

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

**REGULAR MEETING**

**Wednesday, April 16, 2025 at 9:30 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: 2660 320 1221**

**DRAFT MINUTES**

**1. Call to Order and Roll Call.**

The regular meeting of the Building Inspection Commission was called to order at 9:31 a.m., and a quorum was certified.

**COMMISSION MEMBERS PRESENT:**

Alysabeth Alexander-Tut, **President, Excused**

Evita Chavez, **Commissioner**

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**

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 was excused and there were no remarks.

**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 the following statement:

- Mr. Dratler presented documentation on the alteration of fifteen December 2024 Permit Tracking System records. The record alterations were approved by Chief Building Inspector Kevin Birmingham, Chief Plumbing Inspector Steve Panelli and Chief Electrical Inspector Ken Burke. Mr. Dratler said he requested transaction logs for the altered PTS records and was told there are no publicly available transaction logs, and he would need to purchase a custom report. DBI's response contradicts a Controller's August 2024 report which state there are publicly available transaction logs for DBI approved PTS record alterations.
- Mr. Dratler told the BIC in the past he has request and received copies of PTS Oracle database transaction logs. Mr. Dratler reminded the BIC Commissioners that it is illegal to alter public records and suggested the commissioners ask Deputy City Attorney Robb Kapla if they have any personal liability.

Mr. David Osgood of Rincon Point Neighbors Association and Coalition for San Francisco Neighborhoods said he wanted to remind the Commission that the Resilience Office maintained a large database of steel frame buildings; However no one knew about it and the database indicated there were forty-three tall buildings in San Francisco with the same kind of risky MAT foundations that the leaning Millennium Tower had, and twenty-five of those were on soil with the highest risk rating for liquefaction. Also, there were thirty-nine tall buildings flagged by the U.S. Geological survey for having inferior welded steel frames and it had been known for more than thirty years that welded steel frames were risky in earthquakes, Mr. Osgood said that as far as he knew, DBI had not done anything to evaluate or strengthen those thirty-nine tall existing buildings, he raised the issue so no one could say they were not told.

#### **4. [Submitted] Director's Report.**

Commission Secretary Harris said all the Director's reports had been posted online and copies were available at the meeting for the public.

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

The Director's Update was posted and available online.

##### **b. Update on major projects.**

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

- Major projects with permits filed.
  - 10 issued
  - \$100.4 million in valuation
  - 31 net units
- Major projects with permits issued.
  - 6 issued
  - \$122.3 million in valuation
  - 455 net units
- Major projects with Certificate of Occupancy

- 3 completed
- \$92.5 million in valuation
- 163 net units

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

Legislative & Public Affairs Manager Tate Hanna gave a presentation and made the following points:

- **File No. 250259:** Ordinance amending the Business and Tax Regulations Code to extend through June 30, 2026 waiver of certain first year permit, license, and business registration fees was introduced March 18, 2025. The Small Business Commission recommended approval on March 28, 2025.
- **File No. 250284:** Ordinance amending the Planning Code to allow repair and replacement of noncomplying structures constructed before the year 2003 and allow accessory structures up to ten feet and one hundred twenty square feet within required setbacks and usable open space; amending the Building Code to exempt accessory structures up to one hundred twenty square feet from building permits was introduced on March 25, 2025 and referred to the BIC.
- **File No. 250191:** Ordinance introduced February 25, 2025 and referred to the BIC to amend the Building Code to require certification of existing conditions for amnesty structures and waive fees associated with amnesty projects, refund any fees and penalties already paid by amnesty projects.
- **File No. 250211:** Ordinance introduced March 4, 2025 and unanimously recommended by the Structural Subcommittee on March 11, 2025 and in review at the Code Advisory Committee, to amend the Existing Building Code to assess the City's inventory of seismically vulnerable Rigid-Wall-Flexible- Diaphragm and Concrete Buildings.
- **File No. 241069:** Ordinance introduced October 29, 2024 the Planning Commission recommended approval on February 27, 2025 and the BIC would review to amend the Planning and Subdivision Codes to allow separate conveyance of certain accessory dwelling units and associated primary dwelling units as condominiums.
- **File No. 241005:** The BIC unanimously recommended approval of this Ordinance adopting chapters 6 through 11 of the 2022 California Existing Building Code on January 15, 2025.
- **File No. 240982:** Signed by Mayor Lurie on March 7, 2025 this Ordinance was reviewed by the BIC on November 20, 2024 and voted in favor 4-2 to amend the Building, Administrative, and Public Work Codes to remove the local requirement for existing buildings with a place of public accommodation to have all primary entries and paths of travel into the building accessible to persons with disabilities or to receive a City determination of equivalent facilitation, technical feasibility, or unreasonable hardship.
- **File No. 241067:** Reviewed and recommended approval by the BIC on November 20, 2024, the Ordinance was amended by the Land Use and Transportation Committee then approved by the Board of Supervisors on March 25, 2025 amending the Planning Code to allow tourist hotels and motels to be used for Interim Housing without thereby abandoning or discontinuing the hotel use classification under the Code.

**d. Update on Inspection Services.**

Deputy Director of Inspection Services Matthew Greene submitted the following Building Inspection Division Performance Measures for March 1, 2025 to March 31, 2025:

• Building Inspections Performed	5,051
• Complaints Received	374
• Complaint Response within 24-72 hours	365
• Complaints with 1st Notice of Violation sent	68
• Complaints Received & Abated without NOV	184
• Abated Complaints with Notice of Violations	59
• 2nd Notice of Violations Referred to Code Enforcement	26

Deputy Director of Inspection Services Matthew Greene submitted the following Housing Inspection Division Performance Measures March 1, 2025 to March 31, 2025:

• Housing Inspections Performed	896
• Complaints Received	509
• Complaint Response within 24-72 hours	466
• Complaints with Notice of Violations issued	147
• Abated Complaints with NOVs	413
• # of Cases Sent to Director's Hearing	32
• Routine Inspections	105

Deputy Director of Inspection Services Matthew Greene submitted the following Code Enforcement Services Performance Measures for March 1, 2025 to March 31, 2025:

• # Housing of Cases Sent to Director's Hearing	146
• # Complaints of Order of Abatements Issues	58
• # Complaint of Cases Under Advisement	0
• # Complaints of Cases Abated	67
• Code Enforcement Inspections Performed	890
• # 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 1<sup>st</sup> 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 submitted update on the Department's March 2025 finances as follows:

Revenues:

- 75% of the year had elapsed
- DBI had collected 81% of FY25 budgeted Charges for Services revenue.

Expenditures:

- Total year-end expenditures were projected at \$89.4 million (\$1.5M below budget)

Permits:

- Year to Date (YTD) permits were 1% higher than the same period last year
- YTD valuation was 11% higher than same period last year

**Public Comment**

Mr. Jerry Dratler submitted the following statement:

- Mr. Dratler's public comment PowerPoint presentation contained before and after pictures of the remodel of the Tesla showroom at 999 Van Ness Avenue and a copy of a DBI Notice of Violation. The NOV falsely claims no work commenced on the showroom remodel permit and the permit holder was eligible to file a commencement permit. The permit holder is not eligible to file a commencement permit because work had commenced and more than one year had elapsed since the expiration of the original permit.
- On March 23, 2025 Mr. Dratler submitted complaints recommending DBI correct the inaccurate NOV, and the permit holder submit new building permits. DBI employee Jordan Malone claimed Mr. Dratler's complaints were duplicates and improperly closed Mr. Dratler's complaints. Mr. Dratler recommended the BIC schedule an assessment of DBI's code enforcement at the Tesla showroom at the May 2025 BIC meeting by DBI's Manager of Code Compliance.

**5. Discussion and possible action regarding Board of Supervisors File No. 250211 Ordinance amending the Existing Building Code to assess the City's inventory of seismically vulnerable Rigid-Wall-Flexible-Diaphragm and Concrete Buildings, and adopt voluntary seismic retrofit standards for such buildings, in addition to other requirements.**

San Francisco Supervisor Melgar for District 7 and sponsor of this legislation made the following points:

- This week marked the anniversary of the 1906 earthquake and fire that killed three thousand people and left two hundred fifty thousand others homeless
- The brick walls of what was City Hall crumbled despite the building only been open for ten years, though the underlying steel structure supporting those bricks stayed standing.
- Another San Francisco building stood strong, the Humboldt Beacons Van and Storage company warehouse not far from city hall. It was one of the first buildings in the state of California to use reinforced concrete.
- Reinforced concrete was done by pouring concrete around reinforced steel resulting in buildings that were not only fire resistant but extremely strong against gravity.
- Those reinforced buildings demonstrated to San Francisco and the world that compared to other popular building material such as bricks, reinforced concrete was a resilient material well suited to modern building projects.
- Although buildings around the world have used reinforced concrete it had taken the earthquake engineering field time to catch up and create consistent best practices.

- Subsequent earthquakes such as those in New Zealand had cause tragic building collapses revealed not all modern reinforced concrete buildings were built to the high standards as the Beacon building of 1906.
- This legislation was to ensure that older buildings were inspected by Licensed Engineers to get a true assessment of which buildings were constructed with that material and the legislation created voluntary retrofit standards for early adopters.

Ms. Laurel Matthews gave a technical description of the legislation and said the following:

- Ms. Mathews asked the BIC to recommend approval of the legislation that would give the City more information about our seismic risk, and building owners who wanted to retrofit more clarity from the city for doing so.
- The Earthquake Safety Implementation Plan (ESIP) recommended addressing concrete and tilt-up buildings as the high priority building types.
- The goal was to identify, evaluate and retrofit the most vulnerable concrete and tilt-up buildings to protect against major structural failure.
- The challenge of concrete buildings was some of them lack sufficient steel reinforcement to withstand a large earthquake.
- The concern of the tilt-up buildings were that the roof could separate from its walls.
- Some of the concerns heard from stakeholders were the high cost of retrofits and how much disruption would be caused to tenants and there was a new retrofit standard created to address those concerns.
- There was a tool being used to inventory the map of possible concrete buildings in the city.
- DBI program implementation would be to develop administrative bulletin to provide technical guidance and train staff on performance based retrofit method.

#### Public Comment

Chair of the Code Advisory Committee (CAC) Ned Fennie said the CAC had reviewed the legislation and unanimously approved it and it had three basic elements: Reliable building inventory, establishing criteria, and the twenty-year incentive.

Mr. Don Libbey from the CAC said he supported the legislation and he also was on the Board of Directors of San Francisco Heritage and was a general contractor and licensed civil engineer and if the ordinance ever became mandatory the work could be very complicated and expensive and to take into account the historic buildings and voluntary retrofits would be an incentive to building owners to participate.

Mr. David Osgood said the legislation was baby steps to create a database and there was already a database on tall buildings with nearly eight thousand data points that was languishing in a basement somewhere. He said it was a fact that there were forty-three buildings listed in the database with matt bases which was basically concrete sitting on dirt foundations and the Transamerica building was one of those buildings with nine feet of concrete sitting on top of dirt.

#### Commissioner's Questions and Comments:

Commissioner Meng said she supported the legislation albeit a small step it was a beginning step and that after the culmination of the database perhaps a risk rating of the buildings if the legislation became mandatory later.

Commissioner Williams said what would be the estimated cost and would the owners be able to pass those costs on to their tenants especially in the commercial buildings.

Ms. Matthews said regarding rating the buildings it was asked to have more detailed seismic evaluations however the cost would increase and to address the concerns of cost the understanding was for residential those types of cost could not be passed on to the tenants who were rent controlled and owners did not have an issue with the estimate.

Commissioner Chavez said was there an accommodation for the financial aspect and how often were building owners voluntarily retrofitting their buildings.

Ms. Matthews said the working group mostly addressed conversations around financial hardships and it would be a way to submit financial hardship and there were building owners interested in the program but would not say that most building owners were however those that owned office buildings that were vacant may want to take the opportunity renovate and retrofit.

Commissioner Neumann said she supported the legislation but what was the incentive for building owners to voluntarily retrofit their buildings.

Ms. Matthews said the legislation had language that for twenty years building owners would be exempt if it became mandatory also a FEMA grant was received to provide a financial subsidy.

***Commissioner Neumann made a motion, seconded by Commissioner Chavez to approve Ordinance File No. 250211.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

**RESOLUTION NO. BIC 033-25**

**6. Discussion and possible action regarding Board of Supervisors File No. 250191 Ordinance amending the Planning Code to: create a time-limited amnesty program for properties listed on the Department of Building Inspection's Internal Quality Control Audit and subject to a Notice of Violation; consider those properties as noncomplying structures and nonconforming uses following certification; and waive fees and penalties associated with the Planning Department's review of requests for amnesty, and refund any fees and penalties already paid by amnesty projects; amending the Building Code to: require certification of existing conditions for amnesty projects; prohibit expansion or intensification of non-complying amnesty structures; create a streamlined process for reviewing amnesty project applications; and waive fees associated with amnesty projects, and refund any fees and penalties already paid by amnesty projects, in addition to other requirements.**

Legislative Affairs Manager Tate Hanna gave a presentation and made the following points:

- Background on the need for the audit regarding Bernie Curran and Rodrigo Santos both were found guilty and sentenced to prison terms.

- DBI responded by advancing numerous in-house changes including bolstering reporting to the California Contractors State Licensing Board, monitoring supervisors self-assigning or assigning out of district, and established the Expanded Compliance Control list.
- DBI also had to determine how to address potentially hazardous buildings throughout the City.
- Two percent of the properties were found to have Building Code violations and were issued NOV to be abated and were subject to typical cost and fees.
- However, the department felt those costs were an undue burden on those owners, many of the properties had been purchased after Santos/Curran involvement or they were not aware of their ethical and illegal actions.
- The department in partnership with Supervisor Mandelman established an amnesty program to waive Planning Code violations as well as DBI and Planning fees associated with abating the NOV and provide refunds for those owners who proactively pursued abatement of an NOV.

There was no public comment.

Commissioner Neumann disclosed she had personal friends impacted by the actions that were taken by those former DBI and BIC affiliates but had no financial involvement and did not feel in any way that it impacted her ability to discuss or make reasonable judgement with regard to this Ordinance.

Commissioner Williams said would the owners that came forward be at risk of exposing themselves to criminal charges as had worked with those workers.

Mr. Hannah said the department identified those properties that were in violation and the owners were not being made to say whether they knew about any misconduct or not and thought the best path forward was to apply the waivers to any properties that came out of the audit.

***Commissioner Chavez made a motion, seconded by Commissioner Neumann, to approve Ordinance File No. 250191.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

**RESOLUTION NO. BIC 034-25**

**7. Hearings to consider Residential Hotel Amortization Extensions applications pursuant to Administrative Code Section 41.23. (Continued from March 19, 2025) (Discussion and Action)**

- 54 4th Street (3705/004)

Senior Housing Inspector Matt Luton made the following points:

- 81 residential guest rooms and 87 tourist guest rooms
- Applicant requesting fifteen-year extension based on claimed investments of \$700,000



- Applicant provided job cost summary report which showed the investments being claimed renovations for 49 units, however each of those units were designated as tourist guest rooms and the 30-day requirement did not apply.
- Staff recommended denial of request

Property Manager Maria Viegas made the following points:

- The renovations were done on the tourist units, however the residential units were renovated in 2001 and it took more than twenty years to recover.
- Of the 81 residential units, 54 do not have a private bathroom.
- When those rooms are being rented, the consideration is the amenities in the room and the hotel.
- There was no common cooking area, no kitchen, no lounge area, no gym, no swimming pool, and the rooms were about one hundred square feet, some have microwaves but most do not because they would not fit.
- They would face challenges if they do not continue to rent on a weekly basis such as having vacant units, cost of evicting delinquent renters, and other legal fees.
- Applicant request to continue to rent on weekly basis until full capacity was reached.
- If the request was not granted would there be assistance from the city to continue operating while finding qualified long term renters.

#### Public Comment

- Cynthia Gomez from Hotel Workers Union Local 2 said she agreed the extension should not be granted, The Mosser's application said it was near impossible to rent its residential units for 30-day periods but provided no evidence to support that claim. Thousands of San Franciscans rent less comparable units, the hotel said they deliberately withheld renting its residential units at a Planning Commission hearing the month before where the applicant's attorney said the hotels residential units had not been marketed to the public since 2010. In plans submitted to the Planning Department of the hotel only fifteen percent of the rooms were less than one hundred square feet. The purpose of the amortization was to allow hotels to recover from transitioning rooms to residential use away from tourist use. There should be skepticism of granting these hotels ten to fifteen year amortizations.
- David Wu of the Filipino Cultural Heritage District said to deny the request of the extension as noted by staff as the claimed investment were not for residential units, additionally the owner's lawyer stated the residential rooms had not been marketed to the public since 2010 and they had no intention of marketing those rooms all investments made were to tourist units.
- Raymond Castillo said he was concerned and the extension should not be granted and not for fifteen years, they had not promoted or offered those residential units while there were thousands of San Franciscans being displaced and those types of units were in demand even by technology and hotel workers and there were organizations that specifically work to help people find housing while this hotel was not marketing their own units, they should not be able to claim a hardship for remodeling tourist rooms.
- Jericho from SOMCAN said he and his mother moved to San Francisco in 2019 and struggled to find housing and were homeless until they were able to move into a Single Room Occupancy (SRO) and it was painful to hear that while him and his mother were homeless The Mosser hotel had not marketed their residential units during that time and there were places similar to it they could have applied.
- Avi spoke on behalf of the Anti-Displacement Coalition said to deny The Mosser's request for amortization extension because the application did not meet the intent or requirements of the

ordinance, it was for owners who made good faith investments in residential units impacted by the city's new 30-day minimum rental requirement. They deliberately did not market residential units that was not a market failure all investments were made to their tourist units and none of the 81 residential units. The applicant said there was no demand for the residential units however there were thousands of essential workers, elderly, and immigrants live in SROs across the city. Planning Commissioners had toured the residential units said they were ok for SRO use. The law does not require the hotel to shut down its to rent the rooms for thirty days instead of weekly.

Senior Housing Inspector Matt Luton said as a reminder the scope of the application was limited to the factors specified in Administrative Code 41.23 which were as follows:

- Total cost of investments made into the hotel, length of time those investments had been in place, suitability of investments for residential hotel use, and any other factors in determining the reasonable return on investments.

Property Manager for 54 4<sup>th</sup> Street made the following statement for rebuttal:

- They were not asking to remove the units from the market but an extension to secure long-term residents and continue to rent on a weekly basis until full capacity was reached.
- Said she was told the Planning Commission hearing was not related to the amortization hearings.

Members of the Building Inspection Commission (Evita Chavez, Catherine Meng, Bianca Neumann, and Kevin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

***Commissioner Meng made a motion, seconded by Commission Chavez based on evidence and testimony given to deny the application for extension.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

**RESOLUTION NO. BIC 035-25**

- 447 Bush Street (0287/020)

This application was withdrawn.

- 507 Bush Street (0286/001)

Senior Housing Inspector Matt Luton made the following points:

- 40 residential guest rooms and 18 tourist guest rooms
- Applicant requested 25-year extension based on investments totaling \$5.5 million
- Applicant reported investments were made between 2002-2016

- The investments included near complete rehabilitation of entire building and provided a significant amount of records which included operating budgets, expenditures and income reports up to 2016
- Based on the factors specified in the Ordinance, staff recommended an extension of seven years

Applicant Mr. Mark Mason made the following points:

- The \$5.5 million investment was post the investment itself and going back to 2000 the buildings entire lower façade was gone, there was a fire on floors three and four, and the building was vacant and gutted and windows were broken.
- The purchase price was \$5.170 million and that was the initial investment and the \$5.5 million was additional.
- Believed the entire investment of \$10.5 million should be considered
- The total return on investment was less than one percent not thirteen percent as stated in the staff report.
- They would not have purchased the property had they known the ability to collect rent as it had been done for seven years prior.
- Similar project application heard at the last BIC meeting was granted a ten-year extension and they hoped this would be the same
- Mr. Kabir Masou said he managed and marketed the hotel and found since he worked there that they have not found qualified applicants to capitalize on the investment and supported the extension request.

There was no public comment.

There was no rebuttal.

Members of the Building Inspection Commission (Evita Chavez, Catherine Meng, Bianca Neumann, 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 Commissioner Williams to grant an extension of seven years based on the evidence and testimony given.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

**RESOLUTION NO. BIC 036-25**

- 935 Kearny Street (0177/001)

Senior Housing Inspector Matt Luton made the following points:

- 128 residential guest rooms and 21 tourist guest rooms

- Applicant requesting twelve-year extension based on capital improvements totaling close to \$800,000.
- Reported investments were largely guest room remodels between 2019-2024
- Applicants provided evidence detailing those expenditures and staff recommended two- year extension.

Applicant representative made the following points:

- Requested a longer period of time because they removed units from the market to remodel based on a proposed master lease with the City of San Francisco but it was withdrawn
- The applicant said they were trying to recoup from the investments made for a potential lease with the city.
- There were about twenty delinquent long-term residents at the time of this hearing and when the hotel leases with long-term tenants the expense was still there.
- There was no way of getting assistance or helping those tenants to get assistance and the request was to recover not only from the vacancies from the master lease project but the cost incurred to enter into the master lease.

#### Public Comment

Ms. Pratibha Tekkey on behalf of Tenderloin Housing Clinic said they were in negotiations to open the facility as sober-living supportive housing and The Mosser did leave rooms open for quite some time to close the deal for the master lease although it did not happen and they supported the extension for this application.

Ms. Tekkey said regarding all of the other amortization applications they were expecting at least two year extensions and that a letter from the Executive Director Randy Shaw that they wished they were in conversation with the Department to give a ground report about the properties and were looking for less than ten-years amortizations on the properties.

There was no public comment.

There was no rebuttal.

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

***Commissioner Williams made a motion, seconded by Commissioner Neumann to deny the application for the extension based on the evidence and testimony given.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

**RESOLUTION NO. BIC 037-25**

- 1906 Mission Street (3554/002)

Senior Housing Inspector Matt Luton made the following points:

- 28 residential guest rooms and 3 tourist guest rooms.
- Applicant requested ten-year extension based on investments totaling \$1.5 million
- Improvements were made between 2013-2023 which were general building improvements
- Applicant provided evidence detailing investments and staff recommended granting one - year extension

Emily Brough on behalf of the owner of 1906 Mission Street made the following points:

- The board had received the applicant's legal objection to the process
- This application was continued from March 19, 2025 BIC so the applicant would provide further documentation in support of its request of ten-year extension with the understanding the Commission was considering the amounts spent on weekly based improvements and the length of time the owner would take to recover on the improvements.
- The language of the Ordinance also allowed the Commission to consider any other factors relevant to determining reasonable return of investments.
- The owner provided an analysis of loss and anticipated amount of time it would take the hotel to recover financially from the substantial change imposed by the HCO amendment and it did not appear the staff report took that information into consideration and disagreed with the staff recommendation of one year.
- The hotel was located in Mission District and was purchased in 2013 and majority of its expenses were incurred between 2013-2018 when the hotel was remodeled and most of the units were weekly rentals, that was the business model.
- Along with the remodel the owners upgraded the electrical paneling and bought new furniture.
- Pre-Covid the hotel was making a modest profit on the weekly rentals but was still running at a loss.
- A financial impact statement was submitted which addressed the time it would take to recover its investments with an estimated ten-year timeline.
- With the imposition of the thirty-day requirement the rate of the weekly room rentals would drop resulting in approximately \$150,000 loss per year for this small mom and pop business.
- Applicant requested ten-year extension

There was no public comment.

There was no rebuttal.

Members of the Building Inspection Commission (Evita Chavez, Catherine Meng, Bianca Neumann, and Kevin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

***Commissioner Neumann made a motion, seconded by Commissioner Meng to grant an extension of ten years based on the evidence and testimony given.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

*The motion carried unanimously.*

**RESOLUTION NO. BIC 038-25**

- 240 O’Farrell Street (0315/010)

Senior Housing Inspector Matt Luton made the following points:

- 78 residential guest rooms and 51 tourist guest rooms
- Applicant request extension of at least twenty years based on claimed investments of over \$2 million.
- Investments were made over the past fifteen years and provided evidence going back to 2008
- Staff recommended eight-year extension based on the factors of the Ordinance.

Emily Brough on behalf of the operator of 240 O’Farrell, The Bartlett Hotel made the following points:

- Ms. Brough said the Commission was in receipt of the applicant’s legal objection and would not repeat the information as it was already on record.
- The staff report stated investments of \$2 million however the grand total of investments was more than \$4 million.
- Though Staff recommendation of eight years was appreciated and may mitigate some loss the applicant does not believe this would result in a full recovery
- The Bartlett Hotel was located in Union Square and was predominately weekly rentals
- The hotel had an integrated restaurant next door that shared an entrance with the hotel.
- The hotel was operating at a loss and the two years that had been provided was not enough time.
- The implementation of the 30-day requirement would continue to delay and potentially prohibit recovery of the loss.
- In addition to the renovation documents submitted since the operator took over including elevator upgrades, ADA improvements that were short term specific, the operation of the restaurant which shared the hotel lobby.
- The restaurant and the hotel were integrated to create a higher grade hotel where weekly guest would go to the restaurant which would not happen with long-term guest and because of the integrated business the applicant made upgrades to the entrance and lobby to promote the shorter stay weekly termed use.
- Another imposition the applicant described was changing from a transient hotel to long use residential would require new investments in the rooms such as technology, staffing and training and marketing.
- The operator would not be able to justify financially the investments under the existing lease terms with the owner.
- The difference in income for the hotel as a result of the 30-day requirement would be substantial and approximately \$1.9 million loss.

- Reminded the Commission they may consider any other factors relevant to determining the operator reasonable return on investment.

There was no public comment.

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

- The department did believe the restaurant should be included because it did not put restraints its operation.

Mr. Chris Lamén one of the partners of 240 O' Farrell gave a rebuttal and made the following points:

- They built the restaurant to create an affordable lifestyle hotel and would not have made that investment if they had known the hotel would be subject to 30-day rentals along with the other improvements.
- Mr. Lamén said he would not have leased the property had he known the Ordinance would take away the 7-day rental period.

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

Deputy City Attorney Sarah Fabian advised the Commissioners during deliberation the applicant needed to provide evidence that would satisfy the factors under Administrative Code 41.23 and to feel free to ask the applicant questions but the applicant did need to provide evidence to support the claim.

***Commissioner Neumann made a motion, seconded by Commissioner Chavez to grant an extension of fifteen years based on the evidence and testimony given.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

#### **RESOLUTION NO. BIC 039-25**

- 161 Powell Street (0326/002)

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

- 66 residential guest rooms and 38 tourists guest rooms
- Applicant requested twenty-year extension based on total investments of over \$1 million was written in the original application but since updated the amount.
- Evidence provided of investments dating from 2007

- Staff recommended three-year extension based on supporting evidence and factors in the Ordinance.

Emily Brough on behalf of the operator of 161 O’Farrell, The Herbert Hotel made the following points:

- The Commission was in receipt of the owner’s objections to the Ordinance
- Inspector Luton noted there was \$1 million initially listed as the investment however it was closer to \$2 million.
- Client respectable disagreed with the staff recommendation of three-year extension which was insufficient in recovery of losses from the change in use the Ordinance would impose.
- The hotel had been operating at a negative cash flow and implementation of the Ordinance would delay any potential recovery.
- Renovations had been made to the rooms for the purpose of shorter termed rentals, among other investments in its laundry facility.
- Monthly rental rate for the residential rooms were anticipated to be approximately \$1100 and on a weekly basis those same rooms rate would be \$3000 monthly, that was a loss of \$1.5 million in gross revenue.
- Applicant requested twenty-year extension

There was no public comment.

Mr. Lamén said he mentioned in the supporting documents the ADA upgrades and laundry rooms were suitable for residential hotel use but the laundry facility was not coin operated, it was in the basement and was a commercial hotel laundry for washing linens and a sidewalk elevator was added but residents would not be able to use. Also, the ADA bathroom would be suitable for a residential bathroom however the Code for hotel requirements were five ADA bathrooms for one hundred rooms and those bathrooms are very large that it makes the room smaller.

Mr. Lamén reiterated he would not have made those improvements had they known the hotel would have to become a residential occupancy.

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

***Commissioner Williams made a motion, seconded by Commissioner Neumann to grant an extension of eight years based on the evidence and testimony given.***

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

***The motion carried unanimously.***

**RESOLUTION NO. BIC 040-25**



- 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 requesting twenty- year extension based on investments totaling over \$4 million over past five years
- The applicant had a restaurant similar to a previous application
- Based on the factors of the Ordinance staff recommended eighteen-month extension

Emily Brough on behalf of the operator of 242 Powell Street, The Bradford Hotel made the following points:

- Applicant believed the staff recommendation of eighteen-month extension was inadequate.
- This application was unique as the hotel only had six residential rooms.
- The operators had made substantial investments into that hotel model and it was an imposition to change a weekly rental to a monthly on six rooms.
- Visitors renting rooms do not expect to stay next to long-term residents and the operators assumed when the tourist guest finds out those six rooms are residential long-term rentals it would lower the hotel reputation resulting in lower daily rates.
- As part of the evidence an article was provided regarding this hotel and a current resident that based on that situation and other factors the operators reasonably believed would lower the value of their investment.
- Investment into those six residential rooms would result in cost of different and separate office procedures, more staff, other technology additions and under the lease terms those investments would not be justified.
- The anticipated loss per room was \$2100 per month
- Applicant requested twenty-year extension based on the imposition that the Ordinance would have on the hotel business model

There was no public comment.

Mr. Lamien gave additional testimony and said it was not only the loss on the revenue from the six rooms the investment into the hotel was a gut renovation before the pandemic and had secured a franchise agreement where free breakfast would have been provided. He explained they inherited one tenant who had been uncooperative and the story was in the news.

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

- The Ordinance was about renting residential guest rooms for 30-day terms of tenancy not about the people that rent those rooms.
- Respectively the argument of the types of people renting the rooms should not be considered for the extension.

Representative for the operators Emily Brough gave a rebuttal and made the following points:

- The evidence was not about the type of people who would rent the rooms rather the business model of the hotel and unfortunately the situation in the news was something that would occur when there were conflicting business models.

Members of the Building Inspection Commission (Evita Chavez, Catherine Meng, Bianca Neumann, and Kevin Williams,) made comments and asked various questions of DBI staff and the Applicant pertaining to the application.

*Commissioner Williams made a motion, seconded by Commissioner Chavez to grant an extension of three years based on the evidence and testimony given.*

**Secretary Harris Called for a Roll Call Vote:**

<b>President Alexander-Tut</b>	<b>Excused</b>
<b>Commissioner Chavez</b>	<b>Yes</b>
<b>Commissioner Neumann</b>	<b>Yes</b>
<b>Commissioner Sommer</b>	<b>Yes</b>
<b>Commissioner Williams</b>	<b>Yes</b>

*The motion carried unanimously.*

#### **RESOLUTION NO. BIC 041-25**

#### **8. 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.

*Commissioner Neumann made a motion, seconded by Commissioner Chavez to continue agenda items 8, 9, and 10 to the May 21, 2025 BIC meeting.*

There was no public comment.

*The motion carried unanimously.*

#### **RESOLUTION NO. BIC 042-25**

#### **9. Review and approval of the minutes of the Special Meeting of March 3, 2025.**

This item was continued to May 21, 2025.

There was no public comment.

#### **10. Review and approval of the minutes of the Regular Meeting of March 19, 2025.**

This item was continued to May 21, 2025.

There was no public comment.

**11. Adjournment.**

*Commissioner Neumann made a motion, seconded by Commissioner Williams, to adjourn the meeting.*

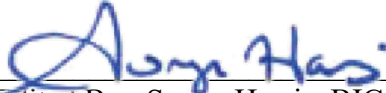
*The motion carried unanimously.*

**The meeting was adjourned at 1:36 p.m.**

**RESOLUTION NO. 043-25**

Respectfully submitted,

  
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Monique Mustapha, Assistant BIC Secretary

  
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Edited By: Sonya Harris, BIC Secretary