



SAN FRANCISCO PLANNING DEPARTMENT

Discretionary Review Analysis

Dwelling Unit Merger

HEARING DATE JANUARY 10, 2013

Consent Calendar

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

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Date: January 3, 2013
Case No.: **2012.1122D**
Project Address: **246 2nd STREET, UNITS 1202 & 1203**
Permit Application: **2012.11.21.4720**
Zoning: C-3-O (SD) (Downtown Office Special Development) District
320-I Height and Bulk District
Block/Lot: 3735/125, 3735/126
Project Sponsors: Yu Chieh Ernest Hsin and Carla Oshiro
246 2nd Street, Unit 1202
San Francisco, CA 94105
Staff Contact: Kate Conner – (415) 575-6914
kate.conner@sfgov.org
Recommendation: **Approve with Conditions**

PROJECT DESCRIPTION

The proposal is to merge two two-bedroom two-bathroom condominium units (Unit 1203/ Lot 126 and Unit 1202/ Lot 125) in a 91 unit building that was approved by the Planning Commission in 1999 and built in 2000. The resulting unit would consist of three bedrooms, an office, four bathrooms, a play area, living room, dining room, kitchen, and a wet bar. The proposed merger will accommodate a family that resides in unit 1203. The owner of unit 1202 has agreed to sell his unit and has authorized the Project Sponsors to act on his behalf. The proposal is not subject to Neighborhood Notification because it located within the C-3-O (SD) (Downtown Commercial, Downtown Office Special Development) District.

SITE DESCRIPTION AND PRESENT USE

The subject property is located on the south side of 2nd Street, between Howard and Folsom Streets, Block 3735, Lots 125 (Unit 1202) and 126 (Unit 1203) and is located within the C-3-O (SD) (District, and the 320-I Height and Bulk District. The property is developed with a 17-story residential over commercial building that was constructed in 2000. There are two commercial tenants on the ground floor and 91 dwelling units. Furthest south on 2nd Street is a liquor store (d.b.a. Soma Wine and Spirits), the center frontage of the building is occupied by the residential entrance and lobby, and further north is and pet accessories retail store (d.b.a. P.L.A.Y. Pet Lifestyle and You). Parking is provided at four levels (one level below street level and at levels two, three, and four). Residential units begin at the fifth floor. Access to parking is provided by two ramps on either side of the lobby.

SURROUNDING PROPERTIES AND NEIGHBORHOOD

The surrounding properties and neighborhood is primarily occupied by office and retail uses. There are no other residential uses within 150 feet of the subject property. The entire block in which the subject property is located is zoned C-3-O (SD), as are the immediately surrounding properties. To the south, across Folsom Street, the properties are zoned C-3-R (Downtown Commercial, Downtown Retail) and the southeast properties at 2nd Street and Folsom Street are zoned MUO (Mixed-Use Office). Planning Code Section 210.3 defines the C-3-O (SD) as the following:

This district, playing a leading national role in finance, corporate headquarters and service industries, and serving as an employment center for the region, consists primarily of high-quality office development. The intensity of building development is the greatest in the City, resulting in a notable skyline symbolizing the area's strength and vitality. The district is served by City and regional transit reaching its central portions and by automobile parking at peripheral locations. Intensity and compactness permit face-to-face business contacts to be made conveniently by travel on foot. Office development is supported by some related retail and service uses within the area, with inappropriate uses excluded in order to conserve the supply of land in the core and its expansion areas for further development of major office building.

The western side of 2nd Street is occupied by the subject property in the center to southern end of the block, while to the north is the Marine Fireman's Union. Directly north of the Marine Fireman's Union is Tehama Street, and in between Tehama Street and Howard Street is a surface parking lot. To the south of the subject building is a four story office building. Across 2nd Street to the east is the Courtyard Marriot Hotel and CBS Interactive. Further north toward Howard Street on the eastern side of 2nd Street is an advertising business, coffee shop, small office building, and a surface parking lot at the intersection with Howard Street.

HEARING NOTIFICATION

TYPE	REQUIRED PERIOD	REQUIRED NOTICE DATE	ACTUAL NOTICE DATE	ACTUAL PERIOD
Posted Notice	10 days	January 1, 2013	December 31, 2012	11 days
Mailed Notice	10 days	January 1, 2013	December 31, 2012	11 days

PUBLIC COMMENT

	SUPPORT	OPPOSED	NO POSITION
Adjacent neighbor(s)	2	X	X
Other neighbors on the block or directly across the street	X	X	X
Neighborhood groups	X	X	X

The adjacent neighbor in Unit 1202 supports the proposal and has authorized the Project Sponsors to apply for this entitlement. In addition, the president of the home owners association for 246 2nd Street has submitted a letter of support stating that the Project Sponsors were two of the first residents in the building after it was completed. In the last ten years, they have had two young children and it is understandable why their current two-bedroom condominium is not enough space for a family of four with two young children.

PROJECT ANALYSIS

DWELLING UNIT MERGER CRITERIA

Below are the five criteria to be considered by the Planning Commission in evaluating dwelling unit mergers, per Planning Code Section 317:

1. Removal of the unit(s) would only eliminate owner occupied housing.

Project Meets Criteria

Both units are owner-occupied. The Project Sponsors owns unit 1203 at 246 2nd Street. Unit 1202 is owner occupied; however, the owner has agreed to sell the Project Sponsors his unit to allow for the merger.

2. Removal of the unit(s) and the merger with another is intended for owner occupancy.

Project Meets Criteria

The Project Sponsors are requesting the merger to accommodate their family in San Francisco. The resulting unit will be owner occupied. The merger will enable a family to remain in a downtown unit in San Francisco.

3. Removal of the unit(s) will bring the building closer into conformance with the prevailing density in its immediate area and the same zoning.

Criteria is not applicable to Project

There are no other residential buildings within 150 feet of the subject building; therefore there is no prevailing residential density in the area. The Dwelling Unit Merger Criteria were intended to be used in residential or zoning districts with residential uses. In this particular case, there are no neighboring residences to help establish a residential density.

4. Removal of the unit(s) will bring the building closer into conformance with prescribed zoning.

Project Does Not Meets Criteria

The subject property is zoned C-3-O (SD) which permits a density of one unit per 125 square feet of lot area. With a lot size of approximately 13,011 square feet, the subject building could permit 104 dwelling units. By merging two units, the unit count is being reduced from 91 to 90 dwelling units. The proposal does not bring the building closer into conformance with the prescribed zoning; although the result is a family sized unit, which would be consistent with current Planning Department policies to encourage family-sized dwellings.

This building only has one three-bedroom unit, which was the result of an earlier merger in 2008. If this building were proposed today, the Planning Department may require a larger percentage of three-bedroom units in order to retain families in the City. Currently, Planning Department policy is to encourage and in some cases require a dwelling unit mix for new projects. On the southeastern corner of 2nd and Folsom Street, there is MUO (Mixed Use Office) District zoning which specifically encourages "family-sized" units.

5. Removal of the unit(s) is necessary to correct design or functional deficiencies that cannot be corrected through interior alterations.

Project Does Not Meet Criteria

The proposed merger is not necessary to correct design or functional deficiencies. Although the resulting unit is more functional for use by a family, the merger does not seek to correct any violations or design deficiencies. The existing two units were part of the original design.

GENERAL PLAN COMPLIANCE:

The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 2: RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

Policy 2.2: Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing.

The proposal is to merge two units in order to create a family sized unit for the family that currently resides in Unit 1203. The building was not constructed with any three-bedroom units. However, one three bedroom unit was created through the merger process in 2008. The existing units are two-bedroom units that are modestly sized for raising a family. The proposed merger creates a more comfortable living environment for a growing family that intends to occupy said unit.

OBJECTIVE 4: FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1: Develop new housing, and encourage the remodeling of existing housing, for families with children.

The proposal is to merge two units to accommodate a family that resides in one of the units. The subject building was constructed in 2000. If this building were entitled today, Planning Department policy may encourage a greater mix of unit types and family-sized housing. The proposed merger has no adverse effects on the surrounding neighborhood since the construction is interior only and does not expand the building envelope.

SECTION 101.1 PRIORITY POLICIES

Planning Code Section 101.1 establishes eight priority policies and requires review of permits for consistency, on balance, with these policies. The Project complies with these policies as follows:

1. Existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The proposal does not affect existing neighborhood-serving retail uses. Existing neighborhood serving retail uses will be preserved.

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

The proposal does not affect the existing neighborhood character as the proposal does not involve any exterior modifications. Although the proposal involves the loss of one dwelling unit through the merger process, the project results in a family-sized unit which did not exist at this site originally.

3. That the City's supply of affordable housing be preserved and enhanced.

The City's affordable housing supply is not affected by this proposal. One two-bedroom unit is being removed from the City's housing stock.

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

The proposal will not impede MUNI transit service; overburden our streets or neighborhood parking. The area is well served by public transit. The MUNI 10 and 15 lines run on 2nd Street.

5. 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 will not affect industrial or service sectors. The units involved in the proposal are residential.

6. The City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposal will comply with applicable code standards.

7. Landmarks and historic buildings be preserved.

The subject building is not a landmark. It was constructed in 2000 and is not considered a historic resource.

8. Parks and open space and their access to sunlight and vistas be protected from development.

The proposal will not negatively affect parks or open spaces.

ENVIRONMENTAL REVIEW

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

BASIS FOR RECOMMENDATION

- The project creates family-sized housing.
- The proposal does not affect the neighborhood character since the proposed alterations are only to the building's interior.
- There is no prevailing density in the area considering that there are no residential developments within 150 feet of the subject property.
- There is no objection from the public to the proposal.

RECOMMENDATION: Do not take DR and approve as proposed.

Attachments:

Parcel Map

Sanborn Map

Zoning Map

Aerial Photographs

Site Photograph

Project Sponsor's Submittal

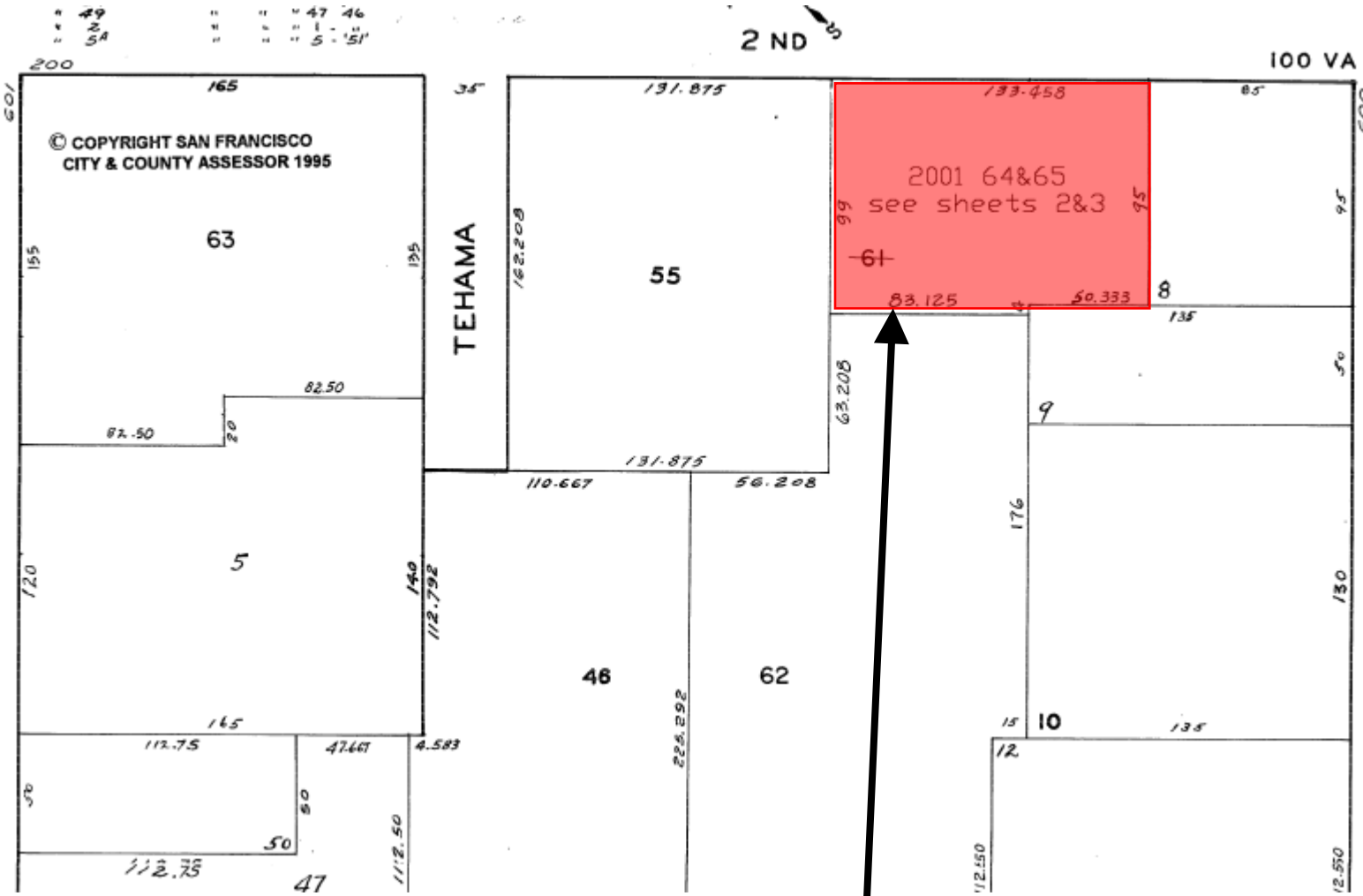
Response to Dwelling Unit Merger Criteria – Form B

Maps showing distance to residential development

Letter from President of the HOA Association dated 7/11/12

Reduced Plans

Parcel Map



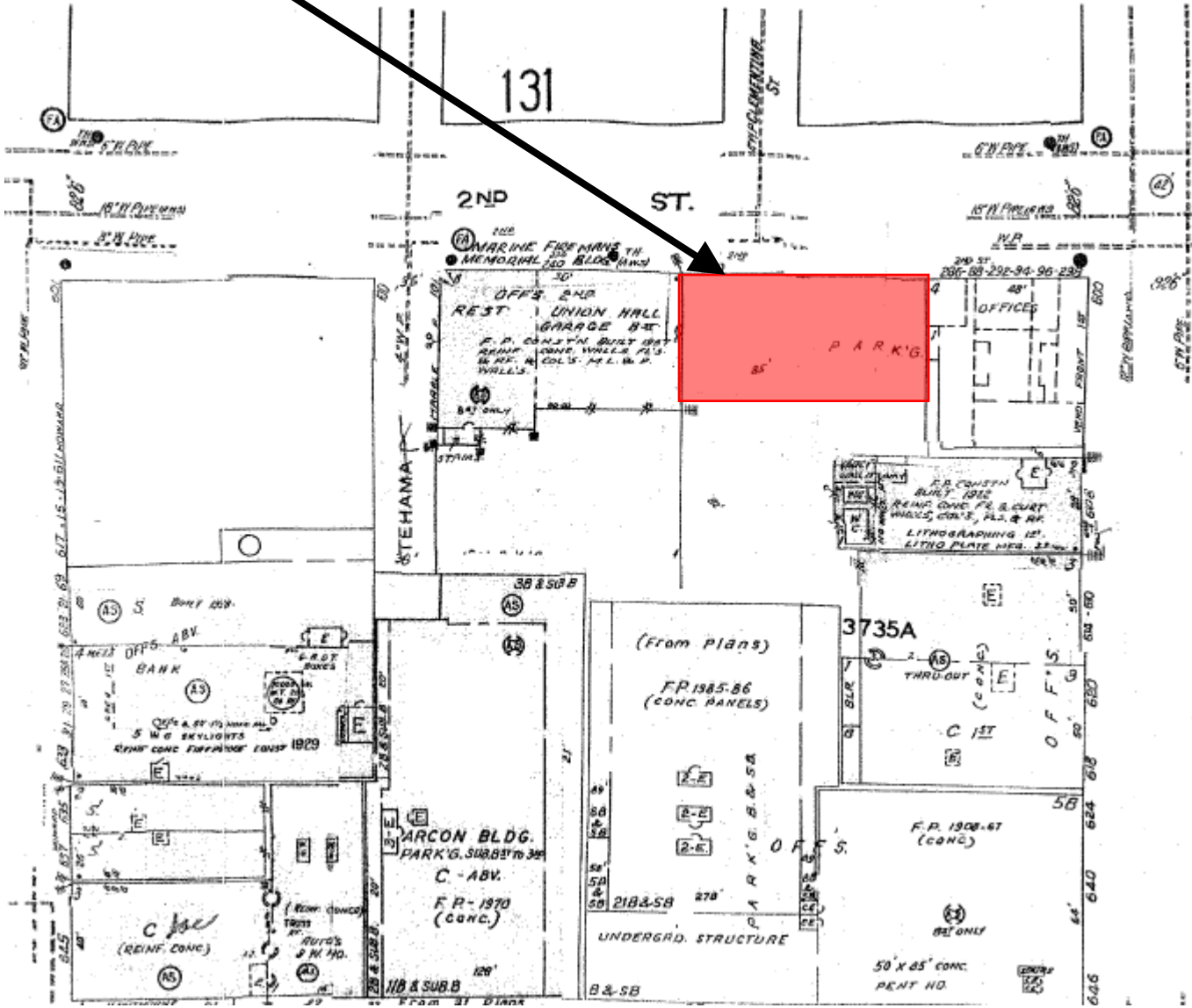
SUBJECT PROPERTY

Discretionary Review Hearing
 Case Number 2012.1122D
 Dwelling Unit Merger
 246 2nd Street, Units 1202, 1203



Sanborn Map*

SUBJECT PROPERTY

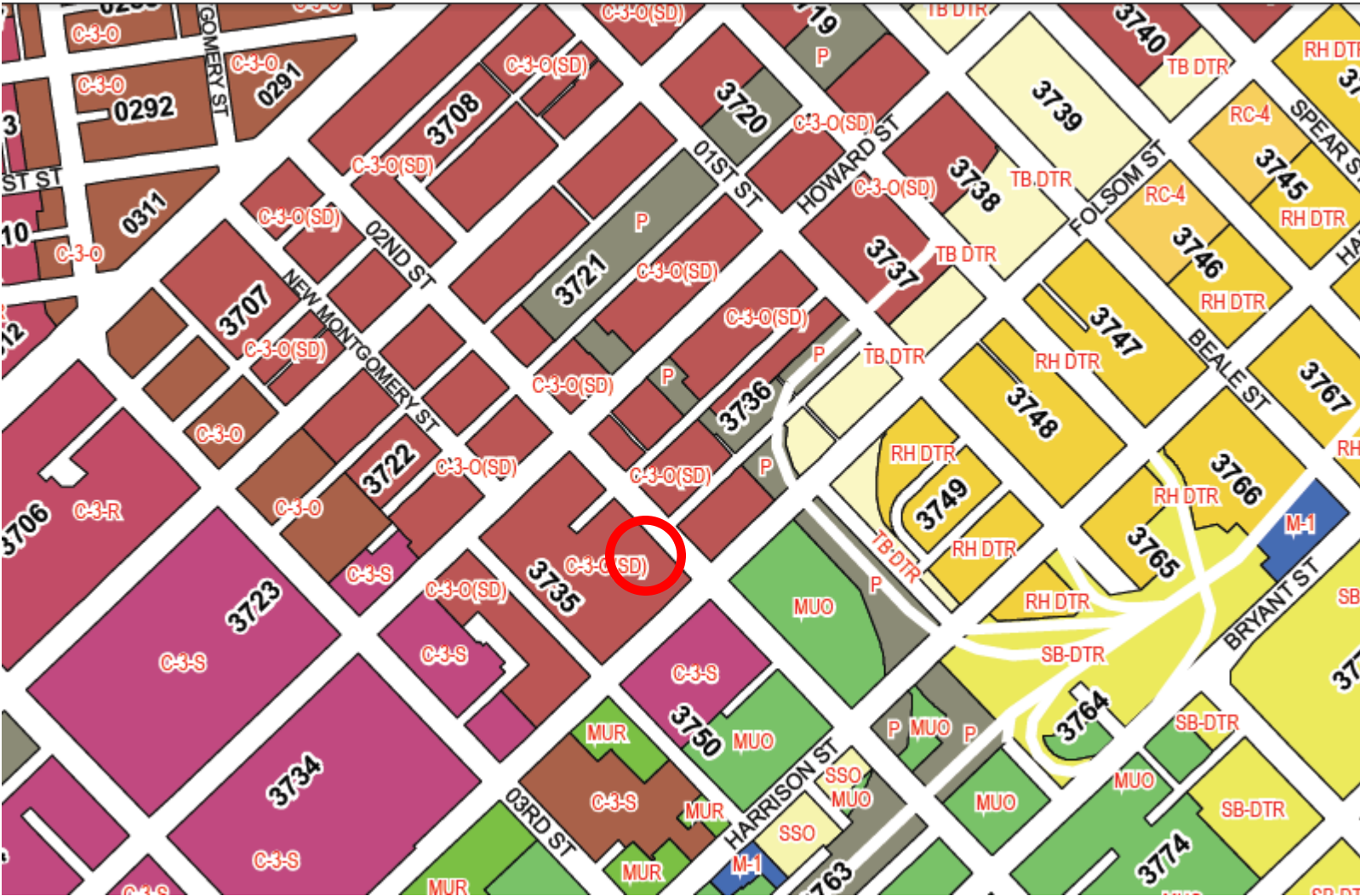


*The Sanborn Maps in San Francisco have not been updated since 1998, and this map may not accurately reflect existing conditions.

Discretionary Review Hearing
 Case Number 2012.1122D
 Dwelling Unit Merger
 246 2nd Street, Units 1202, 1203

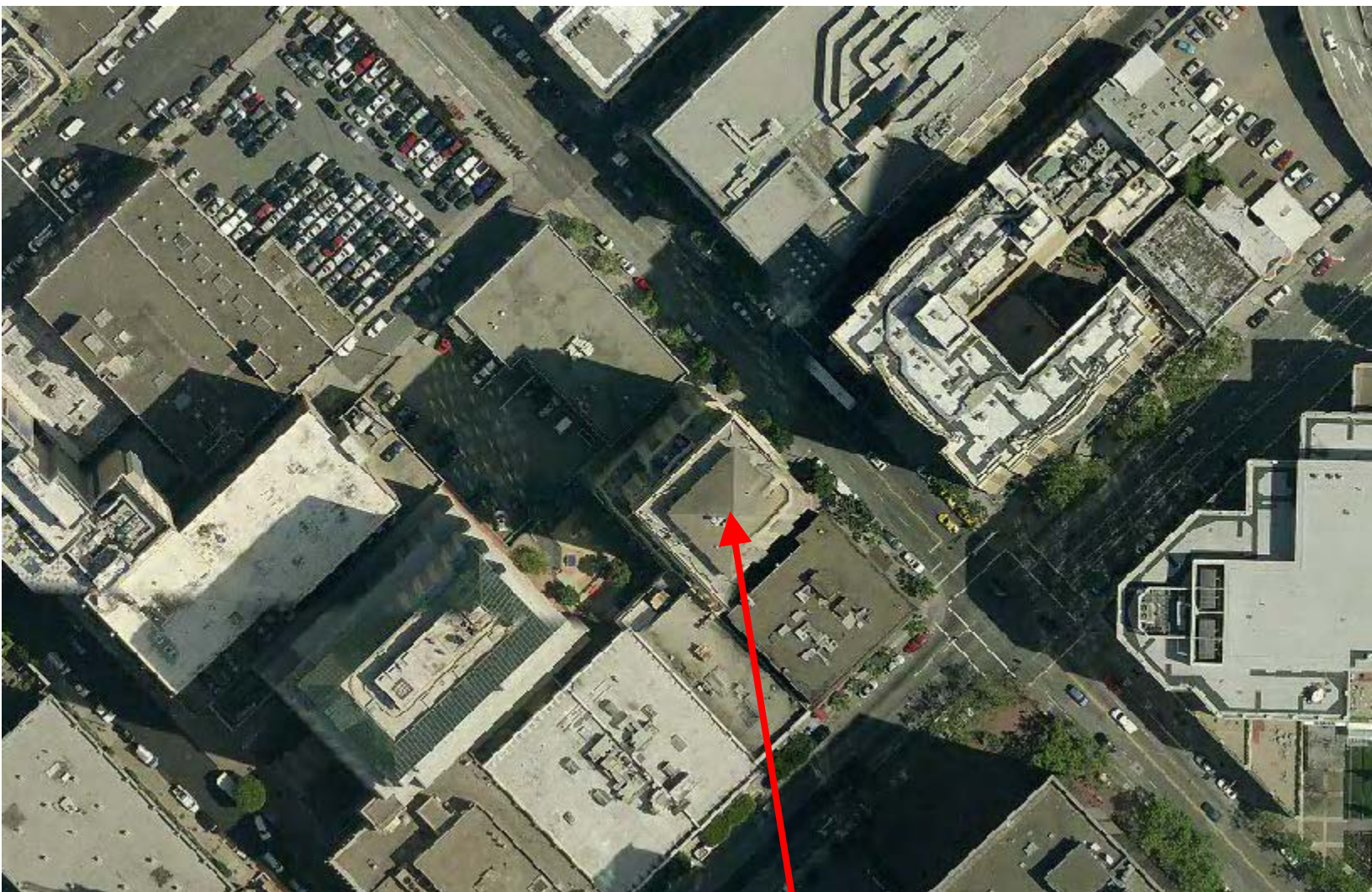


Zoning Map



Discretionary Review Hearing
Case Number 2012.1122D
Dwelling Unit Merger
246 2nd Street, Units 1202, 1203

Aerial Photo

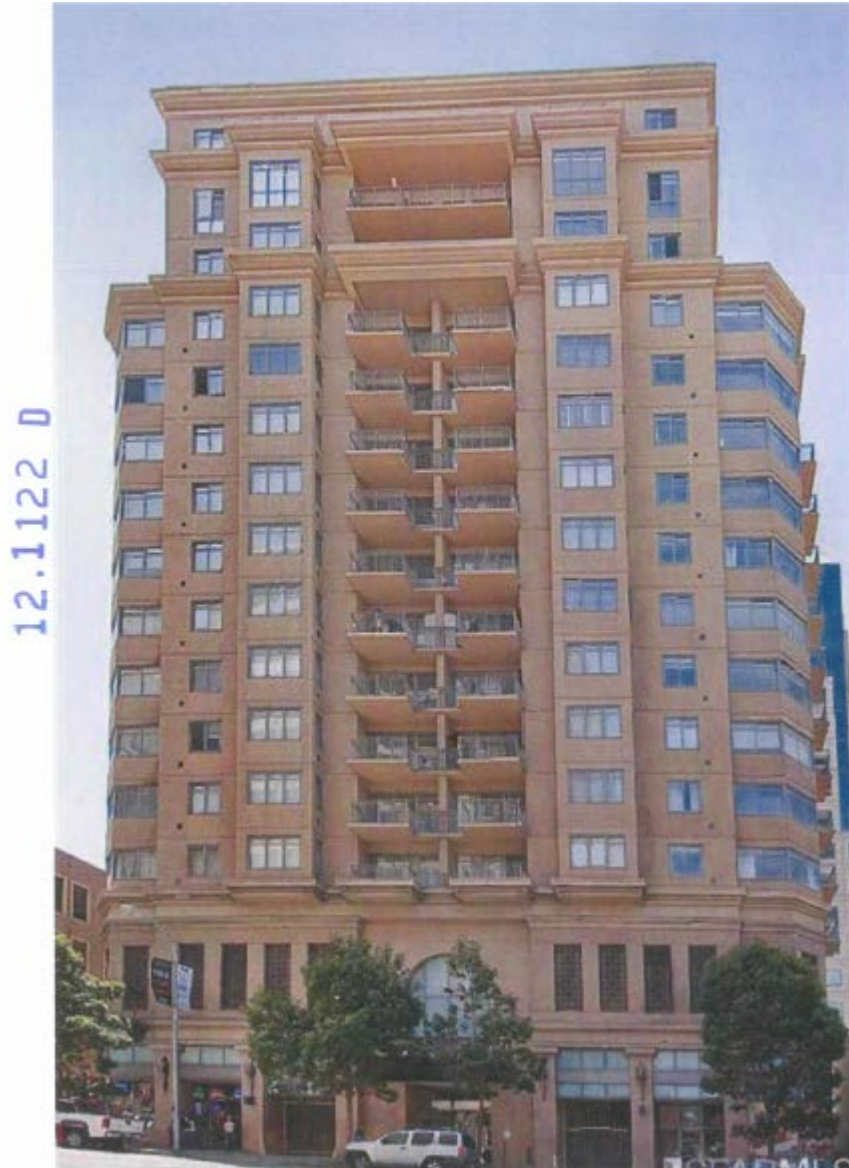


SUBJECT PROPERTY



Discretionary Review Hearing
Case Number 2012.1122D
Dwelling Unit Merger
246 2nd Street, Units 1202, 1203

Site Photo



12.1122 D

Discretionary Review Hearing
Case Number 2012.1122D
Dwelling Unit Merger
246 2nd Street, Units 1202, 1203

Loss of Dwelling Units Through Merger

(FORM B – COMPLETE IF APPLICABLE)

Pursuant to Planning Code Section 317(e), the merger of residential dwelling-units not otherwise subject to a Conditional Use Authorization shall be either subject to a Mandatory Discretionary Review hearing or will qualify for administrative approval. Administrative review criteria only apply to those Residential Units proposed for Merger that are (1) not affordable or financially accessible housing are exempt from Mandatory DR (valued by a credible appraisal within the past six months to be greater than 80% of combined land and structure value of single-family homes in San Francisco); or (2) meet a supermajority of the merger criteria listed below. Please see website under Publications for Loss of Dwelling Units Numerical Values.

Please state how the project meets or does not meet the following criteria:

1. Does the removal of the unit(s) eliminate only owner-occupied housing, and if so, for how long was the unit(s) proposed to be removed owner-occupied?

Yes. The proposed merger would combine Units 1203 and 1202 (both approximately 1,100 square foot 2BR condos). 1203 has been owned by us for 8 years. If the merger is approved, the owner of 1202 (a single adult) has agreed to sell 1202 to us. He has owned 1202 for 3 years. Our family intends to reside in the final merged unit as our primary residence for many years.

2. Is the removal of the unit(s) and the merger with another intended for owner occupancy?

Yes. Units 1203 and 1202 are both modest-sized 2BR condos. Our family has recently expanded -- my wife and I have two young children. We seek to merge 1203 and 1202 to provide enough space for our family of 4. Our family intends to reside in the final merged unit as our primary residence for many years.

3. Will the removal of the unit(s) bring the building closer into conformance with the prevailing density in its immediate area and in the same zoning district?

Yes. Our building is the only residential building within 150 feet in the same zoning district (see Attachment). The building has 91 units and covers 13,011 square feet. Thus, the density is approximately 143 sq ft per unit -- i.e., the building is already very high density. In addition, if the merger is approved, the building will have more "family-sized units." Our building currently has only one unit (out of 91 units) that has three bedrooms. All other units have only one or two bedrooms. Our proposed merger would create another family-sized 3BR unit.

4. Will the removal of the unit(s) bring the building closer into conformance with the prescribed zoning?

Yes. Our building is the only residential building within 150 feet in the same zoning district (see Attachment), and is already high density. The Planning Commission has expressed a preference for the creation of more "family-sized units" in recent years. See Planning Code section 207.6(c)(2). Our condo building currently has only one unit (out of 91 units) that has three bedrooms. All other units have only one or two bedrooms. Our proposed merger would therefore bring the building closer into conformance with current guidelines.

5. Is the removal of the unit(s) necessary to correct design or functional deficiencies that cannot be corrected through interior alterations?

No.

Priority General Plan Policies – Planning Code Section 101.1

(APPLICABLE TO ALL PROJECTS SUBJECT TO THIS APPLICATION)

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed alterations and demolitions are consistent with eight priority policies set forth in Section 101.1 of the Planning Code. These eight policies are listed below. Please state how the Project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. If a given policy does not apply to your project, explain why it is not applicable.

Please respond to each policy; if it's not applicable explain why:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Project is consistent with this policy. Existing neighborhood-serving retail uses will be preserved, as there will be no negative impact on any retail businesses.

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

The Project is consistent with this policy. The existing housing and neighborhood character will be protected, as the condo building will not be materially altered.

3. That the City's supply of affordable housing be preserved and enhanced;

The Project is consistent with this policy. The affordability of housing units will not be affected as a result of the merger -- on a per square foot basis, the merged unit should be equally affordable after the merger, as compared to the two units prior to the merger.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

The Project is consistent with this policy. There will be no impact to commuter traffic, streets, or neighborhood parking.

Please respond to each policy; if it's not applicable explain why:

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project is consistent with this policy; a diverse economic base will be maintained. The units currently are, and, if merged, will remain, residential units and will not affect or be affected by commercial office development.

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

The Project is consistent with this policy. The project has been reviewed by a structural engineer and will have no negative impact relative to earthquake considerations (see attached project plans).

7. That landmarks and historic buildings be preserved; and

The Project is consistent with this policy. The building is neither a landmark nor a historic building.

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

The Project is consistent with this policy. This project will have no negative impact on any parks or open spaces, as all work will be on the interior of the building -- i.e., internal to the two units to be merged.

12.1122 0

Dwelling Unit Merger Application

246 2nd Street, units 1202 & 1203

8.28.12

12.1122 0

Property Information map for 246 2nd Street showing buildings within 150 feet of 246 2nd Street lot (area within grey circles)

San Francisco Property Information
Public Access to Useful Property Information & Resources

Step 1: Search or Click on the Map

Search Examples: 400 Van Ness Ave 0787/001
Mission and Van Ness 2011.0218
Ferry Building

246 2nd st

Map | Satellite | Hybrid

Map showing 246 2nd Street with a 150-foot radius search area (grey circles) centered on the lot. The map includes labels for streets like Hawthorne St, Tehama St, and San Francisco Bicycle Route 11. Landmarks such as the San Francisco Passport Agency and San Francisco Public Library are also visible.

POWERED BY Google | 100 ft | 50 m | Map data ©2012 Google, Sanborn - Terms of Use

© 2011 San Francisco Planning Department

Property Information map for 246 2nd Street shifted to show more detail on nearest residential building lot, and showing areas within 150 feet of 246 2nd Street lot (area within grey circles)

North corner of lot of nearest residential building (approx 22 feet beyond 150-foot radius from 246 2nd Street lot)

San Francisco Property Information
Public Access to Useful Property Information & Resources

Step 1: Search or Click on the Map

Search Examples: 400 Van Ness Ave 0787/001
Mission and Van Ness 2011.0218
Ferry Building

246 2nd st

Map | Satellite | Hybrid

San Francisco Bicycle Route 30
San Francisco Bicycle Route 11
San Francisco Passport Agency
611 Folsom Street Plaza
SF Blu residences
Sutter West Bay Hospitals

POWERED BY Google
Map data ©2012 Google, Sanborn - Terms of Use

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Per the measuring tool on the Property Information map website, the nearest corner of the lot of the nearest residential building is 172 feet from the nearest corner of the lot for 246 2nd Street

San Francisco Property Information
Public Access to Useful Property Information & Resources

Step 1: Search or Click on the Map

Search Examples: 400 Van Ness Ave 0787/001
Mission and Van Ness 2011.0218
Ferry Building

246 2nd st

Measure Distance | Street View | Map Legend | Clear Map

Map | Satellite | Hybrid

Financial District

San Francisco Passport Agency

South of Market

611 Folsom Street Plaza

Sutter West Bay Hospitals

San Francisco Bicycle Route 11

303 Street

100 m

Map data ©2012 Google, Sanborn - Terms of Use

© 2011 San Francisco Planning Department

Windows Internet Explorer

Length:
172 feet
57.3 yards
0.033 miles

OK

7/11/12

Armand Der-Hacobian
President, 246 HOA
246 2nd street
San Francisco, CA 94105

To Whom It May Concern,

I am serving my third term as the elected President of the 246 HOA Association. During this time, the Board and I had the pleasure of getting to know Ernie Hsin and his wife Carla Oshiro. Ernie and Carla were one of the first residents of the building and moved-in over 10 years ago immediately after the building was built.

Ernie and Carla are ideal neighbors and good citizens: they are conscientious of their neighbors, friendly and respectful residents.

Ernie and Carla started a family in the 10 years they have lived in the building: James is now 4 years old and Eden is now 2 years old. We have spoken many times about their desires to remain in the City and raise their family right here.

There is no question that it would be great for our building and the HOA to have people like Ernie and Carla remain in the building rather than move out for lack of sufficient space.

I fully understand why their current 1,000 square foot 2 BR Condo is not enough space for a family of 4 with two young children.

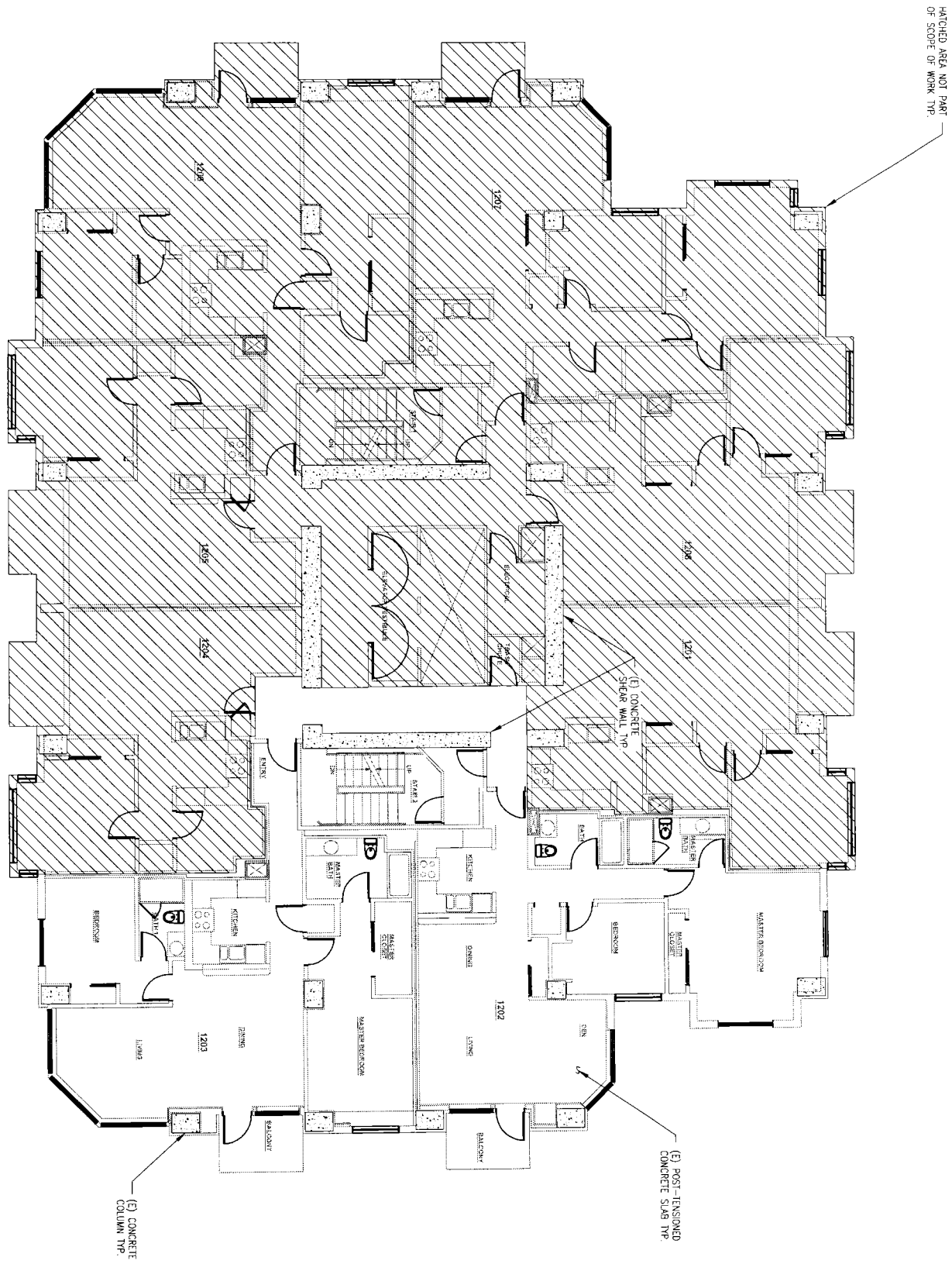
I also don't believe that the merger of units, where all the work would be internal to the units would have a negative impact on the rest of the people in the building.

I fully support their desire to merge the two units and remain in the building for many more years.

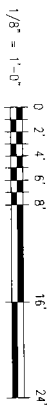
Respectfully submitted,



Armand Der-Hacobian



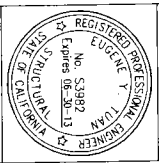
1 EXISTING FLOOR PLAN - UNITS
 #1203 & #1202 1/8" = 1'-0"



DATE	05/24/2012
SCALE	1/8" = 1'-0"
DRAWN BY	ET
CHECKED BY	ET
SHEET	A-1
OF SHEETS	

EXISTING FLOOR PLANS
 UNIT #1203 AND UNIT #1202

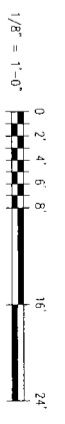
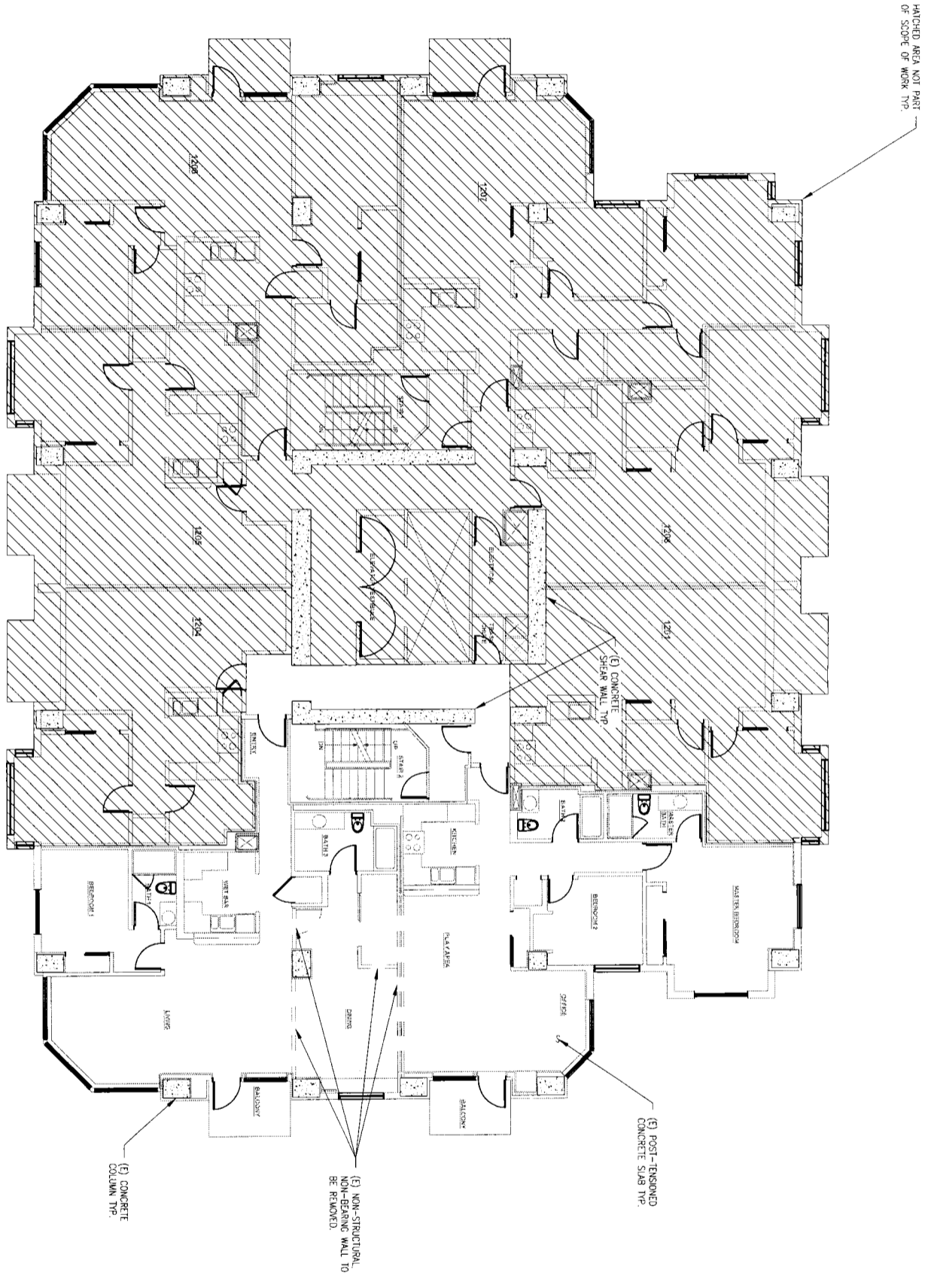
CONDOMINIUM MERGER
 UNIT #1203 AND UNIT #1202
 246 SECOND STREET
 SAN FRANCISCO, CA



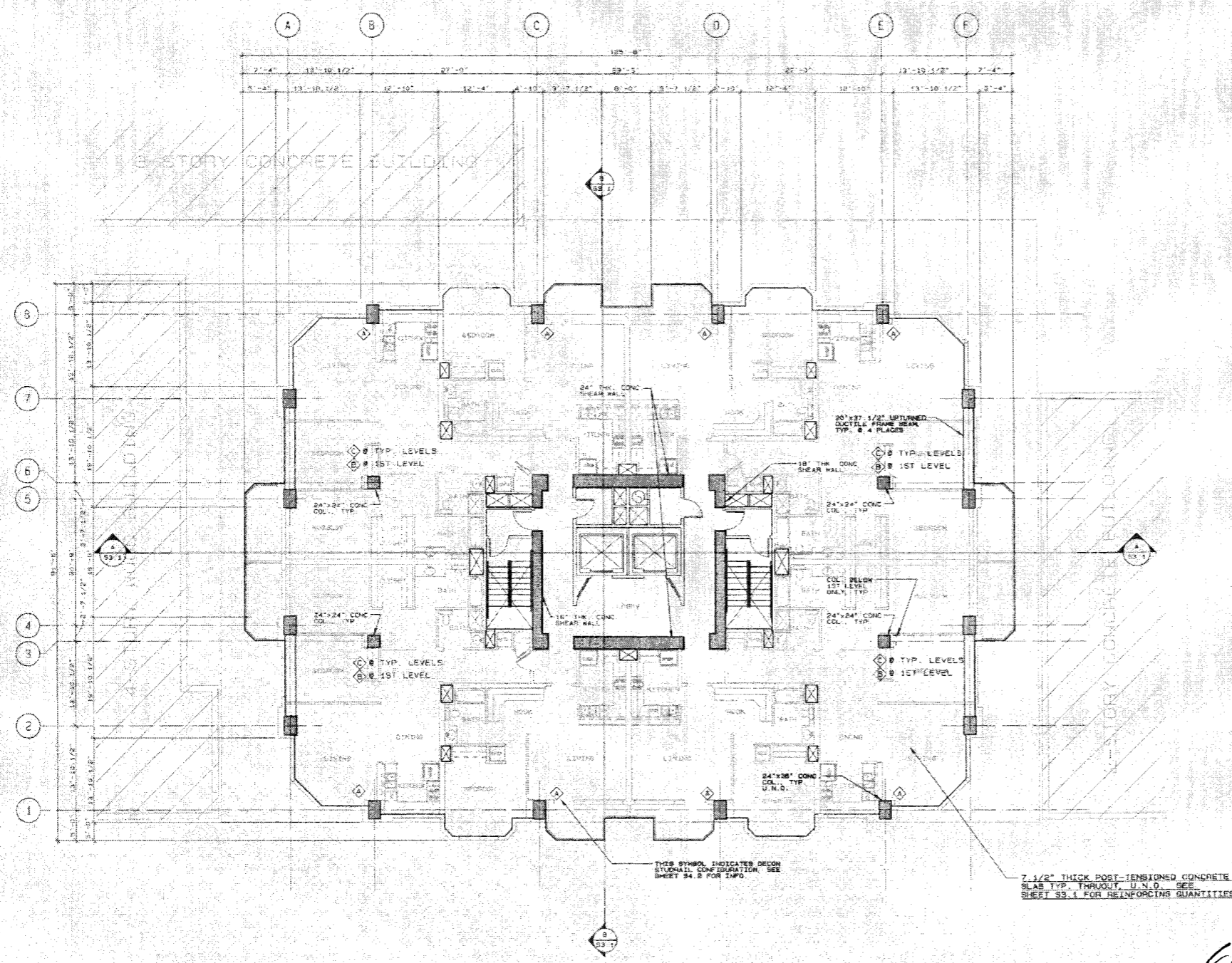
TR Tuan & Robinson
 Structural Engineers, Inc.
 221 Main Street, Suite 860
 San Francisco, California 94105
 TEL 415 957 2480 FAX 415 957 2483
 TRSE PROJECT NUMBER: 2012.053.00
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REVISIONS BY:

1 PROPOSED FLOOR PLAN
 UNIT #1203/#1202 1/8" = 1'-0"



OF SHEETS A-2	SHEET CHECKED DATE 05/24/2012 SCALE 1/8" = 1'-0" DRAWN BY	PROPOSED FLOOR PLAN UNIT #1203 AND #1202 MERGED	CONDOMINIUM MERGER UNIT #1203 AND UNIT #1202 246 SECOND STREET SAN FRANCISCO, CA		TR Tuan & Robinson Structural Engineers, Inc. 221 Main Street, Suite 860 San Francisco, California 94105 TEL 415 957 2480 FAX 415 957 2483 TRISE PROJECT NUMBER: 2012.053.00 <small>This document, the Plans and designs incorporated therein, as an instrument of Professional Service is the Property of Tuan and Robinson, Structural Engineers, Inc. and is not to be used, in whole or in part for any other project without written authorization. © COPYRIGHT 2012.</small>	REVISIONS	BY



TYPICAL FLOOR FRAMING PLAN

SCALE: 1/8" = 1'-0"



FOR REFERENCE ONLY

WATRY
DESIGN GROUP
 ARCHITECTS & ENGINEERS
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 OFFICE : 650-349-1540
 FAX : 650-349-1384
 e-mail : watry@comp.com

K
KOMOROUS-TOWEY
 ARCHITECTS
 1303 Market Street, Suite 328
 San Francisco, CA 94103
 Tel: 415-392-8022 Fax: 415-392-0021

Morse Diesel
 INTERNATIONAL, INC.
 450 SANSOME STREET, SUITE 800
 SAN FRANCISCO, CALIFORNIA 94101
 TEL: 415-774-1600 FAX: 415-398-0945
SECOND STREET TOWER
 ASSOCIATES L.L.C.

REVISIONS		
NO.	DATE	BY

TYPICAL FLOOR FRAMING PLAN
246 SECOND STREET
SAN FRANCISCO, CALIFORNIA
 For: MORSE DIESEL INTERNATIONAL

JOB NO : 9820
 DATE : 4/29/98
 DESIGN : FORSLIN
 DRAWN : HO
 CHECKED BY :

FILE NAME : E 9820S25

SHEET

S2.5

OF SHEETS

REVISED
 PRICING SET
 4/29/98