

**BUILDING INSPECTION COMMISSION (BIC)
Department of Building Inspection (DBI)**

REGULAR MEETING

Wednesday, March 19, 2025 at 10:30 a.m.

City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416

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PUBLIC COMMENT CALL-IN: 1-415-655-0001 / Access Code: 2669 471 5973

ADOPTED APRIL 16, 2025

MINUTES

1. Call to Order and Roll Call.

The regular meeting of the Building Inspection Commission was called to order at 10:43 a.m., and a quorum was certified.

COMMISSION MEMBERS PRESENT:

Alysabeth Alexander-Tut, **President**
Evita Chavez, **Commissioner, Excused**
Catherine Meng, **Commissioner**
Bianca Neumann, **Commissioner**
Kavin Williams, **Commissioner**

Sonya Harris, **Secretary**
Monique Mustapha, **Assistant Secretary**

D.B.I. REPRESENTATIVES:

Patrick O’Riordan, **Director**
Christine Gasparac, **Assistant Director**
Matthew Greene, **Deputy Director, Inspection Services**
Mary Wilkinson-Church, **Acting Deputy Director, Permit Services**
Alex Koskinen, **Deputy Director, Administrative Services**
Tate Hanna, **Legislative & Public Affairs Manager**

CITY ATTORNEY REPRESENTATIVE:

Robb Kapla, **Deputy City Attorney**

2. President’s opening remarks.

President Alexander-Tut stated the following:

The bulk of the hearing would be regarding hearings on the Residential Hotel Amortization applications. There would be General Public Comment, and the Commission has received but would not be hearing the Director's Report items. The BIC would be taking a five minute break every 90 minutes, but they would not interrupt any particular case. The Commission would hear the end of a case if it occurs within the 90-minute period, and then take a break. She stated that everyone had to leave the room by 1:30 p.m. President Alexander-Tut recognized the public attention around Tesla having operated for years in San Francisco without the project permits. She thanked the Director for taking action on this and said the Commission could not talk about the issue at this hearing, but they look forward to having an update in April or May.

3. General Public Comment: The BIC will take public comment on matters within the Commission's jurisdiction that are not part of this agenda.

Mr. Jerry Dratler submitted a statement along with his presentation as follows:

Mr. Dratler handed out a PowerPoint presentation on the \$2.3 million of unpermitted work at the Tesla showroom at 999 Van Ness Avenue. The 2015 \$1 million tenant improvement permit, and the 2016 \$1.3 million mechanical permit were null and void three years after they were issued.

Mr. Dratler stated the Notice of Violation (NOV) issued by DBI should not allow the property owner to submit a commencement permit because the two permits do not meet the building code criteria for a commencement permit. Work had commenced on each building permit and more than one year had elapsed since the expiration of the building permits. DBI should issue a corrected NOV.

The last recorded DBI inspection of 999 Van Ness Avenue was in August of 2016. Mr. Dratler stated the permits were recently expired by DBI without a field inspection and asked if the building posed a life safety liability.

Mr. Chris Schroeder submitted a statement along with his presentation as follows:

Former Building Inspector Chris Schroeder presented a PowerPoint slide identifying the root causes of why DBI failed to expire the \$1 million tenant improvement and \$1.3 million mechanical permits at the Tesla showroom at 999 Van Ness Avenue three years after they became null and void under the building code.

Mr. Schroeder asked the BIC why the building permits were expired without an inspector site visit and why DBI waits for property owners to schedule final permit inspections of expired or expiring building permits?

Mr. Schroeder also asked why building permits in the DBI PTS system do not auto expire like plumbing permits and why DBI's data analysts do not generate red flag reports of building permits that have or will expire.

Mr. Schroeder emphasized that DBI needs to be proactive and Director O'Riordan's claim the PTS system was a barrier to expiring the two building permits is invalid.

4. [Submitted Reports] Director's Report.

a. Director's Update [Director O'Riordan]

Director O’Riordan made the following points:

- DBI has instituted a new, comprehensive building permit and application report for In-House Review permit applications.
- This shift is the result of months of planning and collaboration and represents the next step our digital transformation. We now provide one comprehensive, well-organized digital building permit document with all the critical information about a project and permit application including project scope, plan review comments, expiration date and fees paid.
- This document is initially provided at intake as a report to help the applicant track and understand the permit process and then, once the project is approved, the report will be issued to the customer as their building permit.
- The new form has been well-received by our customers and we plan to make additional refinements to this part of the process in the coming months.
- I’d like to touch upon an issue that was featured in the San Francisco Chronicle earlier this week.
- About eight years ago, the property owner for an auto showroom on Van Ness failed to call for their final inspection after a renovation. There was no immediate safety concern but there were also a number of special inspection reports that hadn’t been submitted either.
- Once alerted to the situation, we issued notices of violations and expect the matter to be addressed shortly.
- This incident really highlights the need to replace our antique permit tracking system, a priority I know you share.
- Replacing PTS is on the to-do list for the PermitSF team and I expect to share more about our progress in scoping a replacement system in the next month or so.

b. Update on major projects.

Major projects are those with valuation of \$5 million or greater filed, issued, or completed for the month of February 2025.

Major projects with permits filed

- 3 issued
- \$90.2 million in valuation
- 101 net units

c. Major projects with permits issued.

- 5 issued
- \$90.5 million in valuation
- 120 net units

Major projects with Certificate of Occupancy

- 13 completed
- \$168.8 million in valuation
- 105 net units

c. Update on proposed or recently enacted State or local legislation.

Legislative & Public Affairs Manager Tate Hanna submitted a presentation with the following information:

- **File No. 250191:** This Ordinance was introduced on February 25, 2025 and referred the BIC for review.
- **File No. 250211:** This Ordinance was introduced on March 4, 2025. On March 11, 2025 the Structural Subcommittee unanimously recommended approval of the Ordinance, with minor modifications. On March 12, 2025 the Code Advisory Committee (CAC) reviewed the Ordinance, but requested additional time to propose amendments.
- **File No. 241069:** This Ordinance was introduced on October 29, 2024 and referred to the BIC for review. On February 27, 2025 the Planning Commission provided a recommendation of approval.
- **File No. 241005:** This Ordinance was introduced on October 15, 2024. On November 13, 2024, the Administrative and General Design & Disability Access Subcommittee met and unanimously recommended approval of the ordinance. The CAC then reviewed the Ordinance across two meetings and took no action, requesting additional information on the Ordinance in their next meeting. The Structural Subcommittee, the Administrative & General Design and Disability Access Subcommittee, and the CAC met the week of January 6 and all recommended unanimous approval of the Ordinance with the Department's proposed amendments. The BIC reviewed the Ordinance on January 15, 2025 and unanimously recommended approval.
- **File No. 240982:** This Ordinance was introduced on October 8, 2024. The CAC did not recommend approval of the Ordinance by a vote of 10-2. The BIC reviewed the Ordinance on November 20, 2024 and voted 4-2 in favor of recommending approval of the Ordinance. On February 10, 2025, the Land Use and Transportation Committee reviewed the Ordinance, passing the measure unanimously. The Board of Supervisors head the Ordinance on February 25, 2025 and March 4, 2025 and unanimously approved the Ordinance. The Ordinance was pending Mayoral signature.
- **File No. 241067:** This Ordinance was introduced on October 29, 2024. On November 13, 2024 the Administrative and General Design & Disability Access Subcommittee and the CAC reviewed the Ordinance and both recommended approval unanimously. On November 20, 2024, the BIC reviewed the Ordinance and unanimously recommended approval. The Ordinance was continued on February 10, 2025 to the call of the chair of the Land Use and Transportation Committee.

d. Update on Inspection Services.

Deputy Director of Inspection Services Matthew Greene presented the following Building Inspection Division Performance Measures for February 1, 2025 to February 28, 2025:

| | |
|---|-----|
| • Building Inspections Performed | 508 |
| • Complaints Received | 308 |
| • Complaint Response within 24-72 hours | 306 |
| • Complaints with 1st Notice of Violation sent | 57 |
| • Complaints Received & Abated without NOV | 182 |
| • Abated Complaints with Notice of Violations | 40 |
| • 2nd Notice of Violations Referred to Code Enforcement | 30 |

Deputy Director of Inspection Services Matthew Greene presented the following Housing Inspection Division Performance Measures February 1, 2025 to February 28, 2025:

| | |
|---|-----|
| • Housing Inspections Performed | 840 |
| • Complaints Received | 514 |
| • Complaint Response within 24-72 hours | 481 |
| • Complaints with Notice of Violations issued | 166 |
| • Abated Complaints with NOVs | 384 |
| • # of Cases Sent to Director's Hearing | 29 |
| • Routine Inspections | 66 |

Deputy Director of Inspection Services Matthew Greene presented the following Code Enforcement Services Performance Measures for February 1, 2025 to February 28, 2025:

| | |
|---|-----|
| • # Housing of Cases Sent to Director's Hearing | 155 |
| • # Complaints of Order of Abatements Issues | 70 |
| • # Complaint of Cases Under Advisement | 0 |
| • # Complaints of Cases Abated | 63 |
| • Code Enforcement Inspections Performed | 866 |
| • # of Cases Referred to BIC-LC | 0 |
| • # of Case Referred to City Attorney | 0 |

Deputy Director of Inspection Services Matthew Greene said Code Enforcement Outreach Programs are updated on a quarterly as follows for the 1st quarter:

| | |
|------------------------------------|--------|
| • # Total people reached out to | 40,045 |
| • # Counseling cases | 329 |
| • # Community Program Participants | 8,011 |
| • # Cases Resolved | 227 |

e. Update on DBI's finances.

Deputy Director of Administrative Services Alex Koskinen gave an update on the Department's February 2025 finances as follows:

Revenues:

- 67% of the year had elapsed
- DBI had collected 72% of FY25 budgeted Charges for Services revenue.

Expenditures:

- Total year-end expenditures were projected at \$90.7 million (\$0.2M below budget)

Permits:

- Year to Date (YTD) permits were 2% higher than the same period last year

- YTD valuation was 6% higher than same period last year

5. Hearings regarding Residential Hotel Amortization Extensions applications.

Senior Housing Inspector Matthew Luton presented the following background information:

Hotel Conversion Ordinance (HCO)

- Chapter 41 of the San Francisco Administrative Code.
- The continuing and primary purpose of the HCO is to preserve residential guest rooms that provide crucial housing for elderly, disabled and people with low incomes.
- The HCO regulates the preservation of approximately 20,000 residential guest rooms in 500 hotels throughout the City.
- Specifically, the ordinance prohibits the removal, demolition or conversion of protected residential guest rooms.
- To that end, the HCO makes it unlawful to rent residential guest rooms for tourist use.
- Historically, tourist use has been interpreted to mean terms of tenancy that are fewer than 7 days. Ordinance 36-23
- In 2023, Ord. 36-23 was enacted, which changed the definition of “Tourist or Transient use” and made a provision for hotel owners/operators to request an extended amortization period.
- Tourist or Transient Use – Any use of a guest room for less than a seven-day term of tenancy for two years following the adoption of Ord. 36-23. Thereafter, any use of guest room for less than a 30-day term of tenancy.
- Amortization Extension – Hotel owners/operators may request a reasonable extension to the two-year amortization period.

Senior Inspector Luton also explained that the Building Inspection Commission is charged with considering hotel owner’s/operator’s requests for extended amortization periods, and also stated that determinations of whether or not an extension would be reasonable shall be based on list of several factors.

Secretary Harris administered the Oath to all parties who planned to give testimony.

- **54 04th Street (3705/004)**

Senior Housing Inspector Matthew Luton presented on behalf of the Department regarding the application for 54 4th Street, and made the following points:

- There is a mix of residential and tourist guest rooms, 81 residential guest rooms and 87 tourist guest rooms.
- Applicant requested a 2-year extension based on claimed investments amounting to \$766,000.00.
- Applicant reports they invested approximately \$766,000.00 on capital improvements and specifies the following:
 - \$230,186 was spent on building improvements and work in progress
 - \$533,723 on unit renovations made between January 2019 and June 2024.
- Applicant provided generalized information about their investments, so staff recommended granting an additional 2-year extension on the condition that the applicant is able to provide documentation with specific descriptions of their investments, including the distinction between those necessary for tourist and transient use versus residential use, documents

supporting the claimed expenditures, and the dates that those expenditures have been in place.

Secretary Harris stated that the hearing procedures are described in the BIC Rules for Appeals and Applications, and recited the allotted time allotted time for all parties and public comment.

Ms. Maria Viegas, Applicant's Representative, for 54 4th Street, made the following points:

- There was a hearing scheduled the following day at the Planning Commission and her only request would be to postpone the hearing until they get a decision from Planning as both hearings would probably impact one another.

President Alexander-Tut asked what was before the Planning Commission and how would their decision be impacted?

Ms. Viegas stated the hearing is to potentially approve the conversion of the residential units into tourist guest rooms.

President Alexander-Tut asked if that would impact her decision to then not request amortization?

Ms. Viegas said that it would still be impacted.

President Alexander-Tut explained that the BIC had a very limited role and a tight timeline. The staff recommendation is to uphold the request if additional information could be provided. She asked if the applicant read the staff report.

The Applicant stated the application just came to her the day before, so she was not prepared as she would like to be. She read it that morning and saw some of the costs that they had incurred with the property were pretty much aligned with her documentation. She had documentation with her, but she requested an extension to provide this to the Commission.

There was no public comment.

Senior Housing Inspector Matthew Luton gave rebuttal and made the following points:

- The permit to convert application being heard at the Planning Commission is a separate issue, and whether or not that is granted there will still be residential guest rooms at the hotel that will be impacted by the new ordinance. Again, they are asking the applicant what investments did they make, what is it that they bought, and what do they have to show that they did and staff has not seen that yet.

Ms. Viegas gave rebuttal and made the following points:

- She would love to produce the documents and has some of them with her, but she requested an extension to do so until the next hearing, so the Commission could have time to review them.

Members of the Building Inspection Commission (Alysabeth Alexander-Tut, Catherine Meng, Bianca Neumann, and Kavin Williams) made comments and asked various questions of DBI staff and the Applicant pertaining to the Appeal.

Commissioner Williams made a motion, seconded by President Alexander-Tut to continue application #3705/004 to the April 16, 2025 Building Inspection Commission meeting.

There was no public comment.

Roll Call Vote by Commission Secretary Harris:

| | |
|--------------------------------|----------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 017-25

- **80 09th Street (3508/018)**

Senior Housing Inspector Matthew Luton presented on behalf of the Department regarding the application for 80 9th Street, and made the following points:

- There is a mix of residential and tourist guest rooms, 21 residential guest rooms and 6 tourist guest rooms.
- Applicant requested a 10-year extension based on claimed investments amounting to \$249,000.00.
- Applicants investments are capital improvement, building maintenance, and upgrades that took place between 2019 and 2024.
- These include: Guest room remodels, new kitchenettes, community room, furniture, TVs, etc.
- Considering the types of investments described by the applicant, the up to 5 ½ years since the applicant made the investments, the suitability of the investments for residential uses in the context of other market conditions and amortization periods the courts have upheld, staff recommends an extension of 3 years.

The Applicant was not present for 80 9th Street.

There was no public comment.

Commissioner Williams stated that the Commission should consider adopting the staff recommendation of extending for 3 years.

Deputy City Attorney Fabian advised that the Commission should articulate the basis as to why they are making the motion. The BIC had evidence before them since the applicant provided some documentation that the staff considered, notwithstanding the fact that the applicant was not present, the Commission had information.

Commissioner Neumann stated that based on the information provided and the types of improvements that were made over a course of time between 2019 and 2024, it seems reasonable to grant a 3-year extension for amortization of costs.

Deputy City Attorney Fabian recommended that any motion begin with, “I move to...”

Members of the Building Inspection Commission (Alysabeth Alexander-Tut, Catherine Meng, Bianca Neumann, and Kavin Williams) made comments and had a discussion pertaining to the Appeal.

Commissioner Williams made a motion, seconded by Commissioner Neumann, that he agreed with the staff's recommendation to grant a 3-year extension for amortization of costs based on the information provided and the types of improvements that were made over a course of time between 2019 and 2024.

There was no public comment.

Roll Call Vote by Commission Secretary Harris

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|--------------------------------|----------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

President Alexander-Tut said that she agreed with the staff recommendation on 3 years with some understanding of how this has been laid out within the application. She did not feel like she could grant the full 10 years, because she had questions about some of the investment's suitability and timing. There are some that look like they may have been investments that would be for tourist use, residential use, and with that she agreed with granting 3 years and not the full 10 years.

RESOLUTION NO. 018-25

- **507 Bush Street (0286/001)**

Senior Housing Inspector Matthew Luton presented on behalf of the Department regarding the application for 507 Bush Street, and made the following points:

- There are 40 residential guest rooms, and 18 tourist guest rooms.
- Applicant requested a 25-year extension based on claimed investments totaling \$5,500,000.00.
- Applicant reported investments of \$5,500,000.00 took place between 2002 and 2008, which included general building maintenance and upgrades.
- Applicant has specifically requested guidance, so the staff recommended continuing this hearing until the next hearing to allow the applicant time to provide corroboration of the specific expenditures that relate to a tourist use as opposed to a residential use. The additional documentation should also indicate the dates of each claimed expenditure.
- By now, the benefit of the claimed investments should largely be realized as they were made 17 to 23 years ago, so they should provide evidence of any relevant capital improvements that were made after 2008.

Mr. Mark Mason, Applicant present on behalf of ownership for 507 Bush Street, made the following points:

- Owners are appreciative of the staff's recommendation of continuing this item to the next meeting, because it allows them time to answer some things from the staff's recommendation. They are prepared to continue to the next meeting and come back with additional information specific to improvements, tourist versus residential, so they would appreciate the opportunity to continue their application.

There was no public comment.

There was no rebuttal from the staff or the applicant.

President Alexander-Tut stated that she was inclined to go with the staff recommendation of continuing the item to the next meeting.

Commissioner Williams said that he wanted to state for the applicant that for the Commissioner's evaluation, his application listed the capital improvements for a number of years but what could be helpful for the continued hearing is to substantiate and maybe describe why those investments that may have 7 days versus 30 days – Why is it an investment specifically meant for a 7-day tourist use.

Commissioner Williams made a motion, seconded by Commissioner Neumann, to continue application #0286/001 to the April 16, 2025 Building Inspection Commission meeting.

There was no public comment.

Roll Call Vote by Commission Secretary Harris

| | |
|-------------------------|---------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 019-25

- 1507 California Street (0645/001)

Roll Call Vote by Commission Secretary Harris

| | |
|-------------------------|-----|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Yes |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 020-25

- **935 Kearny Street (0177/001)**

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 128 residential guest rooms, 21 tourist guest rooms
- Applicant requested a minimum extension of 2 years based on claimed capital improvements totaling \$771,000.
- Staff recommended to grant an additional 2-year extension, on condition that Applicant provides documentation with proper and specific descriptions of their investments and building improvements such as permits, photos, invoices, receipts, etc.

Ms. Maria Viegas presented on behalf of the Applicant for 935 Kearny Street and made the following points:

- She would like to provide documentation.
- The Applicant is in agreement with the City.
- Intent is to be 100% long term leases, and right now they have 3, but the goal is to be 100% long term.

Staff rebuttal:

The Commissioners asked Senior Inspector Luton questions as to why the department recommended granting the 2-year extension.

There was no Applicant rebuttal.

Commissioners let Ms. Viegas know what would be expected in the way of evidence to be presented.

President Alexander-Tut made a motion, seconded by Commissioner Neumann to continue application #0177/001 to the April 16, 2025 Building Inspection Commission meeting.

There was no public comment.

Roll Call Vote by Commission Secretary Harris:

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|--------------------------------|----------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 021-25

- **2160 Market Street (3542/014)**

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 56 residential guest rooms, 4 tourist guest rooms
- Applicant requested twenty-year extension but did not provide any other information
- Staff recommended to deny the application

The applicant or representative for 2160 Market Street was not present.

There was no public comment.

Commissioner Meng said because the applicant did not provide any evidence or supporting documents or appear to request for more time she agreed with the staff recommendation to deny the application for extension.

Commissioner Neumann and President Alexander-Tut agreed with Commissioner Meng's statement to deny the application for extension of amortization.

President Alexander-Tut made a motion, seconded by Commissioner Meng to uphold the staff recommendation to deny the application for amortization of 2160 Market Street based on failure to appear to the hearing and provide evidence.

Roll Call Vote by Commission Secretary Harris

| | |
|--------------------------------|----------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 022-25

- **2162 Market Street (3542/015)**

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 23 residential guest rooms, 12 tourist guest rooms
- Applicant requested twenty-years extension
- Applicant did not provide additional supporting documents
- Staff recommended to deny the request

The applicant or representative for 2162 Market Street was not present.

There was no public comment.

President Alexander-Tut made a motion, seconded by Commissioner Williams to deny the application for amortization extension for 2162 Market Street based on failing to appear and provide evidence.

Roll Call Vote by Commission Secretary Harris

| | |
|--------------------------------|----------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 023-25

- 1906 Mission Street (3554/002)

Commission Secretary Harris said the applicant submitted additional supporting documentation after the deadline however per the rules the additional information was not considered by the Commission.

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 28 residential guest rooms, 3 tourist guest rooms
- Applicant requested ten-year extension based on investments totaling \$1.5 million
- Applicant reported investment on furniture and fixtures, generic and long-term improvements
- Specific details outlining what those investments were, was not provided
- Staff recommended one-year extension if applicant showed specific investments made, descriptions and dates, as well as distinction between the residential and tourist rooms

Attorney Emily Brough representative for the applicant made the following points:

- Ms. Brough said a legal objection to the Ordinance was submitted to the Board and the applicant disagreed with the staff recommendation of one-year extension. In response to the staff report additional information was submitted to support the ten-year extension request.
- The additional information would show an estimated expected seventy percent drop in revenue based on pre-COVID revenue and future projections.
- It was understood the pandemic was not being considered however it was the reality that businesses were still struggling to recover. There were less bookings, and more security related issues.
- The hotel was earning a modest profit before COVID and had yet to get back to that number to date and the projected loss was significant.
- Without an extension, the implementation of this Ordinance was kicking the business while they were still down.
- It did not help that this requirement was being imposed and there would be no reduction in property taxes or other taxes and insurance remained the same.
- Applicant requested the matter be continued to the April 16, 2025 BIC hearing for all additional information to be considered.

There was no public comment.

Senior Housing Inspector Matt Luton said that it was difficult to make recommendation without reviewing the additional requested information.

Ms. Brough said they were requesting the application be continued to the April 16, 2025 BIC hearing so the additional information would be considered.

Members of the Building Inspection Commission (Catherine Meng, Bianca Neumann, Alysabeth Alexander-Tut, and Kavin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

Commissioner Meng made a motion, seconded by Commissioner Neumann to continue application #3554/002 to the April 16, 2025 Building Inspection Commission meeting.

Roll Call Vote by Commission Secretary Harris

| | |
|--------------------------------|------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Yes |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 024-25

- 240 O'Farrell Street (0315/010)

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 78 residential guest rooms, 51 tourist guest rooms
- Applicant requested at least twenty-year extension for claimed investments of \$2 million
- Applicant made numerous investments over fifteen years for operating a tourist hotel including guest room and common area accommodations, ADA façade and signage improvement, technology and marketing expenses
- Some of the claimed expenses would not have been useful under residential use such as lobby renovations, technology, staff training and marketing were likely done under tourist investments
- The renovation and operation of restaurant should not be considered at all that was attached to the building.
- Applicant provided descriptions of expenditures but documentation to verify
- Staff recommended continue application to April 16, 2025 BIC hearing to allow time for applicant to provide further evidence.

Attorney Emily Brough representing the applicant made the following points:

- Applicant submitted legal objection to the matter.

- Applicant agreed with staff recommendation to continue matter and be able to respond and submit further information.

There was no public comment.

There was no rebuttal.

Members of the Building Inspection Commission (Catherine Meng, Bianca Neumann, Alysabeth Alexander-Tut, and Kavin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

President Alexander-Tut made a motion, seconded by Commissioner Neumann to continue application #0315/010 to the April 16, 2025 Building Inspection Commission meeting.

Roll Call Vote by Commission Secretary Harris

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|--------------------------------|------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Yes |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 025-25

- 411 O'Farrell Street (0324/001)

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 85 residential guest rooms, 38 tourist guest rooms
- Applicant requested twelve-year extension based on investment totaling \$1 million
- Applicant reported four significant improvements that included common area, kitchen, and lounge upgrades, lobby, guest room key lock upgrades, and elevator upgrades
- Some investments were suited for residential hotel use which included the elevator and community kitchen
- Staff recommended ten-year extension based on type of investments and length of time been in place and suitability of residential use

Manager of property at 411 O' Farrell Street made the following points:

- The owners agreed with staff recommendation
- Some upgrades were not included but agree with the ten-year recommendation

There was no public comment.

There was no rebuttal.

Members of the Building Inspection Commission (Catherine Meng, Bianca Neumann, Alysabeth Alexander-Tut, and Kavin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

President Alexander-Tut made a motion, seconded by Commissioner Neumann to grant a ten-year extension for amortization application of 411 O' Farrell Street based on the testimony of the applicant and evidence provided of loss over time.

Roll Call Vote by Commission Secretary Harris

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|-------------------------|-----|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Yes |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 026-25

- 161 Powell Street (0326/002)

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 66 residential guest rooms, 38 tourist guest rooms
- Applicant request twenty-year extension based on claimed investments totaling over \$1 million
- Descriptions of expenditures were included in application but not supporting evidence of those investments
- Staff recommended continuing application to the next BIC hearing on April 16, 2025 to allow the applicant to provide further supporting information.

Attorney Emily Brough representative for the owner of 161 Powell Street made the following points:

- The applicant agreed with the staff recommendation to continue the matter as to be able to submit further evidence and supporting information to respond to the staff analysis.

There was no public comment.

There was no rebuttal.

Commissioner Meng made a motion, seconded by Commissioner Williams to continue application #0326/002 to the April 16, 2025 Building Inspection Commission meeting.

Roll Call Vote by Commission Secretary Harris

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| President Alexander-Tut | Yes |
| Commissioner Chavez | Yes |

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| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 027-25

- 242 Powell Street (0314/010)

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 6 residential guest rooms, 89 tourist guest rooms
- Applicant requested twenty-year extension based on claimed investments totaling \$6 million
- Applicant provided descriptions of expenditures but no supporting documents or evidence
- Staff recommended continuing application to next BIC hearing on April 16, 2025 to give opportunity to applicant to provide further information and evidence.

Attorney Emily Brough representing the operator of 242 Powell Street made the following points:

- Applicant submitted legal objection to Ordinance
- Applicant agreed with staff recommendation to continue to next BIC hearing date to provide further information and evidence in support of their request.

There was no public comment.

There was no rebuttal.

President Alexander-Tut made a motion, seconded by Commissioner Neumann to continue application #0314/010 to the April 16, 2025 Building Inspection Commission meeting.

Roll Call Vote by Commission Secretary Harris

| | |
|-------------------------|---------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 028-25

- 2263 Sacramento Street (0638/011)

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 16 residential guest rooms, 0 tourist guest rooms

- Based on claimed investments of over \$5 million the applicant requested twenty-year extension
- Applicant reported making significant building improvement, system upgrades, and interior renovations
- Building renovations made were entirely suitable for residential hotel use
- There were improvements described that were not relevant such as addition of dwelling units, fire alarms, sprinkler systems and stair and deck replacements because they likely would have been made anyway
- Staff recommended ten-year extension

Ms. Tuija Catalano, Representative for 2263 Sacramento Street, from Reuben, Junius, and Rose made the following points:

- The change in use due to the Ordinance would be significant as the business had been operating as such for more than forty years.
- The Ordinance instructions were to consider total cost of investment, length of time, suitability, and any other reasonable determining factors for a longer extension
- The Ordinance itself did not define investments whether that was the original purchase price or the decision to keep and operate a Single Room Occupancy hotel based on the seven-day minimum stay
- The applicant felt it was reasonable that a longer amortization period should be granted based on the historical use of the business and consideration that it would continue in that manner
- Although the staff recommendation is welcomed a longer period of extension was preferred
- Expressed concern of hotel owner rights being taken by way of changing the use of business from weekly to thirty-day rentals.

There was no public comment.

There was no rebuttal.

Members of the Building Inspection Commission (Catherine Meng, Bianca Neumann, Alysabeth Alexander-Tut, and Kavin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

President Alexander-Tut made a motion, seconded by Commissioner Meng to grant the ten-year extension of amortization for 2263 Sacramento Street based on testimony and evidence provided.

Roll Call Vote by Commission Secretary Harris

| | |
|--------------------------------|------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Yes |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 029-25

- 717 Sutter Street (0298/034)

Senior Housing Inspector Matt Luton gave a presentation and made the following points:

- 19 residential guest rooms, 16 tourist guest rooms
- Applicant requested twenty-year extension based on investments totaling \$723,648 and apportion \$392,941 to the residential units
- Applicant reported making upgrades and repairs that were suitable for residential hotel use
- Some expenditures such as decorations and furniture were less suitable for residential use and some were not relevant to the analysis.
- Staff recommended three-year extension

Ms. Tuija Catalano, Representative for 717 Sutter Street, from Reuben, Junius, and Rose made the following points:

- It was a drastic change, and any reasonable owner/operator would have expected the seven-day terms to continue.
- Believed a longer extension was warranted because the impact on vacancy rate would be 25-35%
- The pro-rated estimated cost of renovation was \$393,000 and the actual net income since 2020 was \$154,000
- After the change in term the gross estimated income was expected to be \$155,000 annually from the residential room component.
- Applicant estimated eight year return on investments
- Applicant stated the three-year staff recommendation would not be sufficient and requested at minimum an eight-year extension

There was no public comment.

There was no rebuttal.

Members of the Building Inspection Commission (Catherine Meng, Bianca Neumann, Alysabeth Alexander-Tut, and Kavin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

Commissioner Neumann made a motion, seconded by President Alexander-Tut to grant a three-year extension of amortization for 717 Sutter Street based on evidence and testimony provided.

Roll Call Vote by Commission Secretary Harris

| | |
|--------------------------------|----------------|
| President Alexander-Tut | Yes |
| Commissioner Chavez | Excused |
| Commissioner Meng | Yes |
| Commissioner Neumann | Yes |
| Commissioner Williams | Yes |

The motion carried unanimously.

RESOLUTION NO. 030-25

6. Commissioner's Questions and Matters.

a. Inquiries to all Staff. At this time, Commissioners may make inquiries to staff regarding various documents, policies, practices, and procedures, which are of interest to the Commission.

b. Future Meetings/Agendas. At this time, the Commission may discuss and take action to set the date of a Special Meeting and/or determine those items that could be placed on the agenda of the next meeting and other future meetings of the Building Inspection Commission.

Secretary Harris said the next Regular Meeting would be April 16, 2025 and there may be a Special meeting prior to the regular meeting, but it would be noticed.

There was no public comment.

7. Review and approval of the minutes of the Special Meeting of February 12, 2025.

Commission Secretary Harris called agenda items #7 and #8 together.

President Alexander-Tut made a motion, seconded by Commissioner Neumann to approve the Special Meeting minutes of February 12, 2025 and the Regular Meeting minutes of February 19, 2025.

There was no public comment.

The motion carried unanimously.

RESOLUTION NO. 031-25

8. Review and approval of the minutes of the Regular Meeting of February 19, 2025.

Agenda item #8 was called by Commission Secretary along with agenda item #7.

10. Adjournment.


Commissioner Williams made a motion, seconded by President Alexander-Tut, to adjourn the meeting.

The meeting was adjourned at 1:27 p.m.

RESOLUTION NO. 032-25

Respectfully submitted,


Monique Mustapha, Assistant BIC Secretary


Edited By: Sonya Harris, BIC Secretary