# EXECUTIVE SUMMARY CONDITIONAL USE 

## HEARING DATE：SEPTEMBER 24， 2020

| Record No．： | 2017－009840CUA |
| :---: | :---: |
| Project Address： | 859－861 Baker Street |
| Zoning： | RH－3（Residential，House－Three－Family） 40－X Height \＆Bulk District |
| Block／Lot： | 1151／001 |
| Project Sponsor： | Xie Guan <br> 26 Farview Court <br> San Francisco，CA 94134 |
| Property Owner： | Chu Kam Ping <br> 861 Baker Street <br> San Francisco，CA 94115 |
| Staff Contact： | Matt Dito－（628）652－7358 matthew．dito＠sfgov．org |

## Recommendation：Disapproval

## Project Description

The Project proposes to remove an unauthorized dwelling unit on the third floor of a three－story building．The building has a residential flat on both the first and second floors．The unauthorized third floor dwelling unit would be merged with the second floor residential flat．The Project also includes the legalization of a second unauthorized dwelling unit at the rear of the lot in a separate structure．This request，along with an associated Building Permit Application，seeks to abate Planning Enforcement Case No．2019－000406ENF and Department of Building Inspection Complaint Nos．201766155，201767571，and 201786691.

## Required Commission Action

In order for the Project to proceed，the Commission must grant a Conditional Use Authorization，pursuant to Planning Code Sections 303 and 317 to allow the removal of the unauthorized dwelling unit within the RH－3 Zoning District．

## Issues and Other Considerations

- Public Comment \& Outreach: The Department has received one comment in opposition to the Project from the current tenant of the unauthorized dwelling unit proposed for removal. The comment noted that the unit is occupied and subject to rent control.
- Accuracy of Submitted Application: The application submitted states the kitchen in the unauthorized dwelling unit on the third floor of the front building has already been removed, and that the application is for legalization of the removal. Photos submitted by the current tenant show the kitchen has not been removed.
- Financial Feasibility of Legalization: The applicant has not demonstrated that legalizing the third floor unauthorized dwelling unit is infeasible, which would require the cost of legalization to exceed the monetary gain in value of the property as a result of legalization. An independent appraisal determined that the building has a value of $\$ 2,170,000$ as a four unit building with the two unauthorized dwelling units legalized. As a three unit building, with only the rear unauthorized dwelling unit legalized and the third floor unit removed, the building would have a value of $\$ 1,520,000$. In order for legalization to be infeasible, the cost of such legalization would have to exceed $\$ 650,000$. The applicant has stated that the cost to legalize the third floor unauthorized unit is approximately $\$ 180,000$. Therefore, the Planning Code deems that the cost to legalize the unit is feasible. The average cost of construction to legalize a dwelling unit was approximately $\$ 65,000$ as of December 2018. The applicant has not stated why the cost to legalize the third floor dwelling unit is nearly three times the average.
- Density Limits. The subject lot is in an RH-3 Zoning District, which generally permits up to three dwelling units per lot. The subject lot has two existing legal dwelling units. There are two unauthorized dwelling units. One unauthorized dwelling unit may be legalized as a principally permitted dwelling unit under density, or as an Accessory Dwelling Unit. The additional unauthorized dwelling unit may be legalized under Planning Code Section 207.3 (Authorization of Dwelling Units Construction without a Permit in an Existing Building Zoned for Residential Use).


## Environmental Review

The Project has not undergone environmental review, as the Department is recommending disapproval of the application. CEQA review is not required to deny a project. Should the Commission wish to approve the Project, environmental review would be required.

## Basis for Recommendation

The Department finds that the Project is, on balance, not consistent with the Objectives and Policies of the General Plan. The Project results in the loss of an occupied unit that is subject to rent control. Considering the City's housing needs, the loss of a residential unit subject to tenant protections is not consistent with several objectives and policies of the General Plan, nor is it necessary or desirable for the surrounding neighborhood.

## Attachments:

Draft Motion - Conditional Use Authorization
Exhibit B - Plans

Exhibit C - Land Use Data
Exhibit D - Maps and Context Photos
Exhibit E - Project Sponsor Submittal
Exhibit F - Appraisal Report

# PLANNING COMMISSION DRAFT MOTION 

HEARING DATE：SEPTEMBER 24， 2020

| Record No．： | 2017－009840CUA |
| :---: | :---: |
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|  | 40－X Height \＆Bulk District |
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| Staff Contact： | Matt Dito－（628）652－7358 |
|  | matthew．dito＠sfgov．org |

ADOPTING FINDINGS RELATING TO THE DISAPPRROVAL OF CONDITIONAL USE AUTHORIZATION PURSUANT TO SECTIONS 303 AND 317 OF THE PLANNING CODE TO ALLOW THE REMOVAL OF AN UNAUTHORIZED DWELLING UNIT VIA RESIDENTIAL MERGER AT THE THIRD FLOOR OF AN EXISTING RESIDENTIAL BUILDING LOCATED AT 859－ 861 BAKER STREET，LOT 001 WITHIN ASSESSOR＇S BLOCK 1151，WITHIN AN RH－3（RESIDENTIAL，HOUSE－THREE－ FAMILY）ZONING DISTRICT AND A 40－X HEIGHT \＆BULK DISTRICT．

## PREAMBLE

On April 11, 2018, Xie (Bill) Guan of Xie Associates, Inc. (hereinafter "Project Sponsor") filed Application No. 2017009840 CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for Conditional use Authorization to remove an unauthorized dwelling unit via residential merger (hereinafter "Project") at 859861 Baker Street, Block 1151 Lot 001 (hereinafter "Project Site").

On September 24, 2020, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2017009840CUA.

The Planning Department Commission Secretary is the custodian of records; the File for Record No. 2017009840CUA is located at 49 South Van Ness Avenue, Suite 1400, San Francisco, California.

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

MOVED, that the Commission hereby disapproves the Conditional Use Authorization as requested in Application No. 2017-009840CUA, based on the following findings:

## FINDINGS

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

## 1. The above recitals are accurate and constitute findings of this Commission.

2. Project Description. The Project proposes to remove an unauthorized dwelling unit on the third floor of a three-story building. The building has a residential flat on both the first and second floors. The unauthorized third floor dwelling unit would be merged with the second floor residential flat. The Project also includes the legalization of a second unauthorized dwelling unit at the rear of the lot in a separate structure. This request, along with an associated Building Permit Application, seeks to abate Planning Enforcement Case No. 2019-000406ENF and Department of Building Inspection Complaint Nos. 201766155, 201767571, and 201786691.
3. Site Description and Present Use. The Project is located on corner lot at the southwest corner of Turk Boulevard and Baker Street. The lot contains two structures. The structure at the front of the lot, at the corner of Turk Boulevard and Baker Street, is a two-family dwelling. Residential flats are located at the first and second floor. The subject unauthorized dwelling unit, proposed for removal, is located on the third floor of the front structure. It is not clear when the unit was created, however the current tenant has communicated to the Department that they have lived in the unit since 2011, while the project application states it has been occupied since 2017. The second structure on the lot is located at the rear, fronting Turk Boulevard. The structure is legally designated for accessory storage space. The structure has been converted to a second unauthorized dwelling unit. This unit is proposed for legalization.
4. Surrounding Properties and Neighborhood. The Project Site is located within an RH-3 Zoning District in the Western Addition neighborhood. The immediate surrounding neighborhood is zoned for similarly low-density residential uses, characterized by three- and four-story buildings that range from one to three dwelling units.
5. Public Outreach and Comments. The Department has received one comment in opposition to the Project from the current tenant of the unauthorized dwelling unit proposed for removal. The comment noted that the unit is occupied and subject to rent control.
6. Planning Code Compliance. The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:
A. Removal of Unauthorized Units. Planning Code Section 317(g)(6) sets forth criteria for the Planning Commission to consider when reviewing applications for the removal of Unauthorized Units.
7. Whether the Unauthorized Unit is eligible for legalization under Section 207.3 of this Code.

The unauthorized unit is eligible for legalization under Section 207.3 of the Planning Code.
2. Whether the costs to legalize the Unauthorized Unit or Units under the Planning, Building, and other applicable Codes is reasonable based on how such cost compares to the average cost of
legalization per unit derived from the cost of projects on the Planning Department's Master List of Additional Dwelling Units Approved required by Section 207.3(k) of this Code.

As of December 2018, the average cost to legalize an unauthorized dwelling unit was $\$ 65,000$. The Project Sponsor stated that the cost to legalize the unit is approximately $\$ 180,000$. No reason was given as to why the cost to legalize the unit is nearly three times the average.
3. Whether it is financially feasible to legalize the Unauthorized Unit or Units. Such determination will be based on the costs to legalize the Unauthorized Unit(s) under the Planning, Building, and other applicable Codes in comparison to the added value that legalizing said Units would provide to the subject property. The gain in the value of the subject property shall be based on the current value of the property with the Unauthorized Unit(s) compared to the value of the property if the Unauthorized Unit(s) is/are legalized. The calculation of the gain in value shall be conducted and approved by a California licensed property appraiser. Legalization would be deemed financially feasible if gain in the value of the subject property is equal to or greater than the cost to legalize the Unauthorized Unit.

The Project Sponsor stated that the cost to legalize the unauthorized unit is $\$ 180,000$. A licensed property appraiser determined that the value of the property with the unauthorized dwelling unit removed would be $\$ 1,520,000$. The appraiser also determined that the value of the property with the unauthorized dwelling unit legalized would be \$2,170,000. With legalization of the unit increasing the value of the property by approximately $\$ 650,000$ and costing $\$ 180,000$, it is financially feasible to legalize the unauthorized unit.
4. If no City funds are available to assist the property owner with the cost of legalization, whether the cost would constitute a financial hardship.

The property owner has stated, but not demonstrated to the Planning Department, that the cost of legalization would be a financial hardship.
B. Residential Merger. Planning Code Section $317(\mathrm{~g})(2)$ sets forth criteria for the Planning Commission to consider when reviewing applications for Residential Conversion.

1. Whether removal of the unit would eliminate only owner occupied housing, and if so, for how long the unit proposed to be removed has been owner occupied.

The unit is not owner occupied. It is tenant occupied.
2. Whether removal of the unit and the merger with another is intended for owner occupancy.

The merger of unauthorized dwelling unit with the existing second floor dwelling unit is not intended for owner occupancy.
3. Whether removal of the unit will remove an affordable housing unit as defined in Section 401 of the Planning Code or housing subject to the Residential Rent Stabilization and Arbitration Ordinance.

The unauthorized dwelling unit proposed for removal is subject to the Residential Rent Stabilization and Arbitration Ordinance.
4. If removal of the unit removes an affordable housing unit as defined in Section 401 of this Code or units subject to the Residential Rent Stabilization and Arbitration Ordinance, whether replacement housing will be provided which is equal or greater in size, number of bedrooms, affordability, and suitability to households with children to the units being removed.

Equivalent replacement housing is not provided for the unauthorized dwelling unit proposed for removal.
5. How recently the unit being removed was occupied by a tenant or tenants.

The Project Sponsor stated that the current tenancy began in 2017. The tenants state they have occupied the dwelling unit since 2011.
6. Whether the number of bedrooms provided in the merged unit will be equal to or greater than the number of bedrooms in the separate units.

The merged unit is proposed to have five bedrooms. The unauthorized dwelling unit on the third floor and the second floor dwelling unit currently have five bedrooms total.
7. Whether removal of the unit is necessary to correct design or functional deficiencies that cannot be corrected through interior alterations.

Removal of the unit is not necessary to correct design or functional deficiencies.
8. The appraised value of the least expensive Residential Unit proposed for merger only when the merger does not involve an unauthorized unit.

The merger involves an unauthorized unit.
7. Conditional Use Findings. Planning Code Section 303 establishes criteria for the Planning Commission to consider when reviewing applications for Conditional Use authorization. On balance, the project complies with said criteria in that:
A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The Project proposes to remove an occupied residential unit that is subject to the Rent Stabilization
and Arbitration Ordinance. The elimination of this unit of housing is neither necessary nor desirable when considering the City's current housing and affordability crisis.
B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:
(1) Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The proposed project would not alter the exterior building envelope, and would therefore have no effect on the proposed site, structures in the vicinity, or neighborhood.
(2) 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;

Removal of the dwelling unit will have no effect on accessibility and traffic patterns for persons and vehicles. One dwelling unit does not have a significant on such traffic. Off-street parking and loading are not required for the project.
(3) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The proposed project will not result in any noxious or offensive emissions such as noise, glare, dust, and odor.
(4) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The proposed project does not require any additional treatments to landscaping, screening, open spaces, parking and loading areas, service areas, lighting, or signs.
C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The Project complies with all relevant requirements and standards of the Planning Code, but is not consistent with the objectives and policies of the General Plan.
D. That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

The project is not located within a Neighborhood Commercial District.
8. General Plan Compliance. The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

## Objectives and Policies

## OBJECTIVE 2

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

Policy 2.1
Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

Policy 2.4
Promote improvements and continued maintenance to existing units to ensure long term habitation and safety.

## OBJECTIVE 3:

## PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS.

Policy 3.1:
Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

The proposed removal of a residential dwelling unit via merger will not retain existing housing units, nor will it protect the affordability of the existing housing stock. The removal of the subject unauthorized unit would result in a net decrease of one unit to the City's overall housing stock. While legalization of the unit would require that certain scopes of work be performed in order to comply with all relevant City codes, the pathway to legalization is feasible. Required improvements would help ensure long term habitation and safety. Conversely, the proposed project would result in the elimination of a rental unit.
9. Planning Code Section 101.1(b) establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project complies with said policies in that:
A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.

The project site does not possess any neighborhood-serving retail uses.
B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The proposed project would eliminate one existing housing unit that is subject to the Residential Rent Stabilization and Arbitration Ordinance.
C. That the City's supply of affordable housing be preserved and enhanced.

The Project does not currently possess any existing affordable housing, though the existing unit proposed for removal does have tenant protections under the Residential Rent Stabilization and Arbitration Ordinance.
D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would not increase commuter traffic, and have no effect on MUNI transit service or overburden our streets or neighborhood parking.
E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The Project will not displace any service or industry establishment, and will not affect industrial or service sector uses or related employment opportunities.
F. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code. However, the denial of the Conditional Use Authorization, and subsequent legalization of the existing housing unit, would also result in greater preparedness to protect against injury in that the unit would be required to comply with all relevant City codes, including structural requirements.
G. That landmarks and historic buildings be preserved.

Currently, the Project Site does not contain any City Landmarks or historic buildings.
H. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project will have no impact on existing parks and open spaces.
10. The Project is not consistent with and would not promote the general and specific purposes of the Code provided under Section 101.1 (b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use Authorization would not promote the health, safety and welfare of the City.

## DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby DISAPPROVES Conditional Use Authorization Application No. 2017-009840CUA.

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. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on September 24, 2020.

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Jonas P. Ionin
Commission Secretary
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AYES:
NAYS:
ABSENT:
ADOPTED: September 24,2020






## WORK NOTES

(1) $\begin{aligned} & \text { REMOVE DOOR/WINDOW AND PATCH } \\ & \text { WALL AS NECESSARY }\end{aligned}$





2-EXISTING 3RD FLOOR PLAN
(REAR BUILDING W/NOT PERMITTED UNIT)

## DEMO WORK NOTES

$$
\text { §- } \begin{gathered}
\text { PREPARE WALL, FLOOR, AND CELLING TO RECEIVE } \\
\text { NEW WORK }
\end{gathered}
$$

$$
\begin{aligned}
& \text { ( REMOVE WALL FOR NEW OPENIG, SEE PROPOSED } \\
& \text { PLAN FOR EXTENO OF WORK }
\end{aligned}
$$


SHOWN DASHED. PROVID TEMPORARY BRACING
AS NED FOR BEARIN WALLS YF
(f) REMOVE EXISTING FIREPLACE AND ASSOCIATE DUCT WORKS
(H) DEMOLISH FIXTURES, CABIETS, AND
 AND CAP ofF
AS REUURED


I-EXISTING 2ND FLOOR PLAN (86I BAKER ST, NO WORK)
-EXISTING



2-PROPOSED 2ND FLOOR PLAN (REAR BUILDING W/NEW UNIT)


4-PROPOSED 2ND FLOOR PLAN (REAR BUILDING W/NEW UNIT)



49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652 .7600
www.sfplanning.org

## Land Use Information

PROJECT ADDRESS: 861 BAKER ST RECORD NO.: 2017-009840CUA

|  | EXISTING | PROPOSED | NET NEW |
| :---: | :---: | :---: | :---: |
| GROSS SQUARE FOOTAGE (GSF) |  |  |  |
| Parking GSF | 305 | 305 | 0 |
| Residential GSF | 2878 | 3641 | 763 |
| Retail/Commercial GSF | 0 | 0 | 0 |
| Office GSF | 0 | 0 | 0 |
| Industrial/PDR GSF <br> Production, Distribution, \& Repair | 0 | 0 | 0 |
| Medical GSF | 0 | 0 | 0 |
| Visitor GSF | 0 | 0 | 0 |
| CIE GSF | 0 | 0 | 0 |
| Usable Open Space | 956 | 956 | 0 |
| Public Open Space | 0 | 0 | 0 |
| TOTAL GSF | 3183 | 3946 | 763 |
|  | EXISTING | NET NEW | TOTALS |
| PROJECT FEATURES (Units or Amounts) |  |  |  |
| Dwelling Units - Affordable | 0 | 0 | 0 |
| Dwelling Units - Market Rate | 2 | 1 | 3 |
| Dwelling Units - Total | 2 | 1 | 3 |
| Hotel Rooms | 0 | 0 | 0 |
| Number of Buildings | 2 | 0 | 2 |
| Number of Stories | 3 | 0 | 3 |
| Parking Spaces | 1 | 0 | 1 |
| Loading Spaces | 0 | 0 | 0 |
| Bicycle Spaces | 0 | 3 | 3 |
| Car Share Spaces | 0 | 0 | 0 |


|  | EXISTING | PROPOSED | NET NEW |
| ---: | :---: | :---: | :---: |
| LAND USE-RESIDENTIAL |  |  |  |
| Studio Units | 0 | 0 | 0 |
| One Bedroom Units | 1 | 2 | 1 |
| Two Bedroom Units | 0 | 0 | 0 |
| Three Bedroom (or +) Units | 1 | 1 | 0 |
| Group Housing - Rooms | 0 | 0 | 0 |
| Group Housing - Beds | 0 | 0 | 0 |
| SRO Units | 0 | 0 | 0 |
| Micro Units | 0 | 0 | 0 |
| Accessory Dwelling Units | 0 | 0 | 0 |

All figures reflect legal usage of the property. Unauthorized units are not included in existing square footage and unit counts.

## Parcel Map

## TURK



Conditional Use Authorization
Case Number 2017-009840CUA
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EXHIBIT D

## Sanborn Map*

## SUBJECT PROPERTY


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

## Aerial Photo - View 1



Conditional Use Authorization
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## Zoning Map



## Site Photo (Baker Street)



## Site Photo (Turk Street)



Conditional Use Authorization Case Number 2017-009840CUA
September 24, 2020
EXHIBIT D

## CONDITIONAL USE AUTHORIZATION APPLICATION

## APPLICATION SUBMITTAL REQUIREMENTS

Pursuant to Planning Code Section 303，the Planning Commission shall hear and make determinations regarding applications for the authorization of Conditional Use．
Please read the Conditional Use Authorization Informational Packet and the instructions in this application carefully before the application form is completed．

## WHAT TO SUBMIT：

$\square$ One（1）complete application signed by owner or agent．One hard copy set of reduced sized（11＂x17＂） plans，including but not limited to plans showing adjacent structures，existing and proposed floor plans，elevations，and sections．Once your project is assigned，your planner may request a full－size （24＂x36＂）set of plans．Please see the Department＇s Plan Submittal Guidelines http：／／sf－planning．org／ sites／default／files／FileCenter／Documents／8676－ Plan Submittal Guidelines－042315．pdf for more information．

A Letter of Authorization for Agent from the owner giving you permission to communicate with the planning department on their behalf．A digital copy（CD or USB drive），containing the application，project drawings，letter of authorization，etc．

Current or historic photograph（s）of the subject property．

Payment via Check，Money Order or debit／credit for the required intake fee amount．（See Fee Schedule and／or Calculator）．

For questions，you can stop by，call，or email the Planning Information Center（PIC），where planners are available to assist you．

Location：$\quad 1660$ Mission Street，Ground Floor
San Francisco，CA 94103－2479
Phone：
415．558．6377
Email：pic＠sfgov．org

## HOW TO SUBMIT：

To file your Conditional Use Authorization application， please send an email request along with the intake appointment request form to：CPC．Intake＠sfgov．org． Intake request forms are available here：http：／／sf－planning． org／permit－forms－applications－and－fees．

## THE PRE－APPLICATION PROCESS：

The following types of projects require a Pre－Application Meeting Notification．Please be aware that a
Pre－Application meeting is also required prior to filing any Planning entitlement application（i．e．Conditional Use Authorization，Variance）for：
－Projects subject to 311 or 312 Notification；
－New Construction；
－Any vertical addition of 7 feet or more；
－Any horizontal addition of 10 feet or more；
－Decks over 10 feet above grade or within the required rear yard；
－All Formula Retail uses subject to a Conditional Use Authorization；
－Community Business Priority Processing（CB3P）； and
－Projects in PDR－I－G Districts subject to Section 313.

Please refer to the Pre－Application Meeting Instruction Packet for further detail or contact planning staff with questions．

Español：Si desea ayuda sobre cómo llenar esta solicitud en español，por favor llame al 415．575．9010．Tenga en cuenta que el Departamento de Planificación requerirá al menos un día hábil para responder

中文：如果您希望獲得使用中文填寫這份申請表的幫助，請致電415．575．9010。請注意，規劃部門需要至少一個工作日來回應。

Tagalog：Kung gusto mo ng tulong sa pagkumpleto ng application na ito sa Filipino，paki tawagan ang 415．575．9121． Paki tandaan na mangangailangan ang Planning Department ng hindi kukulangin sa isang araw na pantrabaho para makasagot．

CONDITIONAL USE AUTHORIZATION APPLICATION

## Property Owner's Information

| Name: | Chu Kam Ping |  |
| :--- | :--- | :--- |
| Address: | 861 Baker St | Email Address: |
|  | SaN francisco, Ca 94115 | Telephone: $\quad 415-307-3536$ |
|  |  |  |

## Applicant Information (if applicable)


Project Address: 861 Baker St $\quad$ Block/Lot(s): 1151/001
Plan Area:
Project Description:
Please provide a narrative project description that summarizes the project and its purpose. Please list any special authorizations or
changes to the Planning Code or Zoning Maps if applicable. $\square$ See Attachment

Remove existing illegal kitchen at the third floor. The existing kitchen was already removed as directed by the city Housing Department due to Violation \#2017-86691. Convert the existing detached garage to ADU.

## Project Details:



## PROJECT AND LAND USE TABLES

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


| Project Features |  |  |
| :---: | :---: | :---: |
|  | Existing Unit(s) (Count) | Proposed Unit(s) (Count) |
| Dwelling Units - Affordable | 2 | 3 |
| Hotel Rooms | 0 | 0 |
| Dwelling Units - Market Rate | 0 | 0 |
| Building Number | 2 | 2 |
| Stories Number | 3 | 3 |
| Parking Spaces | 1 | 1 |
| Loading Spaces | 0 | 0 |
| Bicycle Spaces | 0 | 1 |
| Car Share Spaces | 0 | 0 |
| Public Art | 0 | 0 |
| Other |  |  |


| Land Use - Residential |  |  |
| :---: | :---: | :---: |
|  | Existing | Proposed |
| Studio Units | 0 | 0 |
| One Bedroom Units | 1 | 2 |
| Two Bedroom Units | 0 | 0 |
| Three Bedroom (or + ) Units | 1 | 1 |
| Group Housing - Rooms | 0 | 0 |
| Group Housing - Beds | 0 | 0 |
| SRO Units | 0 | 0 |
| Micro Units | 0 | 0 |
| Accessory Dwelling Units* <br> *For ADUs, individually list all ADUs and include unit type (e.g. studio, 1 bedroom, 2 bedroom, etc.) and the square footage area for each unit. | $1$ | $1$ |

## ACTION(S) REQUESTED

## Action(s) Requested (Including Planning Code Section which authorizes action)

Remove existing not permitted kitchen at the third floor per planning code section 317

## CONDITIONAL USE FINDINGS

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

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

The third floor does not qualify as a unit, the not permitted kitchen is aleady removed as directed by the City Housing Authority due to violation \#2017-86691. Converting the third floor to a unit will change the use of the building, the building would consider as apartment, and will be under harsh restriction by the City of Fire Deparment including fire sprinkler for the entire building and 2nd mean of egress which is not feasible. The change will not cause negative impact to the neighbors
2. That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity, with respect to aspects including but not limited to the following:
(a) The nature of the proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;
(b) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;
(c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;
(d)Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs.
(a) not related, proposed work does not change building footprint
(b) Not related, project is not a public building
(c) Not related
(d) Not Related
3. That such use or feature as proposed will comply with the applicable provisions of this Code and will not adversely affect the Master Plan.

No, the proposed work is very reasonable. The third floor does not qualify as a unit, the not permitted kitchen is aleady removed as directed by the City Housing Authority due to violation \#2017-86691. Converting the third floor to a unit will change
the use of the building, the building would consider as apartment, and will be under harsh
restriction by the City of Fire Deparment including fire sprinkler for the entire building and 2nd mean of egress which is not feasible. The change will not cause negative impact to the neighbors

## PRIORITY GENERAL PLAN POLICIES FINDINGS

## PLANNING CODE SECTION 101

## (APPLICABLE TO ALL PROJECTS)

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

## Please respond to each policy; if it's not applicable explain why:

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

It is not related. Remove a illegal kitchen and adding an ADU has no impact to the retail
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The project will add a new unit to the city housing number, no changes to building envelop
3. That the City's supply of affordable housing be preserved and enhanced;

The project will add new unit to the housing.
4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

New bicycle parking space are provided
5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;
Not related, remove not permitted kitchen and adding new unit
6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The new project is comply the lates building code
7. That landmarks and historic buildings be preserved; and

Not related, the building is not a historical building, most of the work are interior work
8. That our parks and open space and their access to sunlight and vistas be protected from development.

Not related, work will not block the sunlight, air and view

## APPLICANT'S AFFIDAVIT

Under penalty of perjury the following declarations are made:
a) The undersigned is the owner or authorized agent of the owner of this property.
b) The information presented is true and correct to the best of my knowledge.
c) Other information or applications may be required.

Signature

Relationship to Project
(i.e. Owner, Architect, etc.)

Phone

Name (Printed)

Email

## APPLICANT'S SITE VISIT CONSENT FORM

I herby authorize City and County of San Francisco Planning staff to conduct a site visit of this property, making all portions of the interior and exterior accessible.

## Signature

Name (Printed)

Date

For Department Use Only
Application received by Planning Department:
By: $\qquad$ Date: $\qquad$

# DWELLING UNIT REMOVAL：MERGER，CONVERSION OR DEMOLITION 

## INFORMATIONAL AND SUPPLEMENTAL APPLICATION PACKET


#### Abstract

ATTENTION：A Project Application must be completed and／or attached prior to submitting this Supplemental Application．See the Project Application for instructions．

Pursuant to Planning Code Section 317，the Planning Commission shall hear and make determinations regarding the loss of dwelling units including the loss of unauthorized dwelling units，with some codified exceptions．


For questions，call 415．558．6377，email pic＠sfgov．org，or visit the Planning Information Center（PIC）at 1660 Mission Street，San Francisco，where planners are available to assist you．

Español：Si desea ayuda sobre cómo llenar esta solicitud en español，por favor llame al 415．575．9010．Tenga en cuenta que el Departamento de Planificación requerirá al menos un día hábil para responder

中文：如果您希望獲得使用中文填寫這份申請表的幫助，請致電415．575．9010。請注意，規劃部門需要至少一個工作日來回應。

Tagalog：Kung gusto mo ng tulong sa pagkumpleto ng application na ito sa Filipino，paki tawagan ang 415．575．9120．Paki tandaan na mangangailangan ang Planning Department ng hindi kukulangin sa isang araw na pantrabaho para makasagot．

## WHAT IS A DWELLING UNIT REMOVAL APPLICATION？

The Dwelling Unit Removal application is intended for any requests involving the removal of existing housing．This application is designed to determine if the proposed dwelling unit removal is desirable，utilizing the review criteria set forth in Planning Code Section 317．The Dwelling Unit Removal application will be processed as a Conditional Use Authorization．The Code provides for some administrative exceptions where Planning staff may approve an application to remove dwelling units without a public hearing，but only if the project meets certain specific requirements．For more information，please refer to Planning Code Section 317，or consult a planner at the Planning Information Center．

## WHEN IS A DWELLING UNIT REMOVAL APPLICATION NECESSARY？

The Planning Commission requires Conditional Use hearings for all projects that would result in the removal of existing housing units，whether by demolition，merger with other dwellings，or by conversion to non－residential uses．This application is also required when an alteration is considered tantamount to demolition．

Please note that pursuant to Planning Code Section 317（g）（2），the Planning Commission will not approve an application for a Residential Merger if any tenant has been evicted where the tenant was served with an eviction notice after December 10， 2013 and：
－pursuant to Administrative Code Sections 37．9（a）（9）through 37．9（a）（14）if the eviction notice was served within 10 years prior to filing this application for a merger；or
－pursuant to Administrative Code Section 37．9（a）（8）if the eviction notice was served within 5 years prior to filing this application for a merger．

Please consult a planner at the Planning Information Center（PIC）for additional information regarding these applications．

## HOW DOES THE PROCESS WORK?

If the proposed project results in the loss or removal of one (1) or more residential dwelling units a Conditional Use Authorization application is required.

## Housing Crisis Act of 2019

Pursuant to state law, additional conditions shall be applied to dwelling unit removal projects through January 1, 2025, including requirements for replacement units and relocation benefits.

In order to implement these conditions, this application now requires additional information from all applicants related to the occupancy history of existing occupied or vacant rental units. If the applicant affirms that such information is unknown, replacement unit requirements may still apply.

For more information, please see Planning Director's Bulletin No. 7 , available at sfplanning.org.

## Fees

Please refer to the Planning Department Fee Schedule or at the Planning Information Center (PIC) located at 1660 Mission Street, San Francisco. For questions related to the Fee Schedule, please call the PIC at 415.558.6377.

Fees will be determined based on the estimated construction costs. Should the cost of staff time exceed the initial fee paid, an additional fee for time and materials may be billed upon completion of the hearing process or permit approval. Additional fees may also be collected for preparation and recordation of any documents with the San Francisco Assessor-Recorder's office and for monitoring compliance with any conditions of approval.

## DWELLING UNIT REMOVAL:MERGER, CONVERSION OR DEMOLITION

## SUPPLEMENTAL APPLICATION

## Property Information

| Project Address: 861 Baker St | Block/Lot(s): 1151/001 |
| :--- | :--- |

## Project Details

| UNITS | EXISTING: | PROPOSED: | NET CHANGE: |
| ---: | ---: | :--- | :--- |
| Owner-occupied Units: 0 | 0 | 0 |  |
| Rental Units: 3 | 2 | 1 |  |
| Total Units: 3 | 2 | 1 |  |
| Units subject to Rent Control: 0 | 0 | 0 |  |
| Vacant Units: 0 | 0 | 0 |  |


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

## Unit Specific Information

|  | UNITNO. | No. of BEDROOMS | GSF | OCCUPANCY | ADDITIONAL INFORMATION |
| :---: | :---: | :---: | :---: | :---: | :---: |
| EXISTING | 861A | 2 | 803 | OWNER OCCUPIED <br> RENTAL VACANT* | Ellis Act eviction in past 10 years Rent Control in past 5 years Below-Market Rate in past 5 years |
|  | If vacant, indicate the most recent year occupied: |  |  |  | N/A |
|  | Indicate the number of persons in the household, or most recent household in occupancy: |  |  |  | 2 <br> Unknown |
|  | Indicate the approximate income of the current or most recent household in occupancy: |  |  |  | \$ $\qquad$ |
| Proposed |  |  |  |  |  |

## RESIDENTIAL MERGER <br> (SUPPLEMENTAL INFORMATION)

Pursuant to Planning Code Section 317(c), any application that would result in the removal of one or more residential units or unauthorized units is required to obtain a Conditional Use Authorization. In addition to filing a Conditional Use Authorization application, this Dwelling Unit Removal application, along with responses to the specific conditional use criteria listed below, as described in Planning Code Section 317(g)(2), must be submitted to the Planning Department.

Please note that pursuant to Planning Code Section 317(g)(2), the Planning Commission shall not approve an application for residential merger if any tenant has been evicted pursuant to Administrative Code Sections 37.9(a) (9) through 37.9(a)(14) where the tenant was served with a notice of eviction after December 10, 2013 if the notice was served within 10 years prior to filing the application for merger. Additionally, the Planning Commission shall not approve an application for residential merger if any tenant has been evicted pursuant to Administrative Code Section 37.9(a)(8) where the tenant was served with a notice of eviction after December 10, 2013 if the notice was served within five (5) years prior to filing the application for merger.

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

|  | LING UNIT MERGER CRITERIA: | YES | NO |
| :---: | :---: | :---: | :---: |
| 1 | Does the removal of the unit(s) eliminate only owner-occupied housing? <br> If yes, for how long was the unit(s) proposed for removal owner-occupied? $\qquad$ months or years (check one) |  | $\checkmark$ |
| 2 | Is the removal of the unit(s) and the merger with another intended for owner occupancy? |  | $\checkmark$ |
| 3 | Will the removal of the unit(s) remove an affordable housing unit as defined in Section 401 of the Planning Code or housing subject to the Rent Stabilization and Arbitration Ordinance? <br> If yes, will replacement housing be provided which is equal or greater in size, number of bedrooms, affordability, and suitability to households with children to the units being removed? $\square$ YES $\square$ NO |  | $\checkmark$ |
| 4 | If the unit(s) proposed for removal was occupied by a tenant or tenants, please specify the date of when it was last occupied: <br> 2017-present |  |  |
| 5 | Will the number of bedrooms provided in the merged unit be equal to or greater than the number of bedrooms in the separate units? | $\checkmark$ |  |
| 6 | Is the removal of the unit(s) necessary to correct design or functional deficiencies that cannot be corrected through interior alterations? |  | $\checkmark$ |
| 7 | If the merger does not involve an unauthorixed unit, what is the appraised value of the least expensive unit to be merged? <br> Please see appraisal report <br> Please include an attachment of the appraisal dated within six months of filing this application. |  |  |

## RESIDENTIAL CONVERSION

## (SUPPLEMENTAL INORMATION)

Pursuant to Planning Code Section 317(g) (3), the conversion of residential dwelling units to a non-residential use is required to obtain a Conditional Use Authorization.

In reviewing proposals for the conversion of residential dwelling units to other forms of occupancy, the Planning Commission will review the criteria below.

Please answer the following questions to inform the Planning Commission as to how the project does or does not meet the following criteria:

| DWELLING UNIT CONVERSION CRITERIA: |  | YES | NO |
| :---: | :---: | :---: | :---: |
| 1 | Will the conversion of the unit(s) eliminate only owner occupied housing? <br> If yes, for how long was the unit(s) proposed for removal owner-occupied? $\qquad$ months or years (check one) |  | $\checkmark$ |
| 2 | Will the conversion of the unit(s) provide desirable new non-residential use(s) appropriate for the neighborhood and adjoining district(s)? |  | $\checkmark$ |
| 3 | Is the property located in a district where Residential Uses are not permitted? <br> If yes, will the Residential Conversion bring the building closer into conformance with the uses permitted in the zoning distirt? $\square$ YES $\square$ NO |  | $\checkmark$ |
| 4 | Will the conversion of the unit(s) be detrimental to the City's housing stock? |  | $\checkmark$ |
| 5 | Is the conversion of the unit(s) necessary to eliminate design, functional, or habitability deficiencies that cannot otherwise be corrected? | $\checkmark$ |  |
| 6 | Will the Residential Conversion remove Affordable Housing, or unit(s) subject to the Rent Stabilization and Arbitration Ordinance? |  | $\checkmark$ |

## DWELLING UNIT DEMOLITION <br> (SUPPLEMENTAL INFORMATION)

Pursuant to Planning Code Section 317(d), residential demolition is subject to a Conditional Use Authorization or will qualify for administrative approval.

Administrative approval only applies to:
(1) single-family dwellings in $\mathrm{RH}-1$ and $\mathrm{RH}-1$ (D) Districts proposed for Demolition that are not affordable or financially accessible housing (valued by a credible appraisal dated within the past six months to be greater than $80 \%$ of combined land and structure value of single-family homes in San Francisco); OR
(2) residential buildings of two units or fewer that are found to be unsound housing.

Please see the Department's website under Publications for "Dwelling Unit Removal: Current Numerical Values" and the "Zoning Controls on Dwelling Unit Removal Implementation" documents..

The Planning Commission will consider the following criteria in the review of residential demolitions Please answer the following questions to inform the Planning Commission as to how the project does or does not meet the following criteria, as described in Planning Code Section 317(g)(5):

| EXISTING VALUE AND SOUNDNESS |  | YES | NO |
| :---: | :---: | :---: | :---: |
| 1 | Is the value of the existing land and structure of the single-family dwelling affordable or financially accessible housing (below the $80 \%$ average price of single-family homes in San Francisco, as determined by a credible appraisal within six months)? <br> If no, submittal of a credible appraisal dated within the past six months is required with the application or if administrative approval (as outlined above) is being sought. | $\square$ | $\checkmark$ |
| 2 | Has the housing been found to be unsound at the $50 \%$ threshold (applicable to one- and two-family dwellings)? | $\square$ | $\checkmark$ |
| 3 | Is the property free of a history of serious, continuing code violations? |  | $\checkmark$ |
| 4 | Has the housing been maintained in a decent, safe, and sanitary condition? | $\checkmark$ |  |
| 5 | Is the property a historical resource under CEQA? | $\square$ | $\checkmark$ |
| RENTAL PROTECTION |  | YES | NO |
| 6 | Does the Project convert rental housing to other forms of tenure or occupancy? |  | $\checkmark$ |
| 7 | Does the Project remove rental units subject to the Rent Stabilization and Arbitration Ordinance or affordable housing? | $\square$ | $\checkmark$ |
| PRIORITY POLICIES |  | YES | NO |
| 8 | Does the Project conserve existing housing to preserve cultural and economic neighborhood diversity? | $\checkmark$ |  |
| 9 | Does the Project conserve neighborhood character to preserve neighborhood cultural and economic diversity? | $\checkmark$ |  |
| 10 | Does the Project protect the relative affordability of existing housing? |  | $\checkmark$ |
| 11 | Does the Project increase the number of permanently affordable units as governed by Section 415? | $\square$ | $\checkmark$ |

## RESIDENTIAL DEMOLITION

## (SUPPLEMENTAL INFORMATION CONTINUED)

| REPLACEMENT STRUCTURE |  | YES | NO |
| :---: | :---: | :---: | :---: |
| 12 | Does the Project locate in-fill housing on appropriate sites in established neighborhoods? | $\checkmark$ |  |
| 13 | Does the Project increase the number of family-sized units on-site? | $\checkmark$ |  |
| 14 | Does the Project create new supportive housing? | $\checkmark$ |  |
| 15 | Is the Project of superb architectural and urban design, meeting all relevant design guidelines, to enhance the existing neighborhood character? | $\checkmark$ |  |
| 16 | Does the Project increase the number of on-site dwelling units? | $\checkmark$ |  |
| 17 | Does the Project increase the number of on-site bedrooms? | $\checkmark$ |  |
| 18 | Does the Project maximize density on the subject lot? | $\checkmark$ |  |
| 19 | If the building is not subject to Rent Stabilization and Arbitration Ordinance or affordable housing, will the Project replace all of the exiting units with new dwelling units of similar size and with the same number of bedrooms? | $\square$ | $\checkmark$ |

## REMOVAL OF UNAUTHORIZED UNIT(S) <br> (SUPPLEMENTAL INFORMATION)

The Planning Commission will consider the following criteria in the review of applications for removal of unauthorized units, pursuant to Planning Code Section 317 (g)(6). Please fill out answers to the criteria below:

| DWELLING UNIT REMOVAL OF UNAUTHORIZED UNIT(S) CRITERIA: |  | YES | NO |
| :---: | :---: | :---: | :---: |
| 1 | Is it financially feasible to legalize the unauthorized unit(s)? <br> If no, please provide the cost to legalize the unauthorized unit(s) $\quad \$ 180,000.00$ |  | $\checkmark$ |
| 2 | What is the apprised value of the building with the unauthorized unit(s)? $\$ 1,520,000.00$ <br> Please include an attachment of the appraisal dated within six months of filing this application. |  |  |
| 3 | What is the appraised value of the building with the unit(s) legalized? $\$ 2,170,000$ <br> Please include an attachment of the appraisal dated within six months of filing this application. |  |  |

## APPLICANT'S AFFIDAVIT

Under penalty of perjury the following declarations are made:
a) The undersigned is the owner or authorized agent of the owner of this property.
b) The information presented is true and correct to the best of my knowledge.
c) Other information or applications may be required.
d) I hereby authorize City and County of San Francisco Planning staff to conduct a site visit of this property as part of the City's review of this application, making all portions of the interior and exterior accessible through completion of construction and in response to the monitoring of any condition of approval.
e) I attest that personally identifiable information (PII) - i.e. social security numbers, driver's license numbers, bank accounts have not been provided as part of this application. Furthermore, where supplemental information is required by this application, PII has been redacted prior to submittal to the Planning Department. I understand that any information provided to the Planning Department becomes part of the public record and can be made available to the public for review and/or posted to Department websites.


Signature
Xie Guan

## Date

Architect

Relationship to Project
(i.e. Owner, Architect, etc.)

415-652-3047

Phone

## Xie Guan

Name (Printed)
bill@xiearchdesign.com
Email
$\qquad$

APPRAISAL OF

659-61 BAKER STREET
AS 3 UNITS INCLUDING 1 ILLEGAL UNIT AND AS 4 LEGAL UNITS SAN FRANCISCO, CALIFORNIA 94115

PREPARED FOR:

KAM PING CHU
661 BAKER STREET
SAN FRANCISCO, CALIFORNIA 94115

AS OF
JULY 1, 2019

## KAREN ANN SIMONS \& ASSOCIATES

## Real Estate Appraisal and Consultation

Karen Ann Simons, MAI

August 7, 2019

Mr. Kam Ping Chu
661 Baker Street
San Francisco, CA 94115
Re: 659-661 Baker Street
San Francisco
Dear Mr. Chu:
At your request and authorization, Karen Ann Simons \& Associates has completed an appraisal of the market value of the property located at 659-661 Baker Street Avenue, San Francisco. The report is a complete appraisal presented in a summary format. The purpose of the appraisal is to estimate the market value of the fee simple interest. The report is to be used by the client to work with the city for the addition of legal units.

During the investigation we inspected the subject property and its surrounding environment. The Sales Comparison Approach was used to estimate the market value of the fee timple interest in the property as of July $1,2019$.

Based on our investigation and analysis it is our opinion that the market value of the fee simple interests in the subject property, exclusive of existing financing and subject to the attache Limiting Conditions, is:

2 legal units, 1 illegal unit
ONE MILLION FIVE HUNDRED TWENTY THOUSAND DOLLARS (\$1,520,000)

4 legal units

## TWO MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS <br> (\$2,170,000)

The report which follows contains a summary of the data, reasoning, and assumptions used to formulate the value estimate. This report has been made in conformity with and is subject to the requirements of USPAP and the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute.

Very truly yours,


2701 Van Ness Avenue, Ste. 310, San Francisco, CA 94109
Tel. (415) 788-6100, Email: kasimons@sbcglobal.net

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## ADDENDUM

Comparable Photographs and Map
Certifications
Qualifications

## RE: 859-861 Baker St. NOPDR 1

From: Dito, Matthew (CPC) (matthew.dito@sfgov.org)
To: kasimons@sbcglobal.net
Date: Monday, June 17, 2019, 09:59 AM PDT

Here is the Code section related to the appraisals. My notes are in red.
B. Whether it is financially feasible to legalize the Unauthorized Unit or Units. Such determination will be based on the costs to legalize the Unauthorized Unit(s) under the Planning, Building, and other applicable Codes in comparison to the added value that legalizing said Units would provide to the subject property. The gain in the value of the subject property shall be based on the current value of the property with the Unauthorized Unit(s) compared to the value of the property if the Unauthorized Unit(s) is/are legalized. The calculation of the gain in value shall be conducted and approved by a California licensed property appraiser. Legalization would be deemed financially feasible if gain in the value of the subject property is equal to or greater than the cost to legalize the Unauthorized Unit.

We would need two appraisals here. The first will include the two legal units in the main building and the unauthorized unit in the rear building. It should not include the third floor unauthorized unit in the main building. The second appraisal should be of the building as-is, with all four dwelling units (two legal and two unauthorized). I've attached the latest plans submitted for your reference.

Hope that makes sense.
Matt

Matt Dito, Planner
Northwest Team, Current Planning Division
San Francisco Planning Department
1650 Mission Street, Suite 400 San Francisco, CA 94103
Direct: 415.575.9164 | www.sfplanning,org
San Francisco Property Information Map

From: Karen Simons [kasimons@sbcglobal.net](mailto:kasimons@sbcglobal.net)
Sent: Monday, June 17, 2019 9:48 AM
To: Dito, Matthew (CPC) [matthew.dito@sfgov.org](mailto:matthew.dito@sfgov.org)
Subject: 859-861 Baker St. NOPDR 1







## SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS



Subject Property from Baker Street


Subject Property from Turk Street


View southerly on Baker St.


View westerly on Turk Street


View northerly on Baker Street


View easterly on Turk Street


Building at rear (west end) of lot. While the garage door is there, there is no garage inside.


Improvements to south of Subject along Baker


Improvements across Baker from Subject


Central yard area between 2 subject buildings


Living room in larger unit


Kitchen area in larger unit


Bedroom area in larger unit

## STATEMENT OF LIMITING CONDITIONS

1. Date and definitions of value, together with other definitions and assumptions on which our analysis are based, are set forth in appropriate sections of this report. These are to be considered part of these limiting conditions as if included here in their entirety.
2. The conclusions stated herein, including values which are expressed in terms of the U.S. Dollar, apply only as of the date of value and are based on prevailing physical and economic conditions and available information at that time. No representation is made as to the effect of subsequent events.
3. Title to the property is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
4. All facts and data set forth in this report are true and accurate to the best of the appraiser's knowledge and belief. The appraisal is based upon the assumption that data which is of public record or which has been secured through interviews with owners, agents or other informed persons is true and correct. The appraisers reserve the right to make appropriate revisions in the event of discovery of additional or more accurate data.
5. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
6. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
7. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
8. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
9. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
10. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as
asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
12. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geologic reports are made available.
13. This appraisal covers only the real property described herein. Unless specifically stated to the contrary, it does not include consideration of mineral rights or related right of entry, nor personal property or the removal thereof. Values reported herein are not intended to be valid in any other context, nor are any conclusions as to unit values applicable to any other property or utilization than that specifically identified herein.
14. By reason of this assignment, testimony or attendance in court or at any government or other hearing with reference to the property is not required without prior arrangements having been made relative to such additional employment.
15. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
16. Maps, plats and exhibits included in this part are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
17. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
18. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
19. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards. Neither all nor any part of the contents of this report (especially the conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication, without prior written consent and approval of the authors.

## EXECUTIVE SUMMARY

| Property: | 659-661 Baker Street, 2 legal units and 1 illegal unit |
| :--- | :--- |
| Building Area: | 1,535 square feet, as is |
| Land Area: | 3,025 square feet |
| Assessor's Block and Lot: | Block 1151 Lot 001 |
| Zoning: | RH3 |
| Flood Zone: | There are no Flood Hazard Zones in San Francisco. |
| Seismic Area: | San Francisco is an active earthquake region, but the <br> subject is not in an Earthquake Special Studies Zone. |
| Toxic Risk: | This appraisal assumes there are no toxic considerations <br> that need correction. |
| Highest \& Best Use: | Expanded to 4 units |
| Date of Value: | July 1, 2019 |
| Estimated Value: | $\$ \mathbf{1 , 5 2 0 , 0 0 0}$ |

As approved and developed for 4 legal units:

Square Feet:2,349

## Estimated Value:

Sales Comparison Approach: \$ 2,170,000

## INTRODUCTION

## Identification

The subject of this appraisal comprises a 3-unit building at 559-661 Baker Street, San Francisco. The property contains 2 legal units and 1 illegal unit, 1,535 square feet, and one-car parking.

## Purpose of the Appraisal

The purpose of the appraisal is to reach an opinion of market value as is and as completed with an additional legal unit.

## Use of the Appraisal

The appraisal is to be used by the client to assist in obtaining approval for an additional unit.

## Property Rights Appraised

The property rights appraised are those of the fee simple interest.

## Dates of Inspection, Value, Report

The property was inspected on June 17, 2019. The date of the value estimate is July 1, 2019. The date of the report is August 7, 2019.

## Scope of the Appraisal

The market value of the subject property was estimated by the Sales Comparison Approach, and Income approach to value. We reviewed County Records and talked with real estate brokers, appraisers, buyers, and sellers to find comparable data. All comparable sales were confirmed with principals or participating agents when possible and all comparable sales were inspected.

## Ownership and Property History

Title to the property, as of the date of value, was vested in the name of the Kam Ping Chu Revocable Trust. The property had not transferred title in the past four years.

## Statement of Competency

Karen Ann Simons \& Associates has extensive experience appraising small residential properties and no steps to competency were considered necessary.

## DEFINITIONS

## Market Value

"Market value" means the most probable price which a property should bring in a competitive an open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." ${ }^{11}$

Fee Simple Estate is defined by the Appraisal Institute as: absolute ownership unencumbered by any other interest or estate; subject only to the limitations of imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

[^0]
## LEGAL DATA

## Ownership of Record:

## Assessor's Block and Lot:

Legal Description:

## Easements:

## Assessments \& Taxes:

## Kam Ping Chu Revocable Trust

Block and Lot: 1151-001
No title report has been provided. The Legal Description is provided in the copy of the Deed included in the Addendum.

We are unaware of any easement which might have a negative impact on value.

2018/19 Assessed Value:

| Land: | $\$ 386,187$ <br> Improvements: |
| :--- | ---: |
| Total: | $\$ 643,645$ |

Taxes were current as of the date of value.

## Zoning

 RH3
## SEC. 206. DESCRIPTION AND PURPOSE OF RESIDENTIAL DISTRICTS.

The following statements of description and purpose outline the main functions of the $R$ (Residential) Districts in the zoning plan for San Francisco, supplementing the statements of purpose contained in Section 101 of this Code. These districts are established for purposes of implementing the Residence element and other elements of the Master Plan, according to the objectives, principles and policies stated therein. Among these purposes are the following:
(a) Preservation, improvement and maintenance of the existing housing stock through protection of neighborhood environments and encouragement of sound ownership practices and rehabilitation efforts;
(b) Recognition and protection of the architectural characteristics and densities of existing residential areas;
© Maximizing of housing choice by assuring the availability of quality owner and rental housing of various kinds, suitable for a whole range of household types, lifestyles and economic levels;
(d) Encouragement of residential development that will meet outstanding community needs, provide adequate indoor and outdoor spaces for its occupants, and relate well to the character and scale of existing neighborhoods and structures; and
(e) Promotion of balanced and convenient neighborhoods having appropriate public improvements and services, suitable nonresidential activities that are compatible with housing and meet the needs of residents, and other amenities that contribute to the livability of residential areas.

Additional purposes for South of Market R and Mixed Use Districts are listed in Article 8, Sections 813 through 818 of this Code. (Amended by Ord. 443-78, App. 10/6/78; Ord. 115-90, App. 4/6/90)

SEC. 206.1. RH (RESIDENTIAL, HOUSE) DISTRICTS.
These districts are intended to recognize, protect, conserve and enhance areas characterized by dwellings in the form of houses, usually with one, two or three units with separate entrances, and limited scale in terms of building width and height. Such areas tend to have similarity of building styles and predominantly contain large units suitable for family occupancy, considerable open space, and limited nonresidential uses. The RH Districts are composed of five separate classes of districts, as follows:

RH-1(D)Districts: One-Family (Detached Dwellings). These districts are characterized by lots of greater width and area than in other parts of the City, and by single-family houses with side yards. The structures are relatively large, but rarely exceed 35 feet in height. Ground level open space and landscaping at the front and rear are usually abundant. Much of the development has been in sizable tracts with similarities of building style and narrow streets following the contours of hills. In some cases private covenants have controlled the nature of development and helped to maintain the street areas.

RH-1 Districts:

RH-1(S) Districts:

RH-2 Districts: Two-Family.

RH-3 Districts: Three-Family.

One-Family. These districts are occupied almost entirely by single-family houses on lots 25 feet in width, without side yards. Floor sizes and building styles vary, but tend to be uniform within tracts developed in distinct time periods. Though built on separate lots, the structures have the appearance of small-scale row housing, rarely exceeding 35 feet in height. Front setbacks are common, and ground level open space is generous. In most cases the single-family character of these districts has been maintained for a considerable time.

One-Family with Minor Second Unit. These districts are similar in character to RH-1 Districts, except that a small second dwelling unit has been installed in many structures, usually by conversion of a ground-story space formerly part of the main unit or devoted to storage. The second unit remains subordinate to the owner's unit, and may house one or two persons related to the owner or be rented to others. Despite these conversions, the structures retain the appearance of single-family dwellings.

These districts are devoted to one-family and two-family houses, with the latter commonly consisting of two large flats, one occupied by the owner and the other available for rental. Structures are finely scaled and usually do not exceed 25 feet in width or 40 feet in height. Building styles are often more varied than in single-family areas, but certain streets and tracts are quite uniform. Considerable groundlevel open space is available, and it frequently is private for each unit. The districts may have easy access to shopping facilities and transit lines. In some cases, group housing and institutions are found in these areas, although nonresidential uses tend to be quite limited.

These districts have many similarities to RH-2 Districts, but structures with three units are common in addition to onefamily and two-family houses. The predominant form is large
flats rather than apartments, with lots 25 feet wide, a fine or moderate scale and separate entrances for each unit. Building styles tend to be varied but complementary to one another. Outdoor space is available at ground level, and also on decks and balconies for individual units. Nonresidential uses are more common in these areas than in RH-2 Districts. (Added by Ord. 443-78, App. 10/6/78)

## REGIONAL AND CITY ANALYSIS

The City and County of San Francisco is a peninsula containing 47 square miles and bordered on the west by the Pacific Ocean, on the north by the straits of the Golden Gate joining the Pacific Ocean and San Francisco Bay, on the east by San Francisco Bay and on the south by San Mateo County. It encompasses 29,890 square miles and represents $2.3 \%$ of the State's population.

## Transportation

Public transportation in San Francisco is provided by MUNI (San Francisco Municipal Railway), buses, cable cars, street cars and shopper shuttles. Almost any area is easily accessible by public transportation. Commuter transportation is provided by Bay Area Rapid Transit (BART), trains and buses from the South Bay, and ferries connecting with Sausalito, Larkspur, Tiburon (Marin County) and Vallejo (Solano County). San Francisco International Airport is approximately 10 miles south of the City in San Mateo County. The airport is a major national and international transportation hub.

## Population

In 1990, the San Francisco/Oakland SMSA (San Francisco, Alameda, Marin, San Mateo, and Contra Costa) population was 4.124 million persons. January 2007 population, calculated by the Department of Finance Population Research Unit, State of California, was 4.3668 million, a 0.337 percent compound annual growth rate. The growth rate was higher between 1980 and 1990, at $2.4 \%$ compounded annually. Current growth is primarily in the East Bay--Contra Costa County and southern and eastern areas of Alameda County.

Because of San Francisco's geographical boundaries, there has been little land available for new development, except by displacement of older improvements. Population has fluctuated little over the past 35 years, although the current population is the highest, and reflects both new residential projects along the waterfront and south of Market and infill locations throughout the city, as well as some increased population density in existing units.

San Francisco is the fourth largest city in California, after Los Angeles, San Diego, and San Jose.

The following table shows the growth patterns for San Francisco:

| SAN FRANCISCO POPULATION |  |  |
| :---: | :---: | :---: |
| Year | Population | Compound <br> Annual <br> \% Change |
| 1960 | 740,300 |  |
| 1970 | 715,600 | $(0.34)$ |
| 1980 | 642,900 | $(1.07)$ |
| 1990 | 724,000 | 1.20 |
| 2000 | 781,900 | 0.77 |
| 2019 | 883,869 | 0.65 |

Population began to increase in the 1990s, but slowed after the dot.com bust. During the past 20 years, however, it has begun to increase. The rates are below the state average, but San Francisco is primarily built out, although the past 30 years indicate the highest rate of growth in the 59 -year history shown. It is unclear how the current housing shortage will affect population, but it would appear to lower growth, which might account for the lower growth rate over the past 19 years.

## Employment

The San Francisco area is oriented towards the service industries, with tourism and financial services the dominating sectors. San Francisco is a major tourist attraction, and historically it is estimated that tourism generates over 60,000 jobs, with hotels, restaurants, and tourist retail.

The unemployment rate in the San Francisco MSA, which includes San Francisco, San Mateo, and Marin Counties, was 2.2 percent in June 2019, compared to $2.3 \%$ for San Francisco and $2.5 \%$ in San Mateo County. These data are difficult to compare with previous years because of part time work. Nonetheless, the rates are low.

For the SMA, all industries increased by 40,100 jobs over the previous year. Professional and Business Services increased 13,900 jobs, Information by 6,300 jobs, Leisure \& Hospitality by 5,400 jobs, and Construction by 5,200 jobs. Private Educational and Health Services was up 5,100 jobs, and Financial Activities by 4,100 jobs. Manufacturing declined by 500 jobs.

San Francisco has adequate infrastructure, exceptional natural and cultural resources, a temperate climate, an excellent and improving transportation system, and outstanding institutions of higher education and research dedicated, among other things, to maintaining a leadership role in medicine, biotechnology and information services. These valuable assets have traditionally endured the general business cycles, and can be expected to provide the bases of economic growth.

Furthermore, San Francisco's position as one of the most visited destinations to tourists from around the world is of continuing interest to the local government, which seeks to balance the needs of industry with preserving the city's natural, cultural and historic attractions for the benefit of tourists and local residents alike. These factors combine to ensure long term stability for property values in San Francisco.

## NEIGHBORHOOD DESCRIPTION

The subject is located in the Anza Vista District of San Francisco, a small district bound by Turk Street on the south, and the North Panhandle, Presidio on the west and Lone Mountain District, Geary Blvd. On the north and Lower Pacific Heights, plus a small section of Jordan Park/Laurel Heights, and Divisadero and the Western Addition on the east. The surrounding districts are all desirable areas. Typically, improvements are low density, and primarily residential, including single family residences, duplexes, and small apartments along the side streets. There are some offices, commercial, neighborhood services, apartments, and apartments with ground floor commercial along Geary Blvd. as well as a small shopping center at the SWC of Geary and Masonic, and additionally along Divisadero. Bus service is available along Geary Blvd. and Divisadero.

The immediate subject neighborhood is residential, with homes and small apartments.

## BUILDING DESCRIPTION

The subject comprises two separate buildings separated by land and paved area. One building is at the SWC of Baker and Turk Streets, and the second building is to the west facing Turk Street. There are 11 rooms, 4 bedrooms, and 3 bathrooms. There is a garage for one car, accessed from the driveway at the immediate corner of Baker and Turk. Currently there are two legal units and one illegal uit.

Type:

## Year Built:

## Remaining Economic Life:

## Building Area:

Foundation and Floor:

## Exterior:

Roof:
Interior:

## Fenestration:

## Heat:

Lighting:
Plumbing:
Comments:

Two story wood frame building with attached garage and rear yard and paved area. There also is a rear deck off the upper level. The improvements is of average quality for the area (good), and in average to good condition.

1900 per city records (1900 is sometimes a catch-all year for buildings constructed around that time, but for which the exact date is not known.)

The subject, as is, is estimated to have a remaining economic life of 45 years, assuming on-going maintenance.

## 1,535 square feet

The foundation is concrete. The floors in the upper levels are covered with wood, vinyl tile and some ceramic tile in bathrooms.

The exterior is wood and stucco with stone facing along the front of the building.

The roof was reported to be in good condition.
The living areas features a vinyl and wood finished floors, wood and stucco walls, windows to the rear patio and gardens, vinyl tile floors, and wood finished walls. Much of the wood work is attractive.

The kitchens features tile floors and counters, stoves, refrigerators, sinks, and wood cupboards.

The windows are double hung.
Central heating
Primarily incandescent lighting.
Bathrooms have tubs and shows, sinks, and toilets.
The subject improvements are of average quality for the area and in average to good condition. The $4^{\text {th }}$ unit will, of course, be basically new.

The rear yard area is dirt and concrete paving leading to the rear building.

The rear building is wood frame, with two stories, no parking at this time, and contains one illegal unit and additional space upstairs.

## SITE DESCRIPTION

Location:

## Street Improvements:

## Utilities:

## Topography:

Soils:

## Toxics:

Flood Zones:
Earthquake Zone:

Easements:

The site is located on the southwesterly line of Baker Street (north/south) and Turk Blvd. (east/west). It is generally rectangular In shape with 27.5 feet of frontage on Baker Street and 110 feet along Turk Blvd. The total area is 3,025 square feet

All street have curbs, gutters, sidewalks, and street lighting.
All normal urban utilities are available.
The site is slightly upsloping along Baker Street, but is on grade with existing streets.

No soils report was available. It has been assumed that the soils are capable of supporting improvements consistent with the neighborhood.

We are unaware of any toxic contamination on the sites. This appraisal assumes that there is no toxic contamination or cleanup work required.

There are no flood zones in San Francisco.
The subject properties are not in an Alquist-Priola Special Studies Zone. The San Francisco Bay Area is, however, an earthquake prone region.

We are unaware of any easements on the subject properties which would have a negative affect on value.

Revised 2005 REVISED 2015



TURK



## HIGHEST AND BEST USE

Highest and Best Use is defined as:
"That reasonable and probable use that will supply the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, highest and best use is:

The use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value."

Highest and Best use is determined by:

Investigation of the neighborhood area, and regulations imposed by the planning code.

The subject properties is consistent with its $\mathrm{Rh}-3$ zoning and is a legal, conforming use under the zoning.

The improvements contribute to site value and thus represent a reasonable highest and best use of the site as vacant. As improved, it represents the highest and best use of the property.

## VALUATION METHODOLOGY

The value of the real property is estimated through one or more of three approaches to value. The three approaches are the Cost Approach, the Income Approach, and the Sales Comparison Approach. The Cost Approach is not relevant for single family homes, nor is the Income Approach. The Sales Comparison Approach is the most relevant approach to apply to small residential properties.

The Sales Comparison Approach incorporates an analysis of sales of similar properties, with adjustments for differences in location, quality, size, tenancy, age, and other characteristics. This approach is based on the principle of substitution, which states that a buyer would not pay more for one property than for another that was equally desirable.

## SALES COMPARISON APPROACH

The following pages summarize the comparable data and the adjustments made to the data to compare with the subject.

Comparable No. 1 is located at 107-111 Steiner Street, near Duboce, in Hayes Valley This is a larger 3 -unit building with 34 -bd, 2 ba units, and 2 parking spaces. The building is 6,600 square feet and the lot is 2,738 square feet. The improvements were constructed in 1905. Units include washers and dryers. The units have high ceilings, period detailing, ornate wainscoting, 6 fireplaces, ceiling medallions, covered ceilings, box beams, plate rails, dentil molding, and a vacant owner's unit. Units each have 2 new water heaters and upgraded appliances. Each unit has a storage area in the basement.

The property was listed for $\$ 3,850,000$ on June 6, 2019, and went under contract on June 18 for $\$ 4,350,000$, which equals $\$ 659.09$ per square foot.

We have adjusted this sale downward for time, square footage, room count, superior condition, and quality, as well as the additional parking space and land area. We did not make an adjustment for location, since while the building is not on a corner nor is it freestanding, it is in a slightly superior location. The adjusted price is $\$ 1,527,000$.

Comparable No. 2, 2951 Bush Street, near Presidio Street, in lower Pacific Heights, is an unusual looking 3-unit Victorian with 3 levels. The improvements were constructed in 1900, and are 2,350 square feet sited on a 3,001 square foot lot. They are freestanding.

The property features a peaked roof, stairway to the mid-level, open area on the side for parking up to 4 cars, 10.5-ceilings, undeveloped attic with a 13' peaked ceiling, marble bathroom with jetted tub, walk-out deck, garden and stone patio, and 21 -bd, 1-ba units on the lower level. Unit 1 is the upper floor flat, and has a washer/dryer and 2 bedrooms. It would be suitable for an owner's unit with two rentals below.

The building was listed for $\$ 1,998,000$ on March 28, 2019, and sold with a pending date of April 10, 2019, for $\$ 1,900,000$. We have adjusted the sale for time, slightly for location in Lower Pacific Heights, square footage, room count, superior condition, lot size, parking, and vacancy, since buyers then can control occupancy and achieve current rental rates. Our adjusted price is \$1,592,000.

Comparable No. 3 is 794-796 Hayes Street, a larger 3-unit building near Webster. It is a handsome building with 34 -bd flats plus an additional 1-bd basement unit which is unwarranted. There is a 2-car garage. The building features high ceilings, original detailing, and shops and restaurants in the immediate neighborhood. The rear yard features concrete patio areas and attractive plantings and there are laundry facilities in the common area.

The exterior is attractive with some modified bay windows and a tree in front.

The property was listed for $\$ 1,850,000$ on March 15 , 2018, and sold for $\$ 2,800,000$ on July 11, 2018. We adjusted this sale for location, square footage, room count, superior condition, including a small amount ( $2.5 \%$ ) for rear garden and patios, lot size, and parking. The adjusted price is $\$ 1,552,000$.

## Qualitative \& Quantitative Adjustments Factors.

A complete adjustment grid is provided on the next page. Each sale is adjusted for Property Rights Transferred, Financing Terms, Conditions of Sale, Date of Sale, Buyer Motivation, Location, Room Size, Investment Size, and Physical Condition/Functional Utility. The financing terms for all of the sales were reported to be equivalent to all cash and no adjustments are warranted. There were no known unusual Conditions of Sale. The other adjustments are discussed as follows:

Date of Sale: The sales occurred between July 2018 and June 2019. Prices were increasing during 2018 and flattened during December and started declining in 2019. We adjusted Comparable No. 2 downward very slightly and Nos. 1 and 3 not at all because of recent date and older date (which including increasing months and declining months).

## APPRAISAL WORKSHEET

| Subject Address/DOV: | $\mathbf{8 5 9 - 8 6 1}$ | Baker St. |  |
| :--- | ---: | ---: | :--- |
| Sq. Ft./Yr Blt: |  | 1,535 | $\mathbf{8 / 3 / 2}$ |
| Room Count: |  |  | $+3 / 1 / 1$ illegal |
| Lot Size/Parking: |  | 3,025 | 1 plus driveway |

Summary of Comparables:

## Location:

Yr. Blt./Rm. Count:
Square Feet:
Sq. Ft. Lot:
Pending Date:
Sales Price:

Adjustments:
Time:
Adjusted Price:
Location:
Sq. Ft. Variance:
Room Count:
Condition:
Quality:
Lot Size:
Garage Parking:
Tenancy:
Adjusted Price:

| Comparable \#1 |  |
| ---: | ---: |
| Steiner St. |  |
| 107-111 |  |
| 1905 $21 / 8 / 60$ |  |
| 2738 |  |
| $06 / 18 / 19$ |  |
| $\$ 4,350,000$ |  |
| $\%$ | $\$$ |
| $0.8 \%$ | 32,625 |
| $\$ 4,382,625$ |  |
|  | $(759,750)$ |
| -12.5 | $(312,500)$ |
| $-20.0 \%$ | $(876,525)$ |
| $-20.0 \%$ | $(876,525)$ |
| 287 | 7,175 |
| 2 | $(50,000)$ |
| $\$ 1,514,500$ |  |


| Comparable \#2 |  |
| :---: | :---: |
| 2951 Bush St. |  |
| 1900 10/4/3 |  |
| 2,350 |  |
| 3,001 |  |
| 04/10/19 |  |
| \$1,900,000 |  |
| \% | \$ |
| -0.65\% | $(12,350)$ |
| \$1,887,650 |  |
| -1.0\% | $(19,000)$ |
|  | $(122,250)$ |
| -0.7 | $(17,500)$ |
| -5.0\% | $(94,383)$ |
|  | 0 |
| 24 | 600 |
| 3-4 cars outside, say 3 |  |
| 3 vacant | $(94,383)$ |
| \$1,540,735 |  |


| Comparable \#1 |  |
| :---: | :---: |
| 794-796 Hayes St. |  |
| 1885 | 18/12/3 |
| 4,406 | + illegal |
| 2,700 | $2 / 1 \mathrm{bsmt}$ |
| 07/11/18 | unit |
| \$2,800,000 |  |
| \% | \$ |
| -0.2\% | $(4,620)$ |
| \$2,795,380 |  |
| -7.5\% | (210,000) |
|  | $(430,650)$ |
| -9.9 | $(247,500)$ |
| -12.5\% | $(349,423)$ |
|  | 0 |
| 325 | 8,125 |
| 2 | $(50,000)$ |
| \$1,515,933 |  |

Correlated Value for Subject:
\$1,523,723 Rounded:
$\$ 1,524,000$

Price Per Sq. Ft. Application:
Sq. Ft. Variance:
5065
$1,514,500$
759,750
$2,274,250$
344.58
$202.6 \%$
1042.71
815
$1,540,735$
122,250
$1,662,985$
707.65
$32.6 \%$
938.35

> 2871 $1,515,933$ 430,650 $1,946,583$ 441.80 111

Price Indicated Above:
Less Size Adjust.:
Price before Size Adj.:
Adjustment for Size:
$\$ 976.74$
Selected Price Per Square Foot:
\$/SF $\times$ Subject Square Feet: $\quad \$ 1,499,299$ Rounded: $\$ 1,499,000$

| Footnote 1: | Size adjustment is based on $\$ 150$ per square foot. |
| :--- | :--- |
| Footnote 2: | Rooms adjusted based on $\$ 25,000$ per room, $\$ 10,000$ for bath, $\$ 5,000$ for half-bath. |
| Footnote 3: | Size adjustment in price per $\mathrm{sq} . \mathrm{ft}$. analysis is based on $4 \%$ per 100 sf varia (closest correlation) |

The range in prices is $\$ 1,515,000$ to $\$ 1,541,000$, a spread of $1.7 \%$, with a central tendency of $\$ 1,524,000$.
The price per square foot allocation results in a range between $\$ 938$ and $\$ 1,043$, a spread of $11.2 \%$, with an indicated value of $\$ 1,499,000$. This is less than $2 \%$ lower than the indication by direct comparison, but the approach is weakened because the comparables do not bracket the subject in size. We thus put more weight on the former approach and concluded to $\$ 1,520,000$.

Location: The subject property enjoys an average location, but Comparable No. 2 was adjusted downward vry slightly and No. 3 by 10\% because of the fashionable and trendy neighborhood.

Size: The size adjustment is based on $\$ 150$ per square foot.

Quality/Condition: This adjustment considers the overall appeal of the property, the construction type, landscaping, etc. The subject is of average quality in the area and in average to good condition. We adjusted Comparable No. 1 downward substantially because of its very superior quality and condition, No. 2 downward slightly, and No. 3 downward mid-range.

Lot Size: The lot size variance was adjusted at a minimal $\$ 25$ per square foot.

Garage/Parking: Tandem spaces were adjusted at \$50,000.

The spread in prices before adjustments is $\$ 1,950,000$ to $\$ 2,600,000$, a spread of $0.6 \%$. After adjustments the range is $\$ 2,157,000$ to $\$ 2,169,000$, now only a spread of $0.6 \%$. The reduction in the spread supports the adjustment process. The average, which is appropriate when giving the comparables equal weight, is $\$ 2,162,000$.

## Conclusion:

The spread in prices before adjustments is $\$ 1,900,000$ to $\$ 4,350,000$, a spread of $\mathrm{XXX} 1.7 \%$. After adjustments the range is $\$ 1,515,000$ to $\$ 1,541,000$, now only a spread of $1.7 \%$. The reduction in the spread supports the adjustment process. The average, which is appropriate when giving the comparables equal weight, is $\$ 1,524,000$.

The Price Per Square Foot analysis, in which the size adjustment is reversed, indicates a range between $\$ 938$ and $\$ 1,042$, a spread of $11.2 \%$ and a value indication of $\$ 1,499,000$, less than $1 \%$ lower than the indication by the Direct Sales Comparison Approach. This approach is weakened because we could not find comparables that bracketed the size of the subject.

The two approaches are similar and we have concluded to a value of $\$ 1,520,000$,

## ONE MILLION FIVE HUNDRED TWENTY THOUSAND DOLLARS (\$1,520,000)

## Subject Property with 4 legal units:

Part of this assignment is to appraise the property with the existing illegal unit and the proposed unit approved, or as a 4-legal unit property. Following is the writeup for this analysis.

Comparable No. 1 is located at 630 Octavia Street, near Duboce, in Hayes Valley This is a 4-unit building with 41 -bd, 1 ba units, sited on a 5,775 square foot lot. The improvements wee constructed in 1962 and there are 3 parking spaces, 2 being tandem. Atypically, the building has a pool, which is not in use. It is very difficult to prove that a pool increases the value of a property in San Francisco because of the upkeep and liabilities. The building is of rather plain construction, with a flat room and little architectural interest, although there is an attractive tree in front.

The property was listed for $\$ 2,250,000$ on December 5, 2018, and went under contract on January 25 , 2019, for $\$ 2,300,000$, which equals $\$ 894.94$ per square foot.

We have adjusted this sale downward for time, square footage, upward for room count, and interior condition (overlapping with quality), as well as the additional parking space and land area. We did not make an adjustment for location, since while the building is not on a corner nor is it partially freestanding. The adjusted price is $\$ 2,169,000$.

Comparable No. 2, 245 Scott Street, near Page Street, in Hayes Valley, is a 4-unit building with 2 one-room offices on the ground floor, a 1-bd unit and 2-bed unit on both the middle floor and top floor. The improvements were constructed in 1905, and are 4,060 square feet sited on a 2,496 square foot lot.

It features an arched roof, bay windows on the upper floor, parking for 2 cars, and is in average condition. The listing indicated 3,500 square feet excluding the basement, but the property profile indicates 4,060 square feet. The building is Edwardian in style and has redwood siding. There are laundry appliances in the common area. Three units were vacant at the time of sale.

The property was listed for $\$ 2,600,000$ on November 27, 2018, and received an immediate offer, going into contract on November 28, for the asking price. We have adjusted the sale for time, slightly for location in Lower Pacific Heights, square footage, room count, superior condition, lot size, parking, and vacancy, since buyers then can control occupancy and achieve current rental rates. Our adjusted price is $\$ 2,157,000$.

Comparable No. 3 is 1523 Golden Gate Avenue, a 4-unit building comprising 2,165 square feet and sited on a 3,438 square foot parcel. The building is free-standing, with long steps leading to
the front door and a 1-car garage with room for 1 car in the driveway. It was constructed in 1890. It was referred to as Edwardian in the Sales Data, but 1890 would have been Victorian. There is a rear garden with landscaping, and a patio and deck, and a formal entry. There are laundry facilities in the common area.

The property was listed for $\$ 1,950,000$ on May 8,2019 , and sold for the listing price with a pending date of May 26. The price paid equals $\$ 900.69$ per square foot.

## Qualitative \& Quantitative Adjustments Factors.

A complete adjustment grid is provided on the next page. Each sale is adjusted for Property Rights Transferred, Financing Terms, Conditions of Sale, Date of Sale, Buyer Motivation, Location, Room Size, Investment Size, and Physical Condition/Functional Utility. The financing terms for all of the sales were reported to be equivalent to all cash and no adjustments are warranted. There were no known unusual Conditions of Sale. The other adjustments are discussed as follows:

Date of Sale: The sales occurred between November 2018 and May 2019. Prices were increasing during 2018 and flattened during December and started declining in 2019. We adjusted Comparables No. 1 and 2 downward very slightly and No. 3 not at all.

Location: The subject property enjoys an average location, but only Golden Gate was adjusted slightly upward. We did not adjust the other two comparables.

Size: The size adjustment is based on $\$ 150$ per square foot.

Quality/Condition: This adjustment considers the overall appeal of the property, the construction type, landscaping, etc. The subject is of average quality in the area and in average to good condition. We adjusted Comparable No. 3 upward slightly.

Lot Size: The lot size variance was adjusted at a minimal $\$ 25$ per square foot.

Garage/Parking: Tandem spaces were adjusted at \$50,000.

## APPRAISAL WORKSHEET



Summary of Comparables:

|  | Comparable \#1 | Comparable \#2 | Comparable \#3 |
| :---: | :---: | :---: | :---: |
| Location: | 630 Octavia St. | 245 Scott St. | 1523 Golden Gate Ave. |
| Yr. Blt./Rm. Count: | $1962 \text { 12/1/4 }$ | $1905 \text { 10/4/4 }$ | $1890 \quad 11 / 4 / 4$ |
| Square Feet: | 2,570 | $4,060+2$ offices | 2,165 |
| Sq. Ft. Lot: | 5770 | 2,495 on grd. fl | 3,438 |
| Pending Date: | 01/25/19 | 11/28/18 | 05/26/19 |
| Sales Price: | \$2,300,000 | \$2,600,000 | \$1,950,000 |
| Adjustments: | \% \$ | \% \$ | \% \$ |
| Time: | -1.3\% (28,750) | -1.3\% (32,500) | 0.0\% 0 |
| Adjusted Price: | \$2,271,250 | \$2,567,500 | \$1,950,000 |
| Location: | 0 |  | $2.5 \% \quad 48,750$ |
| Sq. Ft. Variance: | $(33,150)$ | $(256,650)$ | 27,600 |
| Room Count: | 250,000 | 250,000 | 3 75,000 |
| Condition: | 0 | 0 | 3.5\% 68,250 |
| Quality: | 0 | 0 | 0 |
| Lot Size: | $(2,745) \quad(68,625)$ | 530 13,250 | (413) $(10,325)$ |
| Garage Parking: | 3 inc. $2 \mathrm{~T} \quad(50,000)$ | $2(50,000)$ | $1+1$ in dr. 0 |
| Tenancy: | 2 vacant (76,087) | 3 vacant $\quad(128,375)$ |  |
| Adjusted Price: | \$2,169,475 | $\$ 2,195,725$ | \$2,159,275 |
| Correlated Value for Subject: |  | \$2,174,825 Rounded: | \$2,175,000 |
| Price Per Sq. Ft. Application: |  |  |  |
| Sq. Ft. Variance: | 221 | 1711 | -184 |
| Price Indicated Above: | 2,169,475 | 2,195,725 | 2,159,275 |
| Less Size Adjust.: | 33,150 | 256,650 | $(27,600)$ |
| Price before Size Adj.: | 2,202,625 | 2,452,375 | 2,131,675 |
| Price Per Sq. Ft.: | 857.05 | 604.03 | 984.61 |
| Adjustment for Size: | 6.6\% | 51.3\% | -5.5\% |
| Adjusted Price Per Sq. Ft.: | 913.88 | 914.08 | 930.26 |
| Selected Price Per Square Foot: |  | \$919.41 |  |
| \$/SF x Subject Square Feet: |  | \$2,159,683 Rounded: | \$2,160,000 |


| Footnote 1: | Size adjustment is based on $\$ 150$ per square foot. |
| :--- | :--- |
| Footnote 2: | Rooms adjusted based on $\$ 25,000$ per room, $\$ 10,000$ for bath, $\$ 5,000$ for half-bath. |
| Footnote 3: | Size adjustment in price per sq. ft. analysis is based on $3 \%$ per 100 sf varia *closest correlation) |

The range in prices is $\$ 2,159,000$ to $\$ 2,195,000$ a spread of $0.6 \%$, with a central tendency of $\$ 2,175,000$.

The price per square foot allocation results in a range between $\$ 914$ and $\$ 930$, a spread of $1.8 \%$, with an indicated value of $\$ 2,160,000$. This is less than $1 \%$ lower than the indication by direct comparison, and we have concluded to $\$ 2,170,000$

## Conclusion:

The spread in prices before adjustments is $\$ 1,950,000$ to $\$ 2,600,000$, a spread of $0.6 \%$. After adjustments the range is $\$ 2,159,000$ to $\$ 2,196,000$, now only a spread of $0.6 \%$. The reduction in the spread supports the adjustment process. The average, which is appropriate when giving the comparables equal weight, is $\$ 2,175,000$.

The Price Per Square Foot analysis, in which the size adjustment is reversed, indicates a range between $\$ 914$ and $\$ 930$, a spread of $0.6 \%$ and a value indication of $\$ 2,160,000$, less than $1 \%$ lower than the indication by the Direct Sales Comparison Approach.

The two approaches are similar and we have concluded to a value of $\$ 2,170,000$,

TWO MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS
(\$2,170,000)

## ADDENDA

## SALES COMPARABLES 3-UNITS



Comparable No. 1: 107-111 Steiner Street


Comparable No. 2: 2951 Bush Street


Comparable No. 3: 794-796 Hayes Street

## SALES COMPARABLES 4-UNITS



Comparable No. 1: 630 Octavia Street


Comparable No. 2: 245 Scott Street


Comparable No. 3: 1523 Golden Gate Avenue

## CERTIFICATION

I certify to the best of my knowledge and belief, ...

* the statements of fact contained in this appraisal report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent up developing or reporting predetermined results.
- Karen Ann Simons \& Associates has not appraised the property that is the subject of this appraisal in the past three years.
- Karen Ann Simons \& Associates' compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I, Karen Ann Simons, have completed the requirements under the continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person(s) signing this report.



## QUALIFICATIONS OF KAREN ANN SIMONS, MAI

## Experience

Karen Ann Simons \& Associates, San Francisco, CA (1994). Provide appraisal and consultation services for commercial improved and vacant real estate products.

Hamilton/Simons \& Associates, Inc., San Francisco, CA (1989-1993). President. Supervised staff and provided appraisal and consultation services for a variety of improved and vacant real estate products.

Landauer Associates, Inc., Los Angeles, CA (1984-1988)
Senior Vice President/Director of Appraisal Services. Responsible for staff of 11 professionals. Provided valuation, marketing and financial feasibility services for a variety of improved and vacant real estate products throughout the United States.

American Savings and Loan Association, Stockton, CA and Los Angeles, CA (1983-84) Vice President/Commercial Appraisal Manager. Responsible for all commercial appraisal offices and assignments outside of California and work generated by FCA/American Mortgage Corporation, the commercial lending division. Duties included establishing appraisal offices in Atlanta, New York and Chicago; establishing national fee panel; supervising and training staff; and reviewing major assignments.

Coldwell Banker, San Francisco (1975-1983)
Assistant Vice President. Provided consultation services and appraised properties throughout the Western United States for the purpose of purchase, sale, division of interest, inheritance tax, mortgage loan, and allocation of book value.

## Professional Associations and Memberships

MAI: Appraisal Institute Designated Member since 1981
Member: San Francisco Association of Realtors, California Association of Realtors, National Association of Realtors
Member: California Probate Referees' Association

## Certification

Currently certified in the Appraisal Institute's program of continuing education for its designated members. (MAls who meet the minimum standards of this program are awarded periodic educational certification.)

Certified General Appraiser in State of California through April 20, 2021. Appraiser No. AG007057.
Qualified as Expert Witness in Federal Court.
California Probate Referee in the County of San Francisco

## Education

BA, San Francisco State University
Secondary Credentials (Lifetime), San Francisco State University
Various Appraisal Institute courses; various real estate courses required for brokerage license, College of Marin


[^0]:    ${ }^{1}$ Office of the Comptroller of the Currency under 12 CFR, part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

