



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use Authorization

HEARING DATE: 07/25/2019

Record No.: **2018-013122CUA**
Project Address: **2966 24TH STREET**
Zoning: 24th Street-Mission Neighborhood Commercial Transit (NCT) District
45-X Height and Bulk District
Calle 24 Special Use District
Block/Lot: 4206/017
Applicant: David Locicero
2340 Powell St #290
Emeryville, CA 94602
Staff Contact: Ella Samonsky – (415) 575-9112
ella.samonsky@sfgov.org
Recommendation: **Approval with Conditions**

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PROJECT DESCRIPTION

The Project includes conversion of unauthorized Group Housing to a Retail Sales and Service use at a 2,600 square foot, single-story commercial building. The proposal includes removal of unpermitted construction within the building envelope, interior remodel and facade renovation of two existing commercial tenant spaces.

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 conversion of unauthorized group housing to Retail Sales and Service use.

ISSUES AND OTHER CONSIDERATIONS

- **Public Comment & Outreach.** The Department has received correspondence in support of the project from Calle 24 Latino Cultural District; expressing that removal of substandard and unsafe housing, and conversion to commercial space, would be appropriate and consistent with the Calle 24 SUD criteria in this circumstance. The Project Sponsor has reached out regarding the project to Calle 24 Latino Cultural District, Our Mission No Eviction, the Mission Housing Development Corporation and nearby businesses.
- **Existing Tenant & Eviction History:** The twenty-eight rooms are currently not occupied by tenants; all tenants were relocated as the City Code Enforcement Task Force determined the building to be unsafe. Although there is no Rent Board records of the rental units or evictions

on the subject property, Notices of Violation from the Building Department and the Planning Department documented the use as group housing.

BASIS FOR RECOMMENDATION

The Department finds that the Project is, on balance, consistent with the Objectives and Policies of the Mission Area Plan and General Plan. Although the Project results in a removal of unauthorized group housing, the Project does provide new commercial spaces consistent with the intent of the zoning district. Furthermore, the group housing was substandard, unsafe and could not feasibly have been legalized. The Department also finds the project to be necessary, desirable, and compatible with the surrounding neighborhood, and not to be detrimental to persons or adjacent properties in the vicinity.

ATTACHMENTS:

Draft Motion – Conditional Use Authorization
Exhibit A – Conditions of Approval
Exhibit B – Plans and Renderings
Exhibit C – Environmental Determination
Exhibit D – Land Use Data
Exhibit E – Maps and Context Photos
Exhibit F - Public Correspondence
Exhibit G - Project Sponsor Brief
Exhibit H – Eviction History Documentation
Exhibit I – Supporting Documentation



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Motion

HEARING DATE: JULY 25, 2019

Record No.: **2018-013122CUA**
Project Address: **2966 24th STREET**
Zoning: 24th Street-Mission Neighborhood Commercial Transit (NCT) District
40-X Height and Bulk District
Calle 24 Special Use District
Block/Lot: 4206/017
Project Sponsor: William Rodriguez
308 Avalon Drive
Pacifica, CA 94044
Property Owner: Silvia Rodriguez
712 Midway Avenue
Daly City, CA 94015
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ADOPTING FINDINGS RELATING TO A CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 303 AND 317, FOR THE CONVERSION OF UNAUTHORIZED GROUP HOUSING TO RETAIL SALES AND SERVICE USE AT 2966 24th STREET, LOT 017 IN ASSESSOR'S BLOCK 4206, WITHIN THE 24th STREET-MISSION NCT (NEIGHBORHOOD COMMERCIAL TRANSIT) ZONING DISTRICT, CALLE 24 SPECIAL USE DISTRICT AND A 45-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On September 25, 2018, William Rodriguez (hereinafter "Project Sponsor") filed Application No. 2018-013122CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Conditional Use Authorization to convert unauthorized Group Housing to Retail Sales and Service use in a single-story commercial building (hereinafter "Project") at 2966 24th Street, Block 4206 Lot 017 (hereinafter "Project Site").

The Planning Department Commission Secretary is the custodian of records; the File for Record No. 2018-013122CUA is located at 1650 Mission Street, Suite 400, San Francisco, California.

On July 25, 2019, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2018-013122CUA.

The Project is exempt from the California Environmental Quality Act ("CEQA") as a Class 1 categorical exemption

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 authorizes the Conditional Use Authorization as requested in Application No. 2018-013122CUA, subject to the conditions contained in “EXHIBIT A” of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.
2. **Project Description.** The Project includes removal of an unauthorized 28-room group housing unit and unpermitted construction of interior walls, mezzanine floor, bathrooms, and the interior and exterior remodel of the two tenant spaces within the 2,600 square-foot building. The remodel would result in two commercial tenant spaces of 517 square feet and 1410 square feet. Each commercial tenant space would have 9-foot frontage, with new aluminum storefront window, transom windows and a tiled bulkhead.
3. **Site Description and Present Use.** The Project Site is located on the north side of 24th Street between Alabama and Harrison Streets, Lot 017 in Assessor’s Block 4206, in the Mission neighborhood. The lot is approximately 2,600 square feet, 104 feet in depth, with a 25-foot of frontage along 24th Street. The Project Site contains a one-story commercial building, with a small storefront and a large roll-up garage door. The interior of the building, which was previously used as an automotive repair shop, was converted into unauthorized group housing. A second story mezzanine was constructed within the former garage space and was subdivided into 28 rooms, two toilets and three showers. Currently, the property is vacant.
4. **Surrounding Properties and Neighborhood.** The Project Site is located within the 24th Street-Mission Neighborhood Commercial Transit (NCT) Zoning District, Calle 24 Special Use District, and the Mission Area Plan. The surrounding context is mix of residential and commercial uses. The immediate neighborhood includes one-to-three-story buildings along 24th Street containing ground floor retail uses with residences on upper floors, predominately two- to-three-story residential buildings to the north and south of 24th Street. The project site is located within the boundaries of the Calle 24 Latino Cultural District, which was established by Board of Supervisors Resolution, File No. 140421 in May 2014. Other zoning districts in the vicinity of the project site include: RH-2 (Residential-House, Two Family), RH-3 Residential House, Three Family), P (Public) and UMU (Urban Mixed-Use) Zoning District.
5. **Public Outreach and Comments.** The Department has received correspondence in support of the project from the Calle 24 Latino Cultural District, and expressing that the removal of

substandard and unsafe housing, and conversion to commercial space, would be appropriate and consistent with the Calle 24 SUD criteria in this circumstance.

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. **Permitted Uses in the 24th Street-Mission NCT Zoning District (Section 763).** Planning Code Section 763 states that Residential; certain Retail Sales and Service; and Institutional (except for hospital, medical cannabis dispensary and philanthropic administrative services) uses are principally permitted. Certain Retail Sales and Service; Production, Distribution, and Repair; and Entertainment, Arts and Recreation uses are conditionally permitted within the 24th Street – Mission NCT Zoning District.

The Project would remove unpermitted Group Housing and establish Retail Sales and Service uses, which are principally permitted within the 24th Street-Mission NCT Zoning District.

- B. **Development Controls in the Calle 24 Special Use District.** The Calle 24 Special Use District is intended to preserve the prevailing neighborhood character of the Calle 24 Latino Cultural District while accommodating new uses and recognizing the contributions of the Latino community to the neighborhood and San Francisco. The SUD restricts new or expanded eating and drinking uses and requires a conditional use authorization for first floor commercial mergers, replacement of Legacy Businesses, and first story Health Services.

The Project does not propose an Eating and Drinking use or a Health Service use. No legacy businesses were previously located at the Project Site. The Project proposed to remodel the two existing tenant spaces and will not merge them.

- C. **Floor Area Ratio (Section 124).** In the 24th Street -Mission NCT District, non-residential development has a maximum floor area ratio of 2.5 to 1.

The Project proposes a commercial building of 2,600 square feet, which is equivalent to a floor area ratio of 1 to 1.

- D. **Rear Yard (Section 134).** In the 24th Street -Mission NCT District, a rear yard is required at the second story and above, and at the first story if it contains a Dwelling Unit. The rear yard shall be equivalent to 25% of lot depth, but in no case less than 15 feet.

The Project does not provide a rear yard. As a single-story commercial building, no rear yard is required.

- E. **Street Frontage in Neighborhood Commercial Districts (Section 145.1).** Within NC Districts space for active uses shall be provided within the first 25 feet of building depth on the ground floor and 15 feet on floors above from any facade facing a street at least 30 feet in

width. In addition, the floors of street-fronting interior spaces housing non-residential active uses and lobbies shall be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces. Frontages with active uses that must be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level and allow visibility to the inside of the building. The use of dark or mirrored glass shall not count towards the required transparent area. Any decorative railings or grillwork, other than wire mesh, which is placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular view.

The entire ground floor is proposed as Retail Sales and Service use, which is an active use. The commercial tenant spaces are at grade with the street. The subject building has approximately 25 feet of frontage on 24th Street with approximately 18 feet devoted to either transparent window or door space. There are no proposed gates, grillwork or security bars.

- F. **Required Ground Floor Commercial Uses (Section 145.4).** Within The 24th Street-Mission NCT District, active commercial uses (as defined in Section 145.4) are required at the ground floor on all frontages on 24th Street. An individual ground floor nonresidential use may not occupy more than 75 contiguous linear feet for the first 25 feet of depth along a street-facing facade.

The subject building has approximately 25-feet of frontage on 24th Street. The entire ground floor is proposed as Retail Sales and Service use, which is an active commercial use as listed in Table 145.4.

7. **Planning Code Section 317** establishes additional criteria for the Planning Commission when reviewing applications for the Loss of Residential and Unauthorized Units, Through Demolition, Merger and Conversion. On balance, the Project complies with said criteria in that:

- a. **Residential Conversion.** The Planning Commission shall consider the following criteria in the review of applications for Residential Conversion:

- i. Whether conversion of the unit(s) would eliminate only owner-occupied housing, and if so, for how long the unit(s) proposed to be removed were owner occupied;

The unauthorized group housing was not owner occupied.

- ii. Whether Residential Conversion would provide desirable new Non- Residential Use(s) appropriate for the neighborhood and adjoining district(s);

The Project Site is in the 24th Street commercial corridor, within the Calle 24 Special Use District, which provides convenience good and services for the surrounding neighborhoods. The two small-scale ground-floor retail spaces would be consistent with

the neighborhood character and provide desirable new opportunities for neighborhood serving businesses.

- iii. In districts where Residential Uses are not permitted, whether Residential Conversion will bring the building closer into conformance with the Uses permitted in the zoning district;

Residential uses, including group housing, are generally permitted within the 24th Street-Mission Neighborhood Commercial District. However, commercial uses are required at the ground floor along 24th Street for the entirety of the District. The conversion of the single-story building back to commercial use would therefore bring the building into closer conformance with the zoning district.

- iv. Whether conversion of the unit(s) will be detrimental to the City's housing stock;

While the Project would remove unauthorized group housing, the existing building is ill-suited for residential use. The building covers the full lot and therefore does not provide open space or access to light and air for the unauthorized group housing units. The Project would not preclude future redevelopment of the site to include code-complaint housing above ground floor retail.

- v. Whether conversion of the unit(s) is necessary to eliminate design, functional, or habitability deficiencies that cannot otherwise be corrected;

The property was constructed for commercial use and has numerous deficiencies as a residential space. The existing building covers the full lot; therefore, there is no useable open space on site and only one of the twenty-eight rooms has an exterior window to provide access to light and air. The building lacks adequate means of building egress and emergency egress windows. Furthermore, due to the construction of an interior floor, the group housing rooms do not meet the minimum ceiling height of 7 feet- six inches required by the building code.

- vi. Whether the Residential Conversion will remove Affordable Housing, or units subject to the Residential Rent Stabilization and Arbitration Ordinance.

The 28 rooms of group housing are not deed-restricted, tax-credit funded affordable housing. Planning staff does not have the authority to make a determination on the rent control status of a property, although it is to be assumed that the units to be demolished are not subject to the Residential Rent Stabilization and Arbitration Ordinance due to building having been a commercial use, and only converted to residential use after 1979.

- b. **Removal of Unauthorized Units.** Pursuant to Planning Code Section 317(g)(6), the Planning Commission shall also consider the following criteria in the review of applications for Removal of Unauthorized Units:

- i. The Unauthorized Unit or Units are eligible for legalization under Section 207.3 of this Code;

Per correspondence with the Department of Building Inspection (DBI), the Unauthorized Group Housing is eligible for legalization as a dwelling unit under Section 207.3. However, the existing 28 rooms of group housing cannot be legalized in its current configuration. The building would require substation remodel, including demolition of the rear of the building and construction of a vertical addition to provide 8 rooms of group housing.

- ii. 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;

The cost to legalize the Unauthorized Unit (group housing) has been estimated to be \$1,110,920.76. However, there is not a comparable average cost for legalizing group housing as the overwhelming majority of legalization are for independent dwelling units. The average cost of legalization per dwelling unit is currently \$57,982. Even assuming each of the 8 group housing rooms was the equivalent to an independent dwelling unit, there would be a percentage difference of 82% of the average cost to legalize.

- iii. Financially feasibility 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 proposed project is deemed not financially feasible. The project sponsor submitted two property appraisal reports, conducted and approved by a California licensed property appraiser, that state the value of the property at \$1,550,000 as is and \$2,000,000 with a legalized eight-room group housing unit. The proposed legalization is not financially

feasible for the property owner as there is an estimate \$450,000 gain in property value and the estimated cost of construction is \$1,110,920.76 to legalize.

- iv. If no City funds are available to assist the property owner with the cost of legalization, whether the cost would constitute a financial hardship.

To date, the Planning Department has not found the existence of any City funding sources or programs to assist the property owner with the cost of legalization. The cost to improve the property and legalize the unauthorized group housing would unduly burden the property owner and constitute a financial hardship for reasons beyond the financial feasibility of the potential property value gained which have been outline in the property

8. **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 size of the proposed commercial space is in keeping with other storefronts on the block face. The proposed commercial space will continue the ground floor commercial street frontage along 24th street and reinforce the commercial character of the district and contribute to the economic vitality of the neighborhood.

- 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 height and bulk of the existing building will remain the same and will not alter the existing appearance or character of the project vicinity. The proposed work will create two small storefronts, with increased transparency, that will improve the pedestrian experience.

- (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;

The Planning Code does not require parking or loading for a 2,600 square-foot retail sales and service use. The proposed use, and scale of the commercial spaces, is designed to meet the needs of

the immediate neighborhood and should not generate significant amounts of vehicular trips from the immediate neighborhood or citywide.

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

Retail uses in general are not anticipated to produce noxious or offensive emission.

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

The proposed commercial tenant spaces do not currently have tenant. When tenants are found, any additional tenant improvements, lighting and signs proposed for the new business will be reviewed by the Department.

- 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 and is consistent with objectives and policies of the Mission Area Plan and General Plan as detailed below.

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

The proposed project is consistent with the stated purposed of 24th Street-Mission NCT Zoning District in that the intended use is located at the ground floor, is pedestrian oriented and will provide space for small businesses that provide convenience service for the immediately surrounding neighborhoods.

9. **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.

COMMERCE AND INDUSTRY ELEMENT

Objectives and Policies

OBJECTIVE 6:

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.1

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

Policy 6.3

Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity.

MISSION AREA PLAN

LAND USE

Objectives and Policies

OBJECTIVE 1.1:

STRENGTHEN THE MISSION'S EXISTING MIXED-USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

Policy 1.1.3

Maintain the successful Mission Street, 24th Street, and Valencia Street Neighborhood Commercial districts; recognize the proximity to good transit service by eliminating residential density limits and minimum parking requirements.

Policy 1.1.6

Permit and encourage small and moderate size retail establishments in neighborhood commercial areas of the Mission, while allowing larger retail in the formerly industrial areas when part of a mixed-use development.

OBJECTIVE 1.8:

MAINTAIN AND STRENGTHEN THE MISSION'S NEIGHBORHOOD COMMERCIAL AREAS

Policy 1.8.2

Ensure that the Mission's neighborhood commercial districts continue to serve the needs of residents, including immigrant and low-income households.

HOUSING

Objectives and Policies

OBJECTIVE 2.2:

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

Policy 2.2.1

Adopt Citywide demolition policies that discourage demolition of sound housing, and encourage replacement of affordable units.

The Project is to remove unauthorized group housing that was constructed within a former automotive repair shop and retail space. The 2,600 square-foot building would be converted back to a retail sales and service use. The two commercial tenant spaces and the facade would be remodeled.

Although the General Plan and Mission Area Plan encourage the retention of existing housing, the group housing on the subject site was built without benefit of permits and is not sound; the construction is substandard, the rooms do not meet minimum ceiling height, there are no exterior windows, and the rooms lack the required means of egress from the building. At the same time, the property is located on 24th Street, a vibrant neighborhood business district, and its conversion to unauthorized group housing created a gap in the commercial activity that lines the street on the ground floor. The restoration of the building to retail use would provide opportunity for new small-scale businesses to open that can provide convenience goods and services to the neighborhood and support the continued economic vitality of the business district. The two proposed storefronts are pedestrian oriented and responsive to the prevailing scale and neighborhood fabric. On balance, the Project is consistent with the Objectives and Policies of the Mission Area Plan and General Plan.

10. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project 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 was illegally converted from commercial use to group housing. The Project would create two commercial tenant spaces that provides opportunity for new neighborhood-serving retail uses and local employment.

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

The Project would remove unauthorized group housing. While the Project would remove residential units, it would restore the building to commercial use and contribute to 24th Street business corridor, which is also an important part of the neighborhood character. For these reasons, the Project would protect and preserve the cultural and economic diversity of the neighborhood.

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

The Project does not currently possess any designated affordable housing units. The group housing units being removed are substandard and would not positively contribute to the City's housing stock.

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

The Project Site is served by nearby public transportation options. The Project is located along a 48-Quintara/24th Street bus route and is within walking distance of the BART Station at 24th and Mission Streets. In addition, the Project is within walking distance of Folsom Street and Bryant Street, and 12-Folsom/Pacific, 27- Chavez/Mission, and 67-Alemany/Ellsworth bus lines.

- 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 does not include commercial office development. The Project would create two commercial tenant spaces, thus providing potential opportunities for resident employment and business ownership.

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

The Project will be designed and will be constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the property's ability to withstand an earthquake.

- 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 is in an existing single-story building and does not cast shadow on a public park or open space.

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

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2018-013122CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated May 22, 2019, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion. 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 July 25, 2019.

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: July 25, 2019

EXHIBIT A

AUTHORIZATION

This authorization is for a conditional use to allow the conversion of unauthorized group housing to retail sales and service use within a 2,600-square foot building located at 2966 24th Street, Block 4206, and Lot 017 pursuant to Planning Code Sections 303 and 317 within **the 24th Street-Mission Neighborhood Commercial Transit Zoning District, Calle 24 Special Use District and a 40-X Height and Bulk District**; in general conformance with plans, dated XXXXXX, and stamped "EXHIBIT B" included in the docket for Record No. **2018-013122CUA** and subject to conditions of approval reviewed and approved by the Commission on **July 25, 2019** under Motion No XXXXXX. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on **July 25, 2019** under Motion No XXXXXX.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

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

SEVERABILITY

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

CHANGES AND MODIFICATIONS

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

Conditions of Approval, Compliance, Monitoring, and Reporting PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN – COMPLIANCE AT PLAN STAGE

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

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

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

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

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

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

MONITORING - AFTER ENTITLEMENT

9. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

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

10. **Revocation due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

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

OPERATION

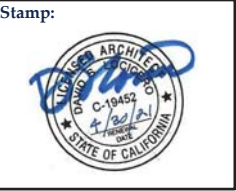
11. **Garbage, Recycling and Compost.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being serviced by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.
For information about compliance, contact the Bureau of Street Use and Mapping, Department of Public Works at 415-554-.5810, <http://sfdpw.org>.
12. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>
13. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator and all registered neighborhood groups for the area with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator and registered neighborhood groups shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

CONVERT EXISTING
UNPERMITTED GROUP
HOUSING TO A RETAIL
SHELL

2966 24th STREET
San Francisco, CA 94110

Mr. William Rodriguez
bornincuba12@gmail.com

Revision Table		Description	
Number	Date		

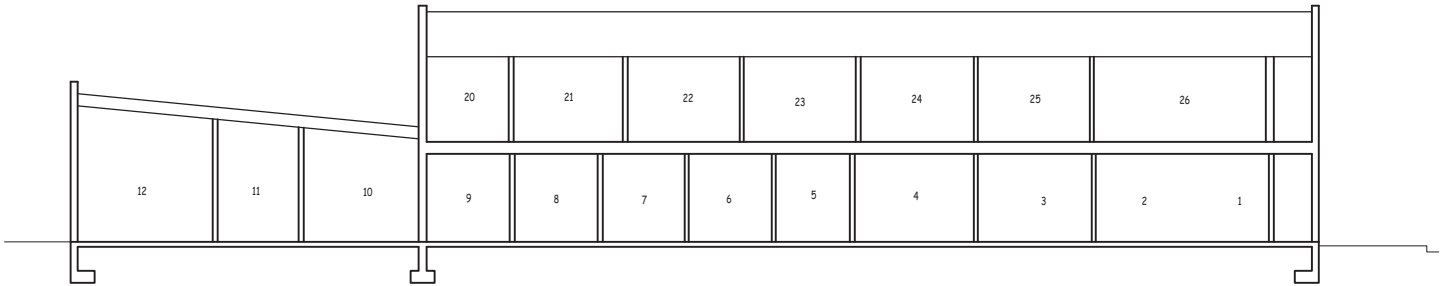


Date: 5/22/2019
Scale: as noted
Drawn by: DSLocicero
Chked by: DSLocicero
Job No: 1812

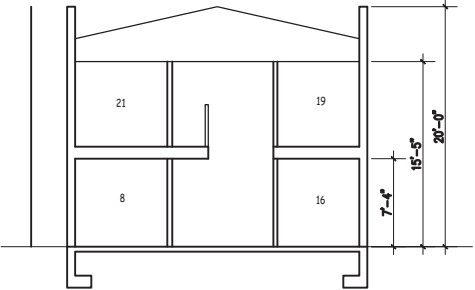
File name: 18may_24th Street

EXISTING
ELEVATION
ROOF PLAN

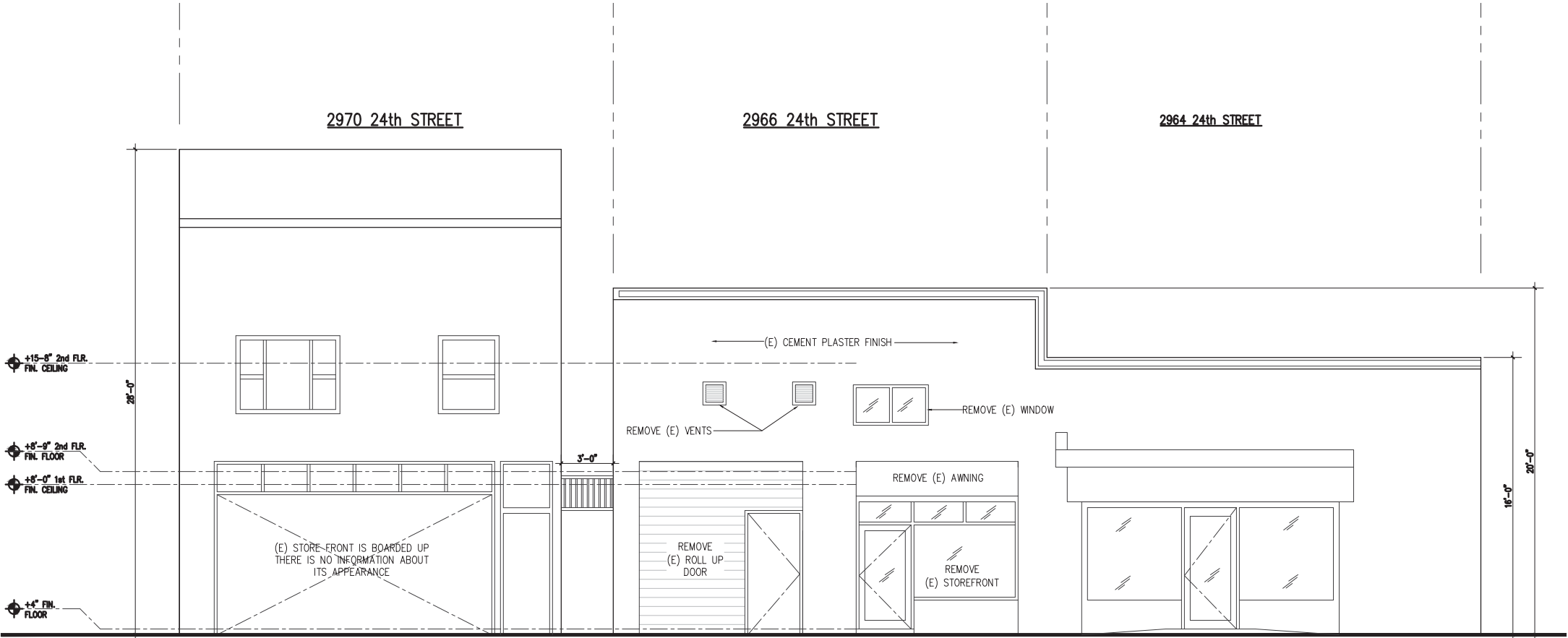
A3



2
-
EXISTING SECTION B-B
1/8"=1'-0"



3
-
EXISTING SECTION A-A
1/8"=1'-0"



1
-
SOUTH (24th STREET) ELEVATION
1/4"=1'-0"

415.342.2204
dslocicero@gmail.com
dslociceroarchitect.com

Mr. William Rodriguez
bornincuba12@gmail.com

[illegible]

File name: 18may_24th Street

A4

A. INSTALL (N) FIRE SPRINKLERS THROUGHOUT. PROVIDE (N) FIRE STANDPIPE. FIRE SPRINKLERS SHALL BE METERED SEPARATELY.

B. INSTALL TWO(1N) 200AMP ELECTRICAL PANEL. PROVIDE (N) ELECTRICAL WIRING, OUTLETS, LIGHT FIXTURES THROUGHOUT.

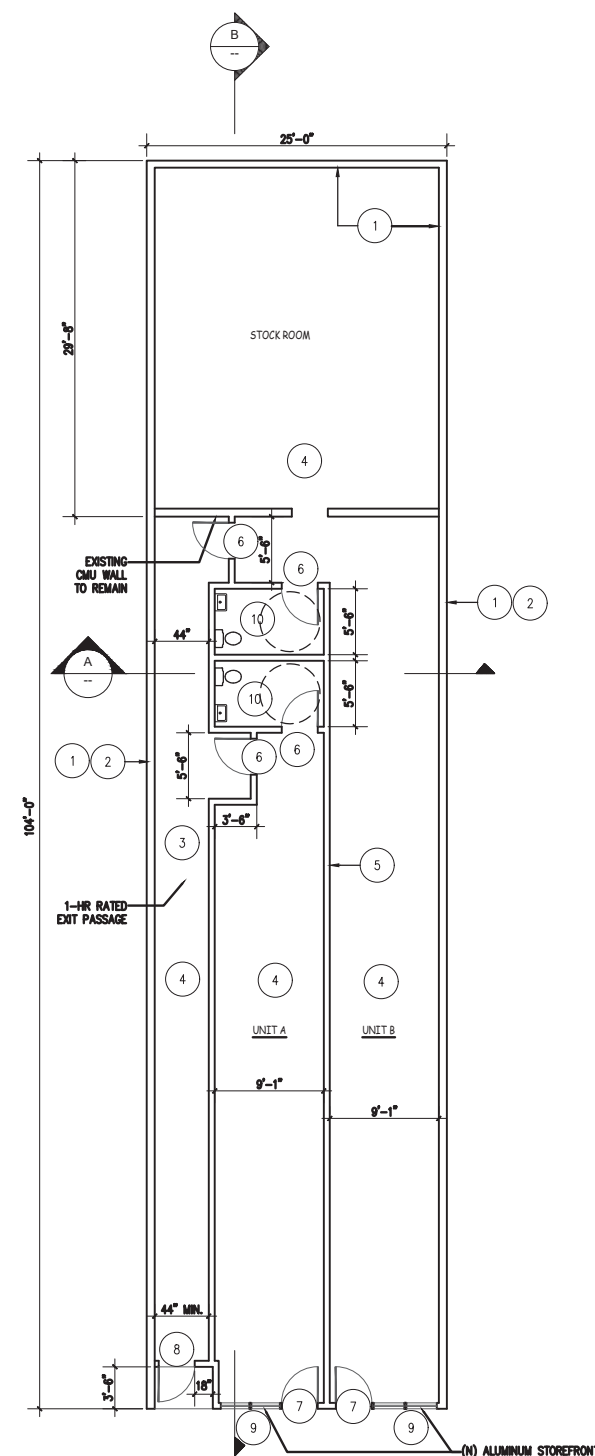
C. INSTALL (N) ROUGH PLUMBING, FIXTURES, AND FITTINGS FOR 2 HANDICAPPED ACCESSIBLE SINGLE OCCUPANT TOILET.

D. INSTALL TWO (N) HVAC HEATING, AIR CONDITIONING, AND VENTILATION SYSTEM.

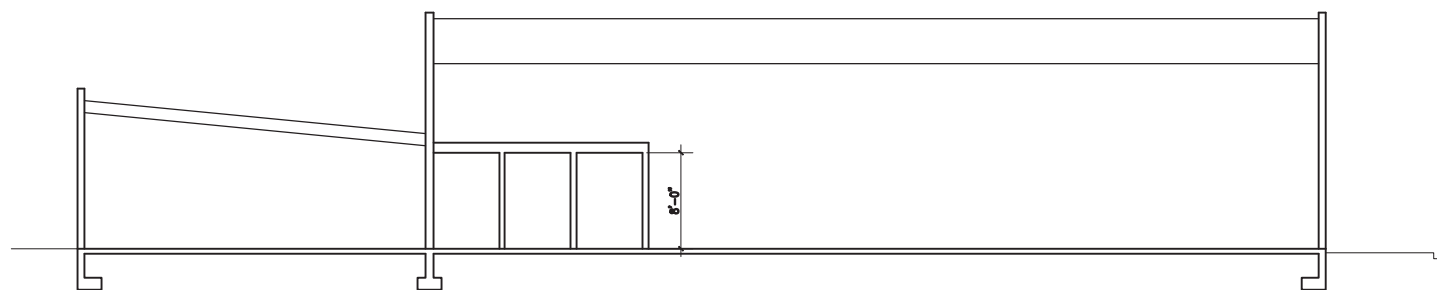
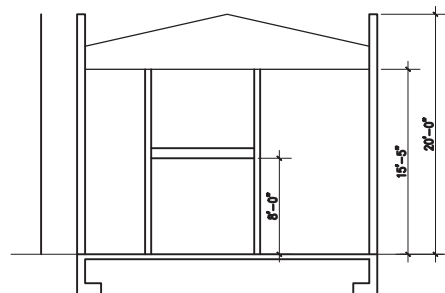
E. PROVIDE PAINTED FINISHES THROUGHOUT. WITH EGG-SHELL FINISH SEMI-GLOSS FINISH IN ALL PUBLIC AREAS, ON ALL TRIM, DOORS, AND FRAMES. PROVIDE SEMI-GLOSS FINISH ON ALL METAL WORK

F. PROVIDE (N) AUTOMATIC FIRE, SMOKE, AND CO DETECTORS AND ALARMS AS REQUIRED BY CODE.

- 1 (N) R-15 BATT INSULATION AT ALL PERIMETER WALLS
- 2 (N) 2 LAYERS OF 5/8" TYPE "X" GYP. BD. AT THE EXTERIOR WALLS ON THE
- 3 PROPERTY LINES
- 4 (N) 1-HOUR FIRE RATED EXIT PASSAGE (FOR EXIT USE ONLY)
- 5 (E) CONCRETE FLOORS TO REMAIN
- 6 ALL (N) INTERIOR PARTITIONS SHALL HAVE 1 LAYER OF 5/8" GYP. BD. ON
- 7 BOTH SIDES OF 2X4 WD. STUDS @16" O.C. PROVIDE 5/8" TYPE "X" GYP. BD
- 8 @ FIRE RATED CONDITIONS. PROVIDE 5/8" GREEN BOARD AT WET
- 9 OR DAMP CONDITIONS.
- 10 ALL (N) INTERIOR DOORS SHALL BE 3/4HR-FIRE RATED, 3'X7' HOLLOW
- 11 METAL DOORS AND FRAMES WITH LEVER HARDWARE, AND AUTOMATIC
- 12 CLOSERS
- 13 (N) STORE FRONT DOOR SHALL BE 3'X7' METAL DOOR WITH DOUBLE
- 14 GLAZED LIGHT, ALUMINUM FRAME, LEVER HARDWARE, WITH INTERIOR
- 15 PANIC BAR, AND AUTOMATIC CLOSER.
- 16 PROVIDE PANIC BAR AT ALL EXTERIOR DOORS
- 17 (N) STORE FRONT WINDOWS SHALL BE DOUBLE PANED, WITH ALUMINUM
- 18 FRAMES.
- 19 (N) 1/4" THICK SOLID SURFACE WALL PANELS FROM FLOOR TO 4' AFF IN
- 20 ALL TOILET ROOMS.



1 PROPOSED ALTERNATIVE PLAN SHOWING FUTURE COMMERCIAL SHELL
- 1/8"=1'-0"


$$\frac{1}{8}'' = 1'-0''$$

$$1/8'' = 1' - 0''$$




SAN FRANCISCO PLANNING DEPARTMENT

CEQA Categorical Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)
2966 24TH ST		4206017
Case No.		Permit No.
2018-013122PRJ		201811095549
<input checked="" type="checkbox"/> Addition/ Alteration	<input type="checkbox"/> Demolition (requires HRE for Category B Building)	<input type="checkbox"/> New Construction
Project description for Planning Department approval. Conditional Use Authorization to convert unauthorized Group Housing to a Retail Sales and Service use at a 2,600 square-foot, single-story commercial building. The proposal includes interior remodel and facade renovation of the two existing tenant spaces.		

STEP 1: EXEMPTION CLASS

The project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA).	
<input checked="" type="checkbox"/>	Class 1 - Existing Facilities. Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/>	Class 3 - New Construction. Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/>	Class 32 - In-Fill Development. New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. (b) The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses. (c) The project site has no value as habitat for endangered rare or threatened species. (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. (e) The site can be adequately served by all required utilities and public services. FOR ENVIRONMENTAL PLANNING USE ONLY
<input type="checkbox"/>	Class ____

STEP 2: CEQA IMPACTS

TO BE COMPLETED BY PROJECT PLANNER

<input type="checkbox"/>	Air Quality: Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks, etc.)? (refer to EP_ArcMap > CEQA Catex Determination Layers > Air Pollution Exposure Zone)
<input type="checkbox"/>	Hazardous Materials: If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance - or a change of use from industrial to residential? <i>if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP_ArcMap > Maher layer).</i>
<input type="checkbox"/>	Transportation: Does the project involve a child care facility or school with 30 or more students, or a location 1,500 sq. ft. or greater? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?
<input type="checkbox"/>	Archeological Resources: Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non -archeological sensitive area? If yes, archeo review is required (refer to EP_ArcMap > CEQA Catex Determination Layers > Archeological Sensitive Area)
<input type="checkbox"/>	Subdivision/Lot Line Adjustment: Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography). If yes, Environmental Planning must issue the exemption.
<input type="checkbox"/>	Slope = or > 25%: Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography) If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.
<input type="checkbox"/>	Seismic: Landslide Zone: Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.
<input type="checkbox"/>	Seismic: Liquefaction Zone: Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report will likely be required and Environmental Planning must issue the exemption.
Comments and Planner Signature (optional): Ella Samonsky	

STEP 3: PROPERTY STATUS - HISTORIC RESOURCE
TO BE COMPLETED BY PROJECT PLANNER

PROPERTY IS ONE OF THE FOLLOWING: (refer to Property Information Map)	
<input type="checkbox"/>	Category A: Known Historical Resource. GO TO STEP 5.
<input type="checkbox"/>	Category B: Potential Historical Resource (over 45 years of age). GO TO STEP 4.
<input checked="" type="checkbox"/>	Category C: Not a Historical Resource or Not Age Eligible (under 45 years of age). GO TO STEP 6.

STEP 4: PROPOSED WORK CHECKLIST
TO BE COMPLETED BY PROJECT PLANNER

Check all that apply to the project.	
<input type="checkbox"/>	1. Change of use and new construction. Tenant improvements not included.
<input type="checkbox"/>	2. Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	3. Window replacement that meets the Department's <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	4. Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	5. Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	6. Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	7. Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	8. Addition(s) that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. GO TO STEP 5.
<input type="checkbox"/>	Project does not conform to the scopes of work. GO TO STEP 5.
<input type="checkbox"/>	Project involves four or more work descriptions. GO TO STEP 5.
<input type="checkbox"/>	Project involves less than four work descriptions. GO TO STEP 6.

STEP 5: CEQA IMPACTS - ADVANCED HISTORICAL REVIEW
TO BE COMPLETED BY PROJECT PLANNER

Check all that apply to the project.	
<input type="checkbox"/>	1. Project involves a known historical resource (CEQA Category A) as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input type="checkbox"/>	2. Interior alterations to publicly accessible spaces.
<input type="checkbox"/>	3. Window replacement of original/historic windows that are not "in-kind" but are consistent with existing historic character.
<input type="checkbox"/>	4. Façade/storefront alterations that do not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	5. Raising the building in a manner that does not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	6. Restoration based upon documented evidence of a building's historic condition, such as historic photographs, plans, physical evidence, or similar buildings.

<input type="checkbox"/>	7. Addition(s) , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior's Standards for Rehabilitation</i> .
<input type="checkbox"/>	8. Other work consistent with the <i>Secretary of the Interior Standards for the Treatment of Historic Properties</i> (specify or add comments):
<input type="checkbox"/>	9. Other work that would not materially impair a historic district (specify or add comments): (Requires approval by Senior Preservation Planner/Preservation Coordinator)
<input type="checkbox"/>	10. Reclassification of property status. (Requires approval by Senior Preservation Planner/Preservation <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <input type="checkbox"/> Reclassify to Category A a. Per HRER or PTR dated b. Other (specify): </div> <div style="width: 45%;"> <input type="checkbox"/> Reclassify to Category C (attach HRER or PTR) </div> </div>
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST sign below.	
<input type="checkbox"/>	Project can proceed with categorical exemption review. The project has been reviewed by the Preservation Planner and can proceed with categorical exemption review. GO TO STEP 6.
Comments (optional):	
Preservation Planner Signature:	

STEP 6: CATEGORICAL EXEMPTION DETERMINATION
TO BE COMPLETED BY PROJECT PLANNER

<input checked="" type="checkbox"/>	No further environmental review is required. The project is categorically exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.	
	Project Approval Action: Planning Commission Hearing If Discretionary Review before the Planning Commission is requested, the Discretionary Review hearing is the Approval Action for the project.	Signature: Ella Samonsky 07/02/2019
Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code. In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the approval action. Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.		

STEP 7: MODIFICATION OF A CEQA EXEMPT PROJECT

TO BE COMPLETED BY PROJECT PLANNER

In accordance with Chapter 31 of the San Francisco Administrative Code, when a California Environmental Quality Act (CEQA) exempt project changes after the Approval Action and requires a subsequent approval, the Environmental Review Officer (or his or her designee) must determine whether the proposed change constitutes a substantial modification of that project. This checklist shall be used to determine whether the proposed changes to the approved project would constitute a "substantial modification" and, therefore, be subject to additional environmental review pursuant to CEQA.

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address (If different than front page)		Block/Lot(s) (If different than front page)
2966 24TH ST		4206/017
Case No.	Previous Building Permit No.	New Building Permit No.
2018-013122PRJ	201811095549	
Plans Dated	Previous Approval Action	New Approval Action
	Planning Commission Hearing	
Modified Project Description:		

DETERMINATION IF PROJECT CONSTITUTES SUBSTANTIAL MODIFICATION

Compared to the approved project, would the modified project:	
<input type="checkbox"/>	Result in expansion of the building envelope, as defined in the Planning Code;
<input type="checkbox"/>	Result in the change of use that would require public notice under Planning Code Sections 311 or 312;
<input type="checkbox"/>	Result in demolition as defined under Planning Code Section 317 or 19005(f)?
<input type="checkbox"/>	Is any information being presented that was not known and could not have been known at the time of the original determination, that shows the originally approved project may no longer qualify for the exemption?
If at least one of the above boxes is checked, further environmental review is required.	

DETERMINATION OF NO SUBSTANTIAL MODIFICATION

<input type="checkbox"/>	The proposed modification would not result in any of the above changes.
If this box is checked, the proposed modifications are categorically exempt under CEQA, in accordance with prior project approval and no additional environmental review is required. This determination shall be posted on the Planning Department website and office and mailed to the applicant, City approving entities, and anyone requesting written notice. In accordance with Chapter 31, Sec 31.08j of the San Francisco Administrative Code, an appeal of this determination can be filed within 10 days of posting of this determination.	
Planner Name:	Date:



SAN FRANCISCO PLANNING DEPARTMENT

Land Use Information

PROJECT ADDRESS: 2966 24TH ST
RECORD NO.: 2018-013122CUA

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

Reception:
415.558.6378

Fax:
415.558.6409

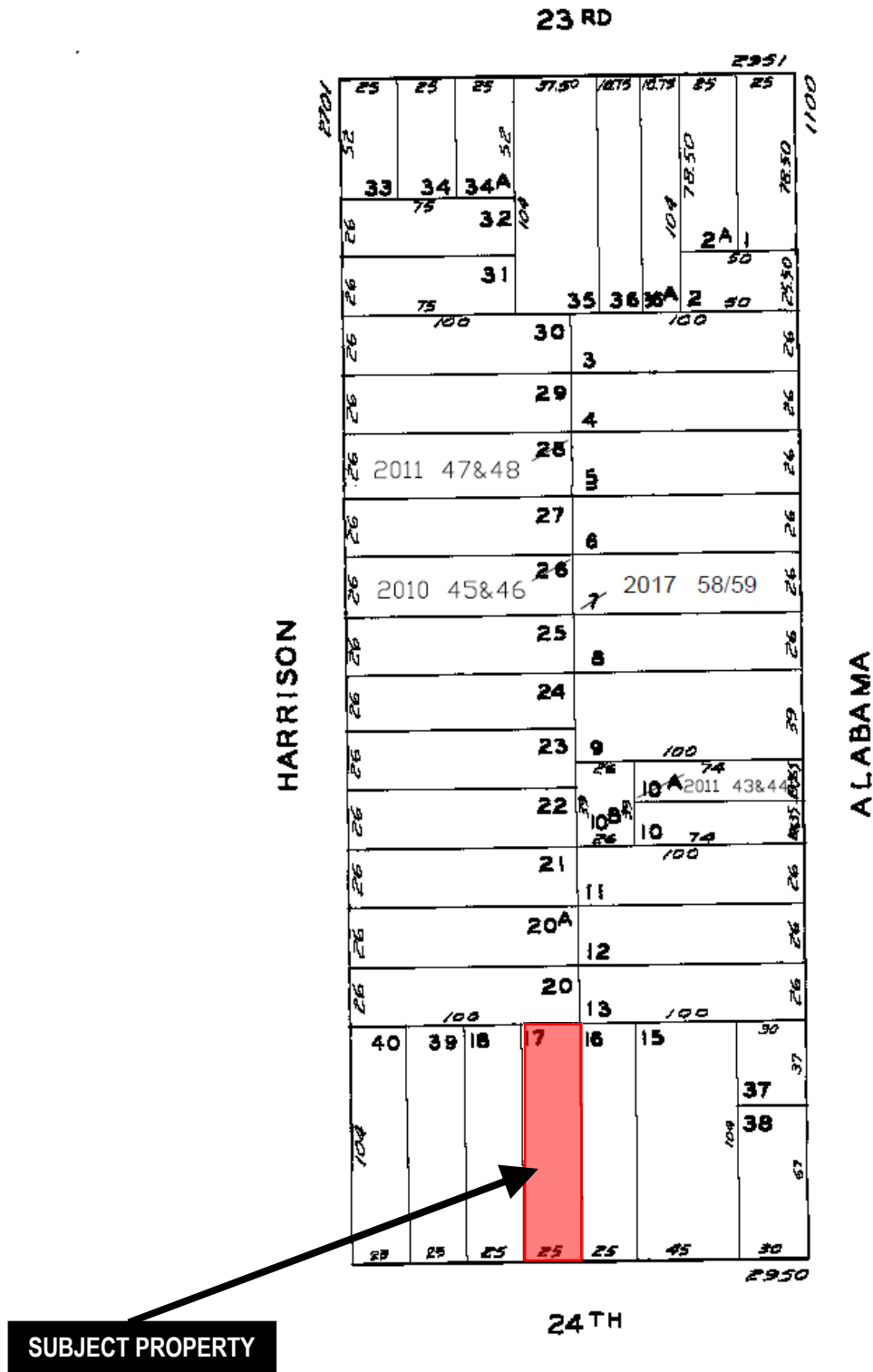
Planning
Information:
415.558.6377

	EXISTING	PROPOSED	NET NEW
GROSS SQUARE FOOTAGE (GSF)			
Parking GSF	0	0	0
Residential GSF	4,400	0	-4,400
Retail/Commercial GSF	0	2,600	2,600
Office GSF	0		
Industrial/PDR GSF <i>Production, Distribution, & Repair</i>	0		
Medical GSF	0		
Visitor GSF	0		
CIE GSF	0		
Usable Open Space	0		
Public Open Space	0		
Other ()			
TOTAL GSF	4,400 (1,800 unpermitted construction- second floor)	2,600	-1,800
	EXISTING	NET NEW	TOTALS
PROJECT FEATURES (Units or Amounts)			
Dwelling Units - Affordable	0	0	0
Dwelling Units - Market Rate	28 (group housing rooms)	0	-28
Dwelling Units - Total	28	0	-28
Hotel Rooms	0		
Number of Buildings	1	1	1
Number of Stories	2	1	1
Parking Spaces	0	0	0
Loading Spaces	0	0	0
Bicycle Spaces	0	0	0
Car Share Spaces	0	0	0
Other ()			

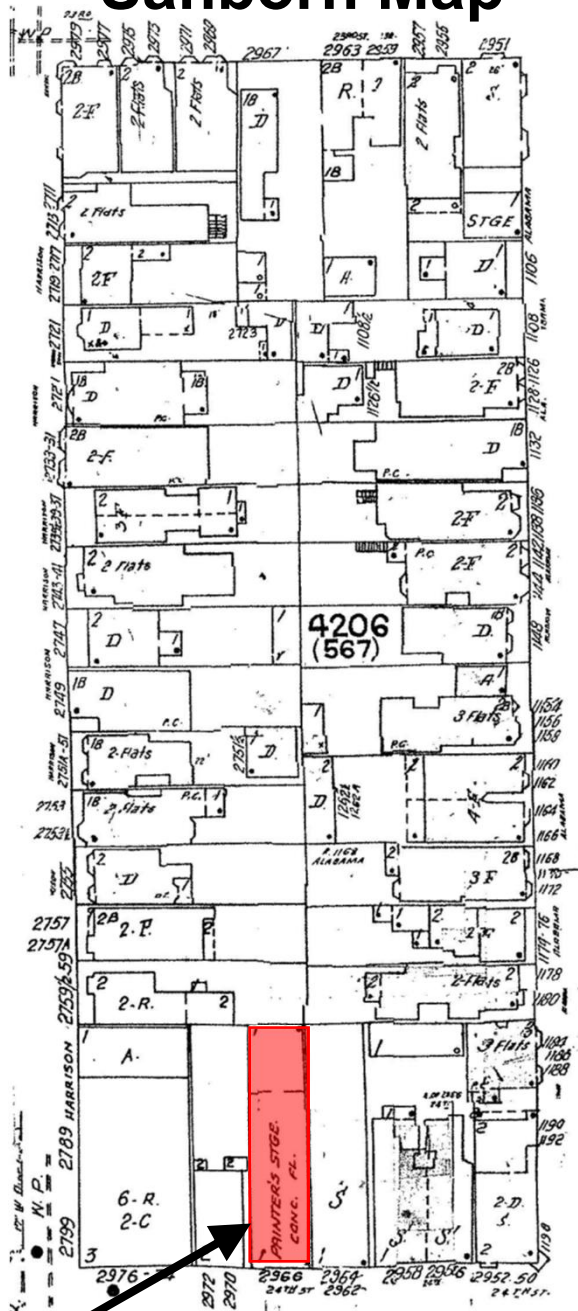
EXHIBIT X

	EXISTING	PROPOSED	NET NEW
LAND USE - RESIDENTIAL			
Studio Units	0	0	0
One Bedroom Units	0	0	0
Two Bedroom Units	0	0	0
Three Bedroom (or +) Units	0	0	0
Group Housing - Rooms	28	0	-28
Group Housing - Beds	unknown	0	unknown
SRO Units	0	0	0
Micro Units	0	0	0
Accessory Dwelling Units	0	0	0

Parcel Map



Sanborn Map*



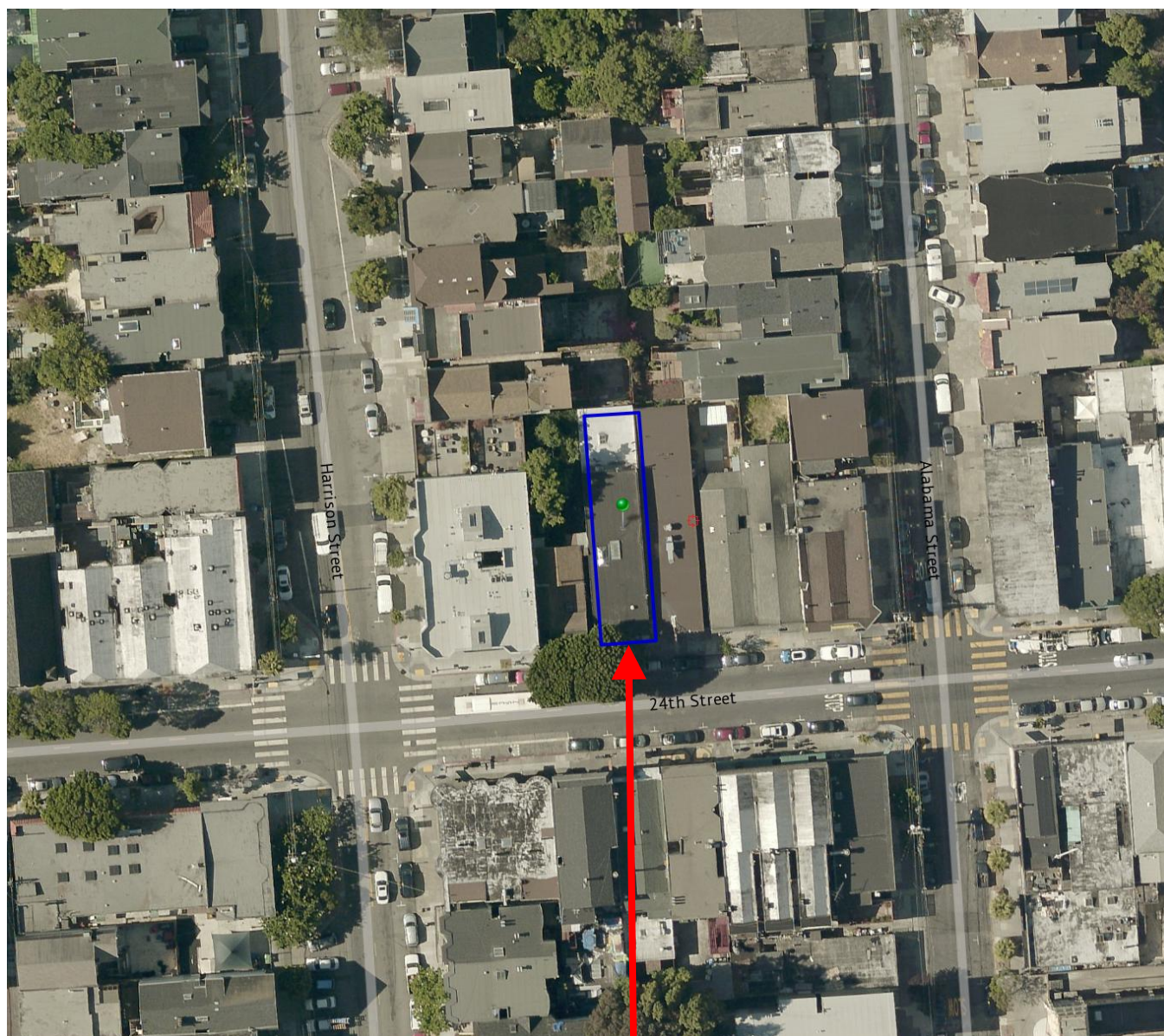
SUBJECT PROPERTY

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



Planning Commission Hearing
 July 25, 2019
 Case Number 2018-013122CUA
 2966 24th Street

Aerial Photo – View 1



SUBJECT PROPERTY



Aerial Photo – View 2



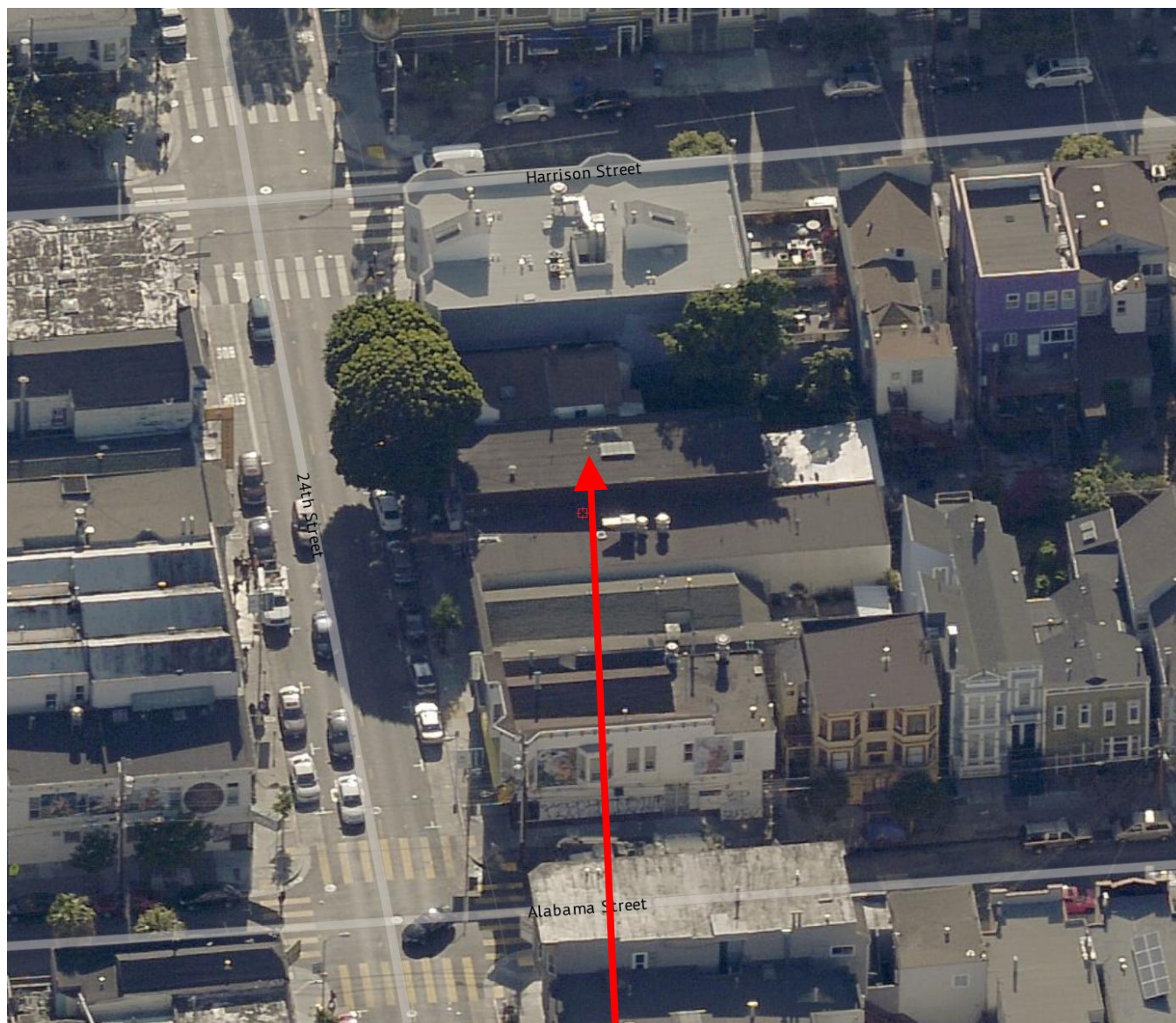
SUBJECT PROPERTY



Aerial Photo – View 3



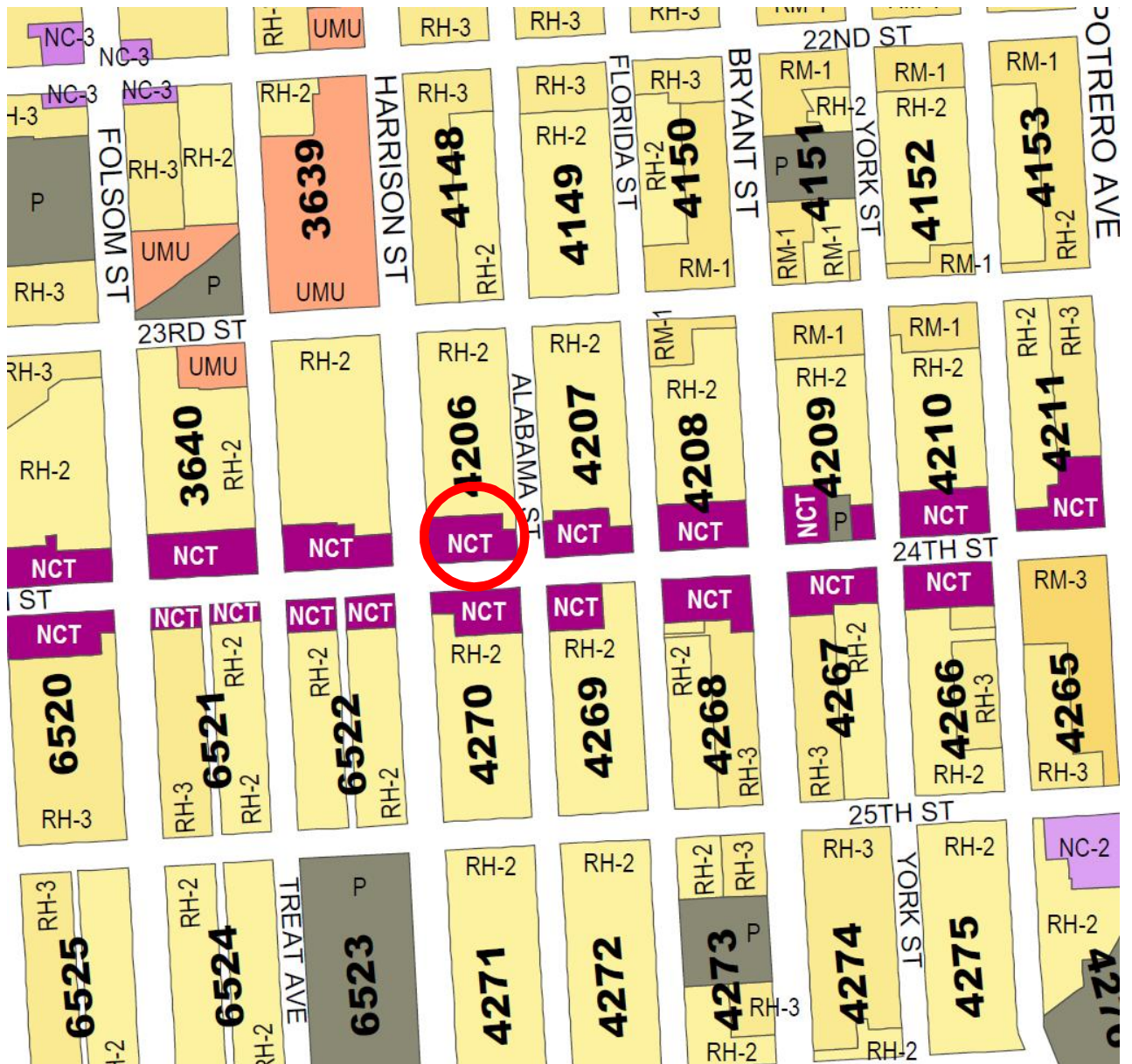
Aerial Photo – View 3



SUBJECT PROPERTY



Zoning Map



Discretionary Review Hearing

Case Number 2007.0595D

MCD - San Francisco Patient's Cooperative
350 Divisadero Street

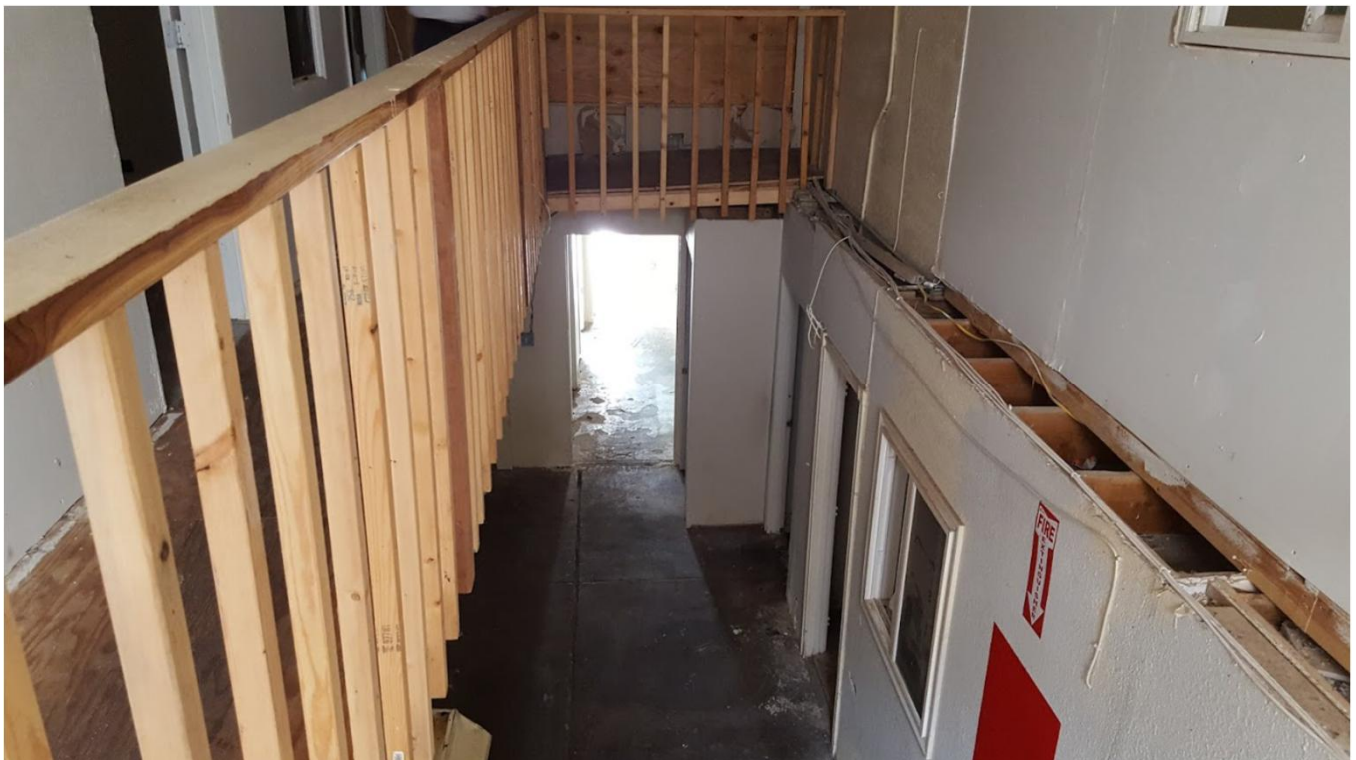
Site Photo



Site Photo



Central hallway from ground floor- unauthorized group housing rooms on both sides of hallway



Central hallway from second floor - unpermitted construction inside automotive repair garage

Site Photo



Group housing rooms on second floor



Bridge and staircase

Site Photo



Unauthorized group housing room on ground floor.



Unauthorized group housing in single story portion of site.



July 10, 2019

San Francisco Planning Commission
1650 Mission Street, 4th Floor
San Francisco, CA 94103

RE: 2966 24th Street, 2018-013122CUA

Dear Planning Commissioners,

On behalf of Calle 24 Latino Cultural District, I am writing to urge you to approve the conditional use authorization application by Silvia and Bill Rodriguez to restore their property to a commercial use.

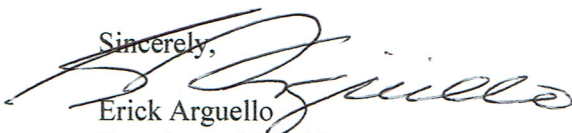
Silvia opened Discolandia in 1972, a Latino music shop, which became a cultural landmark on 24th Street until it closed in 2012. The store's important role in the community is honored at 2964 24th Street and its iconic business sign has been preserved there. As the owner and operator of Discolandia, Silvia made significant contributions to the area's culture, provided local jobs and has been deeply committed to the community where her business thrived. Her contributions are well-known and appreciated in the Calle 24.

Unfortunately, in Silvia and Bill rented to a dishonest tenant next door at 2966 24th Street, who did unpermitted work and rented substandard and unsafe spaces to residents. As a result, their property has been the subject of Building and Planning Code violations. In turn, they have had to borrow money to pay fines and fees and to complete the CUA application process, which requires costly reports and appraisals.

Our organization well knows that preserving affordable housing is important in the 24th Street corridor given the area's displacement and housing challenges. The Rodriguezs' property is unique, however. Illegal and unsafe housing was built without their knowledge and returning the property to a commercial purpose is appropriate in their circumstance. Demolishing the substandard housing at 2966 24th and replacing it anew would cost far more than the Rodriguezs have. Even if they work could be done, it would only result in the zoning's maximum allowed 13 group housing units.

The renovation of a commercial use at the property would require far smaller investment and expand the range of potential tenants, including local and Latino business, called for under the Calle 24 Special Use District criteria. Again, we strongly urge you to approve the conditional use authorization application by Silvia and Bill Rodriguez to restore their property to a commercial use. If you have any questions please feel to contact me at erick@calle24sf.org or Cell 415 323-8939.

Sincerely,


Erick Arguello
Founder and President
Calle 24 Latino Cultural District

3250 24th St. San Francisco, Ca 94110



1111 Broadway, 24th Floor
Oakland, CA 94607-4036

T: 510-834-6600
F: 510-808-4745

www.wendel.com
rselna@wendel.com

July 11, 2019

San Francisco Planning Commission
1650 Mission St., San Francisco, CA 94103
E-Mail: ella.samonsky@sfgov.org

Re: Return 2966 24th Street to a Commercial Use

Dear Planning Commissioners:

Wendel Rosen represents Silvia Rodriguez and her son Bill, who have owned 2966 24th Street (the "Property") since 1996. We urge you to approve the Rodriguez's request for conditional use authorization ("CUA") to return the Property to a commercial use after a tenant built illegal housing there without the owners' consent or knowledge.

The Rodriguez family has deep roots on 24th Street. Silvia, who is 85, founded Discolandia, the iconic Latino music shop in 1972. The family rented the Property, which is next door, to commercial tenants for 20 years. Unfortunately, in 2016, a rogue commercial tenant built substandard sleeping rooms and leased them without permission. The Property is the family's only unencumbered asset and the only property they own aside from their homes (please see the attached letter from Bill Rodriguez).

Following the proper legal process, the Rodriguezes won an eviction against the commercial tenant in late 2017 and complied with all applicable laws to fund the residents' relocation. The property has been vacant since that time as the owners have worked to address notices of violation from both the San Francisco Building and Planning Departments.

Returning the Property to a commercial use is defined as a "Residential Conversion," and governed by Planning Code Section 317. Based on several discussions with Planner Ella Samonsky we understand that the Planning Department supports converting the Property back to a commercial use.

Complying with Planning Code Section 317 Requirements

An applicant seeking a conversion from illegal housing – whether or not the owner approved the illegal housing – must go through numerous administrative and financial hoops. This reflects the City's strong desire to preserve housing in light of the housing crisis plaguing the city, region and state.

In that vein, an owner seeking to convert illegal housing back to a commercial use must demonstrate that renovating the property for legalized housing is neither reasonable nor financial feasible. In turn, the applicant must supply the Planning Department with time-intensive and costly expert reports. They include two property appraisals (in an illegal and a legalized condition), a thorough examination of the construction process and costs required to bring the housing into a legalized condition, and an extensive architectural and engineering analysis that is reviewed by the Building Department ("DBI"). These requirements, as well as the CUA application, require architectural and engineering drawings.

The costs to comply with Code Section 317 are extremely onerous for small-scale property owners. They are particularly troublesome for owners like the Rodriguezes who did not authorize illegal housing construction on their property in the first place.

Legalizing the Property's Unpermitted Housing is Neither Reasonable nor Feasible

The summary below demonstrates that it is neither reasonable nor feasible for the Rodriguezes to legalize the unpermitted housing units at 2966 24th Street.

- After an extensive review, DBI concluded, 1) The maximum legalized housing the Property accommodates is 8 sleeping rooms housing a maximum of 16 residents, and 2) It is infeasible to construct such "group housing" at the Property without significantly rebuilding and seismically upgrading the building (see the attached DBI-approved meeting minutes).
- The appraised value of the Property in its illegal condition is \$1.5 million. The cost estimate to construct legal group housing is approximately \$1.1 million. The appraised value of the Property in a legalized condition is \$2 million (see the appraisals attached to the City staff report).
- The gain in value were the Property to be legalized for housing would be approximately \$500,000. But, the owners would have to spend \$1.1 million to achieve the \$500,000 gain. This represents a loss to the owners of approximately \$600,000 (see the construction estimate attached to the City staff report). In any event, the Rodriguezes do not have \$1.1 million to renovate the property.
- The Rodriguezes have spent more than 18 months and \$200,000 just to comply with Code Section 317. That does not include DBI fines associated with the unpermitted construction. Nor does it include the \$128,000 the owners paid to relocate the residents.
- The owners were forced to take out a \$300,000 loan with their home as collateral to pay the costs required by Code Section 317, DBI and tenant laws. They have had no rent since June 2017.

The Rodriguezes have reached out to Mission community organizations regarding their CUA application. The organizations include the Calle 24 Latino Cultural District, Our Mission No Eviction, the Mission Housing Development Corporation and scores of area merchants. These groups and individuals support the Rodriguez's CUA request and conversion.

Given the above, we urge you to approve the Rodriguez's CUA application to return the Property to a commercial use from illegal housing.

Very truly yours,

WENDEL, ROSEN, BLACK & DEAN LLP



Robert W. Selna

July 11, 2019

Dear Planning Commissioners,

All my Mother and I want from the city is to please give us our life back so we can clean and fix all the damage that was done to us and our property. Some background about my family: After emigrating from Cuba my Grandmother met step-grandfather who came from Puerto Rico after serving in World War II. Together they saved enough to open a little Latin Bar at 20th and Folsom Streets. My father was a young Latin American Baseball player who played for the San Francisco Seals before being signed to the Baltimore Orioles, but he fell in love with my beautiful Mother and the rest is history.

Many years after having the night club, my grandmother wanted to get out of the club business. So she sold and opened the first Latin import foods store on 24th Street. One day there was an opportunity to buy a music business next to my grandmother. My mom, who peeled shrimp at fishermen's wharf, and my dad, who drove for Muni, had saved their pennies and started Discolandia. My mother and father turned 24th Street into the place to if you wanted the best in Latin music anyone from Celia Cruz to Julio Iglesias. They were always honest and hardworking.

In 1996, the owner of 2966 24th Street was thinking about selling. We bought the building for two reasons: 1) We did not own the Discolandia property. So, we bought 2966 24th with the plan to one day turn it into Discolandia. 2) If anything would ever happen to my dad he would have something to leave my Mother, my sister and myself. As fate would have it, my father suffered a heart attack in 1998 and my sister developed Breast cancer. My wonderful old man died in 1999, and my sister passed in 2000. We were left breathless but we still had bills to pay and children to raise. So, my mother and I kept the store going till 2012 when we finally had to close our heart and soul business down 50 years.

The 2966 24th Street property is what we had left and were OK until a very charismatic man approached my mother about renting our building. Please try to imagine a lady who just buried her little girl and husband of 60 years and then lost her dream business of 50 years to the Internet. Then some smooth talker cons you into giving him a chance to rent your building. The tenant said any tenant improvements will go through my mom and be done correctly by the city and with all the permits needed.

Also at this time I – the only person my mother has left in the world – got very sick with diabetes, leading to a quintuple bypass surgery and two heart stents. If that wasn't enough developed, I developed diabetic retinopathy and lost the vision in my right eye. You would think that's all my poor mother could handle. I then developed second state kidney disease. I do dialysis every-night until I find a donor-kidney.

The tenant totally took advantage of my mother's weakness. He took advantage of the bad housing situation in SF and rented to migrants who had nowhere else to go. He took took advantage of the San Francisco building department without thought or consideration of decent hard working families.

All my Mother and I want from the city is to please give us our life back so we can clean and fix all the damage that was done to us. We have gone above and beyond of what was asked of us because we are Responsible San Franciscans and proud Latin Americans who want our wonderful building that is my family's blood sweat and tears in the City that my family has loved so dearly.

Sincerely,

William Rodriguez



David Locicero | architect

2340 Powell Street
Number 290
Emeryville, CA 94608

415.342.2204
DSLociceroArchitect.com
dslocicero@gmail.com

PRE-APPLICATION MEETING MINUTES

25 July 2018 at 2pm

Revised 22 August 2018 per Mr. Le's request

Regarding: 2966 24th Street (Block 4206, Lot 017)

Attending: Thomas T. Le, PE, Building Plans Engineer, Department of Building Inspection
Sagiv Weiss-Ishai, PE, Fire Protection Engineer, SF Fire Department
William Rodrigues, Building Owner
Chris Rodriguez, Building Owner
Robert Selna, Wendel Rosen, LLP
David Locicero, Architect (prepared the minutes)

The DBI standard meeting form was not provided. The Questions asked and the Answers provided are shown in Bold.

These are the minutes of the Pre-application meeting for the project at the above referenced property to address existing Life Safety and Code Compliance concerns related to a Planning Code Section 317 requirement that the owner examine the cost and feasibility of legalizing the existing, un-permitted group housing (dwellings).

Background:

Existing Building appears to have been built in stages over time and occupies the entire site. The building is legally a single story structure. The South portion of the building has a 15 foot ceiling height. Within that 15 feet, a commercial tenant, without the owner's permission, has built a second story with non-complying ceiling heights on both the lower and upper levels. The north portion of the building is a single story.

The construction type is VB. Entrance and exit is only possible on the 24th Street side. The building does not currently have fire sprinklers.

The commercial tenant built, without the owner's permission or permits, a group housing facility with 28 sleeping rooms, two toilets and 3 showers.

We believe that the last legal occupancy classification was S-3 (auto repair garage) per the 1994 Building Code. I believe that such a use would be classified as an F-1 by the 2016 CBC. In order to comply with Planning Code Section 317, we are, going through the exercises of, in effect, reclassifying the structure from a commercial auto repair facility (F-1) to group housing

(R-3).

We believe that it is impossible to legalize the existing un-permitted group housing facility within the existing structure without significant alterations to the building for the reasons outlined below.

We are seeking confirmation that the existing conditions do not conform to the 2016 San Francisco Building Code, and that our solutions do conform to the 2016 San Francisco Building Code.

Question #1:

What is the occupancy?

This group housing is in effect a boarding house, mostly non-transient, with between 5 and 16 occupants and is therefore an R-3 occupancy, per CBC 310.5.

Answer:

The attendees agreed that the Occupancy was, because of the limited occupancy of 16 residents, an R-3 occupancy. However, it was determined that per table 1004.1.2, the occupant load is calculated as $3366 \text{ SF} / 200 = 16.83$, or 17 residents, which would make this an R-2 occupancy.

Mr. Le said he could allow us to move forward as an R-3 under the exception permitted under 1004.1.2, with Mr. Weiss-Ishai's agreement, if the project team completes an AB-005 with the following concessions by the owner: The required fire sprinklers are installed per NFPA 13, and we included a sprinkler monitoring system with hardwired and interconnected smoke detectors, as discussed below.

DBI initials T&L

Fire Dept. initials SWI

1. Fire Separations

CBC 420.2 Separation Walls requires that walls between sleeping units in the same building shall comply with CBC 708.3 and 711.2.4.3 and have a 1-hour fire rating in an un-fire sprinklered building.

The existing construction shown on sheet A2 is an *ad hoc* mixture of sheet rock, plywood, and other materials, and is not fire taped or sealed in any way. There are operable windows in the walls separating the sleeping units from the passage and the doors were unrated, hollow wood doors.

Our solution, shown on sheet A4 is to have 1-hour fire rated walls between each sleeping unit and

between each sleeping unit and the adjacent corridor.

Question #2:

Are the sleeping rooms individual dwellings?

Answer:

Mr. Le and Mr. Weiss-Ishai concurred that the sleeping rooms in the building are neither dwellings (no private toilets or cooking facilities in each room), nor are they sleeping units. But each is simply a bedroom within a single dwelling.

SEE CBC SEC. 202 FOR DEFINITION OF SLEEPING UNIT

DBI initials T&L

Fire Dept. initials SWI

Question #3:

Does DBI agree that the existing conditions do not conform to the Fire Separation requirements outlined above?

Answer:

Yes, Mr. Le agreed that the existing conditions do not conform to the requirements outlined above. However, he pointed out that as the code does not see the individual sleeping rooms as independent dwellings, nor as separate sleeping units, but as individual bedrooms within a single dwelling, the 1-hour fire rated walls provided in the proposed design between the sleeping units are not required by the code.

DBI initials T&L

Fire Dept. initials SWI

2. Fire Sprinklers

CBC 420.5 and CBC 903.8 requires that R occupancies be equipped with automatic fire sprinkler systems.

The existing building does not have an automatic fire sprinkler system.

Our solution is to provide automatic fire sprinklers. See General Note A, on sheet A-4.

Question #4:

Does DBI agree that the existing condition does not conform to the automatic fire sprinkler system requirement described above?

Answer:

Yes, Mr. Le agreed that the existing un-sprinklered condition does not conform to the code requirement for automatic fire sprinklers. Per the recommendation of Mr.

Weiss-Ishai and the concurrence of Mr. Le, the project team agreed to provide fire sprinklers per NFPA 13.

DBI initials TQL

Fire Dept. initials SWI

3. Fire Alarm Systems and Smoke Alarms

CBC 420.6 and CBC 907.2.11 requires that and R-3 occupancy be provided with single or multiple station smoke alarms.

The existing building does not have any smoke or fire alarm systems.

Our solution is to provide a Fire and Smoke Alarm System. See General Note F, on sheet A-4.

Question #5:

Does DBI agree that the existing condition does not conform to the automatic alarm and smoke alarm requirements described above?

Answer:

Yes, Mr. Le agreed that the existing un-sprinklered condition does not conform to the code requirement for automatic alarm and smoke alarms. Per Mr. Weiss-Ishai, R-3 does not require a fire alarm system, but rather a sprinkler monitoring system. The project team agreed to provide a sprinkler monitoring system in addition to a fire alarm system as part of the AB-005 to allow us to move forward with the R-3 occupancy.

OK
SWI

Alarm System

BLB

DBI initials TQL

Fire Dept. initials SWI

4. Exiting/Egress

A. Requirement for 2 exits:

Occupant Load is calculated by dividing the area of the floor (2600 sf and 1800sf) by the occupant load factor from table 1004.1.2 (200) = 13 and 9 respectively.

CBC Table 1006.3.1 shows that any floor with 1-500 occupants must have two exits.

At 2966 24th Street, the second floor has only 1 exit – down the stair and out through an un-fire protected passage to the street. See sheet A2. At the street front, bottom of the page, there are two entrances, one a man-door within a roll up door. The entrances are only 6 feet apart. There is, in effect, only one means of egress from the building.

Our solution is to provide, in addition to the main entrance and corridor on the East side of the

David Locicero | architect

building, a 1-hour fire rated exit passage on the ground floor, West side of the building, which serves both stairs and exits directly to the street. See sheet A4.

Question #6:

Does the DBI agree that the existing condition does not conform to the requirement for two exits?

Answer:

Yes, Mr. Le agreed that the existing condition, with only one exit, does not conform to the requirement for two exits.

Mr. Le pointed out that because the proposed design has automatic fire sprinklers, per the 2016 code, the design could have one exit. Although we determined that the second exit is required to comply with section 1030, see the discussion below.

DBI initials T&L

Fire Dept. initials SWT

B. Distance between exits.

CBC1007.1.1 requires that the two exits be a distance apart equal to or greater than at least $\frac{1}{2}$ the diagonal dimension of the building. The diagonal distance of this 25 x 104 building is 109 feet. Half the diagonal is 54'-6".

There is only one means of egress from the building.

Our solution provides a distance between exits on both floors in excess of the $\frac{1}{3}$ the diagonal (27') distance required by section 1007.1 in buildings provided with automatic fire sprinklers. (The diagonal distance is further reduced from $\frac{1}{2}$ the diagonal because we are removing the existing single story addition at the back of the property, which reduces the total length of the building from 104' to 75'.) See sheet A4.

Question #7:

Does the DBI agree that the existing condition does not conform to the requirements of CBC1007.1.1?

Answer:

Yes, Mr. Le agreed that the existing condition does not conform to the requirement for the distance between two exits because there is only one exit.

DBI initials T&L

Fire Dept. initials SWT

C. Requirement for Emergency Egress Windows:

CBC 1030 requires that sleeping rooms be provided with emergency egress windows that lead to a public way or a yard or court that leads to a public way.

In the existing condition, only one of the sleeping rooms is provided with a window (which does not meet the size requirements for an emergency egress window. In addition, for 25 of the 28 sleeping rooms the only wall where an emergency egress window could be located is an exterior wall on a property line. Windows are not permitted in walls at or within 3 feet of the property line (CBC table 705.8)

Our solution is to reconfigure the sleeping units so they face onto the back yard or the street and provide each of the sleeping units with a code conforming egress window. See sheet A4.

Question #8:

Does the DBI agree that the existing condition does not conform to the requirement for emergency egress windows?

Answer:

Yes, Mr. Le agreed that the existing condition does not conform to the requirement for emergency egress windows.

Mr. Le indicated that our proposed exit passageway, which is on the left side of the ground floor and runs from the street to the back yard, can be used to connect the back yard to the public way as part of an emergency exit system. However, the fire separation between the exit passage and the building's other spaces must have a 2-hour fire rating, not the 1-hour fire rating proposed. NEED AB-005 FOR REVIEW & APPROVAL

DBI initials TAL

Fire Dept. initials Just

Question #9:

Does the DBI agree that Table 705.08 does not allow adding egress windows to the 25 non-complying existing sleeping rooms which have exterior walls only on the property lines?

Answer:

Yes, Mr. Le agreed that the existing condition does not conform with section 705.08.

Mr. Le would like the project team to complete an AB-005 to document the agreement that the exit passageway can be used to connect the backyard to the public way allowing the emergency egress windows at the back of the building to

have access to the public way through the building.

DBI initials T&L

Fire Dept. initials SWT

5. Ceiling Heights

SFBC 1208.2 requires that occupiable spaces have a minimum ceiling height of 7'-6".

The existing sleeping rooms on the 2nd floor have ceiling's of only 6'-11". The existing height from the 1st floor finish floor to the underside of the roof structure is 15'-4".

To provide complying head room on the 2nd floor we would require a total of at least 16'-0" from 1st floor finish floor to underside of the roof structure – providing two floors with 7'-6" ceilings and a floor structure of 12", Optimally, we would require at least 17'-0" to provide 8'-0" ceilings on both floors.

Our solution is to remove the existing non-complying 2nd floor, remove and raise the roof, and build a new 2nd floor with 8'-0" ceiling heights on both floors. See sheet A5.

Question #10:

Does the DBI agree that the existing condition does not conform to the requirement for a 7'-6" minimum ceiling height at the second floor level?

Answer:

Yes, Mr. Le agreed that the existing condition does not comply with the minimum ceiling height requirement.

DBI initials T&L

Fire Dept. initials SWT

Question #11:

Does the DBI agree that ~~it is~~ not possible to build a code complying 2nd floor within an envelope with a 15'-4" total interior height? WITH THE CONSTRUCTION THICKNESS OF 2ND FLOOR WILL TAKE AWAY 10" OR 12".

Answer:

Yes, Mr. Le agreed that it will be necessary to raise the ceiling/roof to allow the minimum allowable ceiling height of 7'-6".

DBI initials T&L

Fire Dept. initials SWT

6. Handicapped Accessibility

CBC 1101A applies to R-3 occupancies, requiring that the building meet the handicapped

David Locicero | architect

accessibility requirements outlined in chapter 11A. The following portions of the building are the major items that do not comply with the identified code sections:

(E)) Stair	1123A	Open risers, 10" treads, 9" risers, no visual striping, non complying handrail
(E) Toilets/showers	1127A 1134A	No wheel chair accessibility, 3x3 showers, standard toilet uninsulated exposed pipes under sinks, no grab bars, no handheld shower, no shower bench
(E) Doors	1132A	All the interior doors are less than 36"

Our solution is to reconfigure all the spaces in order to allow compliance with the requirements of section 1101A. Not every detail has been worked out yet, but the current plan can be made to comply. See sheet A4.

Question #12:

Does the DBI agree that the existing condition does not conform to the accessibility requirements outlined above?

Answer:

Yes, Mr. Le agreed that the existing condition does not conform to the CBC 1101A requirements – however, he argued that this project is exempt from the accessibility requirements.

Mr. Le argued that per section 1101A.1, which says "Chapter 11A generally does not apply to public accommodations such as hotels and motels..." that this project is exempt from having to provide accessibility features per the requirements of Chapter 11A. *ALSO, CHAPTER 11A IS NOT APPLICABLE TO EXISTING BLDG CONVERTED TO R3 OCCUPANCY (SEE CBC 1102A.2)*

We asked if changing the Occupancy Type from an F-1 (auto repair) to an R-3 (boarding house) would trigger having to comply with Chapter 11A. Mr. Le said no, given the wording of section 1101A.1 cited above.

DBI initials TQL

Fire Dept. initials N/A

David Locicero, the architect for the project, recommends that the owner proceed with the project providing the accessibility features required per Chapter 11A. It is the Architect's professional opinion that complying with Chapter 11A and the ADA is good practice and reduces the risk of exposure to potential legal action.

7. Path to Legalization

David Locicero | architect

Given the discussion outlined above, our final question is:

Question #13:

Does the DBI agree that there is no path to legalization of the commercial auto repair facility (F-1) to group housing (R-3) per the SFBC section 106A.3.1.3 without significantly rebuilding of the structure?

Answer:

Yes, Mr. Le agreed that there is no path to legalization of the existing configuration of the F-1 facility to an R-3 dwelling without having to significantly rebuild the structure. Mr. Le also said that given the scope of the required remodeling, we would be required to seismically upgrade the building as well.

DBI initials TOL

Fire Dept. initials NA

We contend that because of the configuration of the existing building on the site, and the design of the existing building, legalization of the R-3 group housing in the building is both un-feasible, and unreasonable.

Legalizing the group housing units requires, demolishing the back portion of the building, removing the unpermitted 2nd floor, removing the roof structure, and rebuilding both the 2nd floor and raising the roof. Because of the design of the existing structure, the legalization requires significant new foundation work, and structural steel to support the 2nd floor and roof.

Signed by:

Thomas T. Le 8/23/2018

Thomas T. Le, Building Plans Engineer

Saviv Weiss-Ishai 8/26/2018

Saviv Weiss-Ishai, Fire Protection Engineer

David Locicero

David Locicero, Architect



SAN FRANCISCO PLANNING DEPARTMENT

Planning Department Request for Rent Board Documentation

(Date) 11/20/18

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

RE: Address of Permit Work: 2966 24th Street
Assessor's Block/Lot: 4206/017
BPA # / Case #: 201811095549/2018-01312

Project Type:

- ☒ Determination of Unauthorized Unit – Planning Code Section 317(g)(6)
☐ Other Removal of Unauthorized Dwelling Unit per PC Sec. 317

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

Sincerely,
Ella
Samonsky
Planner

Digitally signed by Ella Samonsky
DN: cn=org, o=delgov, email=planning,
ou=CityPlanning, ou=Current Planning,
ou=Ella Samonsky,
email=Ella.Samonsky@delgov.org
Date: 2018.11.20 11:28:23 -0800

cc: Jennifer Rakowski- Rent Board Supervisor

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Rent Board Response to Request for Planning Department Records Search

Re: 2966 24th St.

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

☒ No database records were identified.

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

☐ Yes, the following records were identified:

- See attached documents.

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

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

Signed:

Van Lam
Citizens Complaint Officer

Dated:

11-20-18



Runde & Partners, Inc.
Real Estate Valuation and Consulting

APPRAISAL OF
2966 24TH STREET
SAN FRANCISCO, CALIFORNIA

PREPARED FOR
MR. WILLIAM RODRIGUEZ
PACIFICA, CALIFORNIA

JUNE 2018
18-112



Runde & Partners, Inc.
Real Estate Valuation and Consulting

June 14, 2018

Mr. William Rodriguez
308 Avalon Drive
Pacifica, California 94044
650-219-3426
Borincuba12@gmail.com

Re: 18-112, Appraisal
2966 24th Street
San Francisco, California

Dear Mr. Rodriguez:

At your request and authorization, Runde & Partners, Inc. has prepared an appraisal of the above-referenced property in its current, as-is condition, as well as assuming the property is renovated as proposed to provide 8 units of group housing. This appraisal is part of the analysis required under San Francisco Planning Code Section 317(g)(6)(C), in order to assist in performing the feasibility analysis of completing the proposed renovation. However, the cost estimate portion of the feasibility analysis will be performed by others. The subject property in its current condition consists of a commercial building that was converted to multi-unit group housing without benefit of necessary permits from the City of San Francisco. The intended use/user of this report is Mr. William Rodriguez with review by the City and County of San Francisco for assistance with resolving a housing enforcement action. ***This appraisal report should not be used or relied upon by any other parties for any reason.***

PROPERTY DESCRIPTION

Site Description

The subject property appraised is identified by the San Francisco County Assessor as Lot 017 of Block 4206. The mid-block site is situated on the north line of 24th Street in the Mission District of San Francisco. The site has 25 feet of street frontage on 24th Street and a depth of 104 feet. The total site area is approximately 2,600 square feet (0.06 acres). The site is level, at street grade, and is fully improved with concrete curbs, gutters and sidewalks. There is a single driveway accessing a roll-up door on the western portion of the site.

Zoning and Land Use Controls

The site is zoned 24th-Mission Street NCT (Neighborhood Commercial Transit) with a height limit of 45 feet. The site is also located within several Special Use Districts (SUDs) including: Mission Alcoholic Beverage, Calle 24 SUD, and Fringe Financial Services RUD. It is also

within ¼ mile of an Existing Fringe Financial Service. These SUDs place additional limitations on allowed uses, and are relatively common in the City's neighborhood commercial districts. They are intended to maintain the character of the neighborhoods and to protect existing businesses.

This zoning encourages active ground floor commercial uses including retail, discourages office use, and encourages/protects upper floor residential uses. New curb cuts are prohibited, automobile parking is not required, and any automobile parking provided must be set back from the street or placed underground. Bike parking is required.

Residential uses are permitted on all levels, including group and student housing. Residential density for group housing is limited only by the building envelope and open space requirements. There is no stated density maximum for group housing. Usable Open Space is required at a ratio of 80 square feet per dwelling unit if private, and 100 square feet per unit if common. Rear yards are required above the ground floor, as well as at the ground level if residential units are present. The rear yard must be the greater of 25% of the lot depth, or 15 feet.

For non-residential uses, the maximum floor area ratio (FAR) is 2.5 to 1. Commercial uses over 2,499 square feet require a conditional use authorization. More information on the zoning is available at the San Francisco Property Information Map (PIM) portal: <http://50.17.237.182/PIM/>

The existing group housing is conforming but not legally permitted in its current configuration. The proposed group housing use is legal and substantially conforming. The exception is the open space provided falls marginally short of the Code requirements.

Ownership, Sales History, Easements and Restrictions

According to the preliminary title report provided for review, prepared by Stewart Title Company and dated March 7, 2018, title is vested in Silvia F. Rodriguez, trustee of Survivor's Trust of The William C. and Silvia F. Rodriguez Trust dated January 10, 1997. The last recorded transfer is in 1993. No market sales of the property have occurred in the last three years, according to our research. It is not presently listed for sale.

The above-referenced title report notes a Conditional Use Authorization (CUA) allowing auto repair use of the site, dating to March 1, 1997 and extending for 6 years, with a review after 3 years. The CUA expired in 2003 and does not appear to have been renewed, so this title exception does not appear to affect the subject any longer. The title report also notes an Order of Abatement (No. 105348-R) dated May 29, 2013, requiring that the rooms constructed on the ground floor be either legalized or removed. The noted exceptions do not affect the utility or marketability of title to the subject in the context of this assignment.

Improvements Description - Existing

The site is improved with a single-story plus mezzanine wood frame commercial building that covers the entire lot. The improvements were originally constructed in 1925, according to public record. The foundation is a concrete slab, likely with perimeter spread footings. The existing

structure contains approximately 2,600 square feet on the ground floor and an additional 1,800 square feet on a wood-frame mezzanine. The exterior is a combination of painted clapboard siding and painted cement plaster. The roof is flat but was not available for inspection. The property is currently demised into two areas, including a small ground floor commercial unit of approximately 500 square feet. This unit has a dedicated store front comprising the eastern portion of the building frontage on 24th Street. This unit has relatively low ceiling heights of 7'10." The interior is currently in below-average condition, with a single-fixture restroom that may or may not be operational.

The balance of the ground floor as well as the entire mezzanine is improved with 28 rooms, most of which lack exterior windows or access to natural light or air. The lower level has two toilet rooms and a shower. The front portion of the mezzanine has a single window facing the street. The front portion of the mezzanine appears to be similar in vintage to the original construction. However, it appears that a kitchen and possibly an additional restroom were added at a later date. The kitchen improvements have been removed. At the rear of the building are two skylights, as well as a window on the north lot line of the building that has been boarded up. There is no elevator, and only a single staircase accessing the mezzanine. There are no fire sprinklers. The overall condition of this portion of the building is poor. These residential units were reportedly constructed by the previous tenant without benefit of permits required by the City of San Francisco. It is our understanding that the units are the subject of an enforcement action that required the units to be vacated. The property is presently entirely vacant.

Proposed Improvements

The plans attached to this letter, prepared by architect David S. Locicero and dated May 8, 2018 were prepared to comply with the feasibility analysis called for under section Planning Code Section 317(g)(6)(C). The plans result in a total of 8 group housing units in a two-story building constructed within the existing shell. The work would include demolishing the interior improvements except for the structural walls and columns. The rear 725 square feet of the building would also be removed in order to create a rear yard. The work would include replacing the roof and the addition of a second floor supported by structural steel. The floor plan would include 6 sleeping rooms on the second floor, and 2 common ADA-compliant restrooms. The ground floor would include an office, common kitchen, bike room, two ADA-compliant rest rooms, and 2 sleeping rooms. Vertical access between floors would be provided by 2 stairwells. As it classified as a renovation, an elevator is not included.

The north and south exterior elevations would be reconfigured with new windows and additional pedestrian access to the front and the rear of the building provided by new doors. The improvements will be serviced with HVAC and fire sprinklers. The as-proposed building area totals 3,750 square feet, evenly split between the ground floor and second floor, according to the architect's plans. The usable (common) open space consisting of the rear yard totals 725 square feet. At 90.6 square feet per unit, it is marginally below the Code requirement of 100 square feet per unit. The open space requirement is reportedly a limitation on the number of group housing units that are physically feasible within the building envelope, as is the lack of windows on the east and west elevations.

APPRAISER INSTRUCTIONS

The intended use of this appraisal is to assist with the feasibility analysis called for in Planning Code Section 317(g)(6)(C) Code Section 317(g)(6) **Removal of Unauthorized Units** reads in its entirety as follows:

In addition to the criteria set forth in Subsections (g)(1) through (g)(4) above, the Planning Commission shall consider the criteria below in the review of applications for removal of Unauthorized Units:

(A) whether the Unauthorized Unit or Units are eligible for legalization under Section 207.3 of this Code;

(B) 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;

*(C) 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. (emphasis added)***

(D) 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 cost estimate for the work required is to be determined by others. This appraisal addresses only the gain in value due to the as-is “BEFORE” condition, and the as-proposed “AFTER” Condition. No consideration of the costs to complete the renovations has been incorporated into this appraisal. The feasibility test will require the costs to be estimated by others and incorporated into the feasibility test described in Section 317(g)(6)(B) using the “BEFORE” and “AFTER” value conclusions of this report.

HIGHEST AND BEST USE

Highest and Best Use is defined as: “The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.”

Source: The Dictionary of Real Estate Appraisal, 6th Edition, 2015, p.109

“BEFORE” Condition

The highest and best use of the subject property in the “BEFORE” Condition is to demolish the unpermitted interiors and renovate the building as a one- or two-tenant commercial or service-commercial building. The existing dwelling units are not habitable, and demand is strong from owner-users for small commercial buildings. Alternately, the subject site would likely generate significant interest from small builder/developers for use as a redevelopment site.

The total rentable building area remaining after demolishing the unpermitted units is estimated at approximately 3,250 square feet, consisting of the ground floor and approximately 650 square feet of mezzanine space.

“AFTER” Condition

The highest and best use of the subject property in the “AFTER” Condition is governed by Code Section 317. Assuming it is financially feasible, the highest and best use as proposed would be group housing at the maximum density permitted by the zoning, which is 8 units according to the architect’s plans.

VALUATION METHODOLOGY

The valuation of any parcel of real estate is typically derived through three primary approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reconciled. For this assignment, the Sales Comparison and Income Approaches are used. An analysis of the cost to renovate the structure will be performed by others.

The valuation of the subject in the “BEFORE” Condition will first be estimated, followed by the as proposed “AFTER” valuation.

AS-IS VALUATION (“BEFORE” Condition)

In the “BEFORE” Condition, the subject consists of s 3,250 square foot commercial building in below-average condition situated on a 2,600 square foot lot. It is assumed vacant and available for lease or occupancy by the buyer.

Sales Comparison Approach- As-Is

Table 1 attached to this letter summarizes key details of five improved comparable sales plus one land sale. These sales range in size from 2,500 to 5,250 square feet of building area and sold between May 2017 and September 2017. During that time frame and since, market conditions have been generally stable. All of the comparables are located in the Mission District. The comparables range in total price from \$1,500,000 to \$3,625,000 and in unit price from \$484 to \$690 per square foot of building area. On a land area basis (a secondary indicator), the range is \$429 to \$792 per square foot. The high end of the range is the asking price for a vacant lot.



Comparable 1 is the owner-user purchased by a long-term tenant of a small commercial building built out by the tenant as a restaurant. The superior condition of the property and the food service build-out are superior features, supporting a lower unit value for the subject.

Comparable 2 is the former Entenmann's bakery store located at the southwest corner of 17th and Bryant Streets. This is a newer building with a commercial bakery build-out, and the property includes 6 parking stalls. Downward adjustment for age, condition and the parking are indicated. A lower unit value is supported for the subject.

Comparable 3 is a two-tenant retail building at 21st and Bryant Streets. The condition of the improvements is slightly superior, although the location is less appealing from a commercial standpoint. A similar unit value is indicated for the subject.

Comparable 4 is the asking price for a two-tenant commercial building on Mission Street near 19th Street. The overall condition is slightly superior, and the site includes an unwarranted 480 square foot cottage at the rear of the site. A lower unit value is supported for the subject.

Comparable 5 is the asking price for a vacant lot near 14th Street on Mission Street. This comparable is included as an indication of the alternate highest and best use of the subject as a development site. The asking price warrants downward adjustment for the listing nature, as the consummated sale price will likely be lower. A lower unit value is supported for the subject.

On a building area basis, the sales comparables support a unit value at the low end of the range of \$485 per square foot of building area. Based on the "BEFORE" Condition NRA of 3,250 square feet, the as-is value of the subject with the unauthorized units in place, at its highest and best use, is estimated as follows:

3,250 sq.f.t x \$485 per square foot =	\$1,576,250
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Rounded:	\$1,580,000
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On a land area basis, this conclusion equates to approximately \$608 per square foot of land area. The range of the comparables is \$429 to \$792 per square foot. The high end of the range is an asking price, suggesting a lower unit value for the subject. The remaining comparables range from \$429 to \$648 per square foot, generally tracking with the FARs of 69% to 98%. This relationship reflects the contributory value of the improvements to the underlying land value. The subject's 125% FAR supports a unit value at the upper end of the range, reflecting the contributory value of the improvements to the per land area value conclusion. Analysis on a land area basis therefore supports the value conclusion on a building area basis.

Income Approach-As-Is

The subject's most recent leasing history includes a single tenant that occupied the premises under two separate leases. Unit B is the smaller unit consisting of the ground floor storefront plus mezzanine estimated at a total of 1,150 square feet. Based on the leases provided for review, this unit most recently leased in July 2012 for five years at \$3,800 per month, or \$39.65

per square foot per year. Unit A was leased later, in January 2015 on a lease that expired in June 2017. Based on the information provided for review, at the time it was leased it reflected approximately 2,100 square feet of ground floor commercial space that had previously been used as an auto repair garage. The rent for this space, with a permitted use of “storage” per the lease, was \$13.14 per square foot of ground floor space (\$2,300 per month). Thus, the total rent in place prior to these leases expiring was \$6,100 per month, or approximately \$22.52 per square foot per year, modified gross.

Table 2 is attached to this letter, and it summarizes recent commercial leases in the surrounding area for uses that would be consistent with the subject’s location, commercial appeal and physical characteristics. Once the unauthorized units are removed, the subject’s configuration as 2,600 square feet of ground floor space and 650 square feet of mezzanine space reflects a relatively functional commercial configuration. The overall condition is below average, however.

The Commercial Lease Comparables reflect a range of \$24.00 to \$46.00 per square foot per year, industrial gross. The high end of the range had an in-place office build-out that is far superior to the subject. Similarly, Commercial Lease Comparables 1 and 2 reflect space that is in superior condition, supporting a lower rent for the subject. Comparable 6 in contrast is a former grocery market that is in poor condition and is larger than the subject. A somewhat higher rent than the \$24.00 per square foot asking rent for this comparable is supported for the subject. Comparable 5 has an inferior commercial location and includes significant basement space, which is inferior. Offsetting these factors is the renovated nature of the space. Taken together, a market rent estimate of \$27.00 per square foot is concluded for the subject in as-is condition.

Table 3 is the stabilized income statement for the subject in the “BEFORE” Condition. Market rent of \$27.00 per square foot per year is applied to the 3,250 square feet of rentable area, resulting in a potential gross income estimate of \$87,750. Net of a 5% deduction for stabilized vacancy and credit loss, the effective gross income (EGI) is estimated at \$83,363.

Landlord operating expenses include an allowance for repairs and maintenance, insurance, property taxes, management and reserves. These expenses, based on market estimates and a review of historical costs, are estimated at \$26,940 or 32.3% of EGI.

The net operating income (NOI) of \$56,423 results from deducting the stabilized operating expenses from the effective gross income.

This stabilized NOI is capitalized at an overall rate of 4.0% based on a review of the overall rates indicated by the Comparable Building Sales discussed previously. The three sales reflect a range of 3.69% to 4.66%. The low end of the range reflects in-place income from long-term tenants that may be below market. The high end of the range is the rent paid by the tenant buyer of the property prior to sale. The related nature of this transaction renders its reliability as the indicator of the return an investor would require somewhat less reliable. Sale 4, at 4.41%, reflects a pro forma rent estimated by the selling broker, which is likely somewhat optimistic. An overall rate of 4.0% is therefore concluded and used in this analysis.

When applied to the stabilized net operating income estimate, the 4.0% overall rate results in the following as-is value indication by the Income Approach:

\$56,423 ÷ 4.0% = \$1,410,574

Rounded: \$1,410,000

AS-PROPOSED VALUATION (“AFTER” Condition)

In the “AFTER” Condition, the subject is an 8-unit group housing facility that has been recently renovated/constructed and is assumed to be in like-new condition. The total building area is 3,750 square feet. This type of facility is most similar to other group housing properties that are most commonly found as single-room occupancy (SRO) residential hotels, where bathroom facilities are shared, and a common kitchen may or may not be provided.

For this analysis, recent sales of SRO hotels and mixed-use buildings that include group housing in the form of single sleeping rooms with shared bathroom facilities are utilized as the best sales data in the Sales Comparison Approach. In the Income Approach, market rent is estimated using SRO hotel leases, and benchmarked against asking rates for single rooms shared within apartments in the immediate neighborhood.

Sales Comparison Approach-As-Proposed

Table 1 attached to this letter summarizes relevant details of five recent residential (SRO) hotels in San Francisco. The comparables range in size from 7 residential rooms to 33 residential rooms, which brackets the subject. The sales occurred between December 2015 and April 2018. After escalating rapidly up until mid-2015, the market has entered an equilibrium phase where appreciation is tied more closely to inflation than it was in the years prior. The price per room ranges from \$89,167 to \$252,857 per residential room. Factors that affect pricing for this property type include age and condition, average room size, and commercial space.

With respect to the comparables, the subject will be new, at the low end of the size range and the upper end of the per unit size range, supporting a unit value at the upper end of the comparable range. At the same time, the subject’s lack of commercial space on the ground floor has an offsetting negative influence on the price per room indicator.

Comparable 1 is the recent sale of a mixed-use building with 20 SRO units and 11 commercial units, at the corner of 25th and Mission Streets. The subject is newer and smaller, but lacks commercial space. These countervailing forces are offsetting, but a net upward adjustment is indicated for the subject overall.

Similarly, the commercial component of Comparable 2, consisting of a restaurant and nightclub, supports a downward adjustment with respect to the subject. Offsetting this characteristic is the subject’s age and size. A somewhat higher unit value is indicated for the subject, overall.

Comparable 3 has a superior location, but the very small average unit size suggests a much higher unit value. In addition, the property is leased at very low rents to rent-protected tenants. Overall, on a per-room basis, this comparable is not a reliable indicator for the subject.

Comparable 4 is located on Mission Street near 17th Street. The subject's size, age and condition support a higher unit value for the subject, despite the comparable's commercial space. A much higher unit value is indicated for the subject.

Comparable 5 is a 7-room mixed-use building with a ground floor commercial unit located two blocks west of the subject on 24th Street. It is an older property, in inferior condition, and the in-place income is inferior to the subject. However, the SRO units are not listed on the City SRO list, which may allow them to be rented on a transient basis. This feature, together with the commercial unit, is a superior characteristic that offsets the age and condition. A similar unit value is supported for the subject.

After adjustment, a unit value of \$250,000 per unit is concluded for the subject's 8 group housing units. Applied to the group housing units, the as-proposed "AFTER" Condition value is estimated as follows:

8 Group Housing Units x \$250,000 per Unit =	\$2,000,000
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This conclusion is equivalent to approximately \$533 per square foot of building area. The comparable range is \$301 to \$707 per square foot. Considering the subject's size, but also its lack of commercial income, the indicated unit value is supported when analyzed on a building area basis.

Income Approach-As-Proposed

Table 5 attached to this letter summarizes recent hotel master leases in San Francisco. The comparable leases were executed between December 2012 and September 2015. Market conditions were improving up until 2015, and since then the market has been in equilibrium with slight upward trending. The comparable leases range in size from 54 to 136 rooms, which is larger than the subject. Generally, larger hotel leases are more efficient to operate, which would suggest a lower rent for the subject. The comparables reflect monthly, modified gross rents ranging from \$248 to \$1,190 per room per month.

Comparables 1 and 3 reflect the low end of the range and both require upward adjustment for the renewal nature of the lease, the age and condition of the improvements and size. The latter also requires upward adjustment for location. Comparables 2 through 6 require upward adjustment for market conditions. Comparable 2 has an inferior location and the condition is inferior, supporting a higher unit value for the subject. Comparables 5 and 6 require upward adjustment for renewal status, condition, and location.

Comparable 4 is most similar to the subject. Although larger, it was significantly renovated immediately prior to purchase. The average unit size is similar to the subject. Slight upward adjustment for market conditions is indicated.

After adjustment, Comparables 2 and 4 are given greatest weight, and a market rent estimate of \$1,200 per unit is concluded for the subject. This conclusion is supported by asking rents for single rooms in apartments listed on Craigslist. As of the writing of this report, there were five listings within three blocks in either direction of the subject. The range was \$1,200 to \$1,912 per room for bedrooms within 2- to 3-bedroom apartments. The appeal of the subject as a group housing operation, and the lack of a shared living room or other common area suggest a market rent for the subject at the low end of the range, which supports the conclusion above based on hotel master leases. Further, while a higher per-room rate might be achievable if the rooms were rented individually, the vacancy rate would likely be higher, and greater hands-on management would be required, resulting in increased operating costs. The operating expenses included in this appraisal assume a net-leased investment, not a hand's on management operation. Thus, a per room market rent conclusion at the low end of the asking rents for individual rooms in the market is supported.

Table 6 is the stabilized income statement for the subject in the as-proposed "AFTER" Condition. Market rent of \$1,200 per unit per month is applied to the 8 group housing units, resulting in a monthly rent of \$9,600 per month. The potential gross income estimate is \$115,200 per year. Net of a 5% deduction for stabilized vacancy and credit loss, the effective gross income (EGI) is estimated at \$109,440.

Landlord operating expenses for the subject as a master-leased group housing project include an allowance for repairs and maintenance, insurance, property taxes, management and reserves. These expenses, based on market information, are estimated at \$35,872 or 32.8% of EGI.

The net operating income (NOI) of \$73,568 results from deducting the stabilized operating expenses from the effective gross income.

This stabilized NOI is capitalized at an overall rate of 3.75% based on a review of the overall rates indicated by the Comparable Building Sales discussed previously. The comparables reflect a range of 2.54% to 6.98%. The low end of the range reflects significantly below-market rents and thus superior upside potential compared to the subject, which is assumed leased at market rents. Thus, a higher rate is indicated for the subject. At the high end of the range is Comparable 4, which includes tourist rooms and a commercial unit, which are both higher risk and higher rent uses. It is also a much larger property. A lower rate is supported for the subject. The remaining comparables reflect a range of 3.80% to 5.00%. All three are larger facilities, suggesting a lower rate for the subject. However, both Comparables 1 and 3, at 3.80% and 3.82%, were leased at below-market rent, which is offsetting. In contrast, Comparable 2 sold with a market-rate lease to the commercial tenant, and market rent used for approximately 30% of the SRO rooms, so the upside is more limited. Relative to this comparable, a lower rate is supported due to size and the higher risk of the nightclub/bar tenant.

Considering the comparables, as well as the newly renovated condition of the subject, an overall rate of 3.75% is therefore concluded and used in this analysis for the as-proposed valuation. When applied to the stabilized net operating income estimate, the 3.75% overall rate results in the following as-proposed value indication by the Income Approach:

$\$73,568 \div 3.75\% =$ \$1,961,809

Rounded: \$1,960,000

RECONCILIATION AND VALUE CONCLUSION

The market values of the subject property as indicated by the approaches used in this assignment are as follows:

	As-Is (<u>"BEFORE"</u>)	As-Proposed (<u>"AFTER"</u>)
Sales Comparison Approach	\$1,580,000	\$2,000,000
Income Approach	\$1,410,000	\$1,960,000
Reconciled Market Value Conclusion	\$1,550,000	\$2,000,000

For the as-is value, the Sales Comparison Approach utilized recent sales similar small commercial buildings and the listing of a vacant lot of similar size leading to a unit value conclusion of \$485 per square foot of building area, or \$608 per square foot of land. The Income Approach incorporated market rent estimated by analysis of recent leases and asking rents for similar commercial buildings in the Mission District. An overall rate of 4.0% was derived from market transactions. Both indicators are considered reasonable, but the Sales Comparison Approach is considered superior for this type of property, considering its appeal to both owner-users and investors. Both of these buyer classes rely most directly on the Sales Comparison Approach. The final as-is market value is reconciled at \$1,550,000.

The as-proposed valuation of the 8-room group housing project was valued using similar recent group housing/SRO sales transactions in the Sales Comparison Approach. The \$250,000 unit value conclusion is at the high end of the range, and was supported due to the age, condition and size of the as-proposed project. The Income Approach utilized recent master leases of residential hotels, together with asking rents for single rooms in residential units available for rent in the immediate area. This approach returned as-proposed market value of \$1,960,000. Considering the as-proposed nature of the project, and the lack of an in-place master lease, slightly greater weight is afforded the Sales Comparison Approach in reconciling an as-proposed market value as proposed of \$2,000,000.

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraiser that the market value of the fee simple interest the subject property, in its present, as-is ("BEFORE") condition, as of May 11, 2018, is estimated to be:

ONE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$1,550,000)

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraiser that the hypothetical as-proposed ("AFTER") market value of the fee simple interest the subject property, assuming the property is renovated as planned and described in this report, as of May 11, 2018, is estimated to be:

TWO MILLION DOLLARS

(\$2,000,000)

SCOPE OF WORK, DATE OF VALUE, DEFINITIONS, LIMITING CONDITIONS

Scope of Work

The scope of work for this appraisal assignment report is to utilize the appropriate approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion. Specific steps undertaken include the inspection of the subject property (interior and exterior) and the research, verification, and analysis of comparable market data leading to the value indication as reported herein. This assignment incorporated the Sales Comparison and Income Approaches. The Cost Approach lacks relevance for older properties planned for significant renovation, and is not consistent with the intended use of this report. It is therefore not included in this analysis. Analysis of the renovation costs will be performed separately by others.

Date of Value, Date of Report

The effective date of value is May 11, 2018.

The date of this report is June 14, 2018.

Report Type

This is an appraisal report presented in a narrative format.

Definition of Terms

1. Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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:

Buyer and seller are typically motivated;

Both parties are well informed or well advised, and acting in what they consider their own best interests;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and

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.

2. Fee Simple Interest (*The Appraisal of Real Estate, 13th Edition, 2008, p.111*)

A fee simple interest in valuation terms is defined as “...absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” It is an inheritable estate.

Limiting Conditions and Assumptions

Hypothetical Condition

1. The as-proposed “AFTER” condition value presented in this report assumes that the subject is renovated as planned and represented in the plans and specifications prepared by architect David S. Locicero and dated May 8, 2018. The plans are attached to this letter report. Deviation from the plans could affect the as-proposed value conclusion of this report.

The use of a hypothetical condition may have affected the assignment results.

General Limiting Conditions and Assumptions

2. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.
3. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
4. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and

correct. However, no responsibility for accuracy of such items furnished the appraiser is assumed by the appraiser.

5. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.
6. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
7. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.
8. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.
9. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
10. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
11. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of the proposed subject development to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the proposed project, together with a detailed analysis of the requirements of the ADA, could

reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property.

CERTIFICATION OF THE APPRAISER

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the 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; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our 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 Appraisal Practice of the Appraisal Institute, as well as USPAP; we have made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. 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 Timothy Runde has completed continuing education program for Designated Members of the Appraisal Institute. In accordance with the Competency Provision in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

RUNDE & PARTNERS, INC.



Timothy P. Runde, MAI, LEED AP
Certified General Real Estate Appraiser
State of California No. AG011358



Runde & Partners, Inc.
Real Estate Valuation and Consulting

lot26 into lots45&46 for 2010 roll
lot10A into lots43&44 for 2011 roll
lot28 into lots47&48 for 2011 roll
Lot 7 into lots 58 & 59 for 2017 roll

4206

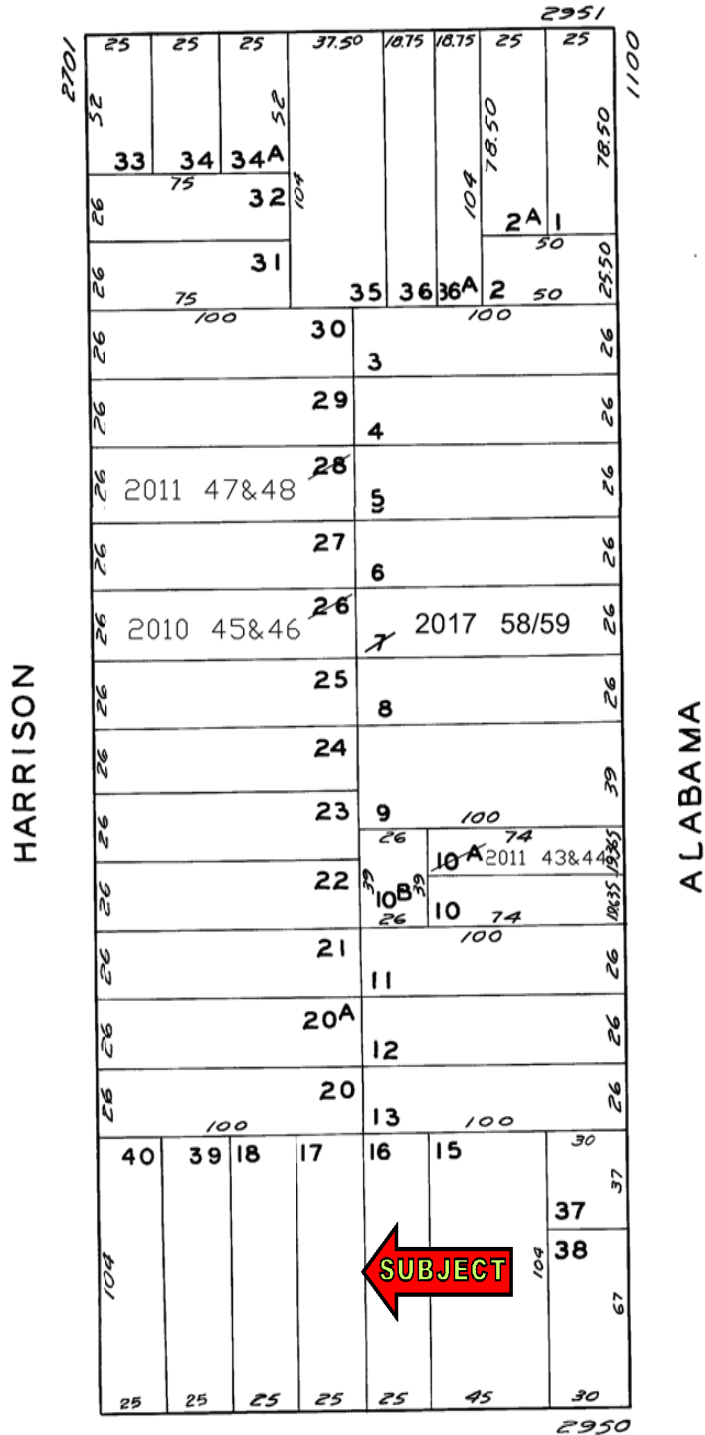
MISSION BLK. 151

REVISED '61
" '85

Revised 2010
Revised 2011
REVISED 2017



23 RD



SUBJECT & NEIGHBORHOOD PHOTOGRAPHS



Subject exterior view northeast



Subject exterior view northwest



Subject Unit B storefront interior



Subject Unit A common areas interior

SUBJECT & NEIGHBORHOOD PHOTOGRAPHS



Subject typical unauthorized private room interior



Subject typical common bathroom



Neighborhood view west on 24th Street



Neighborhood view east on 24th Street

2966 24th STREET

DAVID
LOCICERO
ARCHITECT

California Registration C19452

22340 Powell Street
No. 290
Emeryville, CA 94608

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DRAWING INDEX:

- A1 COVER SHEET
A2 EXISTING CONDITION PLANS
A3 EXISTING ELEVATION
A4 PROPOSED PLANS
A5 PROPOSED ELEVATION

PROJECT INFORMATION

BLOCK: 4206
LOT: 017
TYPE: 5
ZONE: NCT-24TH-MISSION NEIGHBORHOOD COMMERCIAL TRANSIT
HISTORICAL: C - NOT AN HISTORICAL RESOURCE
YEAR BUILT: 1925

EXISTING BUILDING

STORIES: 2
HEIGHT: 20'
UNITS: 28 UNPERMITTED GROUP HOUSING UNITS
FLOOR AREA: TOTAL: 3400
GROUND: 2600
2ND FLOOR: 1800
OPEN SPACE: 0

PROJECT AREA: 3400

PROPOSED BUILDING

STORIES: 2
HEIGHT: 22'
UNITS: 8 GROUP HOUSING UNITS
FLOOR AREA: TOTAL: 3750
GROUND: 1875
2ND FLOOR: 1875
OPEN SPACE: 725 COMMON (90.5/UNIT)

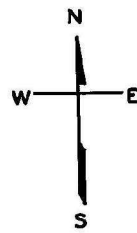
SCOPE OF WORK:

- 1 REMOVE EXISTING UNPERMITTED GROUP HOUSING UNITS; GUT THE BUILDING LEAVING ONLY THE STRUCTURAL PERIMETER WALLS, AND STRUCTURAL COLUMNS.
- 2 DEMOLISH THE REAR 725 SQUARE FOOT ADDITION TO THE ORIGINAL BUILDING.
- 3 REMOVE THE ROOF.
- 4 PROVIDE (N) STRUCTURE TO SUPPORT A NEW 2ND FLOOR AND NEW ROOF.
- 5 PROVIDE (N) ROOF, INCLUDING EXTENDING THE PERIMETER WALLS TO SUPPORT THE (N) ROOF.
- 6 BUILD A NEW GROUP HOUSING FACILITY, PROVIDING 8 UNITS, 4 HC TOILETS/SHOWERS, A KITCHEN, AN OFFICE, AND SUPPORT SPACES.
- 7 PROVIDE (N) FIRE SPRINKLERS THROUGHOUT.
- 8 PROVIDE (N) SMOKE AND CO DETECTORS/ALARMS PER CODE.
- 9 PROVIDE (N) 6 FT WOODEN FENCE AND LANDSCAPING IN THE NEW REAR COMMON OPEN SPACE.



4
—
AERIAL PHOTO
NO SCALE

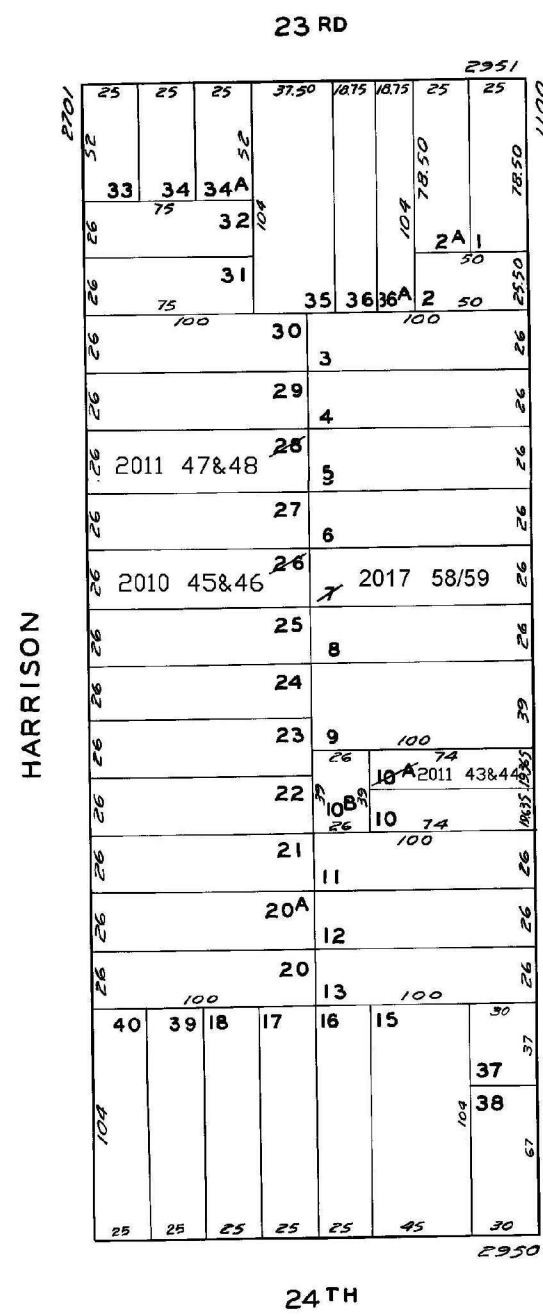
© COPYRIGHT SAN FRANCISCO
CITY & COUNTY ASSESSOR 1985
lot26 into lots45&46 for 2010 roll
lot10A into lots42&44 for 2011 roll
lot26B into lots47&49 for 2011 roll
Lot 7 into lots 58 & 59 for 2017 roll



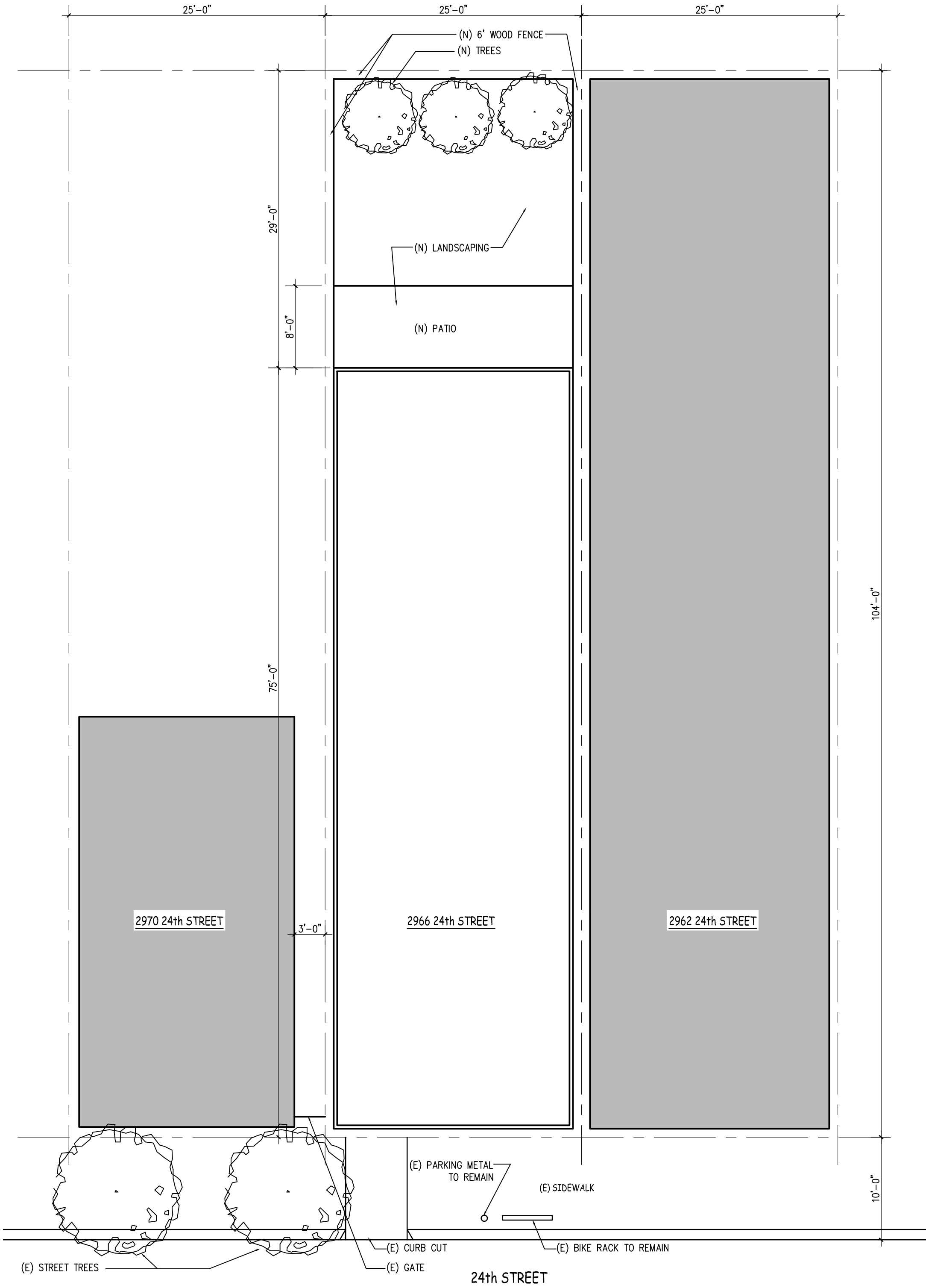
4206

MISSION BLK. 151

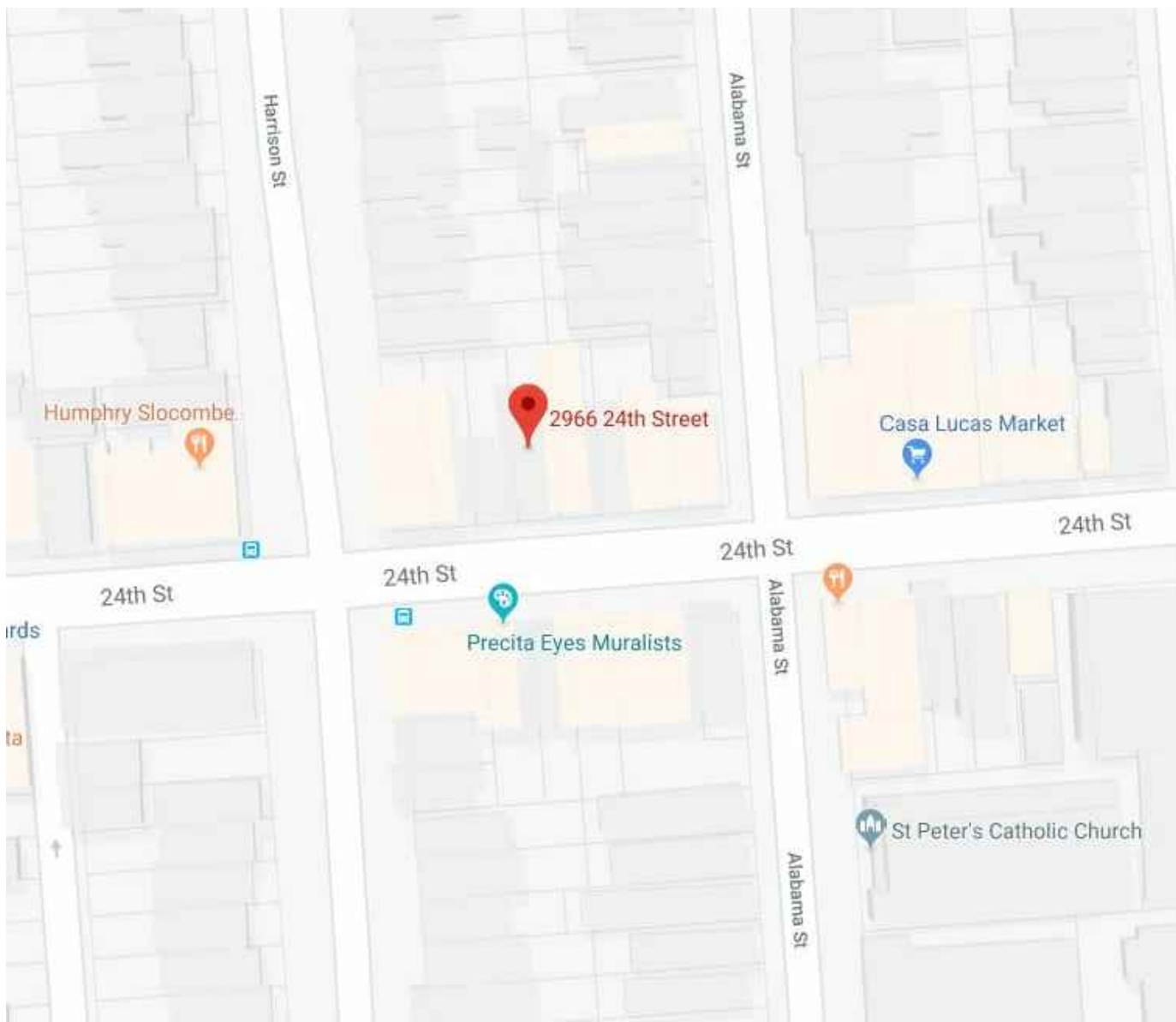
REVISED '61
Revised 2010
Revised 2011
REVISED 2017



3
—
ASSESSOR'S PARCEL MAP
NO SCALE



2
—
SITE PLAN
1/8"=1'-0"



1
—
LOCATION MAP
NO SCALE

PROJECT TITLE

2966 24th STREET
CITY, CA, ZIP

Name Name
email@xxx
xxx.xxx.xxxx

Revision Table		Description	
Number	Date		

Stamp:

Date: 5/8/2018
Scale: as noted
Drawn by: DSLocicero
Chkd by: DSLocicero
Job No: xxxx

File name: xxmonxx_name

SHEET TITLE

COVER SHEET

A1

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A	INSTALL (N) FIRE SPRINKLERS THROUGHOUT. PROVIDE (N) FIRE STANDPIPE. FIRE SPRINKLERS SHALL BE METERED SEPARATELY.
B	INSTALL (N) 200AMP ELECTRICAL PANEL. PROVIDE (N) ELECTRICAL WIRING, OUTLETS, LIGHT FIXTURES THROUGHOUT.
C	INSTALL (N) ROUGH PLUMBING, FIXTURES, AND FITTINGS FOR 4 HANDICAPPED ACCESSIBLE SINGLE OCCUPANT TOILET AND SHOWER ROOMS, AND FOR THE SHARED KITCHEN.
D	INSTALL (N) HVAC HEATING, AIR CONDITIONING, AND VENTILATION SYSTEM.
E	PROVIDE PAINTED FINISHES THROUGHOUT, WITH EGG-SHELL FINISH IN ALL BEDROOMS, SEMI-GLOSS FINISH IN ALL PUBLIC AREAS, ON ALL TRIM, DOORS, AND FRAMES. PROVIDE SEMI-GLOSS FINISH ON ALL METAL WORK.

- 1 REMOVE ALL INTERIOR DOORS, WINDOWS, AND WALLS, LEAVING ONLY
- 2 THE PRIMARY STRUCTURE: PERIMETER WALLS AND INTERIOR COLUMNS.
- 3 REMOVE ALL SHEET ROCK FROM INTERIOR SIDE OF PERIMETER WALLS.
- 4 REMOVE ALL PLUMBING FIXTURES.
- 5 REMOVE ALL ELECTRICAL FIXTURES AND WIRING BACK TO THE ELECTRICAL
- 6 PANEL.
- 7 REMOVE SKYLIGHTS.
- 8 REMOVE ROLL UP DOOR/MAN DOOR.
- 9 REMOVE STOREFRONT DOOR, WINDOWS, FRAMES, HARDWARE.
- 10 DEMOLISH THE BACK BUILDING AS SHOWN, REMOVING THE ROOF, WALLS,
- AND FOUNDATIONS.
- 9 REMOVE ALL HVAC EQUIPMENT AND DUCT WORK.
- 10 REMOVE THE ROOF.

Name Name
email@xxx
xxx.xxx.xxxx

Stamp:

File name: xxmonxx_name

A2



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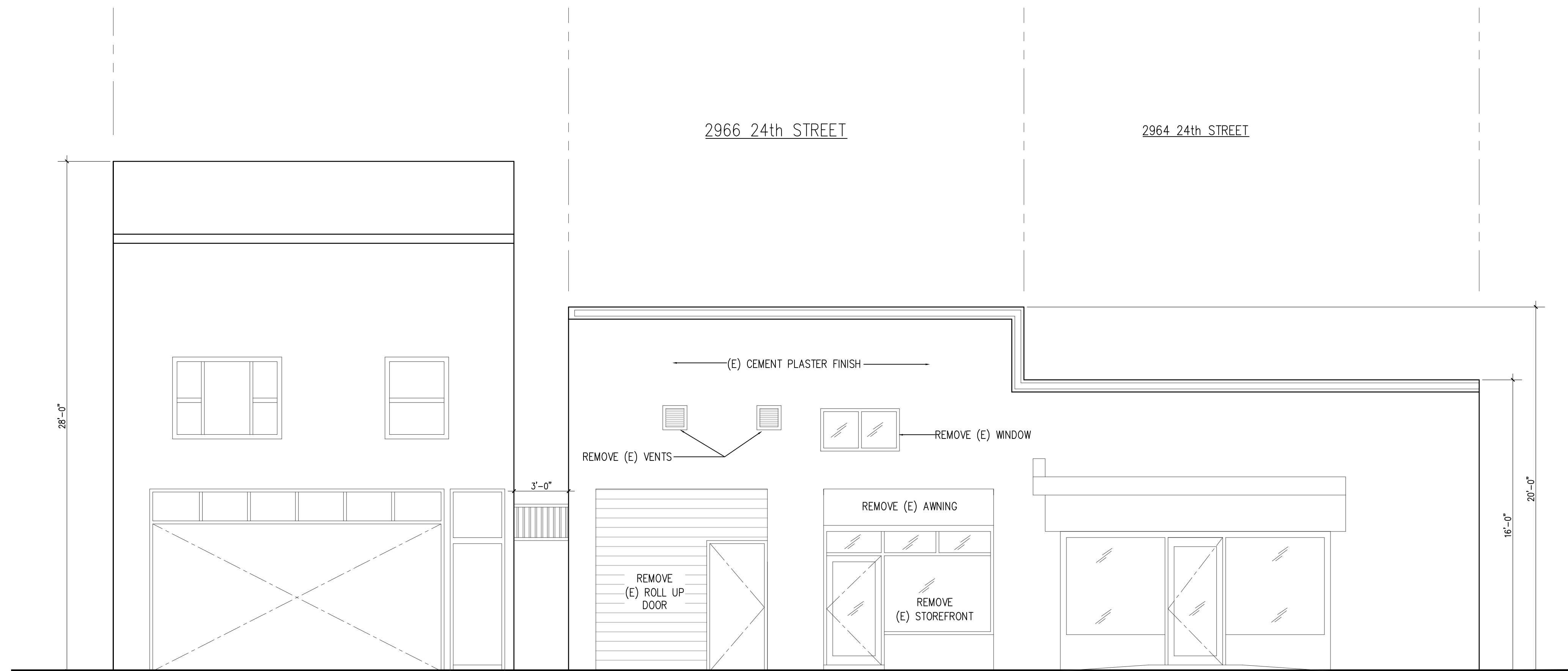
Name Name
mail@xxx
xx.xxx.xxxx

[illegible]

Date: 5/8/2018
Scale: as noted
Drawn by: DSLocicero
Chked by: DSLocicero
Job No: xxxxx

File name: xxmonxx_name

A3


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

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2966 24th STREET
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xxx.xxx.xxxx

[illegible]

Stamp:

Date: 5/8/2018
Scale: as noted
Drawn by: DSLocicero
Chked by: DSLocicero
Job No: xxxx

File name: xxmonxx_name

A4

A INSTALL (N) FIRE SPRINKLERS THROUGHOUT. PROVIDE (N) FIRE STANDPIPE.
FIRE SPRINKLERS SHALL BE METERED SEPARATELY.

B INSTALL (N) 200AMP ELECTRICAL PANEL. PROVIDE (N) ELECTRICAL
WIRING, OUTLETS, LIGHT FIXTURES THROUGHOUT.

C INSTALL (N) ROUGH PLUMBING, FIXTURES, AND FITTINGS FOR 4
HANDICAPPED ACCESSIBLE SINGLE OCCUPANT TOILET AND SHOWER
ROOMS, AND FOR THE SHARED KITCHEN.

D INSTALL (N) HVAC HEATING, AIR CONDITIONING, AND VENTILATION
SYSTEM.

E PROVIDE PAINTED FINISHES THROUGHOUT, WITH EGG-SHELL FINISH IN ALL
BEDROOMS, SEMI-GLOSS FINISH IN ALL PUBLIC AREAS, ON ALL TRIM,
DOORS, AND FRAMES. PROVIDE SEMI-GLOSS FINISH ON ALL METAL WORK

EXTEND PERIMETER WALLS UP TO SUPPORT THE NEW ROOF.
(N) ROOF: OPEN METAL TRUSSES @24" O.C. W/ 3/4" PLYWD SHEATHING,
RIGID INSULATION AND SINGLE PLY MEMBRANE ROOFING WITH CRICKETS
AS SHOWN. PROVIDE DOWN SPOUT AND OVER FLOW AT THE FRONT AND
REAR OF THE BUILDING. CONNECT DOWNSPOUTS TO STORM SEWER.
(N) 4X4 PRE-MANUFACTURED SKYLIGHT AND METAL CURB
(N) 4X6 PRE-MANUFACTURED ROOF ACCESS HATCH AND METAL CURB
NOT USED
(N) R-15 BATT INSULATION AT ALL PERIMETER WALLS
(N) 2 LAYERS OF 5/8" TYPE "X" GYP. BD AT THE EXTERIOR WALLS ON THE
PROPERTY LINES
(N) 1-HOUR FIRE RATED CORRIDOR
(N) 1-HOUR FIRE RATED EXIT PASSAGE (FOR EXIT USE ONLY)
(N) RESILIENT FLOORING THROUGHOUT
ALL (N) INTERIOR PARTITIONS SHALL HAVE 1 LAYER OF 5/8" GYP. BD. ON
BOTH SIDES OF 2X4 WD STUDS @16"O.C. PROVIDE 5/8" TYPE "X" GYP. BD
@ FIRE RATED CONDITIONS, PROVIDE 5/8" GREEN BOARD AT WET
OR DAMP CONDITIONS.
(N) BEDROOM WINDOWS SHALL BE VINYL CLAD WOOD DOUBLE PANED
WINDOWS. OPERABLE AREA SHALL EQUAL OR EXCEED 5.7 SQUARE FEET
TO ALLOW EMERGENCY EGRESS
ALL (N) EXTERIOR DOORS SHALL BE 3'X7' HOLLOW METAL AND FRAMES,
LEVER HARDWARE, AND AUTOMATIC CLOSERS.
ALL (N) INTERIOR DOORS SHALL BE 3/4HR-FIRE RATED, 3'X7' HOLLOW
METAL DOORS AND FRAMES WITH LEVER HARDWARE, AND AUTOMATIC
CLOSERS
(N) STORE FRONT DOOR SHALL BE 3'X7' METAL DOOR WITH DOUBLE
GLAZED LIGHT, ALUMINUM FRAME, LEVER HARDWARE, WITH INTERIOR
PANIC BAR, AND AUTOMATIC CLOSER.
PROVIDE PANIC BAR AT THIS DOOR
(N) STORE FRONT WINDOWS SHALL BE DOUBLE PANED, WITH ALUMINUM
FRAMES.
STAIRS SHALL BE PRE-MANUFACTURED STEEL TREADS, RISERS AND MID
LANDINGS, WITH 1-1/4" DIAMETER PIPE HANDRAILS ON BOTH SIDES WITH
18" HC EXTENSIONS AT TOP AND BOTTOM.
(N) 1/4" THICK SOLID SURFACE WALL PANELS FROM FLOOR TO 4' AFF IN
ALL TOILET ROOMS. EXTEND THE WALL PANELS TO THE CEILING AT
SHOWER WALLS.
(N) MODULAR, PRE-MANUFACTURED BASE AND WALL CABINETS AT THE
KITCHEN.
(N) PLASTIC LAMINATE FINISHED COUNTERS AT THE SHARED KITCHEN.
(N) CONCRETE PATIO
(N) 6' WOOD PRIVACY FENCE
(N) LANDSCAPING
(N) TREES



KEYED NOTES

7	8	9
10	11	14

APPLY TO BOTH FLOORS



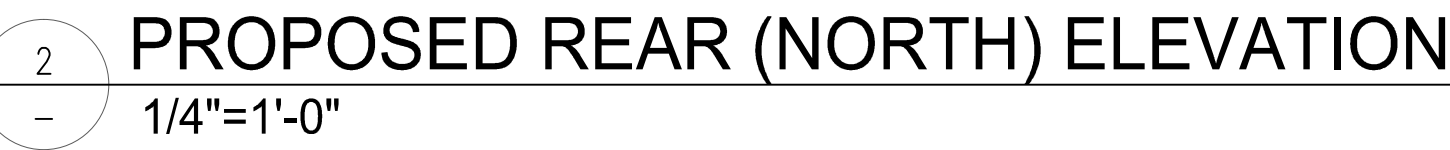
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[illegible]

File name: xxmonxx_name

A5



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PROJECT TITLE

2966 24th STREET
CITY, CA, ZIP

Name Name
email@xxx
xxx.xxx.xxxx

[illegible]

Stamp:

Date: 5/8/2018
Scale: as noted
Drawn by: DSLocicero
Chked by: DSLocicero
Job No: xxxx

File name: xxmonxx_name

SHEET TITLE

ALT. PROPOSED FLOOR PLANS

A6

Table 1

COMPARABLE BUILDING SALES

"BEFORE" Condition

Appraisal of 2966 24th Street

San Francisco, California

Location / No. APN	Sale Date	Sale Price	Bldg. SF / Land SF / FAR	Price per SF Bldg Area	Price Per SF Land Area	NOI / NOI / SF / OAR	Story Height / Construction Year Built / Parking / Zoning/Height Limit	Grantor / Grantee Document #
1 3372-3380 19th Street San Francisco APN: 3590-020A	9/17	\$1,650,000	2,500 SF 2,548 SF 98% FAR	\$660	\$648	\$76,950 \$30.78 4.66% <i>in-place</i>	1 Story / Wood Frame 1924 None NCT / 55-X	3372-3380 19th Street LLC / Mamyflore LLC #K514608
2 1798 Bryant Street San Francisco APN: 3965-010	8/17	\$3,625,000	5,250 SF 7,571 SF 69% FAR	\$690	\$479	N/A	1 Story / Masonry 1967 6 stalls UMU / 68-X	1798 Bryant Street LLC / Events Management Inc. #509202
3 2751 21st Street San Francisco APN: 4145-001	5/17	\$1,500,000	3,100 SF 3,498 SF 89% FAR	\$484	\$429	\$55,290 \$17.84 3.69% <i>in-place</i>	1 Story / Wood Frame 1926 None RM-1 / 40-X	Linda A. Banovac Trust / Douglas T. and Pearl Wong 2013 Trust #448579
4 2285-2287 Mission Street San Francisco APN: 3590-023	Listing	\$1,700,000	2,895 SF (1) 3,672 SF 79% FAR	\$587	\$463	\$74,915 \$25.88 4.41% <i>pro forma</i>	1 Story / Wood Frame 1937 None NCT / 65-B	2285 Mission Street LLC / N/A
5 1871 Mission Street San Francisco APN: 3531-049	Listing	\$1,580,000	Vacant Lot 1,994 SF N/A FAR	N/A	\$792	N/A	Vacant Lot N/A N/A PDR-1-G / 68-X	Wendy Sharp / N/A
Subject			3,250 SF 2,600 SF 125% FAR				1 Story + Mezz. / Wood Frame 1925 None NCT / 45-X	

(1) includes 480 SF cottage at rear of site.

COMPARABLE BUILDING SALES MAP - BEFORE CONDITION

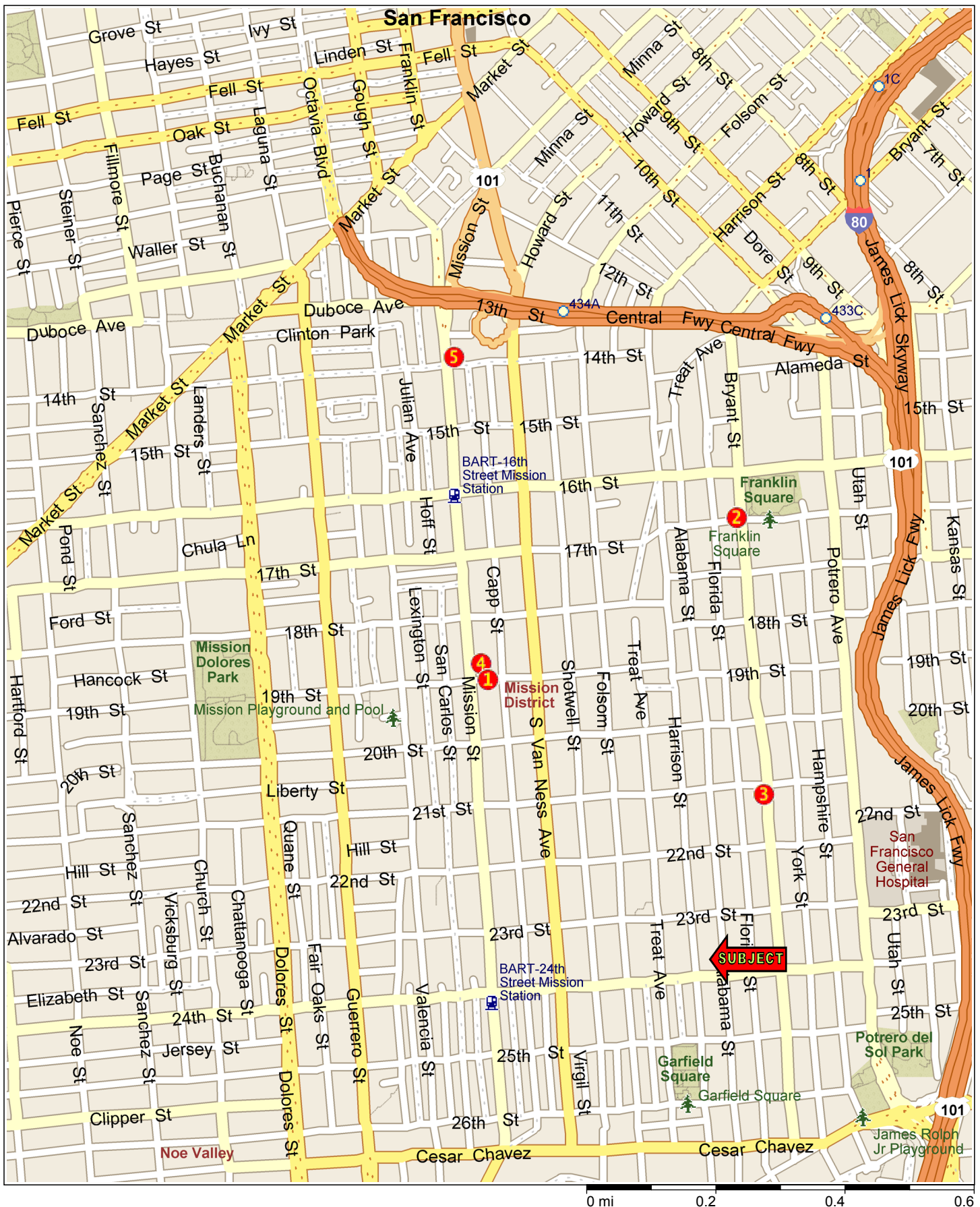


Table 2

COMPARABLE COMMERCIAL LEASES

"BEFORE" Condition

Appraisal of 2966 24th Street

San Francisco, California

# Tenant/Location	Sign Date	Size (SF) Floor	Lease Term	Annual Rent / SF		Escalations	Zoning	TI's / SF Free Rent	Comments	
1 US Hispanic Ventures 2390 Mission Street	4/18	500 SF Ground FL	2 Years	\$37.00	MG	3% Annual	NCT	As Is None	Multi-tenant retail/office building at NWC of 20th Street.	
2 Electrical Company 611 S. Van Ness Avenue	4/18	1,600 SF Ground FL	2 Years		MG	3% Annual	PDR-1-G	As Is None	Former auto parts store. Mid-block site btw 16th and 17th Streets.	
3 Westside Community Services 245 11th Street	1/17	13,024 SF Ground & 2 FL	10 Years		\$40.00 \$6.00 \$46.00	NNN Exp MG	3% Annual	WMUG	As-Is None	GF and 2nd floor of 3-story building. Leased to a mental health provider. Both floors have a kitchen and elevator access. Tenant is a non-profit organization.
4 Available 3140-3160 16th Street	Listing	10,214 SF Ground FL	Neg.		\$32.28 \$5.64 \$37.92	NNN Exp MG	Neg.	NCT	Neg. Neg.	Historic former auto repair garage. Corner building on alley. Second floor also available at same rate.
5 Available 2827 23rd Street	Listing	3,000 GF 3,000 Bsmt 600 Mezz 6,600 SF Total	Neg.		\$27.00 \$4.80 \$31.80	NNN Exp MG	Neg.	RM-1	As Is Neg.	Mixed-use building at Bryant Street. Renovated interior.
6 Available 2148 Mission Street	Listing (Expired)	5,600 SF Ground FL	Neg.		\$24.00	MG	Neg.	NCT	As Is Neg.	Corner retail building in poor condition. Broker reported build-out costs of \$300k.
Subject		2,500 GF 750 Mezz 3,250 SF Total								

Source: Runde & Partners, Inc., 18-112, June 2018

COMPARABLE COMMERCIAL LEASES MAP - BEFORE CONDITION

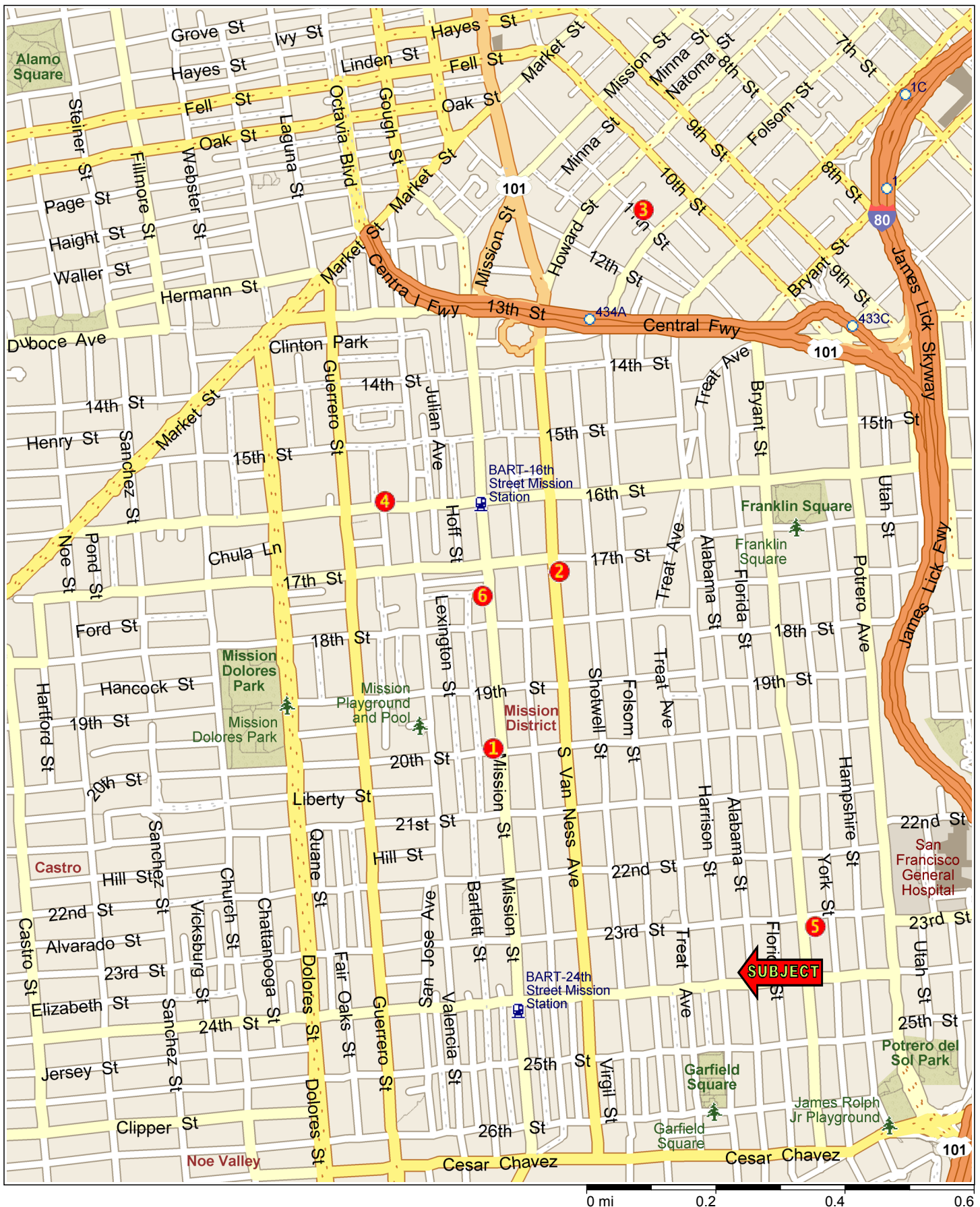


Table 3

STABILIZED INCOME STATEMENT

"BEFORE" Condition

Appraisal of 2966 24th Street
San Francisco, California

Income		Bldg SF	% SF	Monthly Rent	Annual Rent / SF	Annual Rent
Commercial	Market	3,250	100%	\$7,313	\$27.00 MG	\$87,750
Common		-	0%			\$0
Gross Rental Income		3,250		\$7,313	\$27.00 per SF/Yr.	\$87,750
Other Income						
Recoveries						\$0
Potential Gross Income						\$87,750
Less Vacancy/Bad Debt Expense			5.0%			\$4,388
Effective Gross Income					\$25.65	\$83,363
Expenses						
					per SF	Total
Energy					\$0.00	\$0
Water/Sewer					\$0.00	\$0
Trash					\$0.00	\$0
R&M					\$0.50	\$1,625
Insurance					\$1.00	\$3,250
Management					5.0%	\$4,168
					\$2.78	\$9,043
Property Taxes					1.1723%	\$16,529
Assessments						\$392
Reserves					\$0.30	\$975
Total Expenses					32.3%	\$8.29
Net Operating Income					\$17.36 per SF	\$56,423
Overall Rate						4.00%
Stabilized Value Indication						\$1,410,574
Rounded					\$434 per SF Bldg	\$1,410,000
					\$542 per SF Land	

Source: Runde & Partners, Inc., 18-112, June 2108

Table 4

COMPARABLE BUILDING SALES

"AFTER" Condition

Appraisal of 2966 24th Street

San Francisco, California

Property Identification		Sale Date	Sale Price	Room Count Bldg SF Year Built	Unit Mix	Price per Room	Price per SF	NOI NOI/SF OAR	Soft Story Status	Grantor / Grantee Doc #
#	Address				SRO Rooms Tourist Rooms Commercial Units					
1	2884-2898 Mission Street San Francisco APN: 6516-009	4/18	\$4,600,000	20 15,270 1895	20 SRO 0 Tourist 11 Com'l	\$230,000	\$301	\$174,676 \$11.44 /SF 3.80% <i>Actual</i>	Required Not Completed Tier 4	Jong G. & Sharon W. Wong / Jeries J. Azar #K599829
2	Phillips Hotel 201-215 9th Street San Francisco APN: 3729-082	3/18	\$7,600,000	33 10,748 1907	33 SRO 0 Tourist 1 Com'l	\$230,303	\$707	\$380,000 \$35.36 /SF 5.00% <i>pro forma</i>	Required Not Completed Tier 4	Proferian 9th LLC / A Star Holdings LLC #590826
3	912 Jackson Street San Francisco APN: 0180-007	12/16	\$2,140,000	24 3,330 1917	23 SRO 1 Apt 0 Com'l	\$89,167	\$643	\$81,690 \$24.53 /SF 3.82% <i>Actual</i>	Required Not Completed Tier 4	Stefan Guistino (Tr) / 912 Jackson Street LLC #388124
4	2072 Mission Street San Francisco APN: 3569-014	12/15	\$2,610,000	20 6,909 1915	16 SRO 4 Tourist 1 Com'l	\$130,500	\$378	\$182,285 \$26.38 /SF 6.98% <i>Actual</i>	Required Not Completed Tier 4	Tang Malee Trust / M3 Trust #K164574
5	3156-3158 24th Street San Francisco APN: 3641-019	12/15	\$1,770,000	7 4,560 1890	0 SRO 7 Tourist 1 Com'l	\$252,857	\$388	\$44,992 \$9.87 /SF 2.54% <i>Actual</i>	Required Not Completed Tier 4	Azar Hanna J / Viva La Mission LLC #K170255
	Subject			8 3,750 1925	8 SRO 0 Tourist 0 Com'l				Not Required	

Source; Runde & Partners, Inc., 18-112, June 2018

COMPARABLE BUILDING SALES - AFTER CONDITION

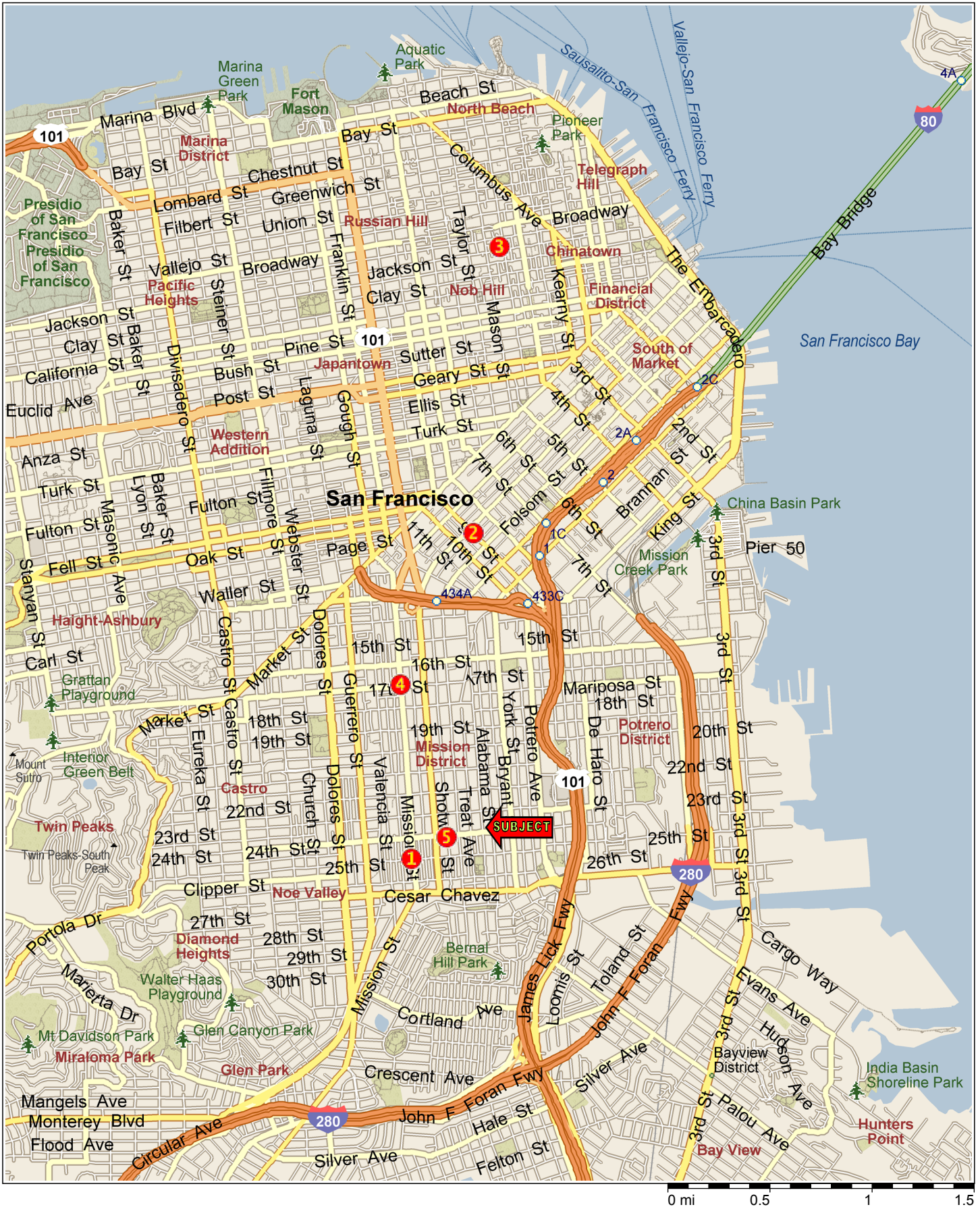


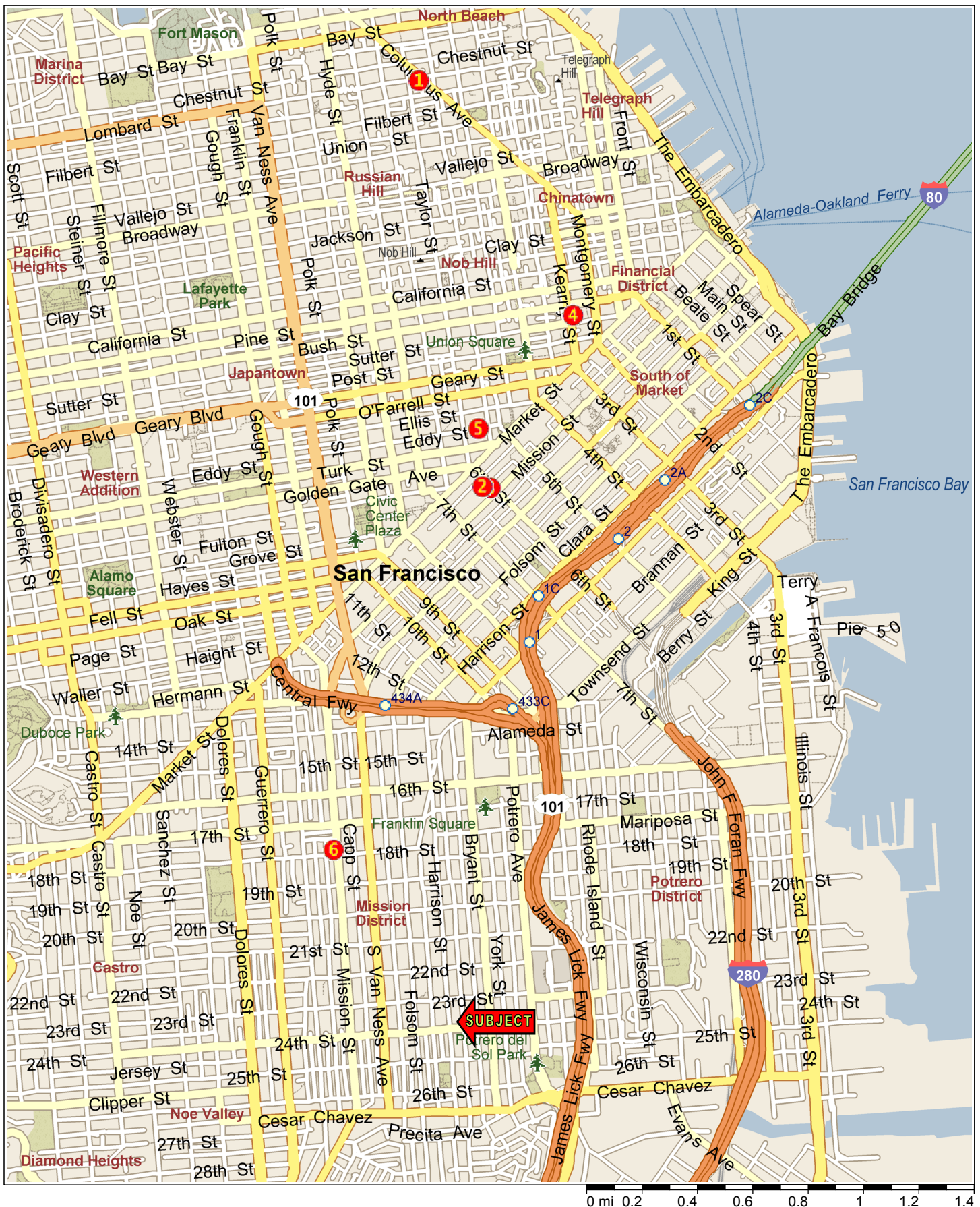
Table 5

COMPARABLE HOTEL MASTER LEASES
"AFTER" Condition
 Appraisal of 2966 24th Street
 San Francisco, California

Property Identification # Location	Lease Date	Room Count Building Area SF/Room	Monthly Rent	Rent/Room Rent/SF	Term Options	Escalations	Comments
1 Entella Hotel 905 Columbus Avenue San Francisco	9/15 <i>Renewal</i>	74 rooms 16,654 SF 225 SF/room	\$14,350 NN \$4,037 Exp. \$18,387 MG	\$248 /Room \$1.10 /SF	5 years None	Annual 3.5%	Tenant pays 50% insurance and 50% RET over 1982-83 BY, 100% utilities.
2 Confidential 6th Street Corridor San Francisco	3/15	72 rooms 17,000 SF 227 SF/room	\$65,000 MG		10 years 1 x 5 year	\$2,500/M annually	Tenant required to remodel rooms at estimated cost of \$3,000 per room. Although built as SRO, property is not on City inventory of SROs
3 Hillsdale Hotel 47-55 6th Street San Francisco	3/15 <i>Renewal</i>	80 rooms 24,150 SF 293 SF/room	\$30,584 MG		9 x 1 year options remaining	SF Rent Board's Annual Allowable Increase	Master lease was signed in March 2005, with 10 one-year options for renewal. Tenant is Episcopal Community Services who exercised 1st one year option to renew.
4 Former Stanford Hotel 250 Kearny Street San Francisco	10/14	136 rooms 61,192 SF 445 SF/room	\$161,840 MG		10 years 1 x 5 year	Annual 2%	Fully renovated property. Housing & Urban Development-Veterans Affairs Supportive Housing provides housing for homeless Veterans. Part of the City's "25 Cities Initiative".
5 Empress Hotel 144 Eddy Street San Francisco	7/14 <i>Renewal</i>	90 rooms 41,490 SF 461 SF/room	\$60,687 MG		10 years 1 x 5 year	Annual CPI; 2%-4%	Department of Public Health operating the Direct Access to Housing (DAH) program.
6 Star Hotel 2176-2180 Mission Street San Francisco	12/12 <i>Renewal</i>	54 rooms 11,600 SF 215 SF/room	\$32,363 MG		10 years 1 x 10 year remaining	Annual CPI	Renovated prior to lease. DPH is tenant.
SUBJECT		8 rooms 3,750 SF 469 SF/room					

Source: Runde & Partners, Inc., 18-112, June 2018

COMPARABLE HOTEL MASTER LEASES - AFTER CONDITION



Qualifications of Timothy P. Runde, MAI, LEED AP

California Certified General Real Estate Appraiser No. AG011358

EXPERIENCE & EDUCATION

Tim Runde, MAI, LEED AP, is the President of Runde & Partners, Inc., a full-service real estate appraisal and consulting company headquartered in San Francisco, California. Prior to forming Runde & Partners, Tim was a Partner with Carneghi and Partners, Inc. in the San Francisco office.

Tim has over 25 years of commercial real estate appraisal experience encompassing a wide range of property types, including commercial office, industrial, retail and multi-family assignments. In addition, he has developed expertise in advanced practice areas including venue valuation, condemnation, intangibles, leaseholds, and sustainable, green and high-performance buildings. He regularly provides litigation support and has served as an expert witness in a variety of settings including California Superior Court, U.S. Bankruptcy Court, arbitration, mediation and ad valorem tax appeal proceedings.

Tim received a Master of Science in Real Estate Appraisal and Investment Analysis degree from the University of Wisconsin under the direction of Dr. James Graaskamp. While studying there, he was awarded a Hollander Fellowship with the Wisconsin Housing and Economic Development Authority and worked as a project manager with a national real estate developer.

PUBLICATIONS

The Valuation of Green Commercial Real Estate (textbook), The Appraisal Institute, Chicago; 2017

The Appraisal Journal, Summer 2017, *The Role of Incentives in Green Building Valuation*

Real Property Insights, Volume 22, No. 2, 2015, *Linking Sustainable Improvements to Retail Real Estate Value*

The Appraisal Journal, Spring 2015, *Net Zero Energy Buildings: An Introduction for Valuation Professionals*

The Journal of Sustainable Real Estate (JOSRE), Volume 2, No. 1, 2010, *Integrating Sustainability and Green Building into the Appraisal Process*

TEACHING

***Appraisal Institute Instructor
Appraisal Institute Course Developer
Appraisal Institute Course Reviewer***

SPEAKING

Appraisal Institute - National

- **Appraisal Institute National Conference**
 - July 2016, Charlotte, NC – *Solar PV: Getting the Value Right*
 - July 2015, Dallas, *Green Features – Coming Soon to a Building Near You*
 - August 2014, Austin, *Valuing Net Zero Energy Buildings*
 - August 2012, San Diego, *Cracking the Code on Green Building Rating Systems*
- **Appraisal Institute Webinar**
 - October 2015, *Benchmarking Building Performance*
 - February 2015, *Valuing Net Zero Energy Buildings*

Appraisal Institute - NorCal Chapter

- **Fall Conference**; October 2017, San Francisco, *Residential & Commercial Green Market Update*
- **Fall Conference**; October 2016, San Francisco, *Valuing Commercial Solar PV*
- **Fall Conference**; October 2015, San Francisco, *Developing Green*
- **Fall Conference**; September 2014, San Francisco, *Green Building: Risks & Opportunities*
- **Spring Conference**; March 2014, Modesto, *Green Residential Issues*
- **Fall Conference**; November 2013, San Francisco, *NZE Buildings: Fantasy or Reality?*
- **Fall Conference**; November 2012, San Francisco, *New Building Trends and Technologies*
- **Fall Conference**; November 2012, San Francisco, *New Building Trends/Technologies*
- **Fall Conference**; October 2011, San Francisco, *Case Studies in Green Valuation; Appraising Green Residential Properties*
- **Fall Conference**; October 2010, San Francisco, *Sustainability – Beyond Green Building; Case Studies in Green Building Valuation*
- **Webinar**; December 2010, *Is Green the New Brown for Appraisers? 5 Lessons from the Field*
- **Quarterly Workshop**; November 2010, *Green Building Valuation*
- **GGBC Seminar**; April 2010, San Francisco, *Integrating LEED into the Appraisal Process*

Institute for Professionals in Taxation (IPT)

- **Healthcare Property and Sales Tax Seminar:** April 2012, Nashville,
 - *Case Studies in Highest and Best Use Analysis of Health Care Properties*
 - *Fundamentals of Highest and Best Use, Economic Life and Depreciation for Health Care Properties*

United States Green Building Council (USGBC)

- **Greenbuild International Conference;** November 2015, Washington DC, *An Insider's Guide to Optimizing the Value of NZE Properties*
- **Greenbuild International Conference;** November 2012, San Francisco, *Valuing LEED Buildings: Making the Most of What Matters*
- **USGBC Los Angeles Chapter Webinar;** April 2011, *Valuing Green Real Estate*

International Right of Way Association (IRWA)

- **IRWA Chapter 42 Spring Conference;** April 2016, San Jose, *Eminent Domain Issues for High-Performance Properties*

International Living Future Institute (ILFI)

- **Living Future 2015 Conference;** April 2015, Seattle, *Real Estate Finance and Appraisal*

Buildings New York

- **BuildingsNY Conference;** March 2011, New York City, *Effectively Valuing and Marketing Green Real Estate*
- **BuildingsNY Conference;** June 2010, New York City, *What We See When You Say Green*

PROFESSIONAL OUTREACH

Appraisal Institute Region 1 Representative – 2017 - 2018

Board Member – Appraisal Institute Northern California Chapter, 2016 – 2018

Conference Chair – Appraisal Institute Fall Conference, Northern California Chapter of the Appraisal Institute. 2014

Planning Committee Member – Appraisal Institute Fall Conference, Northern California Chapter of the Appraisal Institute. Served 2009 - 2017

Task Force Member, Residential Energy Conservation Ordinance, City of San Francisco Department of the Environment, 2014 -2015

Mentoring, University of Wisconsin-Madison - Wisconsin Real Estate Mentorship Program, 2013 – 2014

Article Peer Reviewer – *The Appraisal Journal* and *International Journal of Strategic Property Management*, 2013 – present

Subject Matter Expert: Valuation of Green Buildings – Background Competence, The Appraisal Foundation. Served 2012 – 2013

Expert Panelist, Department of Energy, Building America Experts Meeting – San Francisco, June 2011

PROFESSIONAL AFFILIATIONS & STATE CERTIFICATION

MAI Designation: No. 10770, Appraisal Institute

State of California Certified General Real Estate Appraiser No. AG011358

LEED Accredited Professional – BD&C, United States Green Building Council (USGBC)

Appraisal Institute Professional Development Programs

- *Valuation of the Components of a Business Enterprise*
- *Valuation of Sustainable Buildings*
- *Litigation*

June 30, 2018

William Rodriguez
308 Avalon St.
Pacifica, CA 94118
(650) 219-3426

Re: G-17 Cost of Compliance Estimate for 2966 24th St.

William Rodriguez,

The "Estimated cost of compliance" outlined in this letter is strictly presented as a rough estimated of construction costs associated with possible code issues on this project. The code issues were identified by your Architect, David Locicero. Additional code issues may exist. The estimate provided here can in no way be seen as a bare minimum cost to abate the listed code violations. Kearney & O'Banion Inc. can not provide a full and accurate cost estimate until after the Client provides an approved permit set by the governing municipal body which includes a lists of all code deficiencies identified by the municipal body along with any approved equivalencies in the municipality.

Identification of code issues¹:	Estimated cost of compliance²:
1 Does not comply with CBC 420.1 Separation Walls	\$76,630.00
2 Does not comply with CBC 430.5 and CBC 903.8 Automatic Fire Sprinklers	\$101,400.00
3 Does not comply with CBC 420.6 and CBC 907.2.11 Automatic Fire Sprinklers and Alarms Systems	Included in line 6 for CBC 1208.2
4 Does not comply with Table 1006.3.1	Included in line 6 for CBC 1208.2
5 Does not comply with CBC 1030 Emergency Egress Windows	\$30,720.00
6 Does not comply with CBC 1208.2 Ceiling Height	\$703,074.00
7 Does not comply with CBC Chapter 11A	\$177,324.00
Subtotal	= \$1,089,138.00
8 Insurance (2%)	\$21,782.76.00
Total estimated cost for compliance	= \$1,110,920.76

Regards,

Kevin M. Kearny

¹ Provided by David Locicero, project architect

² Includes the addition of Overhead (13%) & Profit (7%)