



# SAN FRANCISCO PLANNING DEPARTMENT

*Subject to: (Select only if applicable)*

- Affordable Housing (Sec. 415)
- Jobs Housing Linkage Program (Sec. 413)
- Downtown Park Fee (Sec. 412)
- First Source Hiring (Admin. Code)
- Child Care Requirement (Sec. 414)
- Other

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

## Planning Commission Motion No. 20132

HEARING DATE: MARCH 8, 2018

*Case No.:* 2017-013609CND  
*Project Address:* 668-678 PAGE STREET  
*Zoning:* RH-3 (Residential-House, Three Family) District  
 40-X Height and Bulk District  
*Block/Lot:* 0843 / 015  
*Project Sponsor:* Rosemarie MacGuinness  
 388 Market Street, Suite 1300  
 San Francisco, CA 94111  
*Staff Contact:* David Weissglass – (415) 575-9177  
[david.weissglass@sfgov.org](mailto:david.weissglass@sfgov.org)

**ADOPTING FINDINGS RELATING TO THE DISAPPROVAL OF A CONDOMINIUM CONVERSION SUBDIVISION OF A THREE-STORY-OVER-GARAGE, SIX-UNIT BUILDING INTO RESIDENTIAL CONDOMINIUMS, PURSUANT TO THE GENERAL PLAN AND SUBDIVISION CODE SECTIONS 1386 AND 1396.4, WITHIN A RH-3 (RESIDENTIAL-HOUSE, THREE FAMILY) ZONING DISTRICT AND A 40-X HEIGHT AND BULK DISTRICT.**

### PREAMBLE

On September 25, 2017, Rosemarie MacGuinness (hereinafter "Project Sponsor") filed an application with the Department of Public Works, Bureau of Street Use and Mapping for Planning Department review to allow the Condominium Conversion Subdivision of a three-story-over-garage, six-unit building into residential condominiums within a RH-3 (Residential-House, Three Family) 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.

On January 11, 2018, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Condominium Conversion Subdivision Application No. 2017-013609CND. At the hearing, the Project was presented to the Commission, public testimony was heard, and after consideration, the Commission adopted a motion of intent to deny the

project and continued the matter to February 1, 2018. At the February 1, 2018 hearing, the Commission further continued the matter to March 8, 2018.

Section 1396.4, 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 Section 1396.4. 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 15 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.
  - ii. Buildings consisting of five or six units 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 15 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.

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.

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

**MOVED**, that the Commission hereby disapproves the Condominium Conversion Subdivision requested in Application No. 2017-013609CND 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. The applicant requests Planning Department review of a Condominium Conversion Subdivision Application to allow for the conversion of the multi-unit building.
3. 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.
4. 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.
5. A search of the Rent Board database did not show any tenant petitions or no-fault eviction notices filed with the Rent Board in the last 5 years. However, a San Francisco County Sheriff did remove the belongings of Iris Canada, an elderly woman occupying the unit at 670 Page Street, on February 10, 2017.
6. The Project is inconsistent with the requirements set forth in Section 1386, Article 9 of the San Francisco Subdivision Code, as follows:
  - a. Iris Canada was an elderly woman who had resided at 670 Page Street for a number of years before her displacement on February 10, 2017. After reaching an agreement in which Ms. Canada was granted a Life Estate in 2005, the subdivider alleged in 2016 that Ms. Canada had broken the terms of the Life Estate by failing to permanently reside at 670 Page Street and ordered that she vacate the unit. Later that year, The Superior Court of California granted Ms. Canada relief and allowed her to remain in the unit, but



required that she pay Plaintiffs' attorney fees. Ms. Canada was unable to make such payment, and was thereafter displaced from 670 Page Street on February 10, 2017, when her items were removed from the unit by a San Francisco County Sheriff and the locks were changed.

- b. Iris Canada's displacement occurred on February 10, 2017 for the purpose of preparing the building for conversion. While this was not a "no-fault" eviction as determined by the Rent Board, the Planning Commission may consider this information as part of its review of the application and as provided in Subdivision Code Section 1386. The initial Notice to Vacate issued by the Sheriff's Department specifically notes that 670 Page Street is the "Eviction Address."
  - c. The subdivider submitted incorrect information to the City and County of San Francisco. A Discretionary Review application (2012.0909D), filed with the Planning Department on July 2, 2014 by the occupant of 678 Page Street, specifically mentions Iris Canada as the current occupant of 670 Page Street. This information is inconsistent with the building history listed on "Form 1" of the subdivider's application to the Department of Public Works, which states that 670 Page Street was "vacant" from November 2012-January 2017.
  - d. While the Court may have determined that Ms. Canada was no longer entitled to a life estate under the specific terms of a private agreement, there is evidence showing that she continued to be a tenant of the unit until February 10, 2017.
  - e. Based on the information stated above as well as in the record, the Commission finds that this application violates Subdivision Code Section 1386 for four separate and independent reasons: (i) vacancies in the project have been increased, (ii) an elderly tenant has been displaced from her unit within three years preceding the application date for the condominium conversion, (iii) an eviction or its equivalent occurred for purposes of preparing the building for conversions; and (iv) the subdivider has knowingly submitted incorrect information that mislead and misdirected efforts by agencies of the City in the administration of the Subdivision Code.
7. On balance, the Project is inconsistent with the Objectives and Policies of the General Plan, as follows:

## **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 AFFORDABILITY 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 can help achieve affordable homeownership, providing a category of housing stock for moderate income housing needs. Property owners must achieve this conversion through one of the City's conversion programs, such as the Expedited Conversion Program. The Expedited Conversion Program allows property owners to apply to convert their units into condominiums provided they adhere to the strict standards of the program, including but not limited to restrictions on displacement of or discrimination against elderly or permanently disabled tenants, evicting tenants for the purposes of preparing the property for conversion, and providing incorrect or incomplete information in application documents. By increasing vacancies in the building, displacing an elderly tenant, having an eviction or its equivalent occur for the purpose of preparing the building for conversion and submitting incorrect or incomplete information to the agencies of the City and County of San Francisco, the subdivider has failed to achieve the standards set for such conversion. Therefore, this project does not meet the goals of Policy 3.3.*

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 not 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. However, the economic diversity of the neighborhood would*

*likely be altered as a result of the Project, as a conversion of units from rental to ownership may affect who occupies the units, thus resulting in a less economically diverse neighborhood and City.*

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

*No housing would be removed for this project, but eviction or its equivalent of a long-term elderly resident in order to convert to a higher value form of housing is not in keeping with the City's goal of maintaining affordable housing. While the maintaining of a certain class of housing available for ownership opportunity is important, the eviction of a long-term tenant does not satisfy the City's goals of protecting tenants of rental units or ensuring that more affordable rental units are available to residents.*

- 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 inconsistent with and would not promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed and proposed, and given the actions of

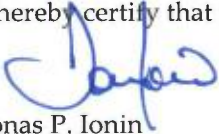
the subdividers, the Project would not contribute to the character and stability of the neighborhood and would not constitute a beneficial development.

10. The Commission hereby finds that approval of the Condominium Conversion Subdivision would not promote the health, safety and welfare of the City.

**DECISION**

That based upon the Record, the submissions by the Applicant, Department staff 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 applicants' violation of Subdivision Code Section 1386, and the proposed subdivision's inconsistency with the General Plan and priority policies 2 and 3. the Commission hereby **DISAPPROVES Condominium Conversion Subdivision Application No. 2017-013609CND.**

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on March 8, 2018.



Jonas P. Ionin  
Commission Secretary

AYES: Hillis, Melgar, Fong, Johnson, Koppel, Moore, Richards

NAYS: None

ABSENT: None

ADOPTED: March 8, 2018