

1269 Lombard Street
Hearing of June 24, 2010



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June 15, 2010

BY HAND

President Miguel and Commissioners
Planning Commission
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Re: 1269 Lombard Street; Hearing of June 24, 2010

Dear President Miguel and Commissioners:

On behalf of Redwood Mortgage Investors VIII ("Redwood"), we present a revised plan for the project at 1269 Lombard Street (the "Revised Project"). This revision presents a new and open large light well adjacent to the unit of John and Mary Horvers, who rent a unit next door at 1265 Lombard Street. See Exhibits A and B for full plans including the revisions to the rear building.

There are nine lots between 1215 and 1275 Lombard that have structures at the rear, and eight of them (*all except the lot before you*) have structures at the front.

A number of provocative accusations were made by project opponents at the April hearing before you. They are discussed at the end of this letter. Since then, the project sponsor, the Russian Hill Neighbors Association and Planning Staff have had a chance to look into these and respond. It is not surprising that these accusations caused so many concerns to your Commission, and our client is pleased to have this opportunity to separate fact from fiction.

PROCEDURAL HISTORY.

On April 8, the Planning Commission heard a demolition permit for the Project. The Commission had two major concerns: (1) that the building could be an historic resource,

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and (2) that the property line windows of the adjacent tenants (John and Mary Horvers) at 1265 Lombard Street were being deprived of much light and air. The Commission asked that the demolition permit be reviewed by the Historic Preservation Commission (HPC) to determine whether the building is historic; and asked that the rear building be redesigned to provide more light and air to the Horvers.

The Historic Preservation Commission reviewed the existing building several weeks ago and unanimously agreed with the Historic Consultant Fred Knapp that the building is not an historic resource. The Historic Preservation Commission discussed but did not come to a consensus about the degree to which the proposed buildings fit within a potential historic district. Commissioner Alan Martinez asked that the Department's consultant provide a new analysis of whether or not the open space in the front of the lot has any historic value and whether the public's street view of the side of adjacent buildings is important under historic guidelines, and Mr. Knapp has addressed these points in an amendment to his report attached hereto as Exhibit C.

THE NEW DESIGN'S REAR BUILDING CLOSELY RESEMBLES THE REAR PART OF THE PROJECT APPROVED IN 1998 BY THE COMMISSION.

At Exhibit D you will see the rear half of the building approved in 1998, and on page 2 of that same Exhibit D you will see the rear half of our client's revised project. Both contain a large light well (open at the rear) that will allow the Horvers' property line windows to remain. However, the French doors with glass that once allowed the Horvers to have access onto my client's roof (across the property line) is a dangerous condition not allowed by the Fire Code and will be removed.

In contrast, page 3 of Exhibit E shows the design Redwood Mortgage presented to you in April, which *would* have caused the closure of some of the property line windows. Exhibit E shows the difference between the April and current plans. The Horvers had not allowed Redwood's architect in to see their unit until several days before the April Commission hearing; thus the architect did not know until then the importance of a windwall in regards to the bay window nor room layout for the property line windows, which have now been accommodated with the new building layout.¹

¹ The proposed rear portion of the new project differs from the rear portion of the 1998 project only in that the rear portion of the current project is higher on the hillside.

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The rear building has now been reduced to only 1830 livable square feet. Exhibit F contains a comparison of this proposal and the 1998 proposal in terms of size. Thus, the rear building our client now proposes is almost exactly the size of the cottage today (1800 sf) and thus is modest in size. As before, the front building will be only 2800 square feet.

ADJACENT NEIGHBORS AND THE NEIGHBORHOOD ASSOCIATION DO NOT WANT AN OPEN SPACE TO CONTINUE AT THE FRONT OF THE LOT.

The two adjacent owners on either side of the open space have experienced a good deal of criminal activity, graffiti, garbage dumping and similar activities in the open space, and they and the Russian Hill Neighbors wish to see it filled in. Also, the documents attached as Exhibit G show some of the many troublesome incidents experienced by the current owner. It may be that Mr. Horvers does not approve of the elimination of the open space because he does not see it from his unit. However, another tenant who lives on the same lot *does* look at the open space because she lives in the front cottage, and thus experiences the problems it creates; she wishes to see a building built there. (See Exhibit H.) *With the occupants of homes across the street and adjacent owners and renters in support of eliminating the open space, the Horvers remain the only renter or owner of a unit adjacent to (or facing the open space) who wishes to see it remain.*

On May 25, Tom Burwell of Redwood and his architect Chuck Bloszies met with Mr. and Mrs. Horvers as well as other nearby neighbors, to discuss the revised project. It was pointed out that with removal of the existing structure, a great deal more light would be seen at the front of the Horvers' unit, and that the rear building will resemble the rear portion of the 1998 building that the Horvers supported then. My client is optimistic that the Horvers will like the new design. He left the meeting with the understanding that they will think about it. He reached out the following week of the meeting via email and have yet to receive any feedback. Mr. Butler was invited to the meeting but reiterated his past position that he would not meet unless Redwood agreed to build almost exactly what was approved in 1998.

We believe that the new light well proposed next to the Horvers unit is consistent with or exceeds the light wells this Commission has required in recent years to accommodate property line windows. First, the light well is L-shaped and not U-shaped; second, it is 7 feet away from the property line (more than the usual 3-5 feet off the property line) and

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its length of 18 feet is more than customary.² It complies with the open lightwell and setback requirements of new buildings next to rear yard cottages, as found in your Residential Design Guidelines. (Exhibit I.)

THE ZONING ADMINISTRATOR HAS RULED THAT ANY CONDITIONS OF APPROVAL ATTACHED TO THE 1998 PLAN APPROVED BY THE COMMISSION NO LONGER BIND THE OWNER OF THE PROPERTY; AND THERE WAS NO NEGOTIATED SETTLEMENT BETWEEN THE DEVELOPERS AND OBJECTING NEIGHBORS TO BUILD THE 1998 PLAN.

During the last hearing, Mr. Badiner ruled that since all building permits issued pursuant to the 1998 approval have expired, the conditions of approval have expired. Typically, when neighbors and a project sponsor come to a negotiated settlement, they record the conditions of approval so that they are binding on future owners even if building permits expire. That did not happen here. The fact that it did not happen is further evidence that there was no "settlement agreement" among the original developers and opposing neighbors John Horvers, Frank Morrow, Greg Campbell and interested party Joe Butler.

Moreover, the variance issued by Mr. Passmore during the 1998 approval hearing states on its face that it is only good if the building permit has not issued within three years of the variance decision, and that did not happen. The only permit that issued was an excavation permit.

THE FACT OF THE EXISTENCE OF OPEN SPACE AT THE FRONT OF THE LOT DOES NOT CREATE A SETTING FOR THE SURROUNDING BUILDINGS THAT MUST BE KEPT IN ORDER TO BE CONSISTENT WITH A POTENTIAL HISTORIC DISTRICT.

This is one of the two main arguments made by Mr. Butler to you and the HPC. However, the historic preservation specialists within your Department have stated that any historical integrity attributable to the setting of the existing building has been lost. In that regard, your staff states in its HRER:

"The stairs from Lombard Street to the cottage at 1269 went through what is a separate property at 1271-1275 Lombard Street. This condition changed with

² Our client will also be improving the Horvers' structure because our client has agreed to pay a portion of the cost for a foundation for that structure, which has never had a foundation before.

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demolition, new construction, and [a] lot split in the 1990s. This aspect of the historic relationship between the cottage and the street cannot be re-created. Another change is that 1271 Lombard Street, the historic building immediately downhill and to the east [actually the west] of the subject property, was significantly altered [during construction of the 1990s project on the subject lot]. It was moved closer to the street and the stairs on the east side of it were altered. Before that [1990's] project, the open space at the front of 1269 Lombard Street was continuous with that on the front of 1271-75 Lombard Street, with the circulation for both properties moving up the hill on the side of this open space. It is not possible to restore this condition, as 1271 Lombard Street is built practically at the property line and the circulation now runs inside the building."

There are at least five reasons why keeping front yard open space would create challenges difficult for any builder to overcome. See Exhibit J.

The other main argument Mr. Butler makes in this context is that it is vitally important that the public walking/driving on Lombard see the sides of the two adjacent buildings on either side, and this will not be possible were a building to be built at the front of the lot. Thus Mr. Butler would create a new standard in the City for development: *namely, when one builds a new building (or adds a floor to an existing structure) which would block the public's view of the sides of adjacent buildings more than 50 years old, then such construction would be prohibited.* This would be another nail in the coffin of sensitive infill development within the City's older residential neighborhoods. Such a serious precedent, if it is set, should be discussed (if at all) with broad input from throughout the City, and should not be established here.

On the subject of keeping the front as open space, Mr. Butler failed to get the support of the HPC, which did not come to any consensus on whether a structure should or should not be built in the front yard. And an amended report referred to below from Historic Consultant Frederick Knapp concludes that the removal of an open front yard is not a significant negative effective on nearby structures.

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THE RUSSIAN HILL NEIGHBORS ASSOCIATION HAS UNDERTAKEN AN INDEPENDENT ANALYSIS OF THE ALLEGATIONS MADE AT THE FIRST HEARING AND HAS FOUND THEM WITHOUT MERIT.

After the April hearing and Mr. Butler's very passionate allegations of wrongdoing by Redwood, the Board of Russian Hill Neighbors put their support for the new proposal on hold and asked Redwood to respond to these allegations. (See email of concern from the Association to Redwood after the April 2010 hearing at Exhibit K.) After investigating the allegations and Redwood's responses, Russian Hill Neighbors has found no foundation for Mr. Butler's allegations and, in the letter attached as Exhibit L, is even more certain about its support of Redwood's project. They actually had their executive committee visit and listen to John Horvers' concerns and Joe Butler's accusations – their unanimous conclusion was to continue to support the project.

REDWOOD HAS THE FOLLOWING REPOSES TO ADDITONAL ALLEGATIONS MADE WITHOUT FOUNDATION AT THE LAST HEARING.

A. That Contrary To The Allegations Of Current Project Opponents At The Last Hearing, The 1998 Project Did Not Fail Because The Project Sponsor Went To Jail During The Time Of Construction, But It Failed When The Cost To Build And The Small Square Footage Approved Caused The Project To Be Financially Underwater.

We were curious after hearing this allegation and looked into any criminal history. The borrower was not convicted of a felony as suggested. In order to confirm that the 1998 project does not pencil out today, Redwood recently hired the well known real estate economist Lynn Sedway of Sedway and Co. Mr. Sedway has written a report of the value of the square footage approved in 1998 and has compared the costs to build; the cost to build in 1998 cannot be easily determined today and thus the report looks at the cost to build the 1998 project today and its value today. We will be presenting that at our Thursday hearing before you. Ms. Sedway concludes that an owner of this lot today would lose money trying to build the 1998 plan. We believe that unless property values take an enormous leap in the next 5 to 10 years, there is likely to be no new construction on the lot for a long time.

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B. That Redwood Mortgage Did Not Exercise Due Diligence In Reviewing The Financial Strength Of The Borrower.

Upon a recent review of its file, Redwood noted it did its standard underwriting in making the loan and that in fact the borrower had no criminal record as alleged by Mr. Butler . The borrower's income, credit, down payment and reserves were analyzed and approved by the underwriting department.

C. That Redwood Mortgage Should Have Monitored The Course Of Construction Better To Make Sure That Work Did Not Exceed The Scope Of The Approved Permits.

It is not the custom and practice of construction lenders to have a representative at a project site every day (or every other day) during construction, especially since even a small lender such as Redwood typically has hundreds of loans outstanding at a given time.

D. That Redwood Allowed This Property To Deteriorate Purposely In Order To Make The City More Likely To Allow A Demolition.

The facts show that the bulk of damage to the building (the years of exposure to the elements, the excessive excavation, the creation of primitive shoring) all occurred during the *borrower's* ownership. One can verify this by reviewing reports such as those written by Markoff Consultants not too long after Redwood took title. Exhibit M. Unfortunately, the borrower did not easily give up control to Redwood after the loan default, and when Redwood finally took title back in 2004, it was six years after construction ceased, and the greatest part of the deterioration had already taken place. Redwood then repaired windows, sent out crews to clean up the site and verify that the structure was still stable, and secured the site from additional vandalism and break-ins; and Redwood immediately hired architect Jan Threlkeld and other consultants to study what structure could be put on the property that would pencil out.

Two factors have contributed the most to the building's current condition: (1) temporary shoring exceeding its life expectancy; and (2) partial demolition during the site's excavation. The site was excavated in 1998 removing a portion of the lower floor and exposing it to the elements. The temporary shoring was installed thereafter. By 2004, the building already was so substantially damaged from the prior owner's work that it would have qualified as unsound at that time. Any work that Redwood would have

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done to preserve the building better during its ownership would not have reversed the deteriorated and unsound conditions that existed in 2004.

Redwood has actively pursued development of the site since its ownership. Attached is a chronology at Exhibit N detailing its efforts to develop the site and work to maintain the building. The process took longer than expected because the Planning Department required a number of design changes and it took several years to reach agreements with adjacent owners who had legitimate concerns on how this sensitive site would be handled. Due to the buildings around it, and concerns from neighbors, Redwood eliminated one floor and created a larger mid lot open space, and changed architects to get to a design that satisfied neighbors and the Planning Department.

E. That Redwood Mortgage Wrongly Jumped To The Conclusion That No One Would Oppose The Demolition And That As A Result It Did Not Maintain the Building Once It Acquired The Property.

Redwood did not replace the temporary shoring with permanent shoring and fully renovate the building for a number of reasons. First, the Planning Department had for several years advised Redwood that it would support the demolition. Second, such work would have been an enormous expense that would be undone by demolition. Third, all adjacent property owners and the well respected Russian Hill Neighbors neighborhood association wished to see a demolition, and only one adjacent neighbor who is a tenant opposed the demolition. Fourth, Redwood expected the approval process to last 1-2 years and not four to five. Instead, Redwood Mortgage decided to spend money on restoring damages caused by the original developer to the building next door at 1263-67 Lombard.

F. That The 1998 Project Was The Result Of A Negotiated Agreement Between The Owner At The Time And The Adjacent Neighbors.

Most important, the attached letter of Russian Hill Neighbors (who recently investigated this allegation) states at Exhibit L: "The historic agreement of 1998 that is referred to in many documents was not inclusive of all the neighbors."

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There are several other pieces of evidence that this allegation is false:

(1) The plans for the 1998 project were filed by Mr. Butler and not the project sponsor, and it was only filed the day of the hearing so that the project sponsor did not have time to review them.

(2) The owner of the adjacent building where Mr. Horvers is a tenant is Mr. Rod Handeland, both then and now. He recounts in the attached letter at Exhibit O that while *all* neighbors objected to the very large developer proposal, he certainly did *not* support the Planning Commission's adoption of a different project that kept open space at the front of the lot. He and others were concerned at that time that criminal activities would continue to occur in that open space, and he reports today that this has continued to occur up to today.

(3) Typically when parties settle a land use dispute, they record the conditions of approval so that they are binding on future owners even if building permits expire. That did not happen here. The fact that it did not happen is further evidence that there was no "settlement agreement" among the original developers and opposing neighbors John Horvers, Frank Morrow, Greg Campbell and interested party Joe Butler.

(4) Our review of the audio tape of the 1998 hearing indicates that the 1998 project approved by the Planning Commission was in fact forced on the developer, and was not part of a negotiated agreement.

G. That Redwood Violated Conditions Of Approval (Although Expired) By Removing Easements By Which Future Occupants Of The 1998 Approved Project Could Reach Lombard Street From The Structure Approved In 1998.

The property as well as the adjoining properties originally were under the same ownership in the early 1900s. A series of accessways connected the three properties. The properties have been in separate ownership for many decades. There is evidence that when the previous developer of 1269 Lombard was forced by the Planning Commission to keep the pathway connections between 1269 Lombard and 1271-75 Lombard, he did not intend to destroy them permanently. Rather, he had to remove them temporarily to perform the 1269 Lombard construction approved in 1998.

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However, he never put them back and this cannot be undone. It is impossible to restore the connecting pathways on 1271 Lombard across the 1271 Lombard lot. He renovated 1271 Lombard by raising it and moving it forward and closing the property line openings that enabled occupants of 1269 Lombard to access the street across the 1271 Lombard lot. In fact, he built occupiable space where those openings occurred, and the City issued final occupancy certificates for the finished building. Mr. Butler continues to repeat that Redwood then took advantage of a violation of a 1998 condition of approval by selling the building to its current owner, Mr. Tim Kasta, with a condition of sale that the easements be rescinded. In fact, Mr. Kasta confirmed to us that it was the original developer, and not Redwood, who sold the building to him.

When Redwood approached Mr. Kasta to inform him of the new design, it was Mr. Kasta and not Redwood who wanted to have the legal record be consistent with the physical conditions the City approved; namely, by rescinding the pathway easements. This is far from the conspiracy alleged by Mr. Butler between Redwood and Mr. Kasta to make the 1998 project impossible to build. Both parties reasonably relied on the Kasta building's Certificate of Final Completion in believing that the City was no longer requiring access to 1269 Lombard through a pathway through the Kasta lot.

H. THAT REDWOOD IS A LARGE AND INSENSITIVE INSTITUTIONAL BANK THAT HAS NOT CONDUCTED ITSELF WELL IN MAKING THE LOAN OR IN DEALING WITH THE NEIGHBORHOOD AND THAT MAKES RISKY INVESTMENTS FOR ITS UNSOPHISTICATED INVESTORS..

Redwood is not a bank at all but is a company that makes loans through pooling the money of sophisticated investors which helps individuals purchase a home and provides individuals capital they need to start or expand businesses. See Exhibit P. They do not take deposits. It is a small family run corporation started by the father of Mike and Tom Burwell. The family has long been in the Bay Area and has been active in the area's cultural and charitable activities. Redwood Mortgage, through its affiliated mortgage pools, is a direct lender making loans secured by California real estate. Their focus is on *non-institutional* lending secured by residential, multi-residential, commercial and mixed-use properties. On occasion they also provide construction financing for residential and small commercial properties.

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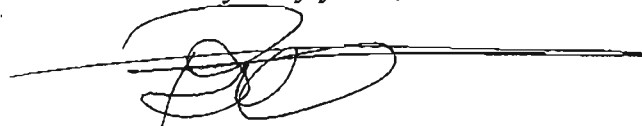
CONCLUSION.

This Planning Commission has faced many circumstances in the past seven years in which projects it approved, or approved by a previous Commission, have come back to the Commission for changes. Some have been based on new designs that make a project more marketable and thus economically feasible (The Infinity, for example); some due to affordability conditions (such as "in lieu" fees) which later prove to make a project infeasible, causing an owner to seek reapproval for on site affordable units; some modifications occur when circumstances change, such as: 150 Powell Street (proposed residential then proposed office use); 230 Turk Street (changed an 8-story affordable housing project from 113 units to 109 units); 199 New Montgomery Street (modified proposal from 85 dwelling units to 65 dwelling units). This is no different from what my client requests today.

All three of the immediately adjacent owners, all but one tenant, and the neighborhood association representing many others on the street, all ask you not require my client to build a 1998 on the project that has already infamously failed. Attached at Exhibit Q are communications from adjacent neighbors in support of the project. There are a number of cottages that in fact are historic, and Mr. Butler sincere efforts to save them are to be admired. But this particular structure is not one; he has the support of only one household of the five or six who live adjacent, Mr. and Mrs. Hovers.

Thank you for giving us a chance to present this project once again.

Very truly yours,

A handwritten signature in black ink, appearing to be "M. Brett Gladstone", written over a horizontal line.

M. Brett Gladstone

Enclosures

cc: Tom Burwell
Charles Bloszies
Frank Morrow
John Horvers
Joseph Butler

RESIDENTIAL DEVELOPMENT
1269 Lombard Street

June 2010

Site Plan

Project Summary

Lot Area = 2,812 SF

3 BEDROOM FRONT UNIT

Gross Area = 2,800 sf

3 BEDROOM REAR UNIT

Gross Area = 1,830 sf

Garage = 675 sf

Common Area = 600 sf

Total Gross Area = 5,905 sf

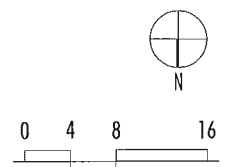
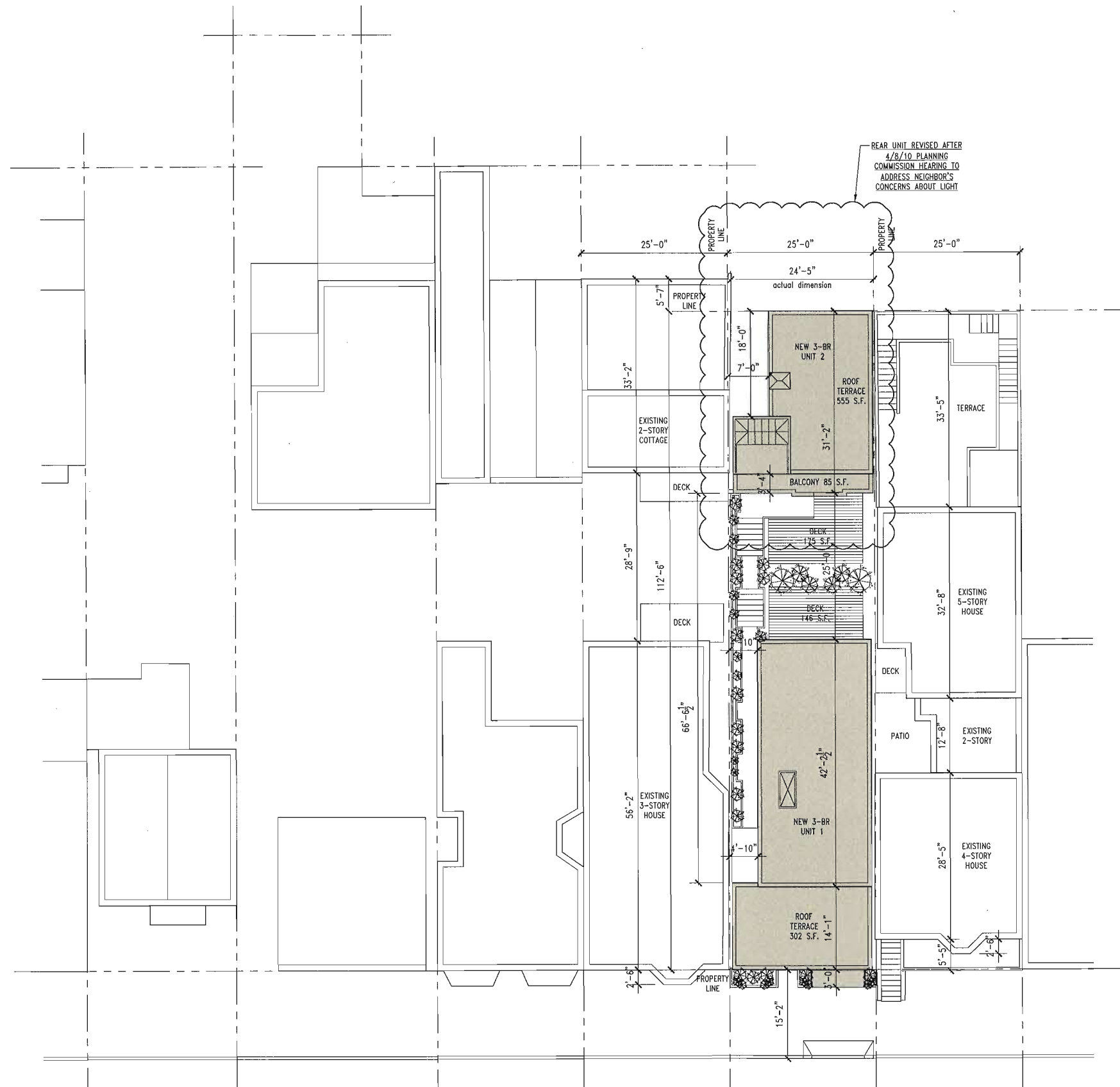


Diagram of Windows at Rear Adjacent Building
(Revised after 4/8/10 Hearing to Address Neighbor's Concerns about Light)

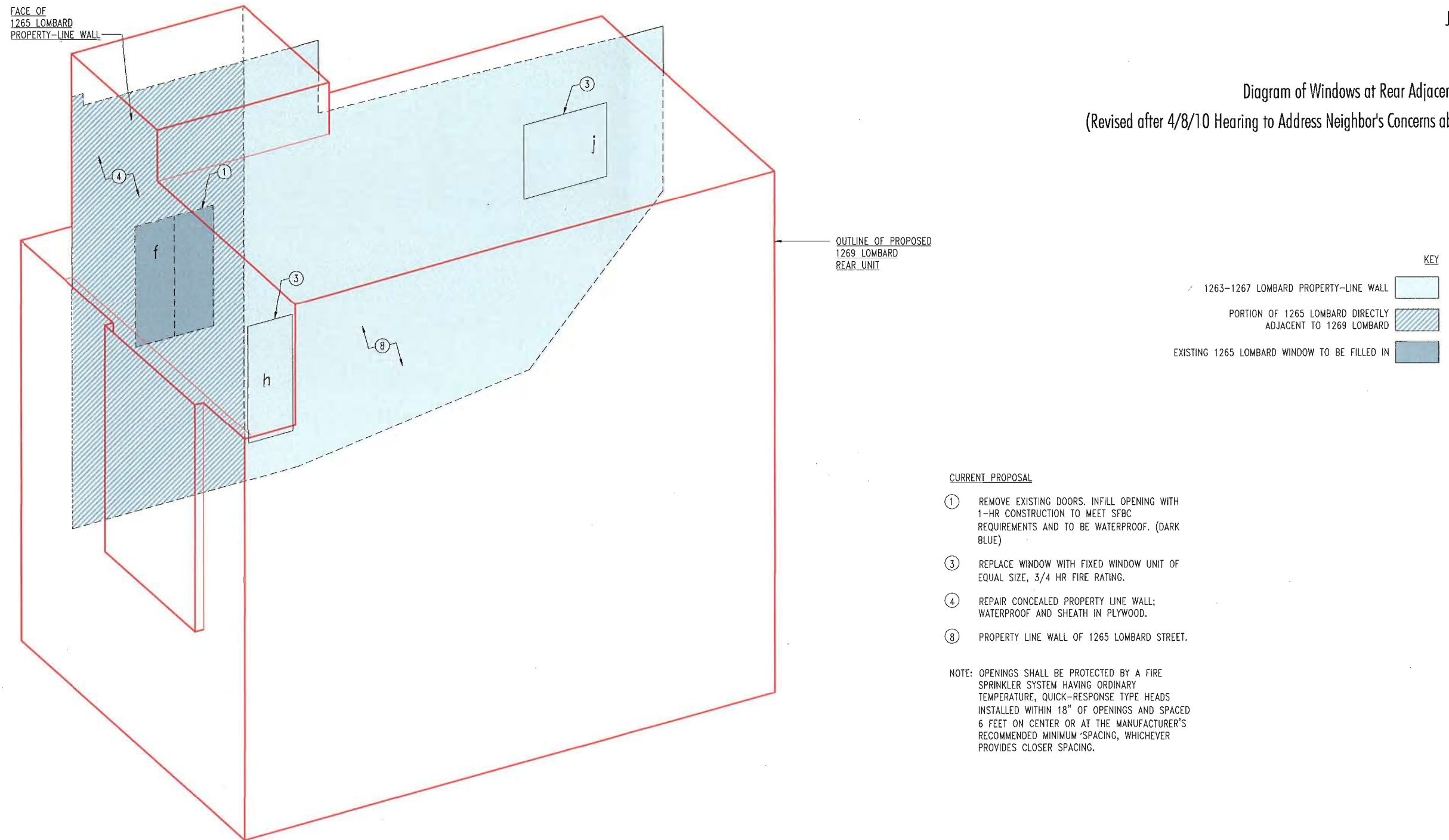
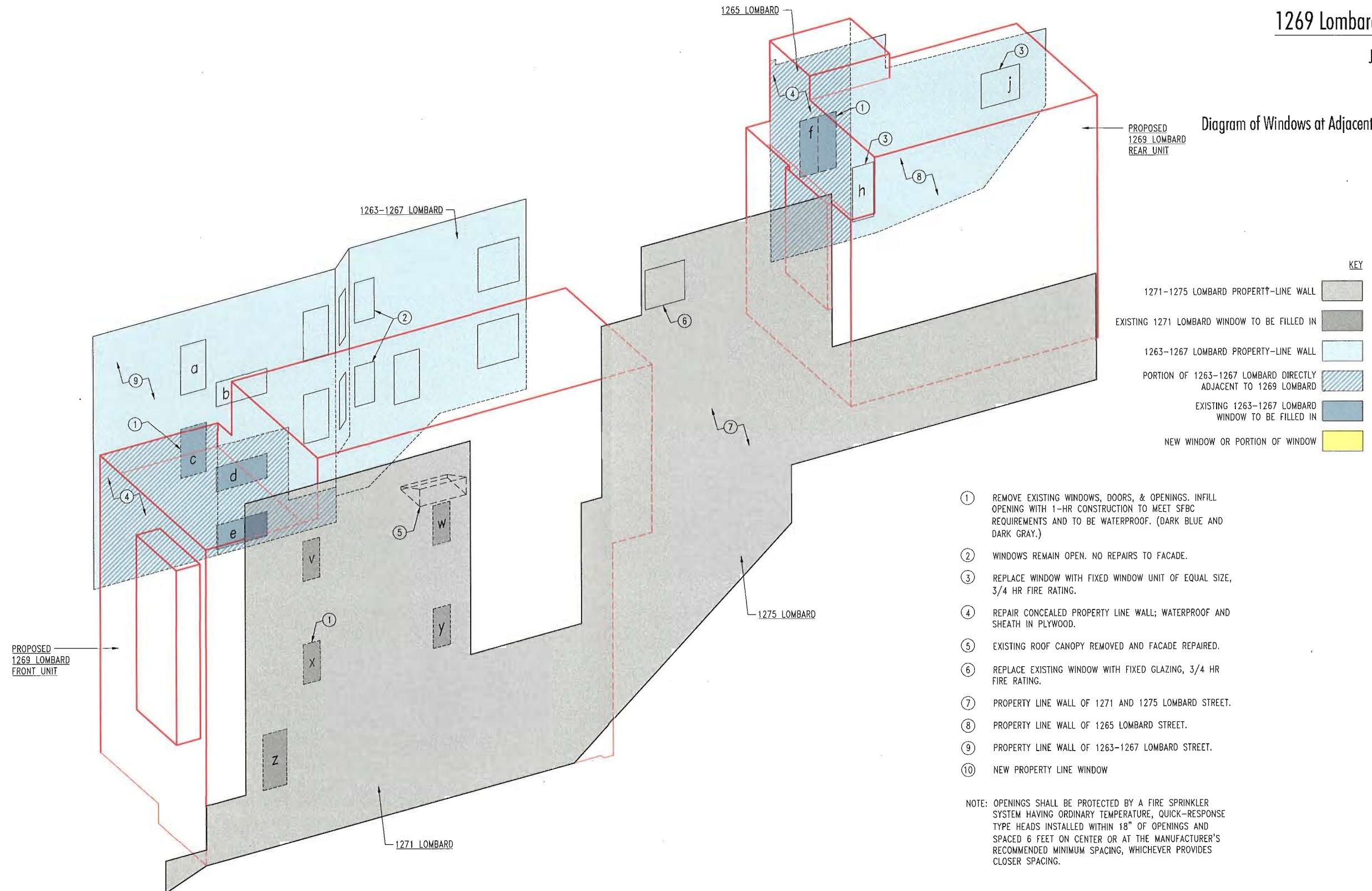


Diagram of Windows at Adjacent Buildings





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Bird's Eye Views

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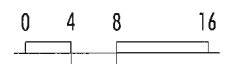
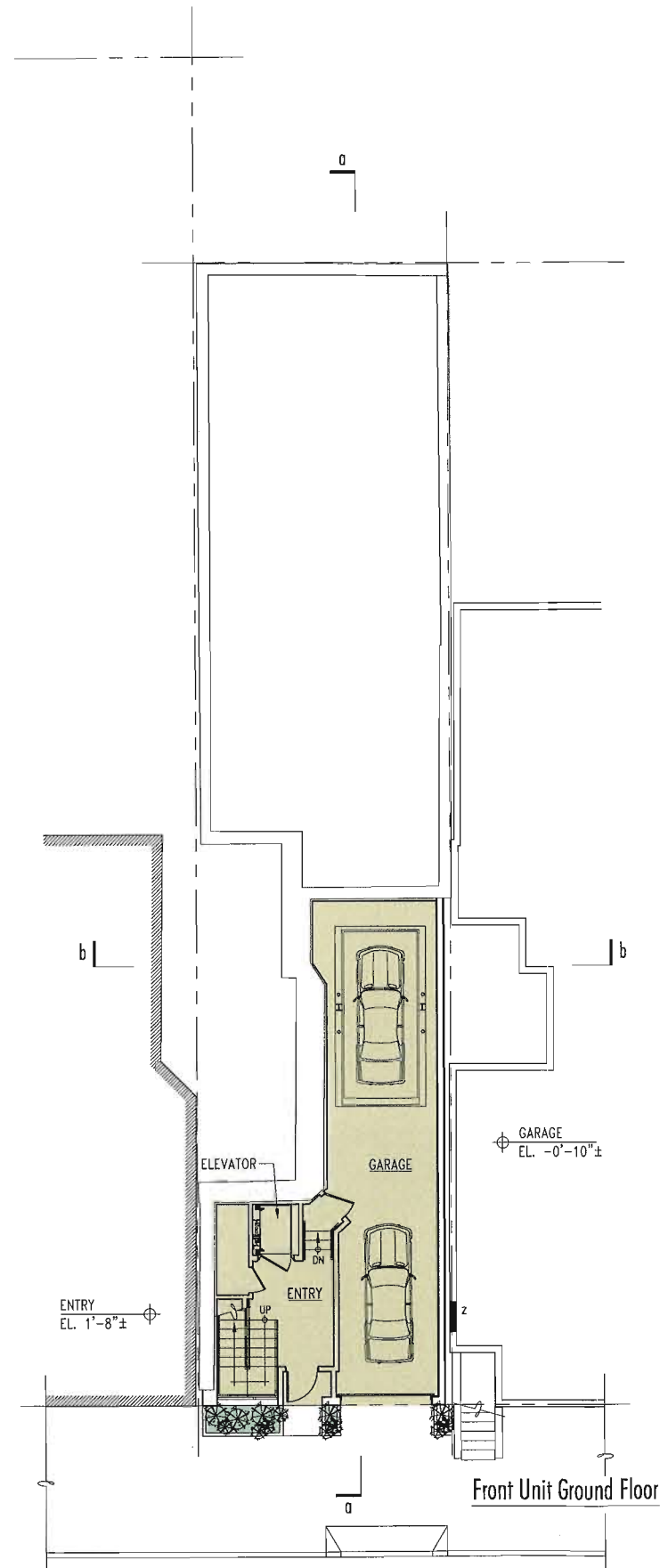
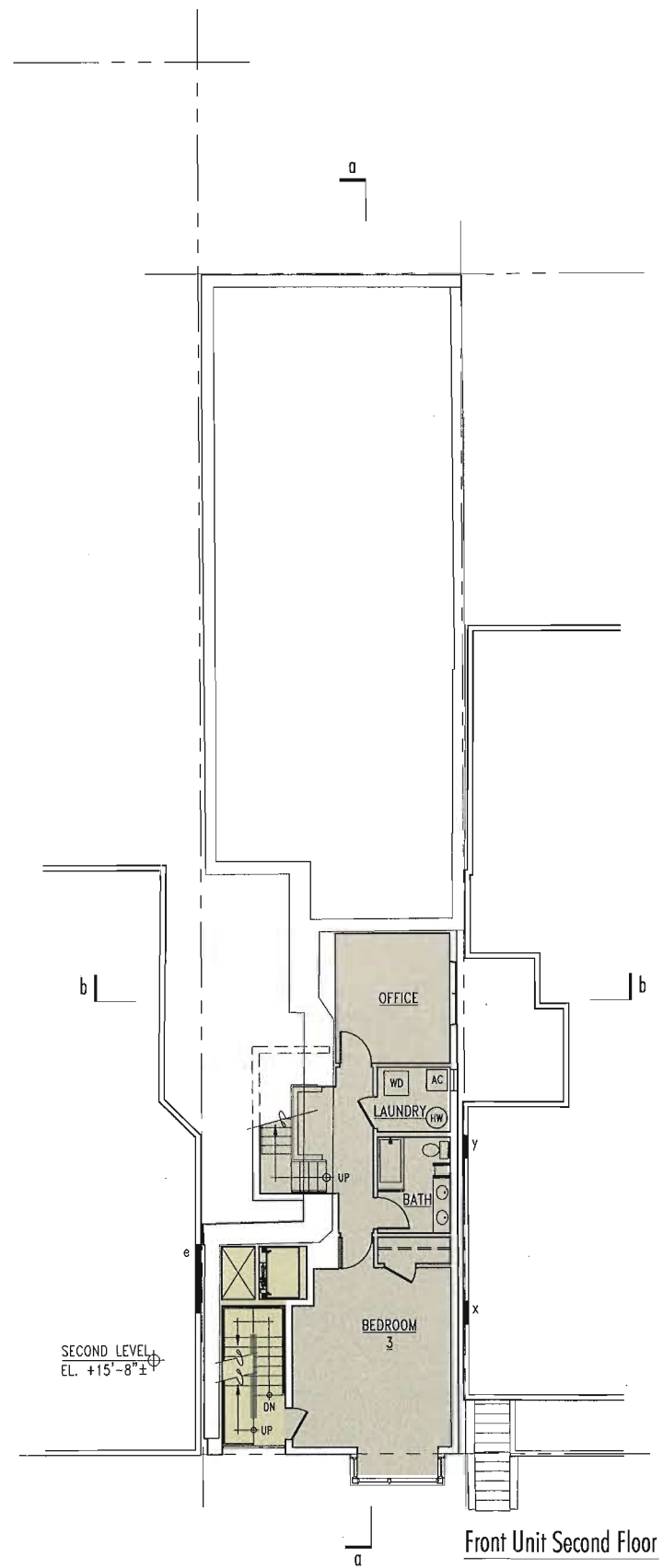
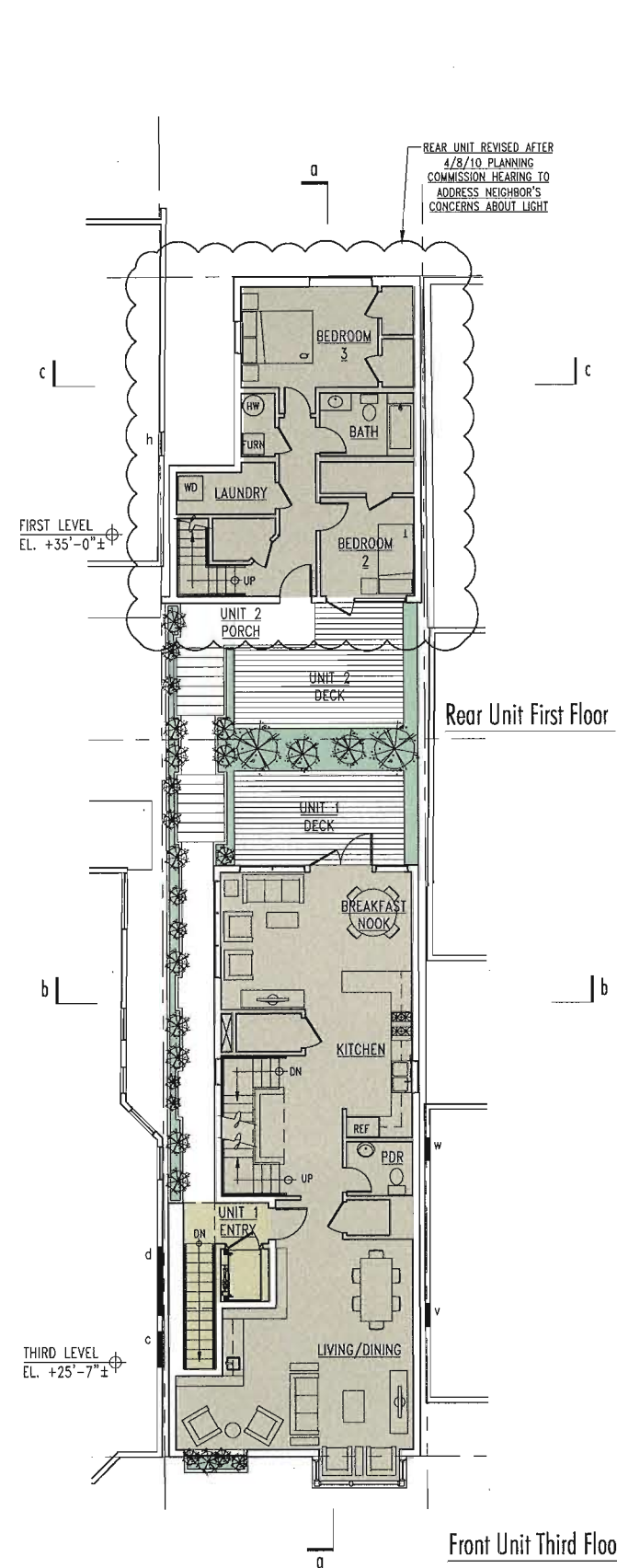
Proposed Lombard Street Facade



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1269 Lombard Street

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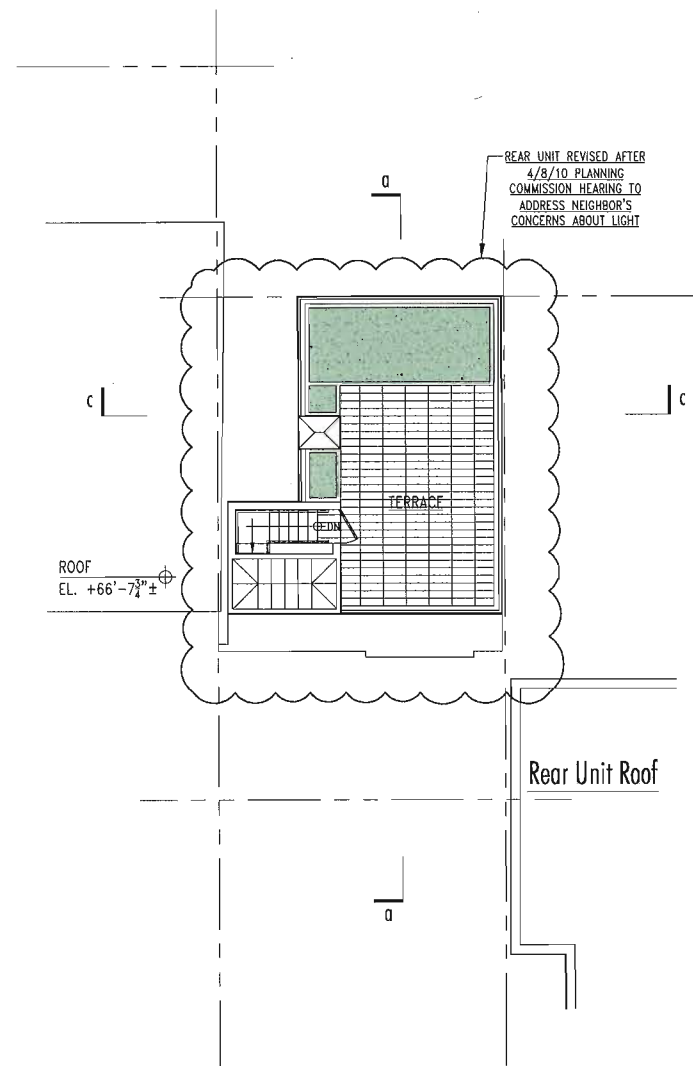
Lower Floor Plans



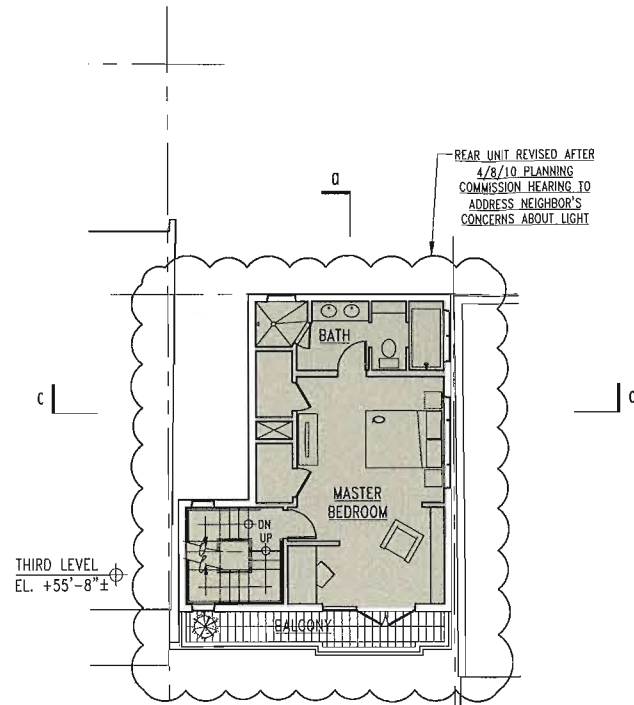
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 1269 Lombard Street

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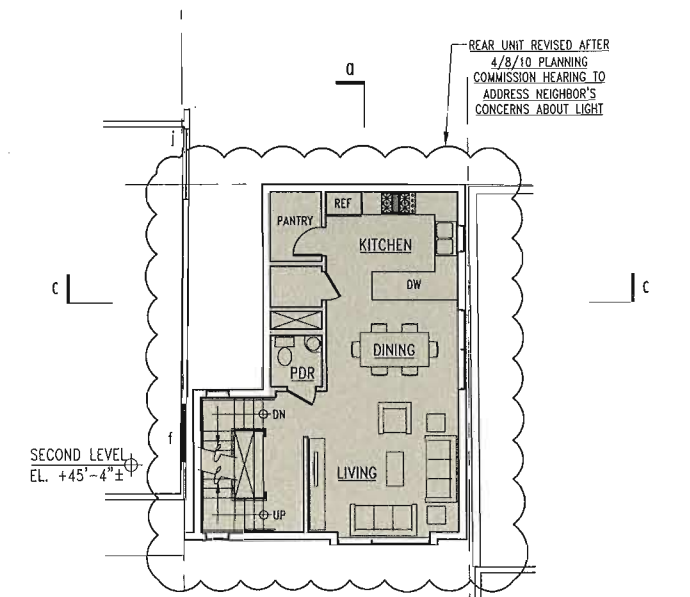
Upper Floor Plans



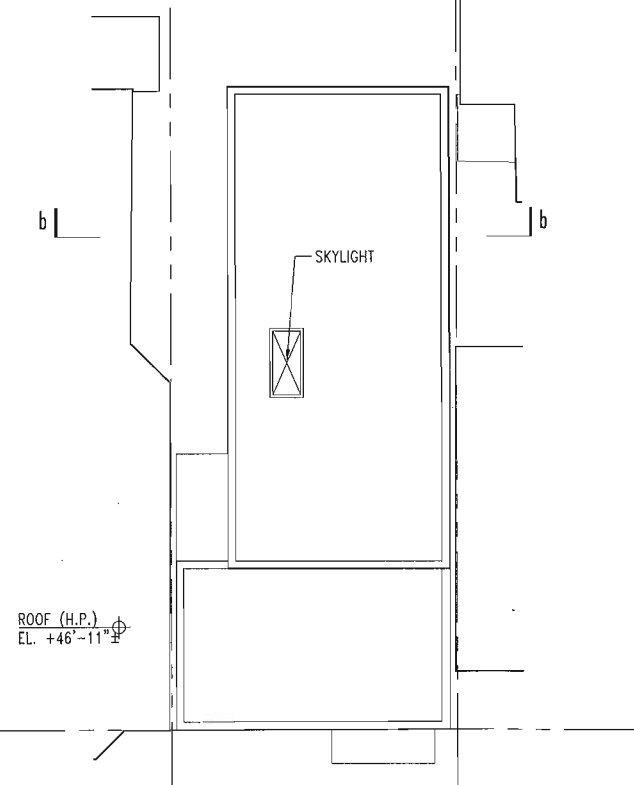
Rear Unit Roof



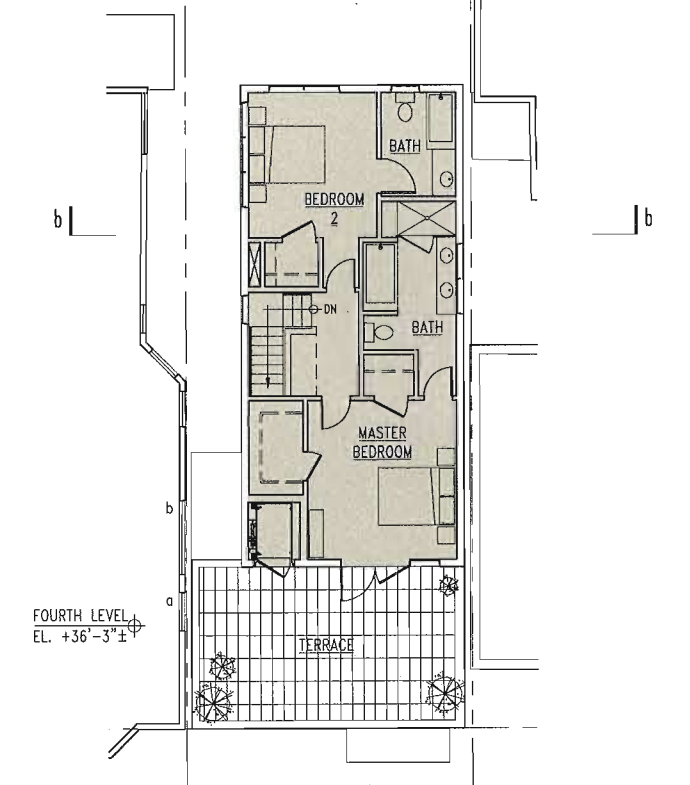
Rear Unit Third Floor



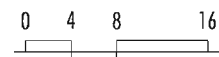
Rear Unit Second Floor



Front Unit Roof



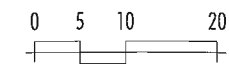
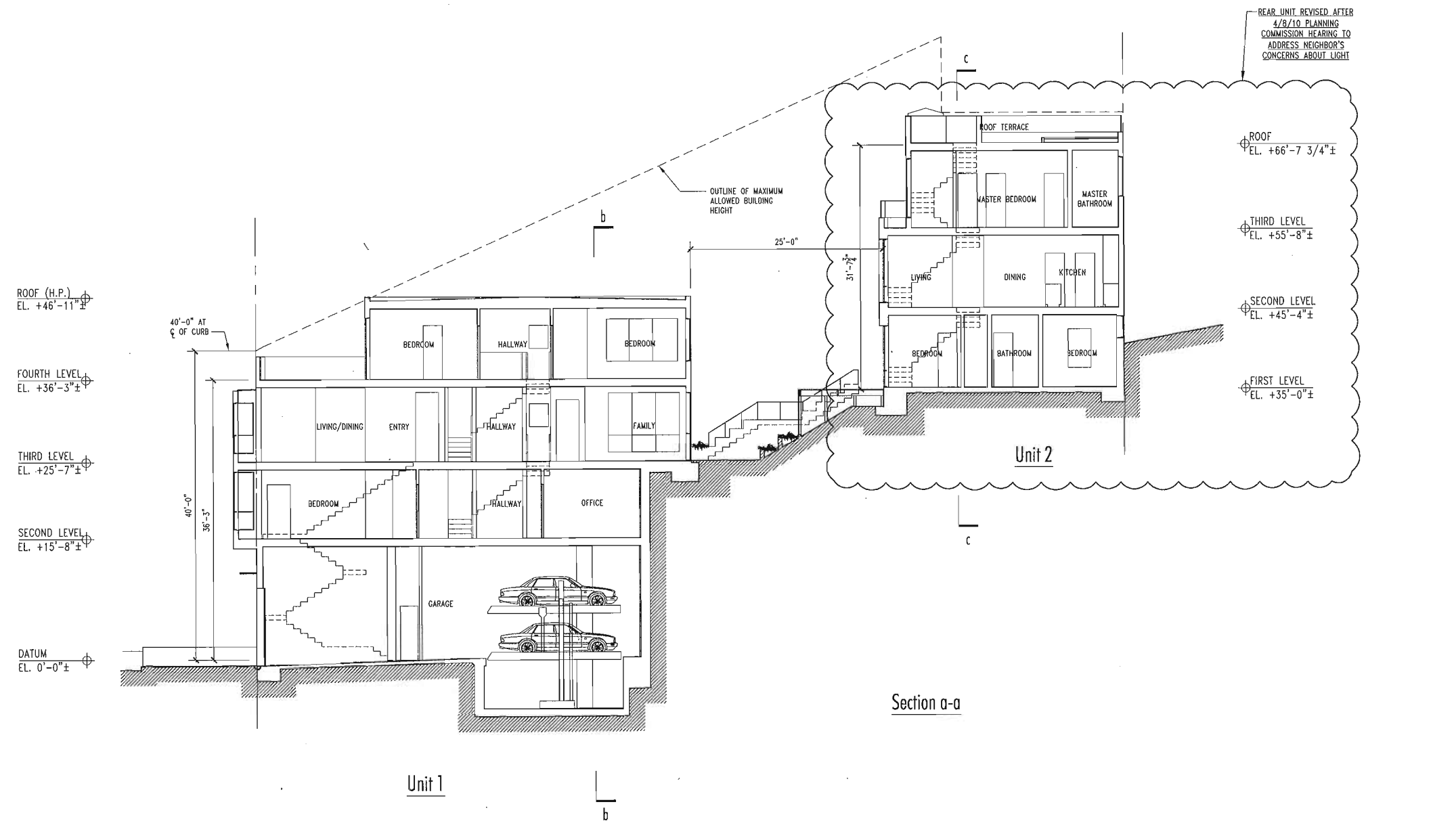
Front Unit Fourth Floor

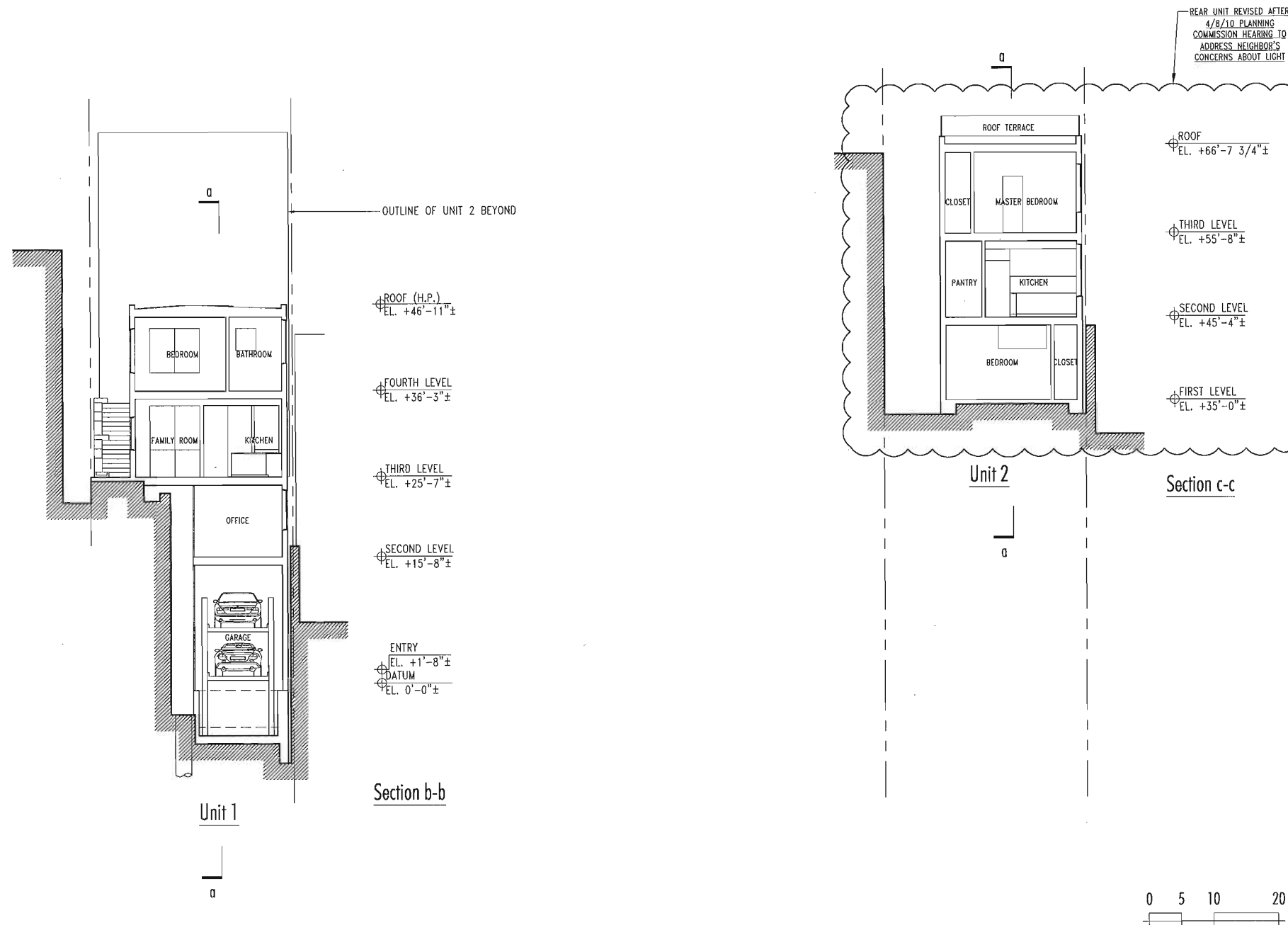


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Longitudinal Section

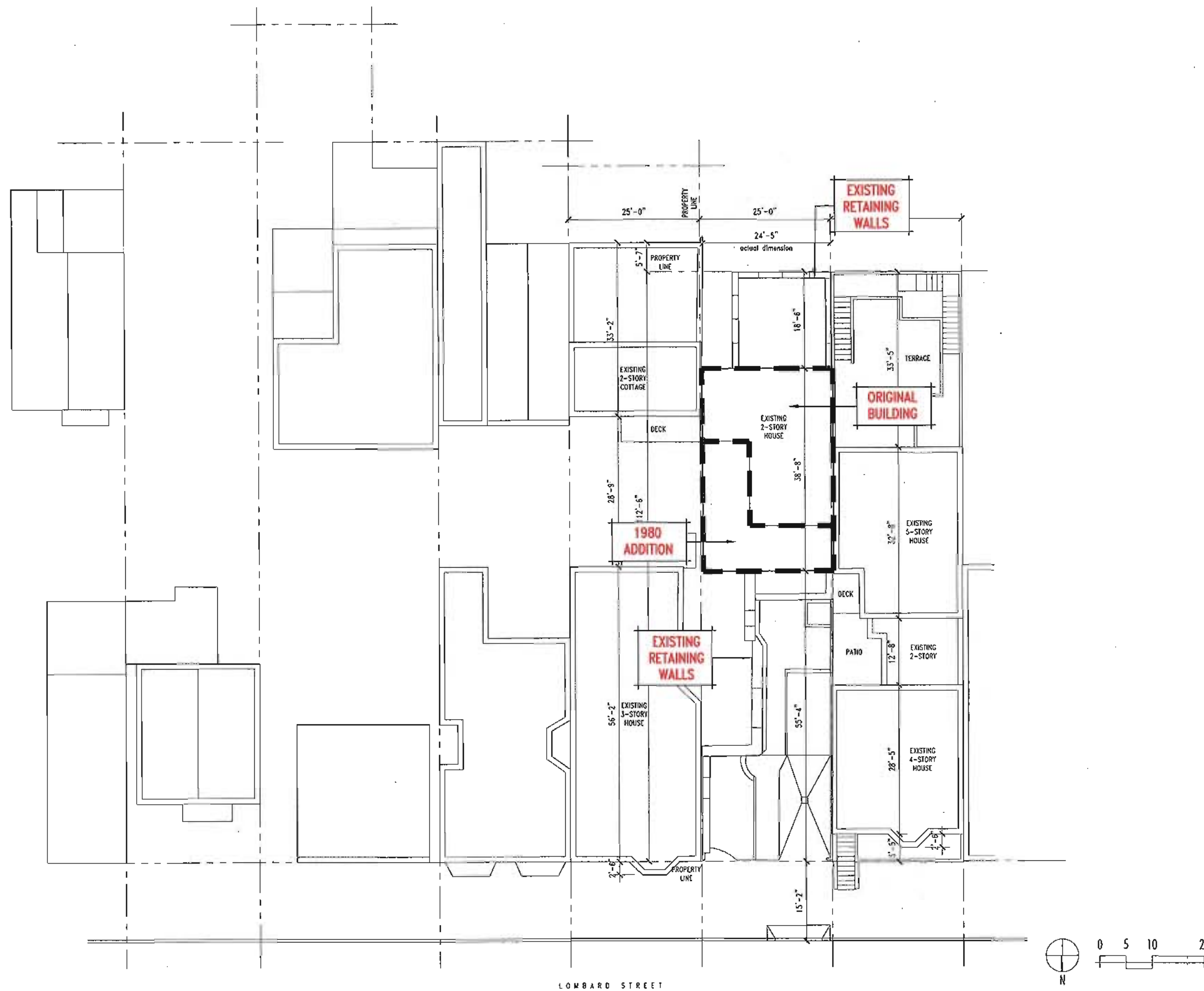




RESIDENTIAL DEVELOPMENT
1269 Lombard Street

June 2010

Existing Site Plan



Memorandum

Date 16 June 2010
Project 1269 Lombard Street
To Brett Gladstone
From Frederic Knapp
Topic Additional Topics
Copied Susanne Kelly, Chuck
Bloszies
Via e-mail

There have been questions and statements about the siting of 1269 Lombard Street. It has been stated that its siting is part of a historically-significant checkerboard pattern of development. Questions have been raised about whether the open space in front of the existing cottage is significant, and whether views of the east elevation of 1271-1275 Lombard Street and the west elevations of 1263-67/1265 Lombard Street are significant. This memo offers information from Sanborn maps and William Kostura's context statement and survey, and suggests potential conclusions.

A checkerboard pattern is considered to exist if at least four alternating building masses of similar size are placed so that one is at the front of the lot, the next is at the rear, the third is at the front, and so on. If there are three alternating building masses, the pattern would be a symmetrical grouping, and if there are two masses, they could be characterized as an offset mirror or pinwheel. In each case, the building masses would need to be similar in size in order to form an identifiable pattern. (Each building mass could be a single building on a single lot, or multiple buildings and lots, as long as they are similar enough in form so they act as equal units of a larger pattern.) If such a pattern existed during the period of significance of a district, it could be a character-defining feature of the district, though this would not automatically be the case. The significance of the district and the overall pattern of the district would determine whether a pattern in a sub-area of the district is significant.

The Sanborn maps for 1899, 1906, 1913, and 1915 indicate the pattern of building in the vicinity of 1269 Lombard Street. The 1899 Sanborn map for the property shows an E-shaped building that existed until 1980 at 1269 Lombard Street. At that time, its north wall was slightly further south than it is today. In 1980 an addition was constructed on the north side of the house, forming an interlocking E and making the current building

footprint a rectangle with its north wall further north (closer to the street) than the north wall of the original building.

The 1899 Sanborn map shows the rear buildings at 1265, 1261, and 1249 Lombard Street were already present. There were front and rear buildings at 1271 and 1275 Lombard Street. The next three lots to the east of 1249 Lombard Street, 1245, 1239, and 1219 Lombard Street, all had buildings at the front of the lot. 1239 Lombard Street also had a rear building. The building 1215 Lombard Street occupied the center of the lot. At this stage, the apparent pattern was that most of the lots to the east were built at the street face, while most of those to the west were built at the rear. The mid-lot open space spanned eight lots. The 1906 Sanborn map is unchanged in these lots. The 1913 Sanborn map shows new buildings on the street front of the two lots immediately east of 1269 Lombard Street, at 1257 and 1263 Lombard Street.

The Sanborn maps do not indicate a checkerboard pattern of development with alternating lots having buildings at the front and rear. In 1899 and 1906, the maps do show an offset mirror condition at six lots from 1219 Lombard Street to 1267 Lombard Street. The three lots to the east had buildings at the front and the three lots to the west had buildings at the rear, with the front of the lots unbuilt. This pattern characterized six of the eleven lots on the south side of Lombard Street, or more convincingly, six of the nine lots on the block if the corner lots are excluded. (And less rigidly, one could include 1269 Lombard in the western group, since the house was near the rear and the front was unbuilt, although this makes the pattern a group of three lots mirroring a larger group of four lots.)

But the offset mirror pattern no longer existed by 1913, when buildings had been constructed at the front of the lots at 1265 and 1257 Lombard Street. By this year, there were buildings on the front of seven of the eleven lots on the block, and buildings on the rear of seven of the lots. There were two lots open at the rear and three open at the front. The strongest pattern is that buildings tend to be located near the front or rear of the lots (only 1215 Lombard was placed at the center of the lot) and the center of the lot is unbuilt (eight out of 11 lots). The mid-lot open space which exists today on the five lots east of 1269 Lombard Street has always existed, although it was quite amorphous when the lots were more sparsely developed.

Based on the Sanborn maps, the subject building appears to be in its original location, although its north wall is now closer to the street than it originally was because of the 1980 addition. The two interlocking EI-shaped forms which comprise the rectangular footprint of 1269 Lombard Street, visible in current satellite images, appear to correspond to the original building (seen as early as the 1899 Sanborn map) and the 1980 addition. The 1913 and 1950 Sanborn maps both indicate that a narrow, undulating slot of the mid-lot open space extended its original eight-lot width,

terminating at 1275 Lombard Street. (The maps show that 1271 and 1275 Lombard Street were originally separate buildings, but were later connected. The current 1275 Lombard Street was constructed in 2000 and is different from the one shown on the historical maps.) The mid-lot open space was cut off in 1980 when 1269 Lombard Street was expanded to the north.

William Kostura's 2006 report does include a description of a potential historic district along with the context statement for the west slope of Russian Hill.¹ (The document was revised and became briefer when adopted by the Historic Resources Commission; the later version does not set forth the boundaries and contributing properties for the historic district.)

Kostura stated that as early as the 1880s, "A trend began...of building two or even three living units on one lot...Also in the 1880s two cottages were built by laborer Charles Oman on his lot as 1239-1241 Lombard Street. He lived in one of the cottages and rented out the other."² The report indicates that while many lots remained undeveloped, a number of the developed lots had more than one structure. This account of the early development of the study area does not show there was a checkerboard pattern of alternating placement of buildings on the front and rear of lots. It indicates that open spaces were the result of lot owners' economic circumstances, and does not attribute them to an intentional design. The context statement does not describe a spatial pattern dictating, or formed by, the placement of structures. The grading of the 1200 block of Lombard Street may have "facilitated the construction of flats at 1257-1259 Lombard (in 1904-1905) and 1263-1267 Lombard (1908) at the front of their lots" according to Kostura.³ Again, construction appears to have been influenced by economics and opportunity, not intentional design, and a checkerboard pattern is not noted.

Kostura states the potential historic district appears eligible to the California Register under Criterion 3 for its architecture.⁴ He discusses the varying styles of the contributing buildings, with the designers of the earlier, vernacular buildings unknown, while the 20th Century flats and apartments were designed by well-known architects. The context statement does not discuss placement of buildings on their lots, open spaces, or landscape.

¹ Kostura, William. *The West Slope of Russian Hill: A Historical Context and Inventory of Historic Resources for Residential buildings around Lombard and Larkin Streets*. The Russian Hill Historic Resources Inventory Committee. San Francisco, 2006.

² *Ibid.* P 16.

³ *Ibid.* P 19.

⁴ *Ibid.* P 38.

The context statement says there are 28 properties in the potential historic district, with 33 buildings, of which 25 are contributors to the potential district.⁵ The map four pages later in the document includes California Register Status Codes for 30 lots. It lists 1269 Lombard Street as 6Z (neither a contributor nor individually eligible) and both 1271-1275 and 1263-1267/1265 Lombard as 3CB (contributor to the district and individually eligible to the California Register). The context statement does not mention the siting of individual buildings.

The DPR 523B form for 1271-1275 Lombard Street that Kostura prepared as part of his survey does not mention the view of the east elevation of the historic front building on that lot. It does mention that the building was originally narrower, and the east bay was added in 1907, and explains that the building retains historical integrity. The form for 1263-1267/1265 Lombard Street describes the front elevation of each building and provides a photograph of each. The form does not mention the west elevation of either building. The DPR 523 form for 1269 Lombard Street mentions the existing "pit" in front of the building, but does not include further description or evaluation of the siting of the building.

Evaluation

From the information above, it appears that the buildings in the potential historic district were sited according to individual factors, and not a larger plan. They did not create a checkerboard pattern. Although they created a mid-lot open space, this extended only eight lots and may have been the simple result of siting similarly sized buildings at the front and the rear of the lots. While the 1980 addition to 1269 Lombard Street truncated it, the mid-lot open space retains its original character for the most part.

The siting of 1269 Lombard Street clearly left the west elevation of 1271 Lombard Street and the east elevation of 1263-1267 Lombard Street visible. Until the addition to 1269 Lombard Street was built in 1980, there was some view of 1265 Lombard Street from the sidewalk; this is negligible today.

The context statement describes the district as significant because of the architecture of the buildings in it. While it contains an account of grading of streets, construction of transit lines, and development of nearby businesses, the context statement does not describe the survey area as significant for its illustration of urban development patterns. It mentions how terrain and development affected individual properties, but does not say the potential district is significant for the way it conveys how these or other factors resulted in physical development. The context statement discusses some of the individuals who designed, built, owned, and inhabited the buildings, but for the most part

⁵ Ibid. P 38.

stresses that each property was the result of particular circumstances. The unifying factor repeatedly described in the context statement is the architecture of the buildings.

Based on the context statement, it appears the open space in front of 1269 Lombard Street had some significance before 1980 and especially 1998, when it was excavated. (The DPR 523 form for the property specifically says it has no integrity and is not eligible individually or as a contributor, because of changes in 1980 and 1998.) It was part of 1269 Lombard Street, which apparently retained integrity until the 1970s. But the open spaces in the potential district are not described at all, and presumably do not create a significant pattern, so there is no reason to infer that this open space was an important character-defining feature of the property when it retained integrity.

Although the west elevation of 1271 Lombard Street and the east elevation of 1263-1267 Lombard Street have secondary significance as parts of historic properties, that does not necessarily mean that building on the front of the lot at 1269 Lombard Street would impair their integrity – or would be problematic under the Secretary of the Interior's Standards. Many of the buildings in the potential district are the full width of their lots, with only street elevations visible. The DPR 523 forms for the potential district discuss the architectural features and character of the buildings, but they do not mention the side elevations of 1271 and 1263-67 Lombard Street – nor those of other buildings in general. In an urban context, infill construction would be inherently impossible if it were required to share the characteristics of the historical context (buildings occupying the full width of their lots) but were prohibited from obscuring the sides of neighboring buildings.

Additions inevitably obscure some of a historic building, and infill construction in historic districts blocks views of other buildings or open spaces. The Standards recommend in both cases that new construction be sited so that it does not alter the basic character of a historic property or block primary features – but they allow for additions. Standards 9 and 10 address additions:

“9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

“10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.”⁶

⁶ http://www.access.gpo.gov/nara/cfr/waisidx_02/36cfr68_02.html. Accessed 15 June 2010.

The National Park Service web site includes Illustrated Standards for Rehabilitation and Guidelines Rehabilitating Historic Buildings for which recommend,

“Designing new exterior additions to historic buildings or adjacent new construction which is compatible with the historic character of the site and which preserves the historic relationship between the building or buildings and the landscape.”⁷

They also recommend:

“Designing and constructing new additions to historic buildings when required by the new use. New work should be compatible with the historic character of the setting in terms of size, scale design, material, color, and texture.”

“Removing nonsignificant buildings, additions or landscape features which detract from the historic character of the setting. “

The guidelines recommend against:

“Introducing new construction into historic districts that is visually incompatible or that destroys historic relationships within the setting.

“Removing a historic building, building feature, or landscape feature that is important in defining the historic character of the setting.”⁸

A new building at the front of 1269 Lombard Street could be compatible with the district as recommended in the first quote above. The current concrete shoring and void constitute a feature which is visually incompatible with the district, so replacing it with a building would meet the recommendation in the second quote. A new building on the front of the site could be visually compatible with the district. As to historic relationships, of the six lots at the west end of this block of Lombard Street (beginning with 1249-1251 Lombard Street and continuing west to the corner of Polk Street), the other five buildings extend the full width of the lot and are located at the street line. The 1913 Sanborn map shows that 1271, 1263 and 1257 Lombard Street occupied the full width of their lots and were at the street line. Therefore, building a new building the full width of the lot at the street line would not run afoul of the third recommendation. As to the fourth recommendation, it is important to keep in mind that 1296 Lombard Street lacks integrity, and the property itself is not a historical resource. The building, and the void and concrete shoring in front of it have lost their historical integrity. For these reasons,

⁷ http://www.nps.gov/history/hps/tps/standguide/rehab/rehab_site.htm. Accessed 15 June 2010.

⁸ http://www.nps.gov/history/hps/tps/standguide/rehab/rehab_setting.htm. Accessed 15 June 2010.

building a new structure at the front of 1269 Lombard Street could conform to the Secretary's Standard with respect to the potential historic district identified by William Kostura. Construction at the front would unavoidably alter the lot at 1269 Lombard Street itself, but under the California Register Criteria and the Secretary's Standards, this property is not a historical resource so the change to it would not be problematic under the Secretary's Standards.

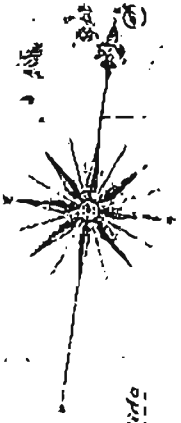
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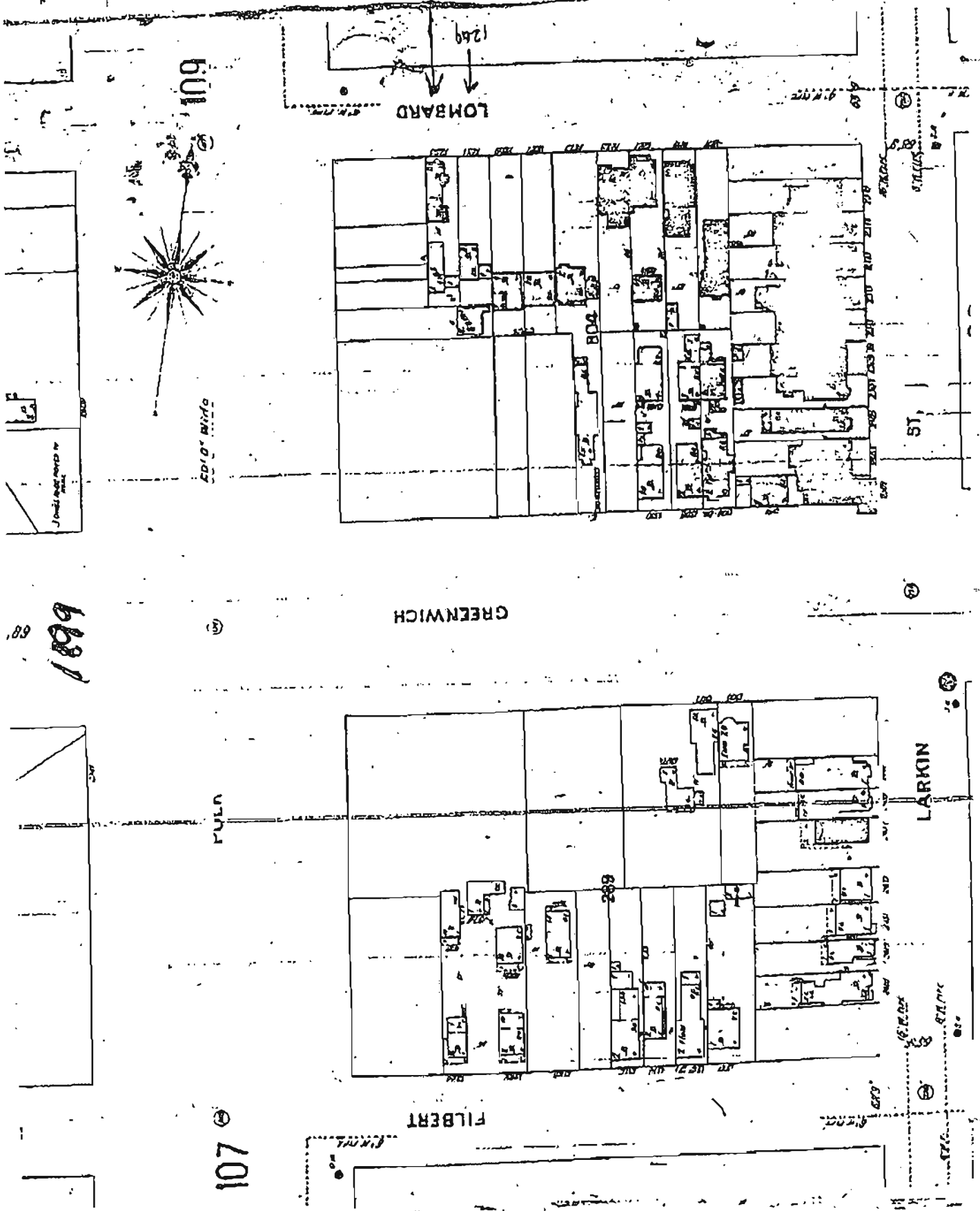
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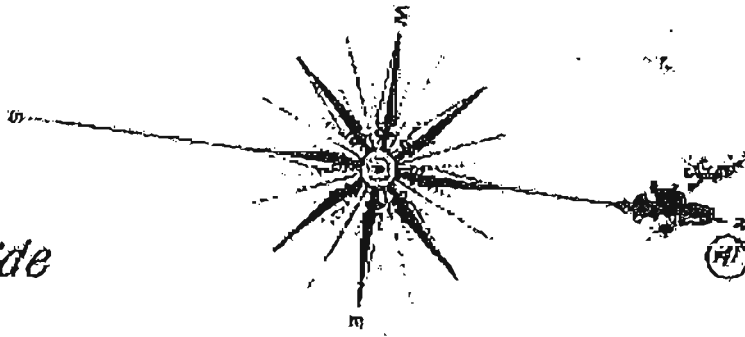
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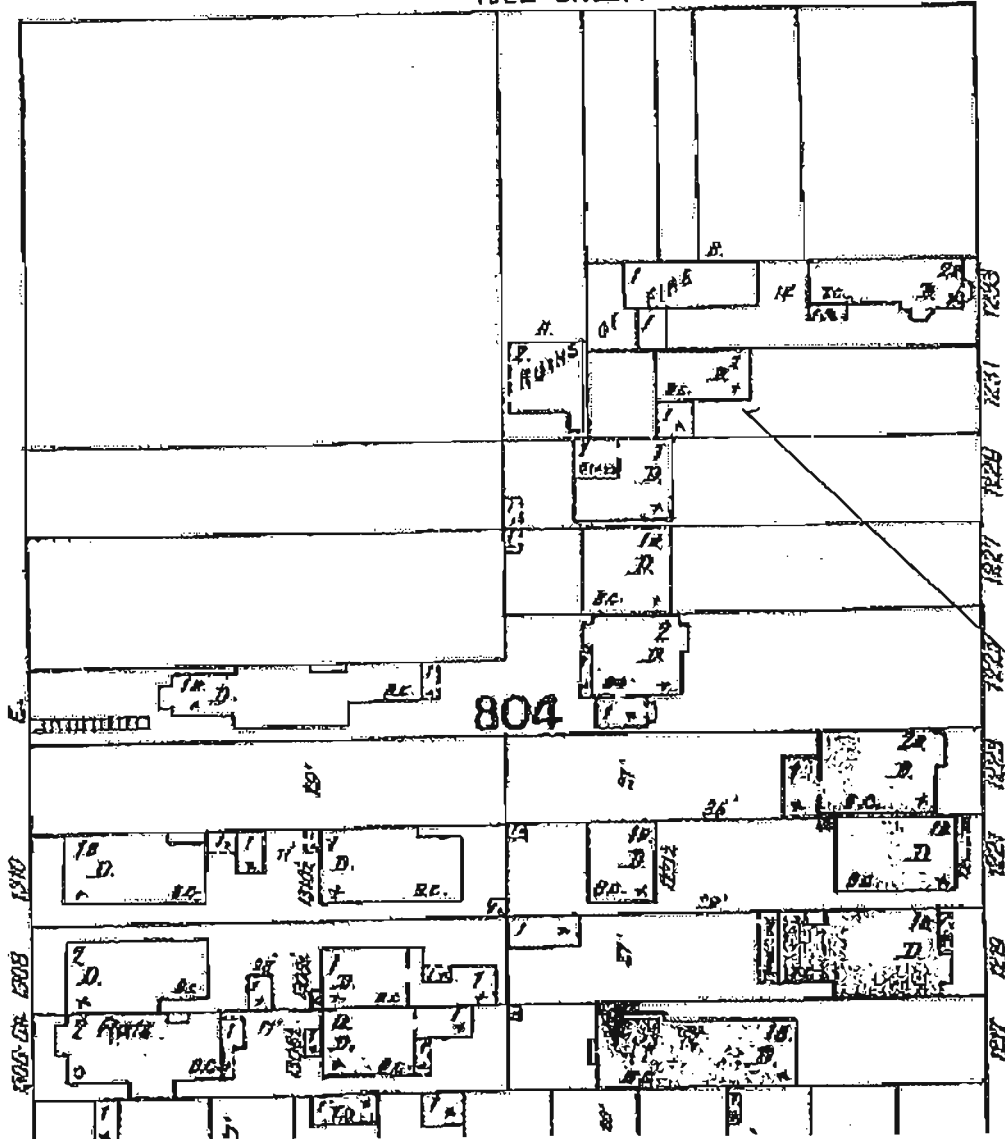


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109

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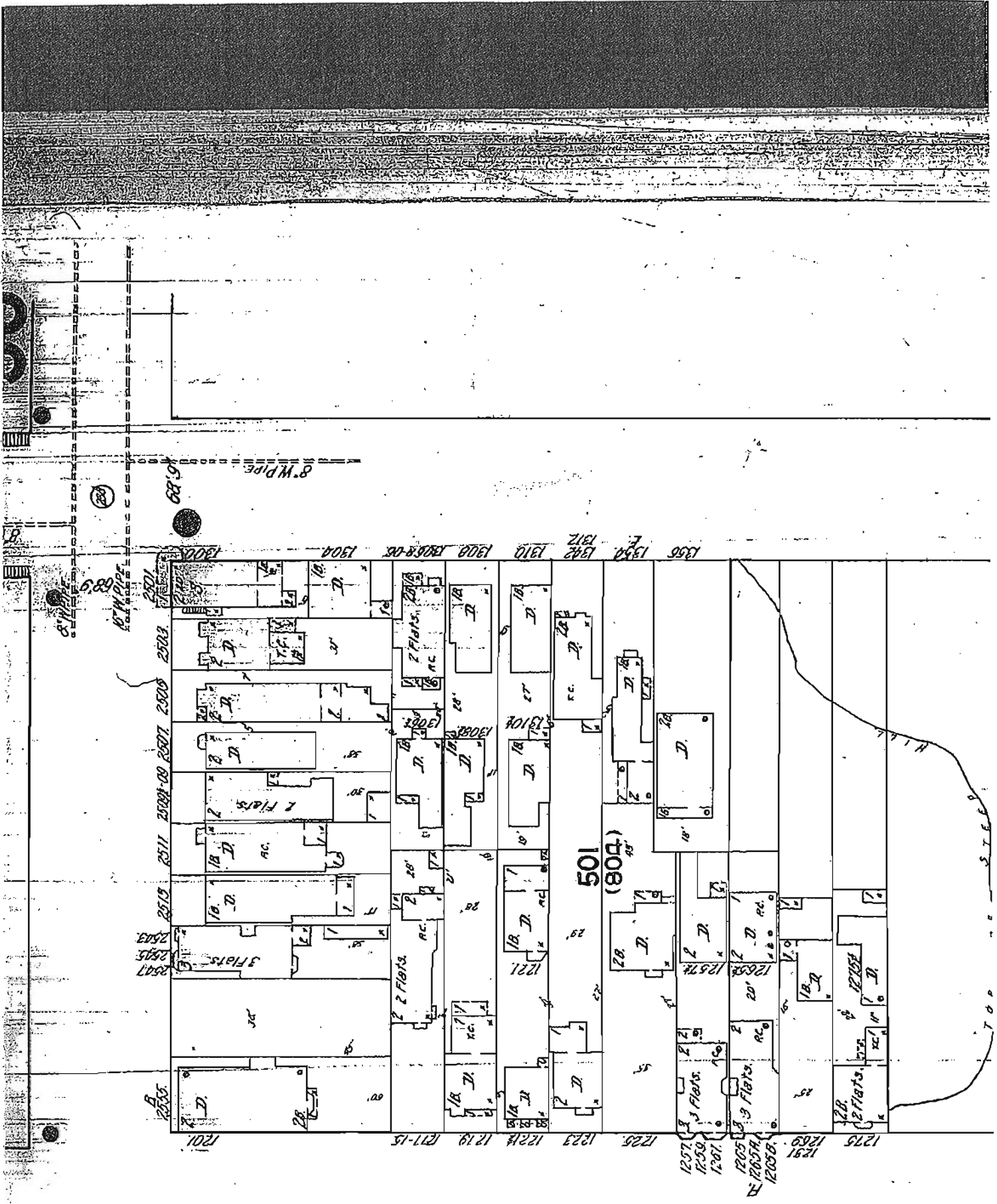
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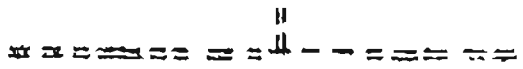
LOMBARD

1269 Lombard St.

1899-1900 Vol 1. 107 SAN FRANCISCO

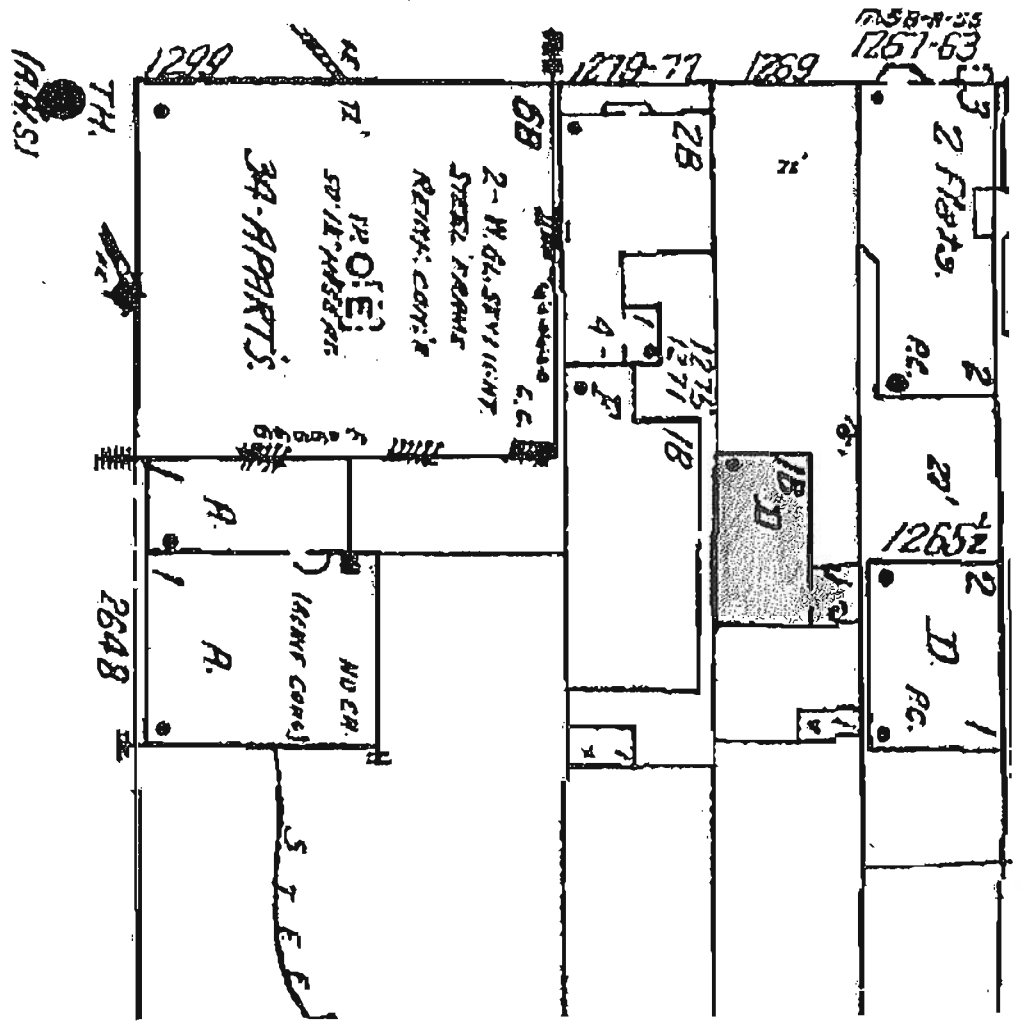
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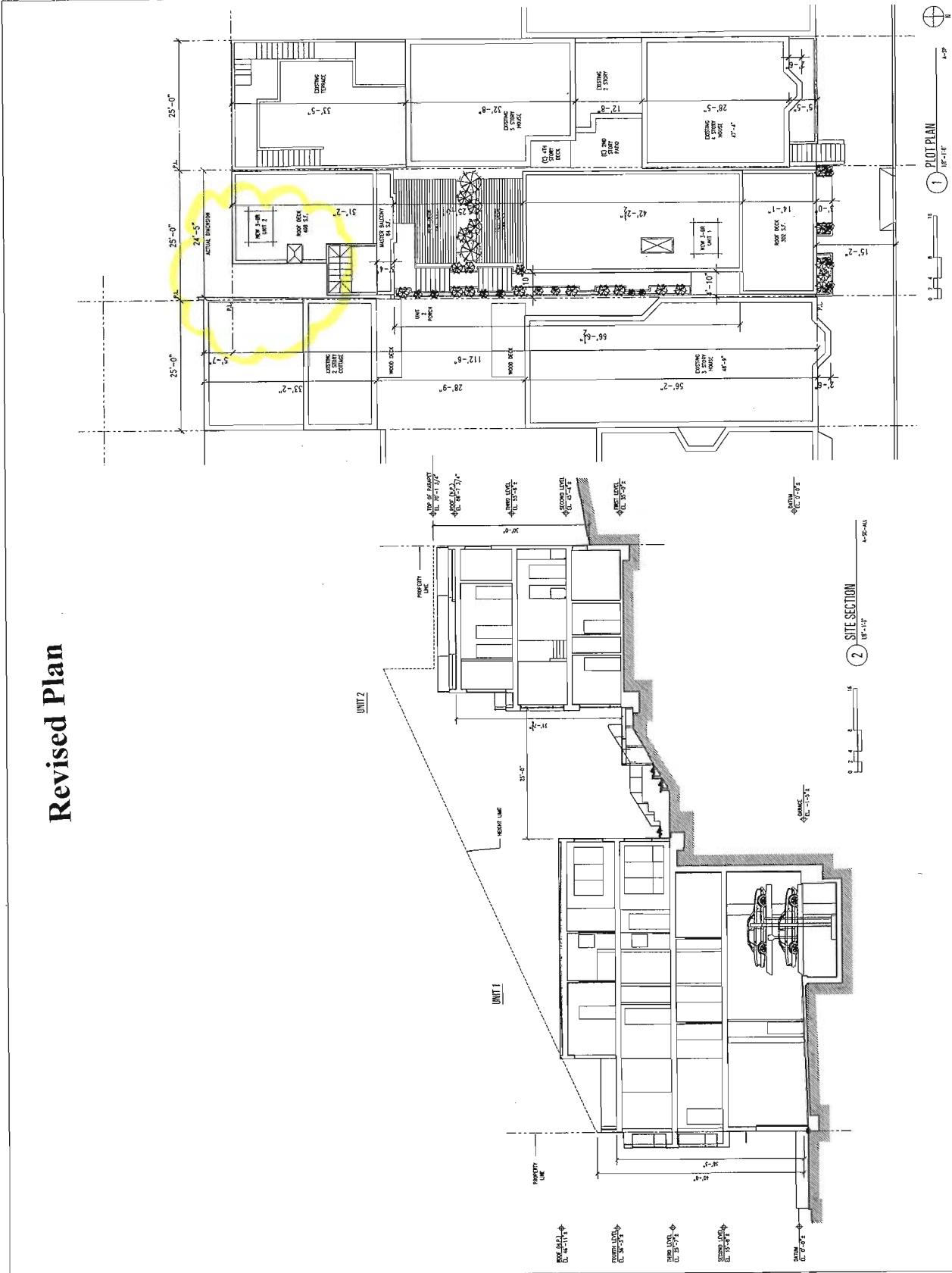
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(RWS)
20" W. PIPE (RWS)

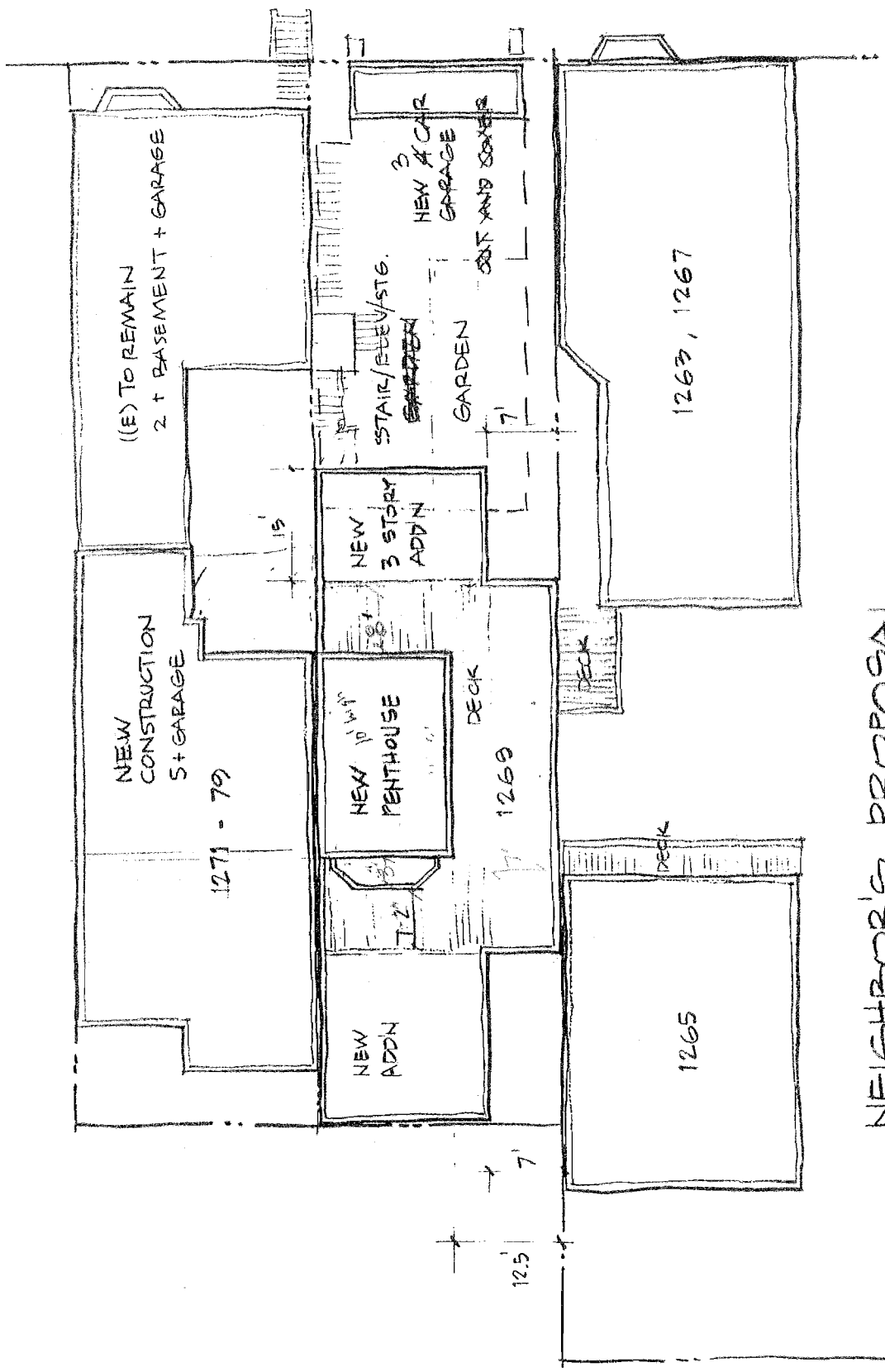


Revised Plan

07001.00 THE OFFICE OF CHARLES F. BLOSZIES LTD ARCHITECTURAL STRUCTURES 228 Bush Ave. 8th Floor San Francisco, CA 94108 Phone: 415.399.9902 Fax: 415.399.9903 Email: cfb@cfbpa.com	1289 Lombard Street San Francisco, CA	<table border="1"> <tr><td>DATE</td><td>12/15/10</td></tr> <tr><td>BY</td><td>CFB</td></tr> <tr><td>FOR</td><td>ARCHITECTURAL STRUCTURES</td></tr> <tr><td>PROJECT</td><td>1289 LOMBARD STREET</td></tr> <tr><td>DESCRIPTION</td><td>3 UNIT TOWNHOMES</td></tr> <tr><td>REVISIONS</td><td></td></tr> <tr><td>NO.</td><td>DESCRIPTION</td><td>DATE</td></tr> <tr><td>1</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>2</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>3</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>4</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>5</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>6</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>7</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>8</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>9</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>10</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>11</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>12</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>13</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>14</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>15</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>16</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>17</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>18</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>19</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>20</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>21</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>22</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>23</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>24</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>25</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>26</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>27</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>28</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>29</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>30</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>31</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>32</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>33</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>34</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>35</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>36</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>37</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>38</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>39</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>40</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>41</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>42</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>43</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>44</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>45</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>46</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>47</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>48</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>49</td><td>ISSUE FOR PERMITS</td><td></td></tr> <tr><td>50</td><td>ISSUE FOR PERMITS</td><td></td></tr> </table>	DATE	12/15/10	BY	CFB	FOR	ARCHITECTURAL STRUCTURES	PROJECT	1289 LOMBARD STREET	DESCRIPTION	3 UNIT TOWNHOMES	REVISIONS		NO.	DESCRIPTION	DATE	1	ISSUE FOR PERMITS		2	ISSUE FOR PERMITS		3	ISSUE FOR PERMITS		4	ISSUE FOR PERMITS		5	ISSUE FOR PERMITS		6	ISSUE FOR PERMITS		7	ISSUE FOR PERMITS		8	ISSUE FOR PERMITS		9	ISSUE FOR PERMITS		10	ISSUE FOR PERMITS		11	ISSUE FOR PERMITS		12	ISSUE FOR PERMITS		13	ISSUE FOR PERMITS		14	ISSUE FOR PERMITS		15	ISSUE FOR PERMITS		16	ISSUE FOR PERMITS		17	ISSUE FOR PERMITS		18	ISSUE FOR PERMITS		19	ISSUE FOR PERMITS		20	ISSUE FOR PERMITS		21	ISSUE FOR PERMITS		22	ISSUE FOR PERMITS		23	ISSUE FOR PERMITS		24	ISSUE FOR PERMITS		25	ISSUE FOR PERMITS		26	ISSUE FOR PERMITS		27	ISSUE FOR PERMITS		28	ISSUE FOR PERMITS		29	ISSUE FOR PERMITS		30	ISSUE FOR PERMITS		31	ISSUE FOR PERMITS		32	ISSUE FOR PERMITS		33	ISSUE FOR PERMITS		34	ISSUE FOR PERMITS		35	ISSUE FOR PERMITS		36	ISSUE FOR PERMITS		37	ISSUE FOR PERMITS		38	ISSUE FOR PERMITS		39	ISSUE FOR PERMITS		40	ISSUE FOR PERMITS		41	ISSUE FOR PERMITS		42	ISSUE FOR PERMITS		43	ISSUE FOR PERMITS		44	ISSUE FOR PERMITS		45	ISSUE FOR PERMITS		46	ISSUE FOR PERMITS		47	ISSUE FOR PERMITS		48	ISSUE FOR PERMITS		49	ISSUE FOR PERMITS		50	ISSUE FOR PERMITS		PLOT PLAN & SITE SECTION	MAY 17, 2010	A1.03
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LOMBARD STREET



NEIGHBOR'S PROPOSAL

1269 LOMBARD STREET 97,487 D

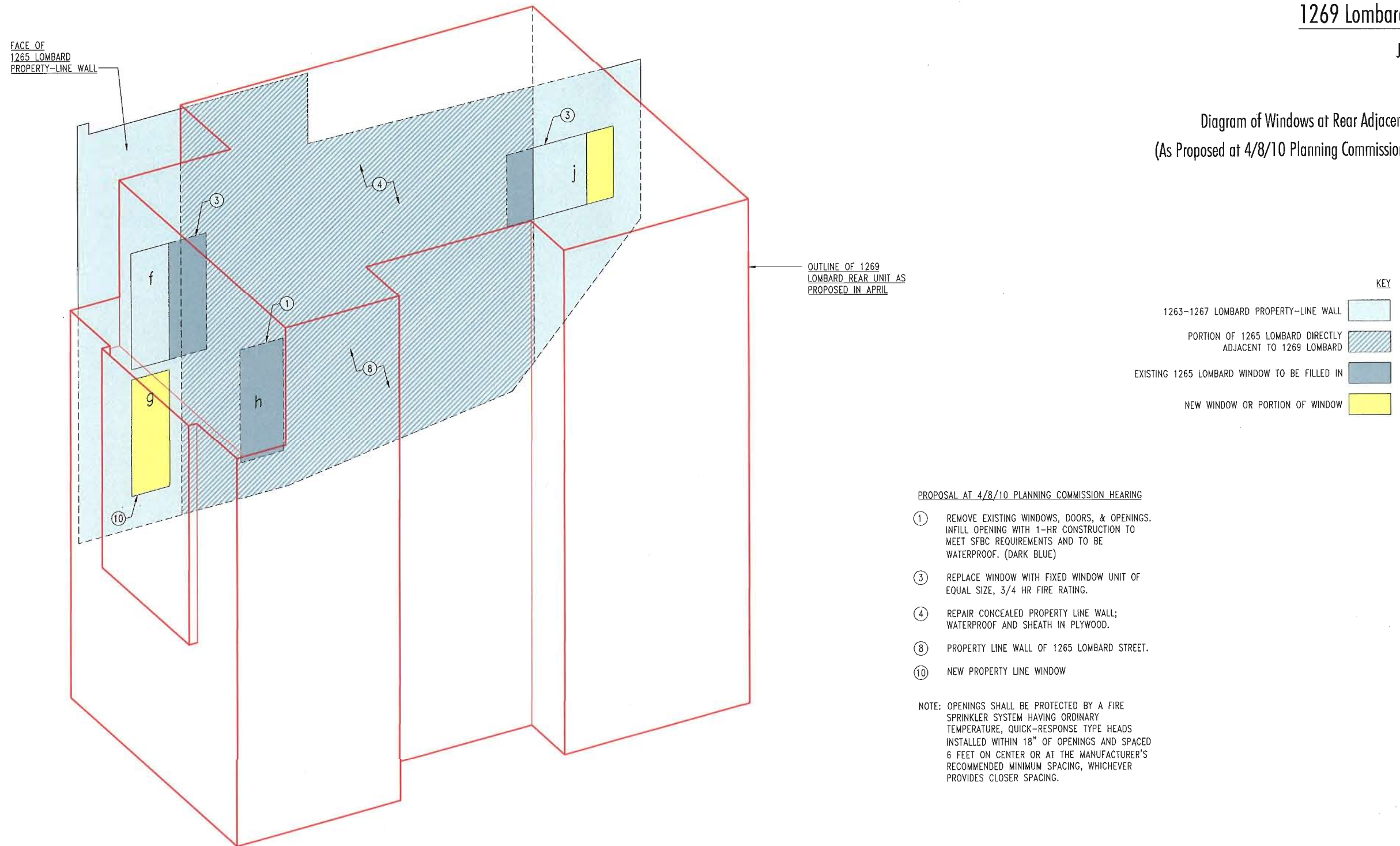
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NEW	SQ. FT	1,400	:	2 UNITS OR 1	:	GARDEN
F.A.R	1.14			<u>3,200</u>		

EXHIBIT E

RESIDENTIAL DEVELOPMENT
 1269 Lombard Street

June 2010

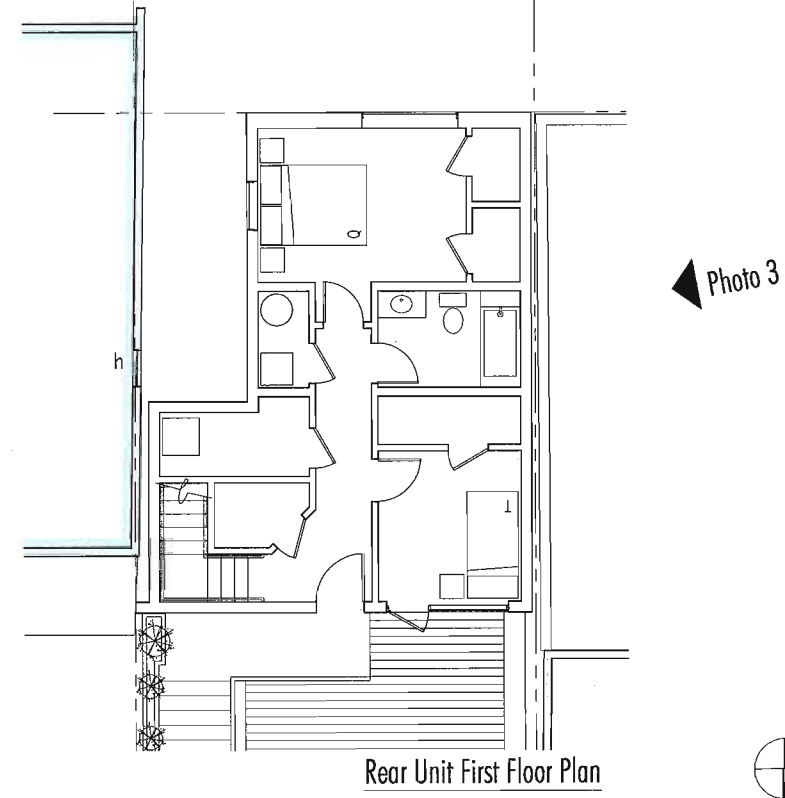
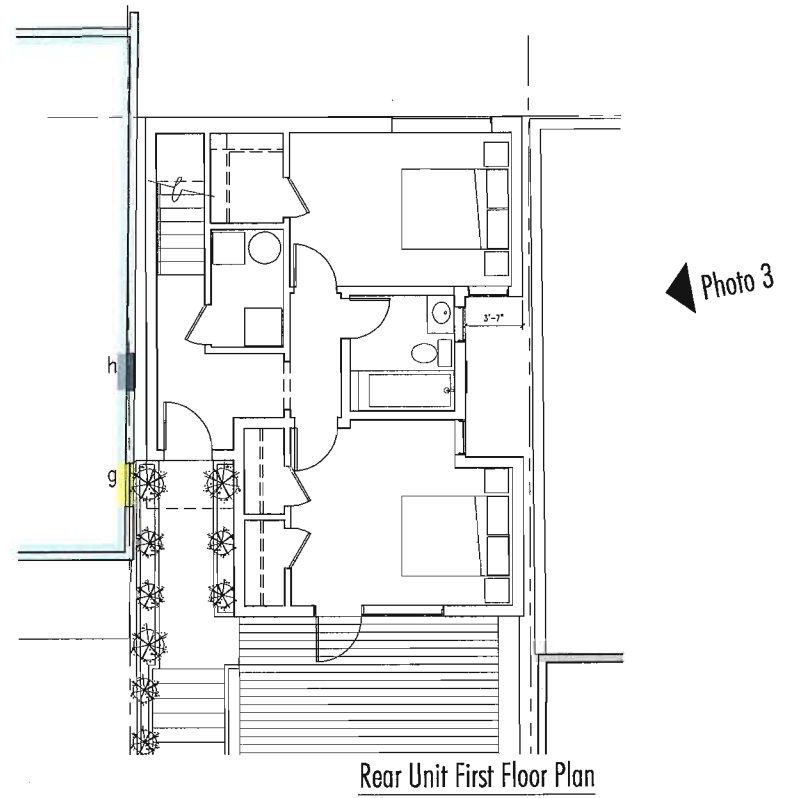
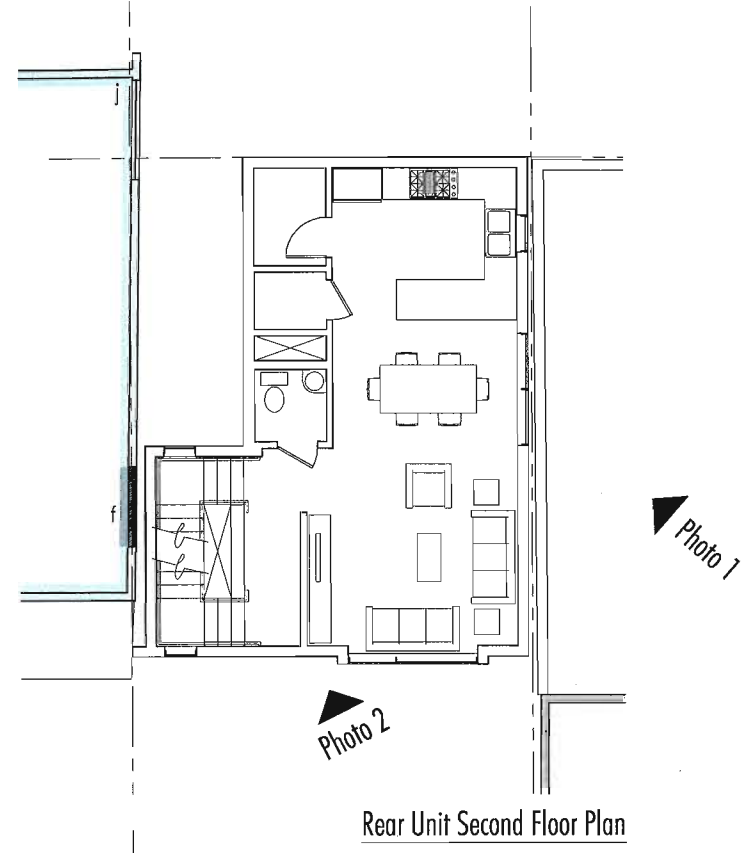
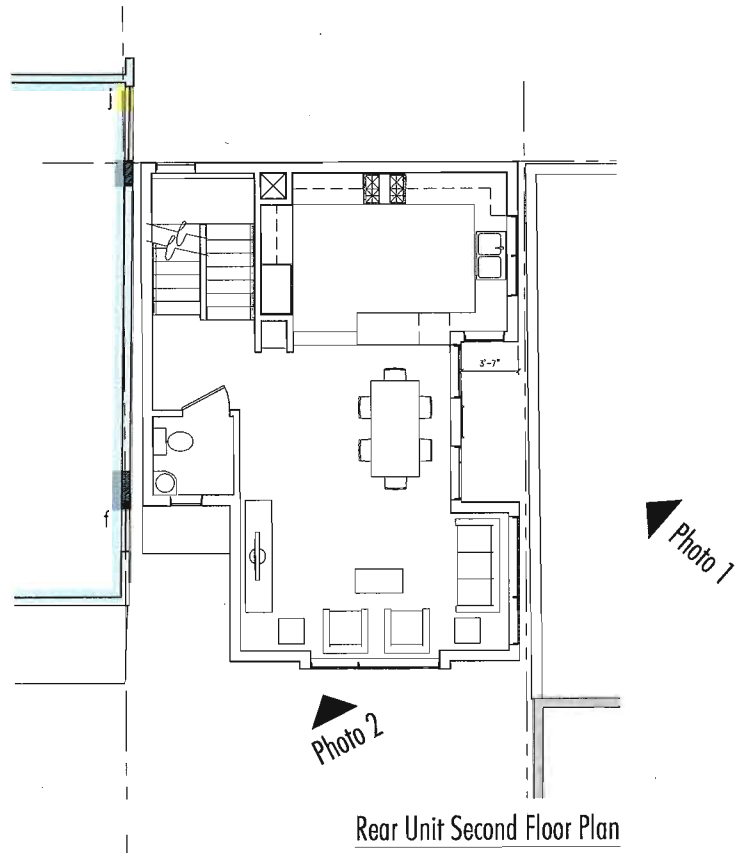
Diagram of Windows at Rear Adjacent Building
 (As Proposed at 4/8/10 Planning Commission Hearing)



RESIDENTIAL DEVELOPMENT
1269 Lombard Street

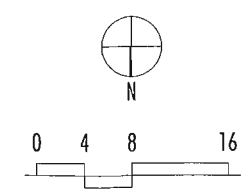
June 2010

Windows at Adjacent Cottage



PLAN PRESENTED AT 4/8/10 PLANNING COMMISSION HEARING

REVISED PROPOSAL ADDRESSING NEIGHBOR'S
CONCERNS ABOUT LIGHT





**COMPARISON
OF
1998 PROJECT
AND
REVISED PROJECT**

	1998 Project	Revised Project	
		Rear Building	Front Building
Number of Units	1 or 2	1	1
Number of bedrooms per Unit	Unknown	3	3
Square footage of Unit, including storage and garage	3,209 + 1,240 4,449 sf (NOTE: 1,240 is approximate, based on the plans shown in 1998 Exhibit B)	1,830 sf	4,075
Square footage of Unit excluding storage and garage	3,209 sf	1,830 sf	2,800
Size of light well next to Horvers' Unit	7'x18' (approximate, scaled off of 1998 Exhibit A)	7'x18'	N/A

-----Original Message-----

From: Meg Chase [mailto:megchase@earthlink.net]
Sent: Tuesday, April 20, 2010 7:56 PM
To: Rod Handeland; Cassandra Lai
Cc: John and Mary Horvers; Kim Loocke
Subject: Re: 1269 Unlawful Entry

Hello Rod,

To follow up on this, the police did arrive after being notified Sunday morning at approximately noon. Homeless / vagrant occupancy of a vacant building is not considered an emergency, so they send someone when available to deal with the situation. This has been an ongoing issue with 1269 over the years, and we have contacted the authorities when we have seen unlawful occupants - as was the case Sunday. Kim was able to view the trespasser through the window above her deck. He was asleep surrounded by needles - apparently he has been using the cottage as a drug den. The officer was disappointed that the vagrant had departed and she did not have the opportunity to id him.

From: John Horvers <jhorvers@sbcglobal.net>
Date: Wed, 21 Apr 2010 11:59:24 -0700 (PDT)
To: Cassandra Lai<cassandra@redwoodmortgage.com>; Meg Chase<megchase@earthlink.net>; Rod Handeland<rpjhand@pacbell.net>
Cc: Kim Loocke<kloocke@gmail.com>
Subject: Re: 1269 Unlawful Entry

Ms. Lai,

I'm John Horvers and live in the adjoining cottage to 1269 Lombard. As long as the bottom floor of 1269 is open to the elements and unsecured, it will always be an avenue for homeless or vagrants coming in from the back yard. The small front access door, where the vagrant is gaining admittance, is still not secure. May I suggest securing it from both the inside and outside of the cottage.

John Horvers

----- Original Message -----

From: megchase@earthlink.net
To: John Horvers ; Cassandra Lai ; Rod Handeland
Cc: Kim Loocke
Sent: Wednesday, April 21, 2010 1:03 PM
Subject: Re: 1269 Unlawful Entry

Hello Cassandra,

Thank you for your note. While Officer Roggers and his partner were able to move the vagrant out of your property, they did not arrest him. They did identify him as Toan Nguyen, and said he will most certainly be back to try to gain entrance again.

That being said I am willing (along with neighbors John and Kim) to help with suggestions to secure the building. As John indicated he likely entered through the first floor and then removed from the inside whatever Mr. Turnquist installed to secure the door. I am available during the day and can be reached at (415) 810-1096.



City and County of San Francisco
DEPARTMENT OF PUBLIC HEALTH
POPULATION HEALTH AND PREVENTION
ENVIRONMENTAL HEALTH SECTION

Gavin Newsom, Mayor
Mitchell Katz, M.D.
Director of Health

Rajiv Bhatia M. D., Director of
Occupational and Environmental Health

NOTICE TO ABATE NUISANCE

Property Owner of Record:

Date: August 26, 2004
Block: 501
Lot: 23

Peinado Rene E.
2148 Sutter St.
San Francisco, CA 94115

Other Responsible Persons/title:

Regarding Site 1269 Lombard St.

The premises owned, controlled, or occupied by you, and located at the above stated address are in violation of The San Francisco Health Code and you are directed to make the following corrections:
Vacant lot is full of trash, debris and human waste.

1. Remove any accumulation of waste paper, litter or combustible trash unless such materials are set out for collection in compliance with Section 283 of this code;
Sec. 581. (b)(3) NUISANCE PROHIBITED.
2. Remove any accumulation of filth, garbage, unsanitary debris or waste material or decaying animal or vegetable matter unless such material are set out for collection in compliance with Sec. 283 of this code; **Sec. 581 (b)(1).**
3. Remove all any matter or material which constitutes, or is contaminated by, animal or human excrement, urine or other biological fluids;
Sec. 581. (b)(5) NUISANCE PROHIBITED. Lot should be cleaned on a regular basis.
4. Maintain property in a clean nuisance free condition at all times. It is recommended that a fence be placed to keep people and trash away.

Above corrections must be made within 15(fifteen) days of the date of this notice.

Be advised that per Section 596. (c)(2) if the Owner/Responsible parties fail to comply with this notice, the Director may (A) hold a Director's Hearing (B) cause the abatement and removal of the nuisance and the Owner shall be indebted to the City and County of San Francisco for all costs, charges, and fees incurred AND 596. (c)(3) Owner may be liable for other charges, costs, expenses, fines and penalties AND 596 (d)(2) Owner shall be assessed a reinspection fee as provided under Section 609 of this Code (minimum charge \$53.00) UNLESS (1) the complainant contacts us before a reinspection is made, to report that conditions are satisfactory OR (2) acceptable proof of compliance is presented to this office before a reinspection is made, such as a file-dated photograph or an invoice for work performed.

Investigator: Irene Sanchez

Phone: (415) 252-3877

Complaint # 12840

CC: enclosure



City and County of San Francisco
DEPARTMENT OF PUBLIC HEALTH
POPULATION HEALTH AND PREVENTION
ENVIRONMENTAL HEALTH SECTION

Clavin Newsom, Mayor
Mitchell Katz, M.D.
Director of Health

Rajiv Bhatta M. D., Director of
Occupational and Environmental Health

NOTICE TO ABATE NUISANCE

Property Owner of Record:

Date: December 2, 2004
Block: 501
Lot: 23

Peinado Rene E.
1269 Lombard St.
San Francisco, CA 94109

Other Responsible Persons/title:

Bridge Development *mailed*
110 Pacific Ave #254
San Francisco, CA 94111

Regarding Site: 1269 Lombard St.

The premises owned, controlled, or occupied by you, and located at the above stated address are in violation of The San Francisco Health Code and you are directed to make the following corrections:

Vacant lot has trash, debris and an abandoned vehicle.

1. Remove any accumulation of waste paper, litter or combustible trash unless such materials are set out for collection in compliance with Section 283 of this code;
Sec. 581. (b)(3) NUISANCE PROHIBITED.
2. Remove any accumulation of filth, garbage, unsanitary debris or waste material or decaying animal or vegetable matter unless such material are set out for collection in compliance with Sec. 283 of this code; **Sec. 581 (b)(1).**
3. Remove all any matter or material which constitutes, or is contaminated by, animal or human excrement, urine or other biological fluids;
Sec. 581. (b)(5) NUISANCE PROHIBITED. Lot should be cleaned on a regular basis.
4. Remove all abandoned vehicles from the premises or property store to eliminate nuisance (i.e. store behind a six foot solid fence, clear all vegetation or refuse surrounding vehicle, tarp vehicle)
Municipal Code Sec. 230-245
5. Maintain property in a clean nuisance free condition at all times

Above corrections must be made within 7(seven) days of the date of this notice.

Be advised that per Section 596. (c)(2) if the Owner/Responsible parties fail to comply with this notice, the Director may (A) hold a Director's Hearing (B) cause the abatement and removal of the nuisance and the Owner shall be indebted to the City and County of San Francisco for all costs, charges, and fees incurred AND 596. (c)(3) Owner may be liable for other charges, costs, expenses, fines and penalties AND 596. (d)(2) Owner shall be assessed a reinspection fee as provided under Section 609 of this Code (minimum charge \$63.00) UNLESS (1) the complainant contacts us before a reinspection is made, to report that conditions are satisfactory OR (2) acceptable proof of compliance is presented to this office before a reinspection is made, such as a file-dated photograph or an invoice for work performed.

Investigator: Irene Sanchez

Phone: (415) 252-3877

CC:

Complaint # 12840



Susanne Kelly

From: Thomas Burwell [thomas.burwell@redwoodmortgage.com]
Sent: Wednesday, June 16, 2010 10:19 AM
To: Brett Gladstone; Susanne Kelly
Cc: 'Mark Mosher'
Subject: FW: 1269 Lombard-Kim Looche-Tenant of Rod Handeland at 1263-1267 Lombard

Please see below.
-Tom

-----Original Message-----

From: Kim Looche [mailto:kloocke@gmail.com]
Sent: Wednesday, June 16, 2010 9:59 AM
To: Thomas Burwell; Rod Handeland
Subject: Re: 1269 Lombard

Tom,

Here are my views on the proposed building at 1269 Lombard:

1. Overall, I am neutral re: the proposed building plans.
2. I moved into the top flat of the building that is immediately uphill from 1269 Lombard less than a year ago. At the time that I entered into the lease of the flat, Rod Handeland informed me of the proposed construction at 1269 Lombard.
3. Based on communications from Redwood Mortgage, the height of the proposed building will not exceed midline of the top flat's windows, and thus would not affect the light that enters my apartment. The loss of the bay views from my side windows and back patio is unfortunate, but I was aware of this issue before moving in.
4. I am pleased that the proposed plans retain the center garden between the two units and the planned facades of both the front and rear building look like they will blend with the existing neighborhood.
5. My primary concern with the activity at 1269 Lombard is ensuring that the demolition itself properly accounts for the potential debris and dust (i.e. lead and asbestos given the age of the building) that will enter my very drafty unit.

Thank you,
Kim

On Wed, Jun 16, 2010 at 9:25 AM, Thomas Burwell <thomas.burwell@redwoodmortgage.com> wrote:

> Kim,

>
>
>
>
> It was nice talking with you yesterday about our efforts on the
> proposed
> 1269 project.

>
>
> I think you will be very pleased with the outcome and considerations
> that have been made to the height and light issues relative to your
> unit and Rod's property. Redwood and Rod spent quite a bit of time on
> this
> concept.
> The height of the front building should go up only to the mid point of
> the windows of your unit.

> Some of the neighbors and John have expressed clarity on the height of
> back
> building and yesterday/today we have a contractor putting up poles for
> the back unit to demonstrate this more clearing, for neighbors up the
> hill and on Greenwich Street. We are doing this only for the back
> building as it
was
> more difficult to demonstrate the height vs. the front building by
> clearly using the mid point of side windows.
>
>
>
> We also discussed some of the safety concerns from yourself, Meg and
> John and Mary in regards to recent break-ins. In discussion with Rod
> it seems the addition of the front building would add to the security as well.
>
>
>
> Per our discussion yesterday you had indicated a willingness to share
> your thoughts on the project. It would be very helpful if you could
> send me an email to those regards.
>
>
>
> I am available at below contact numbers for any questions.
>
> Sincerely,
> Tom
>
>
>
> Thomas Burwell
> Redwood Mortgage Corp.
> 900 Veterans Blvd, Suite 500
> Redwood City CA 94063
> Phone 650-365-5341 x237
> Fax 650-364-1665
> e-mail thomas.burwell@redwoodmortgage.com
> www.redwoodmortgage.com
>
> NOTICE: This email is for the sole use of the intended recipient(s)
> and
may
> contain confidential and privileged information. Any unauthorized
> review, use, disclosure or distribution is prohibited. If you are not
> the
intended
> recipient, please contact the sender by reply email and destroy all
> copies of the original message. The foregoing name, telephone number,
> facsimile number and email information is provided to the recipient
> for
informational
> purposes only and is not intended to be the signature of the sender
> for purposes of binding the sender or Redwood Mortgage Corp., or any
> client of the sender or the company, to any contract or agreement
> under the Uniform Electronic Transmission Act or any similar law.
> Thank you for your
courtesy
> and cooperation.



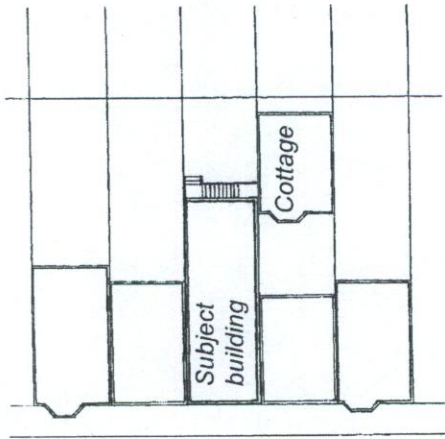
Special attention is necessary to ensure that the building's facades enhance the public realm. Blank walls or fences along public spaces can make these spaces feel isolated. Instead, these building facades must be fenestrated, articulated, ornamented and finished with a level of detail compatible to a front facade. Provide exterior lighting that is energy efficient and is shielded to avoid excess glare.

Rear Yard Cottages

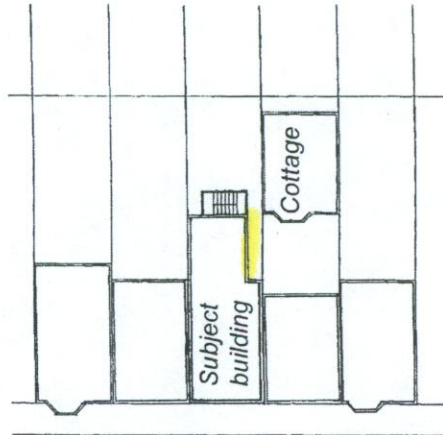
GUIDELINE: Articulate the building to minimize impacts on light to adjacent cottages.

Buildings located in rear yards are non-complying structures under the Planning Code and may themselves have an impact on the rear yard open space. However, when a proposed project is adjacent to a lot that has a cottage used as a dwelling unit at the rear of the lot, modifications to the building's design may be necessary to reduce light impacts to that cottage specifically. Consider the following modifications; other measures may also be appropriate depending on the circumstances of a particular project:

- Provide side setbacks at the rear of the building.
- Minimize rear projections such as decks and stairs.



This illustration shows a new building permitted under the Planning Code. The building's design has not been modified to minimize light impacts to the adjacent cottage, and further restricts the mid-block open space.



This illustration shows a new building that provides a side setback to reduce the impact on light to the cottage.

EXHIBIT J

REASONS TO HAVE FRONT YARD DEVELOPED

Unfortunately, to restore a deep front yard open space (which would be the only front yard open space amongst the many adjacent lots) would create several challenges:

- Due to the necessity of matching the open space of adjacent lots, it would be difficult to construct a single family home building in the rear with a large enough size to economically justify the expense of building on a difficult and expensive site to build on.
- In-fill multiunit housing would not be created and the property would remain below the RH-2 permitted density. All surrounding lots and most on the street have 2 or more units.
- The removal of the retaining wall would be very difficult and pose a danger to the stability of the hillside. In fact, the retaining wall constrains what can now be built in significant ways.
- The restoration of an entirely removed hill in the front yard and the preservation of a sagging old structure which is severely deteriorated and weather exposed would be enormously expensive, and the Project would not pencil out at all.
- The original circulation pattern cannot be restored. The original access to the building occurred through the downhill property's original building. That building has been substantially renovated. The building physically cannot provide such access. The owner of the adjacent front building has no legal obligation to provide such access.

EXHIBIT K



-----Original Message-----

From: Tina [mailto:tinamoysf@yahoo.com]
Sent: Thursday, April 15, 2010 10:57 AM
To: cassandra@redwoodmortgage.com
Cc: 'Thomas Burwell'
Subject: RHN executive meeting

Dear Mr. Burwell,

Russian Hill Neighbors is having an Executive Committee meeting on April 27th at which we will be addressing Land Use issues. We are getting multiple requests from neighbors both on and off Russian Hill and are adopting a new process for reviewing the requests. We have 30 new volunteers on the Land Use Committee whom we hope to recruit for this meeting. With the numbers of requests we will probably abandon presentations and move towards word documents with graphics send to the Land Use Committee 2 weeks prior to our monthly meetings, reviewed and sent to Board Members attached to Agenda.

Since the Planning Commission hearing of last week I have had questions from neighbors and members concerning our support of your project. On August 3rd you made a great presentation that was approved by the majority of our board as it was presented. Have there been any modifications to those plans? Why was RHN not notified of the Santos & Urrutia structural hazard report at that time? Has there been any attempt over the past few years to cover the existing structure or make it safe for the current neighbors in the area? If a building is deemed a hazard one would think that provisions would be made for the safety of surrounding area. Perhaps these things have been done but it was not addressed in August and I am being bombarded by questions from members. What is the cost of construction for your plans and how much of that is to bring up to code due to the disrepair that has occurred over that past few years? Our Executive Committee wants clarification if we are to continue the support of your project as presented August 3rd, 2009. Please send all info in word document so that I may attach it to EC agenda prior to our meeting. We have 6 other land use proposals to go over that evening as well.

I am aware of the May meeting with Planning and RHN wants to do the right thing. We are currently standing by our letter but really want to know if some vital pieces were omitted. We have been notified of the "Condition of Approval" dating back to 1998. Lots of questions are coming up and we just want the answers to provide to our board.

Many thanks for your cooperation and diligence in this project.
Tina

The table is oriented horizontally and is almost entirely illegible due to extreme fading. It appears to have multiple columns and rows, with a header section at the top. The content within the cells is unreadable.



PRESIDENT
Tina Moylan
VICE PRESIDENT
Marvin Frankel
Lydia Pugliese
SECRETARY
Kalon Gutierrez
TREASURER
Harold Wong
PAST PRESIDENT
Bernie Burke

DIRECTORS
Steve Kendrick
Carol Ann Rogers
Suanne Bassett
Alison Collins
Sarah Taber
Geoff Barneby
Lawrence Li

COMMITTEE CHAIRS
Design & Zoning
Penelope Clark
Laurie Petipas
History
Al Greening
Communications & Marketing
Miles Christian Daniels
CSFN
Penelope Clark
Safety/NERT
Deborah Garofalo
Nominating
Bernie Burke
Social
Michele Borges
Helen Wills Playground
Alison Collins
Sterling Park
Phoebe Douglass

ADVISORS
Lucretia Rauh, Chair
Dian Blomquist
Tim Covington
Jovanne Reilly
Judy Junghans
Robert D'Arcy
Karen Donovan

June 13th, 2010

Supervisor David Chiu
Supervisor Michela Alioto-Pier
Commissioner Ron Miguel
Commissioner Christina Olague
Commissioner Michael Antonini
Commissioner Gwenth Borden
Commissioner William Lee
Commissioner Katherin Moore
Commissioner Hisashi Sugaya
Planner Kevin Guy

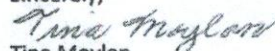
Dear Supervisors, Commissioners and Planners:

In August of 2009 the Russian Hill Neighbors voted by majority to support the plans for 1269 Lombard Street, San Francisco as presented to our Board at that time by Redwood Associates. During the past several months we have been asked to again look at the project from both sides with regard to due diligence. After speaking to neighbors and having members of our Executive Committee visit the site we have concluded that the current architectural renderings meet the criteria for moving forward with the project. Our Executive Committee voted unanimously to support the plans and our entire Board of Directors voted by a significant majority to do the same. We focused on the following bullets in determining our support:

- The blight will be removed from the neighborhood and be replaced by a structure that would complement the existing fabric and architecture of Lombard Street.
- The "historic agreement" of 1998 that is referred to in many documents was not inclusive of all the neighbors.
- There appears to be no support for the position that the building proposed for demolition has any historic or architectural value.
- Many of the neighbors are in full support of the proposed project, specifically the adjacent neighbors on the east and west.

Russian Hill Neighbors is a voice for residents and merchants to preserve and advance neighborhood character and quality of life through collaboration, volunteerism and celebration of community. This is our mission statement and our Board of Directors has tried to adhere to it closely in every decision we make regarding our neighborhood and San Francisco.

Sincerely,


Tina Moylan
RHN President

The image shows a large rectangular area that appears to be a table or a grid. It contains several faint, horizontal lines that divide the space into rows. The content within these rows is extremely faint and illegible, suggesting that the data has been redacted or is otherwise obscured. The overall appearance is that of a blank or nearly blank table structure.



MARKOFF

STRUCTURAL PEST CONTROL COMPANY
6018 Mission Street, Daly City, CA 94014
(650) 992-8900 Fax (650) 992-4404

PROPOSAL AND CONTRACT

MARKOFF STRUCTURAL PEST CONTROL proposes to perform the work described in item(s) #1-2-3-4 outlined in our Standard Inspection Report No. 08572, dated 6/4/08, with respect to the property located at 1269 LOMBARD ST., SAN FRANCISCO. The contract price is \$ SEE BELOW, payable immediately upon completion of the work proposed to be performed.
Breakdown is as follows: #1 - \$2,500.00; #2 - \$15,000.00 (APPROX.); #3 - \$80,000.00 (APPROX.)
#4 - \$30,000.00 (APPROX.); PLANS & PERMIT - \$5,000.00 (APPROX.)

The above quotation is made for immediate acceptance and is subject to change unless so accepted. It is understood and agreed that acceptance of this proposal shall constitute a contract, upon actual notice of such acceptance to Markoff Structural Pest Control, subject to the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

- 1. Additional Work:** Additions, alterations, or deviations to work coverage hereunder shall be negotiated with present owner or owner's agent and an addendum contract issued prior to commencement of such additional repairs.
- 2. Unavoidable Interruptions:** It is hereby mutually agreed that Markoff Structural Pest Control shall not be held responsible or liable for any loss, damage or delay caused by fire, strikes, civil or military authority, acts of nature, or by any other cause beyond its control.
- 3. Risk of Loss:** Markoff Structural Pest Control will be liable for damage or disrepair to property only directly attributable to its negligence. Customer assumes all other risk of loss or damage to property or contractor's work in progress, and no such loss or damage relieves customer from any obligation under this contract.
- 4. Arbitration:** Any dispute arising out of the work agreed on herein must be raised and settled in an arbitration proceeding held in accordance with the construction industry rules of the American Arbitration Association then in effect.
- 5. Attorney's Fees:** In the event of any arbitration or litigation between the parties concerning the work hereunder or any event related thereto, the party prevailing in such dispute will be entitled to reasonable attorney's fees.
- 6. Notice as Required by Section 3097 of the Civil Code, State of California:** You are hereby notified, pursuant to Section 3097 of the California Civil Code, which requires that this notice be given, that Markoff Structural Pest Control, whose address is 6018 Mission Street, Daly City, California 94014, intends to furnish, commencing after acceptance of the foregoing proposal and contract, labor, services, equipment and materials as hereinabove set forth pursuant to the foregoing contract for the work of improvement on the jobsite located at the address hereinabove set forth.
Pursuant to Section 3097 of the California Civil Code, this notice is given to the owner or reputed owner, to the original contractor, or reputed contractor, and to the construction lender, if any, or to the reputed construction lender, if any, this written preliminary notice as prescribed by this Section.

NOTICE TO PROPERTY OWNER

Under the California mechanics lien law any structural pest control operator who contracts to do work for you, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your contractor in full if the subcontractor, laborers or suppliers remain unpaid.

To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice". General contractors and laborers for wages do not have to provide this notice. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

Respectfully submitted,
MARKOFF STRUCTURAL PEST CONTROL

By _____

ACCEPTANCE

The above proposal is hereby accepted this _____ day of _____, 20____, subjected to the terms and conditions as hereinafter set forth. **A payment schedule will be determined upon authorization of work.**


Owner _____

Address _____

Phone _____

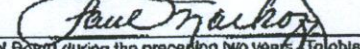
MINIMUM COST FOR WORK PERFORMED IS \$300.00

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No. 1269	Street LOMBARD STREET	City SAN FRANCISCO	Zip 94109	Date of Inspection 6/4/08	Number of Pages 4
		MARKOFF STRUCTURAL PEST CONTROL 6018 MISSION STREET DALY CITY, CALIFORNIA 94014 TEL: (650) 992-8900 FAX: (650) 992-4404 REGISTRATION NO. PR0347 COMPANY REPORT# 08572			
Ordered by: REDWOOD MORTGAGE c/o GCA STRATEGIES, INC. GENERAL OPERATING FUND 655 MONTGOMERY STREET, #1700 SAN FRANCISCO, CA 94111	Property Owner and/or Party of Interest: SAME	Report sent to: SAME			
COMPLETE REPORT <input checked="" type="checkbox"/> LIMITED REPORT <input type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>					
General Description: TWO STORY WOOD FRAME RESIDENCE - VACANT			Inspection Tag Posted: BASEMENT		
Other Tags Posted:					
An inspection has been made of the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.					
Subterranean Termites <input type="checkbox"/> Drywood Termites <input type="checkbox"/> Fungus / Dryrot <input checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input type="checkbox"/> If any of the above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.					
SUBSTRUCTURE: SEE #1 & 2		OTHER INTERIOR: SEE NOTES			
FOUNDATION: SEE #3		OTHER EXTERIOR: SEE #4			
STEPS/DECKS: SEE NOTE		OTHER: SEE NOTES			

PLEASE READ THIS DOCUMENT CAREFULLY.

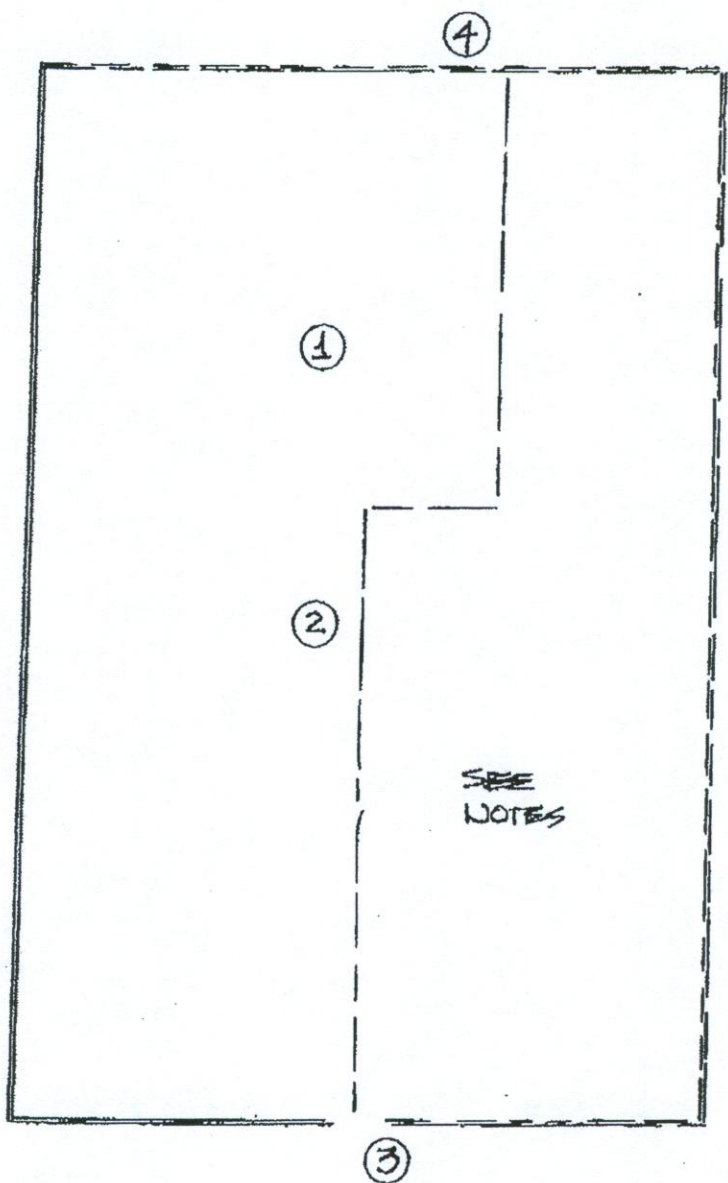
**INQUIRIES REGARDING THE CONTENT, ACCURACY,
AND RECOMMENDATIONS SHOULD BE
IMMEDIATELY REFERRED TO THE INSPECTOR.**

Inspected by: Paul Markoff State License No: OPR4739 Signature: 

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 1418 Howe Avenue, Suite 18, Sacramento, California, 95825-3204.
NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8706, (800) 737-8188 or www.pestboard.ca.gov.

Address 1269 LOMBARD STREET SAN FRANCISCO 94109

DATE OF INSPECTION 6/4/08 CO. REPORT NO. 08572



FRONT
NOT TO SCALE

Address 1269 LOMBARD STREET SAN FRANCISCO 94109

Date of Inspection 6/4/08 Co. Report No. 08572

**READ THIS DOCUMENT, IT EXPLAINS THE SCOPE AND LIMITATIONS
OF A STRUCTURAL PEST CONTROL INSPECTION AND A WOOD
DESTROYING PEST AND ORGANISM INSPECTION REPORT.**

A Wood Destroying Pest and Organism Inspection Report contains findings as to the presence or absence of evidence of wood destroying pests and organisms in visible and accessible areas and contains recommendations for correcting any infestations or infections found. The contents of Wood Destroying Pest and Organism Inspection Reports are governed by the Structural Pest Control Act and regulations.

Some structures do not comply with building code requirements or may have structural, plumbing, electrical, heating, air conditioning or other defects that do not pertain to wood destroying organisms. A Wood Destroying Pest and Organism Inspection Report does not contain information on such defects, if any, as they are not within the scope of the licenses of either the inspector or the company issuing a Wood Destroying Pest and Organism Inspection Report.

The Structural Pest Control Act requires inspection of only those areas which are visible and accessible at the time of the inspection. Some areas of the structure are not accessible to inspection, such as the interior of hollow walls, spaces between floors, areas concealed by carpeting, built-in appliances, or cabinet work. Infestations or infections may be active in these areas without visible and accessible evidence. If you desire information about these areas, a further inspection may be performed upon request and at additional cost.

The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractor's State License Board.

Areas subject to moisture, such as, but not limited to roofs, gutters, windows, shower enclosures, and plumbing fixtures, are to be maintained by homeowners. This Company assumes no liability for these areas.

If work, as outlined in this report, is performed by others, we will reinspect the property upon authorization and payment of standard inspection fee, within a four month period.

Recommendations, as outlined in this report, are subject to the approval of the local building department officials. Additional alterations, drawings and/or calculations as may be required by said officials will be performed upon specific authorization and at additional expense to the ordering party.

NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestation, termite damage, fungus damage, etc.) However, recommendations to correct these findings may vary from company to company. Therefore, you may wish to seek a second opinion since there may be alternative methods of correcting the findings listed on this report that may be less costly.

CHEMICAL MATERIAL TO BE USED:

DRAGNET (Active ingredient - Permethrin)

COPPER NAPHTHENATE (Active ingredient - Copper Salts of Naphthenic Acids)

TIM-BOR (Active ingredient - Disodium Octaborate Tetrahydrate)

OTHER _____

NONE

Address 1269 LOMBARD STREET SAN FRANCISCO 94109

Date of Inspection 6/4/08 Co. Report No. 08572

NOTE: This two story wood frame structure is in a state of deferred maintenance and is uninhabitable.

SUBSTRUCTURE

- 1) Powder post beetle infestation noted at various locations.
RECOMMENDATION:
Chemically treat for control of infestations. Note: In the event that infestation is found to extend into inaccessible upper framing members, additional costs will be incurred.
- 2) Lower elevation wood floor is in soil contact, unfinished and damaged.
RECOMMENDATION:
Remove entire remaining lower wood floor and replace with a concrete slab. Refinish areas of reconstruction.

FOUNDATION

- 3) The majority of this structure lacks a proper raised and reinforced concrete foundation. Exterior perimeter framing members, particularly at the south and west walls, have been removed by others and temporary shoring has been installed.
RECOMMENDATION:
Install proper engineered reinforced foundations. Reframe walls as necessary and install new exterior siding.

OTHER EXTERIOR

- 4) Fungus damage noted to framing members at the rear wood shingle/frame wall.
RECOMMENDATION:
Install scaffolding and remove existing shingle siding. Remove all damage and reconstruct with new material. Install new shingle siding as required. Installation of new windows and doors is recommended at this time and will be performed upon request and at additional expense.

Note: Local treatment is not intended to be an entire structure treatment method. If infestations of wood destroying pest extend or exist beyond the area(s) of local treatment, they may not be exterminated.

OTHER

Note: This structure lacks proper ingress and egress stair assemblies. Owners are advised to arrange for immediate design and construction of proper stair assemblies to facilitate repair work as recommended.

Note: We noted considerable deterioration to the interiors of the bathrooms. Owners are advised to contact specialty contractors for repair/renovation as required.

Note: No further representations are made regarding this structure.

Note: A local building permit is required for all structural repairs.

The table is oriented horizontally and contains several columns and rows of data. The content is too faint to be transcribed accurately. It appears to be a structured document, possibly a ledger or a list of items, with varying column widths and some internal row groupings indicated by thin vertical lines.

Chronology

1269 Lombard

2004

- September Redwood Mortgage Investor VIII takes title by Trustee's Sale.
- October Secures property by constructing fence at front and rear of property.
- Fall Evaluates feasibility of original builder's plan
- November Remove litter pursuant to city notice
- December Attempt to contact prior owner regarding abandoned truck and compressor per city notice

2005

- January Haul trash and remove litter
- February Hired Jan Threlkeld as new architect
- April Pre-application meeting with Planning Department
- April Pay \$64,477.43 to bring property taxes current
- December Pay property taxes and Insurance

2006

- April Pay Property Taxes
- June Hired GCA Strategies as Consultants-Initiate Neighborhood Outreach
- Fall Conclusion that plans developed by Threlkeld are not in line with city and neighbors
- Fall Interview potential architects
- November Ivy trimming and gardening maintenance
- December Pay property taxes and insurance

2007

- April Retained Frederic Knapp to research historical aspects of 1269 Lombard
Pay property taxes
- May Retained Charles Bloszies as architect
- July Redwood Mortgage contacted Russian Hill Neighbors regarding steps taken to clean up and secure site
- October Redwood Mortgage explored feasibility of moving building
- November Initial historic prepared identifying building's conditions
- December Pay Property taxes and insurance

2008

- March Meeting with Alioto-Pier on new design
Meeting with Design Committee of Russian Hill Neighbors
Initial meeting with all neighbors in immediate surrounding area to meet in a group or one on one to discuss ideas and viewpoints on project, wants and needs
- April Sit downs with adjacent neighbors to further critique current plans
Paint out graffiti
Pay Property taxes
- May Retained Santos and Urrutia to complete a Soundness Report
- June Pest Report prepared
- October Paint out graffiti
Hired Brett Gladstone to draft Neighborhood Agreements
- December Pay property taxes and insurance

2009

- April Open House for neighbors to view most recent design
 Pay Property taxes
- May Submit Check to Department of Building Inspection
 Project Review Meeting with Planning Department
- July Project Review Meeting with Planning Department to present
 current plans
- August Planner leaves for vacation
 Presentation to Russian Hill Neighbors
- September 24 Planner notifies architect that design is acceptable
- October 22 Planner notifies G&A that she is behind schedule and unable to
 schedule a hearing
- December 11 Planner notifies G&A that she completed historic review and
 provided document to supervisor
- December Pay property taxes and insurance

EXHIBIT O

The table contains multiple columns and rows of data, but the content is completely illegible due to extreme fading. It appears to be a standard data table with several columns and many rows.

Rod Handeland Comments on 1269 Lombard Proposal

In early 1975, I purchased 1263-65-67 Lombard as my home and became the newest neighborhood property owner. I expect that the years since now make me the oldest property owner, at least on our south side of Lombard. I loved living in top flat of the front building and renting the lower flat and back cottage. My wife and I met, were married in and lived in our Lombard home until the mid 1980's when we moved a few blocks away, to have room to raise our two sons, who now in their 20's hope someday to live in our Lombard units. My comments reflect our family's thoughts, even though work and school commitments don't allow their participation in this review of the 1269 proposal.

As the uphill property next to 1269 Lombard, I expect I am as familiar as anyone with the issues of not only our two properties, but also the downhill neighbor of 1269, all of which had been under common ownership for decades before my 1975 purchase. Over the last couple years, we have come to know Tom Burwell and his colleagues and their plans to resurrect and complete development of 1269 Lombard, which a prior owner abandoned after beginning excavation without a permit. Unlike the prior developers, our view is that Tom and his group appear to have done everything right on introducing plans to neighbors, in contrast to the previous developers doing nearly everything wrong.

More importantly, we believe that the proposal you are evaluating is basically compatible with the neighborhood and has been altered to fit neighbor preferences that may be beyond those legally required. Both owners and residents have now lived with the mistakes of the past for ten years and the excavation has been an eyesore to all. We strongly believe it is time to complete work on 1269 Lombard. We believe that the current plans are a tasteful and sensitive to the history and character of our neighborhood. Our view is they are much more appropriate than the plan which was approved that led to past failure. We expect and trust City officials to confirm that the proposal is within Planning guidelines and the structures are built to safe standards for the benefit of 1269 Lombard and adjacent homes.

We are particularly aware of adjacent property integrity, as that was our primary focus in 1997-8. It was not considered then, and we incurred damage related to the initial failure of the excavation and retaining wall. Based on what we know of Tom and his associates, as well as their work with neighbors and Planning Department, we expect this proposal would be executed to high professional standards.

Tom and Redwood Mortgage have offered to pay for some of the minor damage to entry and stairways from the prior excavation failure, as well as costs that may be incurred on west side of our buildings in connection with their proposal. We have not signed an agreement, but intend to, in order to have any transaction open, clear and reflective of what is decided on 1269 Lombard proposal. Our primary focus will be on the stability and integrity of both our front and back buildings, realizing that in some respects we are the domino that could affect our uphill neighbors.

Over the past decade, we have heard and understood the issues of light, height, mass and neighborhood character in connection with 1269 Lombard plans. With current plans for a front building, where we looked out on open space from all our west windows, we realize that our property might be the most significantly impaired by the current plans. However, we understand the Planning Department has required plans to comply in height and open space. We are particularly satisfied to see that traditional rear yard open space is planned for between the two buildings. This is consistent with uphill properties and the extensive open space behind 1269 Lombard back property line to Greenwich St. We realize that even though we lose next door open space and west wall windows, the front building adds to the security of the neighborhood in ways that the past open front and 1998 decision on what could be built did not.

We would prefer not to lose the interior and stairwell windows that are affected by the proposed front building. However, we understand that the proposal has been modified to include setbacks and a roof line lower than the midpoint of our upper flat west windows. We believe that shrubs or planters on the front roof would add appeal for everyone, particularly uphill neighbors, but there may be complications with this suggestion to raise the prior green open front space a couple levels. We appreciate Redwood willingness to add a downstairs west wall window in the cottage and reshape upstairs west cottage windows at their expense to preserve light and we believe the front of the rear building being lined up with the front and height of our cottage addresses mass and open space concerns.

In summary we support the approach which is proposed and look forward to working with the developer and City to expeditiously replace the excavation blight of the past decade with a new and tasteful addition to our neighborhood.

EXHIBIT P



AN ENDURING COMMITMENT



1978. The year the Redwood organization launched its first mortgage pool.

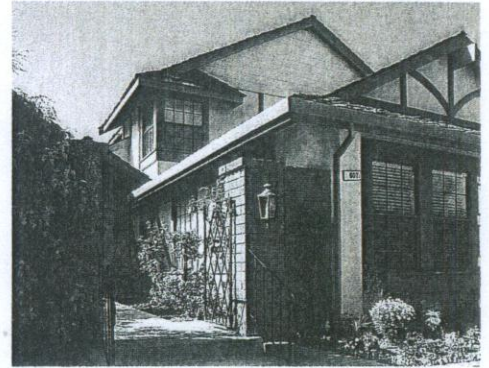
The world was a far different place then. Jimmy Carter was president. Disco was the latest dance craze. Real estate was booming. And here in the Bay Area, about the only thing going bust was the 49ers.

How times have changed. Presidents have come and gone. The 49ers are one of the NFL's best teams. The stock market suffered a major collapse, then returned to record heights. And even the dependable real estate industry has experienced dramatic ups and downs.

Yet, through it all, the Redwood Group Ltd. and its affiliated entities have maintained the same enduring commitment: to provide investors secure, high-yield investments. Redwood has arranged more than a half-billion dollars in loans for Northern California borrowers—making home and business ownership a reality for many Bay Area residents.

Large, diversified pools of trust deeds—carefully selected by experienced, knowledgeable professionals—have provided our investors a dependable source of income—even in the turbulent real estate markets of the 1980s and 1990s.

It will be some time before we match our namesake's record of long-standing growth. But like the redwood, you can count on us to be here for years to come.

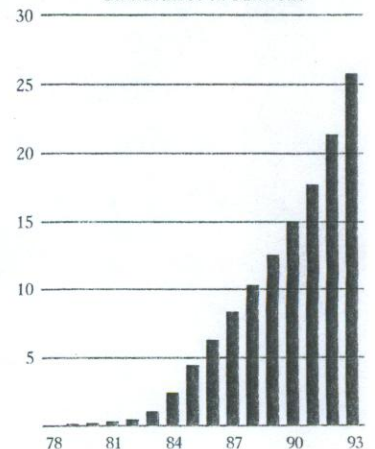


We were able to provide refinancing with a payment schedule that allows a self-employed single parent to own this Foster City home.

One of the reasons we started the Redwood Group was to make it easier for more families to buy their own homes. While the Bay Area is one of the most livable areas in the country, it is also among the most expensive. And the restrictive lending policies of financial institutions have made it difficult for many qualified buyers to realize the dream of home ownership.

(picture - next page)
After this family was approved by the City of Sunnyvale's Below Market Rate Home Purchase Program, we provided the financing that allowed them to purchase their first home. Like them, hundreds of deserving home buyers have received a helping hand from Redwood.

CASH DISTRIBUTION
Cumulative in Millions





A PROVEN INVESTMENT



Our approach to real estate lending has remained largely unchanged since we organized our first mortgage pool in 1978. Our carefully selected and monitored loan portfolios consist of short-term notes with an average maturity of four to seven years, secured by trust deeds on quality Bay Area properties. This formula has served us—and our investors—very well.

One of the keys to our success has been our decision to make virtually all our loans locally. This strategy of “playing the game in our ballpark” has a number of advantages.

First, we know Bay Area real estate—personally and intimately. If we wanted to lend in distant markets, we would have to rely on reports and economic analysis from others. And written research, no matter how thorough, is never as meaningful as first-hand experience. Here, we can more accurately evaluate the impact of changing economic conditions.

Second, by limiting our loans to Northern California, we are able to visit every property that serves as security for our loans. Once an independent appraiser has completed his work, a member of our underwriting committee looks at both the property and the comparables used. This hands-on approach has increased our batting average.

USING DIVERSIFICATION TO MINIMIZE RISK

Another important component of our strategy is to rely on broad diversification to minimize risk. Unlike an individual trust deed investment, in our mortgage pools investors spread their risk over a wide range of loans secured by a diversified portfolio of mostly owner-occupied, residential properties.

Additional benefits are achieved by our policy of extending loans to a full spectrum of homebuyers employed in a mix of industries, balancing loans among first and junior trust deeds, and keeping the average loan size to less than one percent of a portfolio's assets.

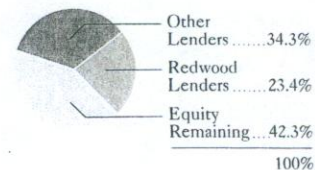
This combination of local knowledge, wide diversification, and protective equity results in an investment program that delivers high returns with safety.



A high percentage of our loans are made within a 40 mile radius of our offices in Redwood City.

PROTECTIVE EQUITY

Borrowers initially hold an average equity interest of more than 42 percent in the properties in our pools. This “protective equity” adds another measure of safety for our investors.*



*Calculated at the time of loan origination.

Our loans have not only helped homebuyers, they have provided entrepreneurs the capital they need to start or expand businesses. Home equity loans are one of the leading sources of funds for the creation of new jobs in California and the nation. The Redwood Group is proud to have played a role in improving the business climate in the Bay Area.

By borrowing against this Menlo Park home, the owner financed the expansion of a local small business.

The table is oriented horizontally and contains several columns and rows of data. The text is so faded that it is completely illegible. Only faint vertical lines suggesting column boundaries and a horizontal line suggesting a row boundary are visible.

Rod Handeland
2415 Octavia St.
San Francisco, CA 94109
415-929-8617, rpihand@pacbell.net

April 8, 2009

Mr. Thomas Burwell
Redwood Mortgage Corp.
900 Veterans Blvd, Suite 500
Redwood City CA 94063

RE: 1269 Lombard Street

Dear Tom:

As the owners of the adjacent residences at 1263-67 Lombard, we are writing in support of your plans to construct a home in front of the 1269 Lombard Street property and a smaller home at the rear of the property.

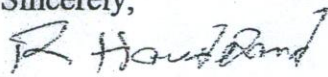
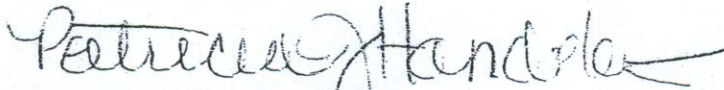
Following our extensive discussions with you and reviews of the plan, we have come to understand what you are proposing. You and your design team have been responsive, and we appreciate some of the changes you have made to protect west wall light and air on our property. Your willingness to work cooperatively with us during the construction in ways that do not add to our expense is also appreciated.

We would prefer to see a front building on your lot, instead of open space and stairs. A building with proper foundations at the front of your lot would result in our building being more stable and secure. Maximizing open space on your lot between the proposed buildings rather than at front or back of your property is also more consistent with other lots on the hill.

After all the long years of delay under previous owners that have left 1269 Lombard as a neighborhood eyesore, we would welcome construction completed as you propose, in a safe and tasteful manner that does not entail risk, threat or cost to our property.

Best wishes as the project progresses.

Sincerely,

Rod and Patricia Handeland

Tim Kasta
1271 Lombard Street
San Francisco CA 94109

July 29, 2009

Planning Commission
City and County of San Francisco
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Re: 1269 Lombard Street

Dear Planning Commissioners:

I own and reside in the condominium unit located at 1271 Lombard Street, which is immediately adjacent to 1269 Lombard Street.

I have reviewed the plans and had many conversations with the owner about the proposed demolition and construction work on this property. I support the project. It is well-designed and blends in with the surrounding homes. The previous owner abandoned work on the property leaving a large and unsightly excavated site. We are looking forward to work on the site finally being completed and the property restored to a residential character.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Kasta', written over a horizontal line.

Tim Kasta

Allan Henning
1275 Lombard Street
San Francisco CA 94109

06/11/2010

Planning Commission
City and County of San Francisco
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Re: 1269 Lombard Street

Dear Planning Commissioners:

I am the owner of 1275 Lombard and reside in the condominium unit located at 1275 Lombard Street, which is immediately adjacent to the rear of the lot known as 1269 Lombard Street.

I have reviewed the plans, and have listened to Planning Commission tapes of the hearing of April 8, 2010. It seems there are many more people, both in the immediate neighborhood and on the entire hill, who are in favor of the project than those opposed. I very much like the proposed project as long as it continues to be a plan that does not block any of my views or windows.

It seems with the majority of the neighbors in support, the immediate homeowners in support, and with the new owners of the project willing to improve this property, especially on such a well traveled street that it would make sense to move forward with the plan that has gone through planning department, that does work, is attractive and solves the current problem.

I also feel it will enhance the immediate area and remove the current blight.

Sincerely,

Allan Henning

