## Discretionary Review Full Analysis

**HEARING DATE MARCH 1, 2018** 

February 22, 2018

Case No.: 2013.0254DRP
Project Address: 56 Mason Street
Permit Application: 2017.01.18.7427

Zoning: RC-4 (Residential-Commercial High Density) Zoning District

80-T-120-T Height and Bulk District

*Block/Lot:* 0341/008

Project Sponsor: Deilly Echeverri

Sinbordes Design

450 Pittman Road, #237 Fairfield, CA 94534

Staff Contact: Alexandra Kirby - (415) 575-9133

alexandra.kirby@sfgov.org

Recommendation: Do not take DR and approve the project with conditions

PROJECT DESCRIPTION

Date:

The proposed scope of work is for the restoration of existing windows on the upper (2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup>) floors of the two primary facades, along Mason Street (west) and Eddy Street (north) and the replacement of the non-historic storefront along the Mason Street frontage. In total there are 68 window sashes that appear to be sound enough to be repaired and rehabilitated, and only seven require either total or partial replacement, according to the conditions assessment provided by the project sponsor. The seven new windows will match the original windows in size, material, configuration and profile.

As part of the scope of work, two non-historic storefronts along the Mason Street façade will be modified with new fenestration to better match the historic design of the building. There are no original historic storefront windows on the building to inform the proposed design, and historic photos don't provide clear details on the original storefronts. The new storefront design will create a more cohesive ground story and simplify the Mason Street façade by removing eclectic non-historic fenestration and installing a powder-coated aluminum frame with a traditional transom and solid bulkhead. The three existing entry doors along this façade will be replaced with new ADA-compliant glazed doors with a push-button system.

Please see photographs and plans for details.

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

Reception:

415.558.6378

Fax:

415.558.6409

Planning Information: **415.558.6377** 

#### SITE DESCRIPTION AND PRESENT USE

56 Mason Street is a four-story masonry Beaux-Arts-influenced apartment-hotel typical to the surrounding district, and was originally constructed in 1908 as the Bristol Hotel. The building is located on the southeast corner of Mason Street at Eddy Street (Assessor's Block 0341; Lot 008). The subject building is a Category IV (Contributing) building within the Kearny-Market-Mason-Sutter Conservation District under Article 11, Appendix E of the Planning Code, as well as a contributor to the Uptown Tenderloin Historic district on the National Register of Historic Places. It is located within a RC-4 (Residential-Commercial High Density) Zoning District with an 80-T-120-T Height and Bulk limit. The legal use of the property is a residential hotel with 41 single-room occupancy units and 16 tourist hotel rooms and commercial spaces at the ground story.

#### SURROUNDING PROPERTIES AND NEIGHBORHOOD

The surrounding neighborhood is adjacent to the Powell Street BART station, with a variety of uses including ground story commercial, tourist hotels, offices and residential hotels. Construction dates range from 1906 to 2005, with heights ranging from four to over twenty stories. The area zoned RC-4 (Residential-Commercial High Density) with adjacent Downtown zoning districts. The Kearny-Market-mason-Sutter Conservation district expands to the east of the subject property, terminating roughly at Sutter Street to the north, Kearny Street to the east, Market Street to the south and Mason Street to the west.

#### **HEARING NOTIFICATION**

TYPF	REQUIRED	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL
IIIL	PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	PERIOD
Posted Notice	10 days	February 19, 2018	February 16, 2018	13 days
Mailed Notice	10 days	February 19, 2018	February 16, 2018	13 days

#### **PUBLIC COMMENT**

	SUPPORT	OPPOSED	NO POSITION
Adjacent neighbor(s)	0	0	0
Other neighbors on the block or directly across the street	0	0	0
Neighborhood groups	0	1	0

During the notification period for the Minor Permit to Alter (Case no. 2013.0254H), the Department received one letter from Hospitality House requesting a hearing before the Historic Preservation Commission citing concerns about the potential loss of affordable housing through serial permitting. Staff has been in communication with the Tenderloin Neighborhood Development Corporation (TNDC) regarding similar concerns. No concerns regarding the proposed window rehabilitation or storefront replacement have been received.

#### DR REQUESTOR

Discretionary Review of the permit was requested by Sue Hestor on behalf of San Franciscans for Reasonable Growth (SFRG).

#### DR REQUESTOR'S CONCERNS AND PROPOSED ALTERNATIVES

Issue #1: The DR Requestor is concerned that the subject permit would facilitate the conversion of the residential hotel at 56 Mason Street to a tourist hotel. The existing 41 legal single-room occupancy ("SRO") units at the subject property were vacated in 2012 for renovations and have not been reoccupied due to significant construction delays. The property has been subject to a stipulated injunction filed by the San Francisco City Attorney's office in December of 2014 in addition to supervision under a Courtappointed Special Master, who the Court may transition to a Receiver based on the pace of progress of the Construction Project. The building is currently slated for completion in April, 2018, and prior tenants will be granted standard first-right occupancy of units. Please refer to the attached court documents for more information.

The Planning Code requires all conversions of SRO units to tourist hotel use obtain Conditional Use authorization at a Planning Commission hearing. Further, Chapter 41.12 of the Administrative Code requires that any removal of SRO units require one-for-one replacement. No such applications have been filed with the City to date. If the project sponsor were to illegally convert the property to a tourist hotel use, standard enforcement procedures would be applied and the City Attorney's Office would be informed due to the past stipulated injunction.

#### PROJECT SPONSOR'S RESPONSE

The project sponsor has clarified that, while financing documents from 2013 for the property previously identified the proposed use as a tourist hotel, they have no intention to seek a conversion at this time and, per all legal requirements, all prior tenants will have residency rights upon completion.

#### **PROJECT ANALYSIS**

The proposed project would allow for the rehabilitation and replacement of all street-facing windows and the replacement of an existing, non-historic storefront along Eddy Street to be replaced with a more appropriate design. All proposed work was previously approved by the Historic Preservation Commission on November 15, 2017, and found to be in conformance with the Secretary of the Interior's Standards for Rehabilitation. These alterations would restore the habitability of the existing SRO units, which have been vacant since 2012, and allow the prior tenants to reoccupy the property.

The concerns of the DR requestor are pertinent considering the history of the subject building and owners; however, the Department and the Commissions cannot act on speculation of future violations.

#### **ENVIRONMENTAL REVIEW**

The Department has determined that the proposed project is exempt from environmental review, pursuant to CEQA Guideline Sections 15301(1)(4) and 15303(a).

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#### BASIS FOR RECOMMENDATION

The Department Recommends that the Commission not take Discretionary Review and approve the project as proposed with a Condition of Approval:

 That the subject property has 41 existing SRO units, which will continue to be regulated in conformity with the Department of Building Inspection's Housing Inspection and all applicable City codes.

Under the Commission's pending DR Reform Legislation, this project would not be referred to the Commission as this project does not contain or create any exceptional or extraordinary circumstances.

**RECOMMENDATION:** 

Do not take DR and approve the project with conditions.

#### **Attachments:**

**Draft Motion** 

Block Book Map

Sanborn Map

Zoning Map

Aerial Photographs

**Context Photos** 

**CEQA** Determination

Historic Preservation Commission Motion no. 0234 and related transcript of hearing

DR Application

DR Response Packet and letter

Reduced Plans

Stipulated Injunction filed by the City and County of San Francisco (expired December 9, 2017)

Court Statement of Decision dated January 4, 2017

Court Special Master/Receiver Order dated September 12, 2017

### **Discretionary Review Draft Motion**

**HEARING DATE MARCH 1, 2018** 

Suite 400 San Francisco, CA 94103-2479

1650 Mission St.

Reception:

415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377

Date: February 22, 2018
Case No.: **2013.0254DRP** 

Project Address: 56 Mason Street
Permit Application: 2017.01.18.7427

Zoning: RC-4 (Residential-Commercial High Density) Zoning District

80-T-120-T Height and Bulk District

Block/Lot: 0341/008

Project Sponsor: Deilly Echeverri

Sinbordes Design 450 Pittman Road, #237 Fairfield, CA 94534

Staff Contact: Alexandra Kirby - (415) 575-9133

alexandra.kirby@sfgov.org

ADOPTING FINDINGS RELATED TO NOT TAKING DISCRETIONARY REVIEW OF CASE NO. 2013.0254DRP AND THE APPROVAL OF BUILDING PERMIT 2017.01.18.7427 PROPOSING REHABILITATION OF 75 WINDOWS ON THE EXISTING FOUR-STORY, RESIDENTIAL HOTEL AND TO REPLACE TWO NON-HISTORIC STOREFRONTS WITHIN THE RC-4 (RESIDENTIAL – COMMERCIAL HIGH DENSITY) ZONING DISTRICT AND 80-T – 120-T HEIGHT AND BULK DISTRICT.

#### **PREAMBLE**

On March 5, 2013, Sinbordes Design filed for Application Permit no. 2013.0254H, proposing to rehabilitate 75 windows on the existing four-story, residential hotel and to replace two non-historic storefronts within the RC-4 (Residential – Commercial High Density) Zoning District and 80-T – 120-T Height and Bulk District.

On November 15, 2017, the Historic Preservation Commission conducted a duly noticed public hearing on Permit to Alter application No. 2013.0254H. In reviewing the application, the Commission has had available for its review and consideration case reports, plans, and other materials pertaining to the Project contained in the Department's case files, and has reviewed and heard testimony and received materials from interested parties during the public hearing on the Project. The item was approved with conditions.

On December 15, 2017, Sue Hestor on behalf of San Franciscans for Reasonable Growth ("SFRG," hereinafter "Discretionary Review (DR) Requestor") filed an application with the Department for Discretionary Review (2013.0254DRP) of Building Permit Application No. 2017.01.18.7427.

The Department has determined that the proposed project is exempt/excluded from environmental review, pursuant to CEQA Guideline Section 15301 (Class One - Minor Alteration of Existing Facility, (e) Additions to existing structures provided that the addition will not result in an increase of more than 10,000 square feet).

On March 1, 2018, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly notices public hearing at a regularly scheduled meeting on Discretionary Review Application 2013.0254DRP.

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.

#### **ACTION**

The Commission hereby takes Discretionary Review requested in Application No. 2013.0254DRP and approves the Building Permit Application 2017.01.18.7427, subject to the following conditions:

 That the subject property has 41 existing SRO units, which will continue to be regulated in conformity with the Department of Building Inspection's Housing Inspection and all applicable City codes.

#### BASIS FOR RECOMMENDATION

The reasons that the Commission took the action described above include:

- 1. While the loss of affordable housing, such as single-room occupancy units, are a serious concern for the Commission, the proposed scope of work would not authorize such a loss or conversion. Any such conversion would require further review before this body as well as one-for one-replacement per Chapter 41.12 of the Administrative Code.
- 2. The proposed project would allow for the property to be re-occupied by the prior tenants after nearly 6 years of vacancy.

**APPEAL AND EFFECTIVE DATE OF ACTION:** Any aggrieved person may appeal this Building Permit Application to the Board of Appeals within fifteen (15) days after the date the permit is issued. For further information, please contact the Board of Appeals at (415) 575-6881, 1650 Mission Street # 304, San Francisco, CA, 94103-2481.

**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.

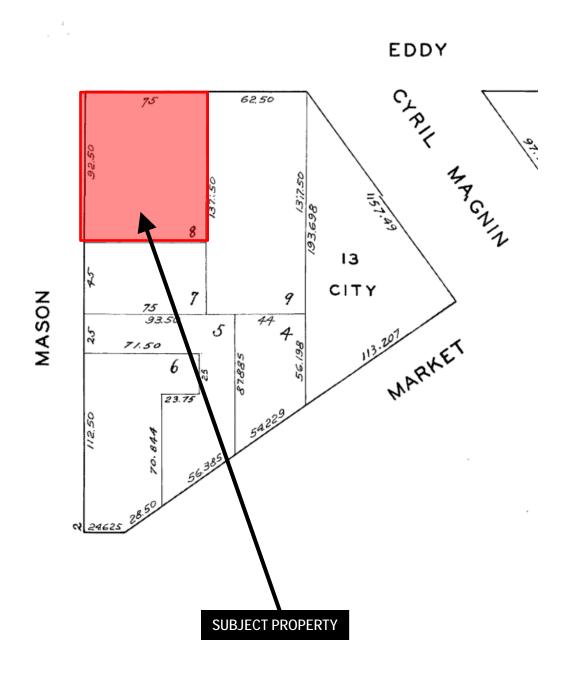
If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development 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.

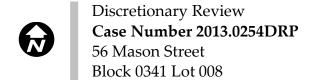
I hereby certify that the Planning Commission did take Discretionary Review and approved the building permit as reference in this action memo on October 20, 2016.

Johns I. Iohni
Acting Commission Secretary
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AYES:
NAYS:
ABSENT:
TIDOLI (I.
ADOPTED:
ADOPTED:

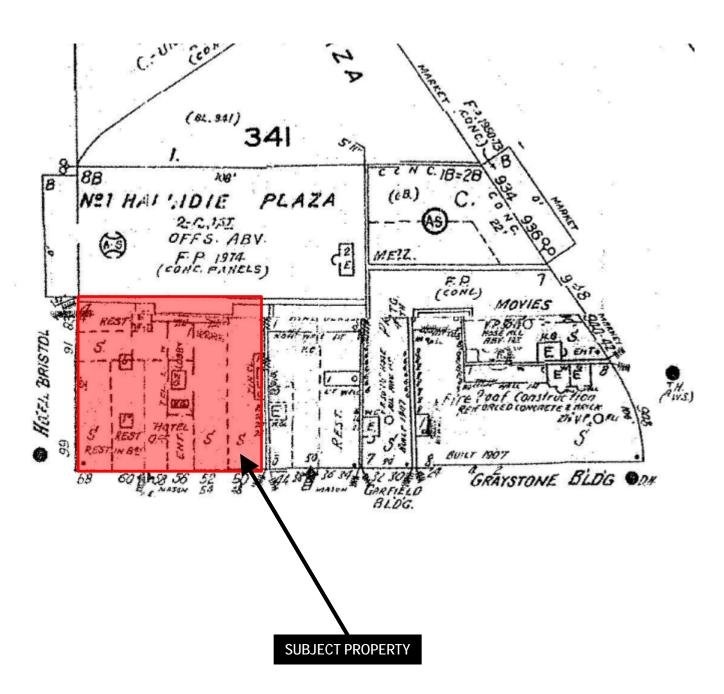
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## **Parcel Map**

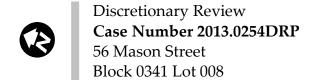




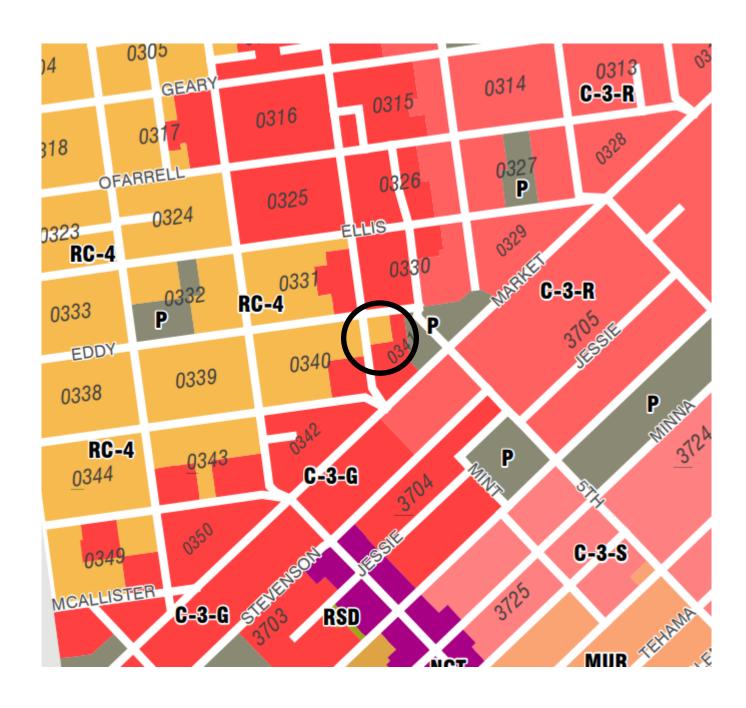
## Sanborn Map\*

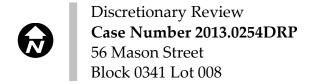


<sup>\*</sup>The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.



## **Zoning Map**





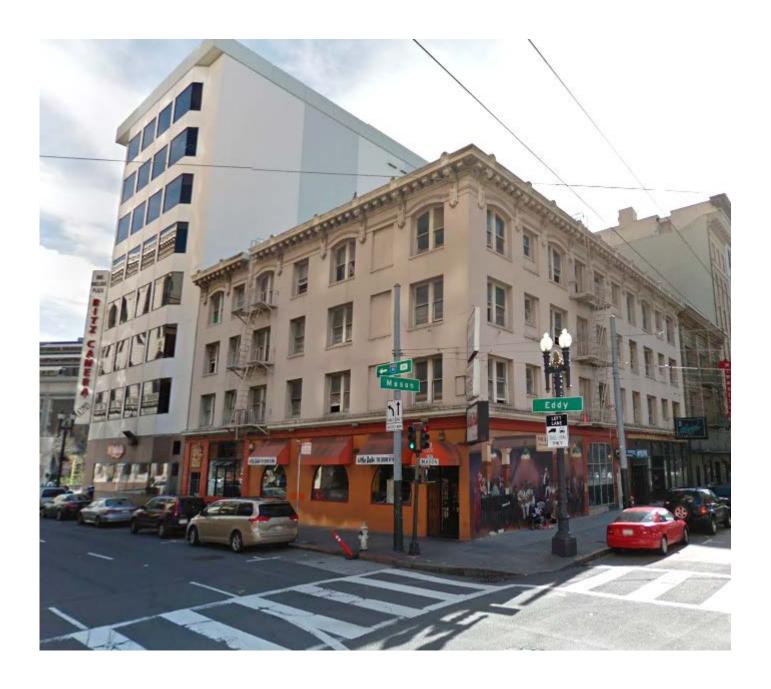
# Aerial Photo (looking east)



SUBJECT PROPERTY

Discretionary Review
Case Number 2013.0254DRP
56 Mason Street
Block 0341 Lot 008

## **Site Photo**



Discretionary Review
Case Number 2013.0254DRP
56 Mason Street
Block 0341 Lot 008

## **Historic Photo**



Discretionary Review
Case Number 2013.0254DRP
56 Mason Street
Block 0341 Lot 008



## SAN FRANCISCO PLANNING DEPARTMENT

## Historic Preservation Commission Motion 0324 Permit to Alter

**HEARING DATE: NOVEMBER 15, 2017** 

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

Reception: 415.558.6378

Fax:

415.558.6409

Planning Information: **415.558.6377** 

Filing Date: March 5, 2013

Case No.: 2013.0254H

Building Permit: 2017.01.18.7427

Project Address: 56 Mason Street

Conservation District: Kearny-Market-Mason-Sutter Conservation District

Category: Category IV - Contributing

Zoning: RC-4 (Residential-Commercial High Density) Zoning District

80-T-120-T Height and Bulk District

*Block/Lot:* 0341/008

Project Sponsor: Deilly Echeverri

Sinbordes Design

450 Pittman Road, #237 Fairfield, CA 94534

Staff Contact: Alexandra Kirby - (415) 575-9133

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*Reviewed By* Tim Frye - (415) 558-6625

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ADOPTING FINDINGS FOR A PERMIT TO ALTER FOR MINOR ALTERATIONS DETERMINED TO BE APPROPRIATE FOR AND CONSISTENT WITH THE PURPOSES OF ARTICLE 11, TO MEET THE SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION, FOR THE CATEGORY IV (CONTRIBUTING) PROPERTY LOCATED ON LOT 008 IN ASSESSOR'S BLOCK 0341. THE SUBJECT PROPERTY IS WITHIN A RC-4 (RESIDENTIAL-COMMERCIAL HIGH DENSITY) ZONING DISTRICT AND AN 80-T-120-T HEIGHT AND BULK DISTRICT.

#### **PREAMBLE**

WHEREAS, on March 5, 2013, Deilly Echeverri of Sinbordes Design ("Applicant") filed an application with the San Francisco Planning Department ("Department") for a Permit to Alter for an exterior restoration. The subject building is located on Lot 008 in Assessor's block 0341, a Category IV (Contributing) building historically known as the Bristol Hotel and locally designated under Article 11, Appendix E of the Planning Code. Specifically, the proposal includes restoration of 68 historic windows at the residential levels (2<sup>nd</sup> through 4<sup>th</sup> floors), replacement of seven (7) irreparable residential windows, and the replacement of a non-historic storefront system at the ground story of the Mason Street (east) façade.

Motion No. 0324 CASE NO 2013.0254H Hearing Date: November 15, 2017 56 Mason Street

WHEREAS, the Project was determined by the Department to be categorically exempt from environmental review. The Historic Preservation Commission (hereinafter "Commission") has reviewed and concurs with said determination.

WHEREAS, a request for public hearing was filed on the Minor Permit to Alter by Sue Hestor on August 28, 2017.

WHEREAS, on November 15, 2017, the Commission conducted a duly noticed public hearing on Permit to Alter application No. 2013.0254H ("Project").

WHEREAS, in reviewing the application, the Commission has had available for its review and consideration case reports, plans, and other materials pertaining to the Project contained in the Department's case files, and has reviewed and heard testimony and received materials from interested parties during the public hearing on the Project.

**MOVED**, that the Commission hereby APPROVES WITH CONDITIONS the Permit to Alter, in conformance with the architectural plans dated July 31, 2017 and labeled Exhibit A on file in the docket for Case No. 2013.0254H based on the following findings:

#### CONDITIONS OF APPROVAL

- That prior to issuance of the Site Permit, submittal of updated plans including a bulkhead section, material sample of the proposed grille, and transom details to shall require Planning Department Preservation Staff review and approval.
- Prior to issuance of the Site Permit, an on-site mock-up of the storefront, transom, and grille shall require review and approval by Planning Department Preservation Staff.

Further, staff will report to the Planning Commission, Board of Supervisors and Mayor's office regarding the concerns addressed at the hearing by the public, pertaining to the potential loss of the existing 41 Residential Hotel, or SRO, units legally required to be retained at the subject property. Following the completion of the project, staff will coordinate with the Housing Inspection Division of the Department of Building Inspections to ensure that the units meet all requirements for SRO units.

#### **FINDINGS**

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

- 1. The above recitals are accurate and also constitute findings of the Commission.
- 2. Findings pursuant to Article 11:

The Commission has determined that the proposed work is compatible with the exterior character-defining features of the subject property and meets the requirements of Article 11 of the Planning Code:

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PLANNING DEPARTMENT

Motion No. 0324 CASE NO 2013.0254H Hearing Date: November 15, 2017 56 Mason Street

- That the seven new windows will match the existing in design, color, texture and finish;
- That the proposal respects the character-defining features of the subject building;
- That the architectural character of the subject building will be maintained and that replacement elements will not affect the building's overall appearance;
- That the integrity of distinctive stylistic features and examples of skilled craftsmanship that characterize the building shall be preserved; and,
- That all new materials shall match the historic material in composition, design, color, texture, finish and other visual qualities and shall be based on accurate duplication of features.

For these reasons, the proposal overall, is appropriate for and consistent with the purposes of Article 11, meets the standards of Article 1111.6 of the Planning Code and complies with the Secretary of the Interior's Standards for Rehabilitation.

3. **General Plan Compliance.** The proposed Permit to Alter is, on balance, consistent with the following Objectives and Policies of the General Plan:

#### I. URBAN DESIGN ELEMENT

THE URBAN DESIGN ELEMENT CONCERNS THE PHYSICAL CHARACTER AND ORDER OF THE CITY, AND THE RELATIONSHIP BETWEEN PEOPLE AND THEIR ENVIRONMENT.

#### **GOALS**

The Urban Design Element is concerned both with development and with preservation. It is a concerted effort to recognize the positive attributes of the city, to enhance and conserve those attributes, and to improve the living environment where it is less than satisfactory. The Plan is a definition of quality, a definition based upon human needs.

#### **OBJECTIVE 1**

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

#### POLICY 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

#### **OBJECTIVE 2**

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

#### POLICY 2.4

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

SAN FRANCISCO
PLANNING DEPARTMENT

**CASE NO 2013.0254H** Motion No. 0324 Hearing Date: November 15, 2017 56 Mason Street

#### POLICY 2.5

Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

#### POLICY 2.7

Recognize and protect outstanding and unique areas that contribute in an extraordinary degree to San Francisco's visual form and character.

The goal of a Permit to Alter is to provide additional oversight for buildings and districts that are architecturally or culturally significant to the City in order to protect the qualities that are associated with that significance.

The proposed project qualifies for a Permit to Alter and therefore furthers these policies and objectives by maintaining and preserving the character-defining features of the subject property for the future enjoyment and education of San Francisco residents and visitors.

- 4. The proposed project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:
  - A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:
    - The proposed project will improve storefront transparency and help to activate and enhance neighborhood-serving businesses. The existing storefront has been vacant for approximately two years.
  - B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:
    - The proposed project will strengthen neighborhood character by respecting the character-defining features of the building in conformance with the Secretary of the Interior's Standards. Further, the proposed window replacement will ensure that the existing 41 Residential Hotel units in the building are adequately insulated and that the windows meet standard egress requirements, improving the safety and cultural and economic diversity of the surrounding neighborhood.
  - C) The City's supply of affordable housing will be preserved and enhanced:
    - The project will improve the prior conditions of the existing affordable housing on-site by providing improved operability and insulation. Previously many of the windows had been filled in with plexiglass to keep the elements out. All window restoration and replacement will meet present Code requirements.
  - D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

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CASE NO 2013.0254H 56 Mason Street

Motion No. 0324 Hearing Date: November 15, 2017

The proposed project will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking. The project proposes no change in the number of existing residential and tourist hotel rooms on-site.

E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed project is located in the Tenderloin neighborhood and will not have any direct impact on the displacement of industrial and service sectors.

F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

All construction will be executed in compliance with all applicable construction and safety measures.

G) That landmark and historic buildings will be preserved:

The proposed project is in conformance with Article 11 of the Planning Code and the Secretary of the Interior's Standards.

H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed project will not impact the access to sunlight or vistas for the parks and open space.

5. For these reasons, the proposal overall, appears to meet the *Secretary of the Interior's Standards* and the provisions of Article 11 of the Planning Code regarding Major Alterations to Category I (Significant) buildings.

Motion No. 0324 CASE NO 2013.0254H Hearing Date: November 15, 2017 56 Mason Street

#### **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 **GRANTS WITH CONDITIONS a Permit to Alter** for the property located at Lot 008 in Assessor's Block 0341 for proposed work in conformance with the architectural submittal dated July 31, 2017 and labeled Exhibit A on file in the docket for Case No. 2013.0254H.

APPEAL AND EFFECTIVE DATE OF MOTION: The Commission's decision on a Permit to Alter shall be final unless appealed within thirty (30) days after the date of this Motion No. 0324. Any appeal shall be made to the Board of Appeals, unless the proposed project requires Board of Supervisors approval or is appealed to the Board of Supervisors as a conditional use, in which case any appeal shall be made to the Board of Supervisors (see Charter Section 4.135). For further information, please contact the Board of Appeals in person at 1650 Mission Street, (Room 304) or call (415) 575-6880.

**Duration of this Permit to Alter:** This Permit to Alter is issued pursuant to Article 11 of the Planning Code and is valid for a period of three (3) years from the effective date of approval by the Historic Preservation Commission. The authorization and right vested by virtue of this action shall be deemed void and canceled if, within 3 years of the date of this Motion, a site permit or building permit for the Project has not been secured by Project Sponsor.

THIS IS NOT A PERMIT TO COMMENCE ANY WORK OR CHANGE OF OCCUPANCY UNLESS NO BUILDING PERMIT IS REQUIRED. PERMITS FROM THE DEPARTMENT OF BUILDING INSPECTION (and any other appropriate agencies) MUST BE SECURED BEFORE WORK IS STARTED OR OCCUPANCY IS CHANGED.

I hereby certify that the Historical Preservation Commission ADOPTED the foregoing Motion on November 15, 2017.

Jonas P. Ionin Commission Secretary

AYES: Commission President Wolfram, Commissioners Hyland, Johnck, Johns, Matsuda, and

Pearlman

NAYS: None

RECUSED: None

ABSENT: None

ADOPTED: November 15, 2017

SAN FRANCISCO
PLANNING DEPARTMENT

#### 56 Mason Street Historic preservation Commission hearing transcript

November 15, 2017

Commissioners, that'll place us on item 9 for at 56 mason street. This is a minor permit to alter.

>> good afternoon, commissioners. Alexandra Kirby with department staff. The item before you is a request to alter for window replacement and storefront additions. The subject building was originally constructed in 1908 as the Bristol hotel and is located as a contributing building under article 11 of the planning code as well as a contributor to the uptown tenderloin historic district on the national register of historic places. Of building is a four story masonry apartment hotel typical of the surrounding neighborhood. The proposed scope of work is for the restoration of 75 existing windows on the upper three floors of the two primary facades along mason and eddy streets and a replacement of the nonhistoric storefront along Eddy Street. Based upon information provided there are 68 window sashes that appear to be sound enough to be repaired and rehabilitated, and only seven that require either -- that require total replacement. Seven new windows, the seven new windows will match the original windows in size, material, configuration and profile. The project additionally proposes to introduce a new storefront design that will create a more cohesive ground story and simplify the mason street facade.

The new storefront window system will consist of powder coat the aluminum frames with a transom to match the window frames in the existing photographs and will blend with the neighborhood. A vent at the far south end of the storefront will be coated with a minute maximum powder -- minimum powder coated grill.

As the proposed work will not damage or destroy original distinguishing qualities or characters of the original building. Staff finds the original character of the building will be retained and not removed. Staff recommends approval with **the following conditions**: that prior to the issuance of the site permit, submitted plans including a bulkhead section, material sample of the proposed grill and transom details shall require department planning and staff approval, and that prior to issuance of the site permit, an onsite mockup of the storefront transom and grill shall be required by planning department preservation staff. The project was submitted to the commission as a minor permit to alter for review on August 27, 2017 however a request for public hearing was requested on August 28, 2017. The hearing for this item was requested due to concerns surrounding the use of the hotel in its single room occupancy or sro units. The subject permit does not propose to amend the use of the exiting units, nor do any prior building permits.

Further, the use of the subject building is not under purview of the hpc, but rather the department of building inspections housing inspection division which makes annual inspections of all properties for compliance. The subject building has 41 legal sro units and 16 legal tourist hotel rooms. These unit counts are not under consideration under this permit. Both a court statement of decision dated January 4th, 2017 and a receivership order dated January 12, 2017 provide further information concerning this history and this displaced sro tenants of the property and these are included in your pactets. Please note that minor revisions have been made to the draft motion including a new section within the preamble on page 2 describing a request for hearing and a condition to read that all conditions shall be pursuant to the architectural site permit.

Staff has been in contact with the tenderloin building commission and no public comment has been received to the proposed scope of work. I'm available if you have any questions.

- >> thank you. Commissioner Pearlman.
- >> Miss Kirby, I do have a question. I'm looking at the date of March 4th, 2014, which is more than four years ago, and I'm wondering why it has taken so long?
- >> so this case was inherited by me just in 2016 so I'm not entirely clear on the early history of the case; however, it's my understanding that they initially came in for wholesale window replacement, and there was a lot of back and forth, and the time frame for getting the conditions assessment for such a long building kind of added up. Additionally there were a number of other site permits for the interior of the building, and I think this May have gotten kind of lost in the fray for some time, so we've been treating it almost as an enforcement issue and kind of moving forward with it for a few more deadlines.
- >> it's shocking to see 4.5 years for a window repair and replacement project. >> yeah, but I wouldn't -- given what -- >> I know. >> given all the other issues --
- >> yeah, yeah, no, I guess that. >> yeah. >> I just wanted to make sure that it wasn't because it was stuck in planning for 4.5 years. >> okay. At this time we'll take public comment -- does the sponsor want to make a statement?
- >> yeah. Hi. We've been working since 2013 on this project, so I would submit -- before we submitted as window replacement, and we were communicating with the -- another planner, and we were -- it was a little difficult to get through the whole process until we have alexandra to came and help us out really good, and then, she suggests the surveyor of the windows, and that report saying that we have to restore the windows, so we had to provide all the information to alexandra, and we have everything and -- oh, before that, we had a -- do you want to know the bristol hotel, they had to replace, just for front of the next door facade, which is same building, so we provide all the information, too, so we're ready. We're just waiting for the addendum to get the approvals from planning and fire department. >> okay. Thank you. >> I have the elevations here. I guess you guys have it, too. >> yes, we do. >> thank you.
- >> at this time we'll take public comment on this item. Does any member of the public wish to speak on this item? If so, please come forward.

#### >> sue hesser.

I'm the one that forced a hearing. It became clear to me, from your comments, that one has seen the court decision. It outlines the outrageous behavior of the developer by attempting to evict the tenants, convert to a tourist hotel, all kinds of repeated things, so your staff has the decision called -- and it's in the superior court of California. The decision was dated January of 2017. I am asking that this be put into the file.

It's in your -- the case record for the department already because the outrageous behavior of the developer has caused this whole mess. He evicted tenants, they became homeless, they were entitled under San Francisco law to go back. He evicted them for enormous repairs, and he didn't have any- any any -- I don't want to say intention. He didn't show he was taking it seriously. he emptied out the building, caused all kinds of grief.

I was hoping that Mr. Sanchez was still here because you don't have jurisdiction to dale with a building that is being transformed in violation of the administrative code and the planning code, and the planning commission should hear this case. We want, really a lot to have the developer do the work that allows the tenants to come back. At the same time, we're in a catch 22, where there's no ability to have the planning commission, which has the power to say more than you do -- effectively saying this is not a tourist hotel. Signage has gone up -- illegal signage has gone up, marketing this as a tourist hotel on the building in the past month. The wifi -- all kinds of things that tourist hotels have. This is an sro, and because the law allows an sro for a couple months of the year to rent vacant units to tourists -- it's in the administrative code -- they are using that to eliminate sro tenants. I didn't want to speak first, but I thought someone should frame the issues right now, and I would encourage the two people that are in attendance to standup here and talk.

Thank you. >> thank you.

>> and you'll have three minutes, and there's a warning buzzer 30 seconds before your time is up.

>> hello. My name is Laura, landowners and city of San Francisco are forcing people of low income out of their homes. We demand that you keep the 56 mason building as housing for people of low income in the tenderloin. Do not convert this building to high income housing. The original tenants must return to their homes. Far too many people are forced out of their homes and have become homeless. Don't let this happen. Thank you.

>> thank you. >> thank you.

>> next speaker, please.

>> good afternoon, commissioners. My name is alexandra goldman. I work with the tenderloin neighborhood development corporation. Just want to say that we acknowledge this is an imperfect venue for raising these issues, however, we have been concerned about the trend of taking single room occupancy hotels and turning them into a venue for other people. According to the general plan, changes like this are supposed to support the change of affordable housing in the city. We also just want to remind people about the historical context of the tenderloin as a neighborhood for low income people and the challenges of low income people to find housing elsewhere, and we've watched single occupancy places being turned into high income hotels, and we feel it compromises the significancy of the tenderloin. We've watched this happen at other places, and in both situations, landowners removes tenants from their property by various means, and then proceeded to upgrade the building and market the building towards high income people, so we have a concern this is happening in this hotel, and we've seen this happen in other areas such as chinatown and the mission and south of market, and so we just want to raise the profile of this, of this particular issue and really express the concern that the supply of housing that's available and affordable for low income people in the city is rapidly dote deteriorating and in the market.

>> my name is joe wilson. I'm with the hospitality house. I have a copy of our original request for a hearing on this matter, and in response to the commissioner's question about why this took so long, you know, displacement of poor people is time-consuming, and I think this is not only the incorrect venue, it's the wrong one. The issue is gentrification and displacement of a low income neighborhood, a neighborhood that has the highest concentration of renter households in the city, and almost twice the number of homeless people in our district as the other ten districts combined. This project is affecting both. It's either displacing low income renters or it's entrapment of the existing renter households, and to allow a building to stay vacant in a community that has one of the highest concentrations of homeless

people is egregious on its face, and I think you must, in good conscience, put this matter where it belongs, with the planning commission. It's also a legal matter, as attorney hester pointed out. The court case that has been decided is an important issue here. This is not an issue of a minor renovation or a minor permit to alternate, this is an egregious example of circumventing the law or manipulating it to the advantage of a market rate developer. That is something that should concern you, and you should not, under any circumstances, approve this project to go forward without extensive public review of all of the issues that are at hand here, and if you look up -- you know, gentrification in the dictionary, it would say, see 56 mason, so we urge you to act in good conscience and deny this minor permit to alter. Thank you. >> thank you.

Next speaker, please. >> hello.

My name is der he can marcou. I represent the tenderloin people's congress. My problem with this -- and I should say our problem with this is this an intentional deliberate action to get rid of the low income tenants they have through delays and other illegal methods to where the people just finally just disappeared, and now he's going to turn it into a boutiquey boutiquey sro, which he can do, but it's morally reprehensible, and that's all I have to say. Thank you.

#### >> thank you.

>> hello. My name is donnell boyd, and I'm with hospitality house. I just want to ask the question, when we all was little kids, and we went to sunday school, and they taught us about the good samaritan, what happened to all of those teachings that we got when we was a little kid? Because I'm looking at it as like we have got so caught up into money that we're not paying attention to the poor. It's a lot of poor people out there on the streets, and they need houses more than the gentrified. The gentrified, they have lots of money. They can live anywhere. But the sro, they're low income. They help people get off the streets. Help the people that's on market street and all over the places that's living in the tents and all that. We need to reach down and help them up and put them in those sro's and start giving these over privileged people everything and neglecting the underprivileged, because they're underprivileged. If -- what we doing -- actually, this city is doing a robin hood thing in reverse, robbing the poor and passing it onto the rich, and we need to stop that, because a city can't survive passing everything to the super-privileged people. thank you.

>> thank you. Next speaker, please.

>> my name is ryan, and I'm from the tenderloin people's congress. I have an issue that I want to bring before you that might make sense to all of this. Man, you own your own homes for sure, and you have no problem. You've been living there for years. You want to payoff your house notes and all the rest of that, but what is, like, the landlords, your realtors turn their clock back and say, well, we can get more money than what you guys are paying. Now, you've been paying a lot of money as you can see, and you don't need to pay no more, but what if they did that to you and take your home away? Would that put you on the street?

Would they evict you illegally, made you homeless? What if you were in a position that you were poor and broke and had nothing? How would it be for you, sitting here, right here, doing your jobs, and your home, your landlord's deciding against you. A lot of people on the streets right now are only there because people like city hall -- sorry, planning commissions, and all of the rest of you who are living well and good are doing a terrible job. You're not giving no justice in any of this. The people that come into city hall with big pockets, you give them all the attention. why do they deserve all the attention? Number one, they

don't all live here. Number two, and they are not citizens here and paying taxes here, and three, you're giving them our homes. You're taking away from us to give to them. The robin hood experience, even worse, because you're not caring about what you're doing. It seems good because the word legal comes into mind. When the city said affordable housing, I thought that meant people would get off the streets. It turns out, it's not about affordability for us, so that was a kick in our teeth in the first place. A law by you guys, 'cause you did nothing about it, nothing, if you was on this side, and you were sitting over there, you'd want us to do the right thing, wouldn't you? So it's time for you guys now to do the right thing. You've got to stop this nonsense. You make extra amount of dollars, you feel good about yourself, you've got nice cars, wonderful, but if you got it at the expense of us, and we paying taxes just like you, then you're not doing any justice, you're not doing any good, so what is your point? My point is you've got to change the way you do things. Yeah, to see what makes money. Everybody wants to make money, but when you let people sleep on the streets and live on the streets and pee on the streets and poop on the streets and everything else on the streets, you are just kicking us in the head. Thank you.

>> thank you. Next speaker, please. >> hi. My name is jessie johnson. You know what's particularly painful about watching these sro's, you know, the owners of the sro's take a huge -- and suddenly decide to kick poor people out of the buildings and try to fix the buildings with some paint and faux marshal, whatever you want to do, it was we, the most poor and vulnerable who were willing to invest in the sro's. I remember people were embarrassed if they lived in an sro, but we were willing to live there. You know, we were trying to make it look better. You're the people that you called the ambulance or someone's O.D.Ed 'ed in the hallway, we'll pick them up until they get there. We've invested in these hotels, and now to get kicked out, there's something unjust about that. One thing about the bristol hotel that I did find out is it's full of ghosts. I heard at least three ghost stories, and a lot of people have died there, and in my mind, that means there's investments of lives in that building, and I think they should be acknowledged. You guys are up here because you're leaders of our community. You've decided you care about the city, and it's injure generation of leaders that is going to shape the future of this city, and it's your generation of this city that's going to determine the fate of the tenderloin. So if you're not the right people to talk to, tell us who is, talk to your colleagues so we can get a hearing and talk about this issue. Thank you. >> thank you.

Next speaker, please. >> I took everybody off guard by coming from the other direction. My name is Dorian Rhodes, and I live in the tenderloin district. I know that we're here about windows primarily, and our concern should be about the historic value about the actual architecture in the building and you all are invested with maintaining the historic value in this neighborhood and the tenderloin is a special neighborhood to do that because it is a neighborhood that has retained so much of our historic value, and what brings to mind -- what that brings to mind for me is the simple idea that history goes beyond architecture, history goes beyond buildings. It goes within those buildings who resides in those buildings and what role those buildings played in our cultural history, and I think the tenderloin not only represents how much architectural history we've been able to maintain, it's one of the least changed neighborhoods remaining in the city, and in that vein has managed to maintain as well so much of its rich cultural history. It does have the highest number of homelessness per capita but it does have the highest number of artists per capita of any neighborhood, and part of that is the cultural history, in the tenderloin's own history, there has been an ongoing through vine of art and culture and just struggling residents of this city, the type of people who created this city. When the gold rush that created this city, it was the artists and the entrepreneurs and the people that thought outside the box that created this city and turned into what it is today, ultimately. Ultimately. So the tenderloin was the heart of that. The tenderloin was the heart of everything here because it was where the working class lived and the struggle class that we still have and the working class that still life there, like myself and my husband, rely on that, and rely on that historic history -- ha!

That's duplicative, but rely on that restorative trajectory. I was in an sro that was allowed to go downhill and downhill, and I was forced to move out and could not afford to live there. Now, where we now live, we pay \$500, and every month, we worry if we're going to lose our home, all because we were forced out. Thank you so much.

- >> thank you. Next speaker, please.
- >> good afternoon. my name's Alex burlein. I am an attorney at the hanson bridges law firm. Just to give some context where the project is now, my clients are --
- >> excuse me, sir, are you part of the project sponsor's team? >> yes. >> okay. Your opportunity to speak was during the project presentation, however, the commissioners May have questions and May call you up later.
- >> sure. Thank you.
- >> my name is otter duffy. I live a couple of blocks away from this project. I'm kind of ambivalent. I'm not sure if I should have got up, but I kind of support this project going forward. I was involved in the redistricting and in 2012, that particular building was the -- you can go back to actually the files on the redistricting and read this, the Bristol hotel was the reason that that block was included in district 6. It was scheduled to go into district 3, you know, and it's true that it's in the -- the union square historic district, as well, but you know, I think there's some truth that it's kind of a bridging element between the two districts, the union square preservation district and the tenderloin preservation district. That being said, all the people who were living there, we thought belonged in district 6, they're gone. They're gone. The building is empty, the reason it took so long for this window issue to come to you is because in 2012, there were still people living in that building. They had to evict the people in that building before they could bring it to you, so the other thing I would say is that this building as it comes forward, it's going to be much more in the union square area than the tenderloin. That's the plan for it. Moichb Street is going to be the dividing line, so the other thing I would say, these people, as far as conditions, they never brought you any conditions. They never said let's make requiring this to continue to be a bridging element between the union square district and the tenderloin district. They never made it. What are their -- what are their demands? What conditions do they want?
- >> thank you. Next speaker, please.
- >> good afternoon to everyone. My name is abel silva. I have been living in a precarious situation here in San Francisco for seven years. I'm a member of the faithful fools, and even though this is about windows, I do support the historical regional windows, but at the same time, I would ask that you look at the greater scope of this and not see this as a local business as usual situation. I'm here to support that there be a better venue to have time to present all the information about what has happened. If you could do that for us, we would feel that you're part of the community supporting us. And the rest of my time, I would just like to read something that I wrote, just some expression -- forgive me. Well, while it's good to keep the character of the building, you are going to destroy the people who have given character to the city if you allow this. There have been rumors at the greater scope about the death of democracy. I am from Puerto rico. Historically, the crown of Spain called the shots there, so we have been a bit slow to understanding democracy, but from where we stand and in the face of all this gentrification that has been happening here in San Francisco, which I am a personal victim of, businesses here will have some truth to report. I will have some truth to report after my country after this decision. What will I tell them? Presently, it is

starting to look like it needs democracy is a way to pose ourselves as prey for capitalism to commit genocide in the long run. If you want to contribute -- if you want to contribute to proving this idea wrong, locally and abroad in a concrete way, please find a means to integrate the poor population by saving the word community from becoming a joke. The alternative would be allowing the less influential and create the makings of a cold civil war. All lives matter, especially ours, that, you know, we make your position possible. thank you.

>> thank you. Next speaker, please.

>> good afternoon. My name is Jessica Lehmann. I'm the deputy director of senior with disability action, and we see seniors every day that are being displaced in myriad ways from all over san Francisco, including sro's People used to say sro's are somewhat immune from the housing crisis. It's seen as low income housing. People with a lot of money won't want to live there, and obviously, that's not what we're seeing. We're seeing people pushed out of sro's, people who have lived in sro's for decades, units are renovated, and we are looking at people that are moving in with much higher incomes, leaving the low income tenants with nowhere to go, so we have an opportunity to see the situation for what it is, that we make sure we don't move forward on a project that is going to further displace senior and disabled tenants that call san francisco home. Thank you.

>> thank you. Are there other speakers? If so, please come forward.

>> hi. My name is Freddy martin, and I'm a -- I was born and raised in San Francisco. I've seen a lot of changes over the years. I currently -- I'm speaking as a tenant of a tndc property south of market. Part of my road to getting there into stable, long-term affordable housing was staying at the Bristol hotel. I stayed there as it was an 18 month program to help as trasignificanceal housing. The conditions became unbearable for me in about 2010. They weren't fixing anything, it was bedbugs. I know many of the people after I left, I chose to couch surf after that because I just -- I couldn't live there anymore. There were mice, there were all kinds of things, and there were several disabled people in the building. There were people, after I left, that, I guess decided to file a lawsuit, but the things that I heard from people that I know who were formerly my neighbors was that they were given relocation money and they were told that they would be able to come back after things were fixed or whatnot, so I know that there's the san Francisco general plan priorities which said that the affordable housing will be preserved and enhanced. I personally know a couple of people that were relocationed because of their living conditions because of their lives, they didn't have that stable housing, and they actually died. One of them was named terry, so with all of the things that are going on in the city, and all of the buildings that are being made and made to house people with hi incomes, high incomes, \$80,000, there are people that are losing their lives. Keep that in mind. the most vulnerable of us need protection and need help from the people and the places that are supposed to support them and help them, and that's all of you. Thank you. >> thank you. Are there any other speakers who wish to speak on this matter? If so, please come forward. Seeing and hearing none, we'll close public comment.

I would -- oh, if there's - so please come forward. We'll reopen public comment.

>> hello. My name is chanise Valencia and I'm here as a member of the community and I work with homeless people at hospitality house. At the end of the day, what we're talking about is essentially taking out some extremely valuable and needed affordable housing from a community that's already under siege and under attack when it comes to the housing crisis.

Homelessness is an extremely violent act. We're talking about having a ripple effect that can lead to some serious tragedy for people who won't be able to come back into the community and will make it tougher

for people to find places to live, to put their kids up in a safe place or wherever, and so I really just think we're at a point now in the country, in san Francisco in particular, where when we're talking about taking affordable housing or low income housing off of the market, we're talking about committing acts of violence against people who are already under attack every single day in many different facets, so I encourage you to like, look at the -- the opportunity that you have to impact and intervene in this act of violence that would be possibly happening, to look at that as an opportunity to do the right thing, right? I feel like there's really no other way for me to look at it in its essence 'cause that's what's happening here. In crisis, there's opportunity, and the responsibility you have comes with the opportunity to intervene on the side of the people and not profit, and so I think that's what I'm asking you to do at this point is to look at it in those terms, as well. And to recognize that there's no neutral position in this. There's no nut willity in this situation.

>> thank you. >> is there any other member of the public who wishes to comment on this item? If so, please come forward. Seeing and hearing none, we'll close public comment. I think, and I would say this for the members of the public, that we're the historic preservation commission, and we we have before us a review for window restoration, and we're looking at the merits of the documents before us, and that's all we have before us and that's what we're looking at. We don't actually have any jurisdiction related to affordable housing and other issues, so I just want to make that clear. I do have some questions for staff, and I think we May have some other questions, so I'll just dive in. I would have to say that these documents are probably one of the least legible documents I've ever seen, so the — I mean, the drawings were really, really hard to read.

And there's a comment in here in your staff report about -- on page 7, I couldn't see anything about gfrc units in the drawings, and under the scope of work on page a-1, they don't mention anything about that, so I'm just curious, where are these gfrc not only for the removal of the affordable housing but for the gentryfication of the tourist hotel. It would be subject to chapter 341 of the administrative code which I did bring if you want too remove that it requires for hearing comparable housing and the essential rights that the existing permanent residents do have any existing sro units.

As I said before, there are 41 legal sro units within the existing building and 16 tourist hotel units. All the of the prior residents do have the legal right to return to those units. That's all additionally spelled out in the legal documents that

are in the packet. >> thank you. Commissioner johns. >> thank you. I just want to go back to what President Wolfram said about what we're here for today. It's clear from the members of the public who have spoken that there are very, very serious problems and they have raised some quite important issues. And as many of the speakers said and Miss Rhodes was one of them, this was not the commission or the court that can address those things. The limit as I understand it of our functioning this afternoon is the approval or disapproval of windows.

When window restoration and storefront restoration and although people May have raised or have raised very significant questions. We are limited to dealing with replacement of windows and store fronts. As to that it narrow area, I think that I would be in favor of approving the replacement with the conditions that the staff has stated.

>> thank you, commissioner Pearlman.

>> thank you. I concur with President Wolfram and commissioner johns on this. It seems to me that you as a group haven't been advised well because it seems like to spend your time, I mean everybody's time

has value.

To spend your time to come here today, you weren't advised as to what we have any jurisdiction over being able to do. I mean many of you talked about our responsibility but they didn't advise on what our – the scope of our responsibilities are which sadly we can't address any of your concerns it seems to me there are pub milk comment periods for the planning commission. That there are many as miss Kirby said, it sounds like many violations ever the planning code and administrative code.

So spending the time that you just spent and go to the planning commission might spark them because they have the authority to speak about the issues that you brought here today the board of supervisors, there is general comment on the board of supervisors. This seems to be to be a potent issue. I'm sorry we can't do anything about it. But there is general comment there.

There is newspaper, there are blogs. There are many ways to raise public awareness about this to the people who can actually make a difference. So I encourage you to do that. Maybe you've done that, I don't know. Thank you -- public comment is over -- sir. >> you have done that.

- >> that's fine. Sir --
- >> excuse me, public comment is not over. We're not having an argument here. >> you're occupant of order at this time.
- >> sir -- you May be respectful in not calling us stupid.
- >> we're not having a debate. >> this is not a debate.

So I encourage you do that, maybe you've done that, that's fine. Ire not going to get any help from that balls we can't. If you can't understand that, look at the rules of how this works.

- >> excuse me Miss Kirby. >> [Inaudible]
- >> it is but maybe you should go higher an closer --
- >> I would like to add that because the project sponsor has not met timelines outlined by the courts. There is a special master receiver who is overseeing the construction timeline to make sure they get occupyable again within a reasonable amount of time. They were operating in limited construction times previously. The planning department and dbi both have avenues for reporting violations if this does end up actually becoming a tourist hotel, that would be rorpted to us and we'd make them go through the typical legal avenues to correct the violations and hopefully get the sro units back on line.
- >> commissioner. >> I want to echo my concerns on the responsiveness to your concerns which are certainly legitimate. And assess tad, situation is really sad. But it's true. We have a permit before us for window alteration. I have no quarrel with that.

And I guess what I would, you know, and commissioner Pearlman, you recommended -- there is the planning commission and board of supervisors.

We mow that -- we know that the planning commission and theboard of supervisors has in the past rejected or overruled some of our decisions and most immediate one that I'm thinking of is our approval of

the mills act contract. They were looking at whether there had been been abuse of the mills act and we were making decisions on approvals when in fact, the board was questioning whether there were abuse in the past and they were holding up our approval of the contracts.

Which to me is -- we ought to be considering those kinds of things. But you know, and be concerned about that. I guess the only thing I would say at this point is I'd still be in favor of, you know, improving the window restoration but to recommend that these concerns because it appears there are violations that need to be addressed and that the board and planning commission would be the arena for that discretion, I don't know whether in the future our cultural heritage assets committee would think about some kind of policy or some statement that we could be making that looks at the relationship between our authority and how we're looking at the historic value. I thought the comments were very eloquent on that issue. Soy want to thank the public for that.

- >> thank you, commissioner matsuda.
- >> thank you, as commissioner wolfram and commissioner johns pointed out, our commission is narrow. We should not ignore the comments that the community has raised and if there is some way that we could officially as a commission tell the planning commission that we have a group of people that have come before us and raised serious issues about this issue and maybe receive the proceedings today and to be asked to review them and seriously consider their comments. I don't know how procedural we could do that, but if we can do that as a commission and show that we've taken them seriously, I'd like to request that. >> chawrchg, commissioner.
- >> thank you, commissioner hnld.
- >> I would echo commissioner math matsuda's comments. I would propose -- I think we can continue this item. The at item before us as written, I would not disapprove. When it comes back, I'll support it. The window replacement should be supported. We could ask the planning commission to take this up and figure out if from is any other venue. Then it will elevate it instead of puppet in a public comment.
- >> Mr. Ionin, that a paroled ural possibility?
- >> you could seek additional information from staff and staff could convey your concerns to the planning commission, our staff could convey those concerns to the planning commission. I wasn't sure what would be before the planning commission as far as the property in p a future hearing. It did sound as though there was something that was going to happen, that it would have to go to the planning commission. I don't believe there application pending which maybe the difficulty.
- >> and are there interior changes?
- >> there are other interior permits approved in 2013 and 2014 that are underway which is why the building is entirely vacant right now. >> there is -- if we look at it on the sake of the fact that if what Miss Kirby said was true that the sro units will be available again to the SRO tenants, there is a benefit to moving the project along if everything went according to the way one would want, there is a benefit to that. >> we can continue it, we're only extending the timeframe for getting people back in their homes and approving it today would help the people as opposed to pushing it further into the future.
- >> Commissioner johns.

>> I do agree strongly with the President Made and commissioner Pearlman has made that we should not do anything to delay this. We heard there is a special master to supervise and approve this.

There is litigation. I have serious concern about the commission inject itself into areas that are occupied and apparently with some success on behalf of the members of the public who have spoken. To attempt to get ourselves into an area where we do not belong.

I think the best and most helpful thing we can do this afternoon is to approve the project with the condition stated by staff and leave those other problems to the special master to the courts and to the planning commission. That's as far as I want to go so I do move that we approve this item with conditions.

- >> second. >> Commissioner Matsudo.
- >> I'd like to add the condition affording the comments made today to the planning commission.
- >> I reject that amendment.
- >> we have a motion and a second. >> shall I call the question? >> I was the second.

I'm not sure that I reject that. I think that somehow the information that we -- all this testimony that we heard today should go beyond us. Again, we made it clear that we can't do anything about it. So whether it's the board of supervisors or the planning commission somehow this information should be conveyed forward to someone who potential -- because that's why I suggested the general comment period of the planning commission. If there is no project of the planning commission, you can't go and talk about it except it at the general comments. >> with all due respect -- >> I would reject that.

- >> you did second it without the --
- >> I seconded it without it-you can retract your second but I'm not sure that those comments are appropriate to include in the motion of approval of the window of alteration. I think to the chair, you can direct staff to convey these concerns to the planning commission and to the director and for staff to continue to pursue other actions. but as far as the motion on the table, I think I'm not sure where do you put that, right? Where do you put the comments in.
- >> I think it could be very appropriate to do what you suggest and to convey that to the planning commission. But leave the motion so that that can proceed so we can get the windows fixed so people can move back in.
- >> if it's the case, if we can approve the window replacement and in addition strongly the President's permission, direct this to the attention of the planning commission to the mayor as well as the to the board of supervisors and I would support it.
- >> as a separate letter. >> separate thing. >> that seems reasonable.

I agree we should do that. >> very good commissioners. There is a motion seconded to approve this matter with conditions on that motion. Commissioner johnck.

>> commissioner johns, mightser Pearlman, yes.

- >> commissioner hyland, and commissioner wolfram. >> yes.
- >> and we'll mac sure she get conveyed to the plan commission an department. >> is the planning commission the board and mayor? >> board of supervisors and the mayor.

>> thank you.

## RECEIVED

Application for Discretionary Review CASE NUMBER: 2013. D254 DRP

DEC 1 5 2017

# APPLICATION FOR CITY & COUNTY OF S.F. Discretionary Review

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7	( )wner/	'Applican	t Intorn	าลมดา

1. Owner/Applicant in	normation					
ов аррисант s наме: Sue Hestor for San Fran	ciscans for Reason	nable Growth			,	بوسان و بدید عام و برید عورت در وسازی اسوسا
DR APPLICANT'S ADDRESS:	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		ZÍP	CODE:	TELEPHONE	
870 Market St #1128		ALAKA A	94	102	(415)8	46 1021
PROPERTY OWNER WHO IS DOIN Balwantsinh Thakor	G THE PROJECT ON WHIG	CH YOU ARE REQUEST	ING DISCRETIONARY RE	VIEW NAME:	And the state of t	Tangan Maria Bangan T
ADDRESS:	e		ZIP	CODE:	TELEPHONE	
56 Mason Street	ELANA KAN KAN MAN AKAN MUMINI MAN UNTUK MAN	1.338-1.000	94	102	( )	
CONTACT FOR DR APPLICATION:	- 17 Ara.			16.5 (1.4		
Same as Above Same	NIKU 1444 MINIKA JAK MINIKA JAK MINIKA M				norman nganggapa ma awar ana an ang ang anaran an ang anaran	
ADDRESS:			i⊸ <sup>A</sup> † ·ZIP.	CODE:	en en insilya en en en en en ini insilemente en el ini i	l e
E-MAIL ADDRESS: hestor@earthlink.net		b a same, menta seas minur " face		and the second s		international and an annual section of
2. Location and Clas		on and the survey of the surve	arithia difference come control de la companione de la companione de la companione de la companione de la comp	energensk antisterskeren mede benesk overstersk skriver	an in the case of a common of a case of the	ZIP-CODE:
56 Mason St		<u>international design</u>	de como manda de la como de la co			94102
CROSS STREETS: Eddy and Market/Turk				1.		
0341 / 008	LOT DIMENSIONS:	LOT AREA (SQ FT):	ZONING DISTRICT: RC-4		неіднт/вицкі 80-Т/120-	
3. Project Description	า					
Please check all that apply Change of Use 🗵 Cha	ange of Hours 🗌	New Constru	ction 🗌 Altera	utions 🛚	Demolition	Other .
Additions to Building: Present or Previous Use:	Rear  Fro Legal Residenti	nt	it 🗌 Side Yar	đ 🗌		
	Hotel and studen	t housing				
Building Permit Applica	<del>2013 020</del> - tion No. このに	<del>19330</del> -DINB74	27	Date F	Filed: 2/1/2	013

#### 4. Actions Prior to a Discretionary Review Request

Prior Action	YES	NO
Have you discussed this project with the permit applicant?		×
Did you discuss the project with the Planning Department permit review planner?	<b>□</b> X	
Did you participate in outside mediation on this case?		<b>[</b> 3

#### 5. Changes Made to the Project as a Result of Mediation

If you have discussed the project with the applicant, planning staff or gone through mediation, please summarize the result, including any changes there were made to the proposed project.

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îBC

Application for Discretionary Review

#### Discretionary Review Request

In the space below and on separate paper, if necessary, please present facts sufficient to answer each question.

1. What are the reasons for requesting Discretionary Review? The project meets the minimum standards of the Planning Code. What are the exceptional and extraordinary circumstances that justify Discretionary Review of the project? How does the project conflict with the City's General Plan or the Planning Code's Priority Policies or Residential Design Guidelines? Please be specific and site specific sections of the Residential Design Guidelines.

Bristol Hotel (56 Mason) has always been a residential hotel. It is governed by the Planning Code as well as Administrative Code 41 which regulates Residential Hotels. Planning Code requires all conversions to tourist hotel use obtain Conditional Use authorization at a Planning Commission hearing. This owner bought the Bristol Hotel in 1998. He has made consistent attempts to remove residential tenants and convert Bristol it to a tourist hotel. The "marketing plan" for Bristol financing was for renovations to student housing and tourist guests. Existing residential tenants were removed in 2012. Change of use to tourist housing requires CU which has not been applied for. Student housing is also a change of use which has not been obtained.

2. The Residential Design Guidelines assume some impacts to be reasonable and expected as part of construction. Please explain how this project would cause unreasonable impacts. If you believe your property, the property of others or the neighborhood would be adversely affected, please state who would be affected, and how:

This is not a DR application under 311. It is old-fashioned DR based on violation of the Planning Code and the loss of a significant housing resource. Conversion of the Bristol violates Administrative Code 41, the General Plan, Proposition M policies (Planning Code 101.1), and multiple San Francisco policies stressing the critical importance of maintaining housing for lower-income and senior populations. SFRG, along with the broader community of neighborhood, labor, housing advocates - including those who build, maintain and advocate for lower income and working class residents of San Francisco - has worked to provide needed low-income housing. Loss by conversion needs Planning Commission action.

3. What alternatives or changes to the proposed project, beyond the changes (if any) already made would respond to the exceptional and extraordinary circumstances and reduce the adverse effects noted above in question #1?

Maintain the use as a residential hotel - deny conversion to a tourist hotel or student housing. Rigorous attention AND REVIEW by Planning Department AND DBI to all permits for residential hotels and SROs

### 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.

ignature: / Herti

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

Attorney, SFRG

Owner / Authorized Agent (circle one)

Application	n for <b>Discre</b>	tionary Review
CASE NUMBER: For Staff Use only		

## Discretionary Review Application Submittal Checklist

Applications submitted to the Planning Department must be accompanied by this checklist and all required materials. The checklist is to be completed and signed by the applicant or authorized agent.

REQUIRED MATERIALS (please check correct column)	DR APPLICATION
Application, with all blanks completed	A.
Address labels (original), if applicable	- A
Address labels (copy of the above), if applicable	9
Photocopy of this completed application	<b>A</b> _
Photographs that illustrate your concerns	
Convenant or Deed Restrictions	
Check payable to Planning Dept.	JK
Letter of authorization for agent	
Other: Section Plan, Detail drawings (i.e. windows, door entries, trim), Specifications (for cleaning, repair, etc.) and/or Product cut sheets for new elements (i.e. windows, doors)	

NOTES:

Required Material,
Optional Material,
OTwo sets of original labels and one copy of addresses of adjacent property owners and owners of property across street.

## RECEIVED

DEC 1 5 2017

CITY & COUNTY OF S.F.

For Department Use Only Application received by Planning Department:	
By: Kurz Boh	 Date: 12/15/12

#### **ALEXANDER J. BERLINE**

PARTNER
DIRECT DIAL (415) 995-5035
DIRECT FAX (415) 995-3462
E-MAIL aberline@hansonbridgett.com



February 15, 2018

Rich Hillis, President
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Subject Property: The Bristol Hotel, 56 Mason Street

Permit Type: Minor Permit to Alter (Case No. 2103.0254H)

Permit No.: 2017-01187427 (2013-02019330)

Our File No.: 35018.1

Dear President Hillis and Commissioners::

This firm has been asked by the Bristol Hotel owners to submit this letter in support of the subject permit for the windows at the Bristol Hotel.

The Bristol Hotel is housed in a historic building built over 100 years ago. The 1991 "Certificate of Use" authorizes the operation of "41 Residential Units & 16 Tourist Units," a total of 57 rooms.

To allow much needed capital improvements, the tenants were given the legally required notices to relocate during renovation, and were provided relocation fees. Some of these tenants later brought litigation to expedite the completing of the current project. The result is that the Court has currently set April 30, 2018, as the deadline to complete the project. These same tenants (and their same litigation counsel) have also brought a separate damage suit alleging ongoing damages due to "delay" in the project's completion. Thus, the tenants' litigation counsel stands to benefit if he can orchestrate an artificial delay of the project completion—to the profound prejudice of the owners and, in fact, to tenants who desire to return. As recently noted in the enclosed Court appointed Special Master report, the owner's "team is working diligently to complete the project in a timely manner and may still meet the [April 30, 2018] completion date," but this DR appeal has the potential to hold that up.

The DR requestor here has been provided only selective documents (that are nearly 5 years old) from the tenants' litigation counsel. The DR requestor is objecting based on purported "attempts" to covert the Bristol "to a tourist hotel." But, as even the DR requestor has conceded, no such change of use has ever been applied for. Rather the "marketing plan" was a nearly five year old document submitted to a bank for a financing application that fell through and was abandoned years ago. The DR requestor mistakenly asks this body to "deny conversion," but there has never been a "conversion" request.

Rich Hillis February 15, 2018 Page 2

Our office has e-mailed and left messages for the DR requestor attempting to explain this situation. (Exemplar e-mail enclosed hereto.) But, for reasons unknown, neither our several calls or several e-mails were ever responded to.

What is really happening here is that the tenants' litigation counsel is attempting to create a false "permit delay" to create more damages for his pending lawsuit. It is telling, for example, that, to the best of our knowledge, neither the tenants' counsel nor the tenants themselves (who wish to return to the hotel) have submitted any letters in support of this permit and the prompt completion of the project. This appeal has caused delay and could jeopardize the anticipated completion date, thus delaying the return to the hotel of those tenants who wish to return.

The renovation of the Bristol Hotel has been ongoing for several years now, and there was no timely DR request made as to any of the previous building and/or alteration permits. Also, a Certificate of Appropriateness was issued by the Historical Preservation Commission as to these same issues, and that was not appealed. Only now that the owners are close to completion is tenants' litigation counsel attempting to orchestrate this false delay—based on a Change of Use application that does not actually exist.

The current renovation project, if allowed to be completed this April, will return 57 units of living space to the neighborhood, and give those former tenants the right to return. The reopened Bristol Hotel will have new electrical and plumbing systems, a new elevator, modern HVAC systems, modern sprinklers and alarms, and exterior windows as vetted and approved by the Historical Preservation Commission.

Nobody gains by leaving these 57 units unoccupied. Delaying use of the building based on a window permit appeal, when no party has actually objected to the design or materials proposed for said windows, makes no sense. This DR request should be denied.

Respectfully,

Alexander J. Berline

Enclosures

#### Grace M. Mohr

From: Richard J. Stratton <a href="mailto:rstratton@hansonbridgett.com">rstratton@hansonbridgett.com</a>

Sent: Wednesday, February 14, 2018 3:08 PM

**To:** 'hestor@earthlink.net'

**Cc:** Alexander J. Berline; Brett Gladstone

**Subject:** DR on Bristol Hotel windows permit, 56 Mason St, before Planning Commission

March 1

Dear Ms. Hestor,

I just left you a voice message, hoping that we could talk at your convenience in the near future about your DR request to the Planning Commission following the Historical Preservation Commission's approval of the windows permits as part of that renovation project. I understand that my partners Alex Berline and Brett Gladstone attempted to reach out to you some weeks ago, but we had no response. I am hoping that you will respond to this message so we can talk about your concerns as stated in your application for Discretionary Review. Our firm represents the building owners, and I am very familiar with the project and its history, including litigation brought by tenants against the owners.

I want to be clear that the Bristol Hotel has had a Certificate of Use since 1991 for 41 residential units and 16 tourist units, and it has always been a mixed use residential hotel. There is no plan to change that use, and no application to do so has been made by the owners, ever. The owners understand that if they were ever to make such an application in the future, they would need to follow San Francisco's laws and procedures then in effect. I gather you have been provided some very old correspondence or memos by Mr. Hooshmand's law firm, papers produced in one of his five lawsuits against the owners, and that you may have relied on that mis-information as to the status or the owners' intent when you presented your application for DR on the pending permits. My purpose is to set the record straight with you so you are not misinformed and not used for ulterior purposes in the Hooshmand-directed lawsuits.

The renovation has taken a very long time and the owners and former tenants look forward to its final completion in the next couple of months. We are presently under a court order to complete the project and restore tenants to the hotel by April 30, 2018. In the interest of avoiding unnecessary delay to the re-opening of the hotel, and the return of those tenants who have elected to return to it, we respectfully request that you reconsider your DR request and withdraw it before the March 1 Planning hearing.

Thank you for your consideration of these matters. I hope you will give me a call.

Sincerely,

**Rich Stratton** 

#### Richard J. Stratton

**Partner** 

Hanson Bridgett LLP (415) 995-5002 Direct (415) 995-3587 Fax rstratton@hansonbridgett.com



425 Market Street, 26th Floor San Francisco, CA 94105

#### San Francisco | Sacramento | North Bay | East Bay | Los Angeles



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# CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS

DEPARTMENT OF

No. 10380

Date Issued:

APRIL 26 19 91

# CERTIFICATE OF USE

authorizes the operation of

41 RESIDENTIAL UNITS
16 TOURIST UNITS

at

56 MASON

ST

THIS PERMIT IS VALID FROM DATE OF ISSUANCE UNTIL REVOKED AND IS NOT TRANSFERABLE.

SUPERINTENDENT, BUXEAU OF BUILDING INSPECTION

FORM 9 HID-HCO-REV. 1/91

FRAME AND POST IN PLAIN VIEW



### RECEIVERSHIP SPECIALISTS

STATE AND U.S. FEDERAL COURT RECEIVERS/TRUSTEES

#### **SPECIAL MASTERS REPORT**

Presented by: Kevin Singer, Special Masters

DAVID JARAMILLO, ET AL.

**Plaintiffs** 

VS.

#### BALWANTSINH THAKOR Individually and DBA THE BRISTOL HOTEL

**Defendants** 

Superior Court of California County of San Francisco Case No. CGC16-549984 JUDGE RONALD E. QUIDACHAY

Real Properties:
Bristol Hotel, 56 Mason Street, San Francisco, California 94107

Corporate Headquarters <u>Los Angeles</u> 11150 W. Olympic Blvd. Suite 810

Los Angeles, CA 90064 Tel: (310) 552-9064 Fax: (310) 552-9066

San Francisco
795 Folsom Street
1st Floor
San Francisco, CA 94107

Tel: (415) 848-2984 Fax: (415) 848-2301

San Diego 4370 La Jolla Village Drive Suite 400 San Diego, CA 92122 Tel: (858) 546-4815 Fax: (858) 646-3097

Sacramento 980 9th Street 16th Floor Sacramento, CA 95814 Tel: (916) 449-9655 Fax: (916) 446-7104

<u>Las Vegas</u> 7251 W. Lake Mead Blvd. Suite 300 Las Vegas, NV 89128 Tel: (702) 562-4230 Fax: (702) 562-4001

Reno 200 S. Virginia Street Suite 800 Reno, NV 89501 Tel: (775) 398-3103 Fax: (775) 686-2401

Phoenix 40 N. Central Avenue Suite 1400 Phoenix, AZ 85004 Tel: (602) 343-1889 Fax: (602) 343-1801

Denver 1600 Broadway Suite 1600 Denver, CO 80202 Tel: (303) 386-7193 Fax: (303) 386-7101

Page 2

#### Dear Vested Parties:

- 1. As appointed Special Master, I requested a tour of the Bristol Hotel located at 56 Mason Street, San Francisco, CA 94107 on January 23, 2018 at 10:30am to assess the progress of the construction, particularly given a fire occurred in the building on December 23, 2017. On the day of the tour, there were approximately 24 workers onsite. Those who attended the meeting included:
  - Orville Power, Receivership Specialist Consultant
  - Alexander Berline, Defendant Counsel, Hanson Bridgett
  - Balwantsinh Thakor, Defendant
  - Karin Thakor, Defendant's Son
  - Marcelo Estrada, Speedy Construction (General Contractor)
  - Tyson Redenbarger, Plaintiff Counsel, Hooshmand Law Group
  - Mark Hooshmand, Plaintiff Counsel, Hooshmand Law Group
  - Kevin Kearny, Plaintiff Construction Consultant
- 2. The fire originated in the kitchen of the restaurant on the first floor. The San Francisco Fire Department attacked the fire from both the roof and first floor. The result was fire damage on all four floors where the flue travels vertically through the building. Fortunately the fire was contained to a relatively small area, and only affected rooms abutting the flue, part of the roof and the flue corridor. The overall water damage was mitigated by the General Contractor who quickly deployed dehumidifiers and the ensuing mold test results were negative. A total of four working days were lost according to the Plaintiff and the General Contractor. However, the fire caused damage and additional work that will be required to obtain the certificate of occupancy as a result.
- 3. While the insurance company inspected the property for the pending claim, the Defendant had the General Contractor focus their efforts on the other half of the project that was not affected by the fire in an attempt to maintain the schedule.
  - As of January 23, 2018, the insurance company has given the Defendant the approval to begin to demolish the areas affected by the fire. The insurance company has completed their inspection. The Defendant has hired a Public Adjuster (Jan Miller) to negotiate the claim on their behalf.
- 4. The Defendant has resubmitted plans to the City of San Francisco to repair the damaged fire areas of the building. They paid an additional fee for expedited plan check processing. The approval of the plans requires input from mechanical, structural, fire and health and safety departments. It is

unclear when these plans will be approved and this additional work can commence. Once these plans are approved they can begin rebuilding the damaged areas.

- 5. Substantial work has been completed since our last site visit on November 7, 2017. The current status of the work completed since our last visit includes:
  - a. The exterior of the building has been painted and the scaffolding has been removed.
  - b. The entire project is dry walled, painted and wood trim work is in process.
  - c. The HVAC systems are in place.
  - d. The elevator shaft has been cleaned and painted and the rails are in place and ready for installation. The elevator box on the roof is nearly complete. The elevator contractor expects the elevator will be operational in March, 2018 and shortly thereafter will require a state inspection.
  - e. The flooring on the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floors was substantially complete.
  - f. The bathrooms in most units have the showers installed, the vanities are installed and the tile installation has begun on the floor.
  - g. The lobby is still functioning as a project storage area, but the framing has begun. This was planned to be the last area to be completed on the schedule.

In summary, it is my opinion that the Defendant's team is working diligently to complete the project in a timely manner and may still meet the court ordered completion date of April 30, 2018. The General Contractor has done a good job of restructuring the construction schedules to keep the project moving in the right direction while dealing with the fire damage. There appears to be adequate resources and substantial construction progress completed over the last two and one half months. I believe the removal of the existing team would only cause further delay in the goal of achieving a certificate of occupancy and returning the existing tenants to the building. In the event they do not meet the court ordered timeline, I believe they will accomplish the goal shortly thereafter.

Respectfully submitted,

Kevin Singer Special Master







SAN FRANCISCO PLANNING DEPARTMENT 1650 MISSION STREET, SUITE 400 SAN FRANCISCO, CA 94103-2479 MAIN: (415) 558-6378 SFPLANNING.ORG

Pr	oject Information	
Pro	operty Address: 56 Mason Street	Zip Code: 94102
Bui	ilding Permit Application(s): 2017.0118.742	27
Re	cord Number: 2013.0254DRP	Assigned Planner: Alexandria Kirby
Pr	oject Sponsor	· 
Na	me:	Phone:
Em	nail:	
Re	equired Questions	
1.		r and other concerned parties, why do you feel your proposed not aware of the issues of concern to the DR requester, please meet the DR DR application.)
	PLEASE SEE ATTACHMENT	
2.	concerns of the DR requester and other	posed project are you willing to make in order to address the r concerned parties? If you have already changed the project to explain those changes and indicate whether they were made before City.
	PLEASE SEE ATTACHMENT	
3.	that your project would not have any ad	posed project or pursue other alternatives, please state why you feel diverse effect on the surrounding properties. Include an explaination hal requirements that prevent you from making the changes
	PLEASE SEE ATTACHMENT	•

#### **Project Features**

Please provide the following information about the project for both the existing and proposed features. Please attach an additional sheet with project features that are not included in this table.

	EXISTING	PROPOSED
Dwelling Units (only one kitchen per unit - additional kitchens count as additional units)	N/A	N/A
Occupied Stories (all levels with habitable rooms)	N/A	N/A
Basement Levels (may include garage or windowless storage rooms)	N/A	N/A
Parking Spaces (Off-Street)	N/A	N/A
Bedrooms	N/A	N/A
Height	N/A -	N/A
Building Depth	N/A	N/A
Rental Value (monthly)	N/A	N/A
Property Value	N/A	N/A

I attest that the above information is true to the best of my knowledge.

Signature:	<b>Date:</b> February 15, 2018
Printed Name: Alexander J. Berline	Property Owner  Authorized Agent

If you have any additional information that is not covered by this application, please feel free to attach additional sheets to this form.

#### ATTACHMENT NO. 1 TO RESPONSE TO DRP

- 1. The DR requester has never questioned or criticized the proposed design or materials for the commercial windows being replaced as part of this project. Her concerns appear to be based on the erroneous assumption that the use of the Bristol Hotel may change from being a residential hotel to being an all-tourist hotel. But this is not the case. The Bristol Hotel has always been a mixed use hotel with 41 residential – designated rooms and 16 tourist – designated rooms, a total of 57 rooms as confirmed by the Certificate of Use issued April 26, 1991, a copy of which is attached. That balance of rooms has never changed and will not change as a result of the present renovation. In short, the Bristol Hotel will remain a residential hotel after completion of the project but in completely renovated condition and an improvement to the neighborhood. The so-called "marketing plan" referred to by the DR requester was created for a possible loan almost 5 years ago but never implemented and abandoned years ago. It appears that this document was given to the DR requester by lawyers in litigation who have ulterior motives and are attempting to delay the present project. But the fact is that the use of this Hotel will not change from a mixed use residential hotel, as it has been for many. many years. It is noted that the owners' counsel have reached out to the DR requester several times with invitations to discuss her issues and clarify that her concerns are unfounded, but she has not responded to either phone messages or e-mail requests. A copy of the most recent attempt to communicate (email of February 14, 2018) is also attached.
- 2. Again, DR requestor makes no comments on the design or materials for the commercial windows, but has the mistaken assumption that the Bristol Hotel is being converted from a residential hotel to a completely tourist hotel. That is not the case. No conversion process is happening. When this project is completed, 57 rooms will again be available for tenants to live in. It is expected that some of the tenants who were living in the hotel before the renovation will return to live there again.
- 3. The owners intend to maintain the use as a residential hotel and not convert it to a tourist hotel or student housing. The use will remain consistent with the existing Certificate of Use, issued in 1991.

#### Grace M. Mohr

From: Richard J. Stratton <a href="mailto:rstratton@hansonbridgett.com">rstratton@hansonbridgett.com</a>

Sent: Wednesday, February 14, 2018 3:08 PM

**To:** 'hestor@earthlink.net'

**Cc:** Alexander J. Berline; Brett Gladstone

**Subject:** DR on Bristol Hotel windows permit, 56 Mason St, before Planning Commission

March 1

Dear Ms. Hestor,

I just left you a voice message, hoping that we could talk at your convenience in the near future about your DR request to the Planning Commission following the Historical Preservation Commission's approval of the windows permits as part of that renovation project. I understand that my partners Alex Berline and Brett Gladstone attempted to reach out to you some weeks ago, but we had no response. I am hoping that you will respond to this message so we can talk about your concerns as stated in your application for Discretionary Review. Our firm represents the building owners, and I am very familiar with the project and its history, including litigation brought by tenants against the owners.

I want to be clear that the Bristol Hotel has had a Certificate of Use since 1991 for 41 residential units and 16 tourist units, and it has always been a mixed use residential hotel. There is no plan to change that use, and no application to do so has been made by the owners, ever. The owners understand that if they were ever to make such an application in the future, they would need to follow San Francisco's laws and procedures then in effect. I gather you have been provided some very old correspondence or memos by Mr. Hooshmand's law firm, papers produced in one of his five lawsuits against the owners, and that you may have relied on that mis-information as to the status or the owners' intent when you presented your application for DR on the pending permits. My purpose is to set the record straight with you so you are not misinformed and not used for ulterior purposes in the Hooshmand-directed lawsuits.

The renovation has taken a very long time and the owners and former tenants look forward to its final completion in the next couple of months. We are presently under a court order to complete the project and restore tenants to the hotel by April 30, 2018. In the interest of avoiding unnecessary delay to the re-opening of the hotel, and the return of those tenants who have elected to return to it, we respectfully request that you reconsider your DR request and withdraw it before the March 1 Planning hearing.

Thank you for your consideration of these matters. I hope you will give me a call.

Sincerely,

**Rich Stratton** 

#### Richard J. Stratton

**Partner** 

Hanson Bridgett LLP (415) 995-5002 Direct (415) 995-3587 Fax rstratton@hansonbridgett.com



425 Market Street, 26th Floor San Francisco, CA 94105

#### San Francisco | Sacramento | North Bay | East Bay | Los Angeles



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# CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS

DEPARTMENT OF

No. 10380

Date Issued:

APRIL 26 19 91

# CERTIFICATE OF USE

authorizes the operation of

41 RESIDENTIAL UNITS
16 TOURIST UNITS

at

56 MASON

ST

THIS PERMIT IS VALID FROM DATE OF ISSUANCE UNTIL REVOKED AND IS NOT TRANSFERABLE.

SUPERINTENDENT, BUXEAU OF BUILDING INSPECTION

FORM 9 HID-HCO-REV. 1/91

FRAME AND POST IN PLAIN VIEW



### RECEIVERSHIP SPECIALISTS

STATE AND U.S. FEDERAL COURT RECEIVERS/TRUSTEES

#### **SPECIAL MASTERS REPORT**

Presented by: Kevin Singer, Special Masters

DAVID JARAMILLO, ET AL.

**Plaintiffs** 

VS.

#### BALWANTSINH THAKOR Individually and DBA THE BRISTOL HOTEL

**Defendants** 

Superior Court of California County of San Francisco Case No. CGC16-549984 JUDGE RONALD E. QUIDACHAY

Real Properties:
Bristol Hotel, 56 Mason Street, San Francisco, California 94107

Corporate Headquarters <u>Los Angeles</u> 11150 W. Olympic Blvd. Suite 810

Los Angeles, CA 90064 Tel: (310) 552-9064 Fax: (310) 552-9066

San Francisco
795 Folsom Street
1st Floor
San Francisco, CA 94107

Tel: (415) 848-2984 Fax: (415) 848-2301

San Diego 4370 La Jolla Village Drive Suite 400 San Diego, CA 92122 Tel: (858) 546-4815 Fax: (858) 646-3097

Sacramento 980 9th Street 16th Floor Sacramento, CA 95814 Tel: (916) 449-9655 Fax: (916) 446-7104

<u>Las Vegas</u> 7251 W. Lake Mead Blvd. Suite 300 Las Vegas, NV 89128 Tel: (702) 562-4230 Fax: (702) 562-4001

Reno 200 S. Virginia Street Suite 800 Reno, NV 89501 Tel: (775) 398-3103 Fax: (775) 686-2401

Phoenix 40 N. Central Avenue Suite 1400 Phoenix, AZ 85004 Tel: (602) 343-1889 Fax: (602) 343-1801

<u>Denver</u> 1600 Broadway Suite 1600 Denver, CO 80202 Tel: (303) 386-7193 Fax: (303) 386-7101

Page 2

SPECIAL MASTER'S REPORT

#### Dear Vested Parties:

- 1. As appointed Special Master, I requested a tour of the Bristol Hotel located at 56 Mason Street, San Francisco, CA 94107 on January 23, 2018 at 10:30am to assess the progress of the construction, particularly given a fire occurred in the building on December 23, 2017. On the day of the tour, there were approximately 24 workers onsite. Those who attended the meeting included:
  - Orville Power, Receivership Specialist Consultant
  - Alexander Berline, Defendant Counsel, Hanson Bridgett
  - Balwantsinh Thakor, Defendant
  - Karin Thakor, Defendant's Son
  - Marcelo Estrada, Speedy Construction (General Contractor)
  - Tyson Redenbarger, Plaintiff Counsel, Hooshmand Law Group
  - Mark Hooshmand, Plaintiff Counsel, Hooshmand Law Group
  - Kevin Kearny, Plaintiff Construction Consultant
- 2. The fire originated in the kitchen of the restaurant on the first floor. The San Francisco Fire Department attacked the fire from both the roof and first floor. The result was fire damage on all four floors where the flue travels vertically through the building. Fortunately the fire was contained to a relatively small area, and only affected rooms abutting the flue, part of the roof and the flue corridor. The overall water damage was mitigated by the General Contractor who quickly deployed dehumidifiers and the ensuing mold test results were negative. A total of four working days were lost according to the Plaintiff and the General Contractor. However, the fire caused damage and additional work that will be required to obtain the certificate of occupancy as a result.
- 3. While the insurance company inspected the property for the pending claim, the Defendant had the General Contractor focus their efforts on the other half of the project that was not affected by the fire in an attempt to maintain the schedule.
  - As of January 23, 2018, the insurance company has given the Defendant the approval to begin to demolish the areas affected by the fire. The insurance company has completed their inspection. The Defendant has hired a Public Adjuster (Jan Miller) to negotiate the claim on their behalf.
- 4. The Defendant has resubmitted plans to the City of San Francisco to repair the damaged fire areas of the building. They paid an additional fee for expedited plan check processing. The approval of the plans requires input from mechanical, structural, fire and health and safety departments. It is

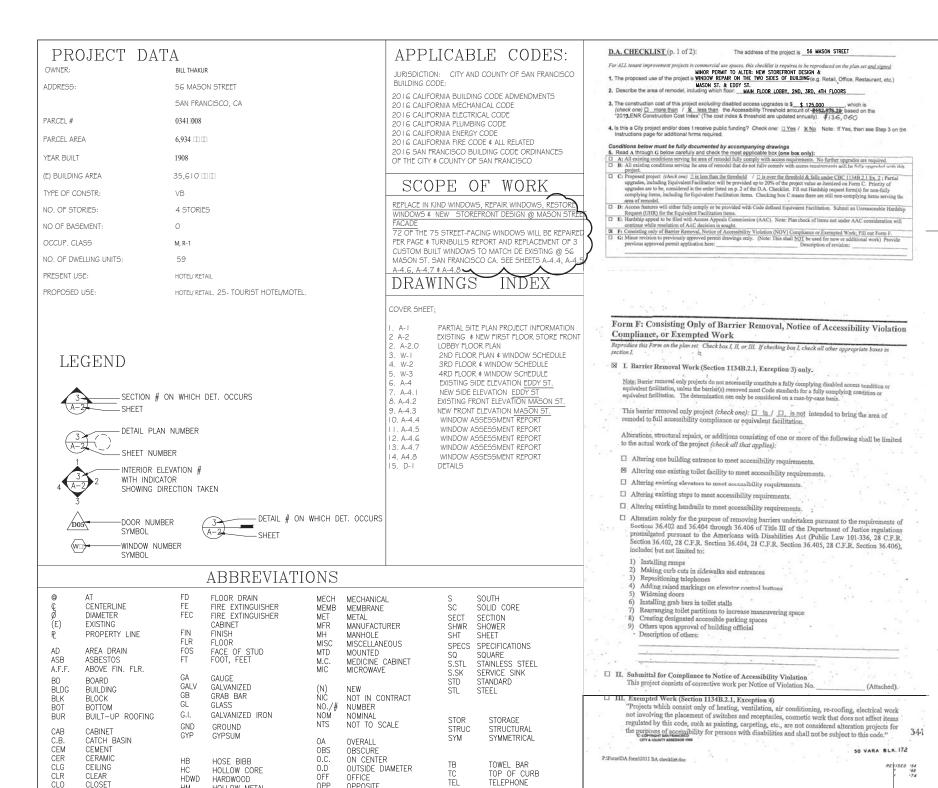
unclear when these plans will be approved and this additional work can commence. Once these plans are approved they can begin rebuilding the damaged areas.

- 5. Substantial work has been completed since our last site visit on November 7, 2017. The current status of the work completed since our last visit includes:
  - a. The exterior of the building has been painted and the scaffolding has been removed.
  - b. The entire project is dry walled, painted and wood trim work is in process.
  - c. The HVAC systems are in place.
  - d. The elevator shaft has been cleaned and painted and the rails are in place and ready for installation. The elevator box on the roof is nearly complete. The elevator contractor expects the elevator will be operational in March, 2018 and shortly thereafter will require a state inspection.
  - e. The flooring on the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floors was substantially complete.
  - f. The bathrooms in most units have the showers installed, the vanities are installed and the tile installation has begun on the floor.
  - g. The lobby is still functioning as a project storage area, but the framing has begun. This was planned to be the last area to be completed on the schedule.

In summary, it is my opinion that the Defendant's team is working diligently to complete the project in a timely manner and may still meet the court ordered completion date of April 30, 2018. The General Contractor has done a good job of restructuring the construction schedules to keep the project moving in the right direction while dealing with the fire damage. There appears to be adequate resources and substantial construction progress completed over the last two and one half months. I believe the removal of the existing team would only cause further delay in the goal of achieving a certificate of occupancy and returning the existing tenants to the building. In the event they do not meet the court ordered timeline, I believe they will accomplish the goal shortly thereafter.

Respectfully submitted,

Kevin Singer Special Master

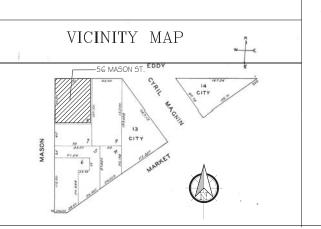


#### TOWEL BAR TOP OF CURB TELEPHONE CLR CLO COL CONSTR TEL TER T/G T/C TYP. CLOSET COLUMN OPP OPPOSITE HOLLOW METAL TERRAZZO TONGUE & GROOVE HORIZ HORIZONTAL CONSTRUCTION TRASH COMPACTOR CONTINUOUS CONT PL PLAS PLATE HEIGHT CTR CENTER TYPICAL PLASTER HTR HEATER PLYWD PLYWOOD DOUBLE DRINKING FOUNTAIN DBL D.F. PAIR UNFINISHED UON UNLESS OTHERWISE NOTED INSIDE DIAMETER DIM DIA DIMENSION DIAMETER Q.T. QUARRY TILE INT INTERIOR DISPENSER VERT VERTICAL JOINT DOOR RISER DWR RAD RD REF REFR RADIUS WEST DOWNSPOUT KIT KITCHEN ROOF DRAIN DWG W/ WD DRAWING REFERENCE WOOD REFRIGERATOR WITHOUT WATERPROOF LAMINATI REINF REQ'D RESIL RM RO REINFORCED ĒΑ FACH LAVATORY REQUIRED WSCT WAINSCOT ELEVATION LT LIGHT RESILIENT ELEC ELECTRICAL WEIGHT ROOM WATER HEATER EQUAL ROUGH OPENING WDW EQUIP FOLIPMENT WINDOW EXISTING

FXP

EXPANSION EXTERIOR

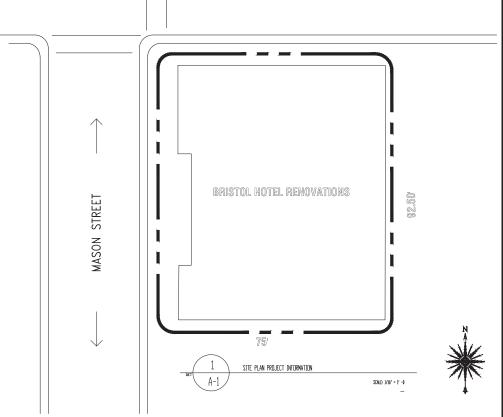
RAIN WATER LEADER



### BRISTOL HOTEL

**56 MASON STREET** SAN FRANCISCO, CALIFORNIA

EDDY STREET



#### II. EXECUTIVE SUMMARY OF WINDOWS REPORT PER PAGE \$ TURBULL

Page \$ Tumbull was engaged to conduct a window survey of the existing windows of the second through fourth floors of the primary facades of 56 Mason Street. The window survey of 56 Mason found that the vast majority of the 75 windows are original, and in generally good to fair condition. In a number of these cases the original glazing has been replaced with plexiglass; the plexiglass appears o vary in age and quality, suggesting that replacement with plexi may have been standard practice for some time when a glass pane

Four (4) windows are in poor condition and likely require replacement of at least one sash

One (1) window was missing entirely
One (1) window was identified as a replacement that does not properly fit the frame, and is unpainted

One (I) window appears to have an early, though not original, casement replacement for the lower sash 38 of the 75 windows are inoperable, though most of those retain original hardware and are in otherwise good to fair condition

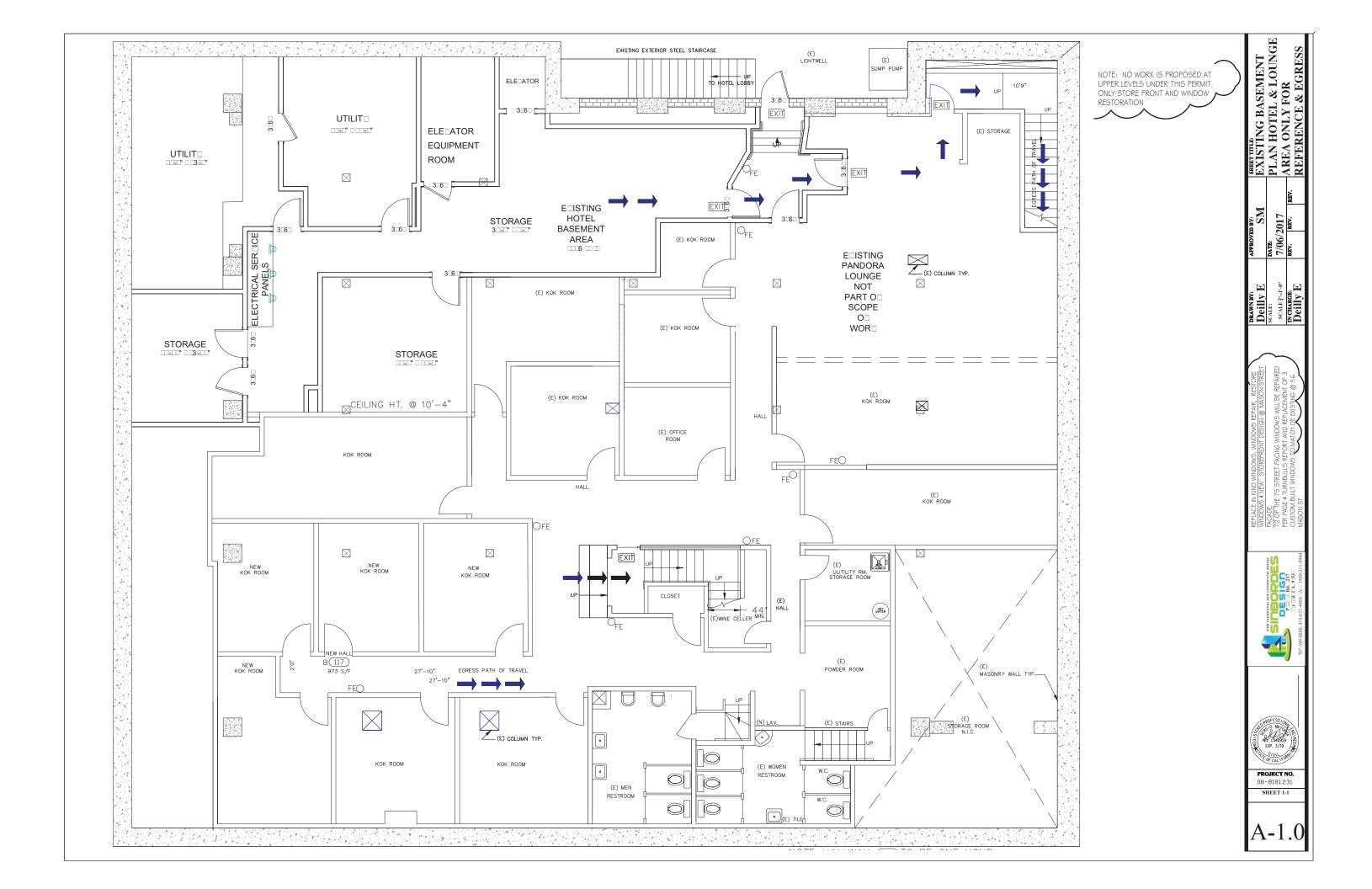
PARTIAL SITE P PROJECT INFORMATION

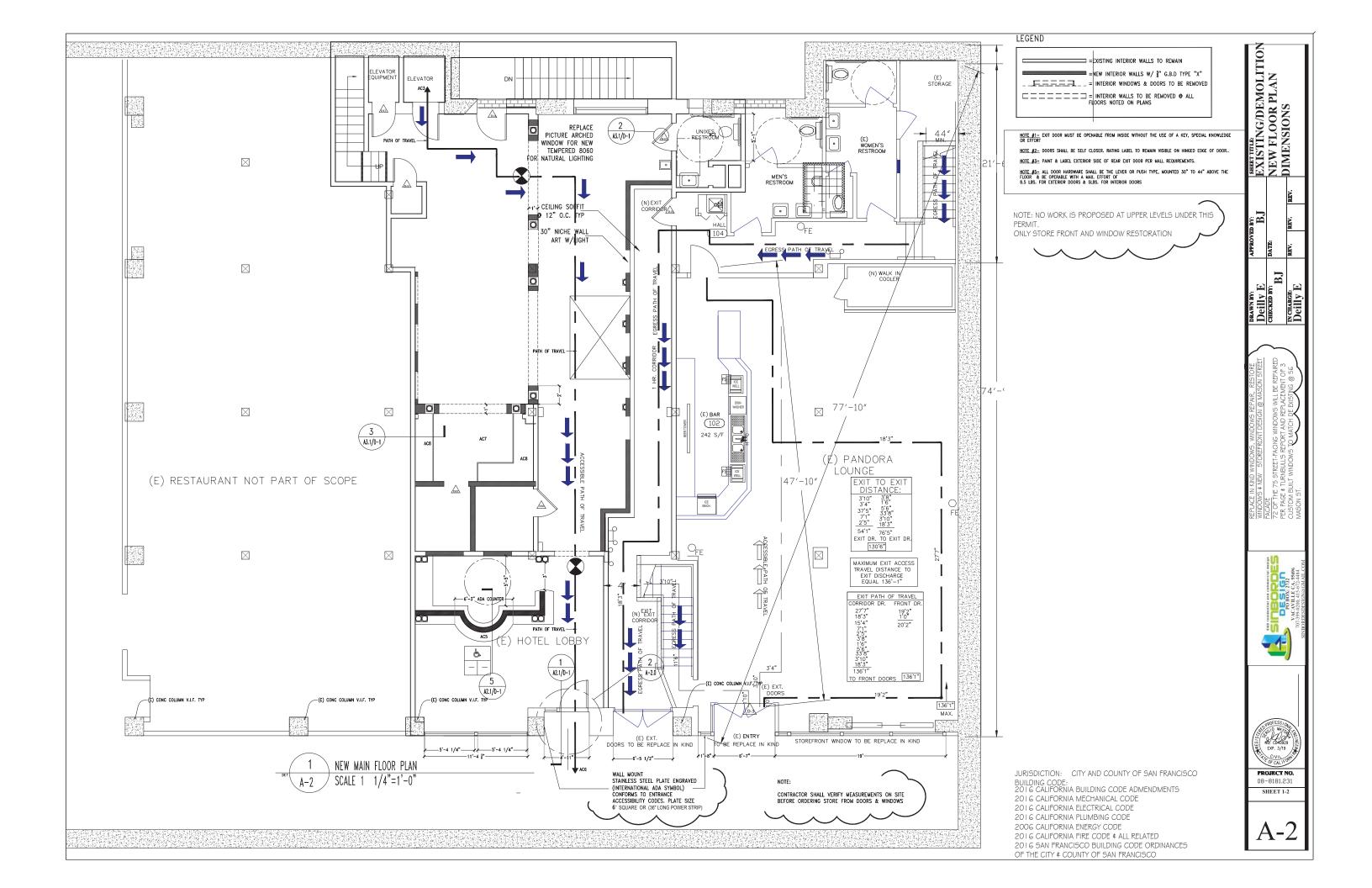
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SITE ]



PROJECT NO. 08-8181.231 SHEET 1-1















EXISTING FRONT ELEVATION

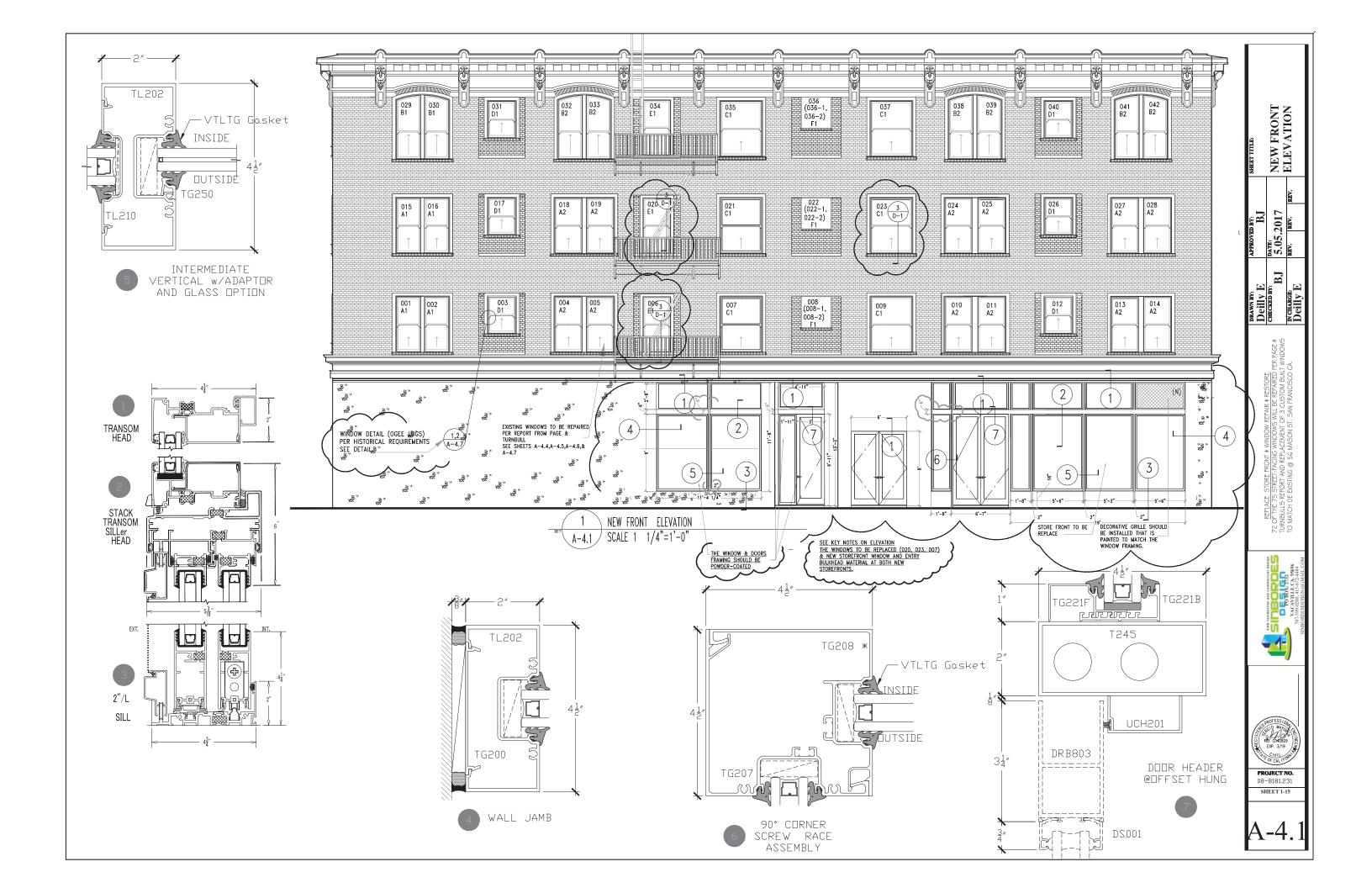
ED BY: BJ

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CHECKED BY:
BJ



PROJECT NO. 08-8181.231 SHEET 1-15

A-4





JURISDICTION: CITY AND COUNTY OF SAN FRANCISCO BUILDING CODE:

2016 CALIFORNIA BUILDING CODE ADMENDMENTS

2016 CALIFORNIA MECHANICAL CODE

2016 CALIFORNIA ELECTRICAL CODE 2016 CALIFORNIA PLUMBING CODE

2016 CALIFORNIA ENERGY CODE

2016 CALIFORNIA FIRE CODE \$ ALL RELATED

2010 SAN FRANCISCO BUILDING CODE ORDINANCES

OF THE CITY & COUNTY OF SAN FRANCISCO

EXISTING SIDE ELEVATION BJ BJ PROJECT NO. 08-8181.231 SHEET 1-15



NEW SIDE ELEVATION
A-4.3 SCALE 1 1/4"=1'-0"

JURISDICTION: CITY AND COUNTY OF SAN FRANCISCO BUILDING CODE:

2016 CALIFORNIA BUILDING CODE ADMENDMENTS

2016 CALIFORNIA MECHANICAL CODE

2016 CALIFORNIA ELECTRICAL CODE

2016 CALIFORNIA ELECTRICAL CODE 2016 CALIFORNIA PLUMBING CODE

2016 CALIFORNIA ENERGY CODE

2016 CALIFORNIA FIRE CODE # ALL RELATED

2016 SAN FRANCISCO BUILDING CODE ORDINANCES OF THE CITY & COUNTY OF SAN FRANCISCO REPLACE IN KIND STORE FRONT ¢ WINDOW REPAIR ¢ RESTORE

72 OF THE STOREFACKING WINDOWS WILL BE REPAIRED FRE PLACE †

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10 NATCH DE EXISTING @ 56 MASON 51. SAN FRANCISCO CA.

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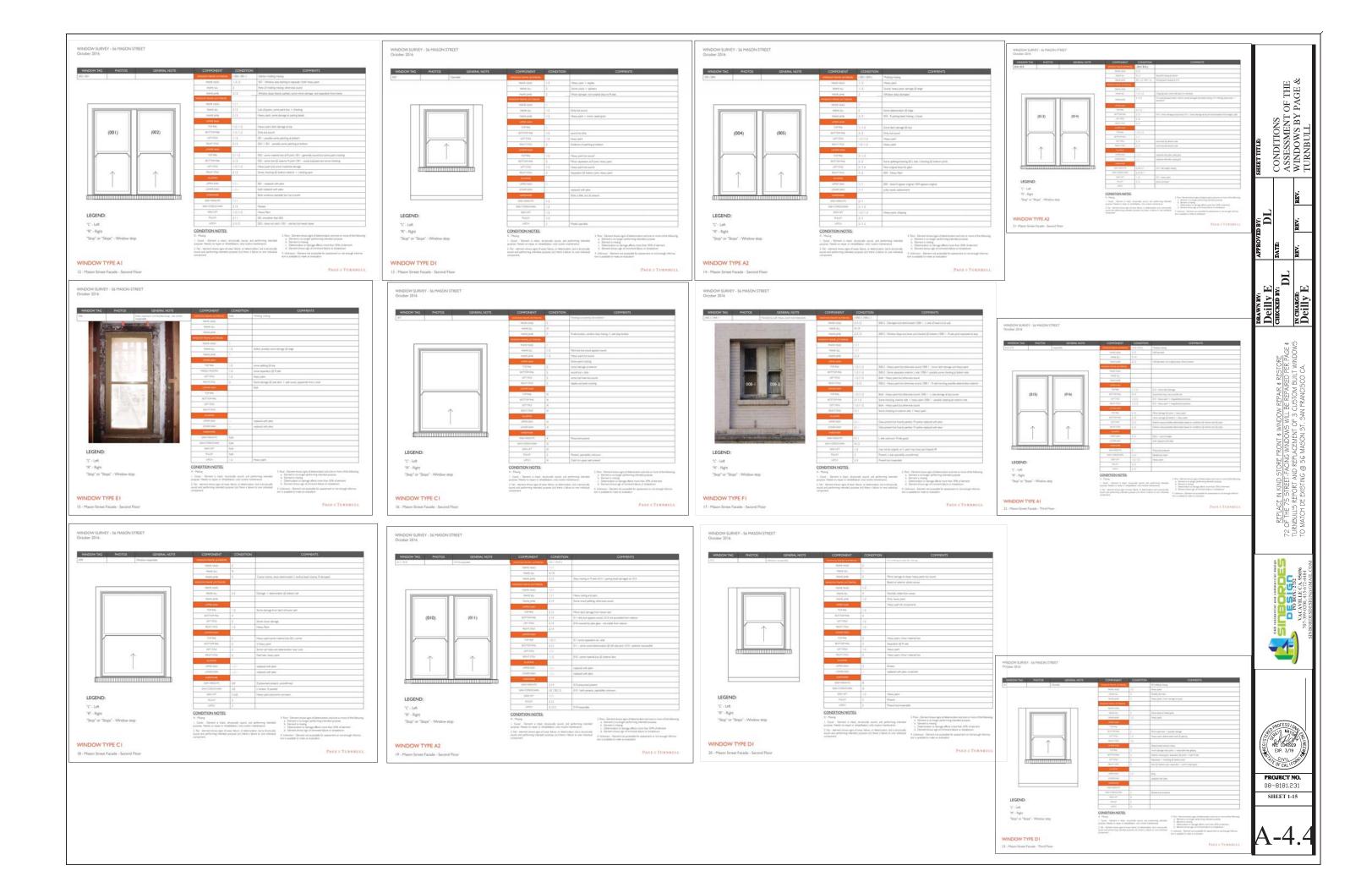
PROJECT NO.

08-8181.231

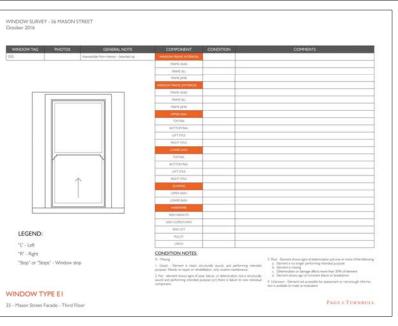
SHEET 1-15

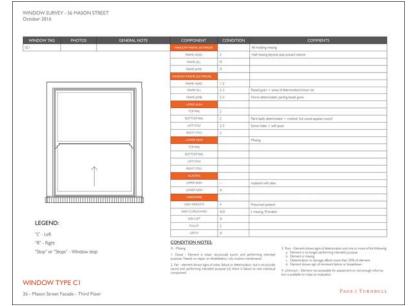
SIDE ELEVATION

NEW

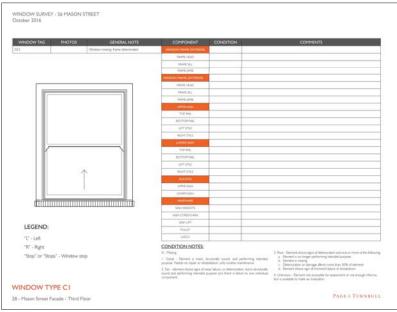


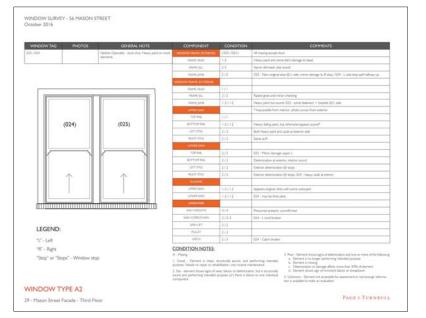


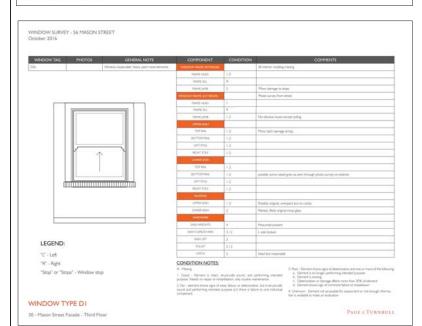


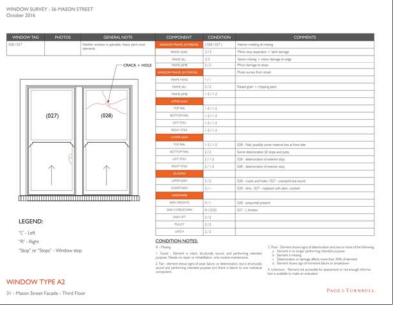


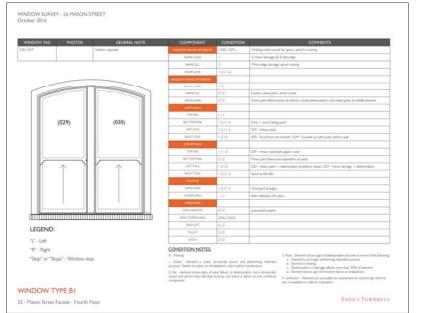




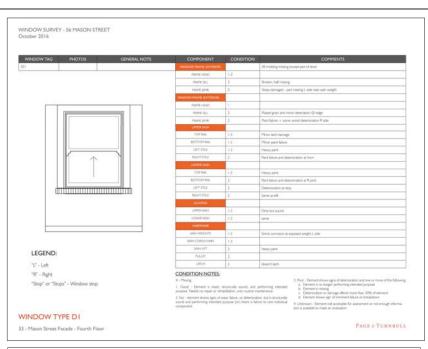




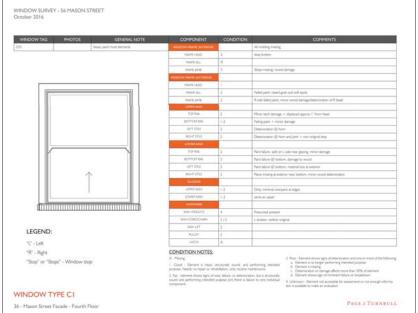




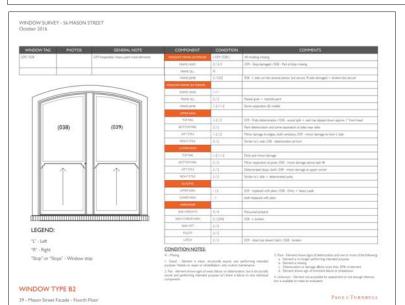


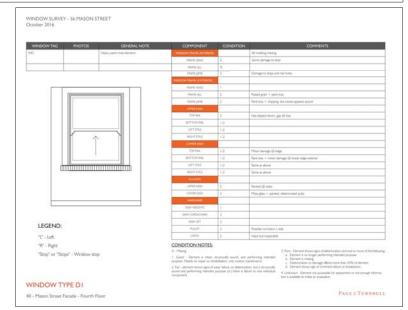


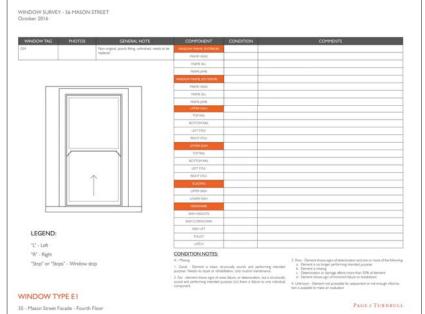


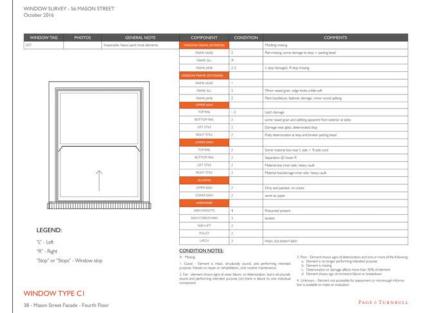


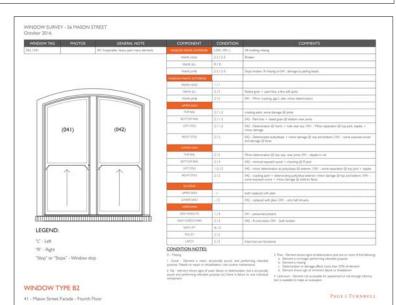












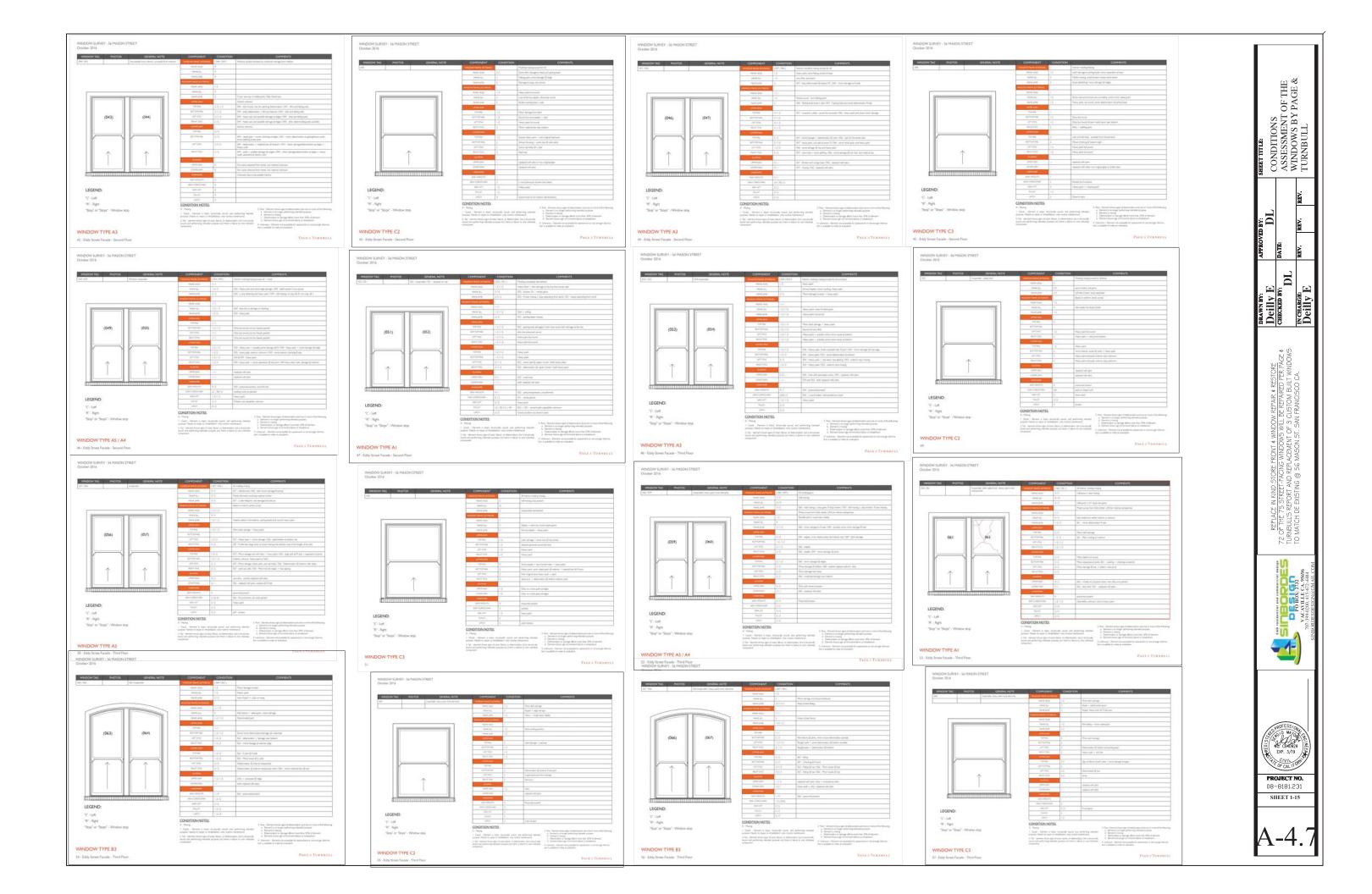


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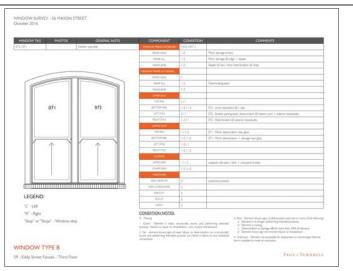


08-8181.231 SHEET 1-15

A-4.6









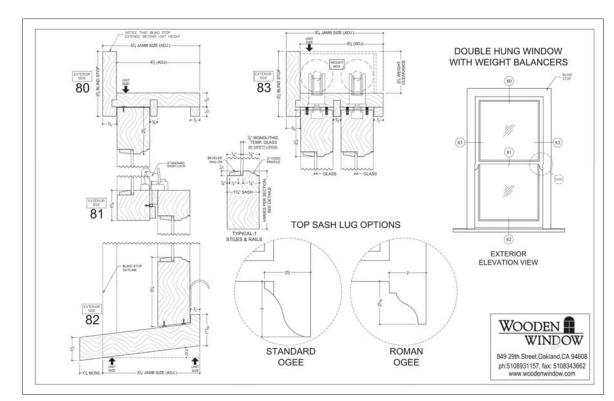
#### VI. CONCLUSION

The windows on the primary facades of \$6 histon, facing Mason and Edity Streets were found to be in generally good to fair condition. Of the 75,7 retained both original salese, note (1) trained the original upper sals), and not (1) had been entirely replaced with a non-original casement window. In total there are 68 windows that appear to be sound enough to be repaired and rehabilitated, and only seven require either total or parial replacement.

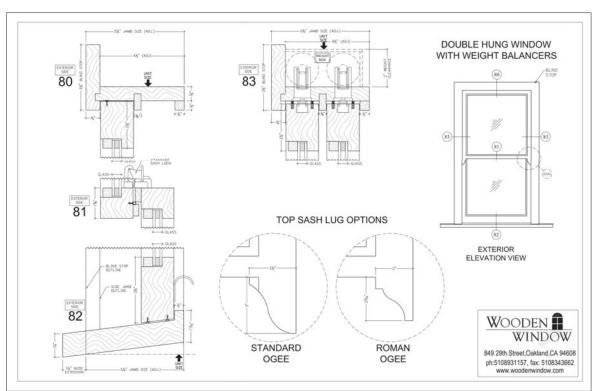
The sterior molding is missing for many of the windows, but representative examples are present which could be used for replicate the original molding. In some case, the demolstion of the interior molding damaged the heat, jams, or sold of the window. The most common issues found with the windows include heavy paint, broken or missing sash cords, deteriorated latches, falling paint (exterior), and misor damage to the edges of various elements. In many cases the glazing in at least one of the sashes has been re-placed with prelogists, often set with calls. Of the TS various, \$17 approximately half) are operate, and those that are expensible are bypically either fastened shut with one or two nails, or stuck shut by paint or caulit. The the majority of the inoperable windows retain the necessary hardower to be restored.

The lower such on the left half of window 022 was replaced at some point with a casement window, which appears to be early though not original, the casement is taller than the original lower such, leading to an awiveard fit with the extant historic upper such Window 034 is a non-original casement window, and is unfainted and a poor fit for the historic window opening. Windows 020 and 023 are mixing completely and need to be replaced. Of the extrat original windows, three (007, 021, and 047) have elements that are badly deteriorated and variant replacement of all least one subwhell the assimity. The top rail of the lowers such of window 057 has badly deteriorated at the joints with the left and right stiles, and requires more significant rehabilitation than the average condition survived.

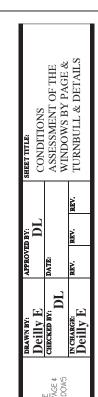












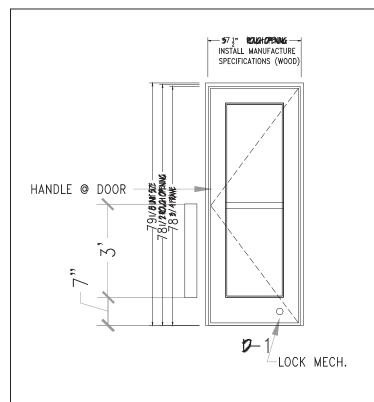
REPLACE IN KIND STORE FRONT & WINDOW RI 72 OF THE 75 STREET: FACING WINDOWS WILL BE TURNBULLS REPORT AND REPLACEMENT OF 3 CUE TO MATCH DE EXISTING @ 56 MASON ST. SAN FR

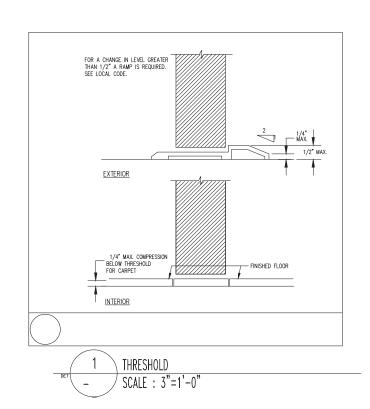


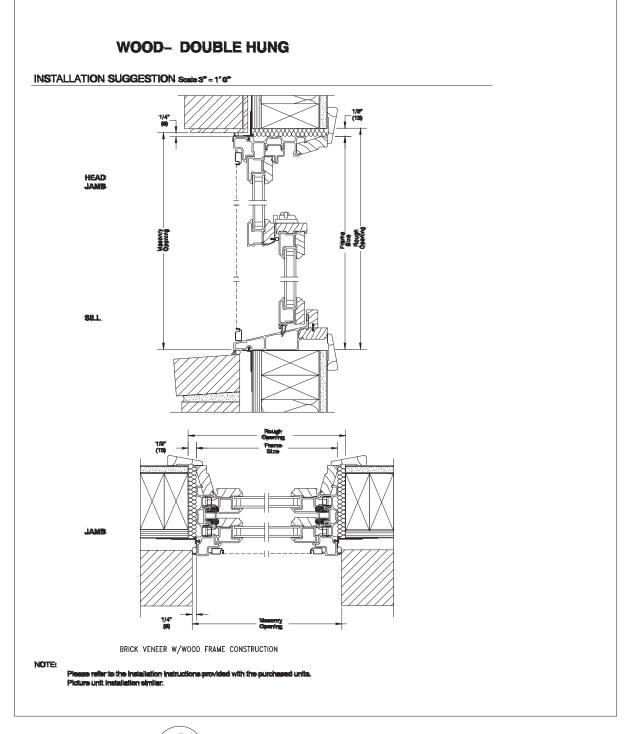


98-8181.231 SHEET 1-15

A-4.7

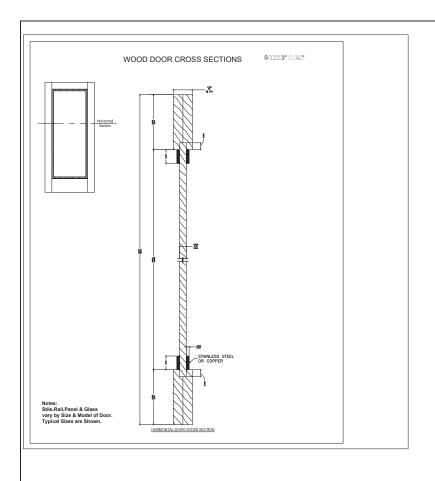


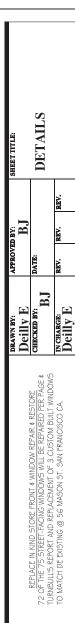
















PROJECT NO. 08-8181.231 SHEET 1-15

D.2

From: <u>Joe Wilson</u>

To: <u>Kirby, Alexandra (CPC)</u>

**Subject:** Hearing Request: Permit 2013 02 01 9330 - 2013.0254 per section 1006.2(b)

**Date:** Monday, August 28, 2017 4:11:25 PM

### Dear Ms. Kirby:

On behalf of Hospitality House, I request an HPC hearing on Permit to Alter the residential hotel at 56 Mason Street the Bristol Hotel.

Our organization received notice of issuance of permit 2013 02 01 9330 - 2013.0254 per section 1006.2(b)

This is a residential hotel. The series of permits for changes to this building, including subject permit, create great uncertainty in the community about whether the use is to continue as affordable housing. According to the Point-In-Time Count results issued in July of this year, District 6 (comprising the Tenderloin, South of Market, and Mid-Market neighborhoods) has nearly as many homeless people as the other TEN DISTRICTS combined. There is a critical need to protect existing housing, as well as increase the supply of housing affordable to low-and moderate income residents, in neighborhoods like the Tenderloin.

As you know, the Tenderloin has the City's highest percentage of renter households, nearly 96%. Residential hotels are often the only housing option affordable to residents on limited incomes. fixed incomes, or in low-paying service industry jobs.

Residential hotel rooms illegally converted to tourist hotels and/or to high profit margin short-term rentals all around the Tenderloin is a major policy concern, and significantly undermines the City's investment in housing solutions to the burgeoning crisis in homelessness. Although Hospitality House has been an anchor institution in this community for 50 years - I am unaware of any effort to contact our organization, or any of our sister organizations in the community about this proposed permit to alter.

As you know, The General Plan and Prop M emphasize AFFORDABLE housing. The findings in the Permit to Alter seem to automatically claim this is desirable affordable housing. We respectfully question the merit of that argument.

We note with additional concern, that the Bristol Hotel has been emptied of

tenants, which occurred some time ago. This situation exists, we point out, in the same community with the highest numbers of homeless people in San Francisco. We are very interested to hear the arguments supporting this permit, and, of course, the tangible benefit to the low-and moderate income residents of the Tenderloin - as well as homeless residents.

Please clarify from the staff perspective, what is the intention - and the community benefit - of this series of permits?

We look forward to the open public discussion.

Respectfully submitted,

Joe Wilson

--

Joseph T. Wilson Executive Director



For ticket information: <u>www.hospitalityhouse50th.org</u>

290 Turk Street San Francisco, CA 94102

ph.: 415.749.2111 fax: 415.749.2136

www.hospitalityhouse.org

Facebook: https://www.facebook.com/HospitalityHouseSF

**Twitter:** https://twitter.com/HospitalityHous **Flickr:** https://www.flickr.com/cchh\_cap

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### February 16, 2018

### Dear Planning Commissioners-

On behalf of the Market St for the Masses Coalition (MSMC), we are writing to express concerns over the project at 56 Mason St (2013.0254DRP). Our concerns stem from a systematic issue: the gradual erosion of the affordable SRO Housing stock.

Market Street for the Masses Coalition is a collective voice of community organizations and neighborhood residents in the Mid-Market, Tenderloin, and South of Market Area neighborhoods which formed in 2012. Our member organizations serve a variety of constituencies across a broad range of economic, educational, arts, and social issues. MSMC works to build partnerships across levels and groups, to inform and educate our members and constituencies, and to call for policies and programs that ensure development without displacement.

Until recently, privately run Single Room Occupancy Hotels (SROs) felt relatively "safe" from the otherwise ubiquitous pressures of displacement. SRO units are a crucial piece of San Francisco's naturally occurring affordable housing stock, providing a home for those who cannot afford to live elsewhere. Privately owned SROs account for over 2,300 homes in the Tenderloin neighborhood alone.

We believe that 56 Mason represents what is becoming a pattern citywide: the owners allow the quality of an SRO building to degrade to the point where low-income, rent controlled tenants are forced to move out; the owners leave the rooms vacant for an extended period of time (in this case, over five years); and finally the building is renovated to be rented to an inevitably more wealthy tenant base. We have seen this happen across the city, in SROs in the Mission, Chinatown, SOMA, and Tenderloin, and we find it troubling.

We believe there are many possible policy fixes that could help ensure that SRO hotels remain home for lower-income San Franciscans, including a vacancy tax and better notifications for substantial renovations. We are hoping the City will collaborate with us on seeking a solution that keeps SROs affordable and available for low-income San Franciscans.

Although the issue before the Planning Commission is one of windows, we have no other venues in which to voice our concerns about the displacement of our affordable SRO Hotel rooms. We look forward to continuing to the dialogue around preserving affordable housing in San Francisco.

Thank you for your consideration,

Alexandra Goldman, TNDC and Sam Dennison, Faithful Fools (Market St for the Masses Co-Chairs)

A Woman's Place
ABD Productions
AIDS Housing Alliance/SF
The ARC San Francisco
Asian Neighborhood Design
Asian & Pacific Islander Wellness Center
Catholic Charities CYO
Coalition on Homelessness
Community Housing Partnership
Compass Family Services
Compton's Transgender Cultural District
CounterPULSE

Curry Senior Center
De Marillac Academy
DISH (Delivering Innovation in Supportive Housing)
Episcopal Community Services
Eviction Defense Collaborative
Faithful Fools Street Ministry
GLIDE
The Gubbio Project
Hamilton Family Center
Hospitality House
Larkin Street Youth Services
Lutheran Social Services

North of Market/Tenderloin CBD SF Contemporary Music Players Shih Yu-Lang Central YMCA Senior & Disability Action SOMCAN (SOMA Community Action Network) St. Anthony Foundation St. Francis Living Room Tenderloin People's Congress TGI Justice TNDC Veterans Equity Center - BISHOP Youth With A Mission

DENNIS J. HERRERA, State Bar #139669 City Attorney YVONNE R. MERÉ, State Bar #173594 JERRY THREET, State Bar #205983 Deputy City Attorneys 1390 Market Street, 6th Floor San Francisco, California 94102-5408 Telephone: (415) 554-3914 Facsimile: (415) 437-4644

FILED
Superior Court of California
County of San Francisco

DEC - 9 2014

CLERK OF THE COURT

Deputy Car

### SUPERIOR COURT OF THE STATE OF CALIFORNIA

### COUNTY OF SAN FRANCISCO

### UNLIMITED JURISDICTION

CITY AND COUNTY OF SAN FRANCISCO, a Municipal Corporation, and the PEOPLE OF THE STATE OF CALIFORNIA, by and through Dennis J. Herrera, City Attorney for the City and County of San Francisco,

jerry.threet@sfgov.org

Plaintiffs,

vs.

BALVANTSINH "BILL" THAKOR, an individual; KIRANSINH THAKOR, an individual; BAHAVASINH THAKOR, an individual; LATABEN B. THAKOR, an individual; 56 MASON, LLC; ALDRICH HOTEL PARTNERSHIP; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; JALARAMBAPA HOTEL, LP: SHREE BALAJI PARTNERSHIP SHREE JALABAPA HOTEL, LP; SHREE JALARAM HOTEL, LP; SHREE JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS, LLC; TKB INVESTMENTS, LP; URAVI, LLC: WINTON HOTEL, LLC; and DOE ONE through DOE FIFTY, inclusive,

Defendants.

Case No. CGC-14-539230

STIPULATED INJUNCTION AND ORDER THEREON

Date Action Filed:

May 12, 2014

Trial Date:

Not Yet Set

Exhibits A-C

## CONFORMED COPY of document recorded

07/30/2015, 2015K099456
on\_\_\_\_with accument no\_\_\_
This document has not been compared with the original SAN FRANCISCO ASSESSOR-RECORDER

This Stipulated Injunction ("Injunction" or "Order") is the result of a negotiated compromise between the City and the Defendants (together, the "Parties") and was presented before the above-captioned Court, the Honorable \_\_\_\_MARY E. WISS\_, presiding.

Plaintiffs CITY AND COUNTY OF SAN FRANCISCO ("City"), a municipal corporation,

STIP. INJ., CCSF, et al. v. THAKOR, et al., Case CGC-14-539230

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and the PEOPLE OF THE STATE OF CALIFORNIA, by and through San Francisco City Attorney DENNIS J. HERRERA ("Plaintiffs" or the "City") were represented by their attorney, DENNIS J. HERRERA, City Attorney, appearing through JERRY THREET, Deputy City Attorney. Defendants BALVANTSINH "BILL" THAKOR; KIRANSINH THAKOR; BAHAVASINH THAKOR; LATABEN B. THAKOR; 56 MASON, LLC; ALDRICH HOTEL PARTNERSHIP; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; JALARAMBAPA HOTEL, LP; SHREE BALAJI PARTNERSHIP; SHREE JALABAPA HOTEL, LP; SHREE JALARAM HOTEL, LP; SHREE JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS, LLC; TKB INVESTMENTS, LP; and WINTON HOTEL, LLC ("DEFENDANTS") were represented by their attorney, RICHARD STRATTON, of Hanson Bridgett, LP.

The Parties agree that Plaintiffs shall be entitled to present this Injunction to the San Francisco Superior Court through an *ex parte* appearance and shall not be required to present any evidence demonstrating the alleged violations of law that justify the issuance of the Injunction. DEFENDANTS agree they shall not contest the *ex parte* appearance or the San Francisco Superior Court judge's signature, nor object to entry of the Injunction, and further agree that the Injunction may be entered upon presentation to the Court.

This Injunction does not represent a final settlement of all matters at issue in this action, but only as to the injunctive relief prayed for in Plaintiffs' First Amended Complaint ("FAC"). All further relief sought in the FAC remains at issue until finally resolved by the Court or through a settlement by the Parties. Further, this Injunction represents only interlocutory relief and thus may be amended in further proceedings of this Court or through a future agreement of the Parties.

DEFENDANTS having stipulated to the provisions set forth herein, the Court having reviewed the provisions, the Parties having agreed to the issuance of this Order, and good cause appearing therefor.

### IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

A. JURISDICTION. This Court has jurisdiction over the subject matter and each of the parties in this action. The Court issues this Order pursuant to its authority under California Business

and Professions Code Section 17203, Health and Safety Code Section 17981, Civil Code Sections 3491, 3494, 3496, and Code of Civil Procedure Section 731. The Court expressly retains jurisdiction to modify this Order as the ends of justice may require. The Court may hear and decide issues regarding the scope and effect of the injunctive provisions, herein. Any party to this Order may apply to the Court at any time, after making a reasonable effort to meet and confer with the other parties, for further orders and directions as may be necessary or appropriate for the construction, application or carrying out of the injunctive provisions, herein. The Court can modify any of the injunctive provisions hereof and take such further action as may be necessary or appropriate to carry into effect the injunctive provisions hereof, and for the punishment of violations of same, if any. Plaintiffs have the authority under California law and the San Francisco Municipal Codes to maintain this action for the protection of the People of the State of California and the citizens of the City and County of San Francisco concerning the conduct alleged in the Complaint.

- B. VIOLATIONS. DEFENDANTS acknowledge that the properties more particularly described in Exhibit A (the "PROPERTIES"), attached hereto and incorporated herein, were alleged by Plaintiffs' Complaint in this Action to be a public nuisance due to continuing violations of the State Housing Law (Health and Safety Code Sections 17910-17998.3), the Unfair Competition Law (Business and Professions Code Sections 17200-17210), and the San Francisco Building, Fire, Housing and Health Codes, as described in the moving papers and exhibits thereto. Plaintiffs further alleged that the PROPERTIES were or are maintained in a substandard condition, which substantially endangers the residents of the PROPERTIES, the neighboring residents and merchants, and the general public. While DEFENDANTS dispute these allegations, they enter into this Injunction in the spirit of compromise in order to address and correct the matters at issue in this action.
- C. APPLICATION. The provisions of this Order are applicable to the DEFENDANTS, their agents, servants, employees, representatives, assigns, tenants, lessees, or successors and the agents, employees, representatives, assigns, tenants, lessees, and successors, and to all persons who are acting in concert or participation with them or any of them, in connection with ownership, management and/or operation of the PROPERTIES, as well as to the PROPERTIES themselves, if

owned by DEFENDANTS.

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DEFENDANTS own and/or manage multiple Single Room Occupancy Residential Hotels ("SRO HOTELS") within the City and County of San Francisco. The Parties agree that the provisions of this Injunction are applicable to DEFENDANTS as well as their agents, servants, employees, representatives, successors, and assigns, lessees, and all persons acting in concert or participating with any of them, in connection with any SRO HOTELS owned or managed by DEFENDANTS, and located within the City and County of San Francisco. A list of current known SRO HOTELS owned and/or operated by DEFENDANTS is attached hereto as Exhibit A, but this list shall be considered neither static nor exclusive.

business or property interest they subsequently obtain, either directly of through the acquisition of an interest in any business entity, that has a role in owning or operating any SRO Hotel in San Francisco, California that is not listed in this INJUNCTION or of any interest they subsequently obtain in any real property in San Francisco, California that has located on it an SRO Hotel that is not listed in this INJUNCTION. DEFENDANTS agree that any such business entity or real property may likewise be covered by the terms of this INJUNCTION upon DEFENDANTS acquisition of such interest, and that Plaintiffs may file with this Court a Motion to Amend Injunction or stipulated amendment that includes any additional business entity or Property so identified. Prior to filing such a motion, Plaintiffs will meet and confer with Defendants in an effort to reach agreement on a stipulated amendment to this Injunction that may include any such additional Property.

D. NOTICE TO SUBSEQUENT INTEREST HOLDERS. Should DEFENDANTS, or their agents, servants, employees, representatives, assigns, tenants, lessees, or successors and the agents, employees, representatives, assigns, tenants, lessees, and successors of each of them sell, transfer, assign, lease or sublease any of the PROPERTIES prior to abating the violations of the San Francisco Building, Fire, Housing and Health Codes alleged in the Complaint on file herein, then DEFENDANTS, or their agents, employees, representatives, assigns, tenants, lessees, or successors, and the agents, employees, representatives, assigns, tenants, lessees, or successors of each of them shall:

- 1. Notify the City Attorney's Office of the proposed sale, transfer, or assignment;
- 2. Identify any personal relationship or previous business relationship between the potential new owner, transferee, or assignee and DEFENDANTS;
- 3. Prior to opening escrow on or otherwise initiating the sale, transfer, or assignment, give notice of and provide a copy of this Order to the potential new owner, transferee, or assignee; and
- 4. Require the new owner, transferee, or assignee, as a condition of the sale, transfer, or assignment, to sign this Order, agree to be bound by its terms without limitation, by completing and endorsing the Addendum attached to this Order (see Exhibit B).

### E. PROHIBITIONS.

IT IS FURTHER ORDERED that DEFENDANTS are enjoined and restrained from:

- 1. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate California Health and Safety Code Sections 17910-17998.3;
- 2. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate California Business and Professions Code Sections 17200-17210;
- maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to constitute a public nuisance as defined by California Civil Code Sections 3479 and
   3480:
- 4. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate California Civil Code Sections 1941, et seq;
- 5. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate California Civil Code Section 1940.1;
- 6. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the Contractors' State License Law, California Business and Professions Code Section 7000, et seq.;
- 7. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the False Claims Act, California Government Code Sections 12650 *et seq*.
- 8. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the San Francisco Building Code;

- 9. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the San Francisco Fire Code;
- 10. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the San Francisco Housing Code;
- 11. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the San Francisco Health Code;
- 12. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the San Francisco Administrative Code, Chapter 41;
- 13. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate the San Francisco Administrative Code Section 37.2(r)(1); and
- 14. maintaining or operating the PROPERTIES or any SRO HOTELS in such a manner and condition as to violate any other San Francisco or California health and safety code provisions.

### **SPECIFIC VIOLATIONS**

### F. PUBLIC NUISANCE BASED ON SUBSTANDARD CONDITIONS.

DEFENDANTS acknowledge that one or more PROPERTIES have current and open citations, notices of violation, and orders of abatement (hereinafter, "Outstanding DBI Enforcement Action/s") issued by the Department of Building Inspection ("DBI"). In order to effectively abate any alleged public nuisance related to substandard conditions, IT IS FURTHERED ORDERED THAT DEFENDANTS, their servants, agents, employees, lessees, successors and assigns, and the servants, agents, employees, lessees, successors and assigns of each of them, and all other persons asserting control and management over the PROPERTIES:

- 1. For all Outstanding DBI Enforcement Actions with open deadlines that have not yet expired, DEFENDANTS must abate all violations (including obtaining permits, obtaining inspections, paying all assessments to DBI and obtaining all necessary sign-offs from DBI) within the time period determined by DBI in the Outstanding DBI Enforcement Action, or other deadlines or extensions approved by DBI; and
- For Outstanding DBI Enforcement Actions in which deadlines are now past due, DEFENDANTS must abate the outstanding violations (including obtaining all proper permits,

obtaining final inspections, paying all assessments to DBI and completing all work to the satisfaction of DBI) within 90 days of entry of this Injunction by the Court.

- 3. If DEFENDANTS fail to commence the work, or fail to cause the work to be completed and signed-off by DBI within the times prescribed herein, Plaintiffs may, by order of the DBI Director issued for just cause, cause the any PROPERTIES owned by DEFENDANTS, or any portion thereof, to be vacated and barricaded, boarded up or otherwise secured against use or occupancy pending the repair and correction of all conditions ordered to be corrected. The DBI Director may also cause any PROPERTIES owned by DEFENDANTS, or any portion thereof, to be repaired or altered so as to render the same safe and in compliance with applicable laws and ordinances by such means as the DBI Director shall deem advisable, in addition to any other remedy provided by law.
- 4. In the event that Plaintiffs cause any PROPERTIES owned by DEFENDANTS, or any portion thereof, to be secured, repaired, and restored pursuant to this Order, Plaintiffs may apply to the Court by motion for, and shall be entitled to. Judgment against DEFENDANTS and their successors and assigns, in the amount reasonably expended by Plaintiffs pursuant to this Order, and said judgment shall be a lien upon the PROPERTIES. Plaintiffs' lien upon the PROPERTIES shall be in such amount in addition to Plaintiffs' costs herein; and in such event, for the purpose of enforcing and satisfying said Judgment, in addition to any other remedy of Plaintiffs at law or in equity for the enforcement of this Order, and said Judgment may order that the PROPERTIES may be sold and the proceeds thereof applied to said Judgment.
- 5. DEFENDANTS shall ensure that the PROPERTIES remain in a codecompliant condition by personally inspecting the PROPERTIES or having them inspected at least
  once a month during the first 12 months of this Injunction and creating a written inspection report
  documenting the presence or absence of any deficiencies discovered during such inspection. After
  the first 12 months of the Injunction, if DEFENDANTS have not violated any term of this
  Injunction, the frequency of inspection and written reports described above shall be at least quarterly
  for the remainder of the Injunction term, except that should Defendants be found by the Court to
  have violated the terms of this Injunction at any of the Properties, then the frequency shall again

move to monthly for the property involved in the violation. DEFENDANTS shall provide a copy of each written inspection report to Plaintiffs' counsel within 15 days of the completion of the monthly inspection.

G. UNFAIR AND UNLAWFUL BUSINESS PRACTICES. Plaintiffs allege that
DEFENDANTS have engaged at the PROPERTIES in a pattern and practice of unfair and unlawful
business practices in violation of the California Business and Professions Code, consisting of
maintaining a public nuisance that has negatively impacted residents of the PROPERTIES and of the
surrounding neighborhood, as well as violations of state and local codes governing the health and
safety of residents of the building and of the surrounding neighborhood.

In order to address this alleged continuing pattern and practice of unfair and unlawful business practices, IT IS FURTHERED ORDERED THAT DEFENDANTS shall:

- 1. At all times, employ a separate on-site manager at each of the SRO HOTELS to respond to complaints from neighbors and tenants in a timely manner. Said manager, or a substitute shall be reachable by tenants within a reasonable amount of time for emergencies, 24 hours per day.
- 2. Maintain a current list of the names of each and every tenant and occupant of every room of each of the SRO HOTELS. This list shall be readily available for inspection by the City Attorney's Office or the Police Department, and shall be immediately provided to the same for inspection upon demand;
- 3. Beginning immediately, NOT rent to any person or persons unless each prospective adult tenant or occupant signs a written rental agreement and list of house rules which shall contain a provision which states that the unlawful sale, service, storage, manufacture, distribution, or use of controlled substances on or around the Premises by any tenant, occupant or guest of a tenant or occupant, is grounds for permanent ejectment of the resident's guest and eviction of the tenant or occupant;
- 4. Immediately take any and all appropriate legal action against any individual selling, serving, manufacturing, storing, possessing or distributing controlled substances and/or narcotics paraphernalia at the PROPERTIES;
  - 5. Install and operate a high-resolution video surveillance system with zoom in

capability, both inside and outside of the PROPERTIES listed in Exhibit C, including coverage of all halls in SRO HOTELS, and all frontage surrounding the Property. The video shall be recorded and stored in a readily accessible format that does not require proprietary software for viewing. The surveillance system shall have constant recording capability.. There shall be staff on site at all times with the ability to retrieve surveillance data recordings. DEFENDANTS shall allow San Francisco Police Department ("SFPD") officers immediate access upon request to 30 days of recorded data in a format that does not require proprietary software.

- 6. Regularly attend at least one (1) monthly neighborhood or community meeting at which local residents discuss issues affecting the neighborhood, which shall include at least every other month the San Francisco Police Department District Station Captain's Meeting.

  DEFENDANTS also shall provide a community liaison to respond to any and all complaints from members of the surrounding neighborhood, whose telephone number and email shall be provided by DEFENDANTS to all community members who wish to contact them.
- 7. DEFENDANTS shall employ and retain an independent, third party licensed contractor, who will oversee the abatement of all Outstanding DBI Enforcement Actions, administrative actions by other City departments, and other outstanding violations. The third party licensed contractor shall conduct and/or oversee all repairs within the effective period of this Injunction to the satisfaction of DBI or other appropriate City Department. In addition, all work performed under any permit issued to the third part licensed contractor shall be performed by that contractor or his employees, and under that contractor's direct supervision.
- 8. Further, DEFENDANTS shall ensure that all repairs at any PROPERTIES are done in a professional, workmanlike manner, consistent with industry standards.

FURTHER, DEFENDANTS, their servants, agents, employees, lessees, successors and assigns, and the servants, agents, employees, lessees, successors and assigns of each of them, and all other persons asserting control and management over the PROPERTIES, are hereby restrained and enjoined from engaging in the following unfair and unlawful business practices:

9. Maintaining, operating, occupying or using the PROPERTIES in violation of state or local codes or in such a manner and condition as to constitute a public nuisance and/or an unfair

and/or unlawful business act or practice in violation of the State Housing Law, the Civil Code, or California Business and Professions Code Sections 17200-17210; and

10. Engaging in any unfair and/or unlawful business practices by permitting the PROPERTIES to be used to facilitate the sale, service, manufacture, storage, keeping, or distribution of controlled substances, or to serve as a base for any other criminal nuisance activity;

FURTHER, DEFENDANTS, their servants, agents, employees, lessees, successors and assigns, and the servants, agents, employees, lessees, successors and assigns of each of them, and all other persons asserting control and management over the PROPERTIES that they own, in order to prevent unfair and unlawful business practices by any BUSINESS renting commercial units at the PROPERTIES, are hereby required and agree to do the following, and to include the following requirements in any new lease involving those commercial units:

- 11. Not participate in, or assist persons participating in, illegal activities within the premises or within the boundaries of the BUSINESS' property line, including the sidewalk and areas between the BUSINESS and the street, including, but not limited to, disturbance of the peace, illegal drug activity, illegal sale of firearms, public drunkenness, drinking in public, harassment of passersby, gambling, prostitution, sale or receipt of stolen goods, or theft, assaults or batteries.
- 12. Actively discourage repeated nuisance activities within the premises or within the boundaries of the BUSINESS' property line, including the sidewalk and areas between the BUSINESS and the street, including, but not limited to, accumulation of litter graffiti unabated within three days, excessive loud noises (especially in the late night or early morning hours), or other activity that results in calls for service to the Police Department not initiated by the BUSINESS.
- 13. Certify under penalty of perjury and have all employees of the BUSINESS also certify under penalty of perjury, that said employees and staff of the commercial BUSINESS have been provided with a copy of these requirements and educated sufficiently to understand their obligations hereunder.
- 14. Keep BUSINESS facade clean (graffiti-free, trash can near door, no trash/debris within 150 from entrance) and well-lit.
  - 15. Have "No Smoking" signs clearly displayed on outside of BUSINESS.

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- 16. Keep entrance, frontage, and BUSINESS area free of loitering activity.
- 17. Keep window/doors/gates in excellent condition (no cracks, graffiti, etc.)
- 18. Keep storefront windows of active retail uses at least 60% transparent, pursuant to Planning Code Section 145.1(c)(6)
- 19. Not sell any paraphernalia for smoking/ingesting illegal substances, nor sell single cigarettes or single brillo pads.
- 20. Maintain food service health inspection scores, pursuant to Health Code Section 456, of at least 80.
- 21. Immediately report any and all observable crimes to the SFPD, and cooperate fully in the investigation of such crimes, including providing witness statements where appropriate.

### **COMPLIANCE**

### IT IS FURTHER ORDERED THAT:

H. RECEIVERSHIP. Should DEFENDANTS fail to take the actions required by this Order, or fail to act within the time limits proscribed herein, Plaintiffs may return to this Court to seek the appointment of a receiver to manage the PROPERTIES and abate the violations, unfair business practice(s), and/or the nuisance(s). If a receiver is appointed to manage the PROPERTIES, DEFENDANTS must, upon demand, reimburse the receiver and the City for all costs and expenses related to the receivership, including attorney's fees and costs. If DEFENDANTS fail to reimburse the receiver and/or the City, a lien for the amounts expended shall be placed upon the title of any PROPERTIES owned by DEFENDANTS, and/or the receiver or the City may return to this Court to obtain an order to sell any PROPERTIES owned by DEFENDANTS to reimburse the receiver and/or the City.

### I. INSPECTION.

1. In order to monitor compliance with this Order, and in addition to the powers already otherwise provided by law to Plaintiffs to inspect the PROPERTIES, DEFENDANTS shall allow, and Plaintiffs may conduct, periodic unannounced inspections of the exterior and common areas of the interior of the PROPERTIES, to determine compliance with the San Francisco Municipal Codes, including, but not limited to, the Housing, Electrical, Plumbing, Health, and Fire Codes.

DEFENDANTS shall abate any violations discovered during such inspections within the time period stated in any notice of a violation issued after inspection by the responsible City agency.

- 2. In addition, in order to monitor compliance with this Order, upon request by the San Francisco City Attorney's Office and/or the San Francisco Police Department and/or Department of DBI and/or the Department of Public Health, DEFENDANTS shall provide copies of any and all records relating to DEFENDANTS' compliance with this Order within 24 hours of the request. The Plaintiffs shall have the option to notice the deposition of Defendant or their agents once during any 12 month period to question him or her about such records, upon notice in accordance with the California Code of Civil Procedure.
- J. FUTURE CODE VIOLATIONS. If DEFENDANTS receive any future citation or notice of a code violation from a City agency regarding the condition of the PROPERTIES within the injunctive period, DEFENDANTS shall do all of the following:
- 1. Notify the City Attorney's Office, Code Enforcement Division within 5 days of the issuance of the citation or notice of a code violation.
- 2. Abate the code violations within the time specified on the citation or notice of a code violation, unless not practicable within such time period and an extension is timely applied for by Defendant with the City agency issuing the citation or notice of a code violation.
- 3. If permits are required to abate the violations, DEFENDANTS shall apply for and obtain all required and appropriate permits for the scope of the work to be undertaken, and the work shall be performed by licensed contractors where required by law.

#### K. ENFORCEMENT.

1. Violation of this Order constitutes contempt of Court. The terms of this Order may be enforced through a contempt proceeding, a motion to enforce, or any other proceeding recognized by the Court for enforcement of an injunction. In the event that the Court determines after hearing that DEFENDANTS and/or their servants, agents, employees, successors and assigns, and the servants, agents, employees, successors and assigns of each of them violated any of the terms of this Order, DEFENDANTS shall be liable for civil penalties of no less than \$2,500 and no more than \$6,000 for each violation of this Order, pursuant to Business and Professions Code Section 17207.

- 2. Plaintiffs shall be entitled to recover, after an order of the court following motion and hearing, all attorney's fees and costs incurred in enforcing or amending this Order and/or monitoring DEFENDANTS' compliance herewith.
- 3. In the event that the Court determines after hearing that new violations of the San Francisco Municipal Code were discovered at the PROPERTIES during the pendency of this action, and not corrected within the time limit provided by any notice of a code violation, DEFENDANTS shall be ordered to pay civil penalties up to \$1,000 per day, for each day any violation remains unabated, as provided by law, in addition to any other fines or penalties provided by law or this Injunction.
- 4. Any fines, penalties, or other monetary relief specified in this Order shall be in addition to any other relief or sanctions that the Court may order as a matter of law or equity.
- 5. The Court expressly reserves jurisdiction to take such further action as may be necessary or appropriate to carry into effect the provisions of this Order.
- L. RECORDATION. This Injunction shall be filed with this Court and recorded at the San Francisco Assessor's Office.
- M. EFFECTIVE DATE AND TERM OF INJUNCTION. Unless otherwise stated herein, DEFENDANTS shall comply with the terms of this Order upon entry by the Court. The terms of this Injunction shall continue in effect from the date of entry of this Injunction until thirty-six (36) months from the date of entry of this Order, provided that its terms have been complied with during this period. If the Court finds after noticed motion and hearing that Property Owner Defendants have violated the terms of this Injunction while it is in effect, then its thirty-six month term shall start again upon entry of the order finding such a violation.
- N. NO WAIVER OF RIGHTS TO ENFORCE. The failure of Plaintiffs to enforce any provision of this Injunction shall in no way be deemed a waiver of such provision or in any way affect the validity of this Injunction. The failure of Plaintiffs to enforce any such provision shall not preclude Plaintiffs from later enforcing the same or any other provision of this Injunction. No oral advice, guidance, suggestion, or comments by Plaintiffs' employees or officials regarding matters covered by this Injunction shall be construed to relieve DEFENDANTS of their obligations.

1	SO STIPULATED:	
2	DATED:	DENNIS J. HERRERA, City Attorney YVONNE R. MERÉ
3		JERRY THREET Deputy City Attorneys
4	D	
5	, D	JERRY THREET
6		Attorney for Plaintiffs CCSF AND PEOPLE OF THE STATE
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8	DATED:	BALVANTSINH "BILL" THAKOR,
9	DATED: 11-19-2014	Individually and as Authorized Representative of Defendants
10	11101011	H. Maker
11	DATED: 11/19/2014	KIRANSINH THAKOR, Individually and as Authorized Representative of Defendants
12		//CAL
13	DATED: 11 14 2014	BAHAVASINH THAKOR,
14		Individually and as Authorized Representative of Defendants
15	DATED: 11 - 19 2014	L BANGEOV.
16	DATED: '( 'C')	Individually and as Authorized Representative of Defendants
17	DATED: 11 - 14 - 3014	RIGHT TO THE
18		RICHARD STRATTON, ESQ. Attorney for Defendants
19	AS MODIFIED by the Cour	
20	DATED: NOC 8, 2014	The state of the s
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2	DATED:	DENNIS J. HERRERA, City Attorney YVONNE R. MERÉ
3		JERRY THREET Deputy City Attorneys
4	I	Ву:
5		JERRY THREET Attorney for Plaintiffs CCSF AND PEOPLE OF THE STATE
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10 11	DATED:	KIRANSINH THAKOR, Individually and as Authorized Representative of Defendants
12		
13	DATED:	BHAVESHSINH THAKOR (erroneously sued as "BAHAVASINH THAKOR"), Individually and as Authorized Representative of Defendants
14	1	individually and as Authorized Representative of Defendants
15 16	DATED:	LATABEN B. THAKOR, Individually and as Mythorized Representative of Defendants
17 18	DATED: //-/9-14	RICHARD STRATTON, ESQ. Attorney for Defendants
19		
20	IT IS SO ORDERED:	
21	DATED:	JUDGE OF THE SUPERIOR COURT
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1	SO STIPULATED:	
2	DATED: 11/21/14	DENNIS J. HERRERA, City Attorney YVONNE R. MERÉ
3		JERRY THREET
4		Deputy City Attorneys
5		By: HOW WERRY THREET
6	·	Attorney for Plaintiffs CCSY AND PEOPLE OF THE STATE
7		
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4		Ву:
5		JERRY THREET Attorney for Plaintiffs
6		CCSF AND PEOPLE OF THE STATE
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8	DATED: 11-19-2014	BALVANTSINH "BILL" THAKOR, Individually and as Authorized Representative of Defendants
9		Whiten
10 11	DATED: 11/19/2014	KIRANSINH THAKOR, Individually and as Authorized Representative of Defendants
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16		Individually and at Authorized Representative of Defendants
17 18	DATED: 11-14 2014	RICHARD STRATTON, ESQ. Attorney for Defendants
19		$\mathcal{V}$
]	IT IS SO ORDERED:	
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3		JERRY THREET Deputy City Attorneys
4	Ву	<i>r</i> :
5		JERRY THREET Attorney for Plaintiffs
6		CCSF AND PEOPLE OF THE STATE
7		
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1	SO STIPU	LATED:		
2 3	DATED:	11/21/14	DENNIS J. HERRERA YVONNE R. MERÉ JERRY THREET Deputy City Attorneys	, City Attorney
4 5 6			By: VERRY THREEV Attorney for Plaintiffs CCSV AND PEOPLE C	F THE STATE
7 8 9	DATED:		BALVANTSINH "BIL Individually and as Aut	L" THAKOR, horized Representative of Defendants
10 11	DATED:	·	KIRANSINH THAKOI Individually and as Aut	R, horized Representative of Defendants
12 13 14	DATED:		BHAVESHSINH THAI (erroneously sued as "B Individually and as Aut	KOR AHAVASINH THAKOR"), horized Representative of Defendants
15 16 17 18	DATED:	11-19-14	LATABENB, THAKO Individually and as Aut RICHARD STRATTO	R, horized Representative of Defendants
19		ORDERED:	Attorney for Defendant	
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2	Exhibit	Description
3	A	List of PROPERTIES and/or SRO Hotels owned and/or operated by Defendants in San Francisco at the time of entry of this Injunction.
5	В	Addendum to Stipulated Injunction
6	C	List of PROPERTIES and/or SRO Hotels subject to security video requirements of Injunction
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# EXHIBIT A

### **EXHIBIT A**

- Aldrich Hotel, 439 Jones Street, San Francisco, CA
  Balboa Hotel, 120 Hyde Street, San Francisco, CA
- Best Inn, 162 Taylor Street, San Francisco, CA
- Bristol Hotel, 56 Mason Street, San Francisco, CA
- Budget Inn (formerly National Hotel), 1139 Market Street, San Francisco, CA
- Civic Center Hotel, 20 12th Street, San Francisco, CA
- Jalaram Hotel, 868 Valencia Street, San Francisco, CA
- Kean Hotel, 1018 Mission Street, San Francisco, CA
- Page Hotel, 161 Leavenworth Street, San Francisco, CA

# EXHIBIT B

### **EXHIBIT B**

### AGREEMENT TO BE BOUND BY THE TERMS OF THE INJUNCTION

3	(NAME of successor in interest) is a successor, agent, employee, or
4	assignee of the PROPERTIES located at, San Francisco, and described more
5	particularly herein(NAME of successor in interest) has received a copy of
6	the Stipulated Injunction between the CITY AND COUNTY OF SAN FRANCISCO and Defendants <sup>1</sup>
7 8	issued by the Court on and filed and recorded on and has read its
9	contents. (NAME of successor in interest) agrees to be bound, without
0	limitation, by the terms of the Stipulated Injunction and agrees to perform any and all obligations of
11	Defendants that may be required under the terms of the Stipulated Injunction or under such Court
2	order as may be necessary or appropriate to enforce the provisions thereof.
13	(NAME of successor in interest) further agrees to waive personal jurisdiction, and hereby submits to
14	the Court's jurisdiction for the purposes of the enforcement of the terms of the Injunction.
16	DATED:  for (NAME of Successor in Interest)
17	for (NAME of Successor in interest)
8	DATED:
19	for Defendants
20	DATED:  Counsel for Defendant
21	Counsel for Defendant
22	DATED:  JERRY THREET
24	Attorney for Plaintiffs CCSF & PEOPLE OF STATE
25	<sup>1</sup> BALVANTSINH "BILL" THAKOR; KIRANSINH THAKOR; BAHAVASINH THAKOR;
26	LATABEN B. THAKOR; 56 MASON, LLC; ALDRICH HOTEL PARTNERSHIP; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; JALARAMBAPA HOTEL,
27	LP; SHREE BALAJI PARTNERSHIP; SHREE JALABAPA HOTEL, LP; SHREE JALARAM HOTEL, LP; SHREE JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB
28	INVESTMENTS, LLC; TKB INVESTMENTS, LP; and WINTON HOTEL, LLC (" Defendants")
- 1	17

# EXHIBIT C

### **EXHIBIT C**

- Aldrich Hotel, 439 Jones Street, San Francisco, CA
- Balboa Hotel, 120 Hyde Street, San Francisco, CA
- Best Inn, 162 Taylor Street, San Francisco, CA
- Bristol Hotel, 56 Mason Street, San Francisco, CA
- Budget Inn (formerly National Hotel), 1139 Market Street, San Francisco, CA
- Civic Center Hotel, 20 12th Street, San Francisco, CA
- Kean Hotel, 1018 Mission Street, San Francisco, CA
- Page Hotel, 161 Leavenworth Street, San Francisco, CA

### **Superior Court of California**

County of San Francisco

CITY AND COUNTY OF SAN FRANCISCO, Plaintiff	Case Number: CGC-14-539230  CERTIFICATE OF ELECTRONIC SERVICE
vs.	(CCP 1010.6(6) & CRC 2.260(g))
BILL THANKOR, et al,  Defendan	ts
I Jose Rios-Merida a Deputy Cla	erk of the Superior Court of the County of San

I, Jose Rios-Merida, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On December 10, 2014, I electronically served the STIPULATED INJUNCTION AND ORDER THEREON via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated: December 10, 2014

T. Michael Yuen, Clerk

Ву:

Jose Rios Merida, Deputy Clerk



# SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN FRANCISCO

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STATEMENT OF DECISION

DAVID JARAMILLO ET AL VS. BALWANTSINH THAKOR ET AL

001C05691200

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### SUPERIOR COURT OF CALIFORNIA

### JAN 9 4 2017 CLERK OF THE COURT

### County of San Francisco

### **Department 624**

DAVID JARAMILLO, et al.,

Plaintiffs,

V.

STATEMENT OF DECISION

BALWANTSINH THAKOR,
individually and DBA THE BRISTOL

HOTEL, and DOES 1 to 100,

Defendants.

### **INTRODUCTION**

This matter was heard before the Court as a court trial since Plaintiffs sought the equitable remedy of specific performance of the subject contracts and no damages, which are the subject of other litigation currently before the appellate court. Trial commenced on October 25, 2016, and evidence concluded on October 27, 2016. Closing arguments were heard on November 4, 2016.

Further briefing and proposed statements of decision were ordered to be submitted by the parties by November 18, 2016, and the matter was ordered submitted at that time. The late filed declaration by Defendant long after the close of the evidence and closing arguments was nevertheless considered by the Court over Plaintiffs' objection. Having heard and considered all of the evidence presented, arguments of counsel, and reviewed all briefing, the Court issues its Statement of Decision.

### STATEMENT OF PLAINTIFFS' CLAIMS

Plaintiffs' Complaint contains two causes of action that went to trial (Defendant prevailed on demurrer to the third cause of action and Plaintiffs' counsel dismissed the second cause of action).

Both the first cause of action for specific performance<sup>1</sup> and the fourth cause of action for breach of contract are premised upon an alleged contractual right of the tenant Plaintiffs to return to the Bristol Hotel contained in settlement agreements which followed notices to temporarily vacate their units at the Bristol Hotel issued in November and December 2012 pursuant to subdivision (a)(11) of section 37.9 of the San Francisco Administrative Code. <sup>2</sup> The prayer for relief is "for specific performance of the obligation to return Plaintiffs to their apartments."

### FINDINGS OF FACT

The Court makes the following findings of fact based upon the preponderance of the evidence presented at trial, and many were in fact undisputed:

1. Two prior settlement agreements in other actions for damages involving the same units at the Bristol Hotel and the same parties (hereinafter referred to as the *McCoy* and *Melvin* settlements) resulted in payments of monies to some of the Plaintiffs collectively in the total amount of \$1.5 million in one action and to the remaining Plaintiffs collectively in the total amount of \$1.25 million in

<sup>&</sup>lt;sup>1</sup> "Specific performance" is not a cause of action, but rather a remedy. As the Court is unable to issue judgments on *remedies*, it limits its analysis here to the fourth cause of action.

<sup>&</sup>lt;sup>2</sup> Chapter 37 of the San Francisco Administrative Code is customarily referred to as the "S.F. Rent Control Ordinance." Hereinafter, Chapter 37 will be referred to as the "Rent Control Ordinance."

the other. The *McCoy* and *Melvin* settlements were executed in November 2013 and June 2014 respectively, long after the subject temporary notices to evict had been served on Plaintiffs. (Exhibits 23 and 24.)

- 2. It is undisputed that the *McCoy* and *Melvin* settlements each contained carve out language expressly stating that the settlements did **not** affect the rights of the Plaintiffs to move back into the Bristol Hotel. In this respect, the *McCoy* settlement agreement provided that "this agreement does not release any right of any entitled claimant that previously received relocation fees to move back into the Bristol." (Exhibit 23, §(8)(e).) The *Melvin* agreement similarly exempted from the release language "the rights of those relocated pursuant to Notices of Relocation to move back into the Bristol Hotel," and provided that "those tenants who were relocated pursuant to the mandatory relocation will have the right to move back into the Bristol Hotel pursuant to their relocation rights." (Exhibit 24, §§ (4) and (10)(a).)
- 3. In August 14, 2014, Plaintiffs filed another action for damages based upon the delay in completion of the work preventing them from moving back into the Hotel. (See *Jaramillo v. Thakor*, # CGC 14-541227.) In October 2015, this trial court determined that as a matter of law all of Plaintiffs' claims for damages were barred by the broad release language contained in the *Melvin* and *McCoy* settlement agreements. There was no claim for specific performance of the carve outs in #CGC 14-541227.
- 4. Notices to evict Plaintiffs were issued pursuant to section 37.9(a)(11) in November and December 2012. (Exhibits 1-18.) Relocation expenses due under the Rent Control Ordinance were paid.
- 5. The initial permit application that pertained to the subject notices to quit was for a remodeling of rooms on the third and fourth floors, not for renovation or rehabilitation work that was

required to fall within the purview of section 37.9(a)(11). (Exhibit 110.) That permit application lapsed and was later cancelled. (Exhibit 89.)

- 6. Plaintiffs' expert's testimony that numerous permits were cancelled or expired due to numerous code violations was unrefuted. Mr. Kearney's testimony that the initial permit applications misrepresented the actual scope of work in an effort to take short cuts and to avoid required seismic and other code upgrades was similarly unrefuted. His testimony that, had the work been done in accordance with all code requirements in the first place and during regular working hours, the renovation should have been completed by mid-2014 at the latest, was also unrefuted.
- 7. The Hotel was gutted in early 2013. Almost four years later, at the time of trial the rough framing was not yet complete. This should have taken no more than six months. Defendant's own contractor testified that no electrical or plumbing permits had yet been obtained in contravention of the Rent Control Ordinance requirements that all permits be obtained before issuing the subject notices to vacate.
- 8. Work performed on the renovation has been woefully sporadic in the past three years. For example, no work was done between April 2014 and September 2015 because the framing contractor, Michael McNulty, was not paid. Moreover, he did not do any work for the first nine months of 2016 after Mr. Thakor stopped paying him at the end of 2015, and only started again later in September 2016, shortly before the trial date.
- 9. As of November 2013, Mr. Thakor's net worth was over \$15 million. In the first six months of 2013, he generated over \$1 million in net income. (Exhibit 38.) He owned and/or operated several other hotels in the city. He opted not to access more than a small fraction of his own assets and instead sought to obtain a construction loan for the subject renovation. The Bank of Guam met all of Mr. Thakor's terms and approved a loan of \$4.8 million in October 2013. (Exhibit 29.) The bank

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 added terms of a \$50,000 mechanic's lien reserve and additional accepted collateral which the bank's vice president Mr. Hui-Bon-Hoa, as well as the loan broker called by the defense, Mr. Parajanwala, testified were standard practice in the industry. Mr. Thakor testified he had no problem with a mechanic's lien reserve. Yet, after receiving loan approval, Mr. Thakor chose not to move forward on the alleged basis that "my concern is about the result and additional time involved in securing a real estate appraisal." (Exhibit 31.) The unrefuted testimony by Mr. Hui-Bon-Hoa was that it would take two to three weeks to obtain an updated appraisal. Other banks were not interested in making a loan given a lis pendens on the property that was filed by the City of San Francisco in connection with a Stipulated Injunction action (Exhibit 43) and Mr. Thakor's low FICA score that, according to David Gonzales, a commercial loan officer called by the defense, was below the minimum required under commercial bank lending standards.

10. Defendant's son Kiran Thakor prepared a "marketing plan" for the Bristol that was submitted to various banks and to their loan broker. (Exhibit 37.) The plan indicated that after the renovation, which would "be completed by March of 2014 ... [t]he Hotel will be a mixed use with student housing and tourist guests staying." In August 2013, a Conversion Plan was prepared in which it was misrepresented that "agreements were made with existing tenants ... for them to move out permanently and convert the building into a fully tourist licensed hotel." (Exhibit 26.) Also in August 2013, Mr. Thakor signed an agreement with DKR Partners to effectuate the conversion. (Exhibit 25.) It "skipped" his mind to let anyone know that Plaintiffs had the right to return to the Bristol, notwithstanding that Defendants always knew and understood that they had that absolute right.

11. Defendant represented to various banks that he was in the process of converting the Bristol to exclusively tourist use and repeatedly failed to disclose that Plaintiffs were entitled to move

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back into the Hotel. Indeed, bankers Juan Abito, Nathan LaBudde and Mr. Hui-Bon- Hoa all indicated in their testimony at trial that they had entered into commercial loan discussions with Mr. Thakor upon the understanding that the Hotel was vacant and that no rent-controlled tenants would be returning. Tourist units would have had a much higher stream of income than was projected by the banks. Moreover, Defendant represented in loan applications in early 2013 that no litigation was pending at the time, which was false. (Exhibits 28, 32, and 84.)

12. More than six months after the Plaintiffs had been served with notices to vacate, in June 2013, Defendant filed a petition<sup>3</sup> before the Rent Board for an extension of time beyond the maximum allowable three-month period before a tenant must be allowed to move back in following an eviction under section 37.9(a)(11). Defendant sought to extend the time to April 2014 (based on Mr. Thakor's estimate of an additional nine months to complete the work). The petition was denied on a number of grounds including that it was untimely, that Defendant had failed to obtain all of the required permits in contravention of section 37.9(a)(11), and that "the landlord chose to schedule reduced work hours to accommodate the commercial tenants at the expense of a more timely completion of the work." (Exhibit 20.)

- 13. Mr. Thakor admitted that he scheduled the contractor's hours on a reduced schedule in at least parts of the building from 4:00 or 5:00 am until 9:00 am because he chose to keep the restaurant in the Hotel building in operation at all times.
- 14. At the time of trial, the City of San Francisco still had not approved window permits due to the failure of Defendant to provide the information requested by the City. The roof was not secure from leaks and the building was partially open to the outside. Structural work was still needed in the

<sup>&</sup>lt;sup>3</sup> This procedure is provided for in subdivision (e)(1) of section 12.15 of the San Francisco Rent Board Rules and Regulations, as well as section 37.9(a)(11) of the Rent Control Ordinance.

lobby, penthouse, and roof areas. Speedy Construction has a contract with Mr. Thakor for \$1.6 million to perform the plumbing, electrical, HVAC, and finishing work.

- 15. Only a four-person crew was working at the Hotel since recommencing work in late September 2016.
- 16. Great hardship has been suffered by the Plaintiffs because of the continued delays in being able to return to their homes at the Hotel. During the four years since their eviction, several Plaintiffs have been rendered homeless for lengthy periods of time, one having to live in a van for eighteen months and one living on church steps for many months. Several are scrambling to pay much higher rents with great difficulty. Several are severely disabled or suffer from significant health problems. Others have had to stay nightly in various hotels at a cost of \$100-200 per night when their rent at the Bristol had been \$800 per month. And on some nights they simply cannot afford to pay and have to go to a shelter. Others have had to "couch-surf" each night.
- 17. At the time of trial Mr. Thakor had obtained a major loan commitment to fund the completion of the project. In November 2016, he obtained a loan of \$2.5 million.
- 18. At the time of trial, the necessary electrical or plumbing permits still had still not been obtained for the work, which may implicate Mr. Thakor's Stipulated Injunction<sup>4</sup> with the City and County of San Francisco. (Exhibit 43.)

<sup>&</sup>lt;sup>4</sup> On November 19, 2014, Mr. Thakor entered into a Stipulated Injunction with the City and County of San Francisco in order to resolve a lawsuit brought by the City. The Complaint was based on various causes of action, including deprivation of tenancy rights; public nuisance per se based on violations of San Francisco's Building Code, Housing Code, and Health Code; general public nuisance; and violations of state housing law, among others. The Stipulated Injunction enjoins and restrains Mr. Thakor from maintaining properties in such as manner and condition that 1) violates California Civil Code section 1941 (which mandates that a landlord must provide habitable premises); 2) violates the San Francisco Building Code; 3) violates the San Francisco Health Code and 4) violates San Francisco Administrative Code. The Stipulated Injunction further provides the City an option to seek the appointment of a receiver to the Bristol Hotel in the event Mr. Thakor violates the terms.

# THE PRIOR SETTLEMENT AGREEMENTS PRESERVED A CONTRACTUAL RIGHT FOR THE PLAINTIFFS TO MOVE BACK INTO THE BRISTOL WITHIN A REASONABLE TIME

As stated above, both the *McCoy* and *Melvin* settlement agreements carved out a narrow exemption to the broad release language which consisted of an express contractual right of the Plaintiffs who were served with relocation notices and/or received relocation payments under section 37.9(a)(11) to move back into the Bristol. No time was specified. Where a contract does not specify the time for performance a reasonable time is allowed. (Civ. Code, § 1657.) When confronted with the question of what constitutes a reasonable time, courts consider the situation of the parties, the nature of the transaction, and the facts of the particular case. (*Marshall & Co. v. Weisel* (1966) 242

Cal.App.2d 191, 194.)

Here, the situation and nature of the transaction involved the service on Plaintiffs by

Defendant of sixty-day Notices of Intent to Remove Unit for Capital Improvements and/or Substantial
Rehabilitation under section 37.9(a)(11) of the Rent Control Ordinance in November and/or

December 2012. (Exhibits 1-18.) The Notices specified that the required relocation expenses would
be paid under section 37.9C and evidence was adduced that they were paid to the remaining Plaintiffs.

In determining whether four or more years is a reasonable amount of time within which to perform
such work, the statutory language in section 37.9(a)(11) must be considered. It provides, in pertinent
part, that "the tenant shall not be required to vacate pursuant to this Section 37.9(a)(11) for a period in
excess of three months; provided, however, that such time period may be extended by the Board or its
Administrative Law Judges upon application by the landlord." As described in the Court's findings of
fact, Defendant's application for an extension was denied on multiple grounds over three years ago
on or about October, 16 2013. (Exhibits 19 and 20.) It appears that no appeal was taken.

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The evidence was overwhelming that the continued failure of the Defendant to return Plaintiffs to their homes at the Bristol for years is grossly unreasonable. Contrary to the requirements of section 37.9(a)(11), virtually none, let alone all, of the required permits for the renovation had been obtained prior to serving the notices to relocate in violation of the law and, indeed, at the time of trial, several had still not been obtained. Mr. Thakor chose to invest very little of his assets and net worth, choosing instead to seek a construction loan. Notwithstanding that he was offered a \$4.8 million loan over three years ago on the terms he had requested, he rejected it. The evidence showed that other banks were concerned about Defendant's low FICA score, which David Gonzalez, a commercial loan officer who was called by the defense, testified was below the minimum threshold required for making commercial loans. Mr. Thakor admitted that he restricted working hours for construction in parts of the building near the restaurant to only 5:00 am-9:00 am because he wanted to keep the restaurant in operation at all times. Significantly, there were huge gaps in any work being done at the Hotel, at times extending beyond a one year period. Indeed, in 2016, zero work was performed until late September, shortly before trial commenced, and then only with a woefully small crew. The evidence established that in 2013, Defendant engaged a third party to convert the SRO units to tourist units. (Exhibit 25.) His son, Karin Thakor, prepared a marketing plan which represented that "the hotel will be a mix-use with student-housing and tourist guest staying," and included rent projections based on same. Mr. Thakor admitted to knowing and understanding that Plaintiffs had an absolute right to move back, yet he failed to disclose that to the banks. The Court finds that Mr. Thakor's testimony at trial that he intended only to "partially" convert the Hotel and to keep the SRO units of the tenants was not credible and was belied by prior admissions, how he marketed the hotel, documentation to the contrary on his behalf that unequivocally referenced the conversion of all SRO units, and his repeated failure to disclose the existence of the Plaintiffs' relocation rights to third

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parties. Four years have elapsed since Defendant served Plaintiffs with notices to temporarily vacate and failed to return them to their homes, and such time lapse is grossly unreasonable under the terms of the carve out language that preserves their right to return.

#### **EQUITY JURISDICTION IS PROPER**

The absence of an adequate remedy at law is reason for the Court's exercise of equity jurisdiction. (See *Bond v. Bulgheroni* (1932) 215 C. 7, 10, 8 P.2d 130.) "[S]pecific performance will be decreed only when no other adequate relief is available to the plaintiff. Where the legal remedy of compensatory damages is sufficient to do complete justice between the parties, equity will not assume jurisdiction." (*Wehen v. Lundgaard* (1940) 41 Cal.App.2d 610, 612.)

The very settlement agreements which provided Plaintiffs damages also expressly *reserved* their rights to move back in. In other words, Plaintiffs waived only their rights to damages, while maintaining a contractual right to reoccupy their units. Defendant's unreasonably excessive failure in this regard constitutes a continuous breach for which Plaintiffs have no adequate legal remedy, since they waived further damages. Therefore, equity jurisdiction is proper.

## COURTS HAVE BROAD DISCRETIONARY POWER TO FASHION THEIR OWN EQUITABLE REMEDIES

When proceeding in equity, trial courts have broad equitable power to fashion any appropriate remedy. (*Zarrahy v. Zarrahy* (1988) 205 Cal.App.3d 1, 4-5.) "'[A] court of equity may exercise the full range of its inherent powers in order to accomplish complete justice between the parties, restoring if necessary the *status quo ante* as nearly as may be achieved.' [citation.]" (*Troyk v. Farmers Group, Inc.* (2009) 171 Cal.App.4th 1305, 1339.) It will further "'dispose of all issues with respect to the property as to which [its powers in equity] are invoked, and make such orders as are necessary to make its decree effective.' [citation.]" (*McClenny v. Superior Court of Los Angeles County* (1964) 62 Cal.2d 140, 148.)

## THE ONLY WORKABLE REMEDY IS SPECIFIC PERFORMANCE BY A FUTURE DATE

The requisites for specific performance include "(1) the inadequacy of [a] legal remedy; (2) an underlying contract that is both reasonable and supported by adequate consideration; (3) the existence of a mutuality of remedies; (4) contractual terms which are sufficiently definite to enable the court to know what it is to enforce; and (5) a substantial similarity of the requested performance to that promised in the contract." (*Tamarind Lithography Workshop, Inc. v. Sanders* (1983) 143 Cal.App.3d 571, 575.)

Here, all requisites are present. First, as previously discussed, the Plaintiffs have no adequate remedy at law. Second, there is no argument from either side that the settlement agreements were not reasonable or supported by adequate consideration and no evidence was presented that bore upon those issues. Indeed, both agreements were prepared and approved by counsel for both parties. Third, mutuality of remedies exists, as the Plaintiffs are precluded from seeking damages they would otherwise be entitled to for the Defendants' continuous wrongful eviction. Fourth, the contract terms are sufficiently definite for the Court to know what to enforce, because the carve out provisions specifically maintain the Plaintiffs' right to return, and the law permits the Court to infer a reasonable time for performance of this term. (Civ. Code § 1657.) Finally, there is undoubtedly substantial similarity between the requested performance and that promised in the contract; indeed, they are one and the same.

Obviously, the Court is unable to order specific performance immediately since the premises are currently uninhabitable and no certificate of occupancy has been issued. In fashioning a judgment for specific performance, the court has discretion to effectuate the purpose for which the original contract was made (*Rogers v. Davis* (1994) 28 Cal.App.4th 1215, 1225) so long as it does not make an entirely new contract. (See *American Marine Paint Co. v. Tooley*,

(1942) 53 Cal.App.2d 530 (a contract requiring a corporation to satisfy a claim from stock owned by a decedent does not justify a money judgment against the decedent's estate with the option of satisfying it from the stock since this would allow a personal judgment against the estate contrary to the terms of the agreement).) As stated in Rogers, "[A] 'decree [of specific performance] need not be absolute in form, and the performance that it requires need not be identical with that promised in the contract; it may be so drawn as best to effectuate the purposes for which the contract was made, and it may be granted on such terms and conditions as justice requires' ... 'The exact performance that is promised in a contract may be, in part or in whole, very difficult of enforcement, it may have become impossible or unlawful, and it may be such that exact enforcement would work unreasonable hardship. The court may nevertheless be able to achieve substantially the same result without undue difficulty, without hardship to the defendant, and without violation of law or of the rights of third persons.' "(Rogers v. Davis, supra, 28 Cal.App.4th at pp.1221-22.) Courts have previously affirmed their broad power to shape timing requirements in equitable decrees. For example, in Gibson v. River Farms Co. of California (1942) 49 Cal. App. 2d 278, 281, the trial court had issued a decree which effectively quieted title to several tracts of land to a defendant, conditioned upon its payment of all assessments and tax obligations existing against the land before a specified date. In the decree, the court retained jurisdiction to modify it, and the trial judge subsequently made multiple orders extending the time for the defendant to make said payments. (Id. at pp. 281-82.) On review, the court of appeals affirmed this practice, finding that the trial court had the power to extend the time within which, by the terms of a judgment for specific performance, a defendant is required to pay. (*Id.* at p. 283.)

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Further, in fashioning its equitable remedy, the Court may order specific performance of a succession of continuous acts, even those requiring protracted supervision, so long as doing so is practically feasible. Indeed, California's modern view on specific performance permits this. (13 Witkin, Summary 10th Equity § 45 (2005); See Ellison v. Ventura Port District (1978) 80 Cal.App.3d 574, 581.) For example, in Ellison, the court of appeal affirmed the trial court's judgment ordering the defendant to specifically perform on its agreement to periodically dredge a drainage channel. (Ellison 80 Cal.App.3d 574, at pp. 577-78, 583.) The court acknowledged California's old rule, which precluded specific performance "where the contracts stipulate a succession of continuous acts which require protracted supervision and direction by the court with the exercise of special knowledge, skill and judgment by the parties performing the acts." (Id. at p. 580.) However, it rejected application of the old rule, finding that periodic dredging was not similar to other obligations for which California courts had denied specific performance. (Ibid.) It held, "Compared to the complexity of the acts required in contracts for development or operation of railroads, mines, oil fields, or even citrus groves, the dredging of a channel pales to insignificance and should place no great burden on the court to supervise. Additionally, unlike exclusive distribution or sales agency contracts, no cooperation between the parties is required to fulfill [the defendant's] obligation to maintain the channel. Thus, we see no reason to invoke [the old rule] in the case at bar. Especially since [the old rule] is an archaic one and should not be unduly extended." (Id. at p. 581.)

Here, the weight of the testimony established that with a full crew working regular hours on all permissible days in all parts of the building, construction will be finished by July 2017. Mr. Thakor previously represented to the Rent Board that it would be completed in less than a year, when at that time, far less work had been done. (Exhibit 19.) To the Court, he specifically represented, "At present, based on the work left to complete, THAKOR estimates the work will be complete in July or

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See Defendants' Trial Brief "Re: Court Cannot Do Equity Under the Circumstances of this Case," page 3, lines 11-12. See also Defendants' Trial Brief "Re: Matter Not Ripe for Adjudication," page 3, lines 14-15.

<sup>6</sup> Pursuant to section 12.16 of the S.F. Rent Board Rules and Regulations, the Plaintiffs will then have thirty days from receipt of this "offer of reoccupancy" to notify Mr. Thakor of their acceptance or rejection. If accepted, they shall reoccupy their units within forty-five days of receipt of Mr. Thakor's offer.

August 2017." <sup>5</sup> Certainly the work can be completed within this time if Mr. Thakor makes this project his number one priority instead of working on multiple other buildings he owns or operates that have no protected tenants, and has a full crew working in all parts of the building during all hours and all days that they are permitted under the laws to work. As Richard Stratton testified on behalf of the defense, the subject property has good potential and having a vacant and uninhabitable building in San Francisco is a waste for everyone concerned. The Court has tried to fashion a remedy that is workable for both sides, since, unfortunately the Court is between a rock and a hard place given that it is impossible to order that the Defendant return the tenants to an uninhabitable property, which is the case at present.

Therefore, pursuant to its broad equitable powers, and on the preponderance of the evidence. the Court HEREBY ORDERS AND ADJUDGES as follows:

1. Defendant shall restore Plaintiffs to their units at the Bristol Hotel no later than August 1, 2017. This means that, pursuant to section 12.16 of the S.F. Rent Board Rules and Regulations, he shall issue written "offers of reoccupancy" no later than August 1, 2017, advising the Plaintiffs that the rehabilitation work is completed.<sup>6</sup> Construction shall take place throughout the entire Hotel during all permissible hours and days under the law and with a full and sufficient crew at all times. Plumbing, electrical and any other applicable permits shall be obtained within fifteen days, with the exception of window permits .Defendant shall submit the survey of all windows to the City by January 31. 2017.

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- 2. If Plaintiffs are not in receipt of Mr. Thakor's "offers of reoccupany" by August 1, 2017, they shall have the right to seek the appointment of a receiver in the Housing Court in Dept. 501, to manage and/or sell the subject property and to seek an Order that Defendant shall pay all associated fees and costs. Prior to August 1, 2017, Defendant may seek an extension of time in Dept 501 to issue written offers of reoccupancy described above only due to an Act of God, fire, earthquake, or other extraordinary and exceptional conditions completely beyond Defendant's control. Claimed financial difficulty does not qualify. Mr Thakor owns several other buildings and his personal net worth exceeds the cost of construction many times over.
- 3. The Court finds that Mr. Thakor breached the terms of the *McCoy* and *Melvin* settlement agreements by failing to move the Plaintiffs back into the Bristol Hotel within a reasonable time and, further, that the clear and convincing evidence described in the statement of undisputed facts established that he acted in bad faith with respect to the tenants' statutory and contractual rights.
- 4. Judgment on the fourth cause of action shall be entered against Defendant Balwantsinh Thakor, Individually and DBA The Bristol Hotel, and in favor of Plaintiffs and each of them except for Angela Brontley (nonsuit granted) and Chris Woodell and Terry McCoy, who unfortunately are deceased.

Dated: January 4,2017

ANGELA BRADSTREET
JUDGE OF THE SUPERIOR COURT

### SUPERIOR COURT OF CALIFORNIA County of San Francisco

	DAVID	<b>JAR</b>	AMI	LLO.	et al
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Plaintiff(s)

vs.

BALWANTSINH THAKOR, individually and DBA THE BRISTOL HOTEL, and DOES 1 TO 100,

Defendant(s).

Case Number: CGC-16-549984

CERTIFICATE OF ELECTRONIC SERVICE (CCP 1010.6(6) & CRC 2.260(g))

I, Rosallie Gumpal, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On January 4, 2017, I electronically served the attached STATEMENT OF DECISION via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated: January 4, 2017

T. MICHAEL YUEN, Clerk

Rosallie Gumpal Deputy Clerk



# SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN FRANCISCO

### **Document Scanning Lead Sheet**

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Case Number: CGC-16-549984

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ORDER

DAVID JARAMILLO ET AL VS. BALWANTSINH THAKOR ET AL

001C06022823

#### Instructions:

Please place this sheet on top of the document to be scanned.

1 2 3 4 5 6 7 8	LAW OFFICES OF MICHAEL HEATH Michael Heath SBN 196747 Howard Olsen SBN 255888 3251 Steiner Street San Francisco, CA 94123 415-931-4207 FAX 415-931-4117 mheath_law@sbcglobal.net  Attorneys for Defendant BALWANTSINH THAKOR, individually and dba THE BRISTOL HOTEL	F E D San Francisco County Superior Court  SEP 12 2017  CLERK OF THE COURT  BY: Deputy Clerk					
9 10 11	HANSON BRIDGETT LLP Richard J Stratton, SBN 54648 rstratton@hansonbridgett.com Alexander J. Berline, SBN 158098 aberline@hansonbridgett.com 425 Market Street, 26 <sup>th</sup> Floor San Francisco, CA 94105 Telephone: 415-777-3200 Fax: 415-541-9366						
13 14 15	Attorneys for Defendant BALWANTSINH THAKOR, individually and dba THE BRISTOL HOTEL  SUPERIOR COURT OF CALIFORN	IA, COUNTY OF SAN FRANCISCO					
16 17	UNLIMITED CIVIL JURISDICTION						
18 19 20 21 22 23	DAVID JARAMILLO, ERIC BOICE, JAMES ) BRYAN TURNER, COSSANDRA MCCOY, ) VINETTA BOICE, JENNIFER HAWKINS, ) ROBERT WEST, MANUEL GARCIA, ) MELISSA EZELL, ELIZABETH CRUZ, ) ROBERT GREEN, MATTHEW NICHOLSON, ) FREDDIE HILL, ANGELA BRONTLEY, ) BRITTANY RODRIGUEZ, MICHAEL ) MARION, VERNON ROBINSON, WAH TIM ) (SAM) YUEN, STELLA YUEN, MARIA ACOSTA, CHRISTY GRIFFITH, AUDREY ) VINCENTE						
24	Plaintiffs,						
25	v.						
26 27	BALWANTSINH THAKOR, INDIVIDUALLY AND DBA THE BRISTOL HOTEL, AND DOES 1 TO 100						
28	Defendants						

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

Good cause having been shown it is hereby ordered that the Plaintiffs' Motion To Appoint receiver for the Bristol Hotel, located at the real property at 56 Mason Street in San Francisco, CA (the Bristol Hotel) is Granted as follows:

- One individual shall be appointed in dual capacity as a Special Master and Receiver. The
  appointment of a Special Master was requested by the Defendant. The services of the Special
  Master shall be paid for by the Defendant within 20 days of receipt of an invoice from the
  Special Master.
- The parties shall meet and confer re: appointment of the Special Master/Receiver and submit the name(s) of the proposed Special Master/Receiver within no later than September 20, 2017.
- As a Special Master the appointee shall evaluate and monitor the progress of the construction project at the Bristol Hotel (the Construction Project). Within 1 month of appointment, the Special Master shall provide the court with a report evaluating the current status and future prospects of the Construction Project. The Special Master shall evaluate the Bristol Hotel to provide an accurate estimate of the estimated completion date based on defendant's management, effort, and progress thus far. The Special Master shall also evaluate Defendant's current financial investment into the Bristol Hotel. Special Master shall also evaluate whether completion of the Construction Project may be accomplished more quickly based on the application of additional resources and/or better management. Based on the Special Master's report, the Court shall determine whether the Special Master shall transition into the capacity of a Receiver to complete the construction project and/or sell the Property.
- 4. Each side may file briefs (not to exceed 5 pages) addressing whether, based on the report, the Property shall be sold in order to complete the Project. Briefs must be filed within 10 days of filing of the Special Master's report. The hearing date shall be set for 2 weeks after the filing

of the briefs and shall be indicated on the briefs. If the Court determines that the property shall be sold or independently managed, the Special Master will immediately transition into the capacity of a Receiver.

- During the review and evaluation period the Defendant shall continue to carry out the construction project at the Bristol Hotel. Construction shall continue to take place throughout the entire Bristol Hotel Property during all permissible hours and days under the law and with a full and sufficient crew at all times.
- Plaintiff within 5 days of receipt of the demand for payment of said differential starting
  August 1, 2017 and though the month of September. The rent differential shall thereafter be
  tendered on the first day of each month starting October 1, 2017; and (2) rooms in
  Defendant's residential hotels shall be provided by Defendant to those Plaintiffs who require a
  room within 5 days of receipt of written request from any Plaintiff. The alternate rooms shall
  be comparable to the rooms in Bristol Hotel upon completion of the project. Only Plaintiffs,
  and their spouses and/or minor children, may be placed in these alternate rooms. Plaintiffs'
  right to occupy these alternate rooms shall continue through the expiration of their notice to
  re-occupy their respective units at the Bristol Hotel, or upon expiration of these alternate
  rooms shall be subject to all applicable federal, state and local laws.
- 7. During the time the Special Master/Receiver has jurisdiction over this matter, the Special Master/Receiver shall be provided full, unimpeded access to the Bristol Hotel, the Construction areas therein, and any other place or location related to the Bristol Hotel and/or the construction project.

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- 8. The Special Master shall not have jurisdiction over the two tenant-occupied commercial units at the building where the Bristol Hotel is located, except to the extent these areas of the building are affected by the Construction Project. The two commercial properties are:
  - a. The Little Delhi, 83 Eddy Street, San Francisco, CA 94102
  - b. 50-52 Mason Street, San Francisco, CA 94102

Dated: September 12, 2017

Judge of the Superior Court

RONALD E. QUIDACHAY