



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Project Summary and DRAFT MOTION

COMMUNITY BUSINESS PRIORITY PROCESSING PROGRAM

HEARING DATE: FEBRUARY 4, 2016

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date Prepared: January 26, 2016
Case No.: **2015-006700CUA**
Project Address: **1533-1539 Franklin Street**
Zoning: NC-3 (Moderate-Scale Neighborhood Commercial District)
130-E Height and Bulk District
Block/Lot: 0665 / 004
Project Sponsor: Ilene Dick idick@fbm.com
Farella Braun + Martel LLP
235 Montgomery Street, 17th Floor
San Francisco, CA 94104
Staff Contact: Colin Clarke at (415) 575-9184 or Colin.Clarke@sfgov.org
Recommendation: **Approval with Conditions**

PROJECT DESCRIPTION

This is a request for **Conditional Use Authorization** pursuant to Planning Code Sections [178\(d\)](#), [303\(c\)](#), [303\(g\)](#), [712.55](#), and [790.46](#), to establish a 30-room Tourist Hotel (d.b.a. Pacific Heights Inn) on the top three floors of an existing four-story building within an NC-3 (Moderate-Scale Neighborhood Commercial) Zoning District and 130-E Height and Bulk District. The existing building includes a ground floor restaurant that will remain. The unauthorized Medical Service, Personal Service, and Business and Professional Service uses on the upper three floors will be removed as part of this project. The proposed hotel is intended to be a budget-level hotel, filling a needed gap in the City's tourist hotel stock. A hotel is also the original use of the building, which was built in 1905.

This project has been reviewed under the Community Business Priority Processing Program ([CB3P](#)).

REQUIRED COMMISSION ACTION

In the NC-3 Moderate-Scale Neighborhood Commercial District, a Conditional Use Authorization is required by Planning Code Section [712.55](#) for a Tourist Hotel use.

DECISION

Based on information set forth in application materials submitted by the project sponsor and available in the case file (which is incorporated herein by reference as though fully set forth) and based upon the CB3P Checklist and findings below, the Commission hereby **APPROVES Conditional Use Application No. 2015-006700CUA** subject to conditions contained in the attached "EXHIBIT A" and in general conformance with plans on file, dated January 26, 2016, and stamped "EXHIBIT B."

SPECIAL FINDINGS FOR HOTELS

Pursuant to Planning Code Section [303\(g\)](#), the following findings and criteria shall be considered and applied to determine that the facts presented are such to establish the findings stated below for the development of a hotel.

- (1) The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel;

Hotel operations are anticipated to require 12 employees, broken down between roles and full-time or part-time as follows:

	FT:	PT:
Manager	1	0
Desk Clerks	2	2
Housekeeping	3	2
<u>Janitorial</u>	<u>1</u>	<u>1</u>
TOTAL:	7	5

Consistent with this hotel's small business character, only 12 employees will be hired for this hotel's operations. Five (5) of those employees are anticipated to be part-time, spending part of the work week elsewhere. Given this level of employment, effects on City services for housing, transit, childcare and social services are anticipated to be nominal. Moreover, the ownership intends to use multiple sources to hire local SF residents. Because the hotel's employees will most likely already be living and working in San Francisco, there are anticipated to be no adverse effects on these City services.

- (2) The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation; and,

Due to the small number of new employees required for this hotel, the Project sponsor has committed to hiring only San Francisco residents whenever possible. The Project Sponsor will work with the Mayor's Office of Economic and Workforce Development to help with job placement for entry-level positions, and post job openings in local newspapers and websites.

FINDINGS FOR ZONING ADMINISTRATOR REDUCTION OF OFF-STREET PARKING

Pursuant to Planning Code Sections [161\(g\)](#) and [307\(i\)](#), the Project seeks a waiver from the 24 off-street parking spaces required for the tourist hotel (0.8 vehicle parking spaces for each hotel guestroom) under Section [151](#). Before approving the waiver of off-street parking requirements authorized by this Code, the following findings and criteria shall be considered and applied to determine that the facts presented are such to establish the findings stated below.

- (1) The reduction in the parking requirement is justified by the reasonably anticipated automobile usage by residents of and visitors to the project;

The Project Site is in a location well-served by transit. The waiver from the required off-street parking is consistent with the City's "Transit First" policy and several San Francisco General Plan Policies, including those in the Transportation Element. The City's Transit First Policy, established in the City's Charter Article 8A, Section 8A.115, provides that, "parking policies for areas well served by public transit shall be designed to encourage travel by public transportation and alternative transportation."

The majority of hotel guests are anticipated to use the several available transportation options, including transit and ride-hailing services, to and from tourist destinations and the airport. The Project is within one block or walking distance to the 1, 12, 19, 27, 38 47, and 49 MUNI lines traversing Van Ness Avenue, and Geary and Sacramento Streets. These bus lines include stops and/or connections to the MUNI Metro, BART, and F-lines on Market Street, and connect visitors with tourist attractions throughout the City. Because the nearest BART station (Civic Center) is only 1.1 miles away, some guests may walk to BART.

The site will encourage auto-free travel by providing bicycle parking spaces for use by the guests. Given the site's central location, many of the City's tourist destinations can be reached by bicycle. Cycling can be encouraged due to the site's two-block proximity to the Polk Street bicycle lanes, and three or four blocks to the Sutter Street and Post Street bikeways, respectively. Given the ease and availability of several travel options to and from a variety of tourist destinations, a high level of use of automobiles by hotel guests for travel within the City is not anticipated.

- (2) The reduction in the parking requirement will not be detrimental to the health, safety, convenience, or general welfare of persons residing in or working in the vicinity;

Given the multiple transit options available in the immediate vicinity of the Project site, the reduction of 24 off-street spaces exclusively for tourist use would not be harmful to the health safety and welfare of persons living or working in the neighborhood. While it is anticipated that some tourists will have rental vehicles that are parked on the street, by not providing off-street parking it will encourage hotel guests to use transit and ride-hailing services, and discourage the use of automobiles. Thus, the relatively few expected tourist rental cars would not adversely affect the health, safety or welfare of residents or workers in the neighborhood.

(3) The minimization of conflict of vehicular and pedestrian movements;

Because there is no off-street parking proposed for the Project, there is less risk of potential conflicts between vehicles and pedestrians. However, because this site is located on a high-injury corridor, the Department has imposed additional Conditions of Approval so that the proposed passenger loading area will occur in front of the hotel lobby on Austin Street, a narrow one-way street with a relatively slow speed limit. In addition, the Sponsor has agreed to limit the commercial and service loading so that it occurs outside the AM and PM peak periods when possible, and will occur in the existing yellow curb zone adjacent to the project site on Franklin Street.

(4) The availability of transportation modes other than the automobile;

There are several other options for transportation available to the tourists staying in the proposed hotel. The Project is within walking distance to the 1, 12, 19, 27, 38 47, and 49 MUNI lines traversing Van Ness Avenue, and Geary and Sacramento Streets. These bus lines include stops and/or connections to the MUNI Metro, BART, and F-lines on Market Street, and connections to tourist attractions throughout the City. In addition to these many public transit options, ride-hailing services and the hotel's bicycle parking spaces will also be available to minimize the need for private automobiles.

(5) The pattern of land use and character of development in the vicinity.

The neighborhood surrounding the Project site along Franklin Street is zoned NC-3 from California Street south to O'Farrell Street. The mostly 2-5 story buildings within 3 blocks of the Project Site and along this commercial corridor consist primarily of ground floor retail or restaurant uses, with residential, commercial, or hotel uses above the ground floor. Many of the properties in the area do not include off-street parking. There is off-street parking for 4-5 story residential uses on the 1600 and 1700 block of Franklin. The Project Site is at the northern edge of the NC-3 District, adjacent to RM-4, RC-4, and RH-3 Zoning Districts. These Zoning Districts permit higher density housing and a wide variety of commercial uses are permitted in the NC-3 and RC-4 Districts. Based on the surrounding uses and zoning, the Project site is compatible and consistent with the prevailing uses, intensity, and character of the surrounding blocks.

CB3P CHECKLIST

	Required Criteria			Comments (if any)
	Complete & adequate	Incomplete and / or inadequate	Not required and / or not applicable	
Project Sponsor's application	X			
CB3P eligibility checklist	X			
Planning Code §101.1 findings	X			
Planning Code §303(c) findings	X			
Planning Code §303(g) findings for Hotel Uses	X			Findings above; Market Study for Tourist Hotels per 303(g) attached.
Any additional Planning Code findings e.g. §303(k) findings for movie theater removals or §303(m) findings for grocery store removals	X			Section 151 requires hotels to provide 0.8 vehicle parking spaces for each hotel guestroom (24 total). Recommend waiver under Sections 161(g) and 307(i) , see Findings above.
Photographs of the site and/or context	X			
Scaled and/or dimensioned plans	X			
Clearance under California Environmental Quality Act	X			Categorical Exemption (CatEx)

Additional Information	
Notification Period	1/15/2016 – 2/4/2016 (20 days mailing; 20 days newspaper; 20 days posted).
Number and nature of public comments received	The Department has received no opposition to the project.
Number of days between filing and hearing	203 days.

Generalized Basis for Approval
<i>The project is necessary and desirable for, and compatible with the neighborhood as it would activate a building previously used as an unauthorized office use, by restoring it to its original use (for about 60 years) as a hotel built in 1905. San Francisco's hotel occupancy rates are substantially above the nationwide average; the addition of the proposed hotel with 30 guest rooms would be readily absorbed into the marketplace in 2016, without significantly affecting occupancy for any competitive properties. Market conditions clearly support the need for new hotel stock, particularly in centrally located less-expensive hotels. Although the site does not have on-site parking, the site is within walking distance of Japantown, Pacific Heights, and the lower Polk Street corridor, and is well-served by transit; the majority of hotel guests are anticipated to walk or use public transit and ride-hailing services to and from tourist destinations and the airport.</i>

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on February 4, 2016.

AYES:

NAYS:

ABSENT:

ADOPTED: February 4, 2016

Jonas P. Ionin
Commission Secretary

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion. The effective date of this Motion shall be the date of this Motion if not appealed (after the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors.

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.

EXHIBIT A

AUTHORIZATION

This authorization is for a **Conditional Use Authorization** pursuant to Planning Code Sections [178\(d\)](#), [303](#), [712.55](#), and [790.46](#), to establish a 30-room Tourist Hotel (d.b.a. Pacific Heights Inn) on the top three floors of an existing four-story building within an NC-3 (Moderate-Scale Neighborhood Commercial) Zoning District, and 130-E Height and Bulk District; in general conformance with plans, dated January 26, 2016, and stamped "EXHIBIT B" included in the docket for Record No. 2015-006700CUA and subject to conditions of approval reviewed and approved by the Commission on **February 4, 2016** under Motion No. **XXXXXX**. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the Building Permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on **February 4, 2016** under Motion No. **XXXXXX**.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. **XXXXXX** shall be reproduced on the Index Sheet of construction plans submitted with the site or Building Permit Application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a Building Permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use Authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

3. **Diligent pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN – COMPLIANCE AT PLAN STAGE

6. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

7. **Garbage, composting and recycling storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the Building Permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

8. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the Building Permit Application if any rooftop mechanical equipment is proposed as part of the Project. Any such equipment is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

9. **Signs.** Any signs on the property must have a sign permit and shall comply with the requirements of Article 6 of the Planning Code.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

10. **Impact Fee.** Pursuant to Planning Code Section [411A](#), the Project Sponsor shall comply with the Transportation Sustainability Fee provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING - AFTER ENTITLEMENT

11. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
12. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
13. **Unauthorized Uses.** Any tenant spaces occupied by unauthorized uses shall be vacated within 30 days of the approval of this Conditional Use Authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
14. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1 and 155.4, the Project shall provide no fewer than one (1) Class-1 bicycle parking space and one (1) Class-2 bicycle parking space.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
15. **Loading.** Passenger loading area should occur in front of the hotel lobby on Austin Street. Commercial and Service loading should occur outside the AM and PM peak periods when possible and shall occur in the existing yellow curb zone adjacent to the project site on Franklin Street.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

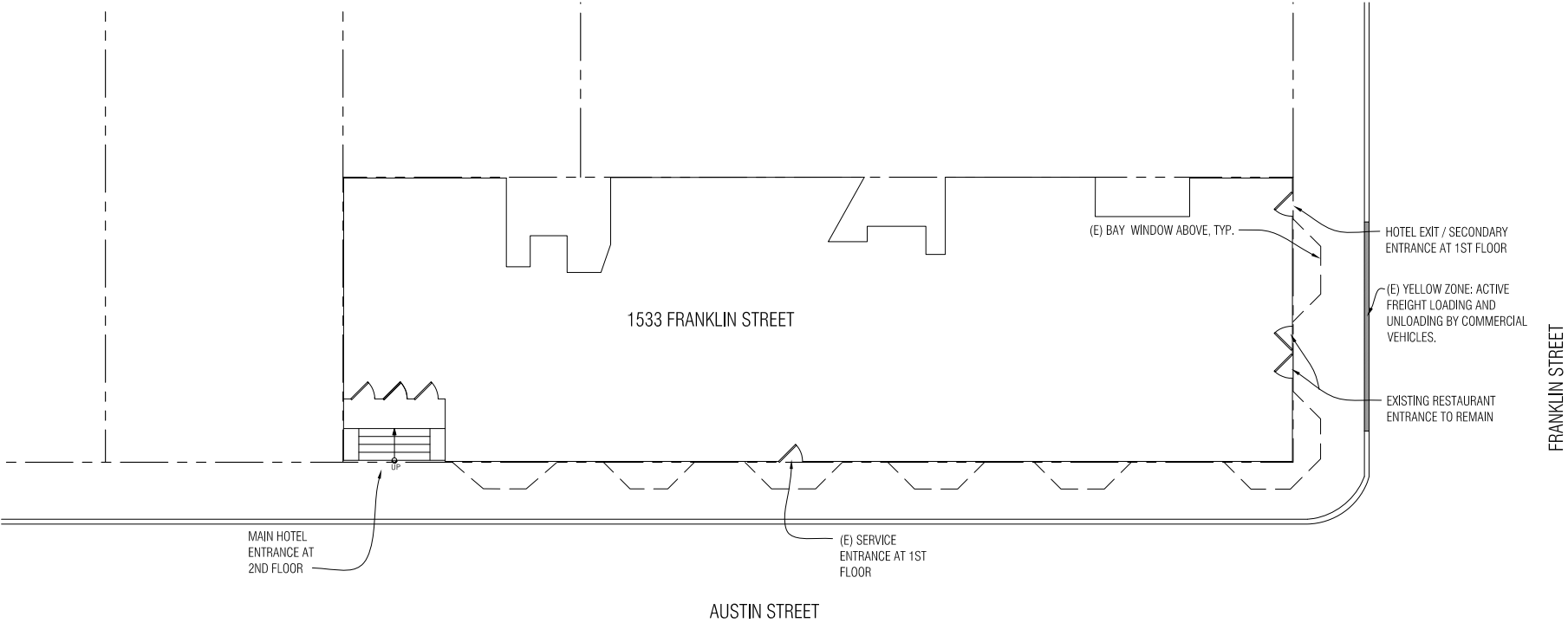
16. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, <http://sfdpw.org>

17. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>
18. **Noise Control.** The premises shall be adequately soundproofed or insulated for noise and operated so that incidental noise shall not be audible beyond the premises or in other sections of the building and fixed-source equipment noise shall not exceed the decibel levels specified in the San Francisco Noise Control Ordinance.
For information about compliance with the fixed mechanical objects such as rooftop air conditioning, restaurant ventilation systems, and motors and compressors with acceptable noise levels, contact the Environmental Health Section, Department of Public Health at (415) 252-3800, www.sfdph.org
For information about compliance with the construction noise, contact the Department of Building Inspection, 415-558-6570, www.sfdbi.org
For information about compliance with the amplified sound including music and television contact the Police Department at 415-553-0123, www.sf-police.org
19. **Odor Control.** While it is inevitable that some low level of odor may be detectable to nearby residents and passersby, appropriate odor control equipment shall be installed in conformance with the approved plans and maintained to prevent any significant noxious or offensive odors from escaping the premises.
For information about compliance with odor or other chemical air pollutants standards, contact the Bay Area Air Quality Management District, (BAAQMD), 1-800-334-ODOR (6367), www.baaqmd.gov and Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
20. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
21. **Lighting.** All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

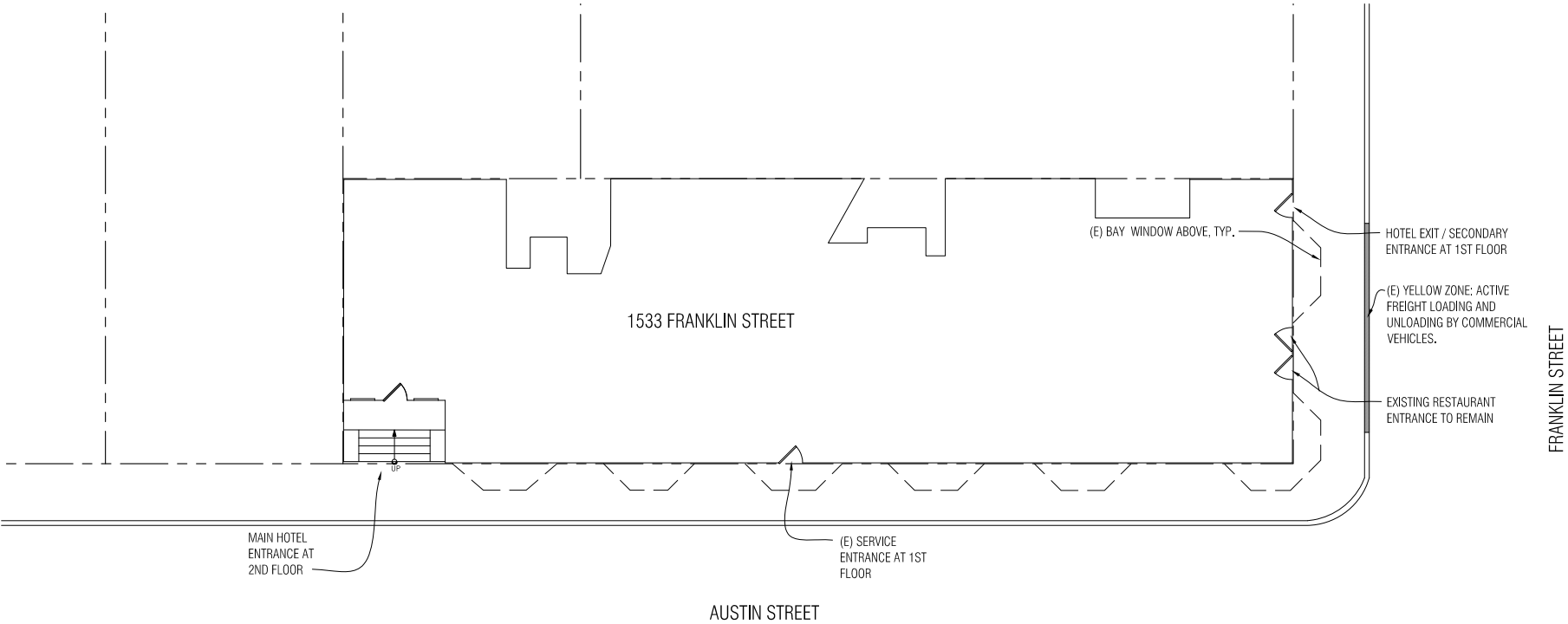
PACIFIC HEIGHTS INN - CONDITIONAL USE AUTHORIZATION ALTERATIONS																																					
GENERAL NOTES		ABBREVIATIONS			PROJECT DIRECTORY		PLANNING & BUILDING CODE INFORMATION																														
<div>1. CONTRACTOR ACKNOWLEDGES THAT THEY HAVE THOROUGHLY FAMILIARIZED THEMSELVES WITH THE BUILDING SITE CONDITIONS, GRADES, ETC., WITH THE DRAWINGS AND SPECIFICATIONS, WITH THE DELIVERY FACILITIES AND ALL OTHER MATTERS AND CONDITIONS WHICH MAY AFFECT THE OPERATION AND COMPLETION OF THE WORK AND ASSUMES ALL RISKS. CONTRACTOR TO VERIFY SURVEY DIMENSIONS BEFORE COMMENCING WORK. THEREFROM CONTRACTOR SHALL AT ONCE REPORT TO THE ARCHITECT ANY ERROR, INCONSISTENCY, OR OMISSION THAT MAY BE DISCOVERED AND CORRECT AS DIRECTED IN WRITING BY THE ARCHITECT.</div> <div>2. ALL MATERIALS AND WORKMANSHIP SHALL CONFORM TO THE CONTRACT DOCUMENTS, WHICH CONSIST OF DRAWINGS AND SPECIFICATION SECTIONS, AND SHALL BE IN ACCORDANCE WITH ALL FEDERAL, STATE, AND LOCAL BUILDING CODES AND SAFETY ORDINANCES IN EFFECT FOR THE CITY OF SAN FRANCISCO.</div> <div>3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING THE WORK OF ALL TRADES AND SHALL CHECK ALL DIMENSIONS. ALL DISCREPANCIES SHALL BE RESOLVED BEFORE PROCEEDING WITH THE WORK.</div> <div>4. FOR OPENINGS NOT SHOWN AND/OR DETAILED ON THE DRAWINGS WHICH PENETRATE STRUCTURAL ELEMENTS, OBTAIN APPROVAL FROM THE STRUCTURAL ENGINEER BEFORE PROCEEDING WITH THE WORK.</div> <div>5. BY ACCEPTING AND USING THESE DRAWINGS, CONTRACTOR AGREES THAT THEY SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE SAFETY CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE OWNER AND THE ARCHITECT HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ARCHITECT.</div> <div>6. ALL ITEMS NOT NOTED AS (E) OR 'EXISTING' ARE NEW.</div> <div>7. ARCHITECT AND OWNER WILL NOT BE RESPONSIBLE FOR ANY CHANGES IN PLANS, DETAILS OR SPECIFICATIONS UNLESS APPROVED IN WRITING IN ADVANCE OF CONSTRUCTION BY ARCHITECT AND OWNER.</div> <div>8. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS SHALL HAVE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTOR SHALL VERIFY AND BE MADE COMPLETELY RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS SHOWN AND A WRITTEN CHANGE ORDER SHALL BE ISSUED BEFORE MAKING ANY CHANGES AT THE JOB SITE.</div> <div>9. CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UNDERGROUND UTILITIES. ALL DAMAGE SHALL BE REPAIRED AT CONTRACTOR EXPENSE.</div> <div>10. ENGAGE A PROFESSIONAL ENGINEER TO SURVEY CONDITION OF BUILDING TO DETERMINE WHETHER REMOVING ANY ELEMENT MIGHT RESULT IN STRUCTURAL DEFICIENCY OR UNPLANNED COLLAPSE OF ANY PORTION OF STRUCTURE OR ADJACENT STRUCTURES DURING SELECTIVE DEMOLITION OPERATIONS. CONTRACTOR TO PROVIDE BRACING AND SUPPORT AS REQUIRED TO MAINTAIN THE INTEGRITY AND SAFETY OF THE EXISTING STRUCTURE.</div> <div>11. ALL DIMENSIONS ARE TO FACE OF FINISH SURFACE, UNLESS OTHERWISE NOTED.</div> <div>12. ALL EXISTING WALLS, FLOORS, AND CEILINGS AT REMOVED, NEW OR MODIFIED CONSTRUCTION SHALL BE PATCHED AS REQUIRED TO MAKE SURFACES WHOLE, SOUND, AND TO MATCH EXISTING ADJACENT CONSTRUCTION, EXCEPT AS OTHERWISE NOTED.</div> <div>13. ALL DRAWINGS, SPECIFICATIONS AND COPIES THEREOF FURNISHED BY THE ARCHITECT ARE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. THEY ARE TO BE USED ONLY WITH RESPECT TO THIS PROJECT AND ARE NOT TO BE USED ON ANY OTHER PROJECT. WITH THE EXCEPTION OF ONE CONTRACT SET FOR EACH PARTY TO THE CONTRACT, SUCH DOCUMENTS ARE TO BE RETURNED OR SUITABLY ACCOUNTED FOR TO THE ARCHITECT ON REQUEST AT THE COMPLETION OF THE WORK. SUBMISSION OR DISTRIBUTION TO MEET OFFICIAL REGULATORY REQUIREMENTS OR FOR OTHER PURPOSES IN CONNECTION WITH THE PROJECT IS NOT TO BE CONSTRUED AS PUBLICATION IN DEROGATION OF THE ARCHITECT'S COMMON LAW COPYRIGHT OR OTHER RESERVED RIGHTS.</div> <div>14. THE CONTRACTOR SHALL TAKE APPROPRIATE STEPS THROUGHOUT THE PROJECT TO PREVENT AIRBORNE DUST DUE TO THE WORK, MAINTAIN WORK AREAS CLEAN AND FREE FROM UNDUE ENCUMBRANCES, AND REMOVE SURPLUS MATERIALS AND WASTE AS THE WORK PROGRESSES.</div> <div>15. MATERIALS INDICATED TO BE REINSTALLED SHALL BE STORED AND PROTECTED ONSITE, UNLESS OTHERWISE NOTED.</div>	<div>& @ # 0 (E) (N) A.B. ACC A.F.F. ADJ. ALUM. APPROX. BD. BLDG. BLKG. B.U.R. CBC CEM. C.L. CLG. CLR CONC COND CONST. CFCI</div> <div>CPC C.T. DET. DIA. DIM. DR DN DWG (E) E EA. ELEC. ELEV. EQ. EXT. F.D. F.F. F.O.F. FLR. FIN. FT. GA. GALV. GL. GSF G.S.M. G.W.B. HDW HT. HSL ID INT.</div>	<div>JT. JOINT LAV LAVATORY LOC. LOCATION LT. LIGHT MAX MAXIMUM MECH. MECHANICAL MIN MINIMUM MIR MIRROR MTD. MOUNTED MTL. METAL (N) NEW NORTH N.I.C. NOT IN CONTRACT N.T.S. NOT TO SCALE O.C. ON CENTER OFCI OWNER FURNISHED CONTRACTOR INSTALLED OFOI OWNER FURNISHED, OWNER INSTALLED</div> <div>O.V. OVER PLYWD PLYWOOD PT. PAINT RCP REFLECTED CEILING PLAN R.O. ROUGH OPENING REF. REFERENCE REFR REFRIGERATOR (R) RELOCATED (RR) REMOVE AND RELOCATE REQ'D., REQ'S REQUIRED.REQUIREMENTS RM ROOM S SOUTH SHR. SHOWER SHT SHEET SIM SIMILAR SPEC. SPECIFICATIONS SQ. SQUARE S.S.D. SEE STRUCTURAL DWGS SS STAINLESS STEEL STD. STANDARD STL. STEEL STOR. STORAGE STRUC. STRUCTURAL T.B. TOWEL BAR THK THICK T.O. TOP OF TPD TOILET PAPER DISPENSER TUB. BATHTUB TYP TYPICAL U.N. UNLESS OTHERWISE NOTED V.I.F. VERIFY IN FIELD W WEST W/ WITH WC WATER CLOSET WD WOOD W.W.M. WELDED WIRE MESH</div>	<div>OWNER: RINKAL PATEL 1595 CASA BUENA DRIVE CORTE MADERA, CA 94925</div> <div>ARCHITECT: LERNER + ASSOC., ARCHITECTS 1108C BRYANT STREET SAN FRANCISCO, CA 94103 (415) 863-5475</div>	<div>ZONING: NC - 3 BLOCK / LOT: 0665 / 004 LOT AREA: 3,000 SF FULLY SPRINKLERED</div> <div>TYPE OF CONSTRUCTION V - B 4 STORIES OCCUPANCY 1ST FLOOR - A-2 2ND FLOOR - R-2 3RD FLOOR - R-2 4TH FLOOR - R-2</div> <div>APPLICABLE CODES: 2013 CALIFORNIA BUILDING CODE WITH 2013 SAN FRANCISCO BUILDING CODE AMENDMENTS 2013 CALIFORNIA MECHANICAL CODE WITH 2013 SAN FRANCISCO MECHANICAL CODE AMENDMENTS 2013 CALIFORNIA PLUMBING CODE WITH 2013 SAN FRANCISCO PLUMBING CODE AMENDMENTS 2013 CALIFORNIA ELECTRICAL CODE WITH 2013 SAN FRANCISCO ELECTRICAL CODE AMENDMENTS 2013 CALIFORNIA FIRE CODE 2013 CALIFORNIA ENERGY CODE AMSE A 17.1 - 1993 TITLE 8, SUBCHAPTER 6, OF CALIFORNIA CODE OF REGULATIONS</div> <div>NOTE: THE PURPOSE OF THESE PLANS IS TO ACHIEVE CONDITIONAL USE AUTHORIZATION FOR A CHANGE OF USE FROM UNAUTHORIZED OFFICE USE TO A TOURIST HOTEL.</div>	<div>ARCHITECTURAL</div> <div>A0.0 COVER SHEET A1.0 SITE PLAN - EXISTING CONDITIONS & DEMOLITION & NEW WORK A2.1 FIRST FLOOR PLAN - EXISTING CONDITIONS & DEMOLITION & NEW WORK A2.2 SECOND FLOOR PLAN - EXISTING CONDITIONS AND DEMOLITION A2.3 SECOND FLOOR PLAN - NEW WORK A2.4 THIRD FLOOR PLAN - EXISTING CONDITIONS & DEMOLITION & NEW WORK A2.5 FOURTH FLOOR PLAN - EXISTING CONDITIONS & DEMOLITION & NEW WORK A3.1 SOUTH ELEVATION - EXISTING CONDITIONS AND DEMOLITION A3.2 SOUTH ELEVATION - NEW WORK A3.3 EAST ELEVATION - NO WORK</div>																																
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							<div>THIS PROJECT IS TO REMODEL AN EXISTING 4-STORY BUILDING. THE WORK INCLUDES BUT IS NOT LIMITED TO THE FOLLOWING :</div> <div><div>- SCOPE INCLUDES WORK ON FLOORS 1-4 OF (E) 4 STORY BUILDING</div><div>- NO WORK IN THE (E) FIRST FLOOR RESTAURANT (712.44 WITH ALCOHOL) TO REMAIN</div><div>- CONDITIONAL USE AUTHORIZATION FOR A CHANGE OF USE TO A TOURIST HOTEL WITH 30 GUEST ROOMS</div><div>- NEW STAIRS TO 3RD AND 4TH FLOORS</div></div>																														
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							<table><thead><tr><th>FLOOR</th><th>HOTEL</th><th>RESTAURANT</th><th>TOTAL</th></tr></thead><tbody><tr><td>1</td><td>204.48</td><td>2,323.8</td><td>2,528.3</td></tr><tr><td>COMMON 1ST</td><td>92.2</td><td>92.2</td><td>184.4</td></tr><tr><td>2</td><td>2,709.5</td><td>0</td><td>2,709.5</td></tr><tr><td>3</td><td>2,839.6</td><td>0</td><td>2,839.6</td></tr><tr><td>4</td><td>2,813.3</td><td>0</td><td>2,813.3</td></tr><tr><td>TOTAL</td><td>8,659.1</td><td>2,416.0</td><td>11,075.1 GSF</td></tr></tbody></table>			FLOOR	HOTEL	RESTAURANT	TOTAL	1	204.48	2,323.8	2,528.3	COMMON 1ST	92.2	92.2	184.4	2	2,709.5	0	2,709.5	3	2,839.6	0	2,839.6	4	2,813.3	0	2,813.3	TOTAL	8,659.1	2,416.0	11,075.1 GSF
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**LERNER
+
ASSOCIATES
ARCHITECTS**

1108C BRYANT STREET
SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
EMAIL: INFO@LERNERARCH.COM



2 SITE PLAN - EXISTING CONDITIONS AND DEMOLITION
1/8" = 1'-0"



1 SITE PLAN - NEW WORK
1/8" = 1'-0"

**CONDITIONAL USE
AUTHORIZATION**

**PACIFIC HEIGHTS
INN**

ALTERATIONS

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REVISIONS			
NO.	DATE	REVISION	BY

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**SITE PLAN
EXISTING CONDITIONS
& DEMOLITION &
NEW WORK**

SCALE:	AS NOTED	A1.0 — OF — SHEETS
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SHEET TITLE

**FIRST FLOOR PLAN
EXISTING CONDITIONS
& DEMOLITION &
NEW WORK**

SCALE:	AS NOTED	SHEET NO. <div style="font-size: 48pt; text-align: center;">A2.1</div>
DATE:	JANUARY 26, 2016	
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A2.1

1108C BRYANT STREET
SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
EMAIL: INFO@LERNERARCH.COM

1108C BRYANT STREET
SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
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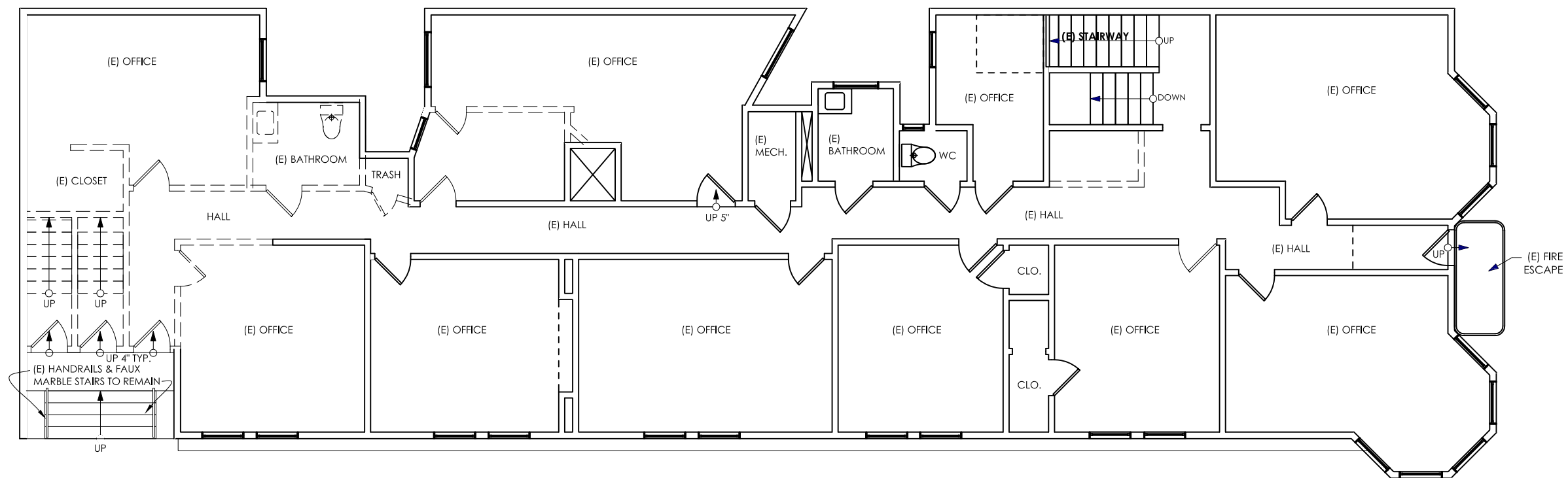
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SHEET TITLE

SECOND FLOOR PLAN EXISTING CONDITIONS AND DEMOLITION

SCALE:	AS NOTED	SHEET NO. <div style="font-size: 48pt; text-align: center;">A2.2</div>
DATE:	JANUARY 26, 2016	
DRAWN BY:	JP	
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1

SECOND FLOOR PLAN - EXISTING CONDITIONS AND DEMOLITION

$$\overline{1/4'' = 1'-0''}$$


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SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
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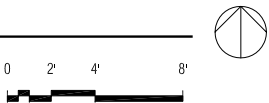
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SECOND FLOOR PLAN NEW WORK

SCALE:	AS NOTED	SHEET NO. <h1>A2.3</h1>
DATE:	JANUARY 26, 2016	
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1 SECOND FLOOR PLAN - NEW WORK
1/4" = 1'-0"



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SCALE: AS NOTED

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A2.4

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SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
EMAIL: INFO@LERNERARCH.COM

1108C BRYANT STREET
SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
EMAIL: INFO@LERNERARCH.COM

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SHEET TITLE

**FOURTH FLOOR PLAN
EXISTING CONDITIONS
& DEMOLITION &
NEW WORK**

SCALE: AS NOTED

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JOB NO: 21552

SHEET NO.

A2.5

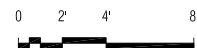
OF SHEETS



FOURTH FLOOR PLAN - EXISTING CONDITIONS AND DEMOLITION

$$1/4'' = 1'-0''$$


FOURTH FLOOR PLAN - NEW WORK

$$1/4'' = 1'-0''$$


1108C BRYANT STREET
SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
EMAIL: INFO@LERNERARCH.COM

1108C BRYANT STREET
SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
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SHEET TITLE

**SOUTH ELEVATION
EXISTING CONDITIONS
AND DEMOLITION**

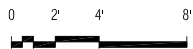
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A3.1

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1 SOUTH ELEVATION - EXISTING CONDITIONS AND DEMOLITION
1/4" = 1'-0"



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SAN FRANCISCO, CA 94103
PHONE: 415 - 863 - 5475
FAX: 415 - 252 - 7649
EMAIL: INFO@LERNERARCH.COM

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SAN FRANCISCO, CA 94103
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JOB NO.:	21552	

OF SHEETS



PATCH OPENINGS IN ALL
DOORS AND PAINT, IN (E)
CENTER DOOR INSTALL LEVER
HARDWARE LATCH SET, TWO (E)
SIDE DOORS TO BE FIXED SHUT -

1 SOUTH ELEVATION - NEW WORK
1/4" = 1'-0"

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PHONE: 415 - 863 - 5475
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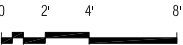
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JOB NO.:	21552	

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1 EAST ELEVATION - NO WORK
1/4" = 1'-0"

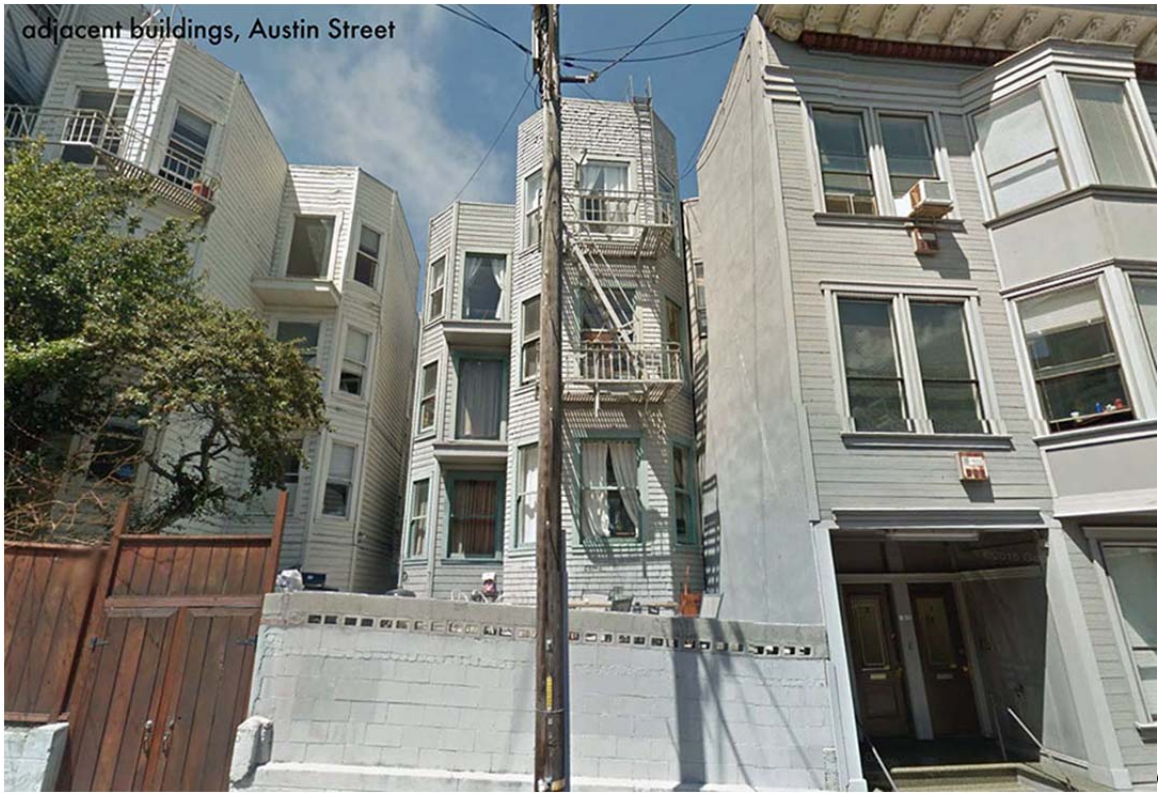


street elevation, Franklin Street



building across the street, Austin Street side





Proposed Main Hotel Lobby Entrance

Existing Railing To Remain / Proposed Main Hotel Lobby Entrance (Austin Street)





subject building, Austin Street



building across the street, Franklin Street

1st floor office (to become hotel room #2 on Austin Street side)



inside Austin Street entrance at 1st floor level



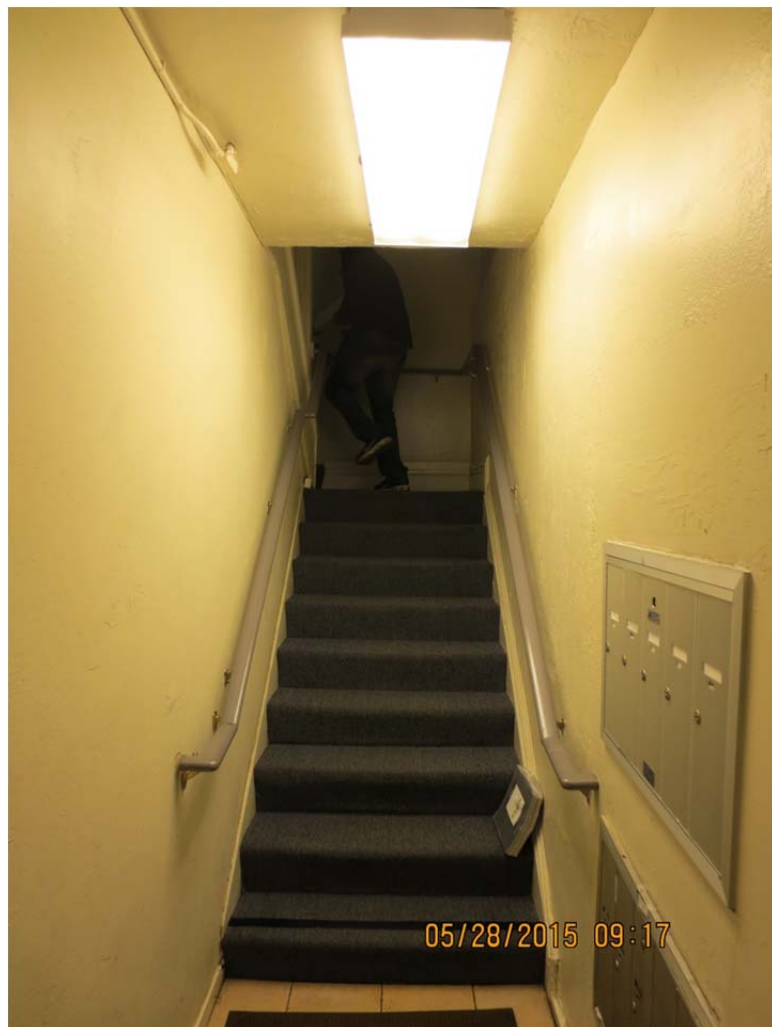
2nd floor hall looking West



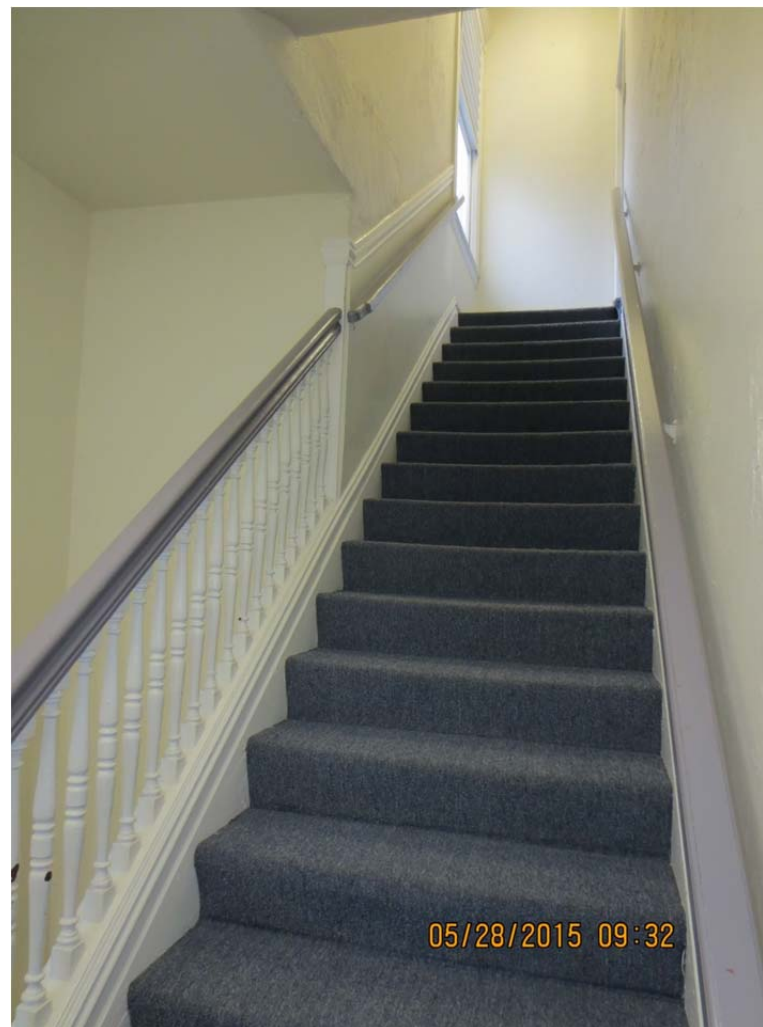
4th floor hall looking West



1st floor stairs of Franklin Street entrance



Stairs from 3rd to 4th floor Franklin Street side





MEMORANDUM

Date: January 19, 2016

To: Ilene Dick, Farella Braun + Martel

From: Sally Nielsen

Subject: **San Francisco Planning Code Section 303(g) Report for
1533 – 1539 Franklin Street**

The project sponsor, Franklin Street Hospitality Investments, proposes to convert office uses to 30 tourist hotel rooms on the 2nd through 4th floors of the 4-story building at 1533-1539 Franklin Street. As part of the Conditional Use Authorization application, San Francisco Planning Code Section 303(g) requires that the Planning Commission consider three criteria: the impact of hotel employees on demand for housing, transit, child care and other social services; measures the project sponsor proposes to employ San Francisco residents; and hotel market demand. This memorandum provides the Section 3030(g) assessment for 1533-1539 Franklin Street.

Project Characteristics

The proposed project is located on Franklin Street at the corner of Austin Street, one-half block from Pine Street. Both Franklin and Pine are major one-way cross-town streets, carrying heavy levels of vehicle traffic. Entrance to the hotel will be on Austin Street. The 30 tourist hotel rooms will have sinks and vanities in each room and will share 2.5 – 3 hallway bathrooms among 8 – 11 rooms per floor. The existing ground floor restaurant will remain. The project will provide 1 Class I and 2 Class II bicycle parking spaces.

The project, centrally located along the Van Ness Corridor, proposes a small number of visitor accommodations targeted to cost-conscious travelers. Rooms are small (averaging 176 square feet) and the level of amenities minimal. The projected room rate of about \$90 per night is consistent with rates at other budget, no-frills visitor lodging in the vicinity.

Impact of hotel employees on demand for housing and services in San Francisco

The table below summarizes the number of staff positions at the proposed hotel. There will be 7 full-time positions (manager, desk clerks, housekeeping, and janitorial) and 5 part-time positions (desk clerks, housekeeping, and janitorial). It is highly likely that the people filling these positions will already live in San Francisco, so there will be no significant increase in demand for housing, transit, child care and other social services. Furthermore, the location is well-served by transit and the addition of bicycle parking spaces will help to minimize additional auto trips.

Position	Staff Count	
	Full Time	Part Time
Manager	1	-
Desk Clerks	2	2
Housekeeping	3	2
Janitorial	1	1
Total	7	5

The project's central location and market niche mean that occupancy is likely to be high year-round. Once the California Pacific Medical Center (CPMC) hospital is complete at Van Ness and Geary (anticipated in 2018), there will be a significant new source of year-round lodging demand within two blocks of the project site.

Project construction will also generate jobs, including work for existing San Francisco residents. Over the course of a 4 – 6 month construction period, there will be about 10 workers on site each day. Any demands on City services will be minimal and temporary.

Measures to employ residents of San Francisco

The project sponsor plans to fill the job openings by posting the job openings at HireSF.org, (an initiative of the Office of Economic and Workforce Development), advertising in local newspapers and on Craigslist. The project does not meet the minimum size threshold of 25,000 square feet to take advantage of San Francisco's First Source Hiring Program.

Generally, most San Francisco hotel employees live in San Francisco. According to the *Economic Impact of San Francisco Hotels* (2013), 57 percent of the people employed at San Francisco hotels also live in San Francisco, higher than the average of 54 percent for all business sectors in San Francisco. (Report prepared for the Hotel Council of San Francisco by the Bay Area Council Economic Institute).

Market demand for budget visitor lodging

San Francisco's visitor industry is thriving; the number of visitors to the City is at an all-time high and hotel occupancies are at record levels. ("Golden Gate Boom: San Francisco Tourism Hitting Historic Levels", travelpulse.com, April 24, 2015,

<http://www.travelpulse.com/news/destinations/golden-gate-boom-san-francisco-tourism-hitting-historic-levels.html> and “San Francisco Records Highest Ever Visitor Numbers and Spending”, <http://www.themeetingmagazines.com/news/san-francisco-records-highest-ever-visitor-numbers-spending/>).

According to San Francisco Travel, 5.3 million visitors stayed in San Francisco hotels in 2014. Consistent occupancy rates between 80 and 90 percent since 2010 have supported significant increases in average daily room rates (average rental income paid per occupied room in one year). Citywide, the average daily room rate was \$254 in 2014, up almost 20 percent from an average of \$204 in 2012. (See “Hotel Occupancy Rate and Other Features (2014)” in Attachment A.)

Recent data for the month of May 2015 indicate occupancy over 85 percent for rooms in the Civic Center/Van Ness area (3 percent higher than the same month in 2014) and average daily room rates of \$154 (almost 7 percent higher than the same month in 2014). (See “Statistics and Trends of Hotel-Motel Business, San Francisco Monthly Trends, Month of May” in Attachment A.)

The longer-term outlook for the tourist hotel market in San Francisco is strong. Tourism is one of the key sectors in the City’s economy, supported by the strength of other economic activity in the City, growth in international travel, and the City’s appeal to both convention and leisure travelers. Against this backdrop, a small, budget hotel such as that proposed for 1533 – 1539 Franklin faces low market risk. Furthermore, budget hotels can be more resilient in an economic downturn than higher-end luxury products.

There are a number of factors that favor budget tourist hotel use at this location. The site is centrally located in San Francisco near major transportation corridors. The location is well-served by transit heading into Union Square, the Financial District, North Beach, and the Embarcadero. One block away on Van Ness, multiple transit lines head north to Fisherman’s Wharf, Aquatic Park, Fort Mason, the Presidio, and the Golden Gate Bridge and south to the Civic Center, South of Market, Hayes Valley, and the Mission. The California Street cable car line terminates one block away from the project site.

There are a number of existing tourist lodging properties in the vicinity, representing the full range of project types: the 500-room Holiday Inn Golden Gateway on Van Ness and Pine, the boutique Hotel Majestic (58 rooms), Queen Anne Hotel (48 rooms), and Payne Mansion Hotel (10 rooms), and budget hotel/hostel accommodations at the Opal (167 rooms), Monarch Hotel (101 rooms), Cable Car Court Hotel (88 rooms/weekly rates), Motel 6 (72 rooms), Encore Express Hotel (18 rooms). Many in this latter category offer rooms with shared baths.

Finally, as noted above, the development of the 274-bed hospital at Van Ness and Geary represents an important near-future source of year-round demand for nearby lodging, particularly of the budget-type represented by the proposed project. CPMC’s current listing of local lodging (some of which may offer discounted rates to CPMC patients and guests) indicates the range of types of accommodations that hospital patients and guests are interested in. The list includes the Hotel Kabuki (Post and Buchanan), Holiday Inn Golden Gateway, Hotel del Sol (Webster Street), and Laurel Inn (Presidio at California), as well as RV Parks (Candlestick, Anthony

Chabot Regional Park in Oakland, and SF RV Park in Pacifica). As indicated in this recent *San Francisco Chronicle* article, the hotel project is stimulating a boom in real estate investment for housing, office, and hotel use near Van Ness and Geary (“Nearby real estate rising along with new hospital on Van Ness”, J. K. Dineen, April 14, 2015, <http://www.sfchronicle.com/bayarea/article/Huge-S-F-hospital-project-sends-shock-waves-6200097.php>)

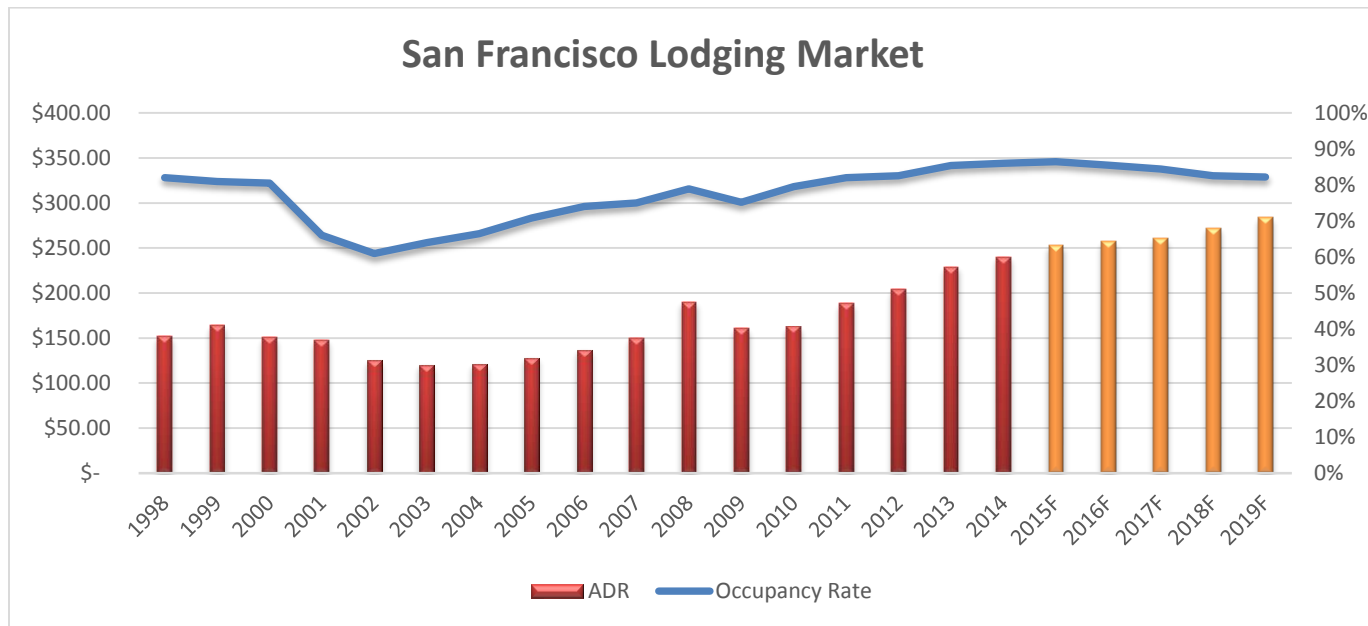
Attachment A

Supporting Material



San Francisco Tourism Hotel Occupancy Rate & Other Features (2014)

All Hotels	2012	2013	2014	% Change 12-14
Occupancy Rate	82.6%	85.40%	86.50%	3.90%
ADR*	\$203.83	\$228.97	\$253.99	19.75%
RevPAR**	\$199.86	\$195.56	\$219.72	9.04%



By Room Rate	Occupancy Rate				ADR				RevPAR			
Room Rate	2012	2013	2014	VAR 12-14	2012	2013	2014	VAR 12-14	2012	2013	2014	VAR 12-14
Over \$175	81.1%	82.80%	84%	2.9%	\$ 210.95	\$235.04	\$259.57	18.73%	\$ 171.04	\$194.58	\$218.06	21.56%
\$125-\$175	78.7%	80%	82.40%	3.7%	\$ 132.75	\$148.68	\$164.44	19.27%	\$ 104.46	\$118.98	\$135.49	22.90%
\$75-\$125	70.0%	73%	75.60%	5.6%	\$ 99.18	\$101.80	\$110.05	9.88%	\$ 69.42	\$74.30	\$83.25	16.61%
Under \$75	63.8%	64.40%	66.80%	3.0%	\$ 50.25	\$51.00	\$54.87	8.42%	\$ 32.07	\$32.82	\$36.67	12.54%

*ADR: Average Daily Rate, average rental income per paid occupied room in one year. (Hotel revenue divided by the number of rooms sold.)

**RevPAR: Revenue Per Available Room.

Source: PKF Reports from Hotel Council of SF

Update: April 2015

**STATISTICS AND TRENDS OF HOTEL-MOTEL BUSINESS
SAN FRANCISCO MONTHLY TRENDS
MONTH OF MAY**

REPORT OF ROOMS BUSINESS BY LOCATION

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2015	2014	VAR	2015	2014	VAR	2015	2014	VAR
UNION/NOB/MOSCONE	\$273.56	\$260.80	4.9%	89.9%	87.2%	3.1%	\$246.00	\$227.41	8.2%
FINANCIAL DISTRICT	263.38	255.14	3.2%	90.4%	89.3%	1.2%	238.09	227.86	4.5%
FISHERMAN'S WHARF	225.21	218.04	3.3%	87.2%	88.6%	-1.6%	196.42	193.22	1.7%
CIVIC CENTER/VAN NESS	154.49	144.77	6.7%	85.3%	82.6%	3.2%	131.83	119.65	10.2%
OVERALL AVERAGE	\$258.28	\$246.88	4.6%	89.3%	87.3%	2.2%	\$230.58	\$215.59	7.0%

REPORT OF ROOMS BUSINESS BY AVERAGE DAILY RATE

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2015	2014	VAR	2015	2014	VAR	2015	2014	VAR
OVER \$200.00	\$267.70	\$255.63	4.7%	90.0%	87.8%	2.5%	\$240.91	\$224.54	7.3%
\$150.00 TO \$200.00	175.46	168.02	4.4%	81.2%	84.4%	-3.7%	142.51	141.76	0.5%
\$150.00 AND UNDER	138.69	144.26	-3.9%	86.1%	78.5%	9.7%	119.47	113.29	5.5%
OVERALL AVERAGE	\$258.28	\$246.88	4.6%	89.3%	87.3%	2.2%	\$230.58	\$215.59	7.0%

REPORT OF ROOMS BUSINESS BY SIZE OF PROPERTY

	AVERAGE DAILY ROOM RATE			OCCUPANCY PERCENT			REVENUE PER AVAILABLE ROOM		
	2015	2014	VAR	2015	2014	VAR	2015	2014	VAR
OVER 400 ROOMS	\$257.26	\$244.81	5.1%	91.9%	87.8%	4.7%	\$236.34	\$214.91	10.0%
250 TO 400 ROOMS	276.42	263.74	4.8%	84.7%	86.9%	-2.5%	234.15	229.19	2.2%
150 TO 250 ROOMS	239.03	229.86	4.0%	87.6%	86.6%	1.1%	209.34	199.09	5.1%
UNDER 150 ROOMS	226.76	226.60	0.1%	81.6%	85.1%	-4.2%	184.96	192.87	-4.1%
OVERALL AVERAGE	\$258.28	\$246.88	4.6%	89.3%	87.3%	2.2%	\$230.58	\$215.59	7.0%

SOURCE: PKF CONSULTING

From Trends in the Hotel Industry, Northern California, May 2015
Provided by San Francisco Travel

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January 26, 2016

Via Email

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

Re: 1533-1539 Franklin Street: Case No. 2015-006700
Hearing Date: February 4, 2016

Dear President Fong and Members:

We represent Franklin Street Hospitality Investments, Inc., the owners of the building at 1533-1537 Franklin Street and the Project Sponsor. These owners have been in the hotel business for 30 years and own and/or operate numerous other hotels in California and under the brand names Best Western, Ramada Inn, Travelodge, Holiday Inn, Rodeway Inn, and other independent boutique properties. The Project proposes the conversion of the 2nd through 4th floors of this 4-story building to its last legal use as a tourist hotel. Under the site's NC-3 zoning, the proposed conversion requires conditional use authorization. Because no off-street parking is provided for this building and none will be provided, Sections 161(g) and 307(i) require a Zoning Administrator waiver of the required 24 off-street parking spaces.

Based on its location and the fact that the last legal use of these 3 floors was a 33-room tourist hotel, we respectfully request that the Commission grant the conditional use authorization. Additionally, due to the absence of any off-street parking in this building, we respectfully request that the Zoning Administrator grant the waiver for all 24 required off-street parking spaces.

A. FACTUAL BACKGROUND

1. The Site's Features and Zoning

The Project Sponsor purchased the 4-story building located at the corner of Franklin Street and Austin Street on February 27, 2015. The Project site is surrounded by Austin, Pine, Franklin and Gough Streets. The 3,000 sf lot has a 30' frontage and is 100' deep. The site is zoned NC-3 and is in a 130-E height and bulk district. The ground floor is a restaurant use. At

the time of purchase, the upper 3 floors consisted of 33 separate rooms that were used by a variety of small businesses, including personal, medical and business and professional services.¹

2. Project Description

The 11,075 gross square foot, 4-story building consists of a 2,416 gross square foot ground floor restaurant. This use is not part of the Project. The proposed hotel on the 2nd through 4th floors, comprising 8,659 gross square feet ("Project area"), has been used as commercial uses over the years. The Project proposes to reconfigure these spaces into 30 tourist hotel rooms for sleeping only. The rooms will be upgraded with new closets. The existing common sanitary facilities that will be used by all guests will also be upgraded with bathtubs and/or showers on the 3rd and 4th floors.

The average hotel room sizes by floor are:

2nd Floor: 184 square feet
3rd Floor: 172 square feet
4th Floor: 172 square feet
Average hotel room size: 176 square feet.

No change to the building envelope is sought. Construction work will all occur in the interior of the building. The Project Sponsor proposed a white zone for passenger loading on the Austin Street frontage, but SFMTA stated that the building is ineligible for a white zone because the hotel is less than 50 rooms.

No off-street parking is currently provided at the Project site. Because of its transit-rich location, the Project will seek a waiver from the Zoning Administrator of the required 24 off-street parking spaces under Sections 161(g) and 307(i).

¹ See table at Exhibit A for a list of tenants in the building in March 20, 2015, shortly after the Project Sponsor's purchase. Since learning in July 2015 that the Project Sponsor would be seeking to convert the building to a tourist hotel, many of the tenants voluntarily vacated over a period of time. Of those tenants, only 10 remain. Unit 305 Kara Swedlow, psychotherapist, will be voluntarily vacating on January 31, 2016, leaving 9 tenants.

Of the nine remaining tenants, the below lists the uses for which we have information.

Unit 101-Douglas Hanson
Unit 109-David Sundy-Active Healing SF-chiropractor
Unit 202-Bruce Zelony
Unit 205-Laura Catena
Unit 206-Sean Levesque-chiropractor
Unit 207-Todd Ruggiero
Units 302 and Unit 310-Mirsada Kurtovic-skin care consultant
Unit 303-Blue Sky Holdings-real estate brokerage
Unit 307-Richard Krafnick-psychotherapist

3. Basis for New Conditional Use Authorization

As part of their due diligence of the building, the owners requested a Letter of Determination on January 12, 2015 to confirm the type and size of what they were told were permitted commercial/office uses and/or tourist hotel rooms for the Project area.² At the time, the building had 33 commercial spaces that were used by solo practitioners and small businesses including but not limited to therapists, chiropractors, accountants and lawyers.

In the April 1, 2015 Letter of Determination, Zoning Administrator Scott Sanchez described a long and circuitous permit history of this building.³ The result of this permit history is that the 1978 permit to legalize 10 office units on the 1st and 2nd floors was never perfected. The 1986 permit to convert the tourist hotel rooms to office space in that same area met a similar fate. Legalization or change of a use cannot be valid without Planning's approval of a permit and DBI's issuance of a Certificate of Final Completion to evidence that the work was done in conformance with the scope of the permit.

Absent a valid change of use or legalization of a use, the Letter of Determination concluded that "the legal use of the first, second and third floors never legally changed from tourist hotel to office use."⁴ However, even though the proposed tourist hotel use was the Project area's last legal use, the new hotel still requires conditional use authorization under Section 178(d). Under that section, when a permitted conditional use⁵ is discontinued or abandoned for three years, a new conditional use is required to restore that use. For these reasons, a new conditional use authorization under the existing conditional use criteria is required for tourist hotel use in this building.

B. PROJECT BENEFITS

1. The Project Provides 30 Hotel Rooms which will Satisfy the Unmet Demand for Smaller and Affordable Hotel Rooms in a Location that does not require a Rental Car.

Granting the conditional use authorization will add 30 affordable hotel rooms in a centrally located and bustling part of the City. The Project is near the CPMC medical and

² See Exhibit B.

³ *Id.*, pp. 1-3. This permit history includes the attempted conversion of a 24 room tourist hotel to office space without providing parking and a Board of Appeals hearing on the variance from the then-applicable off-street parking requirements.

⁴ *Id.*, p. 3.

⁵ Section 179(a)(2) defines a permitted conditional use as

"[a]ny use or feature in a Neighborhood Commercial District which lawfully existed on the effective date of Ordinance No. 69-87 which is classified as a conditional use by the enactment of Ordinance No. 69-87 is deemed to be a permitted conditional use, subject to the provisions of Section 178 of this Code.

Based on the Letter of Determination, tourist hotel use was in existence in 1969. For that reason, it is a permitted conditional use. A new conditional use authorization is required when, like here, there has not been a tourist hotel use in the building for 3 years between 1969 and the present.

hospital facilities under construction on Van Ness Avenue and surrounding blocks. The presence of that institutional use will revitalize the neighborhood by increasing demand for certain commercial uses, including small hotels. By returning the site to its original tourist hotel use, the Project will provide community benefits in the form of affordable hotel rooms near the hospital and medical facilities for use by family and friends of patients as well as visiting medical professionals. It will also convert an underutilized site into a small and vibrant hotel, within walking distance of public transit, commerce and services. It will provide more business for the restaurant on the ground floor and the numerous businesses on Van Ness Avenue and Polk Street.

The Project site is well served by transit and neighborhood services and is close to downtown and other tourist destinations, such that tourists will not need to be dependent on private automobiles for their City activities. The Project will provide one Class 1 bicycle parking space in a secure, accessible location near the reconfigured second floor manager's office. Two Class 2 bicycle spaces will be located on the Austin Street frontage. These 3 bicycle parking spaces satisfy Section 155.2's requirements for a tourist hotel.

C. THE PROJECT SATISFIES SECTION 303(c)'S CRITERIA FOR APPROVAL

The Project meets all the required criteria for conditional use authorization.

- 1. The proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.**

The building was originally built as a tourist hotel in the early 20th century. Like much of the surrounding neighborhood, the Project is located in a four-story, wood frame building. The Project is compatible with many of the buildings along Franklin Street in the surrounding neighborhood and with the numerous three-to-five story buildings on both Austin and Franklin Streets.

With the sole hotel entrance moved to Austin Street, the hotel use will replace the customer/client-driven activities that occurred on the fully occupied upper floors which were accessed from both Franklin and Austin Streets. The active ground floor restaurant use will remain. As a result, the Project preserves streetscape and neighborhood character on the ground floor and is compatible with the prevailing pattern of upper story uses.

Because it is near the CPMC medical and hospital facilities under construction on Van Ness Avenue and surrounding blocks, there will be an increased demand for certain commercial uses, including small hotels. While there are other hotels within this neighborhood,⁶ most of those hotels are larger than the proposed hotel and are not small, cost-conscious, independently-run hotels. Because the proposed hotel does not require major construction and because the

⁶ See Exhibit C.

rooms will not have many of the same amenities provided by larger hotels, the rates will be extremely competitive and affordable to the demographic market for these rooms.

The expected guests for these affordable rooms range from family and friends of patients at CPMC as well as visiting medical professionals. Guests will also include travelers who do not want to pay for or cannot afford a higher-rate hotel room and are simply seeking a place to sleep and bathe. In addition to affordability, many of those guests will choose this hotel due to the site's location near major transit arteries to and from tourist destinations in the City and the region. The site is also within walking distance of the commercial/entertainment activities in the Civic Center, Van Ness and Polk Street areas.

2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:

- (A) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures.

The Project site occupies the entire 3,000 square foot lot and is rectangular in size. The Project converts the upper three floors of the existing building from illegal commercial uses to tourist hotel use. The existing approximately 11,075 gross square foot building will remain in its current configuration. No expansion of the building is proposed, leaving the envelope intact.

- (B) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading and of proposed alternatives to off-street parking, including provisions of car-share parking spaces, as defined in Section 166 of this Code.

The Project site does not currently provide any off-street parking spaces and none are proposed for the Project. Although 0.8 parking spaces per hotel room is required in an NC-3 zoning district (Section 151), the Zoning Administrator may reduce or waive that requirement pursuant to Sections 161(g) and 307(i). Because the Project is located in such a transit-rich location, the sponsor is seeking a waiver of all required 24 off-street parking spaces. No loading is required for hotel uses of less than 100,000 square feet. Accordingly, there will be no off-street loading for the hotel use. No off-street loading currently exists for the ground floor restaurant, which is not part of the Project.

The Project site is well served by local and regional transit and neighborhood services and is close to downtown and other City tourist destinations. As a result, guests will not need to be dependent on private automobiles for their City and/or regional activities. In addition, the Project will provide one Class 1 bicycle parking space in a secure, accessible location on the second floor and two Class-2 spaces on the Austin Street frontage.

- (C) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor.

Construction of the Project will occur entirely in the interior of the building. The Project Sponsor will comply with all codes, regulations and rules to minimize any negative effects of that construction.

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

Because the Project primarily involves the renovation of the interior of an existing building that covers the entire 3,000 square foot lot, no landscaping, screening or open space is proposed. No off-street parking is currently provided and the Project is seeking a waiver of the required 24 off-street parking requirements. No off-street loading is required for the hotel use.

The existing building has lighting on both frontages. The Project will include lighting at the hotel entrance that focuses on the entrance area and does not create glare for neighbors. Any signage for the hotel would be on the Austin Street frontage and would comply with applicable Planning Code requirements. Garbage and recycling facilities will remain in their current location and be contained within the ground level with a single access point.

- 3. Such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the General Plan.**

Commerce & Industry Element

Objective 1: Manage Economic Growth and Change to Ensure Enhancement of the Total City Living and Working Environment. .

Policy 1.1: Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated

The Project adaptively reuses the three upper floors of an existing building. No exterior construction activity is required. The Project reduces daytime activity at the site as compared to the current office/commercial uses since most tourists are away from the hotel during that time visiting the tourist destinations of the City and Bay Area. The restaurant use will remain open in the evening hours. With only 30 rooms, nighttime activity generated by the hotel will be limited to tourists returning to their rooms after a day of activity or family members returning from visiting loved ones at the CPMC facility.

Objection 6: Maintain and Strengthen Viable Neighborhood Commercial Area Easily Accessible to City Residents.

Policy 6.3: Preserve and Promote the Mixed Commercial-Residential Character in Neighborhood Commercial Districts. Strike a Balance Between the Preservation of Existing Affordable Housing and Needed Expansion of Commercial Activity.

The Project will not negatively impact any market rate or affordable housing. It maintains the mixed use character of this portion of Franklin Street by replacing 33 commercial spaces with 30 tourist hotel rooms, returning the building to its original use.

Guidelines for Specific Uses: Hotel development should be compatible in scale and design with the overall district character and especially with buildings on the same block.

The Project will retain the existing architecture of the building. Its envelope will not be altered. Reuse of this 1905 building maintains the district character as it has been over 100 years of commercial expansion and development on Franklin Street.

Policy 6.2: Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

The Project is an entrepreneurial small business that is addressing the demand for small, affordable tourist hotel rooms that are near transit-rich locations. It is well documented that the City's hotel stock has not kept pace with tourist needs. While much of the hotel sector's focus is on large hotels for conventions and business gatherings, the many smaller, locally/independently owned and operated hotels are favored by tourists, particularly if they are near and/or accessible to restaurants, nightlife and/or City tourist attractions. This site satisfies all of those criteria. It will also meet a demand for hotel rooms that will be created by the families of patients of the CPMC medical facility.

Policy 6.9: Regulate Uses so that Traffic Impacts and Parking Problems are minimized

The Project will be seeking a waiver of the 24 required off-street parking spaces for the 30 room tourist hotel. The site is within walking distance of the 1, 12, 19, 27, 38, 47, and 49 MUNI lines, traversing Van Ness, Geary and Sacramento. These bus lines include stops and/or connections to the MUNI Metro, BART and F-lines on Market Street and connections to buses to tourist attractions like Chinatown, the Haight, the Bay and the Great Highway. The Van Ness BRT line will soon be operational and will expedite travel by tourists to many City destinations as well as connections with City and regional transit lines.

The Project's location in such a "hub" will eliminate the need for tourists to rely on private transportation to get from the hotel to tourist destinations in the City. The 3 bicycle spaces that will be available on-site will also be an alternative to cars. The Polk Street bicycle lanes are near the Project site and will provide a safe option for bicycle rides to Crissy Field and the Marina neighborhood and across the Golden

Gate Bridge into Marin County.

POLICY 6.10: Promote neighborhood commercial revitalization, including community-based and other economic development efforts where feasible.

A tourist hotel will provide a more vibrant neighborhood commercial activity than the existing commercial uses. It will also generate more economic multiplier effects than the past commercial uses. Tourists will visit and spend their money in nearby neighborhood commercial districts such as the bars, restaurants and retail shops on nearby Van Ness and Polk Streets and in the Civic Center area, which are not currently regular tourist destinations.

D. THE PROJECT MEETS SECTION 303(G)'S CRITERIA FOR APPROVAL

Findings under Section 303(g) are required for applications for development of tourist hotels. The Project satisfies these criteria.

- 1. The impact of the employees of the hotel or motel on the demand in the City for housing, public transit, child-care, and other social services. To the extent relevant, the Commission shall also consider the seasonal and part-time nature of employment in the hotel or motel.**

Hotel operations require 12 employees. Below are those functions and full-time or part-time status.

	FT:	PT:
Manager	1	
Desk Clerks	2	2
Housekeeping	3	2
<u>Janitorial</u>	<u>1</u>	<u>1</u>
TOTAL:	7	5

Consistent with this hotel's small business character, only 12 employees will be hired for this hotel's operations. Five of those employees will be part-time, spending part of the work week elsewhere. Given this level of employment, impacts on City services for housing, transit, childcare and social services will be nominal. Moreover, the ownership intends to use multiple sources to hire local residents, including the Mayor's Office of Economic and Workforce Development. Since the hotel's employees will already be living and working in San Francisco, there will be no net new impacts on these City services.

- 2. The measures that will be taken by the project sponsor to employ residents of San Francisco in order to minimize increased demand for regional transportation; and,**

The Project sponsor will use Craigslist and local newspapers such as the San Francisco Chronicle and the San Francisco Examiner to post job openings. In addition it will also use the internet, such as the websites HireSF⁷ and jobs on its.my.career.com⁸ to find San Francisco residents for the 12 jobs at the hotel.

3. The market demand for a hotel or motel of the type proposed.

Many factors favor a small budget hotel (\$90/night room rate) at this location. Amongst them are the CPMC medical facilities that, once operational, will create heightened demand for this product by patients, their families and visiting medical professionals. The proposed hotel is ideally located close to CPMC, being within 6 blocks walking distance of the CPMC facilities. In addition to its proximity to a newly created demand for affordable hotel rooms, the tourist market in San Francisco remains robust.

The location provides direct transit access to numerous MUNI lines that serve tourist destinations in the City such as Chinatown, the Embarcadero/Fisherman's Wharf, and Golden Gate Park. Once the BRT is operational, travel north towards the Golden Gate Bridge and the waterfront will be expedited. Another attraction to this location is that the hotel will provide three bicycle parking spaces. Considering the hostel-like accommodations proposed, it is expected that many guests will be bringing or renting bicycles to get around. The site is near the proposed Polk Street bike lanes that connect to bike lanes on Market and to the western side of the City. The needs of guests who wish to see the City by bicycle would be met by this location.

Based on the proposed nightly rate of \$90/room in a hotel of fewer than 150 rooms located in the Civic Center/Van Ness area, 2015 market demand for the proposed rooms reflected in occupancy rates is approximately 78%-80%.⁹ Given the location, affordability and size of the hotel, it is expected that the 30 rooms will be occupied year-round.

E. CONCLUSION

For the above reasons, we urge the Planning Commission to grant conditional use authorization and the Zoning Administrator to grant the parking waiver. The Project meets the applicable criteria for both entitlements.

The Project provides 30 affordable tourist hotel rooms in a part of the City that has numerous hotel options ranging in size, prices and amenities. By converting the second to fourth floors of this 100+ year-old building back to its last and original legal use, these rooms will

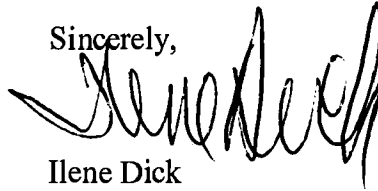
⁷ <https://www.hiresf.org/vosnet/Default.aspx>

⁸ http://hotel-work-jobs.itsmycareer.com/index.php?q=Hotel%20Work%20Jobs&utm_term=hotel%20work%20jobs&src=AdWords&kw=hotel%20work%20jobs&ad=52784848995&n=g&t=&mt=b&d=c&ap=1s7&dm=&kid=&kw=Hotel+Work+Jobs&bkw=&cid=w581SI3JFTN9849M0SGN117Q&src=AdWords&q=&d=&gclid=CMW4vpPonMcCFVBqfgodscAKhA

⁹ See Exhibit A to Hausrath Economics Group report "Statistics and Trends of Motel-Hotel Business, San Francisco Monthly Trends, May 2015.

provide the type of “no frills, but quality” stay in an area of San Francisco that is close to numerous transit options to tourist destinations in and outside the City. Demand for these types of rooms is shared by a broad range of demographics, including singles, group travelers and families. At this location, the Project will expand hotel options for people connected to the new CPMC facilities. Those types of guests would include family members of hospital patients and doctors and medical students/interns visiting for research or meetings, among others. Room rates will be attractive to many tourists who cannot afford nor wish to stay in more expensive hotels when they plan only to sleep in their hotel rooms and visit the Bay Area’s many sites during the day and evening.

Sincerely,



Ilene Dick

ID:af

Enclosures

cc: Mahesh Patel
Rinkal Patel

EXHIBIT A

Tenant Roster as of March 20, 2015

Unit Number	Tenant
101	Douglas Hanson
102	Gregory Ippolito
103	Vacant
104	Gary J. Strach MFT/M
106	John Paul Sanidad
107	Donlen Corporation
109	David B. Sundry, D.C.
201	Linda Balley Penzott
202	Bruce Zelony
203	Vacant
204	Mark Scherer Higbie
205	Laura Catena
206	Sean and Gina Levesque
207	Todd D. Ruggiero
208	Todd D. Ruggiero
209	Lawrence Young
301	Daniel Kugler
302	Mirsada Kurtovic
303	Blue Sky Holdings, I
305	Kara Swedlow
306	Columba Kim
307	Richard Krafnick
308	Vacant
309	Richard Krafnick
310	Mirsada Kurtovic
311	Melanie Beene



SAN FRANCISCO PLANNING DEPARTMENT

Letter of Determination

April 1, 2015

Daniel A. Serot
Van de Poel, Levy, Allen & Arneal, LLP
350 Sansome Street, Suite 300
San Francisco, CA 94102

Site Address:	1533-1539 Franklin Street
Assessor's Block/Lot:	0665/004
Zoning District:	NC-3/130-E
Staff Contact:	Corey A. Teague, (415) 575-9081 corey.teague@sfgov.org

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Dear Mr. Serot:

This letter is in response to your request for a Letter of Determination regarding the amount of legal office and/or tourist hotel space at 1533-1539 Franklin Street. This parcel is located in the NC-3 Zoning District and 130-E Height and Bulk District. The request is for the Zoning Administrator to determine 1) how many square feet within the building, if any, is legal commercial space rather than tourist hotel space, and 2) if the Board of Permit Appeals' decision on Appeal No. 85-196 (issued August 14, 1985) was perfected through a completed building permit. As the ground floor of the existing building is legal retail/commercial space, this request pertains only to the first, second, and third floors

On July 24, 1985, the Zoning Administrator issued a variance decision letter for Case No. 84.184V that denied the parking variance for 1537 Franklin Street. The variance was proposed to legalize the conversion of a hotel with 24 guest rooms to 6,215.5 square feet of office space in the existing building without providing any parking spaces for the conversion. More specifically, the letter states in Finding 1 that the office space proposed for legalization existed on three stories of the building. Finding 1 further states that:

"according to testimony by the applicant, all the hotel rooms were converted to offices in 1978 by the previous owner, Mr. Tom Deming. Departmental records show that Permit Application No. 7806957, dated July 24, 1978, was approved to convert only 7 of the 24 hotel rooms to offices. Since this conversion was under 5,000 square feet, there was no parking requirement. Mr. Deming proceeded to convert the remaining 17 hotel rooms to offices without providing the required twelve (12) off-street parking spaces. A Certificate of Final Completion was never issued since the total conversion of all the hotel rooms to offices went beyond the scope of the approved permit and violated Building and Planning Code requirements."

Daniel A. Serot
Van de Poel, Levy, Allen & Arneal, LLP
350 Sansome Street, Suite 300
San Francisco, CA 94102

April 1, 2015
Letter of Determination
1533-1539 Franklin Street

On August 14, 1985, the Board of Permit Appeals issued a decision on Appeal No. 85-196 to overturn the Zoning Administrator's decision to deny the parking variance. Finding 2 of that decision states:

"When the owner purchased the property, the building had been converted for a number of years and was occupied on the first [above the ground floor], second and third floors by neighborhood-serving offices.

The building was converted in such a manner that it would be extremely difficult and costly to reconvert part of the building to hotel rooms.

Further, Bruce W. Lilienthal, Esq., Hearing Officer, in his Decision dated March 30, 1983, on behalf of the Department of Public Works, Bureau Of Building Inspection, Division Of Apartment And Hotel Inspection, held on page 3 of said Decision that:

The record is clear that on September 23, 1979 no units at 1533-39 Franklin Street were in residential or tourist use. There is also no indication that the owner, who purchased the building in late 1980, in any way participated in, or was in any way responsible, for any attempt to supersede any other lawfully enacted ordinance of the City and County of San Francisco.

Hearing Officer Lilienthal held that the premises were found not to be subject to the provisions of the Residential Hotel Unit Conversion And Demolition Ordinance of the City and County of San Francisco. In essence, the units had been adjudicated to be "nonpermanent" and there is no loss of permanent units involved."

The Board of Permit Appeals' decision included three conditions. The two most relevant conditions were:

1. Owner/Applicant shall provide twelve (12) off-street parking spaces within an eight hundred foot (800') radius of the property.
2. If at any time, the off-street parking is not provided, the occupied office/commercial space shall be reduced to four thousand nine hundred ninety-nine (4,999) square feet.

Building Permit Application No. 8607500 was issued on October 15, 1986. It stated that the proposed use was Retail/Office/Hotel, and the description of work was "to legalize per plan." The Planning Department approval on August 22, 1986 included a note stating:

"for existing ground floor retail, for 1st and 2nd floor office use not to exceed 4,999 square feet of occupied floor area (actual square feet shown on approved plans rec'd 7/25/86) and for 11 tourist hotel guest rooms. All in accordance with Board of Permits appeals decision No. 85-196 and Notice of Special Restrictions #D716829, copies attached."

The approved plans associated with Building Permit Application No. 8607500 show the following uses:

Daniel A. Serot
Van de Poel, Levy, Allen & Arneal, LLP
350 Sansome Street, Suite 300
San Francisco, CA 94102

April 1, 2015
Letter of Determination
1533-1539 Franklin Street

- Ground Floor: Existing restaurant, existing copy shop, boiler room, and basement.
- First Floor: Nine (9) office units, two toilet rooms, and one storage room.
- Second Floor: Ten (10) office units and two toilet rooms.
- Third Floor: Eleven (11) "Units," two half-bath rooms, one full bathroom, and one kitchen. The plans do not indicate what type of units these represent.

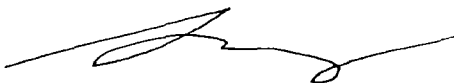
However, Building Permit Application No. 8607500 was never completed, and expired on October 15, 1987. There are also no records that any inspections were ever conducted in association with this permit. While various permits and referrals were approved for this property since 1986, they provide inconsistent information about the mix of land uses on this property, and none include a scope of work that clearly changed or established any particular land use.

Finally, Report of Residential Building Record (3R) No. 201411055213 states that the present authorized occupancy or use is "HOTEL WITH 20 GUEST ROOMS WITH COMMERCIAL."

Therefore, it is my determination that work proposed under 1) Building Permit Application No. 7806957 for five office units on the first floor and five office units on the second floor (total of 10), and 2) Variance Case No. 84.184V, Appeal No. 85-196, and Building Permit Application No. 8607500 to legalize the conversion of tourist hotel rooms on the first and second floor to office space was never legalized because the specific scopes of work approved under Building Permit Application Nos. 7806957 and 8607500 were not completed or perfected. No other approved and completed permit since that time has changed any land use on the subject property. As such, the legal use of the first, second and third floors never legally changed from a tourist hotel use to office use. Furthermore, a tourist hotel use in the NC-3 Zoning District requires a Conditional Use Authorization. Per Planning Code Section 178(d) "a permitted conditional use which is discontinued for a period of three years, or otherwise abandoned, shall not be restored, except upon approval of a new conditional use application."

APPEAL: If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,



Scott F. Sanchez
Zoning Administrator

cc: Corey A. Teague, Assistant Zoning Administrator
Property Owner(s)
Neighborhood Groups

EXHIBIT C

Hotels Within Approximately 0.5 Miles From 1533 Franklin Street

<u>Hotel</u>	<u>Distance From 1533 Franklin Street</u>	<u>Room Count</u>
Hotel Kabuki 1625 Post Street, SF, CA 94115	0.52 Miles	218
Hotel Majestic 1500 Sutter Street, SF, CA 94109	0.25 Miles	58
The Kimpton Buchanan 1800 Sutter Street, SF, CA 94115	0.52 Miles	131
Oasis Inn 900 Franklin Street, SF, CA 94102	0.66 Miles	59
Queen Anne Hotel 1590 Sutter Street, SF, CA 94109	0.35 Miles	48
The Payne Mansion Hotel 1409 Sutter Street, SF, CA 94109	0.48 Miles	10
Holiday Inn San Francisco – Golden Gateway 1500 Van Ness Avenue, SF, CA 94109	0.43 Miles	496
Encore Express Hotel 1353 Bush Street, SF, CA 94109	0.46 Miles	18
Shirley Hotel 1544 Polk Street, SF, CA 94109	0.50 Miles	
Stanley Hotel 1544 California Street, SF, CA 94109	0.32 Miles	
Cable Car Hotel 1388 California Street, SF, CA 94109	0.47 Miles	
Cable Car Court Hotel 1499 California Street, SF, CA 94109	0.37 Miles	88
Rodeway Inn 860 Eddy Street, SF, CA 94109	0.69 Miles	34
Inn on Broadway 2201 Van Ness Avenue, SF, CA 94109	0.68 Miles	54
St. Clare Hotel 1334 Van Ness Avenue, SF, CA 94109	0.60 Miles	49
The Opal 1050 Van Ness Avenue, SF, CA 94109	0.63 Miles	167