> | ADDITIONS TO BUILDING: <input type="checkbox"/> Rear <input type="checkbox"/> Front <input type="checkbox"/> Height <input type="checkbox"/> Side Yard | BUILDING PERMIT NUMBER(S): | DATE FILED: | | |
| | | | | | |
| | | DATE OF PROPERTY PURCHASE: (MM/DD/YYYY) | | | |
| | | 01/25/2013 | | | |
| | | ELLIS ACT | YES | NO | |
| | | Was the building subject to the Ellis Act within the last decade? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

4. Project Summary Table

If you are not sure of the eventual size of the project, provide the maximum estimates.

| | EXISTING USES | EXISTING USES TO BE RETAINED | NET NEW CONSTRUCTION AND/OR ADDITION | PROJECT TOTALS: |
|---|---------------|------------------------------|--------------------------------------|-----------------|
| PROJECT FEATURES | | | | |
| Dwelling Units | 2 | yes | 1 | 1 |
| Hotel Rooms | | | | |
| Parking Spaces | | | | |
| Loading Spaces | | | | |
| Number of Buildings | | | | |
| Height of Building(s) | | | | |
| Number of Stories | | | | |
| Bicycle Spaces | | | | |
| GROSS SQUARE FOOTAGE (GSF) | | | | |
| Residential | 1902 | yes | 0 | 1902 |
| Retail | | | | |
| Office | | | | |
| Industrial/PDR <i>Production, Distribution, & Repair</i> | | | | |
| Parking | | | | |
| Other (Specify Use) | | | | |
| TOTAL GSF | 1902 | | | 1902 |

5. Additional Project Details

| UNITS | EXISTING: | PROPOSED: | NET CHANGE: |
|--------------------------------|-----------|-----------|-------------|
| Owner-occupied Units: | 2 | 1 | 1 |
| Rental Units: | 0 | 0 | 0 |
| Total Units: | 2 | 1 | 1 |
| Units subject to Rent Control: | 2 | 0 | 2 |
| Vacant Units: | 0 | 0 | 0 |

| BEDROOMS | EXISTING: | PROPOSED: | NET CHANGE: |
|-----------------------------------|-----------|-----------|-------------|
| Owner-occupied Bedrooms: | 3 | 3 | 0 |
| Rental Bedrooms: | 0 | 0 | 0 |
| Total Bedrooms: | 3 | 3 | 0 |
| Bedrooms subject to Rent Control: | 1 | 0 | 1 |

6. Unit Specific Information

| | UNIT NO. | NO. OF BEDROOMS | GSF | OCCUPANCY | ADDITIONAL CRITERIA (check all that apply) |
|----------|----------|-----------------|------|--|---|
| EXISTING | 2 | 3 | 1902 | <input checked="" type="checkbox"/> OWNER OCCUPIED <input type="checkbox"/> RENTAL | <input type="checkbox"/> ELLIS ACT <input type="checkbox"/> VACANT <input type="checkbox"/> RENT CONTROL |
| PROPOSED | 1 | 3 | 1902 | <input checked="" type="checkbox"/> OWNER OCCUPIED <input type="checkbox"/> RENTAL | |
| EXISTING | | | | <input type="checkbox"/> OWNER OCCUPIED <input type="checkbox"/> RENTAL | <input type="checkbox"/> ELLIS ACT <input type="checkbox"/> VACANT <input type="checkbox"/> RENT CONTROL |
| PROPOSED | | | | <input type="checkbox"/> OWNER OCCUPIED <input type="checkbox"/> RENTAL | |
| EXISTING | | | | <input type="checkbox"/> OWNER OCCUPIED <input type="checkbox"/> RENTAL | <input type="checkbox"/> ELLIS ACT <input type="checkbox"/> VACANT <input type="checkbox"/> RENT CONTROL |
| PROPOSED | | | | <input type="checkbox"/> OWNER OCCUPIED <input type="checkbox"/> RENTAL | |

7. Other Information

Please describe any additional project features that were not included in the above tables:
(Attach a separate sheet if more space is needed)

The single family home was built in 1885. It was legally a single family home for 110 years. In 1995, the bottom floor was legalized as a second dwelling unit. No records were found where the second unit was ever rented. The owner that converted the house sold the property in 2003. The owner previous to the current ownership or possibly the owner that performed the conversion connected the two units and used it as a single family home. It was used as a single family home from 2003 to 2013 and was possibly never used as a 2 unit. It was sold connected and has been used as a single family home since Jan 25, 2013. As far as use and records are concerned, the secondary dwelling unit was never in the rental stock.

Cont.

7. Other Information (Cont.)

The unit on the 1st Floor is currently under construction under permit number 201611303814.

The work to convert the house to a single family home will involve only making a space in one wall for a walkway. As seen on the plans, the floor plan exhibits all the attributes of a single family home. In order to separate the two floors to allow for the conversion in 1995, the work involved simply blocking off the stairway. This further shows the intended use was as a single family home.

We are currently a husband and wife with a 2 year old, with plans to expand our family. We plan to stay in this house for a very long time and occupy both floors. As part of the remodel we would like to legally connect the two units. If we can't, it would create a hardship on our family. For to have to go outside every time we need to go between floors, as we raise a small child and hopefully a newborn, would pose a significant burden on our family.

Thank you for your time in reviewing my application to merge units.

Priority General Plan Policies – Planning Code Section 101.1

(APPLICABLE TO ALL PROJECTS)

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed alterations and demolitions are consistent with eight priority policies set forth in Section 101.1 of the Planning Code. These eight policies are listed below. Please state how the Project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. If a given policy does not apply to your project, explain why it is not applicable.

| Please respond to each policy. If it's not applicable explain why. | |
|--|---|
| 1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced; | Not applicable. The merger of units does not effect employment or ownership of neighborhood-serving retail uses. |
| 2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods; | Not applicable. The merger of units will not change the neighborhood character. |
| 3. That the City's supply of affordable housing be preserved and enhanced; | Not applicable. The merger of units does not effect affordable housing. |
| 4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking; | Merger of the two units will reduce the number of occupants, hence reduce neighborhood parking and aid in reducing the burden on our streets. |

Please respond to each policy. If it's not applicable explain why.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

Not applicable. No commercial office development will take place.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

Not applicable. The merger of units does not change any preparedness to protect against injury or loss of life in an earthquake.

7. That landmarks and historic buildings be preserved; and

Not applicable. The merger of units does not change landmarks and the preserves historic building.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

Not applicable. The merger of units does not disturb parks or open space.

This page intentionally left blank.

Dwelling Unit Merger

(SUPPLEMENTAL INFORMATION)

Pursuant to Planning Code Section 317(e), the merger of residential dwelling-units not otherwise subject to a Conditional Use Authorization shall be either subject to a Mandatory Discretionary Review hearing or will qualify for administrative approval.

Administrative review criteria only apply to those Residential Units proposed for Merger that are not affordable or financially accessible housing, (valued by a credible appraisal within the past six months to be greater than 80% of combined land and structure value of single-family homes in San Francisco).

The Planning Commission shall not approve an application for Merger if certain eviction criteria apply. Please see the implementation document *Zoning Controls on the Removal of Dwelling Units*, Planning Code Section 317, and Administrative Code Section 37.9(a) for additional information.

Please answer the following questions to determine how the project does or does not meet the Planning Code requirements:

| DWELLING UNIT MERGER CRITERIA: | | YES | NO |
|--------------------------------|---|-------------------------------------|-------------------------------------|
| 1 | Does the removal of the unit(s) eliminate only owner-occupied housing? If yes, for how long was the unit(s) proposed for removal owner-occupied? <u>131</u> months or <u>0</u> years (circle one) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2 | Is the removal of the unit(s) and the merger with another intended for owner occupancy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3 | Will the removal of the unit(s) remove an affordable housing unit as defined in Section 415 of the Planning Code or housing subject to the Rent Stabilization and Arbitration Ordinance? If yes, will replacement housing be provided which is equal or greater in size, number of bedrooms, affordability, and suitability to households with children to the units being removed? <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4 | Will the removal of the unit(s) bring the building closer into conformance with the prescribed zoning? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5 | Will the number of bedrooms provided in the merged unit be equal to or greater than the number of bedrooms in the separate units? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6 | Is the removal of the unit(s) necessary to correct design or functional deficiencies that cannot be corrected through interior alterations? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Applicant's Affidavit

Under penalty of perjury the following declarations are made:

- a: The undersigned is the owner or authorized agent of the owner of this property.
- b: The information presented is true and correct to the best of my knowledge.
- c: Other information or applications may be required.

Signature: 

Date: 2/12/2017

Print name, and indicate whether owner, or authorized agent:

Owner / Authorized Agent (circle one)

Appraisal Express & Investments

C178
File No. I0900217

09/18/2017

ATTN: Lee Diamond

Private Appraisal
4046 26th Street
San Francisco, CA, 94131

File Number: I0900217

To whom it may concern,

In accordance with your request, I have appraised the real property at:

4046 26th Street
San Francisco, CA 94131

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of **September 8, 2017** is:

\$775,000
Seven Hundred Seventy-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



Max E. Mendoza
Appraiser / Realtor

Appraisal Express & Investments

C178
File No. I0900217

APPRAISAL OF



TIC "Tenancy In Common

LOCATED AT:

4046 26th Street
San Francisco, CA 94131

CLIENT:

Private Appraisal
4046 26th Street
San Francisco, CA, 94131

AS OF:

September 08, 2017

BY:

Max E. Mendoza
Appraiser / Realtor

TABLE OF CONTENTS

| | |
|------------------------------------|---------------------------|
| Client: Lee Diamond | File No.: I0900217 |
| Property Address: 4046 26th Street | Case No.: C178 |
| City: San Francisco | State: CA Zip: 94131 |



| | |
|--|----|
| Letter of Transmittal | 1 |
| Title | 2 |
| Table of Contents | 3 |
| gPAR™ Restricted Full Grid (2014). | 4 |
| Addendum | 9 |
| 1004MC 2009. | 11 |
| Subject Photos | 12 |
| Subject Photo Page 1 | 13 |
| Subject Photo Page 2 | 14 |
| Floorplan Sketch. | 15 |
| Plat Map. | 16 |
| Location Map | 17 |
| Aerial Map | 18 |
| Comps 1,2,3 Photos | 19 |
| Comps 4,5,6 Photos | 20 |
| Appraiser's License Page | 21 |
| Errors & Omissions Insurance. | 22 |
| Appraiser Independence Certification | 23 |
| USPAP 2014 with Type. | 24 |


Restricted Appraisal Report

C178
File No. I0900217

| | | | | | | | | | | |
|---|---|----------------|---|-----------------------------|--|----------------------------|---|-----------------------------|---|--|
| PURPOSE | This report is limited to the sole and exclusive use of the client. The rationale for how the appraiser arrived at the opinions and conclusions set forth in this report may not be understood properly without additional information in the appraiser's workfile. The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal. | | | | | | | | | |
| | Client Lee Diamond E-mail Ldiamond@leediamond.com Client Address 4046 26th Street City San Francisco State CA Zip 94131 Intended Use To Determine the Fair Market Value as a TIC as of: 09/08/2017 | | | | | | | | | |
| SUBJECT | Property Address 4046 26th Street City San Francisco State CA Zip 94131 Other Description (APN, Legal, etc.), if applicable APN: 6553-012 Legal Description: Lot #12 Block #6553 Unit #4046 | | | | | | | | | |
| | Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe) Subject property existing use: As a Duplex Use reflected in appraisal: TIC Unit Highest and Best Use: <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Other: Zoning allows for up to 2 separate units | | | | | | | | | |
| SALES HISTORY | My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. Prior Sale/Transfer: Date n/a Price n/a Source(s) Realist.com and/or local MLS (SFARMLS). Analysis of prior sale transfer history of the subject property (and comparable sales, if applicable) Per local MLS Board (SFARMLS) and Realist.com, the subject property has not changed ownership within the last 36 months. None of the comparables used in this report has been resold within the last 12 months. | | | | | | | | | |
| | Offerings, options and contracts as of the effective date of the appraisal n/a | | | | | | | | | |
| COMMENTS | Marketability Comments: Please see the attached addendum for comments on this section. | | | | | | | | | |
| | Site Comments: There were no apparent adverse easements, encroachments, or special assessments noted during the time of inspection. The subject's site is two-family, residentially zoned lot with good utility. The streets are fully improved with curbs, gutters and sidewalks. The appraiser did not review a preliminary title report on the subject property. | | | | | | | | | |
| Improvement Comments: The finishes of this unit will be of similar high end quality materials as the upper unit. The appraiser is scheduled to do a 442 on the property after the renovation is complete to verify the improvements are similar to the unit above. | | | | | | | | | | |
| SALES COMPARISON APPROACH | FEATURE | | SUBJECT | | COMPARABLE SALE NO. 1 | | COMPARABLE SALE NO. 2 | | COMPARABLE SALE NO. 3 | |
| | Address | | 4046 26th Street San Francisco, CA 94131 | | 376 San Carlos Street, #B San Francisco, CA 94131 | | 16-A Powers Avenue San Francisco, CA 94131 | | 386 Noe Street, #A San Francisco, CA 94114 | |
| | Proximity to Subject | | | | 0.84 miles NE | | 0.64 miles SE | | 1.00 miles NW | |
| | Sale Price | | \$ 0 | | \$ 700,000 | | \$ 829,000 | | \$ 730,000 | |
| | Sale Price/Gross Liv. Area | | \$ 0.00 sq. ft. | | \$ 969.53 sq. ft. | | \$ 983.39 sq. ft. | | \$ 979.87 sq. ft. | |
| | Data Source(s) | | Realist.com | | SFARMLS #457761 / DOM: 41 | | SFARMLS #454200 / DOM: 26 | | SFARMLS #458142 / DOM: 58 | |
| | Verification Source(s) | | Inspection | | Realist.com / Doc #K476060 | | Realist.com / Doc #K447162 | | Realist.com / Doc #K488809 | |
| | VALUE ADJUSTMENTS | | DESCRIPTION | | DESCRIPTION | | DESCRIPTION | | DESCRIPTION | |
| | Sale or Financing | | | | Conventional | | Conventional | | Cash Sale | |
| | Concessions | | | | None Reported | | None Reported | | None Reported | |
| | Date of Sale/Time | | Current Value | | COE:07/14/2017 | | COE:05/04/2017 | | COE:07/28/2017 | |
| | Location | | Residential St. | | Less Desirable | | Residential St. | | Frnt Muni/Store | |
| | Leasehold/Fee Simple | | Fee Simple | | Fee Simple | | Fee Simple | | Fee Simple | |
| | Site | | TIC Site | | TIC Site | | TIC Site | | TIC Site | |
| | View | | Backyard/Garden | | Street View | | Garden / Street | | Garden / Street | |
| | Design (Style) | | A1;Edwardian | | SD1;Edwardian | | D1;Edwardian | | SD1;Edwardian | |
| | Quality of Construction | | Q2 | | Q2 | | Q2 | | Q3 | |
| | Actual Age | | 132 Years | | 117 Years | | 117 Years | | 117 Years | |
| | Condition | | C1 | | C2 | | C2 | | C3 | |
| | Above Grade | | Total Bdrms. Baths | | Total Bdrms. Baths | | Total Bdrms. Baths | | Total Bdrms. Baths | |
| | Room Count | | 2 1 1.0 | | 2 1 1.0 | | 3 2 1.0 | | 3 1 1.0 | |
| | Gross Living Area 85.00 | | 837 sq. ft. | | 722 sq. ft. | | 843 sq. ft. | | 745 sq. ft. | |
| | Basement & Finished | | No Basement | | No Basement | | No Basement | | No Basement | |
| | Rooms Below Grade | | None | | None | | None | | None | |
| | Functional Utility | | Average | | Average | | Average | | Average | |
| | Heating/Cooling | | Radiant / no A/C | | Radiant / no A/C | | Fau / no A/C | | Wall / no A/C | |
| | Energy Efficient Items | | Dual Panes | | Dual Panes | | Dual Panes | | Dual Panes | |
| | Garage/Carport | | No Parking | | No Parking | | Leased Parking | | No Parking | |
| Porch/Patio/Deck | | Comm. Backyard | | Comm. Bckyard | | Small Deck | | Comm. Bckyard | | |
| Kitchen Improv. | | New Kitchen | | New Kitchen | | New Kitchen | | Remod. Kitchen | | |
| Bath Improv. | | New Bathroom | | New Bathroom | | New Bathroom | | Older Updtd Bth | | |
| Listing Price | | n/a | | LP:\$688,000 | | LP:\$748,000 | | LP:\$725,000 | | |
| Net Adjustment (Total) | | | | [X] + [] - \$ 75,000 | | [] + [X] - \$ 52,500 | | [X] + [] - \$ 45,000 | | |
| Adjusted Sale Price | | | | Net Adj. 10.7% | | Net Adj. -6.3% | | Net Adj. 6.2% | | |
| of Comparables | | | | Gross Adj. 10.7% \$ 775,000 | | Gross Adj. 6.3% \$ 776,500 | | Gross Adj. 11.6% \$ 775,000 | | |
| Summary of Sales Comparison Approach Please see the attached addendum for comment on this section. | | | | | | | | | | |

Restricted Appraisal Report

C178
File No. I0900217

| | | |
|------------------------------|---|---|
| RECONCILIATION | Methods and techniques employed: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach <input type="checkbox"/> Other: | |
| | Discussion of methods and techniques employed, including reason for excluding an approach to value: <u>Please see the attached addendum for comments on this section.</u> | |
| | Reconciliation comments: <u>Please see the attached addendum for comment on this section.</u> | |
| CERTIFICATION | Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of <u>09/08/2017</u> , which is the effective date of this appraisal, is: <input checked="" type="checkbox"/> Single point \$ <u>775,000</u> <input type="checkbox"/> Range \$ _____ to \$ _____ <input type="checkbox"/> Greater than <input type="checkbox"/> Less than \$ _____ This appraisal is made <input type="checkbox"/> "as is," <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input type="checkbox"/> subject to the following: <u>Please see the attached addendum for comments on this section.</u> | |
| | Appraiser's Certification The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief: 1. The statements of fact contained in this report are true and correct. 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions. 3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved. 4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. 5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results. 6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. 7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the <i>Uniform Standards of Professional Appraisal Practice</i> . 8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report. 9. Unless noted, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by: | |
| | Additional Certifications: | |
| TYPE AND DEFINITION OF VALUE | Type of Value: <input checked="" type="checkbox"/> Market Value <input type="checkbox"/> Other Value: _____ Source of Definition: <u>From Freddie Mac</u> Definition of Value: <u>The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.</u> | |
| | <u>*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of traditional or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustments should not be calculated for a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.</u> | |
| | | |
| SIGNATURE | APPRaiser Signature:  Name: <u>Max E. Mendoza</u> Company Name: <u>Appraisal Express & Investments</u> Company Address: <u>321 Noe Street, Suite #301</u> <u>San Francisco, CA 94114</u> Telephone Number: <u>(415) 271-9784</u> Email Address: <u>sfappraisalexpress@gmail.com</u> State Certification # _____ or License # <u>AL011277</u> or Other (describe): _____ State #: _____ State: <u>CA</u> Expiration Date of Certification or License: <u>06/18/2018</u> Date of Signature and Report: <u>09/18/2017</u> Date of Property Viewing: <u>09/08/2017</u> Degree of property viewing: <input checked="" type="checkbox"/> Interior and Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> Did not personally view | CO-APPRAISER Signature: _____ Name: _____ Company Name: _____ Company Address: _____ Telephone Number: _____ Email Address: _____ State Certification # _____ or License # _____ State: _____ Expiration Date of Certification or License: _____ Date of Signature: _____ Date of Property Viewing: _____ Degree of property viewing: <input type="checkbox"/> Interior and Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> Did not personally view |

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client and to the intended use of the report. This report was prepared for the sole and exclusive use of the client for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not a home inspection or environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is not consistent with the definition of Market Value for property insurance coverage/use unless otherwise stated by the appraiser.

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

C178

File No. 10900217

[illegible]

Client: Lee Diamond

File No.: I0900217

Property Address: 4046 26th Street

Case No.: C178

City: San Francisco

State: CA

Zip: 94131

Neighborhood Market Conditions

The statistical data provided on this report were extracted from the local MLS board (SFARMLS). Property values in the subject's neighborhood are currently stabilizing after increasing across the board in the prior 4-6 months of close sales. Most of the comparable TIC's sold within the last three months are selling 100% or more above their list price and has an overall trend of stable for the year prior to the effective date. The amount over has decreased ~8% from the prior 4-6 month range. The marketing time for the area is approximately 1-3 months when priced realistically for the market is noted to be stable at the present time, although has increase more than twice what it was in the prior 4-6 month range. The median listing price of homes is noted to be currently declining, having dropped ~40K in each measured timeframe.

The subject's market area favor standard conventional and government financing. The area does not appear to have a prevalence on loan discounts, interest buydowns or other sales concessions that would impact a property's marketability.

Comments on Sales Comparison

The comparable selection and valuation analysis is governed by the principle of substitution: a buyer will not pay more for one property than another that is equally desirable. When determinable, adjustments for significant differences in improvements were derived by matched paired analysis or the abstraction method. When not possible or practical, bracketing and/or the appraiser's knowledge and experience of the market area was utilized in determining the appropriate adjustments for differences. The appraiser searched for all available information utilizing the county records, multiple listing board (SFARMLS) national data collective (ndcdata.com), realist.com and previous appraisal reports completed within the subject's market neighborhood. These sources combined with conversations with real estate professionals from the area were considered. The comparables utilized in this report were determined to be the best available at the time of inspection.

My comparable search and results were based on utilizing the county records, Multiple Listing Service (SFARMLS), National Data Collective (ndcdata.com), and previous appraisal reports completed within the subject's market neighborhood. These sources combined with possible conversations with real estate professionals from the local area were considered. Due to limited TIC units in the subject's immediate market neighborhood (Noe Valley), the appraiser was forced to expand the search to the neighboring Inner Mission & Potrero Hill neighborhoods. The comparable sales included in this report are considered to be the best available at the time of inspection and are utilized for their similar square footage, age, condition, amenities, and proximity to the subject property. In addition, comparable was selected based on 20%+/- of the subject's total gross living area, have sold within the last 6 months with the exception of comparable sale #4, since it was only included as additional support to the subject's final estimated market value, and located within a mile radius of the subject. Based on these criteria, the appraiser was able to locate 7 comparable closed sales and 1 competing listing in the area.

Variance in gross living area was adjusted at **\$85.00** per square foot at a difference of one hundred square feet and larger and rounded.

Comparable #1 This is a smaller TIC unit located in an adjacent neighborhood, (Inner Mission). It was adjusted for its inferior location in a less desirable neighborhood when compared to the subject's Noe Valley location. It was further adjusted for its smaller gross living area. This property was completely remodeled to the studs as the subject. No other adjustments were deemed necessary, since it has similar improvements to the subject.

Comments from the MLS: Potential FAST TRACK CONDO opportunity - This completely renovated, Italianate Victorian is located on a tree-lined street in the coveted Liberty Hill Historic District - the best part of the Mission. The one bedroom, one bath unit features a massive chef's kitchen, full bath with grohe fixtures and a stone walk in shower, and a washer and dryer near the master closet. It is close to zero net energy - because the building features a photovoltaic solar system. It also has a gray water system, radiant heat, remote security, and Nest & Sonos speakers (already installed). This starter home is ready for the future.

Comparable #2 This is a similar size TIC unit located in a competing neighborhood, (Bernal Height). Adjustments were made for its additional bedroom & bathroom count, has similar living room & kitchen combo, and superior deeded small deck off the unit, but also has a common backyard as the subject. No adjustment was made for its gross living area since it varies less than 100 sq.ft. from that of the subject.

Comments from the MLS: Now w/Parking! Upstairs in contract - this is garden level unit. 16A Powers is a TIC flat that feels like a refuge. Part of a well-run 3 unit association, in a building re-imagined and renovated in 2014. The tranquility of the garden views and well-chosen modern finishes make it an easy place to relax and enjoy being at home. But if you want to go out, the action on Mission Street in Bernal Heights are just steps away. Enjoy dinner at the Blue Plate or Emmy's Spaghetti Shack or meet for coffee and croissant at Cafe S. Jorge before heading out for some salsa dancing at El Rio. All within a few blocks. The sophisticated options of the Mission District are also close at hand, as are BART, and access to tech shuttles and freeways south.

Comparable #3 This is a smaller TIC unit located in a competing neighborhood, (The Castro). It has been adjusted for its inferior location on a slightly busier residential street with public transportation running down the street and is next door to a neighborhood grocery store. It was also adjusted for its inferior quality of construction and condition since of its improvements, since it has not been fully remodeled from the studs as the subject. It was also adjusted for its superior formal kitchen & living room, inferior wall heating system, and inferior updated bathroom.

Comments from the MLS: Large 1 bedroom 1 bathroom unit in a charming 8 unit building right in the heart of The Castro! Beautifully renovated Chef's kitchen with gas cooking and tons of counter and storage space. You'll find stainless steel appliances, full tiled back-splash, Caesar stone counter-tops and cherry wood cabinetry in kitchen. Gorgeous hardwood floors, canned lighting, double pane windows and picture moldings throughout. Sliding glass door to large common landscaped patio area. This unit also has in-unit laundry a renovated bath and great storage. It also boasts a 99 walk score and 97 transit score!

Comparable #4 This is a dated sale included mainly for its location in the subject market neighborhood as the subject (Noe Valley) and as additional support to the subject's final estimated market value. It was adjusted for its inferior location on a

ADDENDUM

| | |
|------------------------------------|----------------------|
| Client: Lee Diamond | File No.: I0900217 |
| Property Address: 4046 26th Street | Case No.: C178 |
| City: San Francisco | State: CA Zip: 94131 |

neighborhood access street, slightly superior partial view of the foothills & Twin Peaks towers, superior top floor location, inferior overall condition of its improvements, since it was completely remodeled to the studs five years ago, but now has wear and tear, and superior deeded parking garage which the subject lacks.

Comments from the MLS: Gorgeous designer top floor unit in a classic Edwardian building with grand street presence. No stone was left unturned in this studs-out transformation including all interior finishes and all building systems. Views from three sides and drenched in sun, the unit features Wenge kitchen cabinetry, Bosch appliances, Caesarstone counter tops and island, spa-inspired Ann Sacks glass tiled bathroom and shower, Nest climate control, a modern gas fireplace, generous closet space and in-unit laundry. One car independent parking, adjacent storage space and recent soft story compliance. Where Noe and the Mission merge, this is a walker's paradise (score of 95) within easy striking distance to 24th St, Valencia St, Dolores Park and Tech Shuttles.

The appraiser has not performed any prior services, appraisal, or valuation assignments relating to the subject property within the past (3) three years as an appraiser, or in any other capacity.

The subject's kitchen appliances were in working order during the time of inspection.

The subject's utilities were turned on and operational during the time of inspection.

All of the mechanical items on the property appeared to be working order during the inspection.

The subject has a wider range of values, due to varying conditions, total improvements, location, view amenity, and the overall motivation factors of the sellers in the neighborhood.

Most weight was given to comparable sale #1 and #3, since they area the most recent one bedroom TIC's in the area.

Final Reconciliation

The income approach was not utilized in this analysis due to lack of reliable rental data within the subject's immediate market neighborhood, due to the effects of rent control in the city of San Francisco. The cost approach is not utilized in the appraisal of TIC properties. Most emphasis is placed on the sales comparison approach, since it best indicates the interactions of the buyers/sellers activity in the general market area.

Conditions of Appraisal

The purpose of this appraisal is to determine the Fair Market Value of the subject property. The property rights appraised are the fee simple interest in the site and improvements.

The value conclusions stated herein are "as is", but subject to revisions if new information is made available from inspections, disclosure statements, inaccurate real estate information, other data received, reviewed, and/or submitted by any person or entity that will materially affect the condition of the property and/or conclusion of value.

This appraisal report was prepared in the "electronic data interchange" (EDI) format. The report can be transported electronically by edi or pdf procedures. The signatures that are ascribed on the appropriate pages of this report requiring a signature are compliant with federal and state laws and are a true representation of the appraisers signature who conducted this report. Furthermore, uspap and the appraisal standards board states that electronically affixing a signature to a report has the same level of authenticity and responsibility as an ink signature on a paper appraisal report. The signatures in this report have a security feature maintained by individual passwords. The ascribed appraiser maintains that, to the best of his knowledge, no person can alter the appraisal with the exception of himself.

The appraiser is not an expert in the field of building inspection, wood infestation or engineering. An expert in the field of engineering and/or seismic hazard detection should be consulted if an analysis of seismic safety and seismic structural safety is desired. The appraisal should not be relied upon as to whether seismic problem exists, or does not actually exist. Except as specifically indicated in this appraisal, no reports, disclosure statements, certified hazard zone report, studies and/or surveys were presented and/or reviewed by this appraiser that would negatively impact the property other than those mentioned specifically in the body of the report.

Additionally, the existence of hazardous substances and/or materials without limitation that may be present on the property. The appraiser does not possess the expertise to test or identify hazardous substances or environmental conditions that may affect the value of the property. The indicated value is predicated on the assumption that no such condition exists on the property or in such proximity to cause a loss in value. No responsibility is assumed. The client is urged to retain experts in the appropriate fields to consult in regard to hazardous substances or materials.

Complete Visual Inspection Does Not Include: When applicable, the inspection of the attic or crawlspace (beyond head or shoulder), activation and testing of mechanical systems, including, but not limited to, private well & septic systems, furnace, air conditioning systems, garage door operation, built-in appliances, plumbing, electrical system or fireplace where applicable. Complete visual inspection does not include moving personal property to inspect various items, checking for code compliance or checking windows or doors for functional use. This appraisal report is intended value purposes only and is limited to what this appraiser can view from grade level and is not to be used as a home inspection. This appraiser is not a home inspector, contractor, termite inspector, environmental inspector or structural engineer and therefore is not an expert in foundation walls, exterior walls, gutters and downspouts, termites, mold or mechanical systems and can only comment on items that are readily observable at the time of observing the property. This appraisal report is not a home inspection, this appraiser only performed a visual observation of accessible areas and the appraisal report cannot be relied upon to disclose conditions, environmental problems and/or defects in the property.

The value conclusions stated herein are as of the effective date as stated in the body of the appraisal. The attached report contains the description, analysis, and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

ADDENDUM

| | | |
|------------------------------------|-----------|--------------------|
| Client: Lee Diamond | | File No.: I0900217 |
| Property Address: 4046 26th Street | | Case No.: C178 |
| City: San Francisco | State: CA | Zip: 94131 |

The appraiser has prepared this appraisal in full compliance with the home valuation code of conduct and has not performed, participated in, or been associated with any activity in violation of the code.

The appraiser certifies that the client/lender, the AMC or the borrower noted on this appraisal report did not improperly influence or attempt to improperly influence the outcome of this appraisal by doing any of the things prohibited by Section 1(B) of the Appraiser Independence Requirements, effective 10/15/2010.

The appraiser has no current or prospective interest in the subject property or the parties involved: and no services were performed by the appraiser within the 3 year period immediately preceding acceptance of this assignment, as an appraiser or in any capacity.

Market Conditions Addendum to the Appraisal Report

File No. I0900217

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **4046 26th Street** City **San Francisco** State **CA** Zip Code **94131**
 Borrower **Lee Diamond**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

| Inventory Analysis | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
|--|---|------------------|--------------------|--|--|---|
| Total # of Comparable Sales (Settled) | 2 | 3 | 4 | <input checked="" type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Absorption Rate (Total Sales/Months) | 0.33 | 1.00 | 1.33 | <input checked="" type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Total # of Comparable Active Listings | n/a | n/a | 1 | <input type="checkbox"/> Declining | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Months of Housing Supply (Total Listings/Ab. Rate) | n/a | n/a | 0.75 | <input type="checkbox"/> Declining | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Sale & List Price, DOM, Sale/List % | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
| Median Comparable Sale Price | \$875,000 | \$970,000 | \$855,000 | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Median Comparable Sales Days on Market | 53 | 15 | 40 | <input type="checkbox"/> Declining | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Comparable List Price | \$875,000 | \$830,000 | \$795,000 | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input checked="" type="checkbox"/> Declining |
| Median Comparable Listings Days on Market | n/a | n/a | 74 | <input type="checkbox"/> Declining | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Sale Price as % of List Price | 100.00% | 116.86% | 107.54% | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Seller (developer, builder, etc.) paid financial assistance prevalent? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | <input type="checkbox"/> Declining | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Most of the homes in the neighborhood are sold "as is" with little or no credits given to the buyer(s). If they exist at all they are usually always market accepted. There are no buy-downs noted in this market area of San Francisco. No information could be provided on most of the shaded areas above, since the local MLS Board has no search features to determine how many listings were available during a certain time frame in the past.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. The information noted in this analysis was extracted from the local MLS board (SFARMLS).

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The statistical data provided on this report were extracted from the local MLS board (SFARMLS). Property values in the subject's neighborhood are currently stabilizing after increasing across the board in the prior 4-6 months of close sales. Most of the comparable TIC's sold within the last three months are selling 100% or more above their list price and has an overall trend of stable for the year prior to the effective date. The amount over has decreased ~8% from the prior 4-6 month range. The marketing time for the area is approximately 1-3 months when priced realistically for the market is noted to be stable at the present time, although has increase more than twice what it was in the prior 4-6 month range. The median listing price of homes is noted to be currently declining, having dropped ~40K in each measured timeframe.

| | | | | | | |
|---|-------------------|------------------|--------------------|-------------------------------------|---------------------------------|-------------------------------------|
| If the subject is a unit in a condominium or cooperative project, complete the following: | | | | Project Name: n/a | | |
| Subject Project Data | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
| Total # of Comparable Sales (Settled) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Absorption Rate (Total Sales/Months) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Total # of Active Comparable Listings | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Months of Unit Supply (Total Listings/Ab. Rate) | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |


Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☒ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

This section is not applicable to the subject property.

Summarize the above trends and address the impact on the subject unit and project. This section is not applicable to the subject property.

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 
 Name Max E. Mendoza
 Company Name Appraisal Express & Investments
 Company Address 321 Noe Street, Suite #301
San Francisco, CA 94114
 State License/Certification # AL011277 State CA
 Email Address sfpappraisalexpress@gmail.com

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

SUBJECT PROPERTY PHOTO ADDENDUM

Client: Lee Diamond

File No.: 10900217

Property Address: 4046 26th Street

Case No.: C178

City: San Francisco

State: CA

Zip: 94131

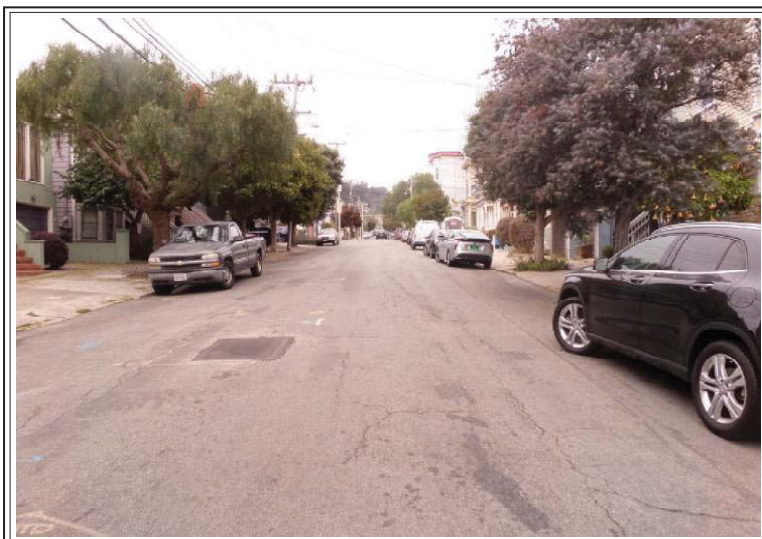


**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: September 8, 2017
Appraised Value: \$ 775,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

Client: Lee Diamond
Property Address: 4046 26th Street
City: San Francisco

File No.: I0900217
Case No.: C178
State: CA Zip: 94131



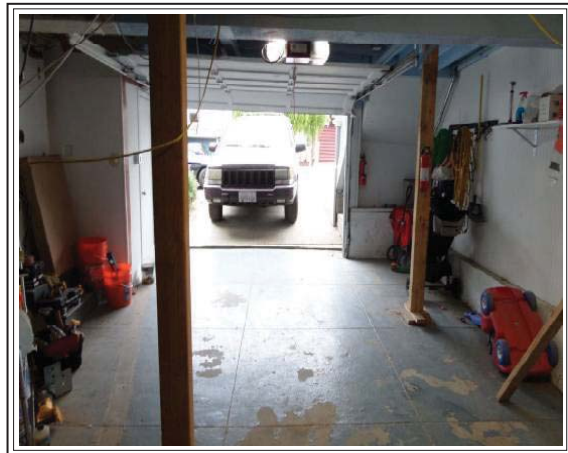
View of Purposed Living / Dining / Kitchen Area



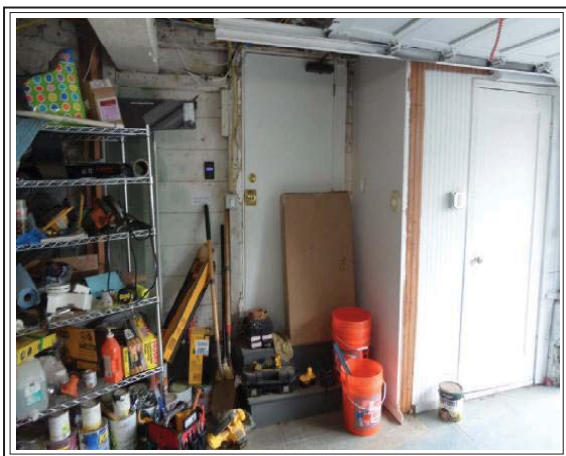
View From Purposed Bedroom to Rear



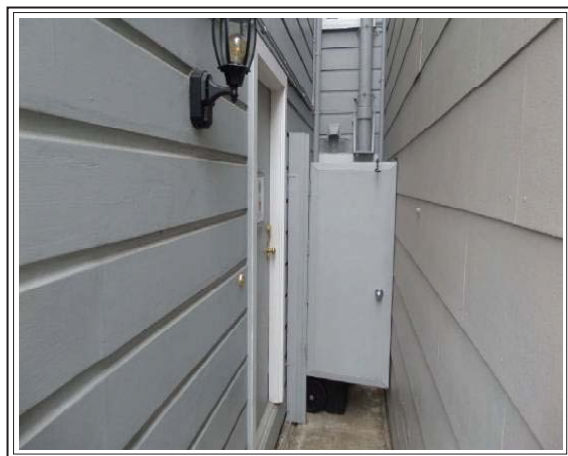
View of Purposed Bath Room (Left Wall) & Bedroom
And View of Purposed Closet (Right Wall) & Entry



View of 1 Car Garage Space
Deeded to the Upstairs Unit



Interior View of Purposed Side Entry



Exterior View of Purposed Side Entry

Client: Lee Diamond
Property Address: 4046 26th Street
City: San Francisco

File No.: I0900217
Case No.: C178
State: CA Zip: 94131



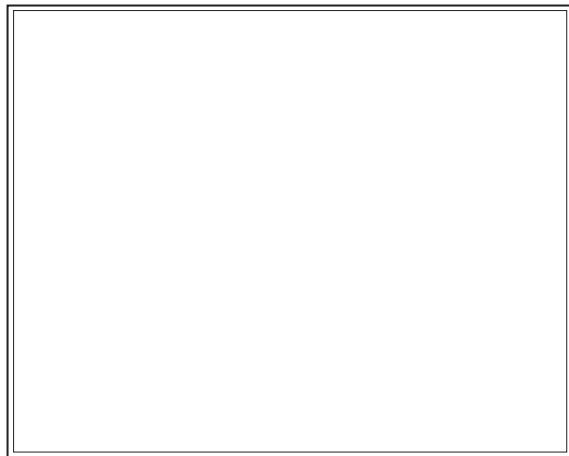
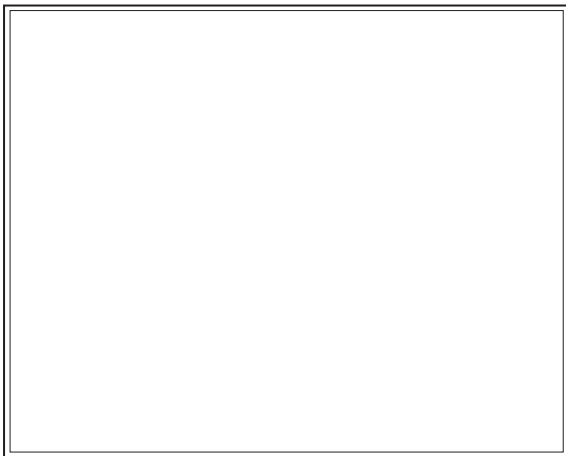
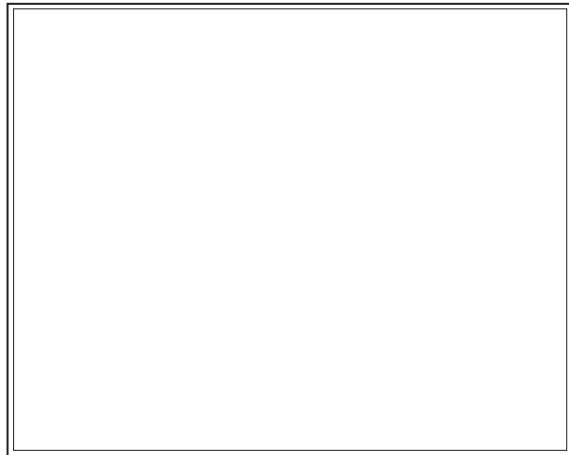
View of Existing Water Heater



View of Existing Water Filtration System



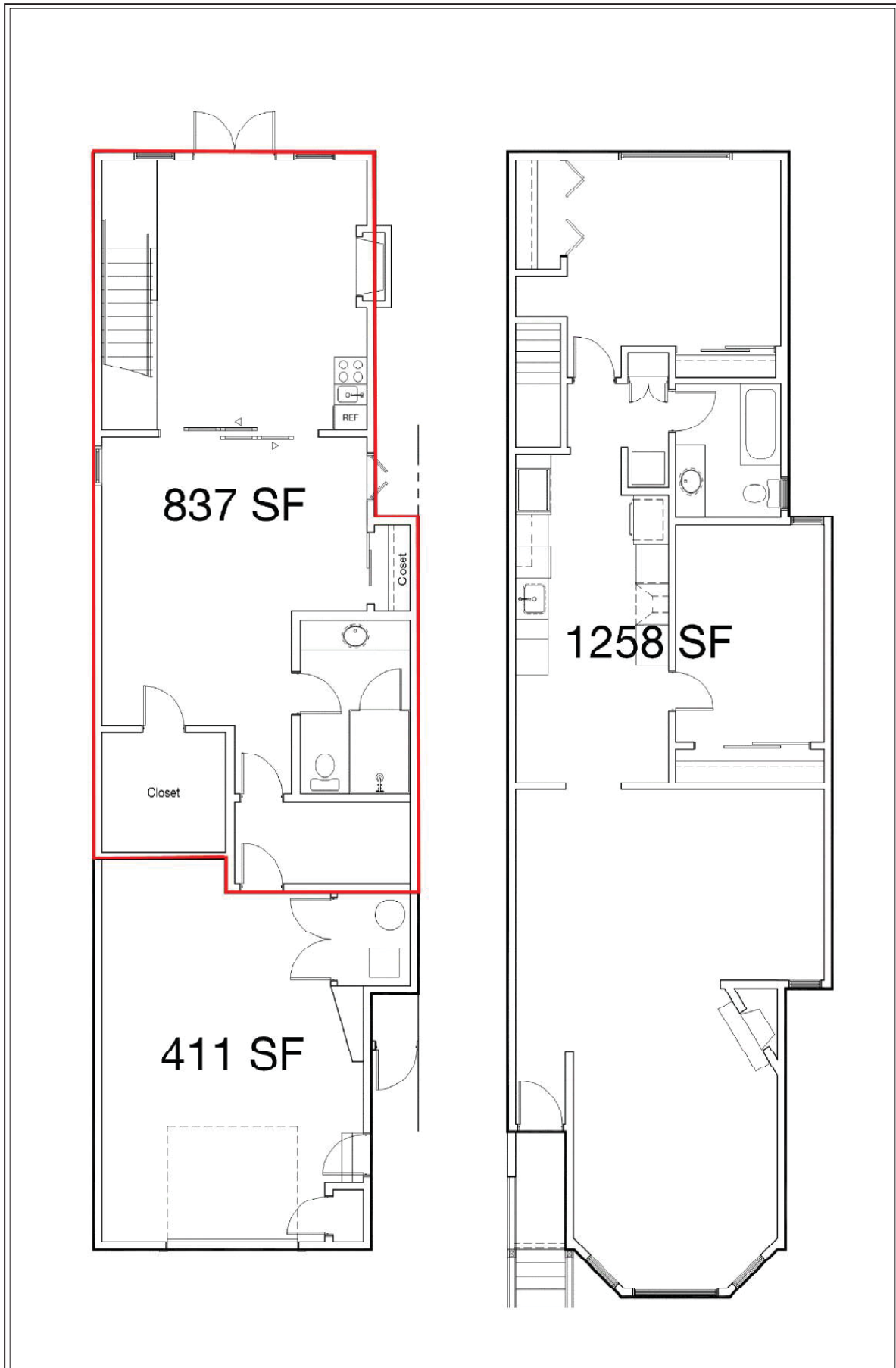
View of Existing Common Concrete Patio & Wooden Decking



Floorplan Sketch

Client: Lee Diamond
Property Address: 4046 26th Street
City: San Francisco

File No.: I0900217
Case No.: C178
State: CA
Zip: 94131

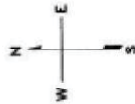


PLAT MAP

Client: Lee Diamond
Property Address: 4046 26th Street
City: San Francisco

File No.: I0900217
Case No.: C178
State: CA
Zip: 94131

© COPYRIGHT SAN FRANCISCO
CITY & COUNTY ASSESSOR 1995
lots4&5 into lot46 for 2000 roll
lot11 into lots47&48 for 2003 roll
lot25 into lots49&50 for 2014 roll



6553

HORNER'S ADD. BLK.130

REVISED '60

Revised 2000
Revised 2003
Revised 2014

SANCHEZ

4042-4044 26TH ST.
A CONDOMINIUM
LOT UNIT & COMM AREA
47 4042 49.5
40 4044 51.5

CLIPPER

| | | | | | | |
|-------|-----------------|-------|------------|-------|--------|-------|
| 12300 | 114 | 25.04 | 2.5083 | 19.37 | 94.683 | 40000 |
| 40 | CHURCH PROPERTY | | | | | |
| | 1 | 2 | 3 | 4 | 4A | |
| 20 | 43 | 46 | 47 | 48 | 49 | 40000 |
| 30 | 42 | 5A | | | | 30 |
| 31 | 41 | 6 | | | | 20 |
| 32 | 40 | 7 | | | | 20 |
| 33 | 39 | 8 | | | | 20 |
| 34 | 38 | 9 | | | | 20 |
| 35 | 37 | 10 | | | | 20 |
| 36 | 36 | 11 | 2003 47&48 | | | 30 |
| 37 | 35 | 12 | | | | 30 |
| 38 | 34 | 13 | | | | 30 |
| 39 | 33 | 14 | | | | 30 |
| 40 | 32 | 15 | | | | 30 |
| 41 | 31 | 16 | | | | 30 |
| 42 | 30 | 17 | | | | 30 |
| 43 | 29 | 18 | | | | 30 |
| 44 | 28 | 19 | | | | 30 |
| 45 | 27 | 20 | | | | 30 |
| 46 | 26 | 20A | | | | 30 |
| 47 | 25 | 21 | | | | 30 |
| 48 | 24 | 22 | | | | 30 |
| 49 | 23 | 23 | | | | 30 |
| 50 | 22 | 24 | | | | 30 |
| 51 | 21 | 25 | | | | 30 |
| 52 | 20 | 26 | | | | 30 |
| 53 | 19 | 27 | | | | 30 |
| 54 | 18 | 28 | | | | 30 |
| 55 | 17 | 29 | | | | 30 |
| 56 | 16 | 30 | | | | 30 |
| 57 | 15 | 31 | | | | 30 |
| 58 | 14 | 32 | | | | 30 |
| 59 | 13 | 33 | | | | 30 |
| 60 | 12 | 34 | | | | 30 |
| 61 | 11 | 35 | | | | 30 |
| 62 | 10 | 36 | | | | 30 |
| 63 | 9 | 37 | | | | 30 |
| 64 | 8 | 38 | | | | 30 |
| 65 | 7 | 39 | | | | 30 |
| 66 | 6 | 40 | | | | 30 |
| 67 | 5 | 41 | | | | 30 |
| 68 | 4 | 42 | | | | 30 |
| 69 | 3 | 43 | | | | 30 |
| 70 | 2 | 44 | | | | 30 |
| 71 | 1 | 45 | | | | 30 |
| 72 | | 46 | | | | 30 |
| 73 | | 47 | | | | 30 |
| 74 | | 48 | | | | 30 |
| 75 | | 49 | | | | 30 |
| 76 | | 50 | | | | 30 |
| 77 | | 51 | | | | 30 |
| 78 | | 52 | | | | 30 |
| 79 | | 53 | | | | 30 |
| 80 | | 54 | | | | 30 |
| 81 | | 55 | | | | 30 |
| 82 | | 56 | | | | 30 |
| 83 | | 57 | | | | 30 |
| 84 | | 58 | | | | 30 |
| 85 | | 59 | | | | 30 |
| 86 | | 60 | | | | 30 |
| 87 | | 61 | | | | 30 |
| 88 | | 62 | | | | 30 |
| 89 | | 63 | | | | 30 |
| 90 | | 64 | | | | 30 |
| 91 | | 65 | | | | 30 |
| 92 | | 66 | | | | 30 |
| 93 | | 67 | | | | 30 |
| 94 | | 68 | | | | 30 |
| 95 | | 69 | | | | 30 |
| 96 | | 70 | | | | 30 |
| 97 | | 71 | | | | 30 |
| 98 | | 72 | | | | 30 |
| 99 | | 73 | | | | 30 |
| 100 | | 74 | | | | 30 |

26TH

NOE

LOCATION MAP

Client: Lee Diamond
Property Address: 4046 26th Street
City: San Francisco

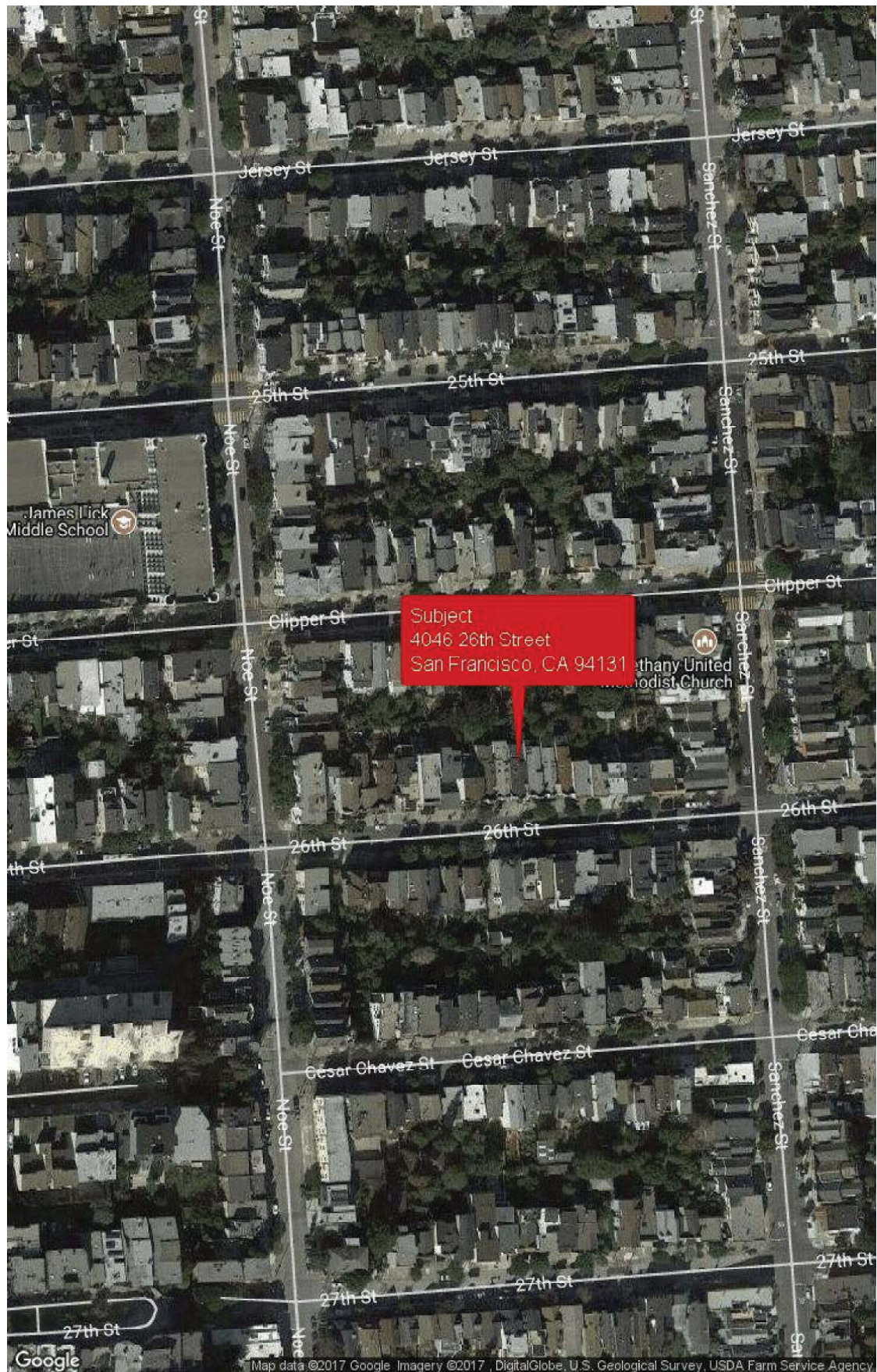
File No.: I0900217
Case No.: C178
State: CA
Zip: 94131



AERIAL MAP

Client: Lee Diamond
Property Address: 4046 26th Street
City: San Francisco

File No.: I0900217
Case No.: C178
State: CA
Zip: 94131



COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Lee Diamond

File No.: 10900217

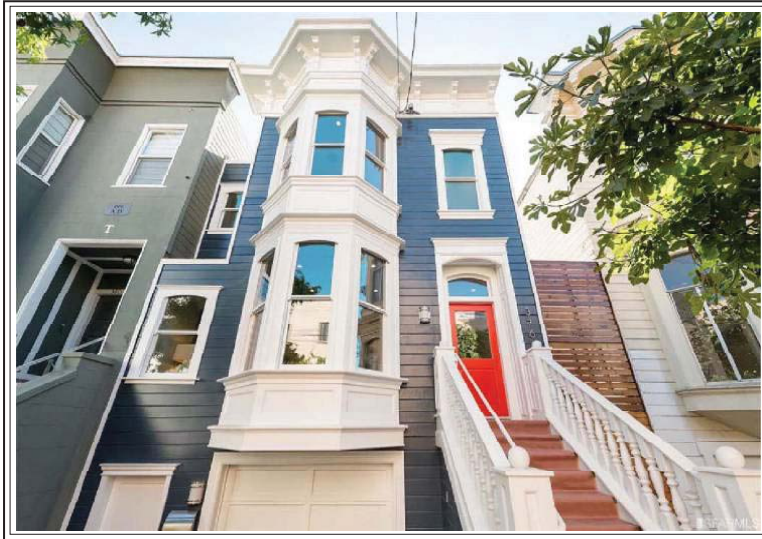
Property Address: 4046 26th Street

Case No.: C178

City: San Francisco

State: CA

Zip: 94131



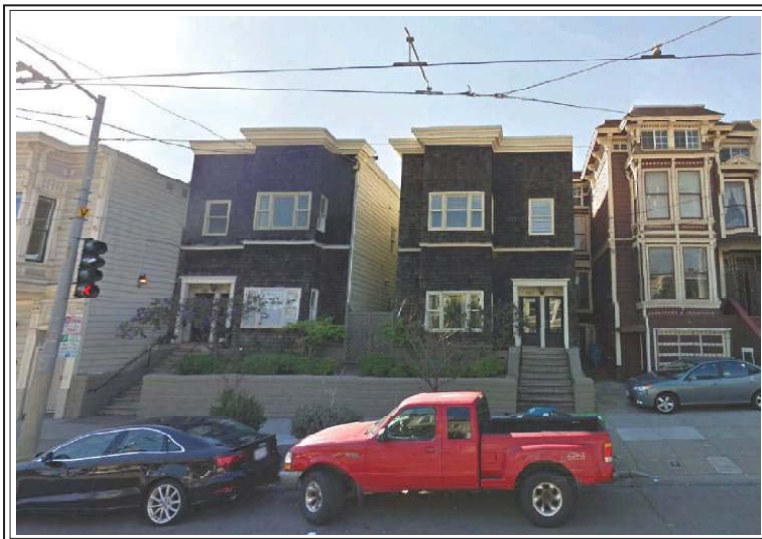
COMPARABLE SALE #1

376 San Carlos Street, #B
San Francisco, CA 94131
Sale Date: COE:07/14/2017
Sale Price: \$ 700,000



COMPARABLE SALE #2

16-A Powers Avenue
San Francisco, CA 94131
Sale Date: COE:05/04/2017
Sale Price: \$ 829,000



COMPARABLE SALE #3

386 Noe Street, #A
San Francisco, CA 94114
Sale Date: COE:07/28/2017
Sale Price: \$ 730,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Lee Diamond

File No.: 10900217

Property Address: 4046 26th Street

Case No.: C178

City: San Francisco

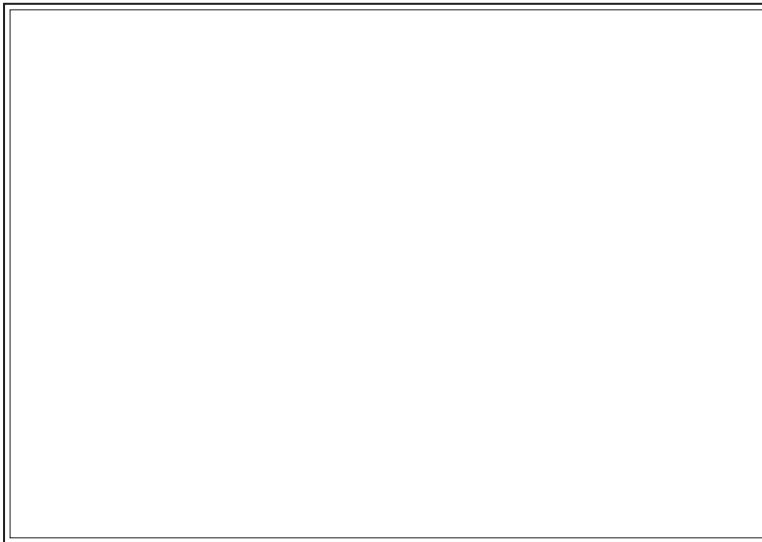
State: CA

Zip: 94131



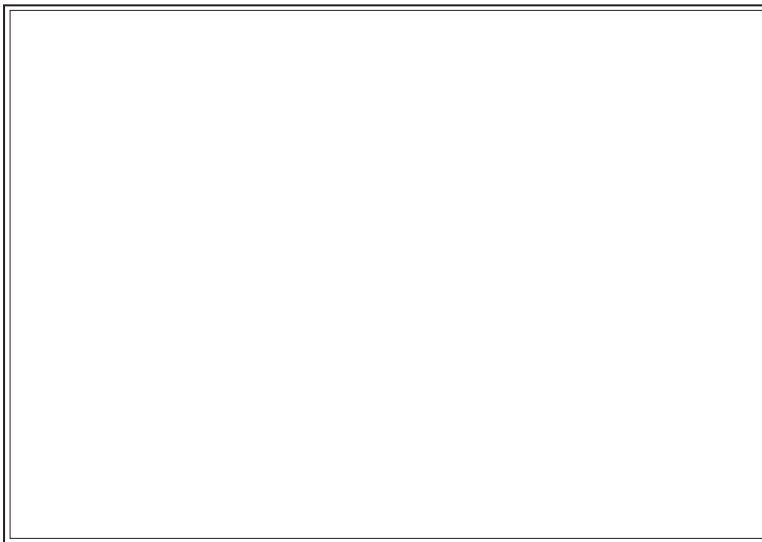
COMPARABLE SALE #4

937 Dolores Street, #5
San Francisco, CA 94110
Sale Date: COE:07/29/2016
Sale Price: \$ 815,000



COMPARABLE SALE #5

Sale Date: COE:
Sale Price: \$



COMPARABLE SALE #6

Sale Date: COE:
Sale Price: \$

Appraiser's License Page

Client: Lee Diamond

File No.: I0900217

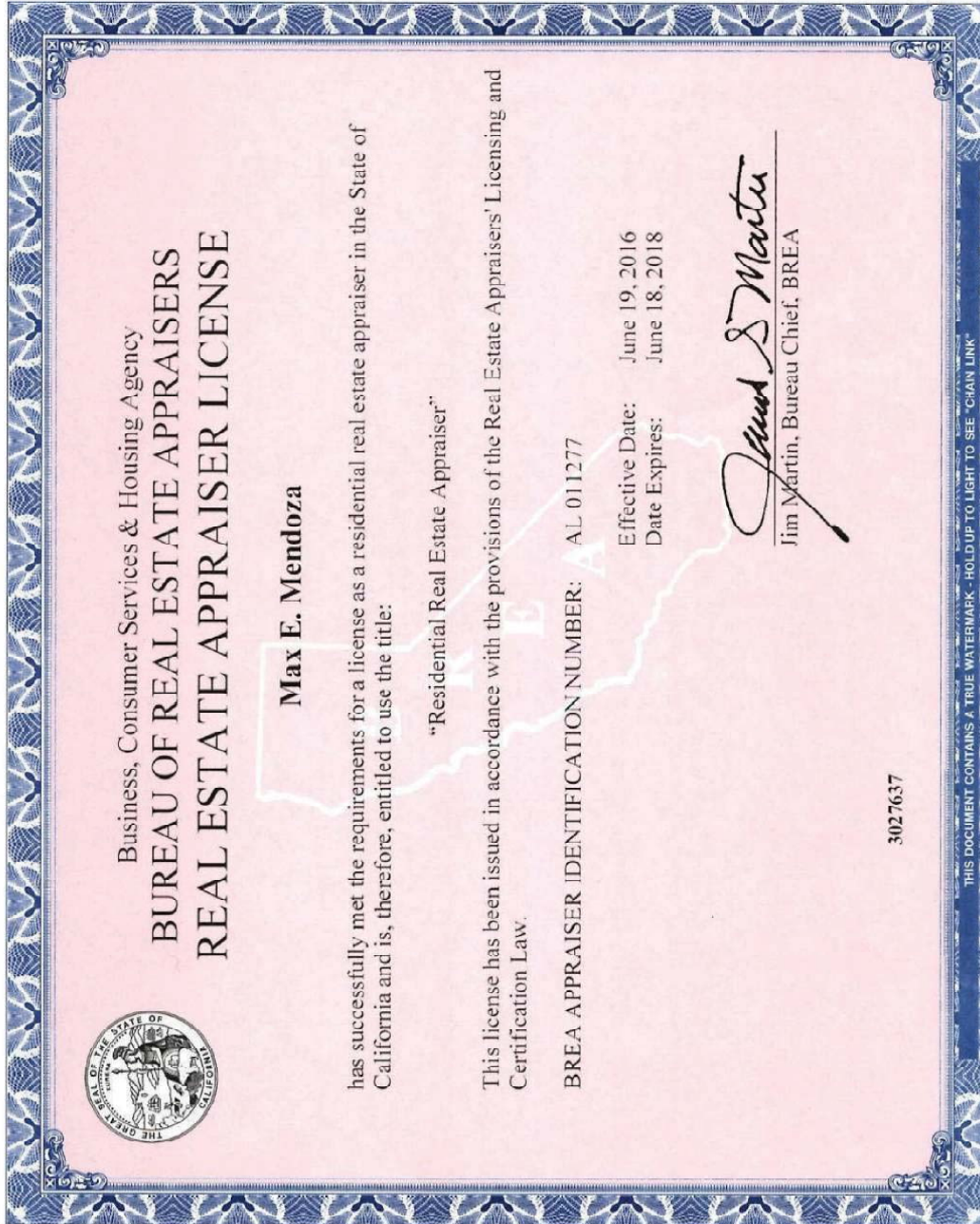
Property Address: 4046 26th Street

Case No.: C178

City: San Francisco

State: CA

Zip: 94131



Errors & Omissions Insurance

Client: Lee Diamond

File No.: I0900217

Property Address: 4046 26th Street

Case No.: C178

City: San Francisco

State: CA

Zip: 94131



General Star National Insurance Company
P O Box 10360 (Attn: GSN)
Stamford, Connecticut 06904

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA306754C

Renewal of Number: NJA306754B

1. **NAMED INSURED:** Max E. Mendoza

STREET ADDRESS:

Suite 301
321 Noe Street
San Francisco, CA 94114

2. **POLICY PERIOD:** Inception Date: 08/25/2017 Expiration Date: 08/25/2018
Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. **LIMITS OF LIABILITY:**

Each Claim: \$1,000,000

Aggregate: \$2,000,000

Claim Expenses have a separate Limit of Liability:

Each Claim: \$1,000,000

Aggregate: \$2,000,000

4. **DEDUCTIBLE:** Each Claim: \$0 Aggregate: \$0

5. **RETROACTIVE DATE:** 08/25/2014

If a date is indicated, this policy will not provide coverage for any **Claim** arising out of any act, error, omission or personal injury which occurred before such date.

6. **ANNUAL PREMIUM:** \$750.00

TOTAL Premium and Taxes/Surcharge : \$750.00

7. **ENDORSEMENTS:**

This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).

AP 00 0001 (06/11), AP 04 0001 (06/11), AP 21 0002 (06/11), AP 27 0004 (06/11), SGN 90 0001 (07/10), AP 01 0004CA (06/11), AP 20 0001 (06/11), AP 08 0005CA (06/2011).

8. **PRODUCER NAME:** Mercer Consumer

STREET ADDRESS: P. O. Box 8146

Des Moines, IA 50306-8146

Authorized Representative

Producer Code: 26460

Class Code: 73128

Date: 08/08/2017

AP 10 0001 06 11

© Copyright 2011, General Star Management Company, Stamford, CT

Page 1 of 1

Appraiser Independence Certification

C178
File No.: I0900217

Borrower: Lee Diamond
 Property Address: 4046 26th Street
 City: San Francisco County: San Francisco State: CA Zip Code: 94131
 Lender/Client: Private Appraisal

I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.


I assert that no employee, director, officer, or agent of the Lender/Client, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the Lender/Client, influenced or attempted to influence the development, reporting, result, or review of the appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that the Lender/Client has never participated in any of the following prohibited behavior in our business relationship:

1. Withholding or threatening to withhold timely payment or partial payment for the appraisal report;
2. Withholding or threatening to withhold future business, or demoting or terminating, or threatening to demote or terminate my services;
3. Expressly or implicitly promising future business, promotions, or increased compensation for my services;
4. Conditioning the ordering of the appraisal report or the payment of the appraisal fee or salary or bonus on my opinion, conclusion or valuation reached, or on a preliminary value estimate requested;
5. Requesting an estimated, predetermined, or desired valuation in the appraisal report, prior to the completion of the appraisal report, or requesting estimated values or comparable sales at any time prior to the completion of the appraisal report;
6. Providing an anticipated, estimated, encouraged or desired value for the subject property, or a proposed or target amount to be loaned to the Borrower, except that a copy of the sales contract may have been provided if the assignment was for a purchase transaction;
7. Providing stock or other financial or non-financial benefits to me or any entity or person related to me, my appraisal or appraisal management company, if applicable;
8. Any other act or practice that impairs or attempts to impair my independence, objectivity or impartiality, or violates law or regulation, including but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the Uniform Standards of Professional Appraisal Practice (USPAP).

Additional Comments: None

APPRAISER:

Signature: 
 Name: Max E. Mendoza
 Date Signed: 09/18/2017
 State Certification #: _____
 or State License #: AL011277
 or Other (describe): _____ State #: _____
 State: CA
 Expiration Date of Certification or License: 06/18/2018

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

USPAP ADDENDUM

Borrower: Lee Diamond
 Property Address: 4046 26th Street
 City: San Francisco County: San Francisco State: CA Zip Code: 94131
 Lender: Private Appraisal

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

- ☐ **Appraisal Report** A written report prepared under Standards Rule 2-2(a).
☒ **Restricted Appraisal Report** A written report prepared under Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 1-3 Months


By studying the current & competing sales and listings in the area, the appraiser concluded that the estimated exposure time for the subject property is equal to the marketing time identified in the neighborhood section of this appraisal report. The expected exposure period is 1-3 months when priced realistically for the open market.

Additional Certifications

- ☒ I have performed **NO** services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
☐ I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

Additional Comments

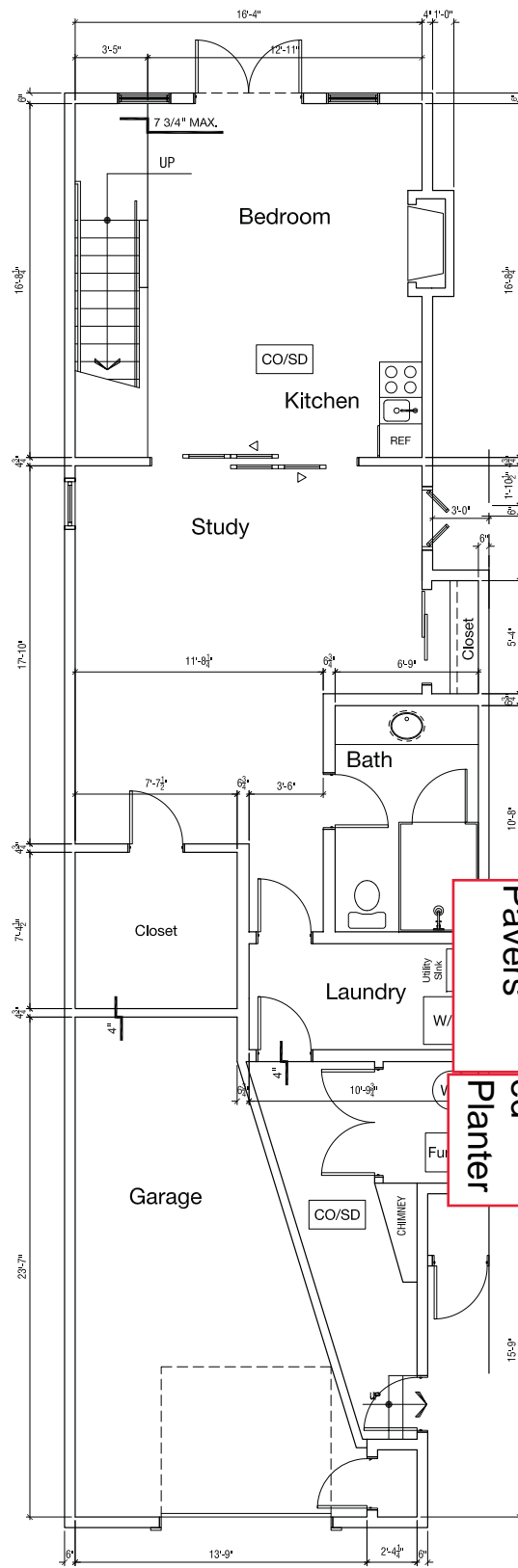
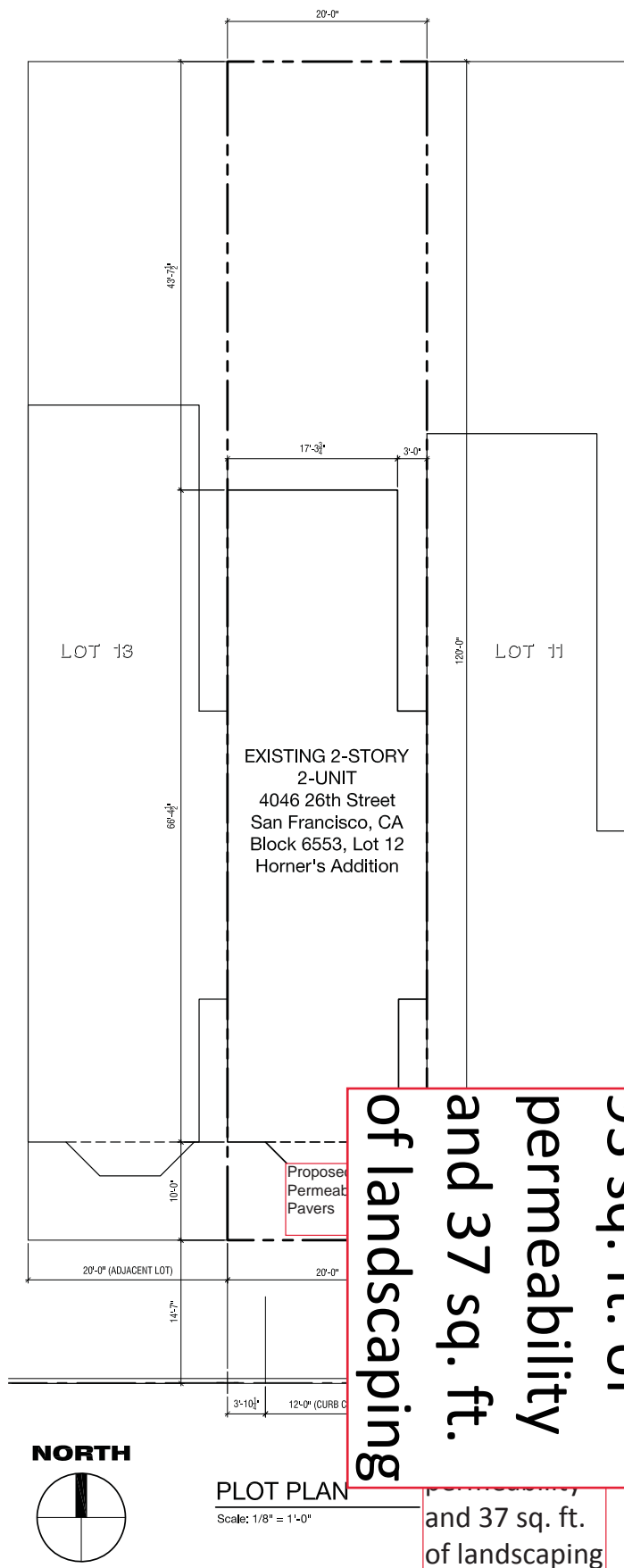
APPRAISER:

Signature: 
 Name: Max E. Mendoza
 Date Signed: 09/18/2017
 State Certification #: _____
 or State License #: AL011277
 or Other (describe): _____ State #: _____
 State: CA
 Expiration Date of Certification or License: 06/18/2018
 Effective Date of Appraisal: September 08, 2017

SUPERVISORY APPRAISER (only if required):

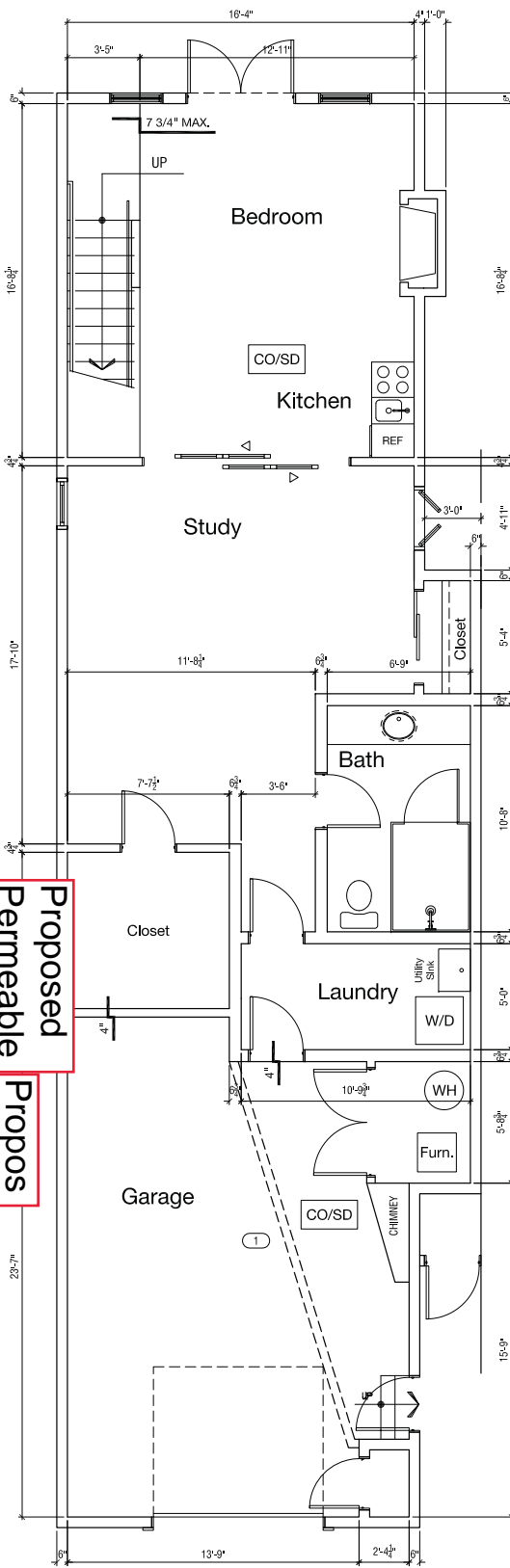
Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Supervisory Appraiser inspection of Subject Property:
☐ Did Not ☐ Exterior-only from street ☐ Interior and Exterior





UNIT 1(1st FLOOR) EXISTING

Scale: 1/4" = 1'-0"

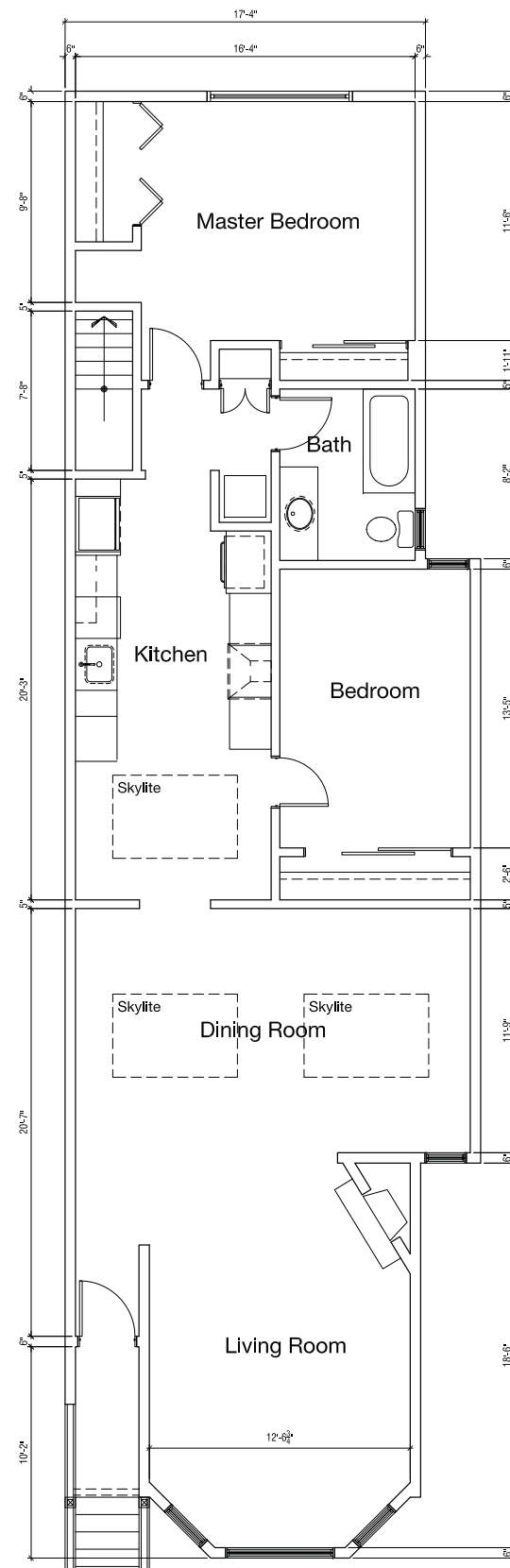


UNIT 1(1st FLOOR) PROPOSED

Scale: 1/4" = 1'-0"

NOTES

- ① REMOVE WALL



UNIT 2 (2nd FLOOR) EXISTING

Scale: 1/4" = 1'-0"



UNIT 2 (2nd FLOOR) PROPOSED

Scale: 1/4" = 1'-0"

NOTES

- ② REMOVE WALL

NOTES

SCOPE OF WORK

- ① REMOVE WALL
② REMOVE WALL

PROPOSED AND EXISTING SQUARE
FOOTAGE = 1,902 SQUARE FEET

REVISIONS

| NO. | DATE | DESCRIPTION |
|-----|------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

CLIENT

Lee Diamond
4046 26th Street
San Francisco, California 94131
Phone: 650-380-9883

PREPARED BY

Gus Robatto
Design + Drafting



1643 Adams Street
Denver, Colorado 80206
Phone: 303-475-0738
Email: gusrobatto@gmail.com

SHEET DESCRIPTION

Plot & Floor Plans

Dwelling Unit Removal (Merger)
4046 26th Street
San Francisco, California 94131

DATE: 04-18-2017

DESIGNED BY: GR

DRAWN BY: GR

CHECKED BY: GR

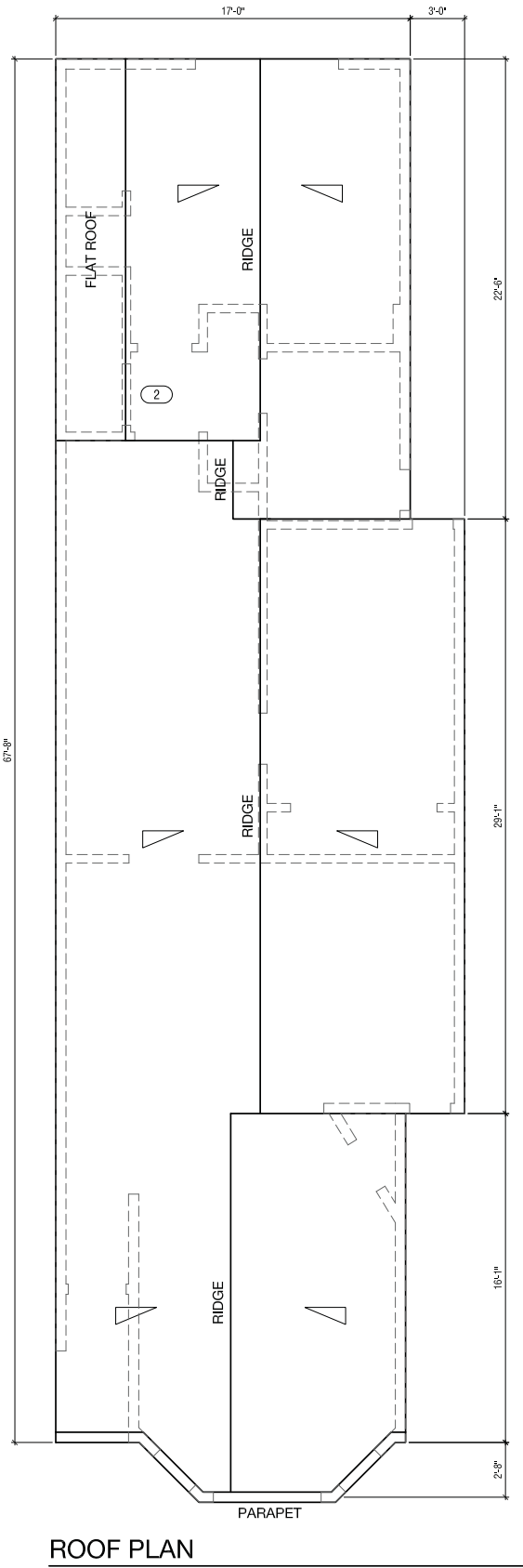
PLOT SCALE: 1 : 1

CAD FILE: N/A

SHEET NO.

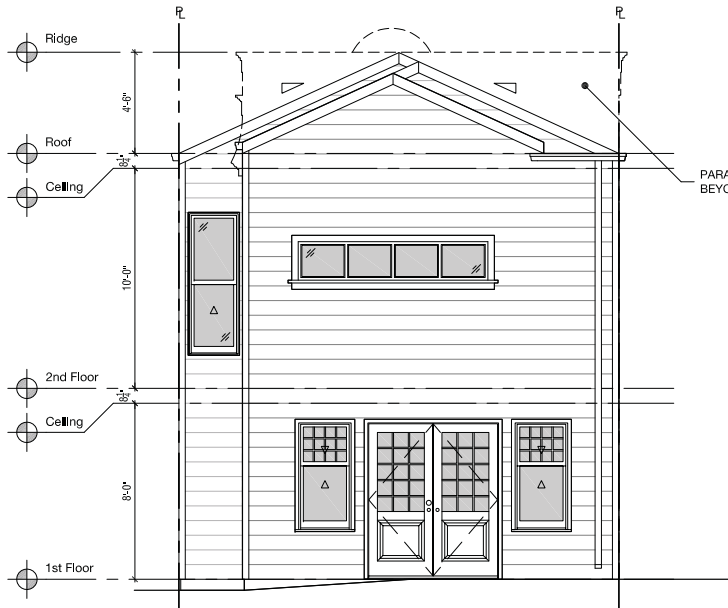
1

OF 2 SHEETS



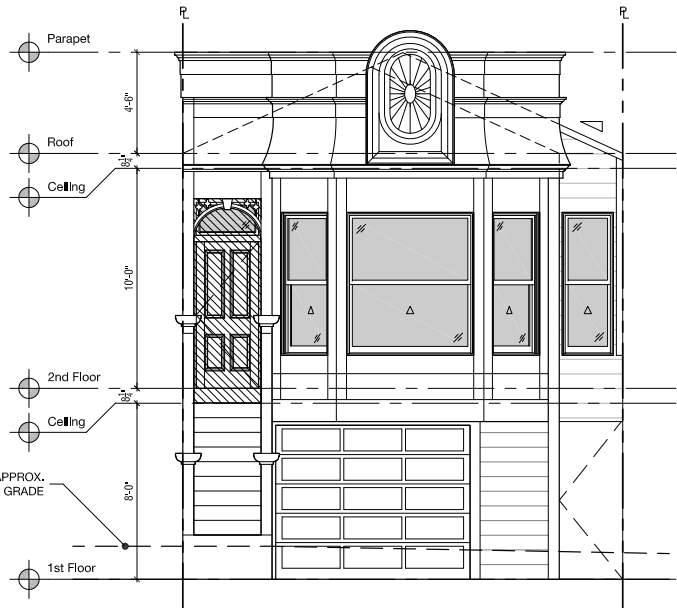
ROOF PLAN

Scale: 1/4" = 1'-0"



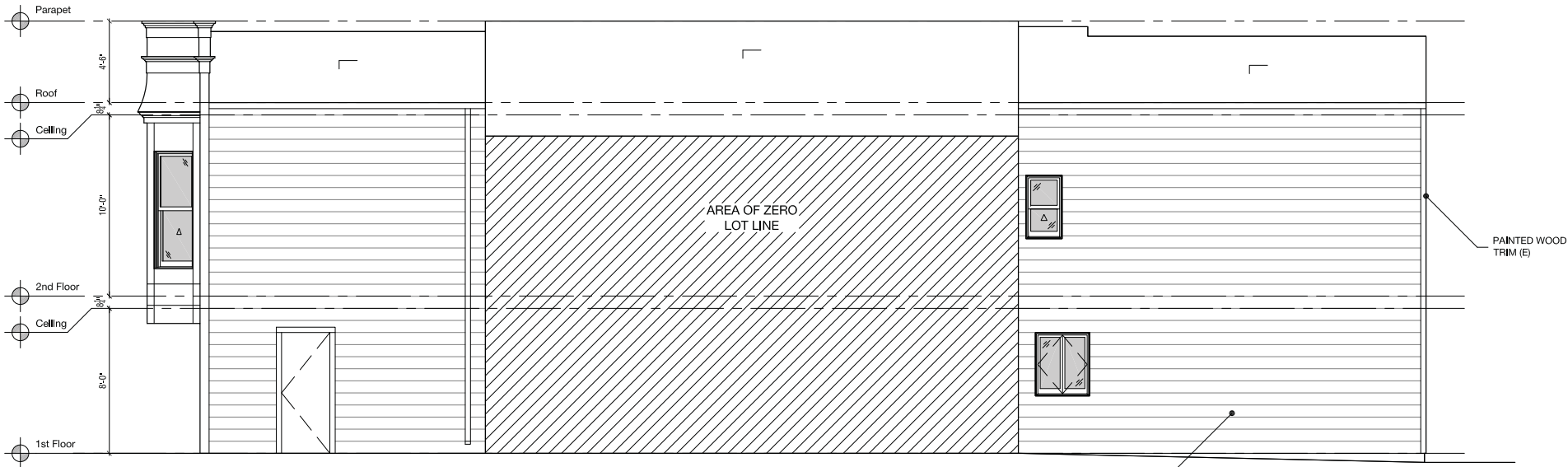
NORTH ELEVATION

Scale: 1/4" = 1'-0"



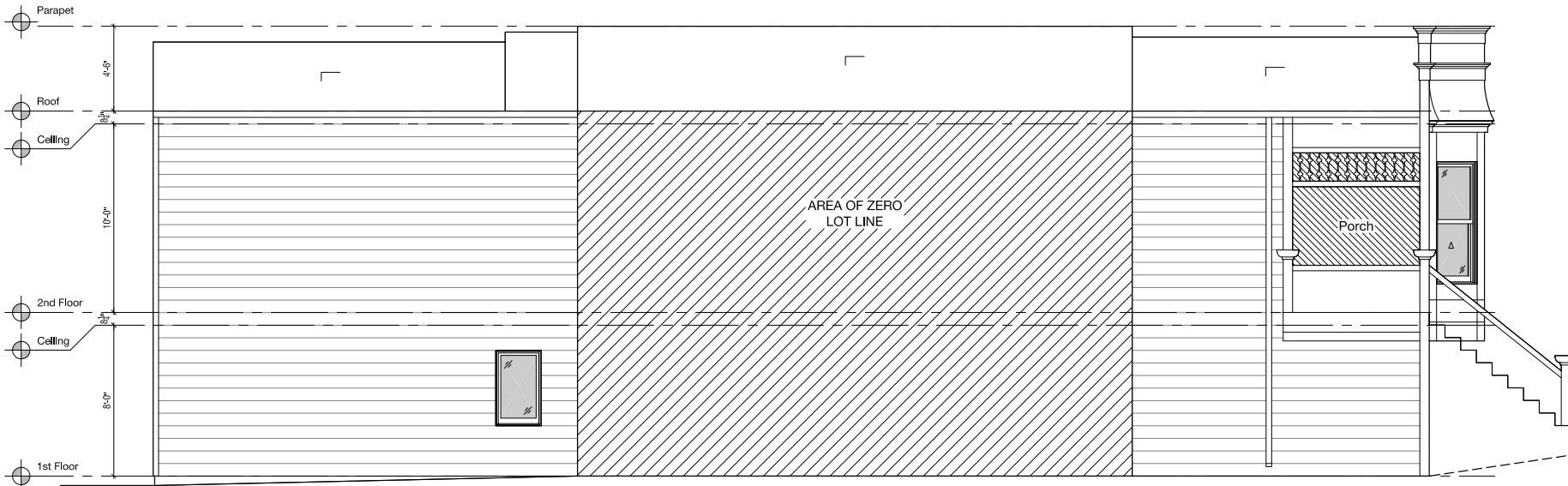
SOUTH ELEVATION

Scale: 1/4" = 1'-0"



EAST ELEVATION

Scale: 1/4" = 1'-0"




WEST ELEVATION

Scale: 1/4" = 1'-0"

NOTES

(2) REMOVE WALL

| | | | | | |
|-------------------|------|-------------|---|--|---|
| REVISIONS | | | PREPARED BY Gus Robatto Design + Drafting  1643 Adams Street Denver, Colorado 80206 Phone: 303-475-0738 Email: gusrobato@gmail.com | SHEET DESCRIPTION | CLIENT |
| NO. | DATE | DESCRIPTION | | | |
| 1 | | | | Elevations Dwelling Unit Removal (Merger) 4046 26th Street San Francisco, California 94131 | Lee Diamond 4046 26th Street San Francisco, California 94131 Phone: 650-380-9883 |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| DATE: 04-18-2017 | | | | | |
| DESIGNED BY: GR | | | | | |
| DRAWN BY: GR | | | | | |
| CHECKED BY: GR | | | | | |
| PLOT SCALE: 1 : 1 | | | | | |
| CAD FILE: N.A. | | | | | |
| SHEET NO. | | | | | |
| 2 | | | | | |
| OF 2 SHEETS | | | | | |