Letter of Determination

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

March 7, 2016

Reception: 415.558.6378

Joan Earhart Home Street Bank - SBA Lending Southern Region 4400 MacArthur Blvd., Suite 500 Newport Beach, CA 92660

Fax: 415.558.6409

190 7th Street, Unit 4

Planning

Information: 415.558.6377

Site Address:

Assessor's Block/Lot:

3727/188

Zoning District:

WSOMA Mixed Use - General District

Staff Contact:

Jonathan DiSalvo, (415) 575-9182 or jonathan.disalvo@sfgov.org

Record No.:

2015-018348ZAD

Dear Ms. Earhart:

This letter is in response to your request for a Letter of Determination regarding the property at 190 7th Street. This parcel is located in the WSOMA Mixed Use-General (WMUG) Zoning District and 55-X Height and Bulk District. The request is whether an office use (d.b.a. San Francisco Box Office), proposed on the first and second floors of an existing three-story Live/Work unit (Unit 4), would be in compliance with the San Francisco Planning Code. The office use, as proposed, would occupy the entirety of the first floor as well as at least 262 square feet of the second floor. The owner of the subject office use proposes to utilize the entirety of the third floor (266 square feet) as their residence.

On February 24, 1998, Building Permit Application No. 9714756 was approved by the Planning Department to construct the 14 Live/Work units, subject to the restrictions and conditions of approval as detailed in Notice of Special Restrictions (NSR) No. G310250. In regard to the allowed non-residential uses within the subject live/work units, NSR No. G310250 limited non-residential uses to those activities which were principal or conditionally permitted uses in the Service/Light Industrial/Residential (SLR) Zoning District. The Zoning District applicable to the subject property at 190 7th Street has since been changed to the WMUG Zoning District. It has been determined that any non-residential work activities conducted at the subject site would have to be a principal or conditionally permitted use in the WMUG District, or qualify as a legal "nonconforming use" as defined in Planning Code Section 180.

From the description of San Francisco Box Office provided in your request and from additional correspondence with Ms. Earhart, the proposed commercial use would conduct the sale of event tickets, in bulk, to individual retailers who would then sell the tickets to the general public. It is determined the proposed commercial use would be categorized as an Office Use (890.70), rather than a Wholesale Sales Use (890.54), for the reason that the definition of Office Uses in Planning Code Section 890.70 encompasses electronic commerce uses. An Office Use (890.70) is not a permitted use in the WMUG Zoning District; thus, the proposed Office Use at 190 7th Street, Unit 4 would not be in compliance with the Planning Code.

APPEAL: If you believe this determination represents an error in interpretation of the Planning Code or abuse in discretion by the Zoning Administrator, an appeal may be filed with the Board of Appeals within 15 days of the date of this letter. For information regarding the appeals process, please contact the Board of Appeals located at 1650 Mission Street, Room 304, San Francisco, or call (415) 575-6880.

Sincerely,

Scott F. Sanchez

Zoning Administrator

cc: Jonathan DiSalvo, Planner

Property Owner

Neighborhood Groups

BBN Requestor (if any)

[HomeStreet] Bank

December 22, 2015

R#2015-018348ZAD CK#6020000743 \$645.-J. BANALES (SE)

Mr. Scott Sanchez **Zoning Administrator** San Francisco Planning Department 1650 Mission Street, 4th Floor, Suite 400 San Francisco, CA 94103

Re: Request for Letter of Determination 190 7th Street, Unit 4, San Francisco, CA (3727/188)

Dear Mr. Sanchez,

HomeStreet Bank has been asked to provide financing for the above referenced property, using the U.S. Small Business Administration loan program. One of the requirements of this program is that the property must be at least 51% occupied by the borrower's business.

The property is in an area previously designated as a live/work space, although it appears some zoning changes have taken place. However, according to discussions between city planners and myself, as well as the appraisers who completed the valuation assignment for the bank, it is still a permissible use.

Adam O'Brien is the owner of San Francisco Box Office, and he intends to both live and work in the property. The gross square footage of the property is 1,882 and the net square footage is 1731. Per our appraisal, the breakdown of the net space per floor is as follows:

1 st Floor	621
2 nd Floor	844
3 rd Floor	266
Total	1731

The planning department staff contacted by the appraisers explained that the subject property is improved as a live/work loft, which is reported by city planners to be of legal, nonconforming use under the current WMUG zoning designation. Under the zoning code, office use is allowed on the ground-floor portion of the unit only. However, discussions with planners indicate that the City Planning Department would likely be flexible in terms of the proportion of the unit allocated as workspace, as long as the unit is also occupied as a residence. The property owner intends to use the ground floor and a portion of the 2nd floor as an office, with the remainder as a residence. This is assumed to be allowed under the current zoning, according to the appraisal report received.

Since the ability to occupy 51% for business use is a mandatory condition of SBA real estate financing, we are requesting a Letter of Determination to confirm that the borrower is allowed to occupy the property in this manner. To meet this requirement, the property owner will occupy all of the 1st floor and at least 262 square feet or 31% of the net space on the 2nd floor. The balance of the 2nd floor and Mr. Scott Sanchez Zoning Administrator December 22, 2015

the entire 3rd floor/loft will be used as his residence. We have included the required fee of \$645.00 for a Letter of Determination.

Please confirm that the property owner will be allowed to occupy the property as outlined above by providing a Letter of Determination concurring with the use of a portion of the 2nd floor as office space.

Attached for your reference is the condo map layout from our appraisal that may be helpful. As time is of the essence in meeting the funding deadline, any way to expedite this request would be greatly appreciated. If having the full appraisal would be of assistance, please let me know.

Thank you for your time and assistance with this matter. Should you have any questions or need additional information, please call me at 949-383-2022 or e-mail me at joan.earhart@homestreet.com.

Best Regards,

Jown K. Earhart

Senior Vice President

SBA Southern Region Manager

CH No 4705 2

