Executive Summary Condominium Conversion

HEARING DATE: JULY 30, 2020

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

Reception: **415.558.6378**

415.558.6409

Fax:

Planning

Information: **415.558.6377**

Record No.: 2019-016420CND

Project Address: 424-434 Francisco Street

Zoning: North Beach Neighborhood Commercial District (NCD) Zoning District

40-X Height and Bulk District North Beach Special Use District

Telegraph Hill - North Beach Residential Special Use District

Block/Lot: 0041/010

Project Sponsor: Kim Rohrbach

Sirkin Law

50 California Street, Suite 3400 San Francisco, CA 94111

Property Owner: Michael Barnard & Sara Michelle Plummer

Adam A. Smith Johnny Vu

Manoj Marathe and Zofia Beczek-Marathe

Sherlyn Chew Revocable Trust Larry D. Lionetti & Lena Q. Lionetti 424-426-428-432-434 Francisco Street

San Francisco, CA 94133

Staff Contact: Carolyn Fahey – (415) 575-9139

Carolyn.Fahey@sfgov.org

Recommendation: Approval with Conditions

PROJECT DESCRIPTION

Condominium Conversion, pursuant to Subdivision Code Sections 1332 and 1381, to convert a three (3)-story, six (6)-unit building into residential condominiums.

REQUIRED COMMISSION ACTION

In order for the Project to proceed, the Commission must grant a Condominium Conversion, pursuant to Subdivision Code Sections 1332 and 1381 to allow the conversion of six (6) dwelling units into residential condominiums within the North Beach NCD Zoning District. Findings must be made that the proposal is consistent with the General Plan and the Subdivision Code.

ISSUES AND OTHER CONSIDERATIONS

• **Public Comment & Outreach.** The Department has not received any letters or phone calls regarding the project.

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Executive Summary Hearing Date: July 30, 2020

• Existing Tenant & Eviction History. All units are occupied by owners who intend to purchase their units. All prospective owners have signed under penalty of perjury that no evictions have occurred on the subject property on or after May 1, 2005.

• Residential Unit Description.

Unit No.	Square Feet	Bedrooms
424	1035	3
426	1121	3
428	1181	3
430	1181	3
432	1121	3
434	1035	3

• Six-Year Rental History.

Unit No.	Duration	Occupants	Rent (\$)	Reason for Termination
424	July 2016-	Sara Michelle	Owner-	n/a
	Current	Plummer & Brian	Occupied	
		Michael Barnard		
424	Aug 2015-	Lena M. Lionetti	Owner-	Sold Unit
	June 2016		Occupied	
424	Feb 2012-	Lena M. Lionetti	\$0	n/a
	Aug 2015			
426	Feb 2012-	Adam A. Smith	Owner-	n/a
	Current		Occupied	
428	July 2019-	Vacant	n/a	n/a
	Current			
428	Oct 2015-	Rushi Bhonderi	\$5707.40	relocated
	Jun 2019			
428	Feb 2012-	Johnny Vu	Owner-	relocated
	Aug 2015		Occupied	
430	Feb 2012-	Manoj Marathe, Zofia	Owner-	n/a
	Current	Beczek-Marathe	Occupied	
432	Feb 2012-	Sherlyn Chew	Owner-	n/a
	Current		Occupied	
434	May 2016-	Angela Lionetti	\$0	n/a
	Current			
434	Mar 2012-	Ashley Pantuliano,	\$4,000	Wanted larger unit
	Apr 2016	Marcello Pantuliano		

ENVIRONMENTAL REVIEW

The project was determined not to be a project under CEQA Statue and Guidelines, Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment.

RECORD NO. 2019-016420CND 424-434 Francisco Street

Executive Summary Hearing Date: July 30, 2020

BASIS FOR RECOMMENDATION

The Department finds that the Project is, on balance, consistent with the Housing Element of the General Plan in that the existing housing supply will be maintained, the condominium application is subject to the restrictions of the Subdivision Code, and the condominium conversion will allow for homeowernship opportunites for San Francisco residents. Additionally, the eight priority policies set forth by Planning Code Section 101.1 are met. Furthermore, the project meets the requirements for condominium conversion under the California State Map Act and the San Francisco Subdivision Code.

ATTACHMENTS:

Draft Motion – Condominium Conversion with Conditions of Approval Exhibit B – Maps and Context Photos Exhibit C – Project Sponsor Submittal

Planning Commission Draft Motion

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Property Owner: Adam Smith

Johnny Vu

Brian Michael Barnard and Sarah Michelle Plummer

Sheryl Chew Revocable Trust

Larry D. Lionetti and Lena Q. Lionetti

Pensco Trust Company

424-426-428-432-434 Francisco Street

San Francisco, CA 94133

Staff Contact: Carolyn Fahey – (415) 575-9139

Carolyn.Fahey@sfgov.org

ADOPTING FINDINGS RELATING TO A CONDOMINIUM CONVERSION SUBDIVISION OF A THREE-STORY, SIX-UNIT BUILDING INTO RESIDENTIAL CONDOMINIUMS, PURSUANT TO THE GENERAL PLAN AND SUBDIVISION CODE SECTIONS 1386 AND 1396.4, WITHIN AN NCD (NORTH BEACH NEIGHBORHOOD COMMERCIAL) ZONING DISTRICT AND A 40-X HEIGHT AND BULK DISTRICT.

PREAMBLE

On August 28, 2019, Sirkin Law, (hereinafter "Project Sponsor") filed Application No. 10119 (hereinafter "Project") with the Department of Public Works, Bureau of Street Use and Mapping for Planning Department (hereinafter "Department") review to allow the Condominium Conversion Subdivision of a three-story, six-unit building into residential condominiums at 424-434 Francisco Street (hereinafter "Project Site"), Lot 010 in Assessor's Block 0041, within an NCD (North Beach Neighborhood Commercial) Zoning District and a 40-X Height and Bulk District. The subject building is considered a legal use as the Report of Residential Building Record indicates that the legal authorized occupancy and use is a six-unit dwelling.

The project was determined not to be a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment.

On July 30, 2020, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Condominium Conversion Subdivision Application No. 2019-016420CND.

The Planning Department Commission Secretary is the custodian of records; the File for Case No. 2019-016420CND is located at 1650 Mission Street, Suite 400, San Francisco, California.

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

MOVED, that the Commission hereby approves the Condominium Conversion Subdivision requested in Application No. 2019-016420CND based on the following findings:

FINDINGS

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

- 1. The above recitals are accurate and constitute findings of this Commission.
- 2. **Project Description.** The Project proposes the conversion of a three (3)-story building with six (6) dwelling units to residential condominiums.
- 3. **Site Description and Present Use.** The Project Site is located on the north side of Francisco Street in the North Beach neighborhood between Powell and Mason Streets. The lot contains a three (3)-story building with six (6) dwelling units. The Project Site is located within an NCD (North Beach Neighborhood Commercial) Zoning District and a 40-X Height & Bulk District.
- 4. Surrounding Properties and Neighborhood. The Project Site is located within a Neighborhood Commercial Zoning District and the North Beach neighborhood. The surrounding properties, and neighborhood as a whole, are zoned for a mixture of residential and commercial uses. The neighborhood is characterized by three- and four-story buildings containing ground floor, street-facing commercial uses, with residential dwelling units above. There is an inconsistent pattern of rear yard open space, with a majority of buildings built at or near property lines, and with a similarly inconsistent pattern of open space provision via balconies and roof decks.
- 5. **Public Outreach and Comments.** The Department has not received any letters or phone calls in support of, or in opposition to the project.

6. Subdivision Code Compliance

- **a.** Section 1396, Article 9 of the Subdivision Code of the City and County of San Francisco sets forth the following rules and regulations for condominium conversions:
 - A. Units may be converted to condominiums so long as they meet the requirements of the Expedited Conversion Program per the Subdivision Code. An exception is provided for two-unit buildings where both units are owner-occupied for one year.
 - B. The following categories of buildings may be converted to condominiums:
 - i. Buildings consisting of four units or less in which at least one of the units has been occupied continuously by one of the owners of record for six years prior to the annual April 15th triggering date for conversions and owners of record had a fully executed agreement for an exclusive right of occupancy on or before April 15, 2013.
 - ii. Buildings consisting of six units or less in which at least three of the units have been occupied continuously by three of the owners of record for six years prior to the annual April 15th triggering date for conversion and the owners of record had a fully executed agreement for an exclusive right of occupancy on or before April 15, 2013.

The Subdivision Code requires that the Planning Commission hold a public hearing to review condominium conversion subdivisions containing five to six units for consistency with the General Plan and applicable provisions of the Subdivision Code where at least one unit is residential. The Code calls for a sales program which promotes affirmative action in housing, a non-transferable tenant right of first-refusal to purchase the unit occupied by the tenant and various relocation requirements, including the right to a \$1,000 relocation payment.

The Subdivision Code further provides for a recorded offer of a lifetime lease for all tenants as a condition of final map approval, and requires that no less than 40 percent of the units as represented through the owning or renting tenant of each unit either have signed Intent to Purchase forms or be in a position of accepting the offer for such a lifetime lease. The Code prohibits any increase in rents while the conversion application is pending before the City.

Section 1386, Article 9 of the Subdivision Code of the City and County of San Francisco requires that the Planning Commission disapprove the Tentative Map if it determines that vacancies in the project have been increased, elderly or permanently disabled tenants have been displaced or discriminated against in leasing units, evictions have occurred for the purpose of preparing the building for conversion, or the subdivider has knowingly submitted incorrect information (to mislead or misdirect efforts by agencies of the City in the administration of the Subdivision Code).

In the evaluation of displacement of elderly tenants, the Commission shall consider any such displacements over the preceding three years and the reasons for the displacement.

- b. The applicant requests Planning Department review of a Condominium Conversion Subdivision Application to allow for the conversion of the multi-unit building.
- c. As required by Section 1396.4 of the San Francisco Subdivision Code, at least three of the units have been owner occupied continuously by one or more of the owners of record for six years prior to the annual April 15 triggering date for this proposed conversion and the owners of record had a fully executed agreement for an exclusive right of occupancy on or before April 15, 2013.
- d. Tenants in the subject building were notified of their right-of-first refusal to purchase the unit they occupy, as required by the Subdivision Code, and of other rights to which they are entitled under provisions of the same Code.
- e. A search of the Rent Board database did not show any tenant petitions or eviction notices filed with the Rent Board in the last 5 years.
- 7. **General Plan Compliance.** The Project is, on balance, consistent with the 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 2.4:

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

Property owners are required to correct outstanding code violations identified in a Physical Inspection Report issued by the Department of Building Inspection (DBI). All work must be completed and a DBI Certificate of Final Completion must be issued prior to DPW approval.

OBJECTIVE 3:

PROTECT THE AFFORD ABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS.

Policy 3.3:

Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.

Conversions of rental stock to condominiums help achieve affordable homeownership, providing a category of housing stock for moderate income housing needs. Through the Expedited Conversion Program, properties are eligible to convert from rental units to ownership status so long as owner-occupancy requirements are met.

- 8. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:
 - A. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced.
 - The proposal would have no adverse effect upon existing neighborhood-serving retail uses as it is a change in form of residential tenure.
 - B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.
 - The proposal is a change in form of residential tenure and would not alter the existing housing and neighborhood character of the vicinity.
 - C. That the City's supply of affordable housing be preserved and enhanced,
 - The proposal is a change in form of residential tenure, and would not affect the City's supply of affordable housing.
 - D. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.
 - The proposal is a change in form of residential tenure and would not affect public transit or neighborhood parking.
 - E. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

The proposal is a change in form of residential tenure and would not involve the industrial or service sectors of the City.

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

The proposal is subject to inspection by the Department of Building Inspection and will be required to make any code required repairs, including those related to life safety issues, prior to the recordation of the final condominium subdivision map.

G. That landmarks and historic buildings be preserved.

The proposal is a change in form of residential tenure and would not affect landmarks or historic buildings.

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

The proposal is a change in form of residential tenure and would not affect public parks or open space.

- 9. 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.
- 10. The Commission hereby finds that approval of the Condominium Conversion Subdivision 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 Condominium Conversion Subdivision Application No. 2019-016420CND.**

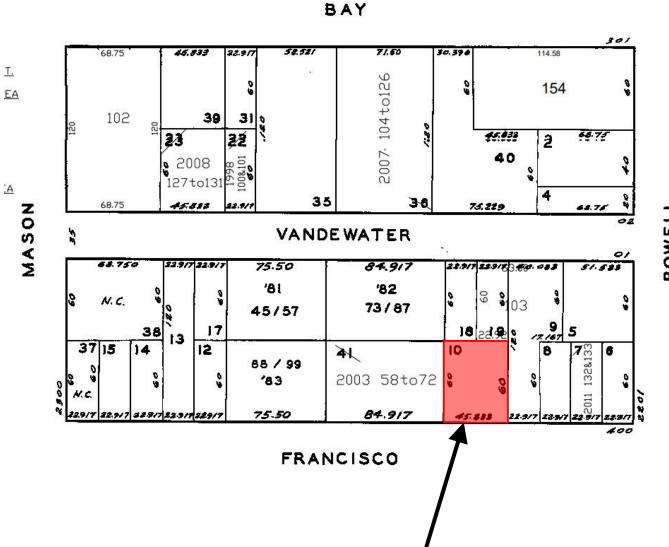
Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and 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 30, 2020.

Jonas P. Ionin					
Commission Secretary					
AYES:					
NAYS:					
ABSENT:					
ADOPTED:	July 30, 2020				

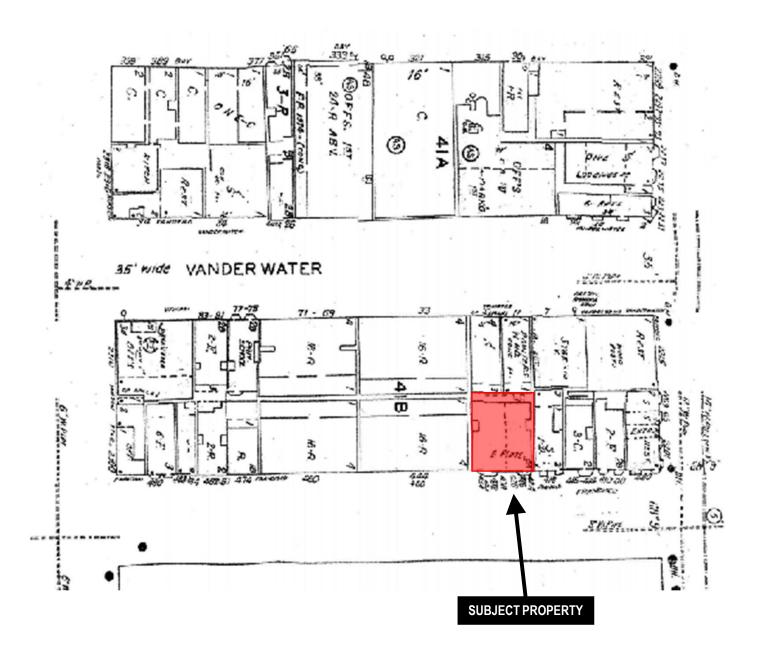
Parcel Map



SUBJECT PROPERTY



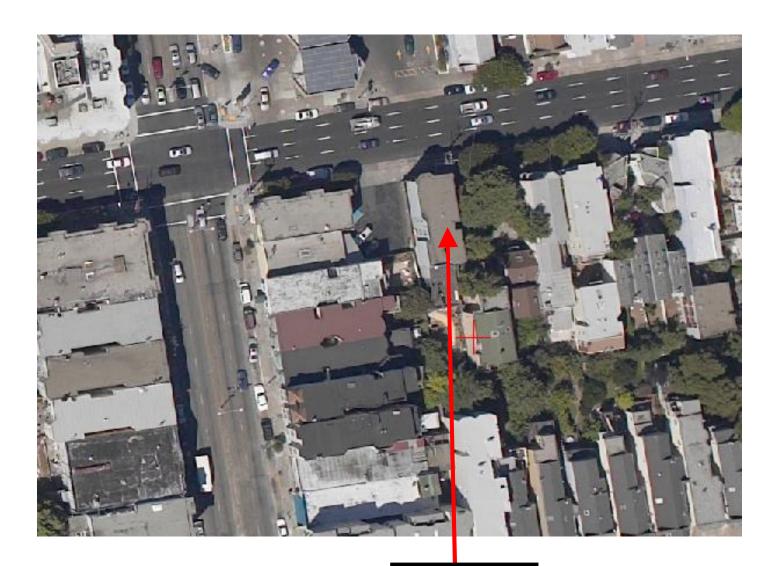
Sanborn Map*



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



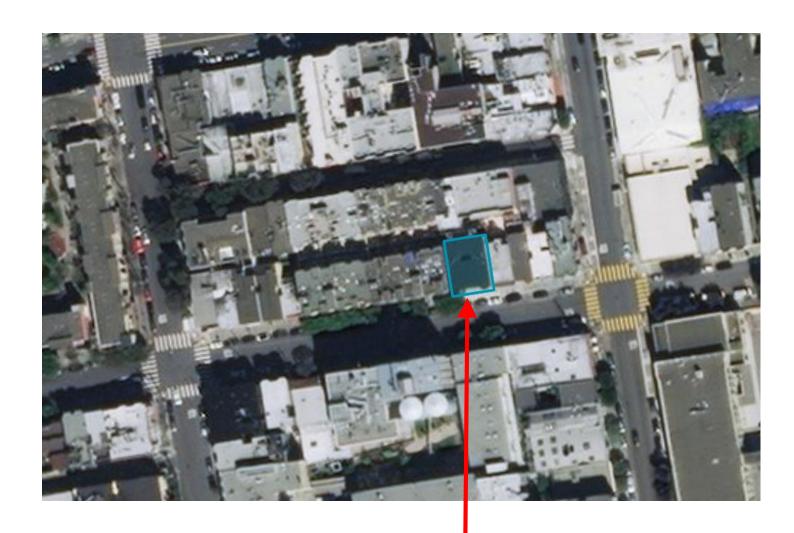
Aerial Photo - View 1



SUBJECT PROPERTY



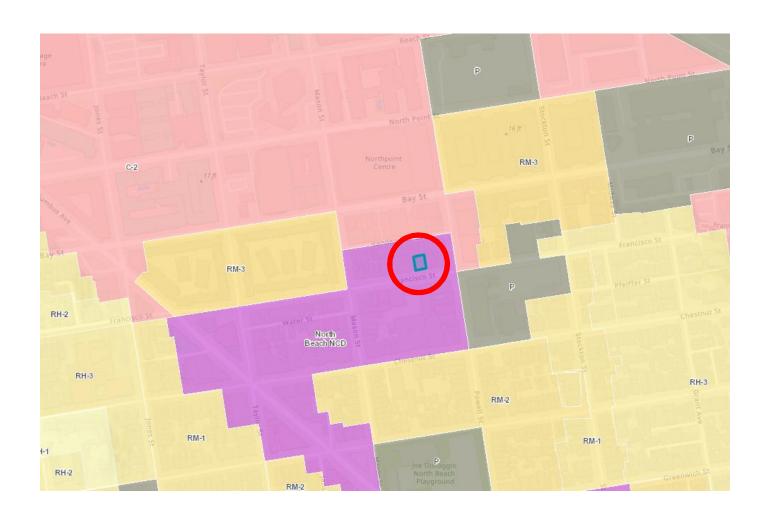
Aerial Photo – View 3



SUBJECT PROPERTY



Zoning Map



Site Photo



Condominium Conversion **Case Number 2019-016420CND**424-434 Francisco Street



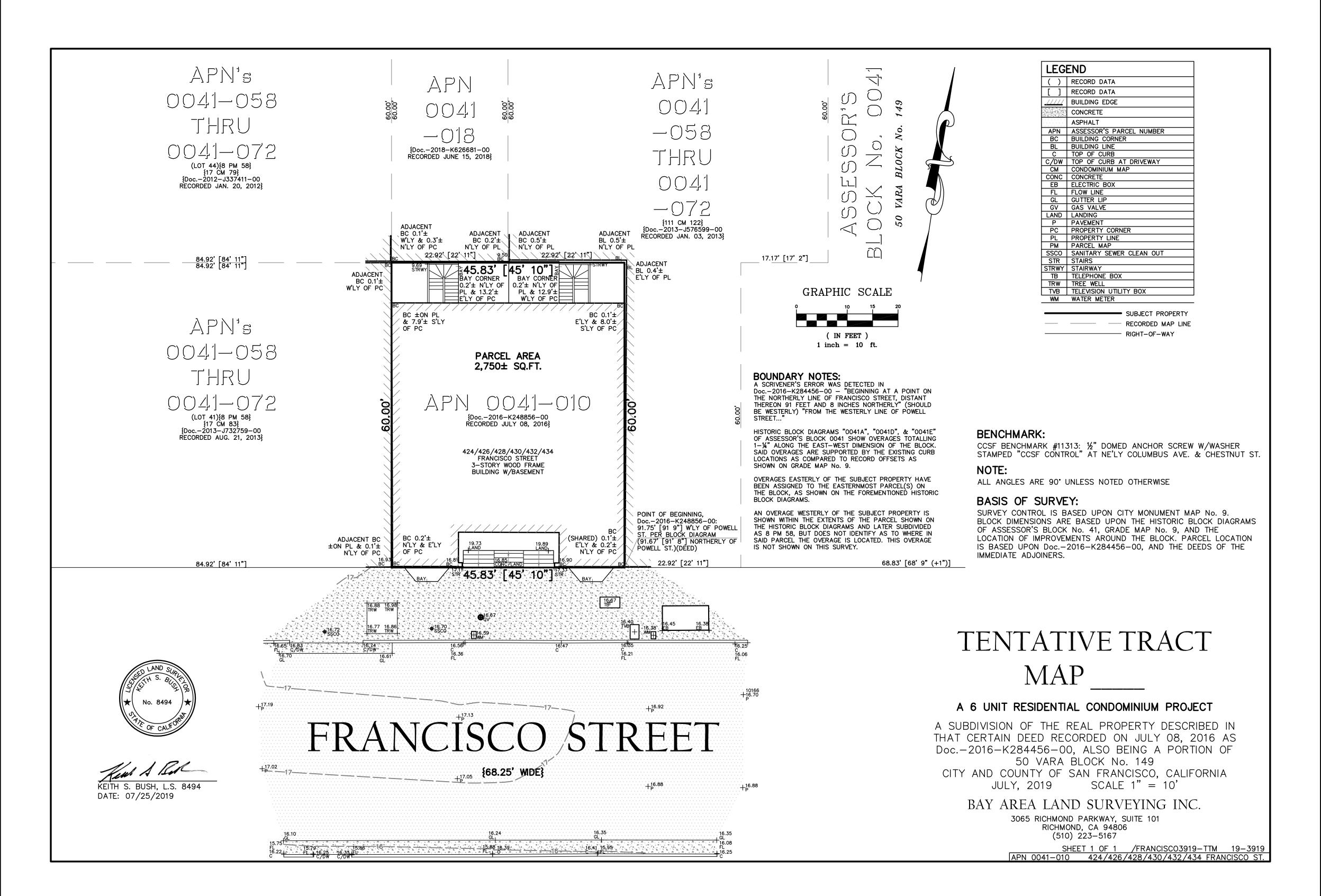
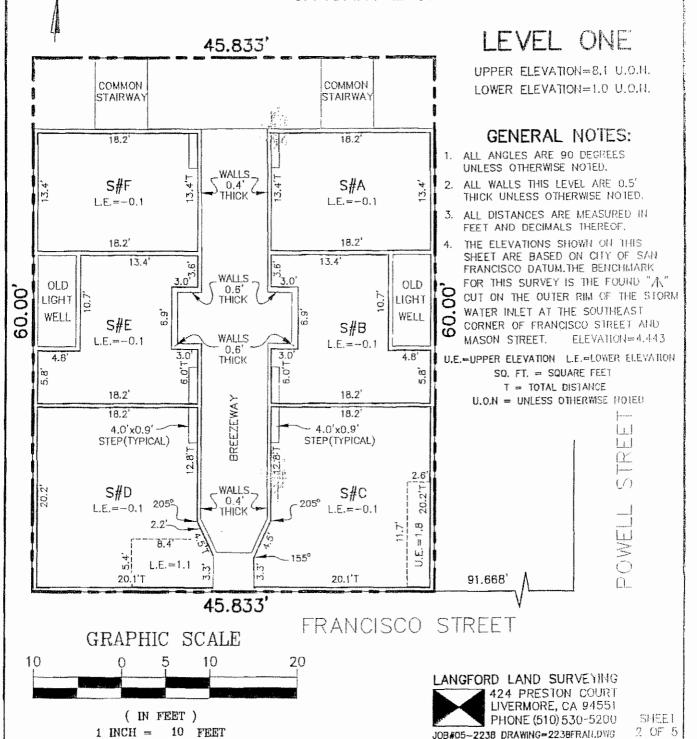


EXHIBIT "A" TO THE TENANCY IN COMMON AGREEMENT OF 424, 426, 428, 430, 432 AND 434 FRANCISCO STREET SAN FRANCISCO, CALIFORNIA

BEING THAT PARCEL DESCRIBED IN REEL | 615, IMAGE 454
OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA
ALSO BEING LOT 41 OF ASSESSOR'S BLOCK 10



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EXHIBIT "A" TO THE TENANCY IN COMMON AGREEMENT OF 424, 426, 428, 430, 432 AND 434 FRANCISCO STREET SAN FRANCISCO, CALIFORNIA

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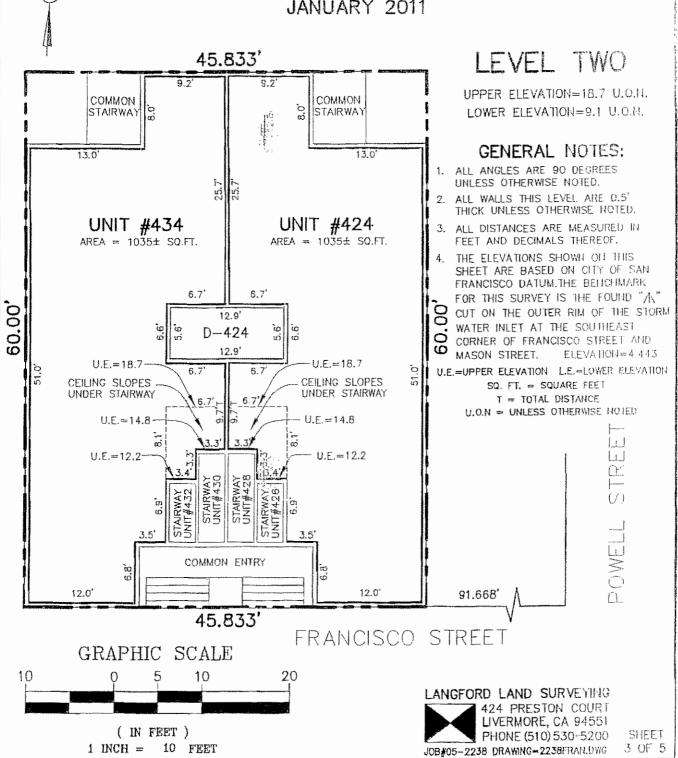


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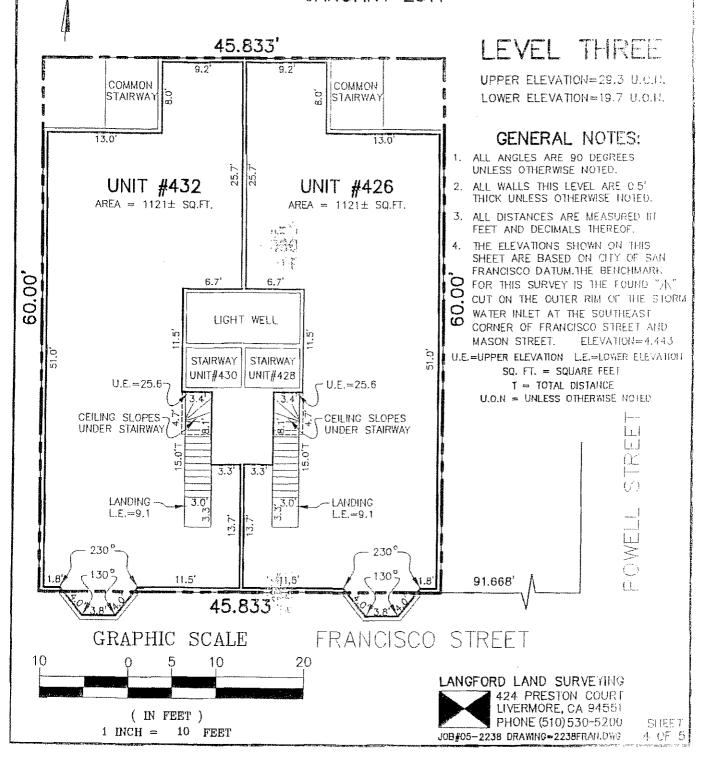


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